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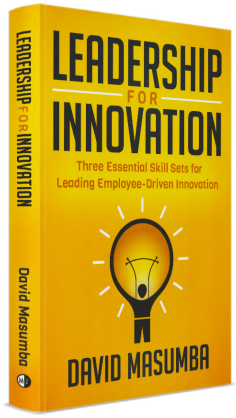
Leadership for Innovation

Three Essential Skill Sets for Leading Employee-Driven Innovation



by **David Masumba**

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THE SUMMARY IN BRIEF

Not long ago, innovation in organizations was perceived as the responsibility of specific functional units and professionals. That's no longer the case. Study after study has revealed that many organizations now view innovation as everyone's job, from senior leadership to the most junior employee. So what skill sets should senior executives, managers, and supervisors possess to lead and effectively systemize innovation across all functional units of the organization?

David Masumba, in ***Leadership for Innovation***, draws from his many years of experience as an international consultant and from the body of research to guide us through steps to more innovative leadership practices. Masumba suggests three categories of innovation skill sets that are essential for leading employee-driven innovation: innovative thinking skills, innovation engagement skills, and innovation management skills. The culture of innovation does not occur naturally; it occurs only if a climate for innovation is created. Innovation is everybody's business.

IN THIS SUMMARY, YOU WILL LEARN:

- The importance of making innovation systemic in your company.
- To consider innovation as a criterion in hiring.
- Principles to carry the innovation message to all levels of the organization.
- How good questioning can reveal the next layer of innovation.

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Innovative Thinking Skills

The conventional approach to innovation in organizations has been that innovation is the responsibility of specific functional units and professionals, yet studies have revealed in many cases, functional units responsible for innovation struggle to meet the organization's demands for innovation. Further, most innovative companies—such as Apple, Amazon, Google, Tesla, Microsoft, IBM, GE, 3M, Netflix, Samsung Group, Toyota, and Uber—require multiple pipelines to satisfy their innovation and growth demands. Also, innovative companies are usually at risk of losing their top creative talent.

This book defines leadership for innovation as leadership provided by individuals who possess particular creative skill sets and the ability to execute those skill sets to build a culture of innovation in which ***every employee*** across the organization is involved in driving innovation.

Innovative performance can be defined as an expression of innovative thinking skills and abilities in response to a need or problem in the particular context of an organization's functional activity.

Understanding Innovative Thinking Skills

A senior executive at IBM contributed to building a Life Sciences Unit at the company. Anne Robertson (*name changed) was in charge of a unit she had built from scratch to its current status of over two thousand employees. Robertson learned that her mother had developed complications during a health treatment when she reacted adversely to a particular medication. Although Anne's mother's records were updated to warn doctors not to repeat the treatment, just three days later, another doctor missed that warning and gave her the very same medicine. Robertson was shocked when she found out how common and widespread the problem was in US hospitals. According to reports, more than one hundred thousand people die every year in US hospitals because of medical errors such as incorrect medication, incorrect dosage, inefficient diagnostics, duplicated procedures, operations on the wrong side of the body, and so forth, and the problem has been going on for many years. Robertson started thinking about how IBM could solve the problem in an innovative way or in a way not seen on the market before. Today, IBM's Life Sciences Unit manufactures and supplies IT systems that are helping hospitals manage their patient data more effectively.

Anne's story illustrates the innovative thinking process. She could identify problems, needs, and challenges. Her thinking allowed her to turn the problems and needs into a creative opportunity by generating solutions not seen on the market before.

Approaches to Development

What are the characteristics of innovative people? Opinions would usually range from innovative thinking being an inborn attribute to it being an attainable ability. Everyone has the potential to develop innovative thinking skills.

The power of imagination links associations and connections between unrelated things to generate ideas to solve a problem. With this understanding, leaders can urge workforces to be regularly engaged in the practice of interlacing and intertwining ideas from different areas or fields to solve a particular problem. Many inventions and innovations have been developed by connecting ideas from very different fields to solve a problem. For instance, ideas that were developed for computers have been used in cell phones. Products that were meant to solve a particular issue have serendipitously solved other problems.

Innovators As Leaders

Followers learn through emulation or imitation. Organizational leaders have to be seen contributing to the generation of innovative ideas and not just evangelizing innovation to their followers. Albert Schweitzer was a French-German theologian who died while serving as a missionary in the West-Central African country of Gabon at the age of ninety in 1965. Schweitzer repeatedly said, "Example is not the main thing in influencing others. It is the only thing." This quotation underscores why leadership role modeling is such a vital aspect when leading people.

Studies have revealed that one of the reasons why many innovative companies have been successful at innovation-led growth over a long period is because these companies—such as Alphabet, Apple, Amazon, Tesla, Microsoft, and GE—are driven by innovative leaders who have a strong passion for creative approaches and also have strong innovative thinking abilities. Such a reputation is a magnet for the attraction and retention of innovation talent who, in most cases, want to join a company or stick around longer so that they can learn unique skills on how to lead innovative companies from their leaders.

Innovative Engagement Skills

This innovation skill set involves the application of skills and abilities by organizational leaders to create and im-

plement organization-wide innovation-support initiatives aimed at specifically engaging and instilling innovation in the hearts and minds of workforces.

Communicating Innovative Engagement

Innovative leaders understand the need for communicating innovation throughout the organization. Information and inspiration are both necessary. Innovative leaders look for ways to relate to every type of audience.

Compare the speeches by two former US presidents, Bill Clinton and Barack Obama, at the Democratic National Convention in 2012. These two leaders delivered their speeches on different days; both were great speeches, but they had different styles. What is interesting about the speeches is how the two leaders rallied the huge audience at the venue and the viewers across the US to reelect President Obama. In his speech, Clinton made a case for President Obama by constantly quoting qualitative and quantitative data on what President Obama had achieved during his first four-year term. In his speech, he emphasized data about the economy using an informative style. In contrast, President Obama made the case for his reelection through the constant use of motivational catchphrases such as hope, change, aspirations, opportunity for all, the American dream, and the unwavering character of Americans.

Motivating Innovation

Many organizations will include or display on a poster a phrase such as "Innovation is our core value," yet the majority of the leadership and the workforces do not even understand what innovation means in the context of the company's nature of business.

Workforces should be able to form pictures or images from the company's motivational messages. You should ensure that employees can create visual images from the creativity-motivating slogans. A study in Switzerland showed high productivity in managers who used a lot of visual illustration techniques to communicate various organizational activities to workforces compared with managers who did not use visual methods.

Motivation is not the same for everyone. Record the CEO's innovation statements in video and audio formats. Introduce an innovation newsletter. Establish an "Innovation Day" where various activities are conducted as a way of indicating to workforces the importance that the company attaches to innovation performance. Arrange visitations or internships for staff to highly innovative companies. Each of these serves as motivators across the organization.

Building a Culture of Innovation

By its nature, a culture of innovation is not easy to create in an organization. Leadership must broaden the perception of the idea within the organization. Innovation is a process that involves identifying a problem or need, generating a new approach that has not been seen on the market before, turning the idea into a solution to address the identified need, and then converting the solution into monetary value. This goes beyond new products. Marketing, customer service, and finance are just a few of the departments that will be impacted.

Companies that develop a culture of innovation find that an innovation in one department can impact another. One of PepsiCo's plants developed a cost-saving process that involved collecting the rising steam from cookers using a new device that transformed the potato vapors back into water. That water was then used for cleaning equipment, washing potatoes, and irrigating lawns and shrubs. This process innovation saved the company about $1 million annually.

Innovative Management Skills

In a nutshell, innovation management skills involve creating and implementing organization-wide innovation-support systems, such as innovation-support strategies, innovation policies, innovation procedures, innovation plans, innovation-development processes, and workforce innovation skill-development programs.

Planning for Innovation

Innovation-oriented planning is a process that involves creating formats for organizing and implementing the innovation-related functional activities required to achieve desired functional innovation goals that ultimately contribute to overall corporate innovation goals.

Great innovators have also been referred to as great visionaries. Envisioning is the ability to understand, predict, or picture key aspects of market (local or global) trends or patterns that affect the organization's business trends.

At Procter & Gamble, innovation is seen as the cornerstone to develop the best possible products for consumers everywhere. Alan George Lafley ingrained innovation as a core practice and business strategy across all functional units and divisions. Lafley relates, "The problem at P&G in 2000 was not that we weren't inventive. The problem with us was that we weren't turning that invention into innovation that

created customers that benefitted customers, that created value for customers or a better experience for customers, and that's all I wanted to do." Lafley continued, "So, P&G innovations have become so successful and a part of people's daily lives, because the company innovates its brands with the customer in mind 100 percent of the time.

Innovation Performance Job Descriptions

One example of innovation management skills is the ability to create and implement innovation-performance job descriptions and job specifications. Larry Page and Serge Brin, founders of Google, continue to influence innovation across all structures of the company.

To ensure that innovation was enshrined and sustained as a culture, from the very beginning, Page and Brin initiated policies that were aimed at creating conditions that would continually advance and sustain innovation across Google. For instance, they had to hire proven corporate leaders with innovative abilities to ensure a radiant effect on the rest of the workforce. Google has a recruitment mechanism called "Spot the Innovators," which the company uses to look for people with a track record of innovation.

Innovation Challenge Questions

Innovation-challenge questions are pinpointing exploratory questions formulated to reveal specific organizational or community problems/needs or business opportunities requiring innovative solutions. In the context of innovation, questioning could be interpreted as a mental activity that involves showing curiosity, examining, and asking questions to explore an issue.

Simple questions that challenge standard practices by asking "Why?" or "Why not?" or "What if?" may lead to an organization's next breakthrough.

After arriving at Estée Lauder as the new CEO, Fabrizio Freda played the outsider. He spent six months on a "listening tour," zigzagging across Lauder's worldwide operations in 140 countries. In a statement to the media, Freda said he uses the power of listening to generate innovative ideas. "I strongly believe in the power of listening," says Freda. Listening, he says, helps him connect the dots. "The way my thinking and creativity goes is listening, connecting, and creating," Freda's curiosity and well-posed questions gave him insight across the company.

Formulating Innovation Goals

Goal setting is one of the most common and vital organizational practices. It is equally as critical when it comes to scaling innovation performance across functional units. Setting goals for functional-unit innovation contributes to inciting and motivating workforces to generate innovative ideas, and in turn, these ideas fuel the advancement of innovation across the organization.

Jeff Bezos, who won the Economist magazine's Innovation Award, has instilled a culture of innovation in his executives and employees across all functional units of Amazon. Leading by example in championing innovative thinking skills, Bezos ensures that every manager possesses creative thinking abilities, and he routinely checks innovation goals for his managers.

Making innovation systemic means that the top leadership of an organization must ensure that each functional unit plays a key role within the context of its operational activities to develop strategies and initiatives that lead to the continual flow of diverse, innovative ideas, ultimately resulting in growth in terms of product offerings, revenue, and market share. Innovation is everybody's business. Engaging and instilling innovation in the hearts and minds of workforces starts with the leaders.

Based in Walnut Creek, California, David Masumba is a workforce innovation trainer-consultant and author. David is the inventor of the upcoming simple kitchen device; the CT Holder. He is the Founder of Innovation Strategy Lab, an innovation training & consulting firm. David has more than 10 years of experience focusing on workforce innovation, also, referred to as employee-driven innovation.

Leadership for Innovation: Three Essential Skill Sets for Leading Employee-Driven Innovation By David Masumba © 2020 David Masumba. Summarized by permission of the publisher, Morgan James Publishing. 314 pages, ISBN 978-1642792539 Summary copyright © 2019 by Soundview Book Summaries®

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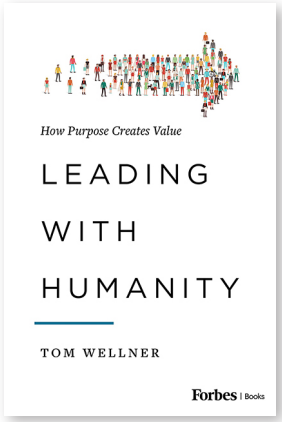
Leading with Humanity

How Purpose Creates Value



by **Tom Wellner**

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THE SUMMARY IN BRIEF

Change happens, adversity in business is inevitable, and a leader's decisions always have human consequences. So, when a crisis knocks at your organization's door, the only question worth asking is, "Are the decisions you take as a leader human-focused?"

The book ***Leading with Humanity: How Purpose Creates Value*** unlocks precious ideas, innovative approaches, and actionable methods for leaders to lead their organizations through difficult times. It serves as a roadmap to building cultures that enable people to excel and organizations to succeed.

By putting his colorful personal experiences on the table, author Tom Wellner shows us how to strike the right balance between purpose and profit, adapt to change through innovation, and take a human-first approach toward our organizations' success.

IN THIS SUMMARY, YOU WILL LEARN:

- How to leverage courageous curiosity to foster innovation.
- How to adapt to change through innovation.
- How to establish the equilibrium between purpose and profit.
- To achieve excellence by building cultures of respect, integrity, and compassion.

Introduction: Be Good and Do Right

Building a resilient, agile, purpose-driven culture where people want to accomplish good things for others, even when no one is looking, starts with us, at whatever level we provide leadership. Accomplishing these demands doesn't mean changing our natural curiosity. It means making sure that the culture we develop at work reflects the best parts of who we are and where we come from. When the companies we lead need to change to remain competitive, it doesn't have to come at the expense of our humanity.

This book is about leadership and life, and it tries to offer ways to balance what can seem to be competing demands. It shows us how to:

- Foster individual, inquisitive minds and still interact with and learn from others.
- Learn to retain the best from the past and still remain relevant for the future.
- Apply inquisitive thinking and original problem-solving to face a crisis when it arrives and avoid the next crisis by planning for the future we can't see yet.

I hope that by the time you reach the end of this book, you will agree that we can create work cultures where we respect the people we serve and still attain sustainable economic results.

Chapter 1: Stay Strong, Stay Focused: Leading through Adversity

Acting with resilience when adversity arises will require individuals to dig deep within themselves, but they have a better opportunity to overcome difficult circumstances when their organizations consistently foster cultures of agility, innovation, transparent communication, and team member empowerment. Smart companies invest in good risk management strategies, and such traits can become focal points of that development.

As leaders we hope we will never have to put these strategies to use, but as we all know a Black Swan event like a global pandemic can very quickly help put these strategies into action. The best way to apply our learnings in times of crisis is to have insatiable knowledge appetites and open minds. As leaders, we must create cultures where the desire to apply learnings becomes locked into the culture's DNA.

Part 1: An Insatiable Mind: Leveraging Courageous Curiosity to Foster Innovation

Chapter 2: Say Hello: Discovering the Entrepreneurial Path

I don't know if it's possible for someone to be born an entrepreneurial-minded businessperson or if it is a learned orientation. What I do know is that I was fortunate enough to be born into a great environment for learning about the entrepreneurial spirit. Throughout my life, I had several mentors who proved inspirational and who helped shape my thinking.

The premium I place on education and lifelong learning has been a critical part of my leadership, not only in continuous self-education but also in making certain we offer programs for our employees to expand their knowledge formally and by ensuring we create environments where learning is supported and reinforced. Organizations must define their values by three pillars – lead self, lead others, and lead functions.

As a leader, have you created a culture that supports an entrepreneurial spirit? Ask yourself, "Does my organization have a systematic framework for guiding employee education specific to their responsibilities?" "Is there a formalized mentoring program in place?" "Do we create mechanisms for interaction between team members who work directly with our customers and those who do not have customer-facing responsibilities?" "Does my organization have a means in place to support candidate interaction between frontline workers and senior managers?"

Chapter 3: Love What You Are Doing: Finding Creativity in Curiosity

As much as we should value the curiosity that drives learning, curiosity needs a purpose. Facts may be interesting, and research may be rewarding, but if the learning we do is not focused on pragmatic solutions for an identifiable problem, then it is not going to result in any meaningful change or new opportunities. A big part of applying creative thinking is learning how to frame problems and how you view them. We have to balance the visionary with the practical. Doing so starts by genuinely loving what you are doing.

Create a culture where insatiable curiosity is celebrated. When we create an atmosphere where leaders are not afraid to show that they still have things to learn, then the natural consequence is for team members to be willing to

learn what they don't know. Being comfortable admitting our vulnerabilities is critical to transforming our enterprises because the very idea of innovation requires a culture that supports risk-taking.

If curiosity drives the desire to learn and learning determines the ability to grow, together these forces foster a climate where creativity can thrive.

Chapter 4: Buy the Barn: Thinking in New Ways

The path toward innovation requires the creative ability to think in new patterns. A central part of what we associate with entrepreneurs is new thinking. Successful leaders and entrepreneurs see new markets and new customer demands before they emerge. That usually means that new thinking is uncomfortable. But if we can embrace some uncomfortable thinking, we might just discover some ingenious approaches to seizing new opportunities. Ask the following questions to create a culture that inspires ingenuity:

- How do you encourage uncomfortable thinking in your organization?
- Have you created an environment that supports risk-taking?
- In meetings at all levels, do you have a system in place that encourages a specific period for open discussion of new ideas? How do you then move that discussion to specific actions?
- Do you have systems in place to encourage and reward employees to explore new markets, new systems, and new products?

Chapter 5: Communicated with Clarity: Giving Voice to Collective Values

The best lessons and the newest ideas don't have a lot of value if we can't communicate what we've learned. Communication that demonstrates how an organization is applying past lessons to future actions is required internally and externally in equal measures and with consistent clarity.

If our leaders don't reflect our corporate values, we are doomed before we start. Everyone will take their cue from authentic leaders, and they'll know the difference. From there, we need to build inclusive communication styles from a bottom-up perspective rather than from a top-down one, and we need to build silo-free platforms to encourage information exchange. Only by seeing from perspectives different from our own, can we begin to see the bigger picture.

Part 2: The Innovative Agenda: Adapting through Invention

Chapter 6: Empower and Invest: Cultivating the Desire to Innovate

At its heart, innovation is about change. Change is part of human nature. Because people change, the cultures they create change. And because culture changes, the things people want and need change, so markets change. To stay relevant in business, we've always got to be remaking ourselves to adapt to these new demands. If we are not innovative in our problem-solving, we get left behind.

The only way to adapt to change is to create a culture that invests in innovation. Be aware of examples of innovations or entrepreneurial thinking that are already going on in your business. Catalog innovative practices your team members have quietly put in place. Incentivize the would-be problem-solvers in your enterprise. Create a dedicated team that would be focused on introducing innovation into your company. Have people in place who are experienced in evaluating the adoption of new technologies. Finally, invest in people who have the skills and expertise to guide your enterprise through change.

Chapter 7: Do What You Do Best: Identifying Abilities and Leveraging Partnerships

You can't invest in innovation unless you already know what you do well. One of the important abilities a leader can bring to a business is to provide a comprehensive assessment of the company's breadth and identify its strengths and weaknesses. We also have to think like outsiders. We have to be as objective as possible.

Think of an organization as an organism with a lifespan. To lengthen that lifespan, an organization (like an organism) must adapt and change. Because potential partners have specific expertise, multiple partnerships can make us nimbler. Truly partnering with others who bring new strengths, new knowledge, and new assets to our organizations can go far beyond solving immediate problems.

Whether we're investing in rising leaders within our organizations or acquiring another enterprise that can help us fulfill our mission, we have to undertake an honest and transparent exploration to identify what we do best and where we need help. Then bringing along young, promising talent, turning to experts in narrow but applicable fields, and identifying partnerships that enhance what we already

excel at will help us create a true competitive advantage and build something permanent that can continue to grow.

Chapter 8: Act on Principles: Celebrating the Ageless Spirit through Applied Innovation, a Case Study

Of course, we will all be old one day. How would you want to be treated then? I'm guessing that how you wish to be treated one day in your future isn't different from how you want to be treated now. We live in a time of tremendous social change, one where people all around the world reject prejudicial behaviors. It is beyond time that this call for equity and social justice extends to seniors. Today, we can no longer see older people as irrelevant or dismiss them as having passed the time of their lives when they were vital to the larger cultural exchange.

The simple act of spending time with someone from a different generation is a powerful way to keep prejudice from forming, especially when you're young, which is exactly when most of our prejudices are formed. This can be educational at the same time it forges inter-generational relationships, as is the case in a partnership initiative formed between Revera, Inc., a leading owner, developer, investor and asset manager in the senior living sector, and Reel Youth, a Vancouver nonprofit that helps young Canadians tell stories through film. With the Age Is More Film Project, we have paired students with seniors in our retirement communities and have produced more than 280 short films that celebrate older Canadians and bring together what used to be the two solitudes of young and old.

Part 3: Humans Serving Humans: Realizing Excellence by Developing Cultures of Respect, Integrity, and Compassion

Chapter 9: Craft a Culture: Creating the Workplace That Would Make Our Parents Proud

Any organization is bettered when it takes advantage of the collective wisdom of its members. For me, central to creating an effective culture is to try to achieve one that is as non-hierarchical as possible, one that fosters a spirit of openness where people feel safe and comfortable and have confidence that they can ask questions and share ideas. I want a workplace where it is acceptable, even desirable, to ask your boss legitimate, tough questions.

The delicate balancing act is making sure that employees knowingly believe they are heard and supported while also creating an environment where everyone understands that decisions have to be made and then all must align with such decisions.

Because cultures typically take on the attributes of their leaders, as any quick survey of world history will remind you, the culture you desire is usually the one you'll get. Determine the three cultural attributes you want your business to actively reflect. Find out what personal behaviors are part of your own day-to-day interactions that you'd like to see others in your organization emulate. Finally, determine the type of mechanisms that are needed to make sure your people have the chance to have their ideas shared.

Chapter 10: Strive for Excellence: Achieving Perfection Is Impossible but Worth Attempting

Too often, people mistake attempting to achieve excellence with an expectation of perfection. While attempting perfection is a worthy goal, it is impossible to attain. Don't lower your standards, but accept that in the search for excellence, you're going to make mistakes.

Inculcate the ability to differentiate excellence from perfection in your culture. Start by transforming people's definition of failure. I'm not suggesting that we want to aspire to failure, but if you are taking risks, even calculated ones, occasional failure is inevitable.

Then eradicate blame culture while maintaining accountability. Your company will never be successful if it employs a blame culture. Instead, invest in those who own up to an error when they make it and who then get busy fixing the problem. Remember, good leaders always invite scrutiny, reflection, and discussion on how to avoid repeating mistakes.

When we create cultures of open communication and supported collaboration, people learn not to take things personally and work collectively. And the stronger the collective ownership of a project or strategy, the more colleagues will hold one another accountable. Lastly, remember that people are motivated by improving themselves, by improving the lives of others, and by contributing to lasting change. If we lead organizations that share those values, then our people will want to be part of moving the organization in a positive direction.

Chapter 11: Establish Equilibrium: Exceeding Expectations while Maintaining the Mission

At its core, a leader's role is to reduce risks and identify op-

portunities, which then enables us to be excellent allocators of financial and human capital. Too much focus on one aspect of the business and another suffers. To be successful as a leader, achieving equilibrium on multiple fronts is key. Maintaining equilibrium in a wide variety of responsibilities is both a skill a leader has to learn and a strategy for guiding our companies forward. The three central ideas of establishing equilibrium between profit and purpose include:

- Never lose sight of natural inquisitiveness and embrace courageous curiosity in learning new things about your business and the larger world.
- Apply innovation to find new solutions in order to take your business in new directions that are fitting for its strengths, consistent with its mission, and necessary for market demands
- Invest energy in cultivating a productive, desirable, respectful culture without your business that allows flexibility while creating stability.

The path to achieving each of these three elements is found in following our human instincts to do the right thing. Lean too exclusively toward purpose, and we may no longer have a sustainable business venture; lean too far toward profit, and we'll likely have a business that's not worth sustaining because it is morally corrupt. Some principles of applied equilibrium to employ during a time of crisis include:

- Balancing timeliness and informed decisions
- Balancing personal vision and an informed view
- Balancing getting it right and getting it done
- Balancing resources
- Balancing communication flow
- Balancing investment risk and reward
- Balancing growth and dividends
- Balancing innovation and infrastructure
- Balancing IQ (Intelligence Quotient) and EQ (Emotional Quotient)

Conclusion: Create Change by Making a Difference

It shouldn't take a pandemic to make us human. It shouldn't take observing courage and resiliency in the face of death to make us take stock of our values. It shouldn't take a crisis to remind a business about why it is in business in the first place.

The core principles I have outlined in this book have consistently guided my decisions and approaches throughout my career. If you're going to be able to create the kind of culture I've tried to illustrate within this book, it starts in one place: you must become comfortable in your own skin. You need to know who you are and know what you're good at while seeing where you need to learn.

No one ever suggested that guiding a company is easy. But the capacity you have to lead change in your company can also change lives for the better. That's a worthy goal. And remember, inside every challenge lies an opportunity.

For nearly 10 years, **Tom Wellner** has been the CEO of Revera Inc., a leading owner, developer, investor and asset manager in the senior living sector. Over his career, Tom has led with people and purpose at the centre of decision making, and he shares these philosophies and experiences in his first book Leading with Humanity: How Purpose Creates Value. He also contributed to the book Unprecedented: Canada's Top CEOs on Leadership During the Pandemic, sharing his experience at the helm of Canada's leading senior living organization during the pandemic in a frank and personal account.

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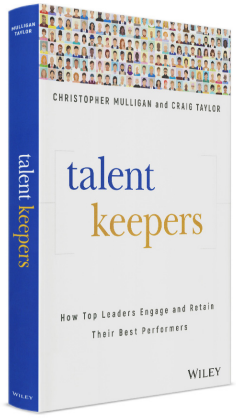
Talent Keepers

How Top Leaders Engage and Retain Their Best Performers



by **Christopher Mulligan and Craig Taylor**

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THE SUMMARY IN BRIEF

Attracting and keeping the best and the brightest is an ongoing challenge for any organization. In ***Talent Keepers,*** authors Christopher Mulligan and Craig R. Taylor—of the acclaimed TalentKeepers organization—explore the winning approaches that are designed to create the kind of engagement that produces perpetual positive energy, energizes others, and leads to commitment and loyalty.

Leaders who communicate well are the most important factor for implementing an effective engagement and retention strategy. Leaders can learn to hone their communication skills in order to create a healthy and engaging workplace culture. ***Talent Keepers*** also reveals how leaders can apply workplace data to improve engagement and retention, with results that will echo throughout the organization.

Without taking a one-size-fits-all approach, ***Talent Keepers*** offers proven suggestions, ideas, and strategies for forward-thinking leaders who want to create a vibrant workplace environment. It's s your guide for improving your staff's effectiveness from top to bottom.

IN THIS SUMMARY, YOU WILL LEARN:

- Why leaders are the single most important element in fostering engagement.
- The four drivers of employee engagement and how leaders can use them.
- Communication strategies for managing constant change.
- To create a culture of engagement and retention throughout the organization.

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Introduction: Energizing a Changing Workplace

These days, the workforce on which we depend changes rapidly. People leave their employers for new opportunities more frequently than ever before.

More and more often, organizations find themselves committing the time and resources to train a new employee, only to see him underperform or even depart before ever making a meaningful impact. Often, this leads to an underlying drain on the energy and commitment of an entire staff.

To succeed in this remarkably fluid new workplace, the best organizations must find ways to invigorate their staffs. That invigoration comes with a new focus on the importance of managers and the critical role they play in employee engagement and retention.

Engagement is that level an employee reaches when she is ultimately committed to the organization, the leader, and the tasks at hand. Engaged employees act like caffeine for an organization—a java-crew that can enliven people around them, inspire creativity, promote high performance, and delight customers. You already know that, and most executives agree with you.

It's no surprise that, today, 82 percent of all organizations make engagement a strategic priority, with over one-third of them ranking it among their top talent initiatives.

Act on the Data

More organizations are finding ways to generate, analyze, and use data to guide talent-management practices. That's why, in 2016, employee surveys were the most popular and effective way of gathering relevant and actionable data on employee engagement. The problem is that too many leaders with access to this data never wind up doing anything with it.

In a major study that TalentKeepers undertook earlier this year that included over 30,000 employees, those employees who believed their leader took some action as a result of a survey were 11 percent more engaged on every index measured. The impact this has on business metrics can't be overstated.

Let's figure out how to make that happen for your organization.

Engaging Your Talent Is a Business Imperative

When it comes to keeping and engaging high-performing employees, it's no longer enough to leave the responsibility in the hands of the HR department. In truth, retention and engagement are business strategies with clear business outcomes. An engaged workforce positively impacts the customer experience, which improves employee/customer relationships, and, in turn, generates more revenue.

The effort to engage and retain talent must move out to the front lines. It must rest squarely in the hands of leaders like you. When leaders hold themselves accountable for energizing their most talented employees, every aspect of the organization improves.

So how do you keep and engage your best workers? It takes leaders with a well-honed skill in building a climate of engagement and retention—a climate that speaks to employees in a way that encourages them to get connected and do their best. This stance is not necessarily revolutionary, but the following strategies stand on 16 years of data compiled from thousands of companies of all backgrounds and goals and in any industry you can think of.

In this changing organizational climate, with high turnover as we transition from the baby boomer to the millennial generation, we are looking at a new and extremely valuable trend: Organizations that leverage their leaders to engage and retain employees achieve a significant advantage. When it comes to talent, this is the new market inefficiency. And this market inefficiency, like any others, offers plenty of opportunity for those who take action.

Introducing the Leader Engagement Index

One of the most effective strategies an organization can implement is to survey its employees on their opinions about their leaders. The Leader Engagement Index (LEI) is a composite of the data gathered from multiple behavioral questions presented to an organization's employees. The results are expressed as the percentage of team members who are currently engaged by their immediate leader.

Imagine being able to see how all leaders within your organization vary, from 100 to 0 percent, on LEI. Imagine the power of comparing the LEI score with team performance (almost always a strong positive correlation) as a way to demonstrate the value of leader engagement on performance. Organizations who successfully do this find that they have a new lever to pull to drive higher performance: the power of highly engaging leaders. Perhaps even more exciting is the ability to show leaders with lower LEI scores the exact behaviors they can modify to increase their LEI, and in turn, their team's performance.

There is nothing that an organization can change quicker, easier, and to greater results than how their leaders approach employee engagement.

How does it work? Every leader's employees receive a survey that asks them to rate their leader on statements like these:

- My supervisor wants me to be successful.
- My supervisor uses specific work examples while coaching me.
- My supervisor enables me to achieve the career and professional goals I have set.
- My supervisor is usually receptive regarding suggestions from employees.
- My supervisor communicates effectively.
- I am satisfied with the recognition I receive from my supervisor for my achievements.
- The feedback and coaching my supervisor provides helps me improve my performance.
- My supervisor is someone I can trust.

Once each employee has provided answers to the 22 statements similar to the eight listed above, the data gets compiled into a percentage. The higher the percentage, the higher the engagement; the lower the percentage, the lower the engagement.

The core principles that the index can instill in your leaders and the people they lead include being a trust builder, communicator, esteem builder, flexibility expert, developer and coach, high-performance builder, climate builder, generation manager, talent finder, and retention expert.

These principles all contribute to creating an environment in which employees see the value of their work and a connection between their success and the success of the organization.

What Engages People at Work?

Three important trends have emerged from the millions of answers TalentKeepers has compiled through surveys:

1. There are four key drivers of employee engagement: organizational factors, job/career satisfaction, co-worker relationships, and credible leadership.
2. Different generations tend to favor those four drivers in slightly different ways;
3. No matter what generation, organization, or industry we're talking about, quality of leadership is the absolute most controllable driver of employee engagement. There is nothing that an organization can change quicker, easier, and to greater results than how their leaders approach employee engagement.

Let's now discuss the four drivers of employee engagement.

Organizational factors. Organizational factors include perception of senior management, the organization's vision and mission, reputation, policies and procedures, culture, and environment. An engaged employee tends to make these kinds of statements about the organizational factors that contribute to her job: "The organization's vision, mission, and goals inspire me and help me to be more productive." "Senior management in my organization is open, honest, and transparent in communication." "Senior management is accessible and approachable when necessary."

Job/career satisfaction. The components of job/career satisfaction include clarity of job roles, job responsibilities, accountability for goals, opportunities to utilize skills, and chances for career growth. An engaged employee tends to make these kinds of statements about the job/career satisfaction measures that contribute to his job: "My decision-making authority is sufficient for me to perform my job effectively." "I receive the training needed to perform my job effectively." "This is a career that I love and believe in."

Co-worker relationships. Team-based relationships, including peer support and everyday work interactions, can make or break how satisfied an employee feels, while playing a key role in overall engagement. Here are a few examples of statements an engaged employee might make: "Most of my co-workers communicate effectively with me." "From most of my co-workers, I receive the support I need

to be able to succeed." "Most of my co-workers demonstrate interest and concern for my personal well-being."

Credible leadership. Here is where we can make the greatest difference as leaders of an organization. Credible leadership involves engagement of team members by immediate managers, including communication, trust, coaching, and recognition. Here is what a leader who effectively engages her employees looks like: "Tells the truth, meets commitments, and does what she says she will do; is someone an employee can trust; listens when an employee has suggestions on how to do things better; clearly communicates expectations and the reasons behind changing priorities," and so forth.

LEI correlates positively to all the factors listed in the four drivers model. A leader with a high LEI score can influence and shape an employee's perception of team building, career opportunity, self-esteem, sense of self-worth, safety, and on and on.

Leaders and Their Impact

Many people think of engagement as a light switch that we turn on or off. We often think of people as either engaged in their work or not. In reality, becoming engaged in one's work is a process we all go through.

TalentKeepers has developed an engagement continuum to describe the process of getting individuals engaged with their work. Let's talk about the three phases of that process: commit, engage, and excel.

Commit. Each of us makes a commitment to our job in various ways and to different degrees. We commit to a role, a leader, the team, and the organization when we see alignment between what we want to achieve from our work and what we perceive the opportunity will provide to us. Employers want people to make intellectual, emotional, and even behavioral commitments to, for example, perform to the best of our ability. This commitment begins during the recruiting process and evolves as an employee gains more experience. This is why it is so important for recruiters to provide a realistic job preview to potential employees.

Engage. Once we make that conscious or perhaps subliminal commitment, we begin to dig in and apply ourselves. At this point, we have the opportunity to become engaged in the work and bring that energy and discretionary effort to our role and the organization. As described above, the four drivers of engagement and retention play an important role here over time: credible leadership, supportive co-workers, job and career satisfaction, and a high-performing organization.

Excel: For many employees, engagement leads to sustained high performance over time, and people excel in their roles. Here is where all stakeholders—the employees, their leaders, and the organization—reap the rewards of discretionary effort in the form of higher performance in the areas of service, sales, productivity, safety, and so on.

How do we get there? As the continuum suggests, it starts with commitment. Engaging your leaders to increase the commitment from their teams is a matter of communication. Trust is also a building block in fostering commitment. Getting leaders and employees to connect and commit to each other, their roles, and the organization is imperative for building engaged, loyal, and productive team members.

The next phase of the continuum, engage, calls for ensuring that all the four drivers of engagement and retention are working effectively for your employees. The final phase, excel, leads to a continuation of the development of an engaged culture. By this point, leaders are focused specifically on areas of engagement and are empowered to enhance interactions and performance with team members.

Because organizations are constantly changing, let's now discuss strategies, tactics, and pitfalls for successfully maintaining a highly engaged culture in an ever-changing environment.

Communication: The Lubricant of Change

New products. New marketing strategies. New sales goals. New policies. How often do these kinds of changes emerge in your organization? If yours is like just about every other organization on the planet, the answer is "constantly."

Almost across the board, the difference between high-performing organizations and everyone else is that the former's leadership structure—from top to bottom—is equipped to foster, manage, and communicate the reasons for that change, details of the change, the benefit of the changes to the organization, and how the change will affect employees.

Blaming Up

"I don't know why they won't let me buy you pizza anymore," a front-line manager would tell an employee who complained about the cutbacks. "And I can tell you one thing for sure: If I were running this store, the last thing

I would have cut was the coffee. I mean, how much can coffee possibly cost, anyway?"

It's a natural human reaction to deflect blame. It's also an all-too-natural response for managers to deflect that blame upward. The message that management often delivers is that they don't understand the changes and definitely don't agree with them. When a miscommunication like this occurs, people become distrustful of senior management, resistant to inevitable change, and slow to adopt new processes or procedures.

Think about it from the front-line employee's perspective. If he or she hears from his or her boss, "I don't know what management is thinking," then the message isn't only about disagreement, it's about how "my boss isn't on board about this decision, and in fact, he may be skeptical that this is the right decision in the first place." For front-line employees, what exactly is their incentive to work hard on this new initiative or make the change management is asking them to make? Why should they jump in with both feet if this might not even be the direction the organization goes long term?

What to Do: Sharing Down

Your greatest ally to reverse blaming up and strengthening your culture is increased communication. This is called "sharing down." In any culture, communication is the lubricant for effecting change, and silence is the friction.

First, whenever possible, providing advance notice to all levels of leadership about an upcoming announcement, policy change, new goal, and so on is important. This gives them time to personally react to the change before they think about how their teams will react.

Second, management must give leaders the right talking points to share about the reasons for this decision. It's not enough to say, "We have to make this change" to survive, thrive, or whatever the message happens to be. Your leaders must know the business drivers that you're hoping to influence with this decision. They need to know what alternative strategies management considered before arriving at this decision. And they need to know every element of why this decision will benefit the organization. Then, leaders must use these talking points when they address their teams.

The third tactic is to give leaders an upward feedback channel to go to with questions from their team that they can't answer. This lets them quickly get an answer and provide it to their team, which builds confidence for the team, confidence for the leader, and confidence between the team and their leader.

There's a litmus test in all of this. Listen to your managers as they describe changes. Listen specifically for two words: If the leaders are saying, "They want us to do this," then they aren't engaged with the message. They're blaming up. If they say, "We want to do this," then they're owning and advocating the decision. They're sharing down.

In any culture, communication is the lubricant for effecting change, and silence is the friction.

Solving the Career-Growth Dilemma

Career issues remain the top reason that employees are voluntarily leaving their jobs in the United States. And it's not always about upward mobility or a lack thereof. It's about growth—growing skills and knowledge, gaining responsibility for roles and tasks, being exposed to things that make one better at one's job, and so on. No matter what organization we're talking about, employees care a great deal about these matters, particularly millennials.

The Stay Interview

You've heard of exit interviews. You've probably even conducted or sat in on a few. Their value to any organization is tremendous, because here we have an opportunity to learn from a departing employee all those factors that are causing him to leave. This allows us to assess how we might make changes to prevent similar departures from happening in the future. This data is incredibly useful, which is exactly why such a high percentage of organizations employ the strategy.

What would make this kind of data even more useful would be if your organization gathered it throughout every employee's career life cycle. Many organizations get part of the way there by implementing selection and onboarding programs that include some form of assessment or evaluation that can be used to learn more about the new employee's potential for growth. Unfortunately, too many of these organizations then stick that information in a drawer and never revisit it—at least not until it's time to conduct the exit interview.

Organizations should collect the appropriate data early and often, keep this data with the employee, and revisit it as often as possible. Start by gathering information from each employee and building on this data with each subsequent (ideally monthly or at least quarterly) conversation between leader and employee.

If you talk to the people you count on frequently, you have a much better understanding of who they are, what they expect, what they need, and what it will take to compel them to stay with your organization. That information is so much more valuable and actionable than the exit interview data related to why that employee left you.

Conducting these stay interviews on a regular basis through a short questionnaire also allows the organization to aggregate the data, which opens leadership's eyes to what their employees want at any given time during their tenure.

New Rules for Building a Leadership Team

A large call center in Charlotte, North Carolina had a manager named Leon. Leon was the manager of a day shift. His employees regarded him highly, and his team performed exceedingly well on all measures. Then, Leon decided that he wanted to go back to school to get a degree, and the only way to do that would be to switch to an evening shift so he would have enough time during the day to attend his classes.

Now, completely switching a work schedule is a big, often uncomfortable change for most people, to say nothing of switching teams. Not many people would volunteer to make such a dramatic change. But when Leon announced his decision to move to an evening shift, nine of his 15 team members went with him. That's nine people who valued Leon's spectacular leadership to the point where they were willing to literally turn their working lives upside down just to stay with him.

Obviously, Leon scored quite highly on the Leader Engagement Index. Leaders like Leon are an organization's best defense against unwanted turnover and keeping valued talent longer.

Promote for More Than Just Job Skill

When selecting new leaders to serve your organization, the overarching goal is to avoid the common tendency to select or promote someone (whether internally or from another talent pool) based solely on the performance results they're currently delivering, rather than more comprehensive criteria. Include performance results as well as talent engagement and retention results.

In an environment committed to energizing employees, we need to select leaders who have a core belief that the best work gets done by inspiring people and lifting them up instead of hammering on them to work ever harder. When looking internally to fill an open leadership role, organizations must interview and evaluate candidates based on how they believe in and support engagement and retention as fundamental requirements of a leader's role.

Interviewing internal candidates allows you to base your decision on their track records of energizing employees, too. Do people enjoy working with or for this person? Does this person lift the level of excitement and performance of those people around them? Do people jump at the opportunity to join this person on an assignment, like so many did for Leon?

How can you shed light on organization-wide data to determine how leaders are performing and how they might learn better engagement strategies from other teams? Many employers have found a 360-degree survey format is useful to solicit input from individual leaders themselves, their direct reports, their managers, and often their peers. The objective is to enhance a leader's awareness of their strengths and weaknesses so that the organization can determine and prioritize the most appropriate developmental activities for that leader.

Additionally, this kind of survey can be used as pretraining and posttraining diagnostic tools and as part of a leadership assessment program for development and promotion.

Creating an Engagement and Retention Culture

To this point, the focus has been on how improving engagement and retention works on the individual level. The results ramp up dramatically when you find ways to weave these measures into the organizational culture. In fact, improved engagement and retention always have a positive effect on people and teams, but when organizations embrace these values as part of their culture, the benefits become truly massive.

How massive? In TalentKeepers's most recent Workplace America survey, when asked, "What part of your company is most impacted by low engagement and high turnover?"

The most important goal is to hold your leaders accountable for the engagement and retention of valued and contributing employees on their team.

respondents placed "morale and culture" in the lead with an eye-opening 65 percent.

How can an organization that understands the value of engagement and retention on employee and leadership levels make those same measures a part of their culture? Best-in-class organizations start with assessment and analysis. They ask themselves what the organizational climate is like on all levels. They examine how trust and communication might improve. They question whether they are doing enough to stir and embrace creativity and group problem solving.

Creating the Culture

Consider these strategies for building engagement and retention into your organizational culture:

Onboarding. One retail business used to manage onboarding this way: first the interview, then the hiring, then the employee immediately goes to training, and then once that's complete, they go directly to the store to start working. They overcame high turnover by making the onboarding process more personal. One manager reaches out to a new hire and meets him at the store before he goes to training. In that meeting, he gets the new hire's contact information, introduces him to everyone in the store, and tries to connect on a personal level even before that new hire is exposed to any form of training.

Then, on that first day of training, that great leader texts the new hire, saying something like, "Good luck. You're going to knock it out of the park. We're here if you need anything or have any questions." This leader also likes to get everyone else on the team involved in the process. Once that new hire gets through training, he has everyone in the store send him an email of congratulations that also welcomes him to the store and offers any help necessary.

Measuring and monitoring. Creating a culture of engagement and retention is like any other process you are trying to manage; you need frequent measurements to monitor your progress and make adjustments.

Today, 75 percent of organizations are utilizing some form of survey to measure employee sentiment, whether it's an engagement survey, satisfaction survey, pulse survey, or some other sort of survey. Regularly gathering this data and utilizing the results to measure and monitor how you're doing is essential for sustained execution and success. For example, you can measure the effectiveness of each driver of engagement so you can leverage strengths and align resources to opportunities. Or you can hold leaders accountable for improving opportunity areas.

Action planning. Once your survey data has been gathered, analyzed, and presented to leadership, the next step is to have concrete, documented action plans based on priorities formed from the results. You have to build specific strategies that help weave it into the culture.

For example, action planning should take place at least at two levels: for organizational groups and individual leaders. Senior leaders will want to consider survey results from a group, issues, and people perspective. There will be variance in how different groups performed, and they should be managed differently from an action-planning standpoint. Higher-performing groups can be recognized and studied to see if the practices that led to their higher results may be leveraged as "best practices" and shared with other groups.

Accountability. The most important goal is to hold your leaders accountable for the engagement and retention of valued and contributing employees on their team. Engagement and retention only works if the leader holds herself accountable.

Building the Business Case for Engagement and Retention

To sell and sustain a business strategy for engagement and retention, you need data to build the case for support, funding to keep the initiatives moving, and mindshare coupled with commitment from those who are required to execute the actions you have planned.

Much of the data you need likely exists. You probably track turnover data already. You may not have attrition information by individual leader, but that is usually obtainable. You should know the cost of losing a valued contributor. You may also already have in hand many of the relevant key business metrics that are well established and often reported to track performance in your organization.

But this isn't the whole picture. The missing pieces are best obtained through the voice of the employee. In 2018, 73 percent of companies in the United States administered some form of an employee survey. It begins with knowing the metrics that matter. For example, 100 percent of this year's best-in-class organizations track links between on-the-job safety and employee engagement and satisfaction.

The real value in linking key performance indicators like this to employee engagement, and determining where the largest gains are, is to determine where best to invest limited resources to get the biggest payoff.

Finding the Money

Consider these strategies that will help you fund your engagement and retention initiatives and help ensure the greatest level of success.

- **Work from data and build your case**. Focus on relevant and accepted metrics that link engagement/retention to business results.
- **Establish or build budget categories for engagement and retention**. You may find that one strategy will be easier to fund than another. Be thoughtful about where this budget resides in your business unit and who controls the funds (HR? Operations? Training?). Next, move existing funded activities into this bucket to create the understanding that you are already doing some things that contribute to keeping and motivating people. The purpose of this step is to establish the mindset that this initiative is important.
- **Recruit and foster internal partners and advocates**. As with any major initiative, recruiting thought leaders in various parts of the business to serve as your advocates and supporters is the first step. Find leaders who believe in your mission, have influence, and will support you in getting resources and funding. Their ability to help you gain that funding is invaluable, but they can also help you during the execution phase as well.

TalentKeepers is proud to be a leader in shaping how people view engagement and retention in the workplace and in developing innovative solutions to help organizations everywhere engage and retain employees.

You now have the TalentKeepers tools to identify the engagement and retention strategies best suited for your culture, needs, and budget.

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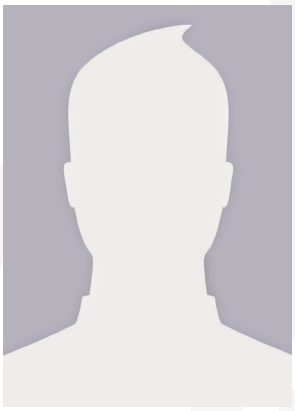

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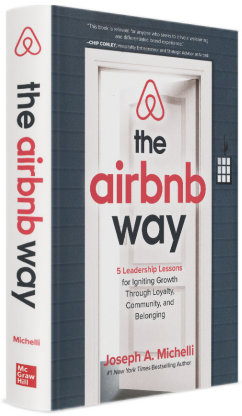
The Airbnb Way

5 Leadership Lessons for Igniting Growth Through Loyalty, Community, and Belonging



by **Joseph A. Michelli**

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THE SUMMARY IN BRIEF

The shared economy is the future, but it introduces business challenges never before faced: How do you serve a broad range of customers across varying geographies through a distributed network of partners?

In ***The Airbnb Way***, author Joseph A. Michelli describes how innovative leaders have managed to build a unique brand by inspiring and engaging a community of hospitality entrepreneurs—a feat unparalleled in the shared economy. Michelli shares five essential concepts that underpin outstanding Airbnb experiences: belonging, trust, hospitality, empowerment, and community.

These principles apply not just to businesses in the sharing economy but to any business that wants to deliver technology-aided, human-powered experiences, disrupt an established industry, retain strong market position, or improve sales or service. By creating and leveraging world-class customer experiences in the shared economy, Airbnb has achieved all of these goals and more. Let ***The Airbnb Way*** show you how to leverage the five principles for your business.

IN THIS SUMMARY, YOU WILL LEARN:

- To understand and apply the five concepts to your organization.
- Airbnb's strategies and practices that drive customer engagement and loyalty.
- Proven principles for engaging and inspiring all stakeholders, including those who share resources and services.
- Inspiring stories of hosts who have mastered the five concepts.

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Part I: Belonging

Make It a People Business

What business are you in? Are you in a product-focused business, a service-centric business, or something else? To be effective in business as well as in life, we must develop skills to understand, meet, and even exceed the *needs* of those we serve. Yet, many business leaders only seek to offer practical benefits through the features and attributes of the products and services they provide.

How can you understand the needs of your customers more broadly and deeply? In the approach taken by Airbnb leadership, the process of human need assessment involves three key steps: study human motivation and needs, seek partnerships with thought leaders and change agents, and ask stakeholders to share their preferences, wants, and needs.

Study human motivation and needs. From early in the company's evolution, the leaders at Airbnb stewarded their organization to be a "people business" that fosters meaningful human connections enabled by technology. Airbnb co-founder Joe Gebbia cites many people (including Apple's Jony Ive) who have inspired him in areas such as human-centric and frictionless design. Nathan Blecharczyk acknowledges the importance of customer service insights gained from Tony Hsieh at Zappos, and co-founder Brian Chesky reports being mentored by leaders including Warren Buffett and hotelier Chip Conley.

Seek partnerships with thought leaders and change agents. At the beginning of 2013, Brian Chesky asked Chip Conley to provide a fireside chat on hospitality innovation for the team at Airbnb. Chesky actively looked for ways to grow as a leader and guide Airbnb's development, and he read Conley's work. He found value in what he read, so he asked Conley to partner with him. He then had to work with Conley's reticence to accept his initial offer. Chesky also had to remain patient and adapt to meet Conley's needs. Similar steps are essential for anyone committed to lead business transformation—particularly in the direction of serving others.

Ask stakeholders to share their preferences, wants, and needs. At Airbnb, listening involved asking team members, hosts, and guests (all facets of the Airbnb community) to share their thoughts on Airbnb's purpose, reason for existence, and the needs the brand can and does fulfill. By reaching out to 485 employees, hosts, and guests, Airbnb garnered stories and data that clearly established Airbnb's "why": "to create a world where anyone could belong anywhere." Ultimately, that "why" was shortened to read simply "Belong Anywhere."

How have you gone about exploring the "why" or true north of your business? Does your "why" reflect a convergence of inputs (for example, the wants and needs of customers, the results of active listening to all stakeholders, research-based information, and the input of partners)? How aspirational, inspirational, and credible is your "true north" or "why"?

Create Belonging

Airbnb hosts demonstrate commonalities in their "belonging" behaviors. This includes ways they seek to actively listen, practice empathy, attentively welcome, create inviting environments, and read the invisible signs.

For example, empathy is essential for effective service delivery and is defined as a key component of emotional intelligence. Empathy is an awareness of the emotional state of others. At an elevated level, empathy involves attempting to assume the frame of reference of other people so you can understand their feelings, thoughts, and attitudes.

Airbnb Superhost (a Superhost is an individual who maintains guest ratings of 4.8 or higher on a 1 to 5 scale) Cynthia Mackey, who rents an upstairs bedroom in a home she owns in Oakland, California, describes how she specifically strives to place herself in the role of her guests: "I often have visitors coming to see grandchildren. Since many of them have adult children who can't take time off of work, I think about unique experiences those guests can have with their grandchildren during the workday. If I find out someone is visiting on vacation, I try to get a sense of what interests him or her so I can think about what regional activities would best fit someone like that person."

In terms of reading invisible signs, Danny Meyer, legendary restaurateur and author of the book ***Setting the Table***, emphasized that "everyone is walking around wearing an invisible sign that says, 'Make me feel important,' and your job is to understand the size of the font of this invisible sign and how brightly it's lit. So, make me feel important by leaving me alone. Make me feel important by letting me tell you everything I know about food. It's our job to read that sign and to deliver the experience that that person needs."

In order to read invisible signs like "give me privacy," "bring me towels," or "take me to Chinatown's local markets," hosts and all of us who create customer experiences

When done well, the belonging behaviors shared by Airbnb hosts will lead to a bond essential to all human relationships ... trust.

must constantly work on nonverbal communication skills.

When done well, the belonging behaviors shared by Airbnb hosts will lead to a bond essential to all human relationships and ultimately sustain our next theme: trust!

Part II: Trust

Design for Trust and Safety

Normally, we think about trust as something to be earned. Airbnb's co-founders Joe Gebbia and Brian Chesky graduated from design school. That educational experience shaped their perspective on the importance of solving human problems by applying principles of sound design. Joe Gebbia talks about trust as something Airbnb has "designed."

To demonstrate some of the breakthrough ideas that surfaced among Airbnb innovators, Joe Gebbia asked audience members at his TED Talk to engage in a live experiment. Gebbia instructed the audience to unlock their cell phones and pass their phones to the person next to them.

In the moments that followed, Gebbia said, "What if we changed one small thing about the design of that experiment? What if your neighbors had introduced themselves first, with their name, where they're from, the name of their kids or their dog? Imagine that they had 150 reviews of people saying, 'They're great at holding unlocked phones!' Now how would you feel about handing your phone over? It turns out, a well-designed reputation system is key for building trust."

Airbnb has designed ways for people to make meaningful connections, starting with account sign-up. In order to create an Airbnb account, every person must be at least 18 years of age. A person can become a new member of the community via email, Google, or Facebook.

Airbnb requires that each participant complete a profile prior to booking or hosting through the platform. Airbnb profile data is used to verify participants' identities, acquire contact details that can be used to communicate with them, and secure payment information.

At Airbnb all of the hosts are required to upload a photo, and they are asked to ensure that it clearly shows their face. The potential friction that comes from this is offset by the benefit of a prospective guest being able to see the face of a person and not just the details of a listing.

Once profiles are established, hosts and guests can list and book on the Airbnb platform. When searching for a property or experience, prospective guests can review ratings provided by other members of the community who have booked and reviewed the listing. Guests are also provided the opportunity to write comments and suggestions.

From a design perspective, Airbnb's secure communication channel also serves to foster bidirectional trust. How do you use communication platforms to foster a consistent cadence of connection with your customers?

Practice Helpful Disclosure

Amazon CEO Jeff Bezos once observed, "A brand for a company is like a reputation for a person. You earn reputation by trying to do hard things well." The best Airbnb hosts build their reputations through choices made long before a prospective guest finds them. Specifically, they market accurately, make appropriate personal disclosures, and set expectations.

Outstanding Airbnb hosts suggest that when you tell the truth, reputation takes care of itself. Too often sales and service providers think their words must be chosen to "sell their offerings to all people." The best Airbnb hosts emphasize the importance of offering balanced and informative descriptions to their listings, so guests can self-select.

Consider this transparent listing: "Please do not book this listing if you are afraid of nature or its creatures. Understand you are surrounded by thousands of acres of completely untouched nature. You are very likely to hear (or see) coyotes, owls, seals, roadrunners, and bunnies. There is a bobcat in the area, but these are usually very skittish. There are mice in the Santa Monica mountains. About once a month, a guest will complain that they saw a mouse. Said mouse might come into the Airstream if food is left outside the fridge. We do not offer refunds if a mouse comes into

the Airstream, but we do have four traps around the Airstream, so the odds are heavily stacked against the mice."

Often service providers fear they will lose a sale if they reveal expectations they'll place on a prospective buyer. By contrast, the best Airbnb hosts are abundantly clear regarding what guests can expect and what will be expected of them, when it comes to house rules, special considerations, and host interaction style.

When done well, Airbnb hosts spell out house rules and special circumstances on their property listing, which removes surprises and forges agreements necessary to maintain trust. One listing advises, "From time to time, villagers need to use the river for bathing (naked), washing clothes, and performing ceremonies."

How clear, concise, and up front are you with your customers? What should you be telling them in advance, to avoid confusion, distress, and disappointment later?

Part III: Hospitality

Be a Host

At Airbnb, hosting represents a long-standing practice of forging emotional connections that go well beyond what is traditionally thought of as the hospitality industry.

Airbnb's CEO and co-founder Brian Chesky has said, "There's a lot of talk about technology companies disrupting the way people work and the way people live, but . . . technology is never going to disrupt hosting. Author Tom Friedman . . . says there's three types of jobs: jobs through the hand, jobs at the head, and jobs with the heart. . . . Technology first typically disrupts jobs of the hand, . . . then eventually jobs at the head, but technology can never disrupt jobs of the heart, and hospitality is service with heart."

Those who visit your websites, apps, or physical locations are your "guests." Like Airbnb, you invariably want to host (forge an emotional connection) with your guests and offer them hospitality (service with heart).

Hosts are encouraged to strive for service excellence. For example, on the Hospitality page of the Airbnb website, Airbnb asserts, "We want to give you clear guidance so you know what's expected and can provide a 5-star stay every time you share your home." To achieve that goal, Airbnb helps hosts focus on the following:

Responsiveness: Providing immediate guest service and communication—when they want it. Since mobile technology allows us to instantaneously interact with one another from virtually anywhere on the planet, consumers have come to avoid businesses that can't address their inquiries and needs immediately.

Convenience: Offering effortless experiences—the way guests want them. Airbnb gives hosts the opportunity to remove a step in the booking process. Rather than having guests look at a property's available dates and then make a booking request (requiring a host's response and approval), hosts can choose to give prospective guests the option to instantly book the property. Once the guests click on an instant booking, their request is immediately accepted, and the reservation is confirmed.

Needs fulfillment: Meeting guest needs consistently—giving them what they want and how they want it. Guests want their Airbnb hosts to be nice, but a guest's primary concern is to secure a clean place that meets their functional need for shelter. Airbnb requires hosts to provide what the company refers to as "essential amenities" in the form of toilet paper, soap, linens and sheets, and at least one towel and pillow for every guest.

Cleanliness and the presence of basic—as well as desired—amenities are necessary elements of Airbnb service, but they don't guarantee that a guest's experience will be infused with heart.

Brian Chesky captures the emotional essence of the optimal Airbnb experience in a single word: magical. The Airbnb "way we serve" statement could be reflected in delivering memorable and magical experiences. In an interview for Fortune magazine, Chesky noted, "We call all this 'magical trips'—basically trips that are just amazing, memorable, end-to-end experiences. This is what we want to be doing in the next 10 years."

To inspire these experiences, Airbnb offers webinars, and it invites hosts to regional training events and workshops.

How is hosting guests relevant to your business? Consider having a team discussion about your current strengths and opportunities when it comes to delivering hospitality—service with heart.

Think Magical and Memorable

Professors of retail and marketing A. Parasuraman and Len Berry and marketing professor Valarie A. Zeithaml have described five dimensions of service excellence:

- **Responsiveness**: helping customers with prompt service;
- **Reliability**: efficiently delivering on promises;
- **Tangibles**: appearance of virtual and physical property, equipment, people, products, and communications;
- **Assurance**: courtesy, knowledge, thoughtfulness, and anticipation of emotional needs;
- **Empathy**: personalized care.

The last two relate to emotional or heart elements needed to achieve memorable and magical experiences. What needs do your customers have before and after they interact with you? How might you anticipate and meet those needs?

Personalization often involves close collaboration with the customer. Superhosts Dabney Tompkins and Alan Colley list an extremely popular Airbnb property atop a 40-acre meadow on 160 acres of private land near the Umpqua National Forest in Oregon. The property is so desirable it appears on the wish lists of 20,000 Airbnb guests and gets booked for the entire season within a few minutes of opening their annual calendar.

The home is modeled after fire lookout towers built by the US Forest Service, with considerable modern upgrades. Despite all of the property's modernization, guests still have to traverse four flights of stairs to get from the ground to the living area, and toilet facilities are primitive by flush-toilet standards.

Limitations notwithstanding, the peaceful, off-the-grid nature of the listing is a large part of the fire tower's appeal. An equally important attractant is Dabney and Alan's commitment to personalized guest care. Dabney and Alan choose to live on the 40-acre parcel so they can be available to guests. Cell service is provider dependent, so Dabney and Alan supply two-way radios for communication with guests. They also keep guests informed if they go off-property for supplies.

Dabney said, "We are aware of 12 marriage proposals that have taken place on this property. It's a very popular place because it's so remote, and we are eager and willing to do whatever we can to make a visit special."

One man began involving the hosts in his plan for his proposal as soon as he secured a booking for his return visit. When the guest and his girlfriend arrived, Alan recalled, "We met them at the base of the tower and asked if we could reveal to them the major renovations we had made in the home since they last visited. To do so, we asked if we could blindfold them before we led them into the living space. They agreed, and we took the boyfriend in first.

"The room had been staged for the event, and he swiftly went to one knee with his ring in hand. We then escorted his girlfriend in and removed her blindfold. We videotaped her surprise and her acceptance of his proposal." Dabney added, "When we were discussing the arrangements, I said, 'This is a personal moment. Are you sure you want us there?' And our guest said, 'You guys are like family to us.' So, we enjoyed the honor of sharing that moment."

> Personalization often involves close collaboration with the customer.

Part IV: Empowerment

Maximize Impact

Tristan Claridge, founder of Social Capital Research and Training, defines social capitalism as a "socially minded form of capitalism, where the goal is making social improvements, rather than focusing on accumulating capital in the classic capitalist sense. It is a utilitarian form of capitalism with a social purpose."

Let's look at Airbnb's "social purpose" from the perspective of how it has improved economic opportunities for its employees and the host community, including Airbnb hosts and employees who have been empowered and who empower others.

In 2017, Airbnb advised hosts about a new set of initiatives called the Airbnb Economic Empowerment Agenda. Here's how Airbnb summarized the relevant social and economic trends that prompted the new goals: "

At a time of growing economic inequality, Airbnb is democratizing capitalism and creating economic opportunities for the middle class, using technology to help connect and empower our community—not replace it. Our people-for-people platform allows ordinary people to use their house—typically their greatest expense—to generate

supplemental income to pay for costs like food, rent, and education for their children."

In 2017, globally Airbnb

- Contributed to an estimated 730,000 jobs (as stated in a NERA Economic Consulting study), in a subset of 200 highly booked cities, and
- Supported more than $60 billion in economic output in the 200 cities evaluated.

In North America in 2017, Airbnb reported that

- US hosts on the platform earned an average of $6,100 annually
- 62 percent of US hosts noted that home sharing helped them afford their home; and
- 12 percent of North American hosts claimed that home sharing saved them from foreclosure or eviction.

Airbnb's desire to "do more" also prompted the creation of the Airbnb Economic Empowerment Agenda, which Airbnb kicked off with two overarching initiatives: a living wage pledge and an aggressive growth target for urban hosts in predominantly minority areas.

As it related to living wages in 2017, Airbnb pledged to pay at least $15 per hour "to all contractors and vendors whose personnel provide a substantial amount of work to Airbnb in the United States" by 2020.

In addition to extending Airbnb's Living Wage Pledge to contractors and vendors, Airbnb encouraged the host community to pay their employees and vendors accordingly. For example, Airbnb asked hosts to pledge to pay individuals who clean their properties at least $15 an hour. Hosts who make that commitment can post their support of the Living Wage Pledge on their property listing. This allows prospective guests to consider a host's commitment to provide a living wage when they book a listing.

As for Airbnb's commitment to minority neighborhoods (often referred to as "majority-minority" areas), leadership announced, "We are setting a goal of doubling the size of our host community in urban majority-minority districts and underserved areas around the United States in the next two years. We will do this through a new effort, partnering with national and local organizations and holding on-the-ground, in-person events and trainings to help more people understand the economic opportunity provided by hosting." One such Airbnb partnership is with the National Association for the Advancement of Colored People (NAACP).

How does your wage structure help attract quality talent, increase employee retention, enhance worker health, or improve service quality? What goals have you set to enable economic growth for the communities in which you do business?

Claim and Share Your Value

Let's now look at how hosts leverage the power of their knowledge, interests, skills, and properties to create various types of value for guests and how they use the economic power of their microbusinesses to empower others.

In addition to being a platform for offering space, Airbnb allows hosts to offer experiences. Some experiences are more entertainment focused, like participating in a bar crawl in Madrid or attending a comedy show in Shanghai, but many involve classes, workshops, or elements of information sharing in areas like the arts, history, or nature.

Knowledge is power. Diane Wong from Somerville, Massachusetts, offers six different Airbnb experiences, including one workshop called Create a Podcast: Find Your Own Voice. Diane notes, "I've had a rich, full life. I'm 72 and a post-World War II baby. I use Airbnb opportunities to teach skills for how to move through your life and realize that you have responsibility for your life."

Based on feedback, guests report that their time with Diane represents an important transfer of life skills: "This experience was phenomenal! It was a tutorial on how to podcast AND a wonderful discussion of ideas, desires, and vision. Diane also helps you conquer the two main things that have been preventing you from podcasting: (1) Not knowing what supplies, software, and other tools you need. (2) Fearing diving right in because of doubt or a lack of confidence. She gives you what you need, helps you produce one to two podcast episodes of the topic(s) that you want to talk about, and nurtures your vision."

Business opportunities: the ultimate empowerment. Many Airbnb hosts have launched successful companies to improve the hosting experience. Jasper Ribbers, for example, took expertise he gained as a host and built a business helping other hosts.

Jasper shares, "When I started hosting back in 2012, I wanted to optimize my Airbnb hosting business so I could support a lifestyle of travel. I had quit my finance career and was searching the internet for hosting tips and resources. There wasn't much information available at the time, so I gathered

In addition to personal philanthropy, Airbnb leaders have explored ways to offer the organization's host community an equity stake in Airbnb.

what I could and learned from experience. I started sharing what I learned in the spirit of helping others, and before you know it, that information organically turned into a business."

Soon, Jasper was podcasting, writing a hosting tips book, and publishing blogs. Having developed a sizable following, Jasper used his blog to review new technology solutions created for hosts. In turn, Jasper's company, Get Paid for Your Pad, receives reimbursement for the traffic he generates for solutions he endorses.

What challenges do you face in your business? How might you craft solutions that not only meet your needs but address the same needs for others like you?

Part V: Community

Serve Your Neighbor

In 2018, Airbnb co-founder Brian Chesky wrote an "Open Letter to the Airbnb Community About Building a 21st Century Company." In that letter, Chesky shared a vision of Airbnb serving all stakeholders and changing the world. Chesky said Airbnb would adopt an open mindset with an infinite time horizon. In so doing, Airbnb could be more audacious, could assume greater social responsibility, and could commit to lasting change that improves society.

Walking the talk. On the 2018 ***Forbes*** 400 list, each of the Airbnb founders had an estimated net worth of $3.7 billion. Each founder (along with Nathan's wife Elizabeth Blecharczyk) has taken the Giving Pledge originated by Bill and Melinda Gates and Warren Buffett. That pledge is a commitment to philanthropy, encouraging the world's wealthiest individuals and families to declare they will "dedicate the majority of their wealth to giving back."

Airbnb leaders have also explored ways to offer the organization's host community an equity stake in Airbnb. In a letter filed with the US Securities and Exchange Commission in September 2018, Airbnb asked for an amendment to commission Rule 701, which "as currently written and generally interpreted, does not allow companies to grant equity to sharing economy participants who are not otherwise affiliated with the issuer."

Airbnb's petition for host equity reflects both a desire for stakeholder alignment and a willingness to share the wealth that has been generated by hosts. That wealth sharing would provide extra income to hosts and even possibilities for hosts to upgrade the quality or quantity of their listings.

Strengthen communities. The Airbnb Community Compact addresses civic leaders in communities where Airbnb has a significant presence. The compact reflects Airbnb's promise to

- Provide personal attention to each local area;
- Assist hosts to pay their fair share of hotel and tourist taxes;
- Provide transparency and openness regarding hosting activities;
- Strengthen local communities by promoting responsible hosting.

The Community Compact demonstrates that cities and city leaders can and should be viewed as an important stakeholder group. Additionally, the compact reflects how business leaders can make commitments to foster cooperation and joint action in support of shared benefits.

What commitments have you made or are you making in the villages, towns, or municipalities in which you do business?

Respond to crisis. Airbnb leaders have also evolved their response to acute human need. Starting in 2012, Airbnb formalized and scaled the host community's response to natural disasters. After hearing stories of Airbnb hosts who provided housing and meals to those displaced by Hurricane Sandy, Airbnb created a way for hosts to create free bookings through an Airbnb Disaster Response Tool. This tool was activated in the aftermath of a catastrophic event to house aid workers and those directly affected. Airbnb also expanded this emergency housing program, in response to changes in US immigration laws.

By June 2017, Airbnb co-founder Joe Gebbia announced the evolution of the Disaster Relief Tool into a program referred to as Open Homes. In describing Open Homes, Gebbia proclaimed Airbnb was taking crisis response forward "to a whole other level simply by shifting from being reactive to proactive. No waiting around for the crisis to hit, but to anticipate and harness this natural generosity on a daily basis."

Own Goodness

Let's now look at examples and insights from hosts who take action to serve their communities.

Kathy Peterman is an example of an Airbnb Superhost whose worldview aligns well with Airbnb's concept of healthy travel. She notes, "Since I started hosting, I became a master recycler and I am very eco-conscious. I use far fewer resources than what a hotel would use."

Kathy explains that she sets annual trash reduction goals, "which are personal to me, but I share my goals and processes for attaining them with my guests. While I don't expect guests to fully participate with me since they are on vacation, I do drive some waste reduction behaviors. For example, I ask guests to please put any items that would go in the compost bin in a container I provide. Surprisingly, my guests only generated 50 gallons of trash for an entire year, and on a personal level, I only generated two gallons."

Adrienne Penny said she had been hosting Airbnb guests for a few years and was looking for ways to give back to her community when a friend suggested, "Why don't you use your space to give a break to people who provide long-term care to individuals with mental and physical illness?"

Adrienne said: "I contacted my local carers organization, Carers Queensland. Unfortunately, there aren't a lot of options for carers to receive planned respite breaks, so my offer was much needed and well received. In fact, over a short period of time, I've provided free stays to 14 caregivers."

How are you "opening the heart of your business" to those in need throughout your community? Who has inspired you with their acts of compassion? Whom are you inspiring?

As you look to your journey ahead, consider adopting and adapting themes, principles, and ideas from ***The Airbnb Way*** in your own business and with your own customers.

In so doing, you will surely realize your personal and professional goals in keeping with the words of Henry David Thoreau: "If one advances confidently in the direction of his dreams, and endeavors to live the life which he has imagined, he will meet with a success unexpected in common hours."

Here's to "a success unexpected in common hours"—the Airbnb Way!

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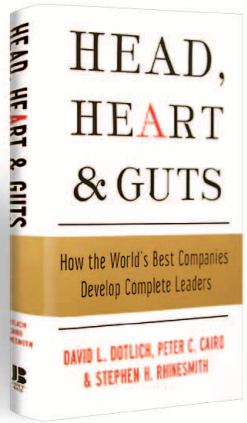

By David L. Dotlich, Peter C. Cairo and Stephen H. Rhinesmith

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How the World's Best Companies Develop Complete Leaders

HEAD, HEART & GUTS

THE SUMMARY IN BRIEF

Complex times require complete leaders. Partial leaders struggle during an era of paradox, ambiguity and unpredictability. A one-dimensional leadership approach may have worked in simpler times, but in an environment of moral complexity and rapid shifts in attitude, social and political circumstances, economic conditions and technology, leaders must be capable of using their head, their heart and their guts as situations demand.

Today's companies want leaders who can "lead from the front" — take a clear position, create meaningful relationships and "know themselves" while simultaneously building businesses. Employees want leaders who are authentic and inspire trust — those who set high standards and respect their employees' unique talents.

In this summary, the authors, all from the world's leading executive-development firm, argue that traditional leadership development focuses too much on the "head," and that it is critical for companies to identify and integrate other capabilities into the development of leaders. Examples of leaders who have successfully blended head, heart and guts perspectives into their management styles — such as Rudy Giuliani in his former role as New York City mayor, as well as CEOs at Bank of America, Procter & Gamble, Philip Morris and Morgan Stanley — are used to illustrate the high level of real-world effectiveness possible with this approach.

This summary reveals the three most important leadership capabilities — the abilities to implement, emphasize and take risks — and tells how to put them in action.

In addition, this summary will teach you:

- ✓ ***How to rethink the way things are done and reframe boundaries when necessary.***
- ✓ ***How to think strategically without losing sight of short-term goals.***
- ✓ ***How to develop and articulate a point of view.***
- ✓ ***How to take risks with incomplete data and balance risk and reward.***
- ✓ ***How to act with unyielding integrity in spite of difficulty.***

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HEAD, HEART & GUTS

By David L. Dotlich, Peter C. Cairo and Stephen H. Rhinesmith

— THE *COMPLETE* SUMMARY

Whole Leadership Versus Partial Leadership

To be a leader in today's business environment, you need to use your head, demonstrate heart and act with guts. This is not an unrealistic objective, in that most people are fully capable of exhibiting all three qualities. Unfortunately, the majority of executives either have come to rely on one capacity or live in organizational systems that do not reward or reinforce them to develop others. They remain partial leaders, even when their organizations require whole ones.

Historically, business leaders have led with their heads — the notion being that if you analyze a situation, absorb the data and decide among rational alternatives, you can be a strong leader. As important as the head is to leadership, it is insufficient for the demands leaders face today.

Drivers of the Change to Whole Leadership

Some of the drivers of the change to whole leadership are:

✓ **Global Interdependence.** An interpersonal orientation toward business is prevalent in most countries outside the United States.

✓ **Increased Complexity of Execution.** In their books *Execution* and *Confronting Reality*, Larry Bossidy and Ram Charan make it clear that emotional intelligence plays a significant role in getting things done.

✓ **Growth.** It is incumbent on leaders to get excited about a growth strategy, which will convince them to believe in leadership's vision for the future of the company and feel that they will be able to contribute to the realization of that vision.

✓ **Need for Innovation.** The challenge today is to create a climate of innovation, and this cannot be done unless both heart and guts leadership are combined with head leadership.

✓ **Rising Expectations.** Today, largely due to the Internet and other technologies, employees are much more informed and expect much more than directions and decisions.

Leader Qualities

Effective leaders need more than a quick mind and strong analytics. In the 1990s, psychologist Bob Hogan reviewed all of the leadership research to date and concluded that personal characteristics have a strong connection to leadership effectiveness. Among the qualities that distinguish the best leaders from others are emotional maturity, the capacity to create trust and the flexibility to work with a range of different types of people. In other words, the best leaders have heart, in addition to their other strengths. Effective leaders show tenacity, persistence and the ability to overcome obstacles that get in their way — what is referred to as guts.

Of course, a leader who relies primarily on heart or guts is equally ineffective. Most people who achieve senior-level leadership positions in business today, however, are head-oriented individuals; the heart- or guts-oriented managers tend to be stigmatized or eliminated before they make it to a top position, or they are relegated to a function best suited to their orientation.

Integrating head, heart and guts into leadership is both art and science. Dirk Jagger at Procter & Gamble, Mike Miles at Philip Morris and Phil Purcell at Morgan Stanley were all extremely intelligent individuals. Though some of their failures resulted from events beyond their control, many can be traced back to the

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Whole Leadership Versus Partial Leadership

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CEO's single-minded approach to leadership. As driven and determined as they were, their lack of empathy, courage, instinct and willingness to acknowledge their own vulnerability derailed them and, in some cases, their organization.

Anatomy of a Whole Leader

When we think of a whole leader, former New York City Mayor Rudy Giuliani immediately comes to mind. After 9/11, he displayed a remarkable combination of head, heart and guts — remarkable in large part because the heart side of his leadership personality had rarely emerged in the past.

In the glare of publicity following the terrorist attack, however, Giuliani displayed his emotional connectedness and vulnerability to the world. Not only was he omnipresent at the scene of the crime, lending support to firemen and families of victims, but his press conferences demonstrated and elicited genuine compassion and real feeling. ■

Developing Leaders the Systemic, Integrated Way

Deep and systemic organic organizational issues often prevent the best-laid plans of leadership development from coming to fruition. When a disconnect exists between targeted competencies and cultural norms, the leadership lessons won't stick. A leader may experience a transformation during the development process and come back to his organization, only to find that the culture doesn't support his transformed persona. He may have made a breakthrough during a development program in terms of speaking his mind, but when he comes back to work, colleagues and supervisors give him so much grief about his newfound honesty that he retreats to his old behaviors.

The good news is that these obstacles can be overcome with the right development approach and the commitment and involvement of an organization's executive committee.

A Risk-Taking, Interpersonal, Intelligent Development Process

As the world becomes increasingly complex and volatile, a greater need exists for leaders who can move beyond cold analysis and strategic execution. Without leaders who can seize opportunities when they appear, such as acquiring another company, discounting prices when a competitor is weakened or shedding nonperforming assets in advance of a recession, large companies gradually become slow and ineffective.

Here are four steps companies must take:

Step 1: Address Systemic Issues. Do this before implementing a development process.

Step 2: Involve the Executive Committee. When executive committees are not involved and aligned, the process goes awry.

Step 3. Use Leadership Development as a Diagnostic Tool. Foster a dialogue in real time on real issues between participants and senior leaders. If this is done right, participants feel free to provide senior management with their feedback.

Step 4. Customize the Process. Don't rely on off-the-shelf or "best practice" institutional programs. ■

Rethinking the Way We Do Things Around Here

The growing complexity, volatility and ambiguity of business and competition constantly demand new perspectives. This environment, however, is uncertain and filled with risk, and it is human nature to cleave to tried-and-true methods in unpredictable times.

The ability to rethink is not something you find listed under leadership traits, at least in most traditional definitions of leadership.

Finding a Fresh Perspective

The most successful leaders and companies, such as GE, Johnson & Johnson, Bank of America and others, tend to rethink who their customers are, question what business they are in and fearlessly restructure to better serve customers.

Nokia reinvented itself after existing for 100 years as a lumber company by divesting itself of everything but microchips and telephones. This was a massive rethinking of a historically entrenched business.

All the obstacles to rethinking — daunting complexity, the power of paradigms, falling into the activity trap — can be overcome, given the right development approach. Here are some ways of doing so that can be effective in both coaching and teaching executives:

- **Hit people with data.** People require compelling data to change their thinking. Data must convey a singularly powerful message: The way you're doing things now isn't working.
- **Encourage tolerance of ambiguity.** Ritualized, agenda-driven behavior patterns in meetings can inhibit real dialogue and discourage innovative thinking and problem solving. Going into a meeting with no agenda

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Rethinking the Way We Do Things Around Here

(continued from page 3)

can make direct reports more willing to venture opinions, explore options and propose creative ideas.

● **Break the frame of cultural traditions.** Creative leadership development designs, usually in some form of learning while doing, can help break the frame of cultural traditions. ■

Reframing the Boundaries

Despite a growing organizational recognition that hard-and-fast boundaries are things of the past, individuals within most organizations still fail to think about existing boundaries in new ways.

Whole leaders not only reframe the boundaries but can emotionally accommodate the uncertainty of doing things in a new way. Understanding the notion of movable boundaries, though, is the first step, and what helps organizational leaders take it is awareness of the five types of boundaries that they must reframe.

1. External Boundaries. Everything must now be judged against world-class standards, which means looking at the world beyond the organization's borders.

2. Vertical Boundaries. Managers must be both coach and mentor to others, and this means exhibiting greater transparency and emotional intelligence.

3. Horizontal Boundaries. The growth of teams and "communities of interest" in organizations has made peer relationships more critical than ever before.

4. Geographical Boundaries. As companies become more decentralized, participate in joint ventures, create informal marketing or product-development alliances, and engage in mergers and acquisitions throughout the world, old boundaries fall by the wayside.

5. Personal Boundaries. Today, people must manage personal weaknesses in order to live in a more transparent, unforgiving, complex environment.

The Three Catalysts

To help people adopt a reframing capability, you have a number of options, including the obvious strategy of restructuring the incentive system to reward boundary-reframing behaviors. Here are three others:

● **Raise awareness that boundaries are changing.** With greater awareness, people start thinking about what might happen if they changed their approach to traditional boundaries.

● **Take advantage when someone trips over a boundary.** When people are on the edge of derailing, intervene with leadership development. They need to learn that if they don't change, they're dead.

● **Draw a distinction between organizational and individual arrogance.** Top companies must call attention to individual arrogance and discourage it. They must provide feedback that points out to people where their arrogance is causing them to be inflexible regarding internal and external relationships. ■

Getting Things Done

To get things done, leaders need to grasp the complexity of the task and find an approach that takes the difficulties associated with execution into consideration. Head, heart and guts leaders are able to do this in part because they recognize that people issues and risk can affect what is accomplished.

There are two common leadership types:

1. Strategic. These are brilliant analyzers of data and setters of direction. And they may be adept at inspiring and motivating people to believe in their strategies, but they aren't particularly good at figuring out how to implement them.

2. Operational. These leaders thrive on finding solutions to difficult problems. They work hard and get others to work hard. They usually fail to consider how an idea can capture people's imaginations and inspire them to work harder and more creatively.

Balance Between Two Positions

A more effective approach is to find the balance between the two positions. The ability to know when to be operational and when to be strategic is crucial. Getting things done often means knowing when to get them done by taking charge and being directive and when to step back, trust others and provide direction. It also means moving between these two positions. ■

Developing and Articulating a Point of View

A point of view serves as an anchor and a driver. It offers an internal sense of security — a base from which decisions can be made in a sometimes political, complex and unclear corporate environment.

A viewpoint is an overarching, strongly held system of beliefs that applies to everything from individual behavior to values to business strategy. A leader can use his point of view to evaluate a specific option or opportunity — for example, to determine whether he believes a new growth strategy will be effective, to assess whether a corporate practice is unethical, and to evaluate which of his direct reports deserves a promotion. A point of view, in other words, provides a framework for analysis and decision making.

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Developing and Articulating a Point of View

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The Five-Step Process

Corporations can do a lot to help people develop their point of view but need to know the typical process by which an individual develops a point of view and uses it.

Step 1. Define the Challenge. People begin to formulate or revise their point of view when something in their environment prompts them to clarify how they see things.

Step 2. Explore External Information. Read and absorb external information related to the challenge.

Step 3. Converge Ideas Into a Single Viewpoint. After absorbing diverse ideas, the next step is to ask, "What do I believe?" and "Why do I believe it's true?" This step causes you to integrate what is useful and helps you focus your point of view.

Step 4. Test the Idea With Others. Engage in dialogue and debates about how you see the business.

Step 5. Reconfigure Your Viewpoint. Take risks with it. Based on feedback and dialogue, you may need to modify your perspective. Once you've modified it, you're ready to put it to use. ■

Balancing People Needs With Business Requirements

It takes heart to achieve a balance between people needs and business needs. A "heartless" leader discovers that if you drive people relentlessly, you'll drive down their effort or drive them away from the organization. At the same time, the leader who is all heart can't achieve this balance either. In fact, if you're only concerned with satisfying people's needs, you may end up with a happy team who will soon be working for your successor.

The ability to foster inclusiveness and be empathetic can have a dramatic impact on performance. For instance, demonstrating real concern to a team member can not only reward you with greater commitment but give the team member confidence to pursue more innovative solutions to difficult problems. The ability to know yourself and connect emotionally to others makes a difference in the ability to lead and influence.

Confronting Direct Reports About Performance

Sometimes the balancing point between people and business is precarious. The most difficult challenge for most leaders is to confront direct reports about performance issues or to move them out of their jobs. Poor leaders allow mediocre or poor performers to stay in place and damage the organization, simply because they want to be nice.

Balancing people needs and business requirements may require a gradual transition; it may mean the company should approach replacing these individuals as a process rather than a "bloody Monday" event. Perhaps some of the executives can be moved into new roles or trained for higher effectiveness. Whatever is done, people needs and business requirements must be considered as factors rather than viewed as either-or alternatives. ■

Delivering Integrated Solutions Through Trust

White spaces exist between hierarchical levels, divisions, departments and geographies. These are areas where responsibility is unclear. The ability to collaborate is required to be successful in the white space. This means developing the mindset and relationship skills to work with others over whom there is no direct authority in order to identify mutually important goals.

Collaboration requires at least two key qualities. The first is the ability to recognize the opportunities or problems. Effective leaders need the capability to use their heads to analyze what exists in the white space. Second, they need to use their hearts to be able to extend trust to others, especially to those who don't work directly for them. This can involve risk.

Understanding What Trust Entails

Trust is often talked about as having three components: character, competence and consistency of behavior. For leaders who are able to operate effectively in the white space, this means:

- Providing suppliers with sensitive information based

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How to Keep People's Requirements in Mind

Even the most demanding, toughest bosses are capable of balancing human and business requirements. The key is using coaching or leadership development to accomplish the following:

- ✓ **Acknowledge the reality of competing needs that must be balanced, and don't consistently favor one over the other.**
- ✓ **Get in touch with your own heart.** One of the reasons some leaders are so unrelenting and hard on others is that they are out of touch with their own emotions.
- ✓ **Be capable of pivoting from driving to listening mode.** Driving behavior originates in the head; listening behavior is located in the heart.
- ✓ **Develop a more complex worldview.**

Delivering Integrated Solutions Through Trust

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on the belief that they won't "leak" that information to competitors.

- Openly sharing trusted clients with colleagues in other units to increase potential business opportunities for the whole enterprise, because you trust their competence to deliver.
- Giving direct reports the freedom to work independently from home because you are sure they will be consistently self-motivated and get the job done wherever they are.

Teach Delegation the Trusting Way

Many leaders grow up in organizations where they believe that if they don't do something themselves, it won't get done — or it won't get done the right way. To help them relearn delegation with trust, the following four-step process is useful:

Step 1: Set Goals and Boundaries.

Step 2: Allow Freedom.

Step 3: Offer Support.

Step 4: Recognize and Evaluate Results. ■

Overcoming Personal Derailers in Working With Others

Derailers continue to sabotage leaders. Many executives are aware that certain qualities — arrogance, volatility and perfectionism, to name just three — can diminish their effectiveness if not "managed."

Although many executives think about it, they don't address the subject from a heart perspective. Leaders may be willing to admit that they can be arrogant taskmasters at times, but their admission is purely cognitive and dispassionate. They don't consider the effects on the people around them.

By failing to come to terms with this behavior from an emotional perspective, they don't address the behavior in a deep enough way to manage it effectively. They don't reflect on why they act the way they do and how their behavior affects other people and their own overall effectiveness.

Drama at Hewlett-Packard

Carly Fiorina was a highly charismatic leader who seemed the right choice to turn Hewlett-Packard's people-oriented culture into a more performance-driven one. As pressure for improved performance mounted and competition from Dell and IBM intensified, Fiorina's melodramatic and distrustful derailers kicked in. She fired key people. Her relationship with influential journalists became strained, and she alienated members of her own board. No doubt her skill as a salesperson helped her throughout her career; the drama and excitement she brought to presentations could be tremendously persuasive. Her melodramatic tendencies, however, may have caused her to make decisions that drew attention to her but were not in the best interest of HP.

If Fiorina could have taken a step back and observed how her distrust and melodramatic behavior were affecting key people, she might have been able to limit the damage.

Three Ways to Manage Derailers

Derailers are deep-rooted aspects of personality, and while leaders may understand them, they may also have great difficulty acknowledging and overcoming them. Coming to terms with and learning to manage one's own emotional weaknesses is difficult. Companies can help their leaders do so, however, if they adopt the following three guidelines:

1. Focus attention on the private moment of self-doubt. By identifying a derailer and seeing it for what it is — an ingrained pattern of behavior that often surfaces under stress — leaders can learn to accept it and gain the courage to manage it.

2. Identify the pattern. When people see how they fall into a counterproductive routine in certain situations, they cannot dismiss their derailers so easily.

3. Present evidence linking the derailer to a negative work outcome. Arrogant or aloof leaders need to be confronted with data that clearly demonstrates how their derailing behaviors have negative work outcomes. ■

Three Ways Leaders Develop Compassion

✓ **Through life or work experiences.** When people face personal or professional crises, they naturally develop some degree of empathy and compassion.

✓ **Through coaching.** Leaders can be emotional and still emphasize the task at hand. Coaching teaches leaders ways in which they can be empathic but still hold people's feet to the fire.

✓ **Through engagement with all types of people.** Leaders who communicate regularly with only a small circle of advisers or who segregate themselves within a function are going to have little empathy for those outside these small circles. Leaders must force themselves out of their comfort zones and engage with people in areas that are different from their own.

Taking Risks With Little or No Data

Guts involves doing the right thing, based on the context. "Doing the right thing" must be a flexible concept. Courageous leaders become ideologues when they adhere to an absolute definition of what's right. They demonstrate naiveté rather than guts when they believe they — and they alone — know the right thing to do in all situations. These self-righteous leaders are unable to adjust to changes in their environment, ignoring ideas or opinions that fall outside their narrow definition of "right." Instead of courage, they display stubbornness.

Leadership courage is often a matter of vision and values — knowing what you believe and when to act according to these beliefs. This means making decisions that entail some risk, based on beliefs and instinct, rather than relying exclusively on the data.

Rely on Instincts as Well as Data

Most leaders need to overcome the biases and false beliefs that prevent them from relying on collective intuition and their own instincts. Here are three development approaches that will help them clear these hurdles:

- **Connect to people at the margins.** Leaders should spend time with people who see the world differently, and explore the way they approach everything from idea creation to decision making.
- **Uncover assumptions about the decisions they make.** It helps to point out to leaders that biases based on previous experiences sometimes masquerade as facts.
- **Step out of the office.** Instinct requires stimuli, and many times these stimuli reside in out-of-the-office experiences. Personal interaction with different people and places activates our instincts. ■

Balancing Risk and Reward

Managing risk and reward as if it were a science is doomed to failure. Managing as if it were an art is more appropriate. Today's best leaders push the edge of the envelope, but they also have a sense of when to push it and how far is too far. They are willing to put it all on the line if a given action jibes with their beliefs, but they sense when it's appropriate or overly dangerous to do so. They temper their courage with heart and head qualities. As a result, they manage the balance according to the situations they find themselves in. They recognize that there is no perfect solution and that they have to rely on creativity and instinct to deal with it effectively.

Bob Shaye and Michael Lynne, co-CEOs of New Line Cinema, provide a good example of how this balance can work. They were described as real risk-takers when they took a chance and filmed the three segments of *Lord of the Rings* simultaneously with an unproven director, Peter Jackson. New Line and its parent, Time Warner, invested more than $200 million on the "bet" that *Lord of the Rings* would be a hit. However, Shaye and Lynne did not simply roll the dice on this movie. They partnered with foreign distributors to minimize the financial risks. So although they did indeed take a big chance on *Lord of the Rings*, they managed the potential downside. In this case they got the balance right and, of course, *Lord of the Rings* turned out to be one of the most successful movie trilogies of all time.

Balance Risk and Reward

Balancing risk and reward is an art, not a science. As a result, you can't tell people how to do it. What you can and should do, however, is come at this issue from a number of directions, giving people the opportunity to think about the balance. Here are some diverse ways to develop leaders' abilities in this area:

- **Provide a forum for risk-reward storytelling.** An ongoing dialogue needs to take place so that people can come to terms with how they're going to deal with risk and reward.
- **Wake people up to their own derailing behaviors.** Being overly cautious is the derailer most likely to cause a leader to unbalance the risk-reward equation.
- **Take actions that encourage people to take more heart-related risks.** People need to take some chances in this area in order to improve performance.
- **Avoid template management.** Although templates may help control costs in the short term, they also control risk, which has a negative impact on rewards.
- **Encourage greater self-awareness.** Managing the risk-reward balance effectively is difficult if leaders are unaware of their strengths and weaknesses, motivations and biases. ■

Acting With Unyielding Integrity

It is both more difficult and more necessary than ever before to act with unyielding integrity in today's corporate environment. We live in a time when trust in institutional leaders, especially business leaders, is at an all-time low due to corporate and accounting scandals that have rocked companies such as Enron, Adelphia, WorldCom, Tyco and Vivendi.

As difficult as it is to act with integrity, it is absolutely essential to do so. This guts trait is critical because it creates tremendous positive energy within an organization. In companies where leaders exhibit integrity, a high level of commitment and confidence exists.

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Acting With Unyielding Integrity

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Leaders with great integrity energize the work force, demonstrating a commitment to higher principles that is inspirational.

How to Develop Unyielding Integrity

When leaders become attuned to how and when they behave in ways that are inconsistent with their beliefs, they will be more likely to act with unyielding integrity. The following techniques help foster this awareness:

- **Facilitate thinking about and discussing integrity issues.** The CEO and other senior leaders must make this subject part of an ongoing corporate dialogue.
- **Encourage people to articulate what they're thinking of doing before they do it.** By articulating their fears and reservations about an issue, leaders can receive reactions from others and perhaps adapt their point of view.
- **Create a series of questions that help people grapple with what is right and help them find the courage to take the right course of action.** It takes serious reflection to determine what you believe and to find the courage to act on this belief. ■

Developing Mature Leaders for the 21st Century

Mature leaders often display head, heart and guts naturally. Based on years of experience, during which they had to deal with adversity and wrestle with a range of complex issues, these leaders have learned from their experiences and, consequently, have developed the wisdom that comes with maturity.

Maturity doesn't mean becoming one-third head, one-third heart and one-third guts. Everyone has a natural leadership style and a natural tendency to lean on intellect, emotion or courage doesn't change with maturity. What does change is a willingness to consider options that don't fit with one's natural style. What also changes is a capacity for trying new ways of leading others, thus expanding their personal leadership skills.

What Companies Need

Culturally, the majority of companies are head-oriented. They rely on data and focus on results. A significant minority, though, are heart-oriented, especially the not-for-profits and a growing number of companies that are led by executives with strong people values. Startups, high-techs with younger leaders and companies with entrepreneurial cultures are often guts-oriented, staffed by those who feel free to speak their minds and follow courses of action that are both risky and rooted in strong beliefs. While companies don't always fall neatly into these categories, they usually have a dominant culture that is obvious.

Development, therefore, should focus on helping leaders increase their capacity in the less dominant areas. Most companies are both the beneficiary and the victim of their strong cultures, which can often prevent leaders from going against conventional wisdom, standard practice or tradition. Companies must make it a priority to go beyond the development of the norm and help leaders build their capacity to exhibit head, heart and guts as complete leaders — at the right times in the right situations. Here are the ways they can do so:

- **Hire based on criteria related to head, heart and guts.** If you want to know whether someone has heart capacity, ask candidates questions based on the four elements of emotional intelligence: self-awareness, self-regulation, empathy and managing conflict and influencing.
- **Encourage people not to be prisoners of their own experience.** Head, heart and guts evolve from many experiences and a willingness to learn from them.
- **Involve people in action learning experiences that force them to take on new and challenging assignments.** Creative program designs that involve putting people in a temporary system of new values and ways of doing things can stimulate insights about oneself, the business and the world.
- **Place people in jobs before they're ready to handle them.** Companies should develop certain leaders who may have the capacity for integrating head, heart and guts behaviors but haven't had the chance to do so.
- **Provide people with coaching and other tools that facilitate learning from experience.** Real learning requires people to confront their weaknesses.
- **Develop leaders with head, heart and guts traits in mind.** These qualities provide a good foundation because they help leaders think and act in more holistic ways. ■

SOUNDVIEW RECOMMENDED READING LIST

If you liked *Head, Hearts and Guts,* you'll also like:

1. ***Heart-Centered Leadership*** **by Susan Steinbrecher and Joel B. Bennett.** A counterpoint to the ethical bankruptcy of contemporary business.
2. ***Good To Great*** **by Jim Collins.** A guide to business improvement that ranks company culture as the leading factor in success.
3. ***Coaching for Leadership*** **edited by Marshall Goldsmith and Laurence S. Lyons.** The best executive coaches offer a basic understanding of how coaching works, why it works and how leaders can make the best use of the coaching process.
4. ***Silos, Politics and Turf Wars*** **by Patrick Lencioni.** So-called "turf wars" turn outwardly unified companies into groupings of uncommunicative "silos."
5. ***The Leader of the Future*** **edited by Frances Hesselbein, Marshall Goldsmith and Richard Beckhard.** Thirty-seven notables, such as Peter Senge, Charles Handy and Stephen R. Covey, offer their views on leadership.

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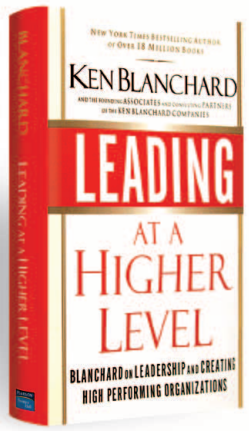

By Ken Blanchard

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Blanchard on Leadership and Creating High Performing Organizations

LEADING AT A HIGHER LEVEL

THE SUMMARY IN BRIEF

Management expert Ken Blanchard, co-author of The One Minute Manager*, and his colleagues at The Ken Blanchard Companies have spent more than 25 years helping good leaders and organizations become great and stay great. Now, for the first time, they've brought together everything they've learned about outstanding leadership. In this summary, they show managers and leaders how to go beyond the short term and zero in on the right target and vision. They also describe how companies can empower people and unleash their incredible potential.*

A key aspect of Blanchard's philosophy involves treating customers right. This summary explains his three secrets for learning how to accomplish this and turn customers into "raving fans." Other skill sets that are detailed include the three keys to empowerment, the three skills of a situational leader and the three skills of a self leader.

Experts from The Ken Blanchard Companies who contributed to the lessons presented in this summary include founding associates Marjorie Blanchard, Don Carew, Eunice Parisi-Carew, Fred Finch, Laurence Hawkins, Drea Zigarmi and Pat Zigarmi. Also contributing were consulting partners Alan Randolph, Jesse Stoner, Susan Fowler, Fay Kandarian, Judd Hoekstra and Scott Blanchard. Together they present more than 25 years of breakthrough leadership insights.

This summary of Leading at a Higher Level *will show you:*

- ✓ ***How to ground your leadership in humility.***
- ✓ ***Ways to focus on the greater good of people and the organization.***
- ✓ ***Why it is important to have an engaged work force of self leaders.***
- ✓ ***How to go beyond the short term and zero in on the right target and vision.***
- ✓ ***Ways to deliver legendary, maniacal customer service and earn raving fans.***
- ✓ ***How to determine your leadership point of view.***

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LEADING AT A HIGHER LEVEL

By Ken Blanchard

— THE *COMPLETE* SUMMARY

What Is Leadership?

For years we defined leadership as an influence process. A better definition of leadership is the capacity to influence others by unleashing the power and potential of people and organizations for the greater good.

When the definition of leadership focuses on goal accomplishment, one can think that leadership is only about results. Yet accomplishment is not enough. The key phrase in the second definition is "the greater good" — what is best for all involved. Leadership should not be done purely for personal gain or goal accomplishment: It should have a much higher purpose than that.

When you are leading at a higher level, you have a "both/and" philosophy. The development of people is of equal importance to performance. As a result, the focus in leading at a higher level is on long-term results and human satisfaction. Leading at a higher level, therefore, is a process. It can be defined as the process of achieving worthwhile results while acting with respect, care and fairness for the well-being of all involved. When that occurs, self-serving leadership is not possible. It's only when you realize that it's not about you that you begin to lead at a higher level. ■

PART ONE: SET YOUR SIGHTS ON THE RIGHT TARGET AND VISION

Is Your Organization High Performing?

Those who want to lead at a higher level need to understand what a high performing organization looks like and what is necessary to create one. They need to aim for the right target.

The Right Target: The Triple Bottom Line

In high performing organizations, everyone's energy is focused on not just one bottom line, but three bottom lines — being the provider of choice, the employer of choice, and the investment of choice. The triple bottom line is the right target and can make the difference between mediocrity and greatness. The leaders in high performing organizations know that their bottom line depends on their customer, their people and their investors.

1. Provider of Choice: To keep your customers today, you can't be content just to satisfy them; you have to create raving fans. Raving fans are customers who are so excited about the way you treat them that they want to tell everyone about you.

2. Employer of Choice: Today's workers seek opportunities where they feel like their contributions are valued and rewarded.

3. Investment of Choice: All companies require funding sources, through stock purchases, loans, grants or contracts. To be willing to invest, people must believe in the company's viability and performance over time.

The HPO SCORES Model

Because of their flexibility, nimbleness and responsive systems, high performing organizations (HPOs) remain not only successful and respected today but are also poised to succeed in the future. HPOs demonstrate results consistently over time.

SCORES is an acronym that represents the six elements evident in every HPO. An HPO SCORE hits the target consistently because it demonstrates strength in each of these six elements:

S = Shared Information and Communication. Information needed to make informed decisions must be readily available to people and openly communicated.

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The author: Ken Blanchard is the author of *The New York Times* best seller *The One Minute Manager*. He is chief spiritual officer of The Ken Blanchard Companies, an international management training and consulting firm he co-founded in 1979. Blanchard has sold more than 18 million books.

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Is Your Organization High Performing?

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C = Compelling Vision. When everyone supports such an organizational vision — including purpose, picture of the future and values — it creates a deliberate, highly focused culture that drives the desired business results.

O = Ongoing Learning. HPOs are constantly focusing on improving capabilities through learning systems, building knowledge capital and transferring learning throughout the organization.

R = Relentless Focus on Customer Results. HPOs understand who their customers are and measure their results accordingly. Everyone passionately holds and maintains the highest standards for quality and service from their customers' perspectives.

E = Energizing Systems and Structures. The systems, structures and processes in HPOs are aligned to support the organization's vision, strategic direction and goals.

S = Shared Power and High Involvement. In HPOs, power and decision making are shared and distributed throughout the organization, not guarded at the top of the hierarchy.

Leadership Is the Engine

If becoming a high performing organization is a destination, leadership is the engine. While the HPO SCORES model describes the characteristics of a high performing organization, leadership is what moves the organization in that direction. ■

The Power of Vision

When leaders who are leading at a higher level understand the role of the triple bottom line as the right target — to be the provider of choice, employer of choice and investment of choice — they are ready to focus everyone's energy on a compelling vision.

A compelling vision creates a strong culture in which the energy of everyone in the organization is aligned. This results in trust, customer satisfaction, an energized and committed work force and profitability.

The Importance of Vision

Once a leader has clarified and shared the vision, he or she can focus on serving and being responsive to the needs of the people, understanding that the role of leadership is to remove barriers and help people achieve the vision. The greatest leaders mobilize others by coalescing people around a shared vision.

When Louis Gerstner Jr. took the helm of IBM in 1993 — amid turmoil and instability as the company's annual net losses reached a record $8 billion — he was quoted as saying, "The last thing IBM needs is a vision." In an article in *The New York Times* two years later, Gerstner conceded that IBM had lost the war for the desktop operating system, acknowledging that the acquisition of Lotus signified that the company had failed to plan properly for its future. He admitted that he and his management team now "spent a lot of time thinking ahead."

Once Gerstner understood the importance of vision, an incredible turnaround occurred. He saw clearly that the company's source of strength would be in integrating solutions and resisted pressures to split the company. In 1995, delivering the keynote address at the computer industry trade show, Gerstner articulated IBM's new vision — that network computing would drive the next phase of industry growth and would be the company's overarching strategy. That year, IBM began a series of acquisitions that positioned services to become the fastest-growing segment of the company, with growth at more than 20 percent per year. This extraordinary turnaround demonstrated that the most important thing IBM needed was a vision — a shared vision. ■

PART TWO: TREAT YOUR CUSTOMERS RIGHT

Serving Customers at a Higher Level

The second step in leading at a higher level is to treat your customers right. While everybody seems to know that, few organizations are creating raving fans — devoted customers who want to brag about them.

Scoring With Your Customers

In high performing organizations, everything starts and ends with the customer. This is a radical shift from organizations whose business design put the customer at the end of the chain. For example, at the renowned Golden Door Spa, all systems are set up to wow the customer. Everyone knows that his or her job is to exceed expectations and to back up the key front-line person at that moment.

In high performing organizations, management has regular face-to-face contact with customers — not only with devoted customers, but also with those who are frustrated, angry or not using the organization's products and services. Leaders are passionate about developing sophisticated knowledge of customers and sharing the information broadly throughout the organization.

Decide, Discover and Deliver

There are three secrets to treating your customers right and turning them into raving fans:

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Serving Customers at a Higher Level

(continued from page 3)

1. Decide. If you want to create raving fans, you don't just announce it. You have to plan for it. You have to decide what you want to do. What kind of experience do you want your customers to have as they interact with every aspect of your organization? Understanding what your customers really want when they come to you helps you determine what you should offer them.

A good example of how this works is Domo Gas, a full-service gasoline chain in Western Canada, co-founded by Sheldon Bowles. Back in the 1970s, when everybody was going to self-service gasoline stations, Bowles knew that if people had a choice, they would never go to a gas station.

But people have to get gas, and they want to get in and out as quickly as possible. The customer service vision that Bowles and his co-founders imagined was an Indianapolis 500 pit stop. They dressed all their attendants in red jumpsuits. When a customer drove into one of Bowles' stations, two or three people ran out of the hut and raced toward the car. As quickly as possible, they looked under the hood, cleaned the windshield and pumped the gas.

2. Discover. After you decide what you want to have happen, it's important to discover any suggestions your customers may have that will improve their experience with your organization. What would make their experience with you better? Ask them!

3. Deliver +1 Percent. Now you have to figure out how to get your people excited about delivering this experience, plus a little bit more. The responsibility for establishing a shared vision rests with the senior leadership. ■

For information on how Trader Joe's exceeds expectations, go to: http://my.summary.com

PART THREE: TREAT YOUR PEOPLE RIGHT

Empowerment Is the Key

How do the best-run companies in the world beat out the competition day in and day out? They treat their customers right. They do that by having a work force that is excited about their vision and motivated to serve customers at a higher level. So how do you create this motivated work force? The key is empowerment.

Empowerment means letting people bring their brains to work and allowing them to use their knowledge, experience and motivation to create a healthy triple bottom line. Leaders of the best-run companies know that empowering people creates positive results that are just not possible when all the authority moves up the hierarchy and managers shoulder all the responsibility for success.

Researcher Edward Lawler found that when people are given more control and responsibility, their companies achieve a greater return on sales than companies that do not involve their people. Scholar Thomas Malone believes that empowerment is essential for companies that hope to succeed in the new knowledge-based economy.

The Three Keys to Empowerment

To guide the transition to a culture of empowerment, leaders must use three keys:

1. Sharing Information. One of the best ways to build a sense of trust and responsibility in people is by sharing information. Giving team members the information they need enables them to make good business decisions. High performing organizations continually look for ways to incorporate knowledge into new ways of doing business. Michael Brown, former chief financial officer of Microsoft, says, "The only way to compete today is make your intellectual capital obsolete before anyone else does."

2. Declaring the Boundaries. In a hierarchical culture, boundaries are really like barbed-wire fences. They are designed to control people by keeping them in certain places and out of other places. In an empowered culture, boundaries are more like rubber bands that can expand to allow people to take on more responsibility as they grow and develop.

3. Replacing the Old Hierarchy With Self-Directed Individuals and Teams. As people learn to create autonomy by using newly shared information and boundaries, they must move away from dependence on the hierarchy. Self-directed individuals and Next Level teams — highly skilled, interactive groups with strong self-managing skills — replace the clarity and support of the hierarchy. ■

Situational Leadership®II: The Integrating Concept

If empowerment is the key to treating people the right way and motivating them to treat your customers right, having a strategy to shift the emphasis from leader as boss and evaluator to leader as partner and cheerleader is imperative.

Is the direct report new and inexperienced about the task at hand? Then more guidance and direction are called for. Is the direct report experienced and skilled?

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Situational Leadership®II: The Integrating Concept

(continued from page 4)

That person requires less hands-on supervision. All of us are at different levels of development depending on the task we are working on at a particular time. To bring out the best in others, leadership must match the development level of the person being led. Giving people too much or too little direction has a negative impact on people's development.

Situational Leadership®II is based on the belief that people can and want to develop, and there is no best leadership style to encourage that development. You should tailor leadership style to the situation.

Leadership Style

There are four basic leadership styles in Situational Leadership®II: directing, coaching, supporting and delegating that correspond with four basic development levels: enthusiastic beginner, disillusioned learner, capable but cautious performer and self-reliant achiever.

Enthusiastic beginners need a directing style, disillusioned learners need a coaching style, capable but cautious performers need a supporting style and self-reliant achievers need a delegating style.

Development level is not a global concept, but it's task-specific. Development level varies from goal to goal or task to task. An individual can be at one level of development on one goal or task and be at a different level of development on another goal or task.

The Three Skills of a Situational Leader

To become effective as a situational leader, you must master these three skills:

1. Diagnosis. You must determine the development level of your direct report. The key is to look at competence and commitment.

2. Flexibility. When you are comfortably able to use a variety of leadership styles, you have mastered the skill of flexibility. As your direct reports move from one development level to the next, your style should change accordingly.

3. Partnering for Performance. Partnering opens up communication between you and your direct reports and increases the quality and frequency of your conversations. Leadership is not something you do to people, but something you do with people. ■

Self Leadership: The Power Behind Empowerment

Managers must learn to let go of command-and-control leadership styles, because soon they will have no choice. In the 1980s, a manager typically supervised five people — in other words, the span of control was one manager to five direct reports. Today, companies have more mean-and-lean organizational structures, where spans of control have increased considerably. Now it is common to find one manager for 25 to 75 direct reports. Add to that the emergence of virtual organizations — where managers are being asked to supervise people they seldom, if ever, meet face to face — and we have an entirely different work landscape emerging.

The truth is that most bosses today can no longer play the traditional role of telling people what, when and how to do everything. More than ever before, companies today are relying on empowered individuals to get the job done.

Creating an Engaged Work Force

People need to be trained in self leadership. Organizations on the leading edge have learned that developing self leaders is a powerful way to positively impact the triple bottom line.

For example, Bandag Manufacturing experienced the value of self leadership after a major equipment breakdown. Rather than laying off the affected work force, the company opted to train them in leadership. A funny thing happened. Direct reports began holding their managers accountable and asking them to demonstrate their leadership capabilities. They were asking managers for direction and support and urging them to clarify goals and expectations. Suddenly, managers were studying up on rusty skills and working harder.

When the plant's ramp-up time was compared to the company's other eight plants that had experienced similar breakdowns in the past, the California plant reached pre-breakdown production levels faster than any in history. The manufacturer studied other measures, too, and concluded that the determining factor in the plant's successful rebound was primarily the proactive behavior of the workers, who were fully engaged and armed with the skill of self leadership.

The Three Skills of a Self Leader

Self leaders must be actively developed by teaching people skills and mental attitudes that foster empowerment. Here are the three skills of self leadership:

1. Challenge Assumed Constraints. An assumed constraint is a belief, based on past experience, that limits current and future experiences.

2. Celebrate Your Points of Power. The five points of power are position power, personal power, task power, knowledge power and relationship power. The sole advantage of power is the ability to do more good.

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Self Leadership: The Power Behind Empowerment

(continued from page 5)

Getting feedback on your points of power can be an enlightening experience. The best way to increase your power base is to gather people around you who have points of power you don't have.

3. Collaborate for Success. Self leaders take the initiative to get the direction and support they need to achieve their goals. The direct reports of self leaders diagnose their own development levels on a particular goal or task and take the initiative to get from their managers the leadership style they need to succeed. ■

Partnering for Performance

At its best, leadership is a partnership that involves mutual trust between two people who work together to achieve common goals. When that occurs, both leader and follower have an opportunity to influence each other.

Partnering for performance, the third skill of effective situational leaders, provides a guide for creating such side-by-side leadership relationships. It is a process for increasing the quality and quantity of conversations between managers and direct reports. These conversations not only help people perform better, but they also help everyone involved feel better about themselves and each other.

The best way to improve people's job satisfaction is to help them perform well. That requires a good formal and informal performance management system.

An Effective Performance Management System

An effective performance management system has three parts:

1. Performance Planning. After everyone is clear on the organizational vision and direction, it's during performance planning that leaders agree with their direct reports about the goals and objectives they should be focusing on. Goal setting, diagnosis and matching are part of performance planning.

2. Performance Coaching. This is where the pyramid is inverted and the hierarchy is turned upside down on a day-to-day basis. Now leaders do everything they can to help direct reports be successful. At this stage, managers work for their people, praising progress and redirecting inappropriate performance.

3. Performance Review. This is where a manager and direct report sit down and assess the direct report's performance over time. When progress-check meetings are scheduled, open and honest discussions about the direct report's performance take place on an ongoing basis, creating mutual understanding and agreement. ■

Situational Team Leadership

Teams can execute better and faster and change more easily than traditional hierarchical structures. They have the power to increase productivity and morale or destroy it. When working effectively, a team can make better decisions, solve more complex problems and do more to enhance creativity and build skills than individuals working alone. The team is the only unit that has the flexibility and resources to respond quickly to changes and new needs that have become commonplace.

Organizations can no longer depend on hierarchical structures and a few peak performers to maintain a competitive advantage. The demand now is for collaboration and teamwork in all parts of the organization.

Not only are teams hard-core units of production, they also provide a sense of worth, connection and meaning to the people involved in them. A study of 12,000 male Swedish workers over a 14-year period revealed that workers who felt isolated and had little influence over their jobs were 162 percent more likely to have a fatal heart attack than were those who had a lot of influence in decisions at work and who worked in teams. Data like this — combined with the fact that teams can be far more productive than individuals functioning alone — provide a compelling argument for creating high-involvement workplaces.

The Reality of Teams

A team is defined as two or more people who come together for a common purpose and who are mutually accountable for results. Some teams achieve outstanding results no matter how difficult the objective. High performing teams cross all walks of life and vary in size, complexity and purpose. Although each outstanding team is unique, all share certain characteristics.

Building highly effective teams, like building a great organization, begins with a picture of what you are aiming for — a target. ■

The High Cost of a Disengaged Work Force

According to a 2003 Gallup study, "actively disengaged" people — workers who are fundamentally disconnected from their jobs — are costing the U.S. economy between $292 billion and $355 billion a year. The Gallup survey found that 24.7 million workers (17 percent) are actively disengaged. These workers are absent from work 3.5 more days a year than other workers, or 86.5 million days in all. Statistics show an even less engaged work force worldwide.

Organizational Leadership

Just as team leadership is more complicated than one-on-one leadership, leading an entire organization is more complicated than leading a single team.

Constant change is a way of life in organizations today. How do managers and leaders cope with the barrage of changes that confront them daily as they attempt to keep their organizations adaptive and viable?

They must develop strategies to listen in on the conversations in the organization so that they can surface and resolve people's concerns with change. They have to strategize hard to lead change in a way that leverages everyone's creativity and ultimate commitment to working in an organization that's resilient in the face of change.

Directive Behavior for Organizational Change

Behaviors that provide support in leading organizations are primarily related to facilitating the change process and inspiring everyone to work together. Buy-in and cooperation are increased when change leaders listen to and involve others at each step of the change process. This means sharing information broadly across the organization, asking for input, sponsoring pilots, celebrating small successes and recognizing people who are changing. ■

Leading Change

There are eight change leadership strategies, as well as their outcomes, that describe a process for leading change that is dramatically different from how change is introduced in most organizations.

Eight Change Leadership Strategies

Strategy 1: Expand Opportunities for Involvement and Influence (Outcome: Buy-In). This strategy must be used consistently throughout the change process. Once a leader has diagnosed people's stages of concern, the leader must learn to use the appropriate change strategy and corresponding behaviors to address the specific concerns people have in each stage of organizational change.

Doing so significantly increases the probability of implementing successful change because it expands opportunities for involvement and influence.

Strategy 2: Explain the Business Case for Change (Outcome: Compelling Case for Change). This strategy addresses information concerns. When leaders present and explain a rational reason for the change, the outcome is a compelling case that helps people understand the change being proposed, the rationale for the change and the reason the status quo is no longer a viable option.

Top 10 Reasons Why Teams Fail

Being aware of the following pitfalls is important so that you can avoid them in the teams in which you participate:

1. Lack of a sufficient charter that defines the team's purpose and how it will work together.
2. Inability to decide what constitutes the work for which they are interdependent and mutually accountable.
3. Lack of mutual accountability.
4. Lack of resources, including time, to do the job.
5. Lack of effective leadership.
6. Lack of norms that foster creativity and excellence.
7. Lack of planning.
8. Lack of management support.
9. Inability to deal with conflict.
10. Lack of training on all levels on group skills.

Strategy 3: Envision the Future (Outcome: Inspiring Vision). This strategy addresses both information and personal concerns. When leaders envision the future, they create an inspiring vision that motivates people in the organization and unleashes their power and potential.

Strategy 4: Experiment to Ensure Alignment (Outcome: One Voice and Aligned Infrastructure). This strategy is for personal and implementation concerns. When leaders engage others in planning and experimenting, they encourage collaborative effort and help build the infrastructure that is needed to support the change.

Some of the strongest resistance to change occurs when reality differs from expectations. Understanding the current expectations of those affected by the change is critical if leaders are to manage and shape or transform those expectations effectively.

Strategy 5: Enable and Encourage (Outcome: New Skills and Commitment). This strategy is for implementation and impact concerns. When leaders enable and encourage people throughout the organization to embrace the change, associates can develop new skills and make a deeper commitment to the organization. After determining the roles, responsibilities and competencies required for lasting change, skill gaps need to be closed.

Strategy 6: Execute and Endorse (Outcome: Accountability for Results). This strategy is for impact and collaboration concerns. When leaders execute and endorse the change, they create conditions for account-

(continued on page 8)

Leading Change

(continued from page 7)

ability and early results. Follow through on your promise to recognize and reward behavior you expect, and follow through on your promise to impose consequences for anyone attempting to derail the program.

Strategy 7: Embed and Extend (Outcome: Sustainable Results). This strategy is for collaboration and refinement concerns. Organizations should spend 10 times more energy reinforcing the change they just made than looking for the next great change to try.

Strategy 8: Explore Possibilities (Outcome: Options). This strategy is for refinement concerns. By involving others in exploring possibilities, you immediately lower information concerns when a new change is announced, because people are "in the loop" about deciding what needs to change.

Responding to others' concerns and paying attention to how you increase involvement and influence at each step in the change process is the best way to build future change receptivity, capability and leadership. ■

PART FOUR: HAVE THE RIGHT KIND OF LEADERSHIP

Servant Leadership

When people lead at a higher level, they make the world a better place because their goals are focused on the greater good. Making the world a better place requires a special kind of leader: a servant leader.

Robert Greenleaf first coined the term "servant leadership" in 1970 and published widely on the concept for the next 20 years. Yet it is an old concept. Mahatma Gandhi, Dr. Martin Luther King Jr. and Nelson Mandela are examples of leaders who have practiced this philosophy.

What Is Servant Leadership?

Leadership has two parts: vision and implementation. In the visionary role, leaders define the direction. It's their responsibility to communicate what the organization stands for and wants to accomplish.

The responsibility for this visionary role falls to the hierarchical leadership. The visionary role is the leadership aspect of servant leadership. Servant leaders feel their role is to help people achieve their goals. They try to find out what their people need to be successful. They want to make a difference in the lives of their people and, in the process, impact the organization. ■

For additional information on what servant leaders do, go to: http://my.summary.com

Determining Your Leadership Point of View

Research shows that effective leaders have a clear, teachable leadership point of view and are willing to teach it to others, particularly the people they work with.

If you can teach people your leadership point of view, they will not only have the benefit of understanding where you're coming from, but they'll also be clear on what you expect from them and what they can expect from you. They may also begin to solidify their own thinking about leadership so that they can teach others too. Some say that learning, teaching and leading should be inherent parts of everyone's job description.

Seven Questions

In determining your leadership point of view, you should be able to answer these seven questions:

1. Who are the influencers (leaders) in your life who have had a positive (or, in some cases, negative) impact on your life, such as parents, teachers, coaches or bosses?
2. Think of your life purpose. Why are you here, and what do you want to accomplish?
3. Which of your core values will guide your behavior as you attempt to live your life "on purpose"?
4. Given what you've learned from past leaders, your life purpose and your core values, what are your beliefs about leading and motivating people?
5. What can your people expect from you?
6. What do you expect from your people?
7. How will you set an example for your people?

As you develop your own leadership point of view, don't be hard on yourself. This might be your first time thinking about your beliefs about leading and motivating people.

The world needs more leaders who are leading at a higher level. Perhaps the day will come when self-serving leaders are history, and leaders serving others are the rule, not the exception. ■

SOUNDVIEW RECOMMENDED READING LIST

If you liked *Leading at a Higher Level*, you'll also like:

1. ***Heart of a Leader: Insights on the Art of Influence*** **by Ken Blanchard.** The author's insight on choosing values, aiming for excellence, maintaining integrity and more.
2. ***12: The Elements of Great Managing*** **by Rodd Wagner and James K. Harter.** Based on 10 million interviews, Wagner and Harter follow great managers as they successfully face business challenges around the world.
3. ***First, Break All the Rules*** **by Marcus Buckingham and Curt Coffman.** The authors expose the fallacies of standard management thinking.
4. ***The Five Dysfunctions of a Team*** **by Patrick Lencioni.** A fictional tale that delivers hard truths about critical business procedures.
5. ***Leading Change*** **by John Kotter.** An eight-step framework for change that can be followed by executives at all levels.

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SOUNDVIEW Featured Book Review
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When in Doubt, Look About

Review by Andrew B. Clancy

BORROWING BRILLIANCE

by David Kord Murray

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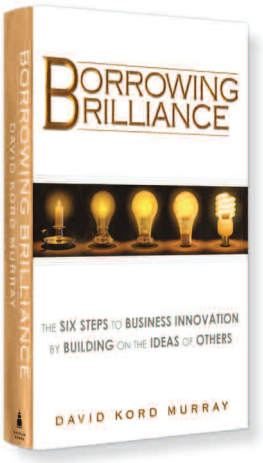
One of the best ways to start a debate amongst intellectuals is to introduce the statement, "There's no such thing as an original idea." Within minutes, side-conversations are likely to spark into blazing arguments as people debate the originality of the works of artists, inventors, musicians and business leaders. Entrepreneur and inventor David Kord Murray would wield a heavy hammer of doubt in this debate. He is a firm believer in the notion that no idea is truly born in a vacuum. It's worth noting that Murray has a familiarity with the largest vacuum in existence, the one that surrounds everything beyond our atmosphere. He previously worked as an aerospace engineer and was involved in the development of the International Space Station.



Murray's book *Borrowing Brilliance: The Six Steps to Business Innovation by Building on the Ideas of Others* supports the belief that all great ideas can be sourced from other places. This notion is one that creates a bit of discomfort for the majority of businesspeople. In a world where an ill-timed sneeze appears cause for litigation, the suggestion that ideas can be "borrowed" is enough to make any company's legal department quiver. Copyright infringement lawsuits and allegations of violations of patents clog the lower levels of the court system and result in a great deal of time and money being spent in the process.

The issues with creative license aren't limited to the workplace. Societal norms indicate that original thought is highly prized, while imitation and inspiration without credit are demonized as academic treason. After all, one of the most severe (non-violent) offenses in any school is lifting a few answers from a neighbor's paper. Accusations of plagiarism are known to permanently haunt the careers of academics unfortunate enough to have theories that appear too close to those of a colleague.

Executives should know that Murray isn't giving the world license to engage in intellectual thievery. His book centers on the way in which ideas evolve and change. The roots of any new product, theory or methodology are entrenched in a previous idea or set of ideas. Whether the author's use of the term "borrowing" is intended partly for contrived shock value is debatable, but he generally concerns himself more with influence and inspiration than literally passing off someone else's work as one's own. Murray is a high-level thinker, yet he infuses much of the book with a casual humor.

Borrowing Brilliance addresses a serious concern for many companies in the United States and around the globe: the need for continued innovation. As noted in the promotional copy for the book, the creation of new ideas is a responsibility that is evenly distributed throughout an entire organization. In fact, a department given the heading "Innovation" is often merely the filter through which raw ideas from other departments pass.

Murray's own time serving as an innovation strategist for software company Intuit put him in the position of constantly delivering new ideas and understanding the

methods of the creative process. It was a job that was specially created for him after he fused together a combination of borrowed ideas from Intuit's competitors to solve a direct marketing problem the company had at the time. This position also spawned Murray's development of his system for teaching innovative thinking.

Murray divides the innovation process into six steps that executives will find easy to follow. Each step winds its way through a series of examples from both well-known companies and Murray's own career. Readers should be alert to the fact that Murray frequently leans on his own experiences. While he references companies with which every reader will be familiar, it is clear that Murray himself is the star of his own tale. He also has a tendency to jump forward and backward in his personal history while relaying an idea. For someone whose career has gone from the aerospace industry to the software field to marketing, it can sometimes take a moment or two to center oneself when Murray takes off on another autobiographical jaunt.

"Pirates who plundered other territories, he notes, were referred to as privateers. The solutions that result from drawing inspiration from fields that appear unrelated to one's own are less likely to be scrutinized … "

The Pirates of Silicon Valley

The references Murray makes to businesses other than his own will help readers to connect with some of the more obtuse psychological and theoretical discussions in *Borrowing Brilliance*. The history and evolution of the personal computer is mined for a lot of the gold that permeates the early chapters of Murray's book. Because of the speed with which technology has evolved since the Altair 8800 personal computer made its first appearance, many of the best innovations are the result of borrowed ideas. Murray uses the historical context of pirates and notes that pirates weren't considered outlaws until they began stealing from ships that sailed from their homelands. In the computer industry, this type of in-house appropriation became standard practice in the industry's early years and has become an accepted part of the process of continuous innovation. With this in mind, Murray examines the individuals he considers to be the captains of the field's two biggest pirate ships: Microsoft founder Bill Gates and Apple CEO Steve Jobs.

Murray takes something of a risk labeling two greatly respected rivals as pirates, but because he considers the designation a badge of honor, much of what he writes is intended to praise Gates and Jobs. One of the most important aspects for executives to take away from this section is the role observation plays in the birth of an idea. Murray points out that an idea is typically a solution to a problem. If a company has a problem, the most likely candidates to encounter the same problem are its competitors. This is why Murray suggests that it's only natural to focus one's attention on competitors as a way to observe a problem. The competitors who are closest to solving the problem are the ones who are likely to provide the best inspiration for the executive's solution that is specific to his or her own company's need.

Murray is quick to point out that the competition is not the lone source of information that informs an innovator's process. Pirates who plundered other territories, he notes, were referred to as privateers. The solutions that result from drawing inspiration from fields that appear unrelated to one's own are less likely to be scrutinized and therefore less likely to cause any legal furor. Murray appears to suggest a blending of the two, but emphasizes that credibility often comes in greater heaps to the person who best knows how to cover his or her tracks. As with other arguments in the book, this philosophy may lead some executives to question Murray's wisdom, but the moment he appears to tread too closely to questionable morals, he brings *Borrowing Brilliance* back to steady ground with reminders of the discipline and ingenuity used by the best business minds.

The Science Behind Human Thought

Much of the material presented in *Borrowing Brilliance* is concerned with the process of thinking. These sections of the book are where some of Murray's strongest writing occurs. He helps executives understand the natural collision between the conscious mind and the subconscious and the role both play in the creation of an idea. Murray appears to sense the limits of his reader's patience and knows the depth to which he should discuss the science behind human thought. When explaining the way in which the mind works off of repetition, he notes that as a thought travels along its pathway, it digs a trench behind it. Repeat the thought and the trench gets deeper. Repeat the thought too many times and the trench becomes too deep to escape. In a few short sentences, Murray reveals the problem and readers will find his solution to be equally brief and effective.

The capturing of a few ideas from a variety of sources (competitors, dissimilar industries, even historical examples) is meaningless until they are put into the forge of

the subconscious. Murray reminds readers throughout *Borrowing Brilliance* that even the work of the inactive mind is an active process. Although it may seem puzzling that humans have to work hard at not thinking, Murray explains what is necessary to help leaders clear their minds and allow their best thoughts to come to the surface. After reading these sections of the book, it is very difficult to ever use the phrase "out of left field" again when referring to an idea. The exercises suggested by Murray are an important key to helping executives break through the haze of white noise created by the digital age.

The Force of Innovation

Murray's discussion of innovation is not limited to the world of business. He drafts examples from art, literature, even popular culture to make his point. One of the more notable names with which he has a particular fascination is filmmaker George Lucas. Murray's affinity for Lucas makes sense when one considers the former's work in the aerospace industry. However, Murray would be the first to point out that his connection with Lucas' *Star Wars* franchise goes deeper than the author's own interest in the heavens.

> "A marketer can borrow the idea of a luxurious shave and incubate it through the modern issue of not having enough time."

The segments on Lucas are some of the most easily relatable material and will be familiar to anyone who shares Murray's appreciation for the six *Star Wars* films. The anecdotes reveal that Lucas's films, particularly the 1977 release now known as *Episode IV: A New Hope* (originally titled *Star Wars*), achieved record-breaking success because they hit a sympathetic nerve in many viewers. The films are packed with a combination of character archetypes (they're called Jedi *Knights* for a reason) from classic mythology and elements from more recent memory, such as the use of the term "storm trooper" for an evil soldier. When audiences attended *Star Wars* in 1977, they were treated to a very familiar story of a young hero on a quest to save a princess aided by a wizard mentor. All of these elements were borrowed by Lucas and processed through what Murray refers to as incubation (one of the six steps). With Lucas's addition of lightsabers, hyperspace and the mystical element of The Force, the end result appeared new and audiences responded in droves.

This section holds a few key points for marketers who may be struggling with selling a product with which audiences have long been familiar. The concepts of borrowing that are discussed in *Borrowing Brilliance* come into play frequently in industries where several players compete to capture the market for a single product.

As an example, if a company is trying to sell a product such as shaving cream, it can borrow elements from the collective past of the intended audience and give it a key twist that applies to today to differentiate the product. The resurgence of barbershops where men receive a straight razor shave using luxury shaving lather seems to recall a by-gone era. Today, a man is lucky to swipe a razor across his face between answering e-mails on his Blackberry. A marketer can borrow the idea of a luxurious shave and incubate it through the modern issue of not having enough time. The end result is a shaving cream that offers the mind (and the face) a momentary escape into luxury.

The Positive and Negative of an Idea

Murray has a tendency to weave his examples together as the book progresses. This means that *Borrowing Brilliance* does not lend itself well to the casual reader. There is not much opportunity to "skip around" from chapter to chapter because many of the references Murray makes, particularly to his own life, will seem out of context if the book isn't read from start to finish. A reader isn't likely to understand the author's reference to the testing a structural engineer performs on a spacecraft if he or she hasn't first read Murray's story about a government oversight nearly destroying an early shuttle launch. Murray treats his subject matter as a proper story, one that is intended to unfold over the course of the book's 280-plus pages.

By the time the reader reaches the book's latter third, he or she will have endured some rather intense discussions. Applying Murray's own advice about thinking, it may be best to set the book aside for a day before returning to it to fully absorb the key messages contained in the fifth and sixth steps of business innovation, judging and enhancing an idea. While the formation and incubation of ideas are the building blocks of any product, the process of judging and refining those ideas are what separate the items that fill our homes from the ones that remain, at best, on the shelves, or at worst, in the lab.

Skepticism plays one of the most important roles in the process of innovation, according to Murray. The ability to look objectively at one's work is an essential element in turning a good idea into a great solution. This is not the domain for fragile egos, yet it produces results that tend to outpace those of more tolerant com-

petitors. Murray gives good instruction on how to develop and channel one's own inner critic, as well as where to look within an organization for the type of input that will have the necessary impact to shape an idea. As much as a critical judgment can prove where an idea is weak, it also has the ability to prove where the idea is at its most strong. The combination of the two is what will help an innovator make corrections and improve the strength of the whole.

What executives will find interesting about this discussion is that it deals with two areas that are frequently viewed as negative aspects of any leadership role: criticism and micromanagement. The workplace is one of the few remaining places in American society where harsh criticism is tolerated. The need to treat one's ideas ruthlessly is essential to the process described in *Borrowing Brilliance*. An idea, as Murray indicates, is an assembly of pieces from various areas of influence. The mass of pieces is assembled for the purpose of solving a problem. The process of scrutiny requires executives to look at the way the pieces of the solution interact, then slice off those that don't fit the end result. Sometimes the piece that can be holding a project back can be miniscule. The skill of the micromanager is the ability to examine the sum of the parts and recognize which part is crucial to the success of the idea but needs reshaping to work to perfection.

"The workplace is one of the few remaining places in American society where harsh criticism is tolerated. The need to treat one's ideas ruthlessly is essential."

It's important for the reader to understand that negative thinking alone does not get the leader to his or her result. Non-stop negativity is one of the great destroyers of creativity. Positive reinforcement is what drives ideas and the people that turn them into reality forward. This is another area of *Borrowing Brilliance* where Murray looks to Jobs as his standard-bearer. Jobs' use of a terse, profane declaration led to the destruction of many an idea at Apple. This method of quality control allowed only the strongest ideas to land on the company's agenda. When a particular project had promise, Jobs would get behind the idea with a relentless push of enthusiasm, inspiring the individuals working on the idea and getting others excited about the potential end result. Murray points out that this seemingly split personality is frustrating for those working with the innovator, but it is a necessary part of the balanced judgment that creates a great solution.

A Little Light Reading

For the truly adventurous, Murray concludes *Borrowing Brilliance* with a suggested reading list of titles that further explore the subjects covered in his book. Each book in the list includes a short review provided by Murray. This is an interesting add-on that increases the value of the book to an executive. Depending on which topic most garnered the reader's interest (creativity, psychology, neurology, etc.), he or she will find one or two additional titles that come highly recommended from a source that has obviously done more than his share of homework.

Murray admits that hundreds of books were consulted during his writing process, and his joy and devotion to enriching his own knowledge about his subject matter is repeated throughout the book. While not all of the titles he read appear in the appendix, some of Murray's personal favorites are highlighted. In some respects, the appendix is the perfect ending to *Borrowing Brilliance*. Murray spent 280-plus pages explaining how the best ideas are constructed from dozens of tiny building blocks from other sources. With the appendix, he shows you exactly which ones formed the biggest sections of his own grand idea. It may not be an original but, as Murray himself would contend, there are no original ideas.

The author: David Kord Murray began his career as an aerospace engineer working on the conceptual development team for the International Space Station. He has also been an entrepreneur, inventor and Fortune 500 executive. He was the head of innovation for the software company Intuit and held similar positions at other Fortune 500 companies. He lives in Tahoe City, Calif.

For more information, visit www.borrowingbrilliance.com.

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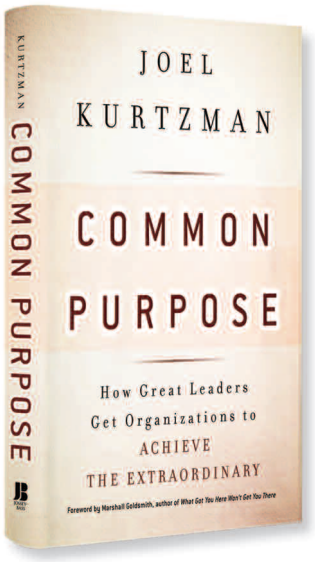
Leadership: Strategies

Common Purpose

How Great Leaders Get Organizations to Achieve the Extraordinary



by Joel Kurtzman

THE SUMMARY IN BRIEF

What is common purpose? It is that rare, almost palpable experience that happens when a leader coalesces a group, team or community into a creative, dynamic, brave and nearly invincible *we*. It happens the moment the organization's values, tools, objectives and hopes are internalized in a way that enables people to work tirelessly toward a goal. Common purpose is rarely achieved. But when a leader is able to bring it about, the results are outsized, measurable and inspiring.

Common Purpose features personal interviews with some of the most dynamic, successful and enduring leaders, including Gordon Bethune of Continental Airlines, Richard Boyatzis of Case Western Reserve University and John Tyson of Tyson Foods.

With new insights on how to approach a leadership mindset, as well as how to implement it, Joel Kurtzman sheds new light on the meaning of leadership, the crucial qualities of leaders and, most importantly, how to lead.

The road to common purpose in leaders and leadership is not an easy one. *Common Purpose* provides a road map to stay on that journey — and to succeed along the way.

IN THIS SUMMARY, YOU WILL LEARN:

- How excellent leaders create a feeling of "we" among the members of their group, team or organization.
- How to get people to do the right thing on their own and then get them to do it again.
- How to build a common purpose in a world besieged by failures of leadership.
- How to create sustainable, healthy organizations.

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THE COMPLETE SUMMARY: **COMMON PURPOSE**

by Joel Kurtzman

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For additional information on the author, go to http://www.summary.com.

No One Leads Alone

Leaders are people who rise to prominence. But leadership is different. Leadership is about what leaders do. A leader who mistakes one for the other can suffer a dangerous fall.

Leadership is akin to a contract between the leader and the group. To use a common analogy, if leaders are the captains of the ship, they sign a contract with the board of directors (or its equivalent, depending on the leader's level in the organization) and also with those who are furling the sails, coiling the ropes, hoisting the anchors and sweeping the decks. It's those people — the deckhands and swabbies — as much as the board who can eject any leader from his or her job.

The contract that leaders sign stipulates they are to select the destination; plot a course to it; arrive with crew, cargo and ship intact; and put down mutinies should they occur along the way. If the wind changes, they have to tack. But if the seas rise, they are not free to change destinations. They are hired to achieve a goal, no matter the odds.

Common Purpose

Great leaders motivate people by building a sense of inclusiveness, which is how they connect with and become accepted by the group. They create a sense of *we* by using their emotions as well as other tools — ideas, arguments, numbers and so on — in strategic and disciplined ways. A leader's authority derives from effectively balancing what can only be called the near-schizophrenic task of being a genuinely accepted member of a group, while having sufficient detachment to constantly adjust course. To do that, leaders must be conscious about which emotions to display and when to display them. They must use their full set of leadership tools to create common purpose, which is how one person impels another to act without directing that person's every move. Common purpose is what turns *me* into *we*.

Common purpose is a force you can almost feel. It animates great companies and great movements, and it can be summoned to propel a politician forward. When cared for, nurtured and protected, it produces an almost palpable sense of "we" that can be felt inside the company. It is the feeling that we're all in this together and that we all know and understand what to do, why we're here and what we stand for. ●

The Leadership Disconnect

A major disconnect exists today on the topic of leadership. Senior leaders in business, government and nonprofit organizations talk about the need to push decision making down in their organizations. They do this with the goal of making their organizations more responsive to their customers and constituencies, and more competitive against rivals. Rather than wait until a problem moves up through the management levels, quality- and quick-response-minded organizations need people who can solve problems and pursue opportunities as soon as they arise. Minimizing response time has never been more important.

And yet, while organizations need leaders at every level and in every function if they are to quicken their response time, senior executives still talk — and, even worse, think — in terms of leaders, followers, subordinates and direct reports. Although these executives might espouse the value of flatness, they still think in hierarchical terms.

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Leadership Determines Results

Leadership matters not just when it comes to preventing calamities and seizing opportunities. It matters when it comes to retaining an organization's most precious resource: talent. Richard Boyatzis, a professor of business at Case Western Reserve University and a noted researcher regarding individuals and organizations, has said that some firms actually become emotionally toxic places to work because of the way they are led.

Leaders within toxic organizations create cultures, or allow toxic cultures to develop, that harm the organization's talent. Badly led, toxic organizations not only dispirit the individuals who remain in place (the best people usually leave), they create environments of low productivity, low expectations, poor morale and flagging creativity. According to Boyatzis, some organizations are so badly led, so stifling to the dreams of employees, so damaging to their abilities and passions, that they can take a toll on their employees' health.

Leaders at All Levels

Great leaders put their stamp on an organization and that stamp is replicated throughout the organization. Gordon Bethune turned around Continental Airlines, once viewed as the worst in the industry, with a high level of integrity and simple ideas everyone could understand.

Bethune became CEO in 1995. He was famous at Continental for inviting people into his office for a pizza lunch to discuss ways to make the airline better. He got great ideas this way, but he was also able to change the culture of the airline through the strength of his personality. His authenticity counted for a lot — so much so, that after he retired in 2004, the company's performance deteriorated, a powerful indicator of the importance of leadership and a reminder that each generation of leaders must do its part to maintain its lead.

Bethune, who began his career as an aircraft mechanic, understood that, after safety, the most important metric in the industry was an airline's on-time performance. By focusing on this single metric, everyone's behavior changed. To succeed, Bethune said, your customer's definition of success has to be your definition of success. And since customers valued on-time performance above everything else — even price — he made it the measure of the company's success.

But you can't just pick a metric and expect to create a sense of common purpose around it. You need to communicate the importance throughout the organization in a way everyone understands. So, beginning when he took over as CEO, Bethune decided to send every employee a check each time the airline was No. 1 in on-time performance. Rewarding the entire company without exception when the airline succeeded made everyone not only realize, but feel "we're in it together," Bethune said.

Common purpose requires common goals. It also requires communicating what's expected and providing feedback when people get it right.

How to Retain Leaders

To retain leaders, do the following:

- Identify them early and make sure they know it.
- Celebrate their accomplishments.
- Educate them about the organization and its capabilities.
- Give them access to the team at the top.
- Respond quickly with a counteroffer if they plan to leave.
- Reward them with new challenges, not just with more money.

Internalizing What the Organization Stands For

Embedded in a firm's language is a set of assumptions that enable people to discuss and solve problems in a kind of shorthand. These commonly held assumptions have power and help make each organization unique. They also make it difficult for one organization to copy another's business model. And they offer clues to each organization's hidden vulnerabilities.

Microsoft

All organizations have embedded assumptions. At Microsoft, for example, these assumptions focused on the belief that superior intelligence, combined with tenacity and aggressiveness toward the accomplishment of a goal, could solve any problem. At Microsoft, people were hired based on how smart they were and how aggressively they pursued goals. They were promoted for the same reasons. Leaders at Microsoft were often ferocious in meetings and rarely cared about feelings or even group cohesiveness. Many meetings at Microsoft in its early days were animated mixtures of raw intelligence and high levels of aggression. It was not uncommon for people to call each other stupid or to dismiss someone's

ideas with groans. The belief was that intelligence and aggression could solve any problem.

These types of embedded assumptions might have worked in Microsoft's early days, but when its objective was to capture the desktop, they did not work as the company matured. Lawsuits were brought against the company for unfair business practices, and the Justice Department nearly broke up the company. As a result, the culture and the firm's faith in unbridled aggression was forced to change.

People hired a decade or two ago at the company might be passed over today for being too raw. In fact, at a recent meeting at Microsoft, one of the firm's leaders told the group, "I think, as a company, we need to be humble." This remark was vastly different from those made in the company's early days and shows how an organization's assumptions can change over time. ●

The Best Leaders Are Part of the Group

Leadership must permeate an organization at all levels if it is to be successful. This challenges an outdated assumption about leadership that is essentially military in nature: that a leader is in command of others. And while sometimes that type of leadership is what we get, it's rarely what we need. The world is simply too complicated for a command-and-control type of leader.

Consider Tyco under the iron hand of Dennis Kozlowski and Enron under the leadership of Jeffrey Skilling. Within these organizations, bad behavior occurred in large measure because the leaders at the top not only condoned it, they did it themselves. Even the military has largely abandoned the idea that leadership and command are synonymous.

Inspirational Leadership

Leadership is really about guiding, coaching and inspiring others to reach a goal. Sometimes a leader stands in front, sometimes to the side, sometimes even behind the people he or she is trying to help reach a goal. This approach to leadership means that it's not just the man or woman at the top who is responsible. Instead, everyone in an organization shares responsibility for reaching a goal. Sometimes, of course, the structure of the organization can get in the way of leading. At other times, people can have that effect. The point is that while great leadership is never easy, now, more than ever before, it is distributed.

Individuals take their cues from the way other people in the organization behave. They look to the right and left, but they also look at the top leaders of their organizations for ways to model their behavior. They look at the top team, because even though modern organizations require leadership at all levels, the people at the top have the most leverage. People within organizations tend to model the behavior of the people at the top. ●

Cultivating Curiosity, Not Complacency

An organization's leaders at all levels are its rock stars. But it's not enough to tell them that or even pay them well in appreciation. They also need to be celebrated for what they add to the organization's overall endeavor.

At Wynn Resorts, a bellman can be celebrated for his accomplishments in taking care of a guest. He can post his story on the internal Web site and become a hero. At Colgate-Palmolive, the company's next generation of leaders are celebrated in ways that integrate them more closely into the firm — meetings with people from around the world and presentations for the top executives followed by dinner with the CEO. These are perks given to people with talent whose impact will reverberate around the organization.

Organizations are really nothing more than ways people have devised in order to accomplish goals larger than an individual can pursue on his or her own. Even so, people often lose sight of the fact that the individuals working in the organization are the ones who actually accomplish goals. An IBM or Xerox can accomplish nothing without a talented group of people working side-by-side. These individuals must be free to pursue their purpose within the organization; they must feel valued and feel that they own their job. At Colgate/Palmolive, people feel that way. They are celebrated as new leaders not just because they are talented, but because they contribute to the common purpose of the organization. ●

Creating a Culture of Leadership

Fit is an incredibly important and difficult-to-define attribute to select for when bringing people into an organization. In interviews, everyone is in sales mode. A check of references often turns up little. Character, honesty and integrity are all very important aspects of a leader's personality, but two people who look the same and test the same way on paper are never interchangeable.

You cannot lead if you do not know the people you are leading. And the best way to get to know them is informally.

At the beginning of every year, in good times and in bad, senior executives from the engineering firm FM Global travel to each of the firm's offices around the world to discuss the year's strategy, answer questions and do something fun. So important are these meetings that FM Global decided to continue to hold them even in the economic downturn of 2009. In addition, they hold big conferences where people can get together on a grand scale.

All of these events, and the expenses that go with them, are critical elements in how FM Global builds its common purpose culture. That culture is actually a set of relationships among leaders at every level. These relationships are complicated networks that transfer best practices. And, as an organization, FM Global has gone to great lengths to help its employees create their networks, a conclusion that researchers Robert Kelly and Janet Caplan say is a requirement for firms wishing to develop stars.

Clear Vision

At FM Global, helping people develop these networks is not something that took place on its own. It developed because its leaders began with the understanding that FM Global is something special and that people within the firm are better off if they know each other and understand how they think and work.

"Leadership begins with a clear vision," FM Global Executive Vice President Tom Lawson said. "Then you have to communicate what you have to do to make that vision happen. But after you define that vision, you also have to examine where it breaks down and what you have to do about it when it does. And once you understand that, you have to create a business environment where people can be successful so they can execute against that vision." ●

We're All in This Together

When referring to competitors, leaders often resort to an us-versus-them strategy to rally the troops. And although this strategy might work in baseball or football, it doesn't work outside the realm of sports. This approach to leadership is doomed to fail. If leaders at Lowe's think only about Home Depot, or if Ford cannot get Toyota out if its mind, ultimately their enterprises will be doomed because they're focusing on the wrong thing. Rather than obsessing about the competition, organizations should focus on the people they want to serve.

High Road to Leadership

Standing up for what you believe, versus standing up in an effort to prove you're not someone else, is the high road to leadership. It is also practical.

When you've taken on an opponent and develop an us-versus-them culture, your opponent gets energized. Not only that, but your opponent then sees a justification and an opportunity to create a coalition against you.

Great leaders are not those who press ever onward. They are people who are sensitive enough to know when to march and when to hold back. Great leadership is not about keeping your competition in your sights and relentlessly pushing back your rivals. It is about keeping your customers or clients in your sights and doing everything you can, in a flexible way, to ensure you are committed to solving their problems.

In a common purpose organization, the truth is that highly competitive people hardly ever think about the competition. They are aware of their rivals, but they keep them in their peripheral vision. What great leaders think about are better ways to make their own organization more responsive, flatter, better and faster at achieving their goals.

Not the Art of War

A great disservice was done to the field of leadership by pressing people to read *The Art of War* by Sun Tzu, which was trendy in the 1980s. While this is a great book with a powerful message and page after page of elegantly set out tactics, the problem is that most people look at this book and mistake a rival for the enemy. War is war — and very different from business. In war, your enemy is hidden on the other side of the hill and is waiting there to surprise or destroy you. Your enemy is an army or air force or nave, like you, and the match is like chess.

But in business, the enemy is more like what the old comics strip character Pogo once said: "We have met the enemy and it is us." Meaning that one company or firm succeeds against another not by attacking that company buy by satisfying its own clients' needs.

Need for Discipline

Fixing organizations that have descended into the pit of us-versus-them thinking is not easy. In most cases, it requires getting rid of the people who have created the toxic environment in the first place. People whose default setting is anger or confrontation or excessive negativity need more than a training program, a few directives and a pat on the back. For the good of the organization, these people should go and be allowed to find a place where their unique set of skills, not to men-

tion their temperament, is needed, although, such places may not exist.

How Leaders Stay Positive and Determined

Organizations without common purpose are far weaker than those with it. And why not? If powerful emotions like caring and compassion, along with values like authenticity, are the forces that hold these organizations together, what holds together non-common purpose organizations?

For the most part, they are held together not with the glue of caring and compassion, but with the paste of interesting work, various types of incentives and money. Non-common purpose organizations need powerful retention packages where payments for an employee's accomplishments are stretched out into the future. But common purpose organizations need far less when it comes to these packages.

When it comes to common purpose and resonant leadership, one size does not fit all. People are individuals, and those who thrive in one firm might not thrive in another. Chemistry, fit, values and many other qualities are in the eye of the beholder. And whereas some people might feel warm, fuzzy and perfectly at home swimming in a shark tank, others need the warmth and calm of the beach. Resonant leaders can create harmony only if the people they work with share a sufficient number of traits. That puts the selection process, whether for a team or an organization, into high relief.

Positive Stress

We should not just tolerate our jobs, the way we tolerate a bad-tasting medicine when we're sick. We should enjoy them. Our jobs take up a large portion of our lives. What this says is that we shouldn't just put up with them. We should find them exciting and challenging, and although there is no such thing as stress-free work, the majority of that stress should be positive.

In a recessionary period or even in a run-of-the-mill downturn, our choices are often limited. But when jobs are plentiful and the world is growing, it behooves us to lead in a positive way and to work with leaders who do the same. And while we might not all be geniuses, most of us are sufficiently capable that our talents can find a worthy home in more than one setting. If that is true, then why accept working with people who create a toxic environment? Why not seek out people whose aim is to create a common purpose organization?

Leading Is a Mental Game

Michael Maccoby, a brilliant student of leadership and psychology, and a psychoanalyst, said that the definition of a leader should be simple. A leader, he said, is someone whom people follow.

And while common purpose leaders are people whom others align with in the pursuit of common goals, Maccoby's definition makes sense. Leaders have followers, or, at least, leaders have people who join them in pursuit of a goal.

Leaders who help their teams achieve aims beyond their expectations find that they have no difficulty recruiting people to join them. And why not? In our free-agent, new-employment-compact world, where loyalty is no longer the virtue it once was, being a member of an organization's top-performing team means you will always be in demand.

It is no surprise, for example, that the three runners-up to succeed Jack Welch at GE all became CEOs of large companies. Working on a great team, with great leaders, provides a boost to any individual's career.

Maccoby suggests that there are three distinct types of leadership roles within organizations:

- **Strategic leaders.** Strategic leaders are people within organizations who plot the course. They are the longer-term thinkers. Strategic leaders generally can think far into the future. The best of these people understand where the future is going and how to get there. They love trying to figure out tomorrow's challenges long before they happen.
- **Operational leaders.** Operational leaders make certain the trains run on time, the manufacturing processes are adequate, the logistics systems work, the technicians are well trained and the trucks are where they are supposed to be. Like strategic leaders, operational leaders are vital to an organization's success.
- **Bridge-building leaders.** These are people who connect people together, transfer knowledge and information, make introductions and help others achieve their goals. Bridge-building leaders are extremely important within organizations as well.

All three leadership roles — strategic, operational and bridge building — are vital to creating a common purpose organization. Setting a goal (strategic leadership), making certain everything is being done that is needed to reach that goal (operational leadership) and ensuring that everyone is working together to achieve the same aims (bridge-building leadership) are essential to the success of any endeavor.

Different Strokes for Different Generations

Common purpose leadership, at its most basic level, is about recognizing people as individuals. It doesn't matter if they are young or old, if they play in a band on weekends, if they are extremely intense and focused or if they multitask, if they're outdoors people or bookworms. Common purpose leadership begins with respect for individuals and their differences, and it goes on to celebrate their strengths. Since it is about individuals aligning themselves together to achieve goals, common purpose leadership is also about making up for each other's weaknesses.

Members of Gen X and Y are uniquely qualified to lead. And yet, because of accidents of fate and economics, they have not yet gotten the chance. Many were hired on Wall Street, only to be let go when the economy tanked, beginning in 2007. Others were working in traditional industries when the economy teetered.

Zigzagging Career Paths

For Gen X and Y individuals, says CEO and Chairman of Tyson Foods John Tyson, the career path has to "zigzag rather than go in a straight line." Young people, especially these young people, are used to change. As a result, leaders must set up programs to develop them, that move them around the organization and have them interact with lots of different groups.

Gen X and Y think differently about work, because, said Tyson, "they saw their moms and dads get on a career train and stay on it for 30 years. They also saw that it didn't quite work out and that their moms and dads were frustrated. And they also saw their moms and dads being happier when they were off work — you know, having a little barbeque on the weekends — than when they were working." These observations formed the basis of Gen X and Y's relationship to work. They don't want to get caught in a rut or trapped in a job without meaning to them. And they certainly don't want to create common purpose inside an organization that doesn't have a higher purpose.

It is important for organizations to stand for more than the bottom line.

In many cases, the organizations for which we work express an entirely different set of values from the homes in which we live. And yet, for the most part, we are far more accepting of work behaviors than of the types of behaviors we experience at home. In fact, if we have children, we usually spend hours teaching them not to perpetuate the types of behaviors we experience routinely at work.

Leaders must take it on themselves to make certain that the values their organizations express are the right ones. A further conclusion of an early study of systems was that values determine whether an organization will survive or fail.

What Great Leaders Do

Great leaders do the following:

- They make certain the mood of the organization is positive and accomplishment oriented.
- They remove toxic emotions from the organization, not by being a Pollyanna, but by focusing on the positive application of effort.
- They distinguish between chronically negative people and people who might engage in creative disagreements for the long-term good of the organization.
- If they fail at changing chronically negative people into people who are positive, they remove the negative people from their teams.

You Don't Have to Be Ruthless to Lead

What's more important to the success of a company: competent leaders or nice leaders?

While brains, raw talent, education and training matter, none of these factors on their own explains success. In the view of William Baker, a professor at Columbia University who teaches about social intelligence, kindness, caring and empathy are powerful factors for success. When leaders exhibit these types of emotions, they are clearing the air of the type of emotional toxicity that dulls focus and blunts productivity.

Caring is an important leadership tool no matter who the followers are. According to Colin Powell, who led the United States and its allies in the first Gulf War, "The day soldiers stop bringing you their problems is the day you have stopped leading them. They have either lost confidence that you can help them, or concluded you do not care. Either case is a failure of leadership."

Leading With the Heart

The leaders who are most admired at all levels are those who care about people and lead with their hearts. They are men and women who know that one of their

jobs is to rid their team, and their organization, of negativity. And they understand the massive difference between creating an environment where creative disagreement is fostered in pursuit of the best solution, and allowing an environment to develop where negativity builds up and becomes toxic.

Ideas Matter

Ideas do more than matter; they are competitive differentiators. Companies that embrace thought leadership win because they are fearless when it comes to assessing their strengths and weaknesses. And even more important, companies that embrace thought leadership win because they recognize that the world is not static. Rather, they understand that it is constantly changing and that in order for them to keep pace, they must do what Socrates said everybody should do: Question all assumptions.

True Leadership

Leadership is about working with your team to achieve goals. A great deal of time those goals are stretch goals and not easy to achieve. Progress requires hard work and dedication. It takes strategy and a thoughtful analysis of all the tactics that are available. Good leadership requires an active mind.

What this means is that one of the worst mistakes a leader can make is to become intellectually lazy. Real leaders need to take in enormous amounts of information and knowledge and to process what they take in from the vantage point of their teams and from the point of view of their organization and its mission. They must pore over newspapers, magazines and books. They must review what's on the Web. Leaders must spend a lot of time searching for ideas.

It may sound like a truism, but learning organizations must make learning available to everyone who works there — and that can take many forms, from office book clubs to budgets for seminars and conferences to paying for advanced degrees.

Thought leadership is not an add-on; it should be part of every firm's strategies. And although a lot of companies have adopted the words, few firms have really embraced them. Thought leadership is a powerful form of leadership, but it is not an easy form.

To be successful, companies must be open enough and transparent enough to question everything. Ideas must be transmitted if they are to make a difference. The more widely they are disseminated, the more powerful their effect.

Epilogue: The Future of Leadership

We no longer need managers in the traditional sense — those who organize and execute on behalf of the leaders. What we need instead are leaders who can create a sense of common purpose so everyone executes and everyone leads. We need people who are well-trained, who embrace thought leadership, who are positive and who are willing to work toward a common goal. We need *individuals*, in the best sense of the word, who can lead alongside a group of peers. We need people with a wide range of skills and true mental agility. We need people who have internalized the values of the company — its brand, mission and values — and can make decisions based on what they know.

We don't need managers in the old-fashioned sense of people whose responsibility derives from someone else — people who must constantly seek permission before they can act.

What we need are people like the bellman at the Wynn Resorts who hopped into his car and drove from Las Vegas to Los Angeles to retrieve a guest's pills, entirely on his own initiative. What we need are more CEOs like FM Global's Shivan Subramaniam, who has the discipline to let others do jobs he enjoys, like poring over spreadsheets, so they will continue to grow and develop their sense of leadership and autonomy. We need to train people and work with people to achieve these ends.

These two individuals are united in their respective organizations through the power of common purpose. They do what they need to do, go where they need to go and help people in their organizations they need to help because they have disciplined and trained themselves to think from the point of view of *we*, and not just *me*. These two individuals are as different as any two people can be with regard to education, capabilities, skills and point of view, but they are united in the sense that both act out of a sense of common purpose.

RECOMMENDED READING LIST

If you liked *Common Purpose*, you'll also like:

1. ***True North* by Bill George and Peter Sims.** Just as a compass points toward a magnetic field, your True North pulls you toward the purpose of your leadership. Read how to find your compass and get others to follow.
2. ***Corporate Reputation* by Leslie Gaines-Ross.** Gaines-Ross explains why reputation matters to a company' valuation and well-being and identifies the roles corporate leaders must play in reputation sustainability.
3. ***Leadership Gold* by John Maxwell.** The renowned leadership expert shares a lifetime of leadership truths with readers. Maxwell guides leaders to success achieved through making a difference in the lives of others.

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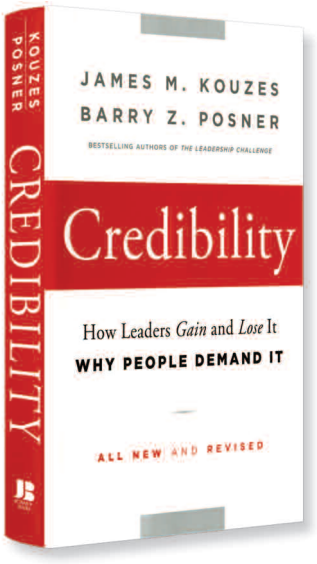
Leadership

Credibility

How Leaders Gain and Lose It, Why People Demand It



by James M. Kouzes and Barry Z. Posner

THE SUMMARY IN BRIEF

As the world falls deeper into economic downturns and armed conflicts, as communities become more heatedly partisan and as many workplaces show growing signs of disengagement, issues of credibility remain front and central.

In this revised and updated edition of their best-selling book *Credibility*, James M. Kouzes and Barry Z. Posner explore why leadership is, above all, a relationship and why leaders must "Do what you say you will do." Building on their more than 30 years of ongoing research, *Credibility* expands on the authors' seminal work, *The Leadership Challenge*, and shows why credibility remains the foundation of great leadership. The authors reveal the actions needed to strengthen credibility.

At the heart of *Credibility* is an exploration of the six key disciplines that strengthen a leader's capacity for developing and sustaining credibility. Kouzes and Posner also examine the tension that exists when leaders try to respond to constituents while remaining true to their values and how to recover if credibility is ever tarnished. And everything is backed up by solid evidence from their own case studies to empirical findings from scholars around the globe.

This personal, inspiring and genuine guide offers an understanding of the fundamental importance of credibility and how to gain it in order to build personal and organizational success.

IN THIS SUMMARY, YOU WILL LEARN:

- What qualities constituents look for and admire in leaders.
- The principles that strengthen leadership credibility.
- How to apply the six key disciplines to your own initiatives.
- How to build a strong foundation for leadership and for all working relationships.

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THE COMPLETE SUMMARY: **CREDIBILITY**

by James M. Kouzes and Barry Z. Posner

The authors: James M. Kouzes and Barry Z. Posner are co-authors of the classic bestselling books *The Leadership Challenge, The Truth About Leadership, A Leader's Legacy, Encouraging the Heart* and more than a dozen other books and workbooks on leadership. They developed the highly acclaimed Leadership Practices Inventory (LPI), a 360-degree assessment tool based on *The Five Practices of Exemplary Leadership.* Kouzes is the Dean's Executive Fellow of Leadership and Posner is the Accolti Professor of Leadership at Santa Clara University's Leavey School of Business.

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Introduction

Credibility is the foundation of leadership. People have to believe in their leaders before they will willingly follow them.

Credibility is about how leaders earn the trust and confidence of their constituents. It's about what people demand of their leaders as a prerequisite to contributing their hearts and minds willingly to a common cause, and it's about the actions leaders must take in order to intensify their constituents' commitment.

When the first edition of *Credibility* was published in 1993, nearly half of America's work force was cynical. Worldwide, 60 percent or more of workers believed that their management wasn't honest with them, more than half had lost confidence in the abilities of their top management and overall confidence in major business was at a historic low of only 26 percent.

We wanted to remind leaders how important it is to attend to the fundamentals. We thought they should take the importance of earning and sustaining credibility more seriously. We wanted to offer an understandable and useful framework along with practical suggestions on what leaders can do to increase the trust and confidence others have in them. We hoped we could play a small part in restoring people's faith in their leaders.

For several years, it seemed that leaders were listening. Things got better — perhaps because leaders took notice or perhaps because things couldn't get much worse. The public's mood changed. The decade of the 1990s and the turn of the century saw increases in trust, confidence and credibility among leaders of major institutions. But these shifts turned out to be short-lived.

After rising for a decade, in the early 2000s confidence in institutions and leaders began to slide, and by 2007 trust (the key ingredient of credibility) took a nosedive. Whatever gains had been achieved had been lost. Organized religion, Wall Street, Congress, business executives, the presidency, public schools, newspapers, banks, insurance companies, car salespeople, HMOs and more have taken big hits.

Bad Timing Can Ruin Credibility

When times are good, people exhibit more confidence in their leaders; when times are bad, they exhibit less. The more severe the events and the more compressed the time frame, the more cynical people are likely to become. It is natural to expect, then, in a prolonged recession — with attendant layoffs and shrinking family incomes — that the credibility of business, labor and government leaders would decline. A natural suspicion of power, a host of unrealistically positive expectations and the confluence of events setting off the worldwide economic crisis beginning in late 2007 can explain a great deal about why leaders have lost credibility. Bad timing can often ruin credibility as much as bad actions.

But dismissing credibility problems as simply a function of the times permits leaders to escape responsibility for their own actions. The entire economic system is based on trust. It's not based on a particular investment model, price-earnings ratio, income statement or balance sheet. It's not based on any of these rational concepts. It's based on whether people believe in the numbers and in the people who are supplying them. If people don't

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Edward O'Neill**, Graphic Designer; **Chris Lauer** Contributing Editor

trust those who handle their money, their livelihoods and their lives, they'll just refuse to participate. Leaders must accept that it is their responsibility to take the first step in earning back what has been lost and then take further steps to sustain it.

Leadership Is a Relationship

We began our investigation into what people expected from their leaders more than three decades ago, in a study sponsored by the American Management Association. We asked the open-ended question, "What values (personal traits or characteristics) do you look for in your superiors?" (As you can see, we were stuck in the old hierarchical metaphors back then.)

More than 1,500 managers nationwide provided 225 values, characteristics and traits that they believed to be crucial in the people leading them. A parallel study was conducted with more than 1,000 federal government executives. A panel of researchers and managers subsequently analyzed the 200+ factors and reduced them to 20 categories. What were these crucial attributes? The majority of people look for and admire leaders who are:

1. **Honest** (truthful, has integrity, has character, is trusting).
2. **Forward-looking** (visionary, foresighted, concerned about the future, has a sense of direction).
3. **Inspiring** (uplifting, enthusiastic, energetic, humorous, cheerful, optimistic, positive about the future).
4. **Competent** (capable, proficient, effective, gets job done, professional).

The results of our studies over the last three decades have been strikingly consistent not only over time, but also around the world and across categories of age, gender, ethnicity, functional discipline, organizational level and the like. While the exact rank order (first through fourth) might vary, these same four qualities remain at the top of the list of what people everywhere want from their leaders. Indeed, people are remarkably clear about the qualities leaders must demonstrate if they want others to voluntarily enlist in a common cause and to freely commit to action.

Earning Credibility

Credibility is something that is earned over time. It does not come automatically with the job or the title. It begins early in your life and career, and it is something that you develop day by day, year by year. Complete trust is granted (or not) only after people have had the chance to get to know more about you.

Without a firm foundation of personal credibility, leaders can have no hope of enlisting others in a common vision.

Obviously the loftier and more expansive a leader's dream, the deeper the foundation must be. The less stable the ground underneath, the more solid the foundation must be. Especially in uncertain times, leadership credibility is essential in generating confidence among constituents. Without credibility nothing can be built — at least nothing that can survive the test of time.

Credibility Makes a Difference

When people work with leaders they admire and respect, they feel better about themselves. Credible leaders raise self-esteem. They set people's spirits free and enable them to become more than they might have thought possible. Credible leaders make people feel that they, too, can make a difference in others' lives.

Case studies document how admired leaders focus their time and attention on others. They do not place themselves at the center; they place others there. They do not seek the attention of others; they give their attention to others. They do not focus on satisfying their own aims and desires; they look for ways to respond to the needs and interests of their constituents. They are not self-centered; they are constituent-centered.

This qualitative data is supported by quantitative research. When people perceive their managers to have high credibility, they are significantly more likely to:

- Be proud to tell others they are part of the organization.
- Feel a strong sense of team spirit.
- See their own personal values as consistent with those of the organization.
- Feel attached and committed to the organization.
- Feel a sense of ownership for the organization.

But when people perceive their managers to have low credibility, they are significantly more likely to report that they:

- Produce only if they are watched carefully.
- Are motivated primarily by money.
- Say good things about the organization publicly, but feel differently in private.
- Would be unwilling to stick around very long if the organization experienced problems.

These respondents are also significantly less likely to be proud of the organization, and they are more likely to see their own values as dissimilar to the organization's values, feel a weak sense of team spirit, and experience

low levels of attachment, engagement and ownership.

The critical credibility difference is an increase in a person's willingness to put forth effort on behalf of the shared vision and values. Rather than acting sheepishly compliant in following orders, constituents act with moral commitment in following a common purpose. Rather than doing it because they have to, they do it because they want to and because they know that what they do matters.

The Six Disciplines for Earning and Sustaining Credibility

To further understand the behavioral dimension of how admired leaders earn and sustain credibility, survey respondents and interviewees were asked to provide specific examples of what their most admired leaders did that made them want to follow. Just how did leaders earn trust and credibility? From empirical data and comprehensive analysis of the common themes in the cases emerged the six disciplines of credibility. The process of building and sustaining credibility requires you to take the following steps:

1. Discover your self.
2. Appreciate constituents.
3. Affirm shared values.
4. Develop capacity.
5. Serve a purpose.
6. Sustain hope.

Earning and sustaining credibility is not a casual exercise. It requires adherence and devotion to a way of doing things that goes beyond mere acknowledgment of its importance.

Discover Your Self

"I know who I was, who I am and where I want to be," said Dan Kaplan, founder of Daniel Kaplan Associates and former president of Hertz Equipment Rental Corp. "So in other words," he continued, "I know the level of commitment that I am prepared to make and why I am prepared to make that level of commitment personally. I know what it takes to achieve success for me. That success for me comes from paying a big price, putting a lot of work and a lot of sacrifice behind it."

All leaders must seek self-knowledge if they mean to establish and enhance their credibility. As Steve Dellaporta, product manager at the U.S. Department of Defense's Manpower Data Center, explained: "To be a good leader you need to know who you are, your values as a person and how best to use these values in every interaction. Without knowing who you are, you cannot lead with integrity."

Leadership scholar Warren Bennis, in his study of how successful people learned to become leaders, noted that self-knowledge is an essential part of defining a leader's integrity. "To become a leader," he says, "you must become yourself; become the maker of your own life."

How to Earn and Sustain Personal Credibility

Your ability to earn and sustain personal credibility depends, first and foremost, on how well you know yourself. It depends on how well you know your values and beliefs, your skills and deficiencies, what success means to you and the level of commitment you are willing to make. The better you know yourself, the better sense you can make of the often incomprehensible and conflicting messages you receive daily. Do this, do that. Buy this, buy that. Support this, support that. Decide this, decide that. You need internal guidance to navigate the turmoil in today's highly uncertain environment.

To genuinely know the level of commitment you are willing to make, you must discover and develop three essential aspects of yourself: your credo, your competencies and your confidence. Your *credo* is the set of values and beliefs that serves as a guide to your decisions and actions. Your *competencies* are the knowledge, skills and abilities that you use to transform your words into action. And *confidence* is the will to make use of those skills. To be credible, you need to have trust in your abilities to do what you believe, especially in uncertain and challenging situations. Your initial steps on your leadership development journey are ones that enable you to discover your credo, your competencies and your confidence.

Appreciate Constituents

Researchers have found that organizations with adaptive, performance-enhancing cultures outperform non-adaptive, unhealthy organizations precisely because of their emphasis on attending to all of their constituencies — that is, their customers, stockholders and employees. By contrast, in organizations with non-adaptive and unhealthy cultures, "most managers care mainly about themselves, their immediate work group or some product (or technology) associated with that work group," wrote Harvard University researchers John Kotter and James Heskett.

Related studies demonstrate that putting others' interests first, rather than your own objectives, is also critical

to building customer loyalty. Leaders who are clearly interested in their own agendas, their own advancement and their own well-being will not be followed willingly.

The credibility-strengthening process begins with clarification of your personal values and beliefs, but only by being constituent-oriented can you ultimately become trustworthy. A firm credibility foundation can be established only when you truly understand and appreciate — even embrace — the aims and aspirations of your constituents. When you appreciate and pay attention to others, you send signals that they are important to you, and that their input and ideas are valued.

Begin Appreciation with Listening

As fundamental as it might seem, the best thing that you can do to show others you respect them and consider them worthwhile is to reach out, listen and learn. Professors Suresh Srivastva and Frank Barrett of Case Western University underscored this point in their writings on executive integrity: "[It is] not the content of the exchange that is central but the experience of being taken in and heard, which not only affirms the legitimacy of one's way of looking at the world but then allows one to begin letting go of some defensiveness because the experience of affirmation increases one's capacity to affirm others."

This means that you must not simply articulate your own philosophy. You must also listen to the philosophies of others. Building trust begins by building a personal relationship through listening. This means listening everywhere and to everyone. It means regularly walking the halls and plant floors, meeting often with small groups below the managerial level, and hitting the road for frequent visits with employees, key suppliers, business partners, customers and other key stakeholders.

Affirm Shared Values

All leaders must build consensus around shared values. Everyone in the organization needs to understand the fundamental beliefs that direct decisions and actions, and the principles that are used to resolve the inevitable conflicts that arise in business and in life.

Credibility is not just a function of clear *personal* values. That's the starting place. But for leaders' organizations to have high credibility, all members must align with *shared* values. Leaders build commitment to those values, and they get people to see themselves as part of a larger whole — as part of a community in which survival and success depend on a common understanding of purpose and principles.

How Organizations Benefit from Shared Values

Organizations greatly benefit from shared values. Employees are more motivated when they believe that their values and the organization's values are aligned. They are more creative and innovative because they become immersed in what they are doing. When people feel like part of the same team the quality and accuracy of communication increase and the integrity of the decision-making process is enhanced.

Use Shared Values to Make a Difference

Shared values are the foundation for building productive and genuine working relationships. While credible leaders honor the diversity of their many constituencies, they also stress their commonalities. Each and every member of the organization certainly has unique needs, and leaders attend to those, but to function as a unit, team members must have a strong sense of the values and norms that bind them together. For people to work together effectively, they must agree on a few fundamentals. They need some common core of understanding to build community.

Shared values are the internal compasses that enable people to act independently and interdependently. Shared values provide groups with a common reference for making decisions and taking action. They provide guidance in dealing with critical incidents. They inform people about the standards for treating each other, for responding to customers and for negotiating with business partners. They serve as guidelines on the actions that get rewarded — and those that should be reprimanded. They give everyone a place to go when an ethical dilemma is nagging them. When people recognize that there are shared values, they have a common language with which they can collaborate.

When individual, group and organizational values are in synch, tremendous energy is generated. Commitment, enthusiasm and drive are intensified. People have a reason for caring about their work. Individuals are more effective (and satisfied) because they feel they are doing something meaningful. They experience less stress and tension.

Develop Capacity

Credible leaders know that they have to continuously develop the capacity of their constituents to put shared values into practice. When individuals, teams, depart-

ments and organizations grow more able to perform their jobs and keep their promises, not only are their reputations enhanced, the leader's credibility also grows.

Leaders must provide the resources and other organizational supports that enable constituents to put their abilities to constructive use. This means going beyond traditional definitions of jobs and even functional classifications. It means increasing the scope of work for everyone, especially those on the front lines.

Developing capacity requires you to ask yourself about the assumptions you make regarding the abilities of the people you lead. Just how far are you willing to go to develop the skills people need to be able to contribute effectively to making shared values a way of life? You have to be willing to liberate the leader in everyone and distribute leadership across the organization in order to make yours one of the best places to work.

Five essential components go into developing capacity so that everyone can act in a free and responsible way:

- **Competence.** People must have the knowledge and skill to Do What We Say We Will Do (DWWSWWD).
- **Choice.** They must have the latitude to make choices based on what they believe should be done.
- **Confidence.** They must believe they can do it.
- **Climate.** They need a culture that encourages some risk-taking and experimentation, accepting mistakes as a chance to learn from experience.
- **Communication.** They must be constantly informed about what is going on in order to keep up to date.

Fostering and sustaining liberated people is vital to leaders and their organizations' ability to maintain credibility. The only sustainable competitive advantage any business has is its credible reputation and the ability to deliver what it's promised.

Do What We Say We Will Do

Capacity building is necessary because people have to be able to DWWSWWD. If they can't, then everyone's credibility suffers. That's as true for the CEO or the managing director as it is for the frontline worker, and as true for every single individual as it is for the team. Developing capacity is about building the skills, knowledge and attitudes of the entire work force at all levels to DWWSWWD.

The fact that individuals or organizations have the capacity to be consistent with their values does not, however, mean that they are. Shared values and shared capacity do not guarantee results. In the final analysis, credibility is earned through credible actions that are supported and consistently reinforced.

If a group is to live up to its values, its members must use their skills on a daily basis. For example, your organization may espouse diversity, but if respect for others who are different is not shown on a daily basis — if people of diverse backgrounds are not recruited and hired, if merit reviews don't address accomplishments in the area of diversity, and if performance and rewards are not linked — then diversity becomes just a convenient politically correct slogan.

Credible leaders play a central role in translating promises and preparations into performance.

Lead By Example

The truth is that you either lead by example or you don't lead at all. Credible leaders walk the talk. They don't ask others to do something they wouldn't do themselves. Credible leaders hold themselves accountable to the same set of standards as they hold others.

Serve a Purpose

Credible leaders serve a purpose and they serve the people who have made it possible for them to lead. They put the guiding principles of the organization ahead of all else and then strive to live by those principles. They set the example for others and are the first to do what has been agreed upon. In serving a purpose, you strengthen credibility by demonstrating that you are not in it for yourself, but instead have the interests of the institution, department or team, and its constituents at heart. Being a servant may not be what you had in mind when you chose to take responsibility for the vision and direction of your team, but serving others is the most glorious and rewarding of all leadership tasks.

The concept of "servant leadership" is not new. Many years ago Robert Greenleaf pointed out, "The great leader is seen as servant first, and that simple fact is the key to [the leader's] greatness." Greenleaf, who had spent 30 years as a Fortune 50 senior executive, spent the last part of his career reflecting upon and organizing what he had learned about successful business and professional people. He observed that those people who believed foremost in the concept of service, who were servant leaders, were also successful leaders. It was their belief in serving others that enabled these executives to provide leadership that made others willing to follow.

Seeing a new kind of connection between leaders and

their constituents, Greenleaf suggested: "A new moral principle is emerging which holds that the only authority deserving one's allegiance is that which is freely and knowingly granted by the led to the leader in response to, and in proportion to, the clearly evident servant stature of the leader. Those who choose to follow this principle will not casually accept the authority of existing institutions. Rather, they will freely respond only to individuals who are chosen as leaders because they are proven and trusted as servants."

Servant leaders put other people's needs first. The measure of success is whether those who are served grow — whether they become healthier, wiser, freer, more autonomous, more capable — and whether they are likely to become servant leaders in their own right. This is not the image you see on reality TV, but it is the way things work in the real world. People will not voluntarily follow self-serving leaders whose goals are to enrich only themselves. People want to follow leaders who place others' interests above their own.

Sustain Hope

When leaders uplift spirits and restore people's belief in the future, they strengthen their own credibility. Constituents want leaders who demonstrate an enthusiastic and genuine belief in the capacity of others, who strengthen people's will, who supply the means to achieve and who express optimism for the future. Constituents want leaders who remain passionate despite obstacles and setbacks. In uncertain times, leaders with a positive, confident, can-do approach are desperately needed in business and in life.

Salvatore Sarno is a compelling example of how a leader can uplift people's spirits. Sarno was the managing director of the team driving *Shosholoza*, the first African boat to take part in the most important sailing competition in the world, the America's Cup race. Sarno's biggest passion is sailing, and for many years before the official launch of the *Shosholoza* initiative he would talk about his dream: "One day we will participate in the America's Cup. I want to give to these guys the opportunity to make history."

For many people, Sarno's idea was crazy and disruptive, but not only did he believe in it deeply, he also communicated and shared his vision passionately with the people around him. His dream went far beyond the sport experience: He not only wanted South Africa to be the first African team in the America's Cup, he wanted to give a chance to people who had grown up under difficult conditions to represent the pride of their nation in front of the world.

In 2007, *Shosholoza* took part in the America's Cup race, a remarkable achievement in itself since only 12 countries were represented. *Shosholoza*, with a significantly lower budget and less experience than the world giants like *Alinghi, Oracle* or *Luna Rossa*, managed to compete at the same level as the other 11 participants. Placing sixth at the final round in Valenci, the South African team had achieved some amazing victories in one-on-one challenges.

These achievements reached far beyond the results on the racecourse, however. *Shosholoza* became a "hope generator" for many South Africans who identified in this success with pride. And the spread of optimism didn't stop at the America's Cup success.

Thanks to the creation of MSC-Shosholoza Foundation sailing centers around South Africa, less wealthy youths of all races are able to learn sailing and life skills. The meaning of the team's name is an acknowledgment of the dedication to pursue excellence, especially when the struggle is a challenge — the Zulu word shosholoza means "go forward, make your road, forge ahead." The spirit of the *Shosholoza* project is all about keeping hope alive and taking concrete action to achieve the dream.

Leaders Must Keep Hope Alive

Leaders must keep hope alive. They must strengthen people's belief that the struggle they are called upon to deal with will produce a more promising future. The only antidote to the increased cynicism and stresses of these times is renewed faith in human capacity and an intensely optimistic belief that together leaders and constituents can overcome the difficulties of today and tomorrow. "Keep hope alive" continues to be the credible leader's battle cry.

Hope is essential to achieving the highest levels of performance. Studies clearly show that people with high hope have a greater number of goals across various arenas of life, select more difficult goals, and see their goals in a more challenging and positive manner than people with low hope. They get more done.

The Struggle to Be Human

Organizational life is full of struggles and tensions. Leaders feel these tensions acutely because of their responsibilities to set the example and inspire others to work collaboratively toward a shared vision of the future. The leaders who are the most in touch with their constituents — and therefore likely to be the most

credible — will experience the pain most intensely.

Let's acknowledge these tensions and, furthermore, let's even suggest that leaders would do well to learn to love the struggles. Where there is tension there is also energy. And where there is energy, there is also the possibility of movement. And where there is movement, there is the chance for progress. Making forward progress is the measure of leadership. So let's wrestle with three of the tensions and dilemmas that leaders experience as they stretch to strengthen credibility:

• **Tension Between Freedom and Constraint.** Leaders demonstrate their commitment to a consistent set of expectations by clarifying meaning, unifying constituents and intensifying actions. This process tugs at an uneasy tension between liberty and limits. Be clear about the fact that people will have choices, but be equally clear that choices are constrained. They are constrained by the owners, the shareholders, the customers, the economic system, the idiosyncrasies of the founders, the executives in power and the people in the room at the time, along with a host of other forces, seen and unseen.

It is the leader's responsibility to make sure that everyone has the opportunity to express opinions and get a fair hearing. Provide the forum for discussion, debate and reconciliation.

• **Tension Between Leading and Following.** There is a crucial difference between a pioneering leader and a dependable colleague. While success in both is founded on personal credibility, leadership requires the realization of a unique and ideal image of the future. Teamwork requires cooperation and reliable adherence to that common vision. Leadership and teamwork are certainly not mutually exclusive — in fact, exemplary leaders foster collaboration — yet there is a dynamic tension between them.

In these uncertain times it is absolutely necessary for leaders to encourage and tolerate more internal conflict than has been allowed in the past. If organizations expect people to show initiative in meeting today's business challenges, then they have to relax their expectations of abiding devotion. Instead, they must support efforts of honest and competent people to find solutions to the problems that are confronting their companies. In short, they must develop the leader in everyone.

• **Tension Between Definitions of Success.** Leadership is both local and global. Acts of credible leadership come in all sizes. You can lead people to change the world, the state, the community, the workplace, the neighborhood and the family. Or you can just lead yourself to change. Leadership is also transitory and most often lasts a relatively short time. There are those whose influence has spanned centuries and crossed continents, but they are not the only ones who have led. Those whose influence has spanned only a few days and a few blocks can still have taken people to places they have never been before.

So what defines success? When it comes to leadership, perhaps the most appropriate response is the one adopted by such organizations as the Scouts and the Sierra Club. Whether your leadership is confined to your own 25 square feet of campground or extends to the plant's 250,000 square feet or to the corporation's 2,500,000 square feet, success is leaving the place better than you found it. ●

Epilogue: Character Counts

The more we study leadership, the more we're persuaded that leadership development is not simply about skill development. It's also about character development. Building upon previous wisdom, we offer this poetic inspiration:

> Be careful of your thoughts, for your thoughts become your words;
>
> Be careful of your words, for your words become your deeds;
>
> Be careful of your deeds, for your deeds become your habits;
>
> Be careful of your habits, for your habits become your character;
>
> Be careful of your character, for your character becomes your destiny.
>
> Be careful of your leadership, for your leadership becomes your legacy.

Read these six simple lines at the start of every day. They will remind you that what you do as a leader begins in your mind, gets expressed in your words and then gets translated into your actions. Over time those actions become who you are, determine the credibility you earn and shape the legacy you leave. ●

RECOMMENDED READING LIST

If you liked *Credibility,* you'll also like:

1. ***Fierce Leadership* by Susan Scott.** Scott offers fresh and surprising alternatives to six of the so-called best practices permeating today's business.
2. ***Bury My Heart at Conference Room B* by Stan Slap.** Slap helps executives ignite the massive power of any manager's emotional commitment to his or her company. He provides a remarkable process that allows you to use your own values to achieve tremendous success.
3. ***The Truth About Leadership* by James Kouzes and Barry Posner.** The authors share 10 time-tested fundamental truths about leadership and becoming an effective leader.

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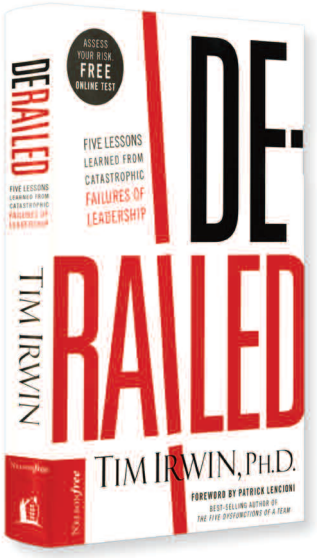
Derailed

Five Lessons Learned From Catastrophic Failures of Leadership



by Tim Irwin, Ph.D.

THE SUMMARY IN BRIEF

The story of the fallen CEO has become a cultural fixture: veering off course with the force of a train careening off its tracks, leaving fiery wreckage and devastating injury throughout the organization. These executives are often the smartest and most respected individuals in their industries, yet they astonish us by driving the train dramatically off course, blinded by unchecked power and arrogance. Author Tim Irwin believes that these leaders suffer from failures of character that are common to each of us — even the most capable individuals. Deficits in authenticity, humility, self-management and courage become more dangerous as we take on more leadership and can cause us to ignore glaring signals that might otherwise save us from catastrophic demise.

Derailed chronicles the collapse of six high-profile CEOs (Robert Nardelli, Carly Fiorina, Durk Jager, Steven Heyer, Frank Raines and Dick Fuld) and the factors that drove their downfalls. These particular leaders offer highly visible and compelling illustrations of individuals who derailed for the very reasons we can derail — a failure of character. This doesn't mean failed character in the sense of dishonesty that results in fraudulent behavior, but rather compromised character in a broader sense — for example, hubris or being dismissive of others.

We learn that derailment really happens long before the crash. *Derailed* helps us to understand how derailment occurs — the real point of the six leader profiles — and it helps us avoid cataclysmic train wrecks in our own careers.

IN THIS SUMMARY, YOU WILL LEARN:

- What common character traits undermine otherwise successful leaders.
- How to read the warning signs of an impending train wreck.
- How a strength can quickly and easily become a weakness.
- Why it is important to understand the character qualities that are essential for leadership.
- How to cultivate habits that improve our effectiveness.

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THE COMPLETE SUMMARY: **DERAILED**

by Tim Irwin, Ph.D.

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For additional information on the author, go to http://www.summary.com or DrTimIrwin.com.

Running Off the Rails

When a huge machine that is designed to pull great loads gets outside the crucial limits of two parallel steel rails, there are always certain and disastrous consequences. It seems particularly grievous when the derailment results from the careless behavior of the engineer who, of all people, should be responsible and worthy of our trust.

All of us who work in organizations are the "engineers" of something, whether it is a team, a project, a department or the mail room. Derailment in our jobs means we are off the rails. We cannot proceed in our present jobs, just as a derailed train cannot continue on its intended path. Whether it's business, law, medicine, ministry, transportation, education, consulting, the military, skilled trades, art, music or anything else, we work according to some set of expectations or requirements. A failure to achieve the expected results in any work relationship can result in derailment.

Consequences of Derailment

A person in a senior position, like the CEO, works for a governing authority, such as a board of directors, which can vote to remove the leader from his or her position. Though there may be many specific reasons for termination, they basically fall into three categories.

First, the company is not performing to expectations. The metrics by which a board makes that determination vary. The stock price may be languishing. The company's return on investment may be poor and it may be losing money.

The second category is more complex. The governing body concludes that even if the company is achieving its financial goals, the manager reaches them in a manner incongruent with the values and culture of the organization. Turnover in the senior ranks, poor morale and general lack of endorsement by the members of the organization typify the symptoms of an organization with a leader not fulfilling a cultural mandate.

Category three, a combination of the first two, makes the decision to fire a leader easy. The leader failed to achieve results, and he or she violated the company's values or culture along the way. ●

Profiles in Derailment

Profile: Bob Nardelli

At 5 feet 10 inches tall and 195 pounds, Bob Nardelli's dream of playing professional football was a stretch. "The rest of the world got bigger," he recalled, "and I didn't grow anymore." Perhaps this was when the chip began to form on Nardelli's shoulder. From that point on, he seemed wrought with something to prove, if not to the NFL, then to the hard-hitting, high-dollar corporate world.

He earned a business degree and took a job at General Electric(GE) where he quickly became a go-to guy. Though never a blazing intellect, he worked the longest hours, tackled the toughest turnarounds, and became, in the words of GE's CEO at the time, Jack Welch, "the best operating executive I've ever seen." He was duly nicknamed "Little Jack." He was primed to succeed his namesake as GE's next CEO, but he came up short yet again, and this time it had nothing to do with his height.

Soon after Welch let him go, Nardelli was offered the CEO position at Home Depot. Nardelli's charge: Tidy

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Edward O'Neill**, Graphic Designer; **Tom Moore**, Contributing Editor

the chaos of Home Depot's rapid, uncontrolled expansion.

Nardelli shoved the interpersonal relationship standard to the concrete floor when his initial cost-cutting measures included slashing full-time jobs, capping wages and recruiting former military officers to run the stores. It didn't take long before staff morale and customer service began to collapse. Slowly but surely, the once happy-go-lucky Home Depot became a mathematical equation. As the earnings went up under the Nardelli equation — they had nearly doubled by the time of his departure — the stock went down (at a time when Lowe's soared 200 percent) and the human spirit went out.

His Way Was the Highway

The sum total of Nardelli's leadership at Home Depot was a dramatic shift in the spirit of the company and subsequently the service of their ever-satisfied customers. The 98 percent turnover in the company's top executives — with 56 percent of the new hires coming in from outside the company — supports this notion. People simply couldn't and wouldn't work passionately for their command-and-control leader. In this respect, Nardelli was no leader at all. He was a dictator who demanded compliance.

If there is a generalization about Nardelli's mistake, it is that he usurped Home Depot's identity. This was the result of a much deeper mistake than alienating employees and angering stockholders.

Nardelli displayed an unprecedented level of arrogance at Home Depot. It was his way or the highway. His tone-deaf response to criticism was only slightly overshadowed by an ego that served as the antithesis of his physical stature. His intolerance for imperfect people and those who could not be controlled sent only one message: Get it right or get out.

While no one will argue that Nardelli is highly capable, he will likely not fulfill his potential as a leader until he learns what all great leaders know: Greatness does not result from competence only; it flows from an inspired work force that trusts the character of its leader.

Profile: Carly Fiorina

In the late 1990s, Hewlett-Packard(HP) faced a defining moment in its history. Caught in its longest financial slump, the HP Way was under fire. "To jumpstart the moribund company," explained a *Business Week* article, "the board brought in … the charismatic Carleton S. Fiorina. Shake things up she did." It is an accurate assessment. But perhaps the connotation is more diplomatic than it should be.

It took little time for Fiorina's cultural makeover of HP to take hold … and begin turning sour. While no one was arguing the need for a more unified front, HP insiders began to sense that Fiorina's change strategy was less about HP and more about promoting its new boss.

Fiorina's make-or-break moment occurred in 2002, when she pushed through a controversial merger with Compaq, overcoming opposition from board member and Hewlett family member Walter Hewlett in the most expensive proxy battle ever fought. Although the merger made HP the immediate market leader in personal computers, Fiorina's treatment of Walter Hewlett showed a gross disregard for HP's roots.

The board tightened its position and eventually made it clear to Fiorina that they planned to shift some of her operational responsibilities to her direct reports. It was their intention not to fire Fiorina in this process but rather to help her succeed. Because of her resistance, the board asked for her resignation on the grounds that they needed a leader with more operational talent.

Failing to Face Facts

Prior to Fiorina's arrival, HP fostered an environment where workers felt obligated to be involved and speak up when something needed fixing or could be improved. Fiorina changed that environment to one of distrust and fear. People no longer felt they could or

Critical Questions for Managers

Every manager should be able to answer these questions before taking over a department, function or even the whole organization. Take off the mask and lay down the baseline of authenticity from which to build by asking yourself:

- Who am I?
- Where did I come from (personally and professionally)?
- What are the values that fundamentally guide me?
- Who has had a major influence in my management philosophy?
- What experiences (positive and negative) in my background have prepared me for this role?
- Why am I the right person for this position?
- What are my expectations for the team?

For some, personal transparency feels like a loss of control. We just can't push through and break the authenticity barrier to express who we really are. But when we answer these or similar questions honestly, we are being authentic. It makes us more credible and trustworthy in the eyes of our colleagues.

should speak up. Nor did they feel they had any say in the direction the company was headed. It was a shift too far off track from which to recover.

On Fiorina's downfall, it is perhaps simplest to conclude that what led to her derailment were the shortcomings she saw abundantly in others but did not acknowledge in herself. Failure — even her own — was always someone else's fault. This trait, in combination with her penchant for promoting herself, did nothing but culminate into a perception that she was both too self-focused and disingenuous.

Profile: Durk Jager

When longtime Procter & Gamble CEO Edwin Artzt retired in 1995, the company's board created a post for Dutch-born Durk Jager, 51-year-old head of Procter & Gamble's U.S. business. Tough, autocratic and a former protégé of Artzt, Jager was named chief operating officer(COO). Four years later, the hard-charging Jager became CEO.

Jager was adamant that rapid restructuring and cultural change were necessary to free innovation from the many layers of bureaucracy. Jager was dead-on in theory — structural and cultural change were necessary to survive. However, he was way off track in the application.

Seeking to force innovation to the forefront and drive new brands to the global market rapidly, Jager, a mere nine months into the job, announced he was eliminating 13 percent of the work force. He then disregarded business managers responsible for current products and transferred their responsibilities to global brand managers. He simultaneously established "innovation teams" that displaced the company's best and brightest from important daily roles to the ongoing development and launching of the best new brands.

Seventeen months after they made him their man, the Procter board pressured Jager to resign in what *Business Week* called "a boardroom coup unprecedented in P&G's history."

Quickly Off Course

As a chief executive, Jager failed by over-focusing the company's resources on generating the next big idea and introducing products that "left customers yawning," while under-investing in the development and marketing of established brands. While there were glaring, fiscally tangible reasons for Jager's short and unsuccessful tenure — he missed earnings projections twice in six months, and the company's price per share declined 52 percent — his ultimate derailers were less tangible failures of character.

Change can be orchestrated respectfully and incrementally, but it was not Jager's way. He went about the change forcefully and immediately, and his actions showed a gross disregard for P&G's existing culture. But more than that, his approach displayed a disregard for the lives his demands were affecting.

Jager clearly displayed all of the four categories of derailers. Throughout his tenure, he maintained an intense — even feared — degree of arrogance. He openly despised the old mores of the company, making it clear that he found P&G's culture to be intolerable and wholly to blame for the company's problems. Jager also cultivated a ruthless image in an attempt to convey his hard-charging commitment toward turning the company around. The inauthentic veneer intimidated employees and implanted an intended sense of insecurity about their place in the company.

Jager's derailment teaches us a further lesson: Neither speed nor good business sense are substitutes for good leadership.

Profile: Steven Heyer

When it came time for its founding CEO, Barry Sternlicht, to transition from the day-to-day, Starwood Hotels & Resorts Worldwide sought a leader with the marketing prowess to keep its brands, including the prestigious W, Westin and St. Regis hotels, on the upswing. It was a young, entrepreneurial company that needed an innovative leader with both business and branding experience. Steven Heyer, president and COO of Coca-Cola, appeared to be the perfect fit.

Nicknamed "The Tank" in college for his relentless ways, Heyer embedded a reputation as a prolific mass marketer. He rolled into Starwood ready to showcase yet another compelling executive campaign.

Unfortunately, the master marketer made a very basic marketing blunder: He failed to keep up appearances — namely his own.

As was his protocol, Heyer went right to polishing the branding side of the Starwood business. While Heyer was turning the company's brands to gold, he was losing touch with the people he was leading. It was the beginning of an internal branding issue and Heyer was the problem product.

A Bad Campaign

Leaders make mistakes. While they are held to a higher standard, they still have lapses in judgment. Certain mistakes, handled tactfully, willfully and humbly, are often forgivable to the point where the position of leadership is salvageable. The same mistakes avoided and

handled irresponsibly — or worse, flippantly and arrogantly — often say a lot more about a leader than the mistakes ever did. This was the case with Steven Heyer.

The Starwood board had been willing to overlook Heyer's rough edges given his continued accomplishments. Yet, Heyer was flippant in his self-consumption. His lack of humility was first evident by his roguish work habits, opting to commute from his Atlanta office instead of remaining a steady presence at headquarters in White Plains, N.Y. However the real straw that broke the camel's back was Heyer's handling of the accusations of his inappropriate activity with female employees.

Heyer claimed he had done nothing wrong regarding the allegations — then ran. Given his flawless handling of every brand he had ever touched, this was a shockingly elementary marketing mistake. To the majority of onlookers it communicated only one thing: "I did it but owe no explanation."

Heyer's derailment ensued because he never committed himself to the role of a leader within Starwood. He grew the company, boosted the stock and polished its brands, but he remained dangerously detached. He was a steam engine attempting to pull the rest of the train without being attached to it. While Heyer knew the company brands, he never knew the company — and the company never knew him. His detachment only exasperated the allegations of his inappropriate behavior.

The people had no personal history with which to counterbalance Heyer's actions. Perhaps for many employees, the accusations were their first interaction with Heyer's personal image outside his marketing handiwork. In the end, it seemed the marketing master could enhance the appearance of everything but himself.

Profile: Frank Raines

In the late 1990s, middle-class homeownership looked to be peaking after nearly a decade-long run of good fortune for any company in the mortgage business, especially for the government-chartered and sponsored Fannie Mae. Under chief executive James A. Johnson, the value of its assets had tripled and its share price had risen sevenfold.

When Johnson left his office for the last time in December 1998, Fannie Mae faced the challenge of sustaining its run on double-digit growth and its reputation as the "dominant force in the mortgage industry." To do so, it would need to rely on creative, non-traditional efforts to expand the housing market through "groups — black and Hispanic families, immigrants and single people — that traditionally have been far less likely to buy houses."

Developing Courage

Here are some suggestions for how you can develop this key workplace skill:

1. Keep a journal about your experiences at work. Who do you admire? What do they do that strikes you as courageous?
2. When you have to deliver tough news, being courageous is critical. Also, be savvy. Think about the timing and shape the message for the recipient.
3. When you take a stand make sure you have your facts right. The facts often help separate the courageous from the foolhardy.
4. Mangers hate it when they have to do our thinking for us. Be sure to have several possible remedies for a problem, along with a recommended solution.

Fannie Mae needed a leader who not only understood all sides of the government-backed mortgage business but also understood the people who would become their most important customers. Franklin Delano Raines seemed perfectly suited. Raines leveraged the work ethic and financial wisdom passed down from his parents into a noteworthy career. After graduating from Harvard College, Harvard Law School and Magdalen College at Oxford as a Rhodes Scholar, he quickly gained a reputation for tight accounting, results-driven leadership and shrewd diplomacy, simultaneously climbing the political, legal and corporate ladders and working with the Nixon, Carter and Clinton administrations.

Newton's Law: What Goes Up …

With Raines conducting, Fannie Mae not only sustained double-digit income growth but vastly expanded its reach with new technology and products. The biggest — and costliest — of Fannie's expansions was Raines's commitment to invest $2 trillion in mortgage programs that would make homeownership and rental housing more affordable for 18 million more families. The program included sub-prime mortgages. This greater opportunity of homeownership, Raines believed, was Fannie Mae's mission personified. He was hailed a hero by many.

Fannie Mae was constantly under attack from mortgage industry rivals who insisted the company maintained an unfair advantage with its government ties and under-regulated procedures. Raines rose to each challenge with the nimble diplomacy for which he was known. There was one attack, however, for which Raines was neither prepared nor deft enough to defeat.

From 1999 to 2002, Fannie Mae accountant Roger Barnes sent repeated correspondence to a "wider range of Fannie Mae managers and executives," including Frank Raines and Fannie Mae Chief Financial Officer Timothy Howard, urging them to look into accounting irregularities he had discovered.

It is said that adverse circumstances do not make or break you; they reveal you. It is a fitting maxim given Raines's telling response to the confirmation of illegal accounting. His unwillingness to accept responsibility revealed his three primary derailers: 1) a lack of authenticity, 2) a lack of humility and 3) a lack of courage.

The discrepancy between the legal conclusions and Raines's vague posturing sends the wrong message: The leader is larger than both the company and the bodies that govern the company's practices. Whether Raines understood it as such is debatable. Perhaps he was not entirely aware of the illegal nature of the practices he was allowing. Perhaps he believed certain accounting measures were relative to circumstances.

Still one thing cannot be debated: Raines had and still has every opportunity to admit, in the very least, to poor judgment, lax standards or subjective governance. He has admitted none.

Profile: Dick Fuld

Dick Fuld was as insider as they come. He was equally as intense. His long and successful career at Lehman Brothers began in 1969 after his dream to become an air force pilot "came to an abrupt halt when he got into a fist fight with a commanding officer." In Fuld's defense, he was said to have been protecting a younger cadet who was being mistreated.

This heart of the underdog gave rise to the man who seemed unbreakable — tough-talking his way upward over a 39-year history with Lehman Brothers. Fuld was famously aggressive, uncomfortably intense and unquestionably smart. His aura could fill a room — giving second chair to his equally impressive but less-mentioned education, military service and numerous service positions on non-profit and professional boards.

Strength Is Weakness Well-Harnessed

Under Fuld's stewardship, Lehman soared. By 2006, *Institutional Investor* magazine had named him America's top chief executive. By the end of 2007, he was at the pinnacle of the financial world, having turned a $102 million loss in 1993 into a $4.2 billion profit in 2007. In March 2008, Fuld was named to *Barron's* list of the world's 30 best CEOs and dubbed "Mr. Wall Street."

The financial world would believe him, until the credit crisis came — perhaps the only force tougher than the Wall Street brawler. Markets were crashing; investors were pulling funds; and the American public was pocketing their pennies and losing their homes, their jobs and their confidence. For the first time, Fuld was facing a fight bigger than Wall Street. It was then he made the classic competitive error: He grossly underestimated his opponent and overestimated his strength.

Weakness Is Strength Unharnessed

In June 2008, Lehman Brothers posted a second-quarter loss of $2.8 billion, its first loss since going public in 1994. The blow was crushing to the organization and to Fuld — the man whose track record had, for more than a decade, continued to overshadow itself year after year.

Fuld had been struck with a solid left hook. As he had always done before, he shook it off and fought harder. Unfortunately, Lehman had been cut bad, and forceful Fuld could not stop the bleeding. In September 2008, Lehman reported yet another loss — this time of $3.9 billion. Days later, the firm filed for bankruptcy protection and eventually bankruptcy itself — the largest in history.

While it's easy to respect the strength of a man like Fuld, one has to also take into account that such strength is a weakness when it cannot be harnessed. Ultimately, it was Fuld's intensity-turned-stubborn-arrogance that did him in. His derailment resulted from two things: He refused to quit fighting and he failed to size up his opponent. ●

Derailment in Slow Motion

Certainly each of these leaders' downfalls involves a complex set of reasons. We see the headlines, watch the news coverage and read the voyeuristic details of their demise. The smoldering piles of wreckage mark ruined companies, ruined careers and ruined reputations. It looks as if the crash took place in one cataclysmic instant — one wrong turn and then the screeching sound of twisting metal — a massive derailment. It is not the whole story.

Derailment occurs over time — and it occurs in a predictable progression — a process that those who derail seem to follow. Derailed leaders progress through five stages as they head toward their demise. Perhaps there's hope for us to learn about these escalating stages of derailment and stay on track.

Stage I: A Failure of Self-/Other-Awareness

Derailed leaders seem to manifest a lack of self-awareness. Self-awareness is a prerequisite for managing ourselves well. Derailed leaders also seem to lack awareness of and concern for others. This type of insight informs us as to the needs, desires, hopes and moods of others that we might respond appropriately. It involves empathy, consideration and general attentiveness to the interests of others. Derailed leaders seem oblivious to the impact of their behavior on others.

Stage II: Hubris — Pride Before the Fall

Hubris — extreme arrogance — manifests itself in the leader who believes he or she is the epicenter of an organization's success. Despite Home Depot's storied entrepreneurial, fraternal culture, Nardelli presumed his controlling methodology was better. Instead of using the positive momentum with Home Depot's culture, he cut loose from the culture entirely and bled the orange-blooded faithful to death. No matter how bright and capable a leader might be, the work of the organization must be accomplished by trusted colleagues.

Stage III: Missed Early Warning Signals

The early warning signals of derailment were there for all six leaders but went unheeded. People were yelling and waving their hands, but these engineers paid no attention. In their arrogance, they missed the signals. Fuld was born a winner, yet he was so focused on winning the financial prize that he failed to see the chasm into which he was guiding Lehman. He had tunnel vision. These otherwise talented leaders did not see the warning signals represented by subtle but persistent feedback about their own inner states, others' diminishing confidence in them or the wrong direction in which they were leading the company. Early warning signals should have jarred their attention to avoid the danger ahead. Instead, our profiled leaders barreled ahead toward the inevitable crash.

Stage IV: Rationalizing

When it becomes apparent to a leader that he or she is losing the confidence of colleagues or a board, his or her defenses are heightened. A siege mentality takes over, and the leader begins to rationalize his or her actions, further insulating him- or herself from the very information that could either fend off disaster or greatly limit the damage.

Stage V: Derailment

The emissary comes to the leader's office and says, "I'm sorry … it's over. We all had high hopes for you here, but we need to help you leave in a way that preserves the company and maintains your dignity." An irony of Stage V is that despite the board's actions to preserve their CEO's dignity, our six profiled leaders undid this preservation of dignity with their own actions. ●

Staying on the Rails

A failure of authenticity frequently contributes to derailment. It is not a blatant attempt to deceive, but at the heart of the problem is a failure to let others see who we really are. Not engaging with others in a meaningful way is always a tip off.

Lack of engagement was one of Heyer's most significant problems. He never really unpacked his emotional bags at Starwood. He didn't spend enough time at the headquarters engaging with the people who did the work of the organization. Individuals don't trust someone when they are not sure if the person is authentic and truly committed to the well-being of the organization and its employees.

The Real Deal

When we see people who actually are who they "appear" to be, we call them authentic. There's an alignment between the inner person and the outer person … between their beliefs, values and behavior. "Authenticity" most often refers to things, like documents or paintings, implying that these objects are genuine, not counterfeit. Our trust in and value of an object ties directly to its authenticity or genuiness.

We use this same word to describe people. We trust someone who is authentic and distrust someone who has a lack of genuiness. Actually the Greek origin of authenticity means "acting on one's own authority — entitled to acceptance as factual." Effective individuals frequently venture "self-authored" ideas, which reflect a person's true beliefs and convictions. We may disagree with their idea, but our respect and trust of the person rises when we feel we're dealing with someone who is real, open, direct, trustworthy and genuine.

Get a Hold of Yourself!

Self-management may be best defined as skill, insight, sensitivity, impulse control, optimism and persistence applied in the particular environment in which we work and live. Effective self-management is heavily dependent upon good self- and other-awareness. A lack of self- and other-awareness is a common denominator among those who derail. The ability to manage ourselves and to manage our relationships is heavily dependent upon our per-

ceptiveness of what's going on within us and with others.

Self-aware individuals pay attention to their emotions without being ruled by them. They observe the responses of others and are able to adjust their behavior to make their interaction more effective. They understand how to build on their strengths and observe their limits. They use feedback as a corrective mechanism.

Self-aware leaders often reflect on how they are doing and are more inclined to work in harmony with their values and priorities. Decisions are more thoughtful and well-intentioned. Their direction is clear and founded on clear rationale. They draw this direction from the deep well of personal reflection. Those who derail tend to be unreflective, imperceptive, undisciplined and impulsive.

The Star of Your Own Show

In the research of the highly placed leaders, it became very apparent that arrogance was a key contributor to their derailments. If humility is having an accurate self-image and being other-oriented, then arrogance is its mirror opposite. Each executive profiled manifested this debilitating quality.

Arrogance is presumptuousness, overbearing pride and an unwarranted, exalted sense of self-importance. Lest we think that arrogance is a foible only in profit-driven business settings, it has nothing to do with the level at which we work in an organization or the nature of the work we do.

One of the most revealing tests of a person's character is power. We see in the profiles of derailment that power, in many cases, became self-serving. The "trappings" of power often tell a lot about character. Nardelli created a nine-car personal parking area for his cars underneath Home Depot's corporate office. His private elevator went from his personal parking area straight to his private office on the top floor of the building — no stopping for the little people.

The Courage of Our Convictions

Courage emanates from our resolute beliefs and core convictions. It follows that when we are not grounded at some foundational level in our beliefs and convictions, we will not be courageous. Absent any real beliefs and convictions, and the courage that rests on them, we become tentative or worse, expedient. We then want to just get along and line up with the prevailing opinion.

A courageous act only occurs when we are convinced that something is true and truly important, rather than simply a preference. Courage never exists in a vacuum. It results from our internalized beliefs and convictions about how our lives should best be directed toward some noble end. The absence of courage in our jobs can manifest itself in behaviors serious enough to derail us. It makes us tentative. Tentativeness makes us conflict-avoidant, over-controlling and cautious. We experience an excessive need for approval. The cure is to develop the courage of our convictions. ●

Five Critical Lessons Learned

Here are five critical lessons learned from the examples of derailed leaders and others who have discovered the crucial principles for staying on track:

Lesson One: Character trumps competence. Character as expressed in authenticity, wisdom, humility and courage must ultimately form the substance of who we are if we want to have great impact.

Lesson Two: Arrogance is the mother of all derailers. It is commonly at the root of a leader's undoing. Aloofness, being critical, self-promotion and not listening to others all tie to arrogance.

Lesson Three: Lack of self-/other- awareness is a common denominator of all derailers.

Lesson Four: We are always who we are ... especially under stress. If we will always be who we are, it pays to consider deeply who we want to become and to make choices consistent with that intention.

Lesson Five: Derailment is not inevitable, but without attention to development, it is probable.

In moments of gut-wrenching candor, many self-aware leaders acknowledge a dark side to their character. Leaders who have great strengths also possess significant weaknesses, which cannot be ignored. Sadly, we, too, have the innate capacity for narcissism, arrogance or disregard of other's opinions and interests in favor of our own. Perceptive executives control these impulses and choose to manage their darker sides' intrusion on decisions and relationships. Those who are more likely to stay out of trouble, constantly remind themselves of their own vulnerability. ●

RECOMMENDED READING LIST

If you liked *Derailed*, you'll also like:

1. ***The Five Dysfunctions of a Team* by Patrick Lencioni.** Lencioni's business fable can help executives get the most out of their teams.
2. ***How Did That Happen?* by Roger Connors and Tom Smith.** When a project fails to come to fruition, managers waste valuable time in an effort to find out what went wrong. This book gives you a solid accountability practice.
3. ***The Seven Hidden Reasons Employees Leave* by Leigh Branham.** Branham tells you what organizations need to recognize and actively pursue in order to retain their best and brightest talent.

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How Great Changes Begin at the Beginning

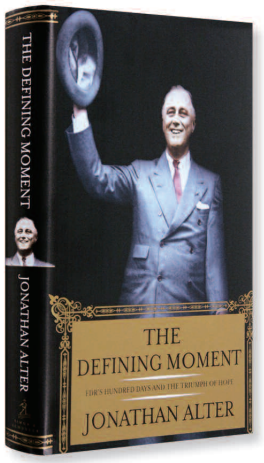
Review by Chris Lauer

THE DEFINING MOMENT: FDR'S Hundred Days and the Triumph of Hope

by Jonathan Alter

Simon & Schuster, © 2006, 415 pages, $29.95
ISBN 978-0-7432-4600-2

As a senior editor at *Newsweek*, Jonathan Alter started writing a critically acclaimed column on politics, history, media and society back in 1991, gaining praise for his even-handed analysis and thoughtful research and commentary. Fifteen years later, Alter brought even more respect to his journalistic skills by writing *The Defining Moment*, a historical account of the moments in Franklin Delano Roosevelt's life that shaped him into the man who brought the United States out of the Great Depression and kept democracy alive when hopelessness, communism and fascism threatened the country.



The Defining Moment accomplishes something no other book about FDR has done in a single volume: It describes just the factors leading up to and including the first 100 days of his administration in 1933. While most books about the 32nd president of the United States refer to Pearl Harbor and World War II and describe his performance as a wartime president, this book stops long before the bombs exploded. Instead of recounting the presidential challenges of leading the country through war, *The Defining Moment* describes the pivotal moments, critical events and historic decisions in FDR's life during the early days of his presidency, when crucial leadership was vital for the survival of democracy in the United States.

Pinnacles and Pitfalls

The story Alter describes follows the swerving path of Roosevelt's early life, revealing it as a roller-coaster ride filled with glorious pinnacles and tragic pitfalls. What emerges from the journey is a thrilling American adventure that recounts the life of one of history's most remarkable and admired leaders, and provides future leaders with much food for thought about gaining early momentum in a new leadership role. Jonathan Alter's talents as a storyteller turn FDR's perilous tale into an exciting and revealing glimpse into the life of the man often cited by experts as one of the greatest U.S. presidents of all time, alongside Abraham Lincoln.

The story begins peacefully enough with a description of the wealth into which Roosevelt was born. As fifth cousin to President Theodore Roosevelt, and his maternal family roots tied to a ship that arrived at the Plymouth colony shortly after the *Mayflower*, privilege was practically FDR's middle name. He was the only child of a doting mother, Sara, and a highly stationed father, James, who was absent for most of FDR's upbringing due to a debilitating illness. Although he was not very skilled as an athlete and not particularly impressive to those who knew him at the time, he did boldly claim that, because of his presidential name and family fortune, he would become president one day. But his lack of success as a young lawyer caused many people to view his ambitious prediction as unlikely to come true.

Without reaching into too much psychoanalysis or extrapolating too much from political conjecture, Alter provides enough guidance to the events and circumstances of FDR's life to shed light without interjecting

more than a storyteller's spark into the story. For example, while describing FDR's earliest memories, readers learn that FDR was present in the house when his aunt accidentally set herself on fire with an alcohol lamp while curling her hair. She subsequently died from her injuries. Alter connects this family event, which undoubtedly exposed young Roosevelt to horrific screams and unimaginable terror, to FDR's later admission that the only thing he truly feared was fire. Small insights from events like this build from his youngest days through his college life and into his earliest days in politics. Each turn in his history holds increasing lessons that slowly transform the well-traveled sophisticate into a more empathetic human and powerful politician.

Alter explains that FDR's distrust of experts helped him succeed as president. FDR became famous for gathering a multitude of different opinions and sorting through them first before rendering his own judgment on a matter.

The Power of Relationships

One of the concepts Alter revisits frequently is the power that relationships had in changing Roosevelt from the effete "feather duster" of a man to a leader whose decisions and guidance put the country at ease during some of its roughest times. One of these relationships was with his wife, Eleanor, who helped guide him in a more humane direction by showing him the suffering of the lower classes, something about which Roosevelt knew very little. Her work with poor Jewish immigrants in the slums of New York brought her husband in contact with suffering he had never seen before. Alter credits Eleanor with softening FDR's sense of self-satisfaction and opening his mind to help those less fortunate. These were significant changes that would play out on a much larger scale when he became president.

Another relationship Alter describes that would prove pivotal to Roosevelt's rise to the presidency was that between FDR and Louis McHenry Howe, a cranky reporter from *The New York Herald* who would become an important ally and adviser in his efforts to gain prominence in local and then national politics. This "medieval gnome" would play a key role in Roosevelt's development as a man who could play the game of politics. Alter describes Howe's skills as a manipulator and confidante, and how this tiny, unattractive man helped Roosevelt grow as a campaigner and master of the press who was able to firm up support from the country's population and win elections.

Polio

One aspect of Roosevelt's life that Alter connects to his effectiveness as president was the onset of the debilitating disease that would test his character and then help him demonstrate his latent yet impressive strengths. While making an appearance at a Boy Scout camp at Bear Mountain, N.Y., Roosevelt apparently caught polio after sailing with his wife and running a couple of miles with the scouts. At 39 years old, polio-related paralysis left him unable to walk for the rest of his life. Alter interprets this tragic event in the life of a physically active man — who had become an avid golfer, swimmer and outdoorsman since his graduation from college — as the source of life lessons that would eventually benefit Roosevelt and the rest of the country.

One aspect of Roosevelt's personality that changed due to his experience with polio was his belief in expert opinions. Shortly after the onset of the disease, Alter relates, one doctor prescribed deep massage to help the paralysis in his legs. This turned out to be a terribly painful and mistaken combination. Alter quotes columnist and FDR acquaintance Max Lerner regarding the shift that took place inside Roosevelt's psyche: "[It] cured him permanently of any belief in the conventional wisdom of experts, whether in medicine, politics, economics, warfare or diplomacy."

Alter explains that Roosevelt's distrust of experts helped him succeed as president. Unsatisfied with having only a few perspectives, FDR became famous for gathering a multitude of different opinions and sorting through them first before rendering his own judgment on a matter, whether it was about fighting his own polio, handling the Depression or entering the country into World War II. His success at staying optimistic through such an agonizing and debilitating affliction also characterized the optimism with which he would lead the country through its darkest days.

Saving Democracy

The Defining Moment provides a compelling glimpse into FDR's rise to power as well as the people and events that shaped his personal character, but the history lessons it contains offer more than a simple guide to presidential politics. By focusing specifically on the years of 1932 and 1933, Alter's book provides deep insight into the first time FDR "saved democracy" from the rise of communist and fascist trends taking place in other countries at the same time "by convincing the American people that they should not give up on their system of government." This deep look into FDR's first months in office also gives readers a glimpse into the formative

personal factors that led to his success. One was the self-confidence he injected into the collective American consciousness, replacing the "fatalistic terror" that had frozen the public in a pernicious malaise. In *The Defining Moment*, Alter reveals the sources of Roosevelt's confidence and how he was able to rise above adversity and offer the country hope.

Alter explains that he wrote this book "to better understand a few timeless questions about the nature of crisis leadership and the meaning of the American experiment in self-government." These questions probe the sources of inspiration and hope that a country needs to pull itself out of insecurity and suffering. By examining the defining moment "when the character or perception of a political figure is crystallized," in this case FDR's first months in office, Alter offers future presidents and politicians a role model who can provide guidance on ways to grow and shape their own effective leadership strategies.

Alter transforms the cold winter of 1933 into an example of how a lone individual can face desperate adversity — including an assassination attempt at the hands of an unemployed bricklayer from New Jersey and a deepening national economic crisis — and rise above it with enough self-assurance and strength to restore confidence to a nation.

In those first difficult days as president, Alter reminds readers, Roosevelt gave the country his famous first inaugural address, in which he stated, "The only thing we have to fear is fear itself," and started his hugely popular "Fireside Chats." He points out that FDR also created "the thrilling legislative experimentation of what came to be known as the Hundred Days." Alter explains that this is the story of how one man was able to transform his formidable communication and political skills, honed during a life filled with staggering fortune and tragedy, into a rejuvenated outlook for an entire country facing tremendous difficulties.

Roosevelt's 'Tree Army'

One of the 15 major pieces of legislation in FDR's first 100 days in office was the Civilian Conservation Corps (CCC), a New Deal program that combined Roosevelt's deep beliefs in hard work and environmental conservation. Alter explains that this program alone, which began when 275,000 young men were mobilized in 1,300 camps across the country, was the best example of how the new president's leadership style changed the United States during those 100 days. Not only did this unique program substitute work and jobs for government-funded relief, but it also kept thousands of people fed, sheltered and working when they might have been tempted to create the civil unrest that many feared would take place at the height of the Depression. In addition, the work of the CCC helped the country improve its infrastructure of resources by employing more than 3 million men to plant 3 billion trees, develop 800 state parks, protect 20 million acres from erosion and create 125,000 miles of trails across the United States. Alter points out that the program would also eventually inspire the creation of the Job Corps, the Peace Corps, VISTA, AmeriCorps and thousands of community projects.

Another feat Roosevelt accomplished during his first four months in office was to establish of the National Recovery Administration (NRA), which extended the U.S. government into the private economy more than any program before or since. While it abolished child labor in the country and setting the first federal minimum wage, Alter points out that the NRA also boosted national confidence when it was most needed. Although its many strict codes and micro-regulations would prove to be too much of a burden for businesses and the country in the long run, Alter explains that experts credit the NRA program with giving a new and needed sense of corporate accountability to the community.

Social Security

Perhaps the greatest accomplishment of Roosevelt's first 100 days in office was his creation and support of the Social Security system. When he signed the bill to protect older Americans from destitution in their later years, he called it "the cornerstone" of his administration. Although he believed it was less than perfect in its original form, Roosevelt, Alter explains, told his people that he believed it was his "greatest domestic achievement."

An accomplishment such as Social Security became not only a crucial part of Roosevelt's early impact on the country's economic system, but also an example of the type of giant action that can make or break a president when he or she first takes office. Alter writes that since 1933, making a great impact in the first four months in office has been the goal of presidents, with some more effective than others at reaching that goal. The author points out that Lyndon B. Johnson claimed

When he signed the bill to protect older Americans from destitution in their later years, he called it "the cornerstone" of his administration ... Roosevelt told his people that he believed it was his "greatest domestic achievement."

he did more with the 15 bills he pushed through the U.S. legislature during his first 100 days than Roosevelt did in his initial period of time in office. Ronald Reagan also took the idea of early wins to heart and worked hard at accomplishing historic budget and tax law changes in his first months in office. On the other hand, Alter points out, the idea to prove yourself as president in 100 days was not something that John F. Kennedy would let distract him from the longer-term efforts that he knew were required to lead the country through lasting changes.

Barack Obama

According to the New York *Daily News*, Barack Obama was seen reading a copy of *The Defining Moment* in the days before he was elected as the 44th president. While only history will tell whether the stories Alter describes in his book had a significant impact on Obama and the country during his own first 100 days in office, the fact that one of his final advertisements during the presidential campaign was titled "Defining Moment" might indicate that he took some of the lessons in Alter's book to heart. When Obama won the Iowa caucus, he exclaimed, "They said this country was too divided, too disillusioned to ever come together around a common purpose. But on this January night, at this defining moment in history, you have done what the cynics said we couldn't do." Obama would later talk about "defining moments" in his victory speech in Chicago.

In a recent interview with author Mark Green, the president of Air America Radio, Jonathan Alter was asked whether there is a valid comparison between the transitions of FDR and Obama, and he said Obama's process seems to be more orderly, while FDR's transition was often characterized as "seat of the pants." He added: "Indeed, Roosevelt was described to have a second-class intellect and a first-class temperament. Obama has a first-class intellect, he's smarter than Roosevelt, and a first-class temperament."

"Indeed, Roosevelt was described to have a second-class intellect and a first-class temperament. Obama has a first-class intellect, he's smarter than Roosevelt, and a first-class temperament."

Alter's Next Book

According to Dermot McEvoy of *Publisher's Weekly*, Simon & Schuster has already acquired Alter's next book project: a book about President Obama's first 100 days in office, which will be published in 2010. In McEvoy's article, Alter explained that his next book will cover Obama's campaign as well as how he performs when he reaches the White House.

With his rich perspective on Franklin Delano Roosevelt's rise to prominence and his historic presidency, Alter is uniquely suited to provide a comparative view of yet another Democratic president facing difficult national and global struggles during an unprecedented economic downturn. Sure to answer similar questions about who influenced Obama and how he became an inspirational figure to many, Alter's next book, thanks to his ability to dig deeply into the details that make historical figures who they are, will undoubtedly offer readers another fascinating look at the powers that shaped the leader and his date with destiny. Judging by Alter's ability to portray FDR's leadership as a powerful force grown out of personal experiences and numerous difficulties and accomplishments, the Obama book will be a welcome addition to the historical record. It promises to advance the collective understanding of those eager to learn how yet another president faced great odds while leading the United States through tough times.

The author: Jonathan Alter is a senior editor at *Newsweek,* where since 1991 he has written an acclaimed column on politics, history, media, and society at large. He is also an analyst and contributing correspondent for NBC News.

His next major project will be a book detailing the first 100 days of Barack Obama's presidency. The book is scheduled to be published by Simon & Schuster in 2010.

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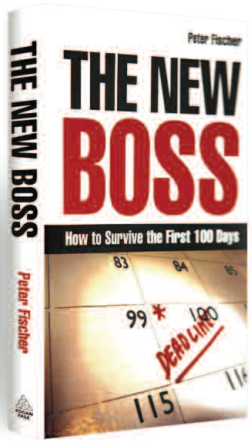

by Peter Fischer

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How to Survive the First 100 Days

THE NEW BOSS

THE SUMMARY IN BRIEF

Innovation, consistently high standards and speed are necessities in the competitive environment of today's business world. New executives are expected to move forward with their own agendas and make their mark within as little as 18 months. However, it is often forgotten that these agendas need the support of key people, and as a new manager, you will have to gain and retain this support in order to achieve success.

In the fast-paced business world, there is little room for error or experiment. In large organizations, the pressure for success is huge. The ability to become the new leader of a department or organization and transition seamlessly is what separates great leaders from good leaders. The smoothness with which this change happens is crucial to a manager's success, and it makes starting a new job even more of a challenge. The window of opportunity for achieving a seamless transition is the first 100 days — that's all the time a new manager typically has to ensure that he or she will be effective in the long run and that employees stay motivated.

There are seven building blocks to creating a successful leadership change. According to author Peter Fischer, these building blocks help leaders understand why they shouldn't just "jump in"; they show leaders the *why* and *how* of assessing critical situations, how to know what everyone expects and how to introduce change mindfully. Fischer also provides case studies that shed more light on the pressures and opportunities for new managers in specific and all-too-common circumstances such as dealing with being promoted and surviving a cumbersome predecessor.

This summary will give new leaders the necessary tools for making a smooth transition into their new role within the first 100 days, and will make them aware of some of the common pitfalls to be avoided.

IN THIS SUMMARY, YOU WILL LEARN:

- How to define and manage expectations — from your boss, your employees, your colleagues and yourself — well.
- How to prove yourself to disappointed rivals, hidden competitors and other skeptics.
- How to figure out what problems are important and which to tackle first.
- What common obstacles to avoid to ensure a successful transition.

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by Peter Fischer

The Dos and Don'ts of Successful Leadership

It is the rule rather than the exception for successful executives to move on to new responsibilities every two to three years. It is a further rule that as soon as a change in leadership is imminent, there are certain questions from all directions in the organization.

People who successfully assume new leadership roles also have a number of other competencies that set them apart from less successful counterparts. They are able to organize and communicate the many topics, issues and expectations as a clear, manageable concept.

Another characteristic that differentiates successful from less-than-successful executives is their stamina, particularly in a crisis. These characteristics are not innate; they are competencies acquired through practical experience. ■

PART I: BUILDING BLOCKS

Managing Expectations Proactively

Expectations are the surest thing about a change in leadership, which has an almost magical attraction and seems to bring every wish and hope for change to the surface. Sometimes they coalesce into expectations that are almost impossible to meet. Skill at handling expectations is thus one of the first competencies that a person must have in order to manage a transition successfully.

The expectations of superiors are a rather problematic matter for new managers. If anything at all is explained, the executives focus on the usual quantitative objectives, mentioning more sales, better variable gross margin and lower costs as important expectations. Preeminent expectations such as supporting a superior's own work or ensuring loyalty are rarely voiced. Many managers fail to ask about the simplest things, such as important milestones and the criteria for success in the new position.

The expectations of the employees seem much clearer at first glance, and those that tend to be formulated clearly are those pertaining to the solution of old problems. Not until the newcomer patiently asks the employees what they hope their manager can do for them will they articulate the otherwise unstated expectations of personal job security and advancement.

In contrast, colleagues expect a newcomer to ask about their rules of the game, not to present new ideas too quickly and to avoid forging too close an alliance with the powers that be. They assume the newcomer will come to them, not the other way around.

Develop Expectations Actively

Expectations don't go away by being ignored. At best they turn into support for the changes to come; at worst they harbor the potential for resistance to the new executive's plans.

- Expectations are *desires, ideas, hopes, suggested solutions to problems and recommendations.*
- Expectations are *not* logical.
- Expectations stand for a basic attitude — waiting. "Let's see if he succeeds at it" is a sentence frequently heard in changes of leadership. Lurking behind it is the passivity of wait-and-see. That is why expectations have to be translated into tasks. *You therefore have to ask which expectations can be turned into shared tasks.* This will help to create a balance. ■

The author: Peter Fischer is an industrial psychologist and psychotherapist. He is the founder of fgi Fischer Group International. For more than 20 years, Fischer has supported senior executives in personal transitions, in taking over new assignments and in change processes.

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Developing Key Relationships

In many instances, relations with shareholders, superiors, employees, clients and colleagues decide the success of a change in leadership. Misunderstandings and lack of clarity in important relationships are liable to lead to tensions that are difficult, if not impossible, to compensate for in the difficult phase of assuming a new position.

On Dealing With the Disappointed Rivals and Hidden Competitors

Key relationships in a change of leadership are those that are important to taking over a position successfully. The problem is that it is usually easier to determine after the fact which relationships were key and which were not.

One primary player, of course, is the person who managed things while the position was vacant. It would be a mistake to give a hidden rival the cold shoulder during a change in leadership. He or she wants to be talked to and asked for advice.

At this point, people often make mistakes in dealing with a disappointed rival. They make promises, try to find soothing words and raise hopes for future prospects. Instead the new manager needs to approach the disappointed rival with understanding. It is the rival's job to work through his or her disappointment; your contribution lies in making that person a fair offer and thereby bridging the gap between the two of you.

The Predecessor — the Hidden Competition

The relationship to a predecessor is a special topic in the subject of leadership transition. The matter goes beyond relations between the newcomer and the predecessor to include those with the employees as well, because they will always compare the two bosses with each other. Don't make the mistake of accepting the invitation to complain about your predecessor's possible weaknesses, for then you will experience fully the double nature of the situation.

Things are usually easier if the former manager has been promoted. But if the employees feel that their former boss got a raw deal from top management, then your predecessor will continue to enjoy the loyalty of the employees and you will not have an easy time of it. Absolutely clear signals are needed so everyone recognizes the authority of the new manager.

Invitations Better Refused

Invitations are more or less overtly formulated recommendations that, if accepted by the newcomer, will lead to serious trouble. The moment you buy into the viewpoint lurking behind these invitations, you meet the negative expectations. The risk is particularly high when a team has been working very effectively, perhaps even for a long period, without formal leadership.

Seasoned managers practice patience in such instances. They know that employees need some time to accept that they are no longer alone and must relinquish some of the authority they had previously exercised on their own. Meanwhile, they confine themselves to gathering information, making contacts and performing typical managerial duties.

If a team has been waiting for the newcomer's highly praised management talent, accepting the invitation to show it off is one of the biggest mistakes that the manager can make. Experience shows that such an approach cements the actors in their roles of the savior and the weak. ■

Constructively Analyzing the Initial Situation

A characteristic of leadership transitions is that the newcomer must not only come to grips with a host of issues and problems, but also make decisions without being thoroughly informed. There are five perspectives that have proved particularly useful for analyzing the types of situations that you, the new manager, will face at the outset of the transition process:

Perspective 1: the rules and assumptions guiding the people involved. Surprisingly, as any seasoned manager will confirm, the purportedly hard realities are easier and quicker to change than the so-called soft corporate culture. You, too, should therefore begin your analysis of the initial situation by exploring the rules, assumptions and values that underpin the way people think and work in your new department. Slowly but surely, an initial picture of the new organization forms.

Perspective 2: the issues occupying the organization. It is important not to regard the list of problems as anything other than a description of the situation from various perspectives. Gather as much information as possible.

Perspective 3: the facts that determine action. An interesting contradiction between the descriptions of the soft problems and the hard facts usually emerges after you gather information. It is not a matter of using the facts to wipe the complaints off the table. It is simply a matter of making the tension between soft and hard factors apparent.

Perspective 4: the available potential for innovation. If important changes are called for when you take over

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Constructively Analyzing the Initial Situation

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your new position, you must find out how open to innovation your company or area is. In doing so, however, you should not confine yourself to assessing the current situation. You should instead focus above all on discovering the existing potential.

Perspective 5: the resources on which you can build. Whether the company's strengths lie in the corporate culture, the products, the motivation of the employees or the strategies, you have to know the strengths on which you can build. This point is especially important if you are swamped with problems and difficulties. ■

Establishing a Set of Motivating Goals

What do employees look for in a change of leadership? If you ask employees what they expect of their new boss, you will hear vastly different answers. They look for information that will enable them to size up the kind of human being their new boss is and what personal interests he or she brings to the new position. They want to know whether it will be worth adapting to the new person.

But even when the unit has a reputation for having delivered solid work so far, one of the first questions that employees put to their new boss is whether he or she already has a plan and where their ideas will fit into it. If those changes divest the employees of authority or tasks of which they are especially proud, immediate and substantial resistance is likely.

On the other hand, employees also want, and need, a plan. A program capable of motivating employees to strive for ambitious goals must:

• Make clear that the new boss does not intend to impose some preconceived plan on the employees without recognizing the special features of their situation.

• Show the employees that it takes into account both their boss's legitimate interest in success and their own long-term interests.

• Be characterized by a balance between stability and change and demonstrate respect for significant achievements of the team.

• Be easy to communicate tangibly and inspiringly within the company and to the outside world.

Designing a Communicable Set of Goals

Most managers initiate changes near the end of the quarter, that is, around the end of the famous "first 100 days" in the job. Successful managers are able not only to look at the multitude of issues facing them but to choose the right ones as well.

That certainly doesn't mean they do what the employees want. But they should examine desired goals for their effects on employees. Experience shows that new managers should always be sure to formulate at least one stability-related goal for every three goals related to change. It is the only way to generate a positive climate. ■

Avoiding Pitfalls When Formulating Goals

Better results, lower coasts, a better climate and more initiative are typical goals challenging managers today. If goals are to be met, they have to be spelled out, and certain pitfalls must be avoided.

Mistake No. 1: Working with general goals. The general goals have to be dissected into their component parts before you can realistically assess the effort it will mean to make them part of your strategy.

Mistake No. 2: Working on urgent problems rather than on the really important ones. New managers all too often fail to correctly assess the significance of the goals.

Mistake No. 3: Considering the goals in isolation. You will find that some goals grow out of others. Furthermore, by comparing goals on your list, you will see that some of them are marginal or less critical than others. Linear thinking is a trap in these situations.

Fostering a Positive Climate for Change

An important factor is that managers who are successful at making transitions in leadership ask questions differently. Question by question, with great respect for what was done in the past, they systematically piece together a picture of the initial situation. These are called "reflective questions" because they get people to think.

Successful managers in new positions use a second group of questions as well. These are called "resourceful questions," meaning that they are questions intended to help systematically identify strengths. Therefore, ask your employees about the departmental projects they are proud of, how they managed to get through last year despite the tight personnel situation, what strengths they have honed in the last two years, what strengths they used to have and what would be needed to regain them.

What you should not do under any circumstances if you

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Fostering a Positive Climate for Change

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are interested in establishing a positive climate for change is ask about the cause of problems. It is considerably more helpful to assume that the employees have so far undertaken everything they could to solve the problems at hand.

Deal Positively With Skepticism

No matter how appreciative your interview strategies are, in many instances you will encounter a sizeable degree of skepticism among the employees. What should the newcomer do to succeed?

• **Meet the skepticism positively.** Welcome employee skepticism. It protects against exaggerated expectations and often contains a number of clues to possible obstacles that are liable to be overlooked.

• **Differentiate the skepticism.** A useful activity is to ask employees to write down on a card all the points that could block the successful implementation of a proposed strategy. What is found is that stated and unstated skepticism are not the same thing.

When people have to formulate their skepticism, many different points emerge. Also, when the skepticism is made visible to everyone in the room, a second effect occurs. The group almost always starts reacting against the skepticism and instead begins to experience seeds of optimism.

• **Beware of coming across as an optimistic prophet.** Dealing successfully with skepticism thus means keeping your own positive attitude in balance with respect for any well-founded skepticism found among employees.

Climate — the Basis of All Change

Every experienced manager knows that all the solid arguments for changes that are awaiting decisions will be of little use if the requisite climate does not exist among the employees. The image of the heroic new boss who acts quickly and assertively still exists in many companies, but these leadership strategies seldom work without the trust and support of the employees. Therefore, in your new position you will find it helpful to ask yourself these questions:

1. How much trust do the employees have in my abilities?
2. What do I know about their strengths?
3. What strengths urgently have to be developed?
4. What projects can develop the strengths? ■

For additional information on examples of reflective, resourceful or future-oriented questions , go to: http://my.summary.com

Initiating Changes Effectively

Initiating changes effectively means sending strong, clear signals for change. In signaling change, it is important to communicate at an objective as well as an emotional level, especially when time is of the essence. Employees must sense that matters are being taken seriously, and they need an indication of the many changes that will occur.

Remember, however, that the first steps need to be taken immediately after the strong signals for change are communicated. Otherwise, this experience will quickly fizzle out or degenerate into a one-off event like so many others.

Timing in Leadership Transition

Identifying the right time to initiate change is a key skill in handling a change in leadership successfully. First, you need to be sure that the organization is ready to undertake change. You should begin with such projects if: (1)discussions and meetings that you've held have prepared employees for change; (2) important key relationships that you need for a successful change process have at least begun to develop; and (3) a clear concept exists for the first steps. Experience has shown that this stage is reached after two to four months, depending on the magnitude of the tasks and the changes that are being considered.

The proverbial "100 days" is a well-known adage

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Some Obstacles to the Management of Change

The art of managers who are successful at leadership transition lies in keeping the change process going despite all the obstacles. Most problems in the management of change, however, are of your own making:

• One of the **first** and most frequent mistakes is starting without sufficient preparation.

• The **second** most common mistake made in the management of change is the formulation of vague goals.

• The **third** mistake is the adoption of an unrealistic timeline for change.

• The **fourth** mistake is made when change managers experience obstacles as disruptions or annoyances rather than as stimuli or indications of possible risks. This creates unnecessary problems for them.

• The **fifth** crucial mistake made in the course of managing change is using inadequate communication.

Initiating Changes Effectively

(continued from page 5)

expresses of a widely shared expectation: Employees want to know what is going to change. If you, as a new boss, exceed this time frame without apparent reason, you must be aware that the delay will entail a number of disadvantages:

- Expectations rise.
- You lose momentum.
- You increasingly lose the newcomer's license to challenge habits and traditions.
- You tend to become a part of the system yourself and lose your objective distance. ■

Using Symbols and Rituals

During a change in leadership, an important part of the new manager's challenge is to establish contact with a large number of employees in a relatively short period of time. After showing deference to the predecessor's symbols and rituals, however, the important thing is to make your own presence unmistakably clear. This message can be conveyed with words, of course, but better yet is to emphasize it with signs.

Symbolic management is the skillful and consistent combination of symbols and rituals into a convincing message. This is why it is important to ensure that what you say is consistent with how you behave. It is a symbolic expression of a different management style.

Changes of leadership entail a wide range of situations in which the language of symbols can be put to particularly effective use, as when the incoming manager wants to:

- Establish a strong presence and clarify the nature of the relationship to the predecessor;
- Demonstrate the new management values and style, and stimulate a cooperative approach;
- Communicate security and acceptance;
- Develop a new message; and
- Facilitate the transition to a new management style and culture.

Rituals of Transition and Change

During a change in leadership, the question that inevitably occupies the employees is: What will change? In this phase even the slightest changes are noted and interpreted. Often it is not a matter of creating new symbols and rituals but rather only of questioning one's own habits and purposely changing them.

When you have answered the following questions, you should go through them again and think about how you can support each of your statements.

1. How would I describe the ideal manager-employee relationship to strive for in this organization?
2. How do I think that decisions are best prepared for?
3. How should decisions be made around here?
4. How should people treat each other in this organization?
5. What do I believe are the most important values in the company?
6. What attitude do I expect from my employees?

It is helpful to think about how to support the desired changes by introducing new rituals, especially when you are asking your employees to let go of their deeply ingrained habits and attitudes at work. ■

PART II: CASE STUDIES

The Internal Promotion

Kristian is a mechanical engineer by training and has been a well-paid technical expert in a major trading company for 20 years. Rumors started to surface that a structural change was pending. In a departure from the old structure, the new strategy was to be linked to decentralization. The experts in the region were perplexed by this move, and the regional director encouraged them to apply for the newly created position. When none of them did, she approached Kristian and succeeded in persuading him that it would be logical for his career development to take over as head of his region.

The first difficulty arose when Kristian had to convey unwelcome news from headquarters. The technical experts were supposed to be equipped with BlackBerry devices so that they could be reached more easily and could answer questions 24/7. To Kristian's amazement, his colleagues refused. He was no longer "one of us" with the technical experts; he had become "one of them" because he had come to understand the arguments given by headquarters.

The Initial Situation

This example brings to light the situation in which managers often find themselves when they rise to a position of leadership from the ranks. The employees know their new boss, and for all the ambivalence they may experience upon his or her designation, they are usually happy that their colleague has received the posi-

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The Internal Promotion

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tion and not someone else. They tend to forget that a new role also entails new perspectives.

Typical Problems of Internal Promotions

New leaders who have been promoted internally grapple with four typical problems:

- Clear and visible assumption of the leadership role
- Delegation of tasks
- Close connection to the department
- Too much background knowledge.

What Can You Do?

• Speak with your former colleagues frankly about your new duties, and delegate tasks.

• If other employees in your department also applied for your new job, speak openly with them about the situation.

• Speak with your boss and people in other departments about issues they think need to be considered and about what is expected of you.

• State within a reasonable period of time what will remain the same as before and what will change.

• Prepare yourself for the possibility that your employees will be disappointed after an initial phase of going along with you. ■

Entrepreneur Wanted: The External Candidate

Agile, entrepreneurial self-starters and risk takers — these are the kind of people sought by companies today. Ricarda is precisely this kind of person. She therefore chose to go into production management at a consumer goods manufacturer. After four years, Ricarda was recruited to build a new line of business for a major tourism company.

The problem is her colleagues. They do not understand her business and tend to obstruct her. Because she is being advised to pay attention to corporate rules, she wonders whether this company really wants an entrepreneurial manager with drive and initiative.

The Initial Situation

Most companies justifiably pursue a human resource policy that gives preference to internal candidates for motivational reasons. They usually resort to outsiders when the necessary know-how is not available internally. The problem is that the employees feel threatened by the competition of external professionals and especially by the fact that these outsiders often take high-profile positions in the company.

Typical Problems of the External Manager

The description of the initial situation suggests where the typical problems lie for people brought into a company from the outside:

- The discrepancy between what top management expects and what the employees experience
- Time pressure and the need to get to know the organization
- The lack of an internal network of relationships
- The pressure of the external manager's own expectations.

What Can You Do?

• Treat the performance of technical tasks and the building of a viable network of relationships as two equally important responsibilities from the very beginning.

• Ask your boss whom you need to include and keep informed as you build your part of the business.

• In all your discussions, remember the necessity of getting to know the organization. ■

The Big Predecessor and the Little Successor

David had been the director of customer service for 18 years. It is no easy job for his successor, a 48-year-old engineer. The employees respect his work, but he has always been overshadowed by David. Top management chose David's deputy to succeed him because they simply wanted things to keep on running as smoothly as they had in the past.

The Initial Situation

If the predecessor retires, and the successor steps up from within the department, the new boss will generally enjoy the acceptance of the employees and find the initial situation favorable on the whole. The problem, however, is that this successor still stands in the shadow of the predecessor, and it takes time to emerge from it.

Things look very different if the "great" predecessor has suddenly left the company. The situation is different yet again when the change in leadership is accompanied by major structural changes. The successor is expected to make up for lost time and implement changes quickly. In this kind of context, the manager coming from outside the company has a better chance than the in-house candidate.

(continued on page 8)

The Big Predecessor and the Little Successor

(continued from page 7)

Typical Problems of the Successor

The successor must understand and accept that the emotional ties between the employees and the predecessor will take a long time to dissolve and that criticism of the former manager's achievements will be hard to accept. Typical problems to handle are:

- Being forever branded as No. 2
- The expectations of the employees
- The position in the circle of colleagues
- The constant comparison to the predecessor
- The weaknesses of the great predecessor.

What Can You Do?

• Plan a clean and clear transition, and see to it that your predecessor is given an appropriate farewell.

• Do not accept the invitation to follow in your predecessor's footsteps.

• Be sure to establish yourself clearly in your new position.

• Show through your actions that you appreciate your predecessor's work, while also showing interest in the work that has led to success in the past.

• Treat criticism of your predecessor very carefully.

• The new leader — whether he or she served as the former second-in-command or came in from a different company — must formulate a clear and, above all, balanced set of goals. ■

The Assignment Abroad

Philip has been promoted to head of the marketing department in an Italian subsidiary. For Philip, this new task area is a meaningful step in his career development. However, Philip can sense that the Italian employees are asking themselves whether a U.S. manager really is able to run marketing campaigns in their country.

Almost all the suggestions and ideas from the United States are immediately rejected by his Italian colleagues. Two of his key team members have already received attractive offers from other companies and have indicated they are likely to change jobs soon.

The Initial Situation

Every expatriate needs to be aware that adaptation to the host country's conventions of communication is important for developing positive working relations. Many behaviors that seem simple to change are deeply anchored in national character, so it is very problematic to expect people to adopt behaviors that contradict their traditions and values.

The most important aspects to pay attention to are communication style and conflict behavior, especially how colleagues interact with one another, how they deal with differences in status and how they share information.

Typical Problems for the Expatriate

Philip's case illustrates a few basic issues that can await an expatriate:

- Increased importance of the need to clarify the assignment
- Increased importance of the orientation phase and leadership transition rituals
- The response to cultural differences
- Increased importance of the situation to the family, spouse or partner.

What Can You Do?

• Thoroughly prepare for the new assignment, the country and the new culture.

• When you start the new position, devote the necessary attention not only to relationships but also to your cultural adaptation.

• Pay particular attention to the orientation phase.

• After two or three months, reflect on your experience. ■

For additional information about other leadership transition case studies, go to: http://my.summary.com

SOUNDVIEW RECOMMENDED READING LIST

If you liked *The New Boss*, you'll also like:

1. ***Know-How* by Ram Charan.** Charan has developed an integrated, holistic approach to what executives and managers must do and be to become successful.
2. ***True North* by Bill George with Peter Sims.** Just as a compass points toward a magnetic field, your True North pulls you toward the purpose of your leadership.
3. ***The 360° Leader* by John C. Maxwell.** According to Maxwell, you can learn to develop your influence from wherever you are in an organization by becoming a 360-degree leader.

Conclusion

The act of transitioning is never an easy one, especially when it is a transition into a new leadership position. Nonetheless, after mastering the seven building blocks, and assessing what specific type of transition you will make into your new role, things will gradually fall into place. Strive to know the ins and outs of your organization, whether you are an insider or outsider, and forge solid working relationships with your employees. That leaves you the next steps of setting and implementing your goals, all the while making an impact within the first 100 days as the new leader. ■

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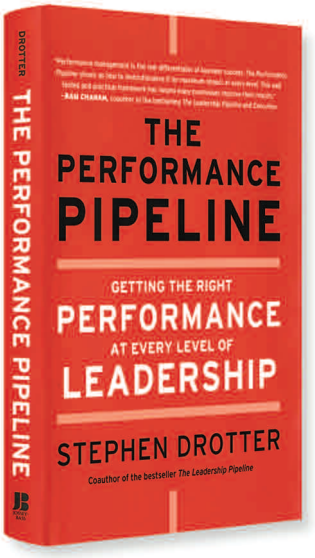
The Performance Pipeline

Getting the Right Performance at Every Level of Leadership



by Stephen Drotter

THE SUMMARY IN BRIEF

From Stephen Drotter, co-author of the best-selling book *The Leadership Pipeline*, comes the next-step resource designed to help leaders at every level succeed in an uncertain business environment. *The Performance Pipeline* is a groundbreaking book based on Drotter's 40 years of in-depth work with more than 100 companies worldwide. Drotter defines how work flows from top to bottom, and reveals what results each layer must produce and what each layer must pass down to make the layers below successful.

Drotter's Performance Pipeline method was created to be flexible and, can be easily adopted by companies of all sizes and in any industry. Using *The Performance Pipeline* as a touchstone, leaders and professionals will learn how to measure the work of leaders at every level.

Filled with illustrative examples and personal experiences, *The Performance Pipeline* shows how performance pipelines work in real-world organizations.

IN THIS SUMMARY, YOU WILL LEARN:

- How to improve business performance by defining the unique purpose of each layer and providing clarity and focus on the results to be achieved.
- How to make all leaders successful by having leaders at every layer pass down to the layers below things they need to be successful.
- How to help leaders make the transition to a new layer and how to remove performance roadblocks so leaders deliver the results required at their new layer.
- How to define and install your own Performance Pipeline to obtain the benefits of role clarity and to sharpen the focus of all your leaders at all levels.

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THE COMPLETE SUMMARY: **THE PERFORMANCE PIPELINE**

by Stephen Drotter

The author: Stephen Drotter is CEO of Drotter Human Resources. He was one of the original designers of GE's succession planning process and ran human resources at INA Corp. and Chase Manhattan. He is co-author of *The Leadership Pipeline* and *The Succession Planning Handbook for the Chief Executive*.

The Performance Pipeline: Getting the Right Performance at Every Level of Leadership by Stephen Drotter. Copyright © 2011 by John Wiley & Sons, Inc. Summarized by permission of the publisher, Jossey-Bass, a Wiley Imprint. 307 pages, $29.95, ISBN 978-0-470-87728-9. To purchase this book, go to www.amazon.com or www.bn.com.

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For additional information on the author, go to www.summary.com.

PART ONE: THE PERFORMANCE PIPELINE CONCEPT

Four key imperatives for leaders dovetail with the changes sweeping through organizations today. The Performance Pipeline makes it possible to address these imperatives:

The First Imperative: *Every leader must spend 30 minutes to one hour or more daily in uninterrupted thought.*

The Second Imperative: *Everyone must innovate as a natural and expected part of one's daily routine.*

The Third Imperative: *Leaders must provide true role clarity and purpose for every employee.*

The Fourth Imperative: *Leaders must create an environment where sufficient focus is achievable.*

To respond to these four imperatives, you don't need an expensive "change management" program or a new CEO. Rather, a top-to-bottom architecture that distributes the accountability by layer and defines how work flows down to the appropriate layer is what's needed. The architecture, the Performance Pipeline, was developed to help leaders increase think time, encourage innovation, provide clarity and enable focus.

The Performance Pipeline architecture is based on these ideas:

- Every layer has a unique purpose.
- Every layer delivers unique results.
- Every layer contributes to the success of the layer below.

The Performance Pipeline is the starting point for leadership development and it enables delivering the right results in the right way at the right time.

Defining Your Performance Pipeline

The Performance Pipeline process consists of six steps:

• **Defining the purpose — being clear about what outcome you want.** Companies that have made the most progress in creating and using performance pipelines were clear at the outset about why they were doing it. Decide what business outcomes or benefits you want the model to deliver. It will help in choosing the right work and setting appropriate standards.

• **Collecting the data — finding out what's really getting done or, not getting done, but should be.** Considerable discipline is required when collecting data because it is the aggregate of all responses that counts. It is common to value a few people or a particular function more than others, but you need the full picture to get the best answer. Interviewers must use a standardized set of questions and be disciplined enough to ask everyone the same questions in the same way. The other requirement for interviewers is a deep understanding of what constitutes appropriate answers.

• **Sorting and codifying the data — organizing data in a useful way.** Ask yourself if the story hangs together. In other words, what conclusions can you draw after reviewing all the answers? Does the amount of time your leaders spend calling on customers suggest that leading and managing the team are taking a backseat? Does the decision-making authority seem reasonable for the expected results they described? Are the obstacles severe or just normal market conditions? The key is looking at the big picture based on all the responses rather than focusing narrowly on a single piece of information.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Amanda Langen**, Graphic Designer; **Chris Lauer**, Contributing Editor

• **Defining the results to be delivered at each layer and the standards for measuring those results.** With six to 10 completed interviews for each layer in hand you can begin to build your performance pipeline. Start with Managers of Others (first-line managers) and follow these steps:

Step 1: Read through one entire interview.

Step 2: Pick out all the nouns, because they are the results. Nouns such as strategy, sales, teams, suppliers, expenses and people all provide "clues" as to what is important, and what needs to be spotlighted and measured in this position. Repeat this for each interview.

Step 3: Choose the work categories.

Step 4: Create column one ("Results") of the performance pipeline for this layer. Fit all the nouns into the work categories you have chosen. Make a judgment about the adequacy of the list.

Step 5: Decide what work elements are missing from the list and make any additions.

Step 6: Set the standards (column two, "Full Performance").

Step 7: Define exceptional performance (column three).

Step 8: Define the transition in work values.

Step 9: Decide what else to include in your performance pipeline. Most companies choose to identify the skills, experience and knowledge required to do the job (column four).

• **Validating the standards — getting leaders to agree.** Before your newly minted performance pipeline is put into practice, interviewees and senior management should review it. Conducting validation sessions with groups rather than individually seems to work best.

• **Allowing some flexibility — allowing different groups to adapt the standards in order to reflect specific needs.** How your performance pipeline gets used is a matter of choice based on your current needs and your feelings about what your people can absorb.

PART TWO: EXPECTED RESULTS AT EVERY LEVEL OF LEADERSHIP

Enterprise Chief Executive Officer: *Perpetuate the Enterprise*

The CEO's purpose is to perpetuate the enterprise. He or she puts in place those things that will keep the enterprise successful for as long as possible. A handful of critical results seems to make the most difference: earnings, a high-functioning team at the top of the enterprise, a strategic framework, a performance pipeline, high-level external relationships, talent, a healthy brand and an "immune system." The job is bigger than these, of course. Pay particular attention to these critical results. Results that drive the enterprise toward a successful future can be categorized for the CEO in the same way as in positions at lower levels in the enterprise. These categories are:

- Business Results — financial and customer outcomes
- Leadership Results — the human side of business
- Management Results — planning, organizing, integrating, measuring, executing
- Relationship Results — the necessary connections
- Innovation Results — new ways to add value

When you consider all these results, what's surprising is that CEOs *produce* very few of them compared to the large number of results they *enable* others to produce. This enabling portion of the CEO's requirements is where much of the confusion arises about a CEO's contribution.

This is especially true in large companies that do business around the world and in those with diverse business units. CEOs often leave the enabling results to others because they are busy appearing at glamorous events and attending to powerful people. They have little or no time for making lower levels successful.

Finding the Right Balance

When it comes to results at the top of the organization, CEOs must strike a delicate balance. Understanding what must be enabled is worth whatever effort is required. Delivering results while enabling others to succeed requires maturity as well as balance and owning the performance pipeline.

Finding the right balance between external and internal concerns is tougher than ever. Achieving the CEO's purpose — perpetuation of the enterprise — requires sustained and sustainable results produced by the entire work force. Thinking beyond themselves and their tenure helps CEOs succeed; making everyone successful helps the enterprise live on.

Group Managers: *Portfolio of Businesses*

A Group Manager is accountable for several businesses and may be called Group CEO, Region Executive or Sector Executive. Some smaller companies have only

one Group Manager; he or she might be the President or Chief Operating Officer.

Group Managers are responsible for delivering the portfolio strategy, which includes deciding what businesses the enterprise should embrace and what businesses should be abandoned. They must also build succession to the Business Manager layer to be sure qualified people exist to run the businesses.

Because Group Managers are the primary candidates for CEO, I have been closely involved with many of them in my CEO succession assignments.

Of all the senior executive positions, this one is in greatest need of role clarity and focus. All too frequently, Group Managers meddle in the business under them for want of a clear purpose.

Don't create Group Manager positions simply because you lack them, but do make sure specific executives are accountable for this layer's contributions. Many companies don't have Group Managers. In those cases, leaders who report to the CEO may be accountable for results. The needed results are core requirements and must be picked up by others. Decide who will pick up the accountability and consider the CEO as one candidate; also consider how to redistribute results responsibilities.

CEO Succession Candidates

Choosing the next CEO internally has about 10 times greater probability of success than hiring an outside candidate. Group Managers and the Chief Financial Officers are the most likely contenders.

Accepting responsibility for enterprise success, building peer and key external relationships, representing the enterprise to direct reports and partners of all kinds, and developing portfolio strategy are all crucial preparation for CEO candidates. Therefore, Group Managers must master these skills not only so they can perform their job at a high level, but so that if they are named CEO, they can hit the ground running.

Moving an internal candidate up is the best choice. If Group Managers are struggling with some or all of these requirements, however, the CEO may well conclude that new talent should be added.

If an external candidate has to be added, it is better to do so at the Group Manager layer than to recruit someone for the CEO position who lacks any internal connection. Time is needed to learn the company and build relationships before ascending to the top. With all its pressures and visibilities, the CEO layer is an extremely difficult place to enter a new company. ●

Business Managers: *Short-Term and Long-Term Profit*

This is a high-profile, much sought-after leadership position, but despite its visibility within organizations, the results for this level are often poorly defined. In fact, this is a level that receives a great deal of attention but insufficient definition. Consequently, Business Managers may appear to be doing a good job because they shine in one spotlighted area, but, unbeknownst to the organization, they are failing to deliver the total spectrum of results.

Let's start out by providing a proper definition of this role, one that is often lacking in companies. First and foremost, be aware that Business Manager positions have dramatic impact on both the incumbent and the enterprise. Incumbents tend to fall in love with their jobs. Many have told me that having direct control of the critical pieces of a business is stimulating and empowering. Many corporations recognize the importance of this leadership position, and invest heavily in development programs and career tracks to get people ready to run businesses. Given that the performance of incumbents is reflected in the enterprise share price, companies remove poor performers more quickly than they do managers at any other layer. Failure rates are second only to Enterprise CEOs.

Generally, the emphasis is on profit and the financials. It should be on building a profit-making machine — an organization that delivers under any conditions. Performance is hampered when too much focus is on the "score," and not enough focus is on learning to play the game with increasing skill.

To avoid confusion, let me clarify how I'm defining a true Business Manager. Quite simply, this is someone with accountability for profit and direct decision-making authority for both cost and revenue. Managing the trade-offs between these two requirements is especially critical; so, having only one or the other responsibilities disqualifies an individual from being a Business Manager, at least in terms of the Performance Pipeline. People running product lines are often called Business Managers, but they don't control the cost or sales, so that isn't enough; they are really Function Managers. ●

Function Managers: *Competitive Advantage*

When people are promoted to Function Manager, they are excited to be at the top of their profession in a

business. They report to a Business Manager and are part of the business team, and their peers run different functions. When only one business exists, they report to the CEO, and some double as Corporate Function Managers. Since their boss in either of these situations is probably not a product of their function, they don't get much technical guidance; they do receive business guidance that they translate into functional requirements. In turn, they provide technical guidance to the Business Manager, especially when he or she hasn't worked in the function. Facilitating business decision making with sound functional information is an important part of the role.

The primary purpose of Function Managers is to give their business a competitive advantage by delivering functional results that are better than the competition's. The business achieves its goals and improves its competitive position through the ability of the Function Manager to deliver. Unfortunately, Function Managers misinterpret their role frequently and hurt the business in many ways. This negative outcome can be prevented by building the right performance expectations.

While some Function Managers recognize the need to deliver a competitive advantage for the business, many fall short because they haven't produced the underlying results. Some of the most important underlying results are competitive analysis, knowledge of the state of the art, a high-performing organization, a work environment that supports innovation and a multifunctional thought process.

Functional Strategy Pulls It All Together

Functional strategy is the vehicle for pulling together a broad range of elements that are new when working at this layer. Function Managers support the business by defining how Business Results will actually be delivered and how competitive advantage will be achieved. The supporting platform for achieving business strategy, in concert with the others functions, is built on positioning relative to the state of the art, competitive analysis, innovation and organization effectiveness.

While defining the function's future direction — and the plans to achieve it — will benefit everyone in a function, the real beneficiaries are the definers themselves, the Function Managers. At the same time, leaders at lower layers need the functional strategy for setting priorities, giving work direction and enabling alignment. And leaders in other functions also benefit from the knowledge.

Four Key Ingredients for Successful Business Managers

Successful Business Managers I have worked with put four key ingredients in place:

1. A value proposition that customers want
2. Strategic alignment
3. Strong working relationships
4. A steady business rhythm

When Business Managers struggle to execute a business strategy, they usually fail. These four ingredients establish direction and make execution possible.

Managers of Managers: Productivity

Of all the layers, this one generates the most confusion and requests for clarification.

One problem is that people treat the Manager of Managers (MOMs) layer as if it were the layer below — Manager of Others. MOMs in every company are responsible for 90 to 95 percent of the work force; the layers above them are sparsely populated, relatively speaking. Despite this great responsibility, MOMs are often thought of as "a span breaker" or "unimportant," and that is a second problem.

In fact, MOMs are the key to a productive organization. In difficult business climates where cutbacks and staff reductions are common, they provide the day-to-day thinking, planning and leading that keep the business on track. Their ability to schedule and organize the work, their skill at breaking through silo walls so that work can flow easily and quickly, their dedication to training and developing the Managers of Others — all these tasks determine how well the business will execute. More specifically, MOMs must achieve and enable critical results, and avoid focusing on inappropriate ones.

Who Is a Manager of Managers?

Typically, Managers of Managers report to Function Managers and have Managers of Others reporting to them. Many variations of this reporting structure, which is a third problem, cause a good deal of confusion about MOMs. Starting from the bottom up, there may be a combination of Managers of Others and Self-Managers (individual contributors) that reports to a MOM. In that case, MOMs should devote most of their time and effort

toward dealing with Managers of Others. If guiding the Self-Managers takes most of the time and effort, then such MOMs really should be treated as operating at the Manager of Others level.

In large organizations, two or more layers of Managers of Managers may be found. Large data-processing organizations frequently have two layers of MOMs. Be aware that the critical results are similar for both MOM groups with one proviso: the upper level of MOMs leads the lower layer of MOMs, but typically doesn't directly manage the Managers of Others, especially when this dual grouping exists in large organizations.

In small enterprises, some smaller businesses and in functions like human resources and marketing, MOMs may be absent. In these situations, the Function Manager produces the results normally assigned to MOMs. It is equally likely that in small businesses where the founder is CEO and Business Manager, those reporting to the founder are doing MOM work, not Function Manager work. The founder/CEO in a small company often makes the product and customer decisions, signs every check as a CFO would do and complains about being overworked. In those cases the direct reports need to step up to Function Manager work.

Managers of Others: *The Enablers*

Absolutely nothing is more valuable to a Self-Manager (an individual contributor) at work than a good boss. Good bosses make the work experience more pleasant, facilitate completion of tough tasks without undue stress and answer questions. Ineffective bosses, on the other hand, make the work experience unpleasant, increase stress and leave people scratching their heads.

From an enterprise perspective, 80 to 90 percent of all employees work for a Manager of Others (MOO). So MOOs have the most direct impact of all managers on things like morale, motivation, attitude, job satisfaction, quality and employee retention. An ineffective Manager of Others makes the people under him or her unhappy, unproductive and often times resentful. Quality suffers and customers feel the impact.

MOOs make the product or service happen. They oversee the actual work at every stage of the process and are responsible for the work force that actually touches the product or delivers the service. They are accountable for getting the right workers to do the right work in the right way at the right time for the right cost with the right quality. It is not an easy job because they do their work without much say concerning what resources will be available, how much time will be allotted or what standard should be met. They are the "make it happen" link in the chain, but are often required to produce with less support than needed.

All the strengths and weaknesses of the enterprise show up on the MOO's desk. For example, if planning is done well in the enterprise, the resources MOOs need will be there. If recruiting is well done and the enterprise is a good place to work, they will have the people they need. Poor operational planning, ineffective recruiting and insufficient communication are more common and directly impact the MOO's ability to deliver. Even the best-run enterprises and businesses have problems, so the MOOs must be resourceful enough to overcome the problems and deliver the product or service. Getting a good result for customers often comes down to the ingenuity of the MOOs and their teams.

Critical Underlying Results

When you think about Managers of Others, you probably think of supervising, coaching, giving feedback and the like. Those are the inputs they make.

Delivering the right product or service to the customer at the right cost and quality is an outcome built on several critical underlying results. These underlying results collectively provide the framework for high performance by the individual contributors. While there are many results to be delivered by this layer, the following seem to make the most difference and should have highest priority:

- **Context.** When individual contributors show up for work on day one, they need everything required to get their job done. Effective MOOs define what is needed and why so that tasks make sense to the new people.
- **Connection.** This connecting goes beyond teamwork to a commitment to do what's needed to help the enterprise succeed.
- **Team capability.** MOOs coach and teach their team, and most individual contributors learn their job from their boss.
- **Completion.** It's not activity that matters; it's results.
- **Balanced caring.** By "balanced" I mean that MOOs must find the right mix of concern for company success and concern for and empathy with others.
- **Management skills.** MOOs are the feeder pool for all the other management positions in the business (Corporate Staff can be an exception).

Self-Managers: *Delivering the Products and Services*

What results should individual contributors, or Self-Managers, generate? That's a loaded question, but an important one; and it's one that often goes unanswered both for the Self-Manager and the Manager of Others. Many Managers of Others assume the Self-Manager population will know what to do if they are given the job description, have an area of specialization and are provided with general guidance. In fact, many Self-Managers possess only a vague sense of what results they are to produce. Or, even worse, they have a mistaken sense of what the required results are, and expend time and energy on the wrong things. I have included this chapter in a book about leaders to help Managers of Others understand what to ask from their people. Also, the Self-Manager population can help itself in the event their manager doesn't help them.

Self-managing employees are the biggest segment of the work force. These individuals have titles like salesperson, engineer, analyst, recruiter, dealmaker, lawyer, programmer, stylist and so on. While they manage tasks, they don't manage people. Sometimes they are asked to head a team of their peers to complete a project, but this is a temporary arrangement, not a permanent part of their job.

A wide range of skills and abilities resides in this layer. Not many businesses require only one skill set from this layer; a diverse set of skills is the norm. Diversity of skills and abilities is the one constant for this population because there are so many different kinds of work to be done. While diversity can be difficult to manage, a high level of diversity of thought, skills, experience, competence and approach keeps the enterprise from becoming too predictable to competitors or too complacent. A wide range of skills produces a wide range of results — it is what helps an enterprise excel in many areas and what gives it its unique character.

The Purpose of the Self-Manager Layer

This layer produces and sells the product or delivers the service. Beyond this central purpose, the layer adds value in other ways. While support positions may not actually touch the product, they enable those that do. In general, the Self-Manager is the least expensive layer, so they help keep the costs of products and services lower than they would be if the leadership layers had hands-on involvement. If managed properly, this layer can produce excellent results because this is where technical and professional skills reside. By building new technical skills and knowledge, Self-Managers can deliver the product or service in new or better ways. Through collaboration with their peers and management they can speed up the processes and get synergy. Direct customer contact is a big part of their work; they influence customers' attitudes through the quality of products or services, timely delivery, a positive and helpful attitude, and innovation of all kinds.

PART THREE: SUCCESSFUL IMPLEMENTATION OF THE PERFORMANCE PIPELINE

The business context in your company or business is determined by a wide range of requirements. You probably inherited some requirements that are hard to change; for instance, your founders established requirements many years ago and they're ingrained in the culture — things like their original vision, mission and values define the culture and direct performance. Most requirements, however, come from choices you or your bosses have made, such as the operating model you chose and are currently using (and probably haven't thought about enough). Operating models define how decisions are made, what processes will be used, what standards will be employed and where certain kinds of work will be done. The business context is reinforced by management practices you chose, such as how you are organized, the kind of people you recruit, the goal-setting systems you have put in place, the development process being used, the way performance is judged and recognized and what you do with poor performers. Every leader is affected by all of these variables. Context, therefore, is more than culture and is rarely neutral. It is either helping or hurting, and you need to know which requirements help and which hurt.

How to Succeed in This New Business Environment

For your performance pipeline to be effective, you may have to change some or even all of these requirements. This step is necessary to support the new performance you are after or to succeed in this new business environment. Changing any requirements, however, can be a challenge. A strong commitment to a clearly defined "change requirement" is needed. Challenges of this sort are not for the fainthearted because there always seems to be a large, vocal group of people dedicated to preserving the status quo. Also, many requirements are often implicit, making it difficult to surface them for purposes of discussion and change. Be aware that veteran

and highly influential executives are often those most resistant to changing these contextual requirements; and that this resistance can be either open or more subtle (such as passive-aggressive behaviors). To deal with this, make sure you understand what specific changes must be made, and communicate them clearly and frequently. This strategy might not melt all the resistance, but it will help you make the strongest case possible for doing so.

Enabling Layer Transitions

The model Peter Burow, the author of *NeuroPower*, and I have developed for helping people transition from one layer to the next comprises six phases. The central idea is to address the individual's needs in order that they emerge so that the emotional and rational parts of the brain work in unison and the individual feels comfortable about the transition we are asking him or her to make. By addressing these emotional and rational needs in a structured way, we can engage the person on a transformative journey from an individual contributor to a Manager of Others, or a Function Manager to a Business Manager and so on. We have to break down the emotional resistance to this transformation. The process has six steps:

1. Meaning. The individual builds meaning for the company and for himself through absolute role clarity and a new identity. The performance pipeline provides the role clarity. The required identity — being not one of the gang, but a leader of the gang and one of the leaders — has to be transitioned right at the beginning. To feel that we belong is our most basic need, and we develop our identity largely on the basis of where we feel most accepted and valued. This means bonding with this new layer is critical to the individual's transition.

2. Engagement. The individual uses the knowledge and the power of the position to empower others and resists the temptation to compete with them. This involves being less egocentric and more centered on the needs and aspirations of the team. Some help and assistance from the boss or HR may be needed and is certainly recommended. Do this badly and the individual will start competing with his team.

3. Action. The individual then creates a clear course of action and makes his intensions known. Courage is required to take actions that translate the strategy or operating plans into appropriate results-oriented actions.

4. Learning. The individual reflects, thinks and adjusts according to feedback. He must conquer the fear of failure. This involves clearly identifying the relevant business or personal principles and role requirements, and using them rather than politics to drive plans.

5. Embedding. The individual finds ways to embed in the business or organization, team-appropriate training and method improvements on gains that have been made. The individual looks at successes and duplicates them throughout.

6. Reinvigoration. The individual runs the risk of complacency when he doesn't want to lose what he has and new goals seem too hard. He may have achieved the original goals established by the boss or by the strategy. He has to move to new and probably tougher goals so that performance will continue to get better.

Implementing Your Performance Pipeline

You need to know what is happening at every level in your performance pipeline. The reports you receive aren't enough. Go see for yourself what is going on and why, and then form your own opinions about the progress and state of work completion. The Performance Pipeline helps you know what questions to ask and gives you a map of what should be happening — you know the results that are targeted, so it's simply a matter of determining if people are achieving these results.

Conclusion

Implementing a performance pipeline takes effort and commitment. Deciding what benefits you want and need is key. Understanding that the Performance Pipeline is a framework — a tool — to help you achieve those benefits will allow you to maintain your focus and energy. The Performance Pipeline isn't an end in itself; it is a means to an end: achieving your desired business performance. The pervasive uncertainty businesses are living with requires all leaders to improve their effectiveness. The Performance Pipeline can provide them with the clarity and focus that are so critical to their success. Every company can benefit when all leaders effectively pull in the same direction. When leaders help those below them succeed, everyone is a winner.

RECOMMENDED READING LIST

If you liked *The Performance Pipeline* you'll also like:

1. ***Beyond Performance*** **by Scott Keller and Colin Price.** McKinsey & Company's Keller and Price show how to build an organization that can execute in the short term and has the vitality to prosper over the long term..
2. ***The Leadership Pipeline*** **by James Noel, Stephen Drotter and Ram Charan.** Three experts show companies how to build the right system for ensuring a full pipeline of leaders now and in the future.
3. ***Talent Is Overrated*** **by Geoff Colvin.** What's the real solution to the mystery of high performance? According to distinguished journalist Geoff Colvin, what really makes all the difference is "deliberate practice."

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SOUNDVIEW Featured Book Review
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Buffett: Unabridged and Unabashed

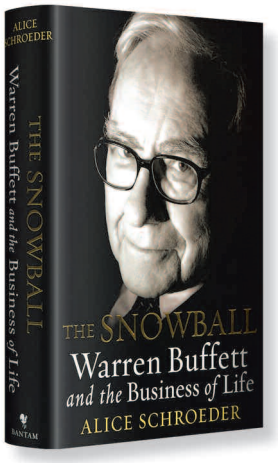
Review by Andrew Clancy

THE SNOWBALL: Warren Buffett and the Business of Life

by Alice Schroeder

Bantam Books, ©2008, 960 pages, $35.00,
ISBN 978-0-553-80509-3

These are daunting times for investors around the world. There are many individuals whose sweating palms dampen the pages of their copies of *The Wall Street Journal* on a daily basis. Others may feel apprehension before switching on CNBC or Bloomberg in the morning. However, there is one man, tucked comfortably into the folds of the Midwest, who has weathered every conceivable storm the market can create and still produced winning results year after year.



Warren Buffett, chairman and CEO of investment management firm Berkshire Hathaway (BRK), has often thrived while other investors were at their lowest. He is a model of both consistency and incredible success, and his fame reaches beyond the boundaries of the financial press. Yet there is a lot the public does not know about the man called the "Oracle of Omaha." Alice Schroeder, who became a full-time author at Buffett's suggestion, offers the first authorized glimpse into the private world of the Wall Street kingpin in the recent release *The Snowball: Warren Buffett and the Business of Life*.

While hundreds of pages have been devoted to Buffett's investing wizardry, details about his upbringing and development are less well known. He has been asked repeatedly, particularly as his age creeps closer to his 80th year, to pen a memoir and fill in the framework of a life that inspires many questions. How did Buffett begin investing? Who helped sculpt his unique approach to the market? How did one man make that much money that quickly on stocks few people ever considered purchasing?

One aspect of Buffett's life that quickly becomes apparent to readers is his ability to push off anything that would preempt him from his main motivation of increasing the value of BRK's stock. Writing a memoir would easily rank among the list of petty distractions. However, Buffett's enjoyment of a little positive publicity balanced the scales and he asked Schroeder, who had tracked BRK's progress during her days as a financial analyst, to handle the labor of telling his life story. Despite his name not appearing as a co-author, Buffett made himself available for hundreds of hours of interview time with Schroeder. The result is a massive, 800-plus page account of Buffett's life viewed from every conceivable angle.

Endless Devotion, Relentless Drive

What separates the great from the ordinary? Many would say talent. What divides the brilliant from the great? The answer may be talent combined with ambition. However, when one goes above brilliant to the realm of once-in-a-lifetime genius, there are three unique factors at work: talent, ambition and joy. It's the musician who skips parties as a teenager to gleefully sit alone and practice scale after scale. It's the basketball player who spends hours practicing the same jump shot in his driveway long after the sun has been extinguished for the day. From the moment in childhood when the genius finds his or her passion, there is a singular devotion to the pursuit of a dream that brings greater pleasure than anything else. This is the stratosphere of

> **"A young Buffett proved from his earliest moments that he was born different, and his first steps were trod on the path of capitalism."**

Mozart, Shakespeare, Einstein, Gates and a select few in the last two millennia.

If the question were posed to those in the financial realm, the majority would say Buffett deserves inclusion in this pantheon. *The Snowball* states a case from its opening chapters. A young Buffett proved from his earliest moments that he was born different, and his first steps were trod on the path of capitalism. What sort of child would claim that his favorite toy is a change dispenser like the one worn by ballpark vendors in the early 20th century? Fortunately, readers are provided with photographic proof from Buffett's Nebraska childhood that the dollar was his earliest and best playmate.

Schroeder's exhaustive look into Buffett's career begins with six-year-old Warren selling chewing gum and soda to neighbors on summer evenings. It was the pennies he received from these early deals that became the initial snowflakes of the financial snowball that gives the book its title. Readers get the sense that Buffett may have thrown himself into a life of business in part out of passion and also out of a need to escape his home life. While he loved and respected his politician father, Buffett's mother was a stern disciplinarian whose family history of mental illness may have triggered the rages she directed at Buffett and his sister Doris. It leads one to wonder whether his mother's genetic pattern clicked in a more positive way in Buffett's voracious appetite for reading and his obsessive memory for detail.

The depiction of Buffett's early years sets a pattern that is repeated frequently in *The Snowball*. Buffett is the central character throughout the book, but readers get detailed information about virtually every individual to cross Buffett's path for more than a passing moment. Family members, business partners, teachers and mentors all receive more than just a two-sentence back-story. This can occasionally cause a slight drag in a reader's progress through the book. While Schroeder possibly justifies this level of detail by demonstrating each person's importance to Buffett's journey, the question remains whether the audience can retain both interest and information throughout.

Making the Most of the Market

The biggest benefit to readers of *The Snowball* is the book's insight into Buffett's investing method. While Buffett himself would be the first to say he does not give advice on what stocks to buy, the book winds its way along the path of Buffett's development as an investor. Despite his plain-spoken descriptions of stock selection and financial analysis, one gets the feeling that like all geniuses, Buffett's path is nearly impossible to repeat. Still, the author's exploration of the relationship between Buffett and mentor Ben Graham is of particular interest. Buffett studied Graham's method of selecting "cigar butts," a term for companies that were near death but whose assets would turn a nice profit upon liquidation. These stocks proved particularly profitable because acquiring enough shares for controlling interest led to a potential win-win. If the stock was held, the company's assets could be used to leverage additional investments. If the company was liquidated, the profits from the sale could be used to fund the next venture. More often than not, Buffett held the stock and didn't liquidate the company.

The highly analytical nature of searching for these gold-plated needles among the Wall Street haystacks perfectly suited Buffett. Schroeder's descriptions of Buffett's research methods make one feel that were it not for his devotion to the dollar, he could easily have been a permanent fixture in academia. He devoured publications such as the *Moody's* and *Standard & Poor's* stock manuals and found more than his share of cigar butts. Many would accuse Buffett of being steadfast in his resistance to deviate from this method. Fortunately, *The Snowball* depicts Buffett's willingness to expand his focus for the greater cause of increasing his and his partners' wealth. Thanks to the advice of investor Herb Wolf, Buffett began to look beyond mere needles and seek what Wolf called "haystacks of gold."

One of the needles that later, thanks to Buffett, became a huge haystack was BRK. In the unique world of takeovers and mergers, BRK started life from the combination of two textile mills. When Schroeder first met with Buffett to discuss *The Snowball*, he mentioned that in moments where his own recollections failed him, she should seek information from others, then "use the less flattering version." The history of Buffett's involvement with BRK is one of the rare spots where readers may interpret Buffett's actions as bordering on less than flattering. His original interest in the company intensified once the firm's then-owner Seabury Stanton attempted to renege on a tender offer with Buffett. Money from Buffett's partnerships poured into the purchase of BRK stock and within a short period, Buffett held controlling interest and the Stanton family fled to the exit.

From the BRK platform, Buffett would turn a simple textile business into the front for one of the wealthiest investment firms in history. However, his resistance to abandon BRK's roots provides one of the best insights

revealed in *The Snowball*. The longing to be liked, embedded in Buffett since his youth in Omaha, combined with a deep sense of commitment to the workers at the mills, prevented him from rapidly closing the plants. He never wanted to be vilified as a liquidator, and this combination of fear and dedication kept the final mill running until 1985, long after most businessmen would have closed its doors. For all of his determination and cunning in the world of investments, it would be unfair of anyone to affix the label "ruthless" to Buffett.

Lifelong Partners in Success

No study of Buffett would be complete without examining the two people with whom he partnered in business and in life. *The Snowball* gives considerable space to the life and work of Buffett's late wife Susie. Though their relationship ended in a permanent separation, but never divorce, Buffett remained captivated by his wife until her death in 2004. Through Schroeder's loving tribute, readers will easily see why she held Buffett's rapt attention for the length of their time together. She was influential in leading Buffett to more philanthropic projects while remaining the consistent anchor he needed during the early years of BRK.

Susie was a champion of human rights and according to Schroeder had an innate ability to connect with nearly everyone she met. Buffett marveled at his wife's ability to get near-strangers to reveal their deepest secrets simply by showing them a modicum of compassion. While Buffett was piling up millions of dollars in investments, Susie spent her time leading the charge in various causes. In some respects, her battles were defined by the decades in which she operated: marching for civil rights in the 1960s and advocating AIDS research and treatment in the 1980s being just two instances. In each of these examples, Susie did not take the usual view of a wealthy patron who supported the cause in the form of cash, mailed from a great distance. Instead, she happily placed herself amongst those who struggled and shared a common bond that erased any pretense. Honestly, she deserves a biography of her own. One hopes that Schroeder's apparent fascination with Susie will lead the author to pursue her as subject for a future project.

While Susie Buffett was responsible for keeping Buffett's home life on the even keel he requested, it was a short, pessimistic lawyer from California who became one of his most trusted business associates. Charlie Munger, also a native Nebraskan, met Buffett at the ritzy Omaha Club in the summer of 1959. Buffett was meeting two of his various business partners and Munger, a childhood friend of one partner, happened to be along for the ride. Munger's fascination with Buffett's method of investing sprouted into a friendship and partnership. Based on the depiction of Munger in *The Snowball* as a man who respected few opinions other than his own, it says a great deal that Buffett became so highly praised so quickly by Munger. His overwhelming belief in Buffett's mission and principles provided a great boost in moments when self-doubt may have entered the picture.

The pair worked to diversify BRK's portfolio and grow the stable of businesses that it owned. Munger prided himself on the integrity displayed by BRK, largely due to Buffett's yearning for the firm to have a reputation as honest and trustworthy. Whatever venture the two investors entered, *The Snowball* demonstrates the power that can occur in a business when two talented individuals are committed to the same set of goals. Despite Munger being six years older than Buffett, readers will see that he learned a great deal from the Oracle of Omaha. However, his influence on Buffett's life should not be overlooked.

A Tough but Worthwhile Search for Tips

If there is one drawback to *The Snowball* it's the incredible amount of detail crammed into the work. Because of its length, readers may find it difficult to pick out takeaways from the text. Keep in mind that it is a biography and the legwork of learning from it falls to the reader. It may be best to start with the obvious. Buffett's investing method consists of simplicity in design but intensity in execution. Between Buffett and Munger there is the discussion of the "Circle of Competence." Investing should be limited to the areas in which the investor feels most comfortable. While this may prevent missteps in the stock market sector, the principle is not as likely to be applicable to most businesses. For those active in the market, it translates to doing diligent, all-encompassing research on the companies that fit the investor's area of expertise, then making smart decisions when putting that knowledge to work.

Buffett is also a proponent of investing in core companies. These are the firms that form the backbone of the economy and operate in industries that are unlikely to vanish from the landscape. Food and beverage manufacturers, energy companies, insurance firms and even select media outlets all remain a major part of the daily American's existence. There are those who criticize Buffett for this methodology and point to his resistance toward technology-based stocks as the trappings of an old man in a young man's game. Buffett makes no secret of the fact that, despite counting Bill Gates among his closest associates, he really doesn't understand technology. However, it's no small coincidence that he skated through the tech-stock bust of 2000 while others lost a considerable fortune.

One of the more important lessons learned from *The Snowball* is Buffett's ongoing commitment to using his fortune as a way to improve the world. Philanthropy plays a key role throughout the book and culminates in Buffett's 2006 decision to give 85 percent of his BRK stock away to a number of foundations. The largest of these gifts, five out of every six shares, would go to the Bill and Melinda Gates Foundation, already the largest charitable organization in the world. Buffett's display puts him on par with Andrew Carnegie in terms of intention, but in actual adjusted dollars, Buffett's donations could end up being as much as 40 times that of the steel magnate's gifts. When some questioned why the Gates' already enormous foundation should receive such an overwhelming amount, the answer was typical Buffett. He explained that he felt the Gates Foundation was attempting to do the most good for the most people, a principle that any investor would appreciate.

The Unknown Buffett

Readers who have little familiarity with Buffett beyond the headlines may be surprised at some of the untold tales revealed in *The Snowball*. For instance, Buffett's initial attempt to gain a position at his mentor's company, Graham-Newman Corporation, ended in an outright rejection, despite Buffett having been Ben Graham's prize pupil. The logic behind Graham's decision resided in the anti-Semitic attitudes of many financial institutions during the 1950s. In a self-created form of affirmative action, Graham was willing to overlook a sure thing in Buffett for the sake of fairness to those who had been discriminated against. It was a lesson that Buffett took to heart and only furthered his drive to promote equality in business and life.

Another aspect of Buffett's personality that threads through *The Snowball* is his impish sense of humor. Whether it was dressing as Mickey Mouse for an ABC television event or portraying any number of superheroes in the introductory film for BRK's annual shareholders' meeting, Buffett shatters the mold of the dour investor. He is more than willing to poke fun at himself and the long-standing perception that he is a cheapskate. Through each of these moments, readers get the feeling that Buffett has genuinely enjoyed himself during the various phases of his life. Despite being worth billions, there is a humility to Buffett that will likely cause readers to follow his exploits after reading the last of Schroeder's sentences.

"Whether it was dressing as Mickey Mouse for an ABC television event or portraying any number of superheroes in the introductory film for BRK's annual shareholders' meeting, Buffett shatters the mold of the dour investor."

As structured and precise as Schroeder's prose is throughout *The Snowball*, it is the moments where Buffett speaks that make for the best reading. These passages, marked by the use of italicized text, should not be missed by those readers who tend to skim their way through books of considerable length. These are the spots where the true voice of the investing genius shines through. Readers quickly realize that Buffett, at his core, is a simple Midwesterner who devoted his life to pursuing his passion. What started with a few simple flakes rolled down a hill to become a snowball the size of the moon. If history is any indicator, not even the continued warnings of a market meltdown could make Buffett's legacy lose a single drop. ●

The author: Alice Schroeder was a Wall Street analyst and a managing director at Morgan Stanley when Warren Buffett became impressed with her financial writing talents. Buffett decided to cooperate with her on this book about himself, which moves beyond his investing style to reveal his full life story. Schroeder, who was born in Texas and earned her undergraduate degree and an MBA at the University of Texas at Austin before moving east to work in finance, is a former CPA and currently lives in Connecticut.

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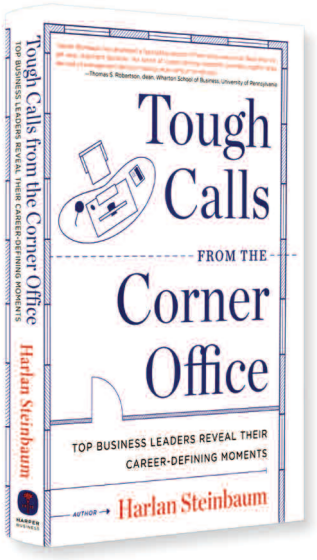
Leadership: Great Leaders

Tough Calls from the Corner Office

Top Business Leaders Reveal Their Career-Defining Moments



by Harlan Steinbaum

THE SUMMARY IN BRIEF

When former CEO Harlan Steinbaum decided to buy back his retail drug chain with his partners, his life changed dramatically. The personal impact that this one business decision — this "tough call" — had on Steinbaum made him wonder if others had experienced similar kinds of defining moments in their own careers. To find out, he reached out to some of the most successful people in the country to pinpoint the career-defining decisions that were integral to their success.

Tough Calls from the Corner Office offers inspiring stories, lessons, principles, strategies, ideas and solutions drawn from every stage in a successful career, from early key choices to the final leave-taking from the world of work. Given unprecedented access to such visionaries as Ogilvy & Mather Worldwide's Shelly Lazarus, ESPN's Bill Rasmussen and *Let's Make a Deal*'s Monty Hall, Steinbaum shares their experiences, told in their own words, so that others may learn from them.

In a time when many people are at professional crossroads, *Tough Calls from the Corner Office* offers inspiration and the confidence to believe that tough decisions can be the first step to extraordinary success.

IN THIS SUMMARY, YOU WILL LEARN:

- How hard decisions can have a reverberating impact on a company and career.
- How to prepare for the toughest calls in business.
- How to find the courage to keep going when circumstances look grim.
- How defining moments shaped the careers of some of the most successful people in the country.

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THE COMPLETE SUMMARY: **TOUGH CALLS FROM THE CORNER OFFICE**

by Harlan Steinbaum

The author: Harlan Steinbaum has had a long and successful career in business as an innovator and leading executive in the retail drug industry. He was chairman and CEO of Medicare-Glaser, one of the largest retail pharmacy chains in the United States. He was also chairman of Express Scripts, Inc., a leading pharmacy benefit management company that has grown into a multibillion-dollar public corporation.

Tough Calls from the Corner Office: Top Business Leaders Reveal Their Career-Defining Moments by Harlan Steinbaum.
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For additional information on the author, go to www.summary.com or www.harlansteinbaum.com.

Introduction

My name is Harlan Steinbaum, and I am a former CEO.

In looking back over my own career in business, I realized that among the many choices and decisions I had made, there was one that stood out above all the rest in terms of its impact on my company, my career, my family and my subsequent success.

It was the moment when my brothers-in-law and I decided to buy back the family business from the conglomerate that had purchased it from us several years earlier — and to run it ourselves once again. That decision, and the actions that flowed from it, came to define me and my life in business. My life would never be the same because of that decision. It was the gateway to my future. It was my defining moment.

The Impact of Defining Moments

A defining moment, I have found, isn't always the decision that makes the most money for the company or the person.

A defining moment is the decision or action a person takes that has the greatest impact on his or her career. It's a moment that shapes us as individuals and as businesspeople and sets the trajectory for the events that follow. It doesn't necessarily have a positive short-term outcome. Sometimes our most significant learning experiences come from our failures, not our successes.

Many of us won't know our defining moment until we reflect on our careers after the passage of time to see how certain events, decisions and judgments played out — when we can measure their effect on us and our work. That's how it was for me. Even after many years, I can still clearly see my own defining moment. It began with my restlessness and dissatisfaction with the status quo and my desire to take greater control of my future.

My defining moment put me on a path that I can look back on with satisfaction. It also taught me some important lessons.

I learned to have the intellectual honesty to face problems head-on — not rationalize them away or try merely to manage them, but to get to the sources or causes and then figure out a way to eliminate them.

I learned that hiring the best people pays off.

With cash flow tight, I learned to be careful and tough-minded when it came to management and planning. Only with great discipline and tight control could we have grown and prospered through the early, fragile years of the repurchased company.

I also learned that in business you never do anything alone. ●

The Road Taken: Making Key Career Choices

Defining moments often come during periods of transition, when the atmosphere is charged and the business environment is changing. It's at these times that leaders step forward and make their mark.

Another kind of transition, however, has little to do with company or business issues, but instead involves personal career issues. It's a defining moment that occurs when we look inward and begin to ask questions like: What do I really want out of my professional life? What

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Edward O'Neill**, Graphic Designer; **Chris Lauer**, Contributing Editor

are my goals? What's going to make me happy?

Few of us really know what our professional goals are from the start. Stories of major changes in midstream or several changes over the course of a lifetime are the norm, not the exception.

As diverse as these stories are, an important common thread runs through them: At some point these people figured out what really made them tick, and they let that insight guide their decisions.

Some people find it easy to figure out what excites them professionally. Monty Hall, the famous game show host and producer, knew from the beginning that he wanted to be in the entertainment business. But for many of us the difficulty of getting to a useful and revealing analysis of our professional goals is separating what everyone — family, friends, society — tells us is important from what's actually important to us personally. There are a lot of red herrings out there, and sometimes it can take a while to figure out where our own true north lies.

Danny Meyer: Union Square Hospitality Group

Without Danny Meyer, New York would be a far less tasteful place. As head of the Union Square Hospitality Group, he runs a group of highly regarded Manhattan restaurants that are visited by tens of thousands of discerning diners each year.

Meyer's career in the restaurant business almost didn't happen. It was almost a road not taken. As a young man out of college, he started in sales at a company that developed electronic article surveillance security systems. An offer from his employer to take on a bigger, more important role in the company forced him to make a tough decision: Should he stay with this career and start moving up or should he move on? The situation was a turning point for Meyer, but he almost turned in the wrong direction.

Meyer struggled to make the right choice. He weighed his passion against more practical and typical career considerations. His emergence as one of the most successful restaurateurs in the world certainly validates his early decision and suggests to all of us that following one's heart is the surest way to a satisfying career. ●

Leaving the Mother Ship: Taking the Entrepreneurial Leap

When is the right time to take the entrepreneurial leap? Everyone says to the would-be entrepreneur, "Go for it. Chase your dream." Of course they say that — it's ingrained in our DNA to support pioneers and explorers, and nobody wants to get in the way of someone else's dream. But unless your advisers are jumping off the cliff with you, that advice should be taken with a big grain of salt.

When professional investors look at a business plan, they do it coldly. And that's the way entrepreneurs should look at their plans too … that is, if they possess the ability to critically self-assess.

Bill Rasmussen: ESPN

Bill Rasmussen exhibited the entrepreneurial spark as a young man just out of the U.S. Air Force. Working briefly in the advertising department of Westinghouse, he saw an opportunity to provide better work and greater value for the company as an outside contractor. He promptly quit, set up a company and secured Westinghouse as his first customer.

Rasmussen became the consummate entrepreneur — a visionary with unlimited energy and passion. Throughout his career he has shown that he can conceptualize a new and exciting business idea and then bring it to life successfully.

Rasmussen is willing to break the rules and push the boundaries, as he did when he started ESPN, the 24-hour cable sports network. There were times when he didn't quite know how to get to the next step in his quest to start a cable sports network, but his guts, his brilliance and his willingness to take risks got him through and on to the next step. Eventually he figured things out and made history.

Rasmussen's risks paid off for himself, his investors and legions of sports fans. He elevated sports news coverage to a new and sophisticated level, and he brought thousands of sporting events — some heretofore obscure ones — front and center in the American consciousness. He put cable sports on the map. ●

Total Fulfillment

Bill Rasmussen and his investors sold ESPN in 1984 to the ABC television network for $237.5 million. At the time, Bill and his family owned 12.32 percent of the company. He could have hung on longer and made even more money in the business, but he chose not to. People ask Bill, "Don't you feel bad that you got out so soon?" And he tells them, "No, I've lived an amazing life since 1984, and I have found total fulfillment."

Love and Marriage: Finding or Shedding Business Partners

Many executives say that finding the right business partner (or getting rid of the wrong one) was the defining moment of their successful career.

Business history provides many examples of great partnerships. In fact, it's interesting to speculate on whether Microsoft would have become the giant that it is today if Bill Gates hadn't partnered with his friend Paul Allen to found the company back in 1975. Or look at the history of Apple. The charismatic Steve Jobs and the computer genius Steve Wozniak each brought different, powerful capabilities to Apple when they started the company, resulting in a legendary success story.

The Imperatives for Partnerships

For a business partnership to work, there are usually four imperatives: aligned goals, complementary capabilities, compatible personalities and an explicit mutual understanding.

Having aligned goals means that the basic objectives of the business are the same for all parties. It's really about how the business will be managed, where it wants to go and how it will get there. In a partnership with the goals aligned, if one party acts in his or her own interest, it benefits both parties. That's a good outcome. You're not just banking on a statement or a contract to keep things in check, but on human nature.

Building a team with complementary skills and qualities is another key factor, and one that is often overlooked because most of us are more likely to entrust our business to people who are like ourselves. But companies don't need a team of clones, no matter how good they are at something. In most successful partnerships, the partners bring different skill sets to the table.

While differences in capabilities are an asset, differences in attitude can be a red flag. Whether or not the partners have compatible personalities might be difficult to determine upfront, but it is as important as any other factor. And for individual partnerships especially, mutual and complete trust is a must.

A business partnership is really like a marriage. It is intense. And while there's probably nothing less romantic than a prenuptial agreement, the business equivalent is strongly encouraged. Any prospective business partner who recoils at the suggestion of explicitly stating roles, responsibilities and goals or planning for contingencies in the event that things go awry might not be the right partner. The longer a partnership goes without a common understanding of how to handle different circumstances, the more fertile the ground for dysfunction. Left unchecked, dysfunctional situations can evolve into bizarreness that is accepted as normal. ●

Betting the Farm: Risking Success for More Success

Being in business is being at risk. Granted, it used to be easier to tell the secure companies and industries from the risky ones. If the financial crisis that started in 2008 told us anything, it's that the ground can shift quickly in ways that fundamentally change the economic landscape.

Businesspeople take risks for any number of reasons. Some go looking for it, chasing the big opportunity. Others simply accept it as part of the business landscape, taking calculated risks only when necessary. Then there are situations or crises that demand a response; it's not a question of deciding whether a risk should be taken, but choosing which risky path to take.

In 1963, along with his partner Stefan Hatos, Monty Hall created the most successful game show in TV history — *Let's Make a Deal*. The show was an instant hit, but Hall's deal with ABC gave the network most of the money. Unwilling to let that continue, he decided to take on the network. It is tempting to call this gambit "Monty Hall's Big Deal" — which, in many ways, it was. Suffice it to say, it was his defining moment.

Monty Hall: *Let's Make a Deal*

Hall explained: "We had an offer from some people to put the show into syndication. My partner and I told my agent, 'We'll stay on ABC during the day, but we want the right to put the show into syndication at night.'

"ABC said, 'Absolutely not.'

"What happened next is the critical junction in my career. My partner and I were sitting in my agent's office, and I said, 'If they don't give us permission to take the show into syndication, we're not going to do the daytime version with them.'

"My agent said, 'Are you crazy? You have to do the daytime show.'

"I said, 'No. I'm not going to do it. We've got some power here. We're the most successful show they've got, and I want the freedom to sell the show for nighttime syndication.'

"When you syndicate a show, you can sell it to any station in any market that you desire. And the big money made in television is through syndication.

"My agent shook his head. He said, 'You're crazy,

you're risking your entire career.' My partner Stef Hatos said, 'Monty's right. We'll do what he wants.'

"So we phone ABC, and this is the conversation:

"'If you don't give us the rights to go into syndication, we will not be at the studio tonight to tape. You've got until 5:00 PM New York time to let us know whether we get syndication or not.'

"I got off the phone and you should have seen the look on my agent's face. Nobody ever talks to a network like that, ever! My partner and I went to my house in Los Angeles and we waited for the phone to ring. At 2:00 PM Los Angeles time (5:00 PM New York time), nothing happens. There's no call.

"My wife comes into the room. She looks at the two of us and says, 'Well, you challenged them and you lost.'"

'OK, You Win.'

"At 2:20 PM Los Angeles time, the phone rings, and it's the head man of ABC calling me from New York. He says, 'OK, you win. But you've got to do one thing for us. You've got to let ABC be the syndicator.'

"I said, 'OK. I don't care who syndicates the show. We've had offers from other people, but we'd rather do business with you.'

"Then we went to the studio that night and taped our daytime show.

"I risked everything I had — my entire career — on this one decision.

"My partner said, 'Monty, you are really gutsy.'

"I'll tell you now, that was an understatement, because I risked everything I had worked for on that day. But it ended up working out. Our show went on to become one of the most successful game shows in TV history. The daytime show ran for 27 years — the syndicated version only a few years." ●

Hearts and Minds: Creating a New Corporate Culture

When David Farrell became chairman and CEO of May Department Stores in 1979, the company and industry were at a crossroads. New competitors and shifting trends were challenging the old business models; shopping centers were saturating the marketplace; families were moving to the suburbs (many of May's stores were in old downtown locations); and specialty retailers as well as discount stores were popping up and growing at a rapid pace.

May was not keeping up with the new selling environment, and its numbers reflected it.

David Farrell: May Department Stores Company

Farrell had another big problem. May had grown mainly by acquisition as the company purchased many family-owned department stores around the country over the years. Management control of this growing, disparate entity had not kept pace.

For the most part, the families continued to run these businesses, and they ran them all differently and sometimes not very well. Many were weak in all vital areas: products, merchandising, presentation, operations and control. Because it remained so decentralized, May's management was unable to bring any kind of unified vision or strong direction to this collection of stores.

'The May Mission'

When Farrell took over, he instinctively knew this had to change, and that meant transforming the company from a collection of quasi-independent operations to a united company committed to a culture of excellence, high expectations and high performance. His vehicle for accomplishing this was a plan called "the May Mission."

Farrell's defining moment came with the development and adoption of the May Mission. He turned to some of the best minds in management, the prestigious global consulting firm of McKinsey & Co., to help him develop the mission and plan for its rollout.

Consultants can provide sound and even brilliant advice. But when they're done with the project and the report is written, they move on to the next client. Often they are not there when the client begins to implement the plan, nor are they around for the aftermath, which is not always pretty.

By using consultants, Farrell chose a direct but potentially risky path. He introduced a plan created "from above" by consultants and a small group of senior management and then asked everyone to support and implement a plan they did not participate in creating and had not been asked to approve. He knew he'd be swimming upstream, but his instincts told him that this was the only way to make a radical and necessary change in the way the company was run.

In total, Farrell was with May for 46 years. When he started, volume was between $300 million and $400 million; when he retired, it was $14 billion. May was sold to Federated Department Stores in 2005 for $11 billion. ●

The Mother of Invention: Transforming the Company's Business Model

Shelly Lazarus describes herself as passionate. She is certainly passionate about her work and her family. She would like to be remembered as someone who had a successful career and a successful marriage and who was able to be a good mother without sacrificing anything of importance in her business or family life.

Most objective observers would agree that she has accomplished all of these goals and then some: She has a happy, long-lasting marriage and a fine family, and in her career she rose to the pinnacle of the advertising world as head of Ogilvy & Mather Worldwide.

Shelly Lazarus: Ogilvy & Mather Worldwide

Lazarus said: "There have been several key moments in my career.

"The first was a personal decision to go back to work after I had a third child.

"The second, from a company point of view, was when I made the decision to run Ogilvy Direct, the direct-marketing arm of our firm. I volunteered to go and run it at a time when it was looked at as sort of a poor sister by the rest of Ogilvy. It didn't have the status that advertising had. In a way, it was thought of as just being about 'junk mail.'

"Another critical decision occurred in 1996 when I was asked to come back and run the advertising agency four years after I left to run Ogilvy Direct. We had been acquired by WWP Group, an English company, in a hostile takeover, and now the advertising agency was completely falling apart. The takeover had been a traumatic event for the company, as it is for any company. The new owners had gone through three different CEOs, and the company was a mess, with terrible tension between the acquirers and the people in the agency.

"The easy decision for me would have been to just stay over at Ogilvy Direct, where things were going swimmingly and I wouldn't have to deal with all this turmoil. But at the end of the day, I thought, if these guys in the ad agency didn't survive, then Ogilvy Direct wasn't going to survive either. So I went.

"I don't think I could have accomplished what I have if I weren't passionate about what I do. If you don't like what you do, you're not going to be successful at it, I don't care how hard you try." ●

Sea Change: Repositioning, Refocusing and Renewing a Business

It's one thing to change the way you go about competing in your market, and it's quite another to shift to a different market altogether.

The Angelica Corporation that Les Loewe began working for in 1947 was in the work-apparel business. Its focus was manufacturing, marketing and selling uniforms for workers in a variety of industries, including restaurants, hotels and hospitals. The company also sold uniforms to railroad employees and workers in the food-processing industry.

From 1960 to 1980, Angelica acquired a number of small companies in the United States and Canada that amounted to a hodgepodge of uniform and linen businesses — a textile mill, small uniform-manufacturing firms, retail uniform stores and mail-order marketers — all operating with varying degrees of effectiveness and profit. Supervising these businesses, a number of which should never have been acquired, was Loewe's job. He performed this role at a high level for nearly seven years, and he rose steadily at Angelica and was named CEO in 1980.

Les Loewe: Angelica Corporation

Loewe's defining moment took approximately one year to materialize, and it started after he determined that the Angelica uniform company needed to be repositioned and rebranded so that it could reach its potential. In the ensuing 10 years, he more than succeeded as Angelica began to operate as a unified company with a strong corporate identity and a clear mission. Loewe managed to increase the company's annual sales to just short of $500 million and raise the share price from $3 to nearly $30.

Loewe explained: "The breakthrough event for the company, as well as me personally, came when I decided we needed to position ourselves as a health services company and to shed the market perception of us simply as an apparel firm. We were performing well as a company, but we quite clearly were neither leveraging our strengths nor unlocking our potential value. What we needed to do was focus our brand and future growth on the fast-growing and highly valued health services sector."

'A Defining Achievement'

"It took about a year from that initial realization to the market's positive response. When I look back and take all of these events into account, that decision, and

the subsequent implementation of it, was a defining achievement. We dramatically enhanced the value of our stock and our perception in the marketplace." ●

When to Fold 'Em: Knowing When It's Time to Step Aside

Bert Walker never gives up, despite setbacks, despite disappointments. Probably the most significant setback he ever experienced was when he was rebuffed by his father in his attempt to convince his dad that it was his time to run the family business, the investment backing firm of G. H. Walker & Co.

While very disappointed, Walker remained loyal to his father but was still determined to make a mark for himself. He settled into a subordinate role and worked hard to make a difference in the company.

Walker's time did come, but only when he left the confines of the family business after it had been merged into a larger company. Walker later joined a different firm, Stifel, Nicolaus & Co. After only two and a half years, he was rewarded for his contributions by being named president and chief executive officer and later chairman of the board. Now he had the opportunity to lead a business and he did so with gusto. He grew the company, made numerous smart acquisitions and built Stifel's capital markets and brokerage business.

As successful as he was, Walker's defining moment is not about his accomplishments in business, but about leaving the business world behind and beginning his life's second act at age 61. With fortunate timing, he chose the moment to end the business phase of his life, placed the business in the hands of a superb successor and began a new life devoted to family, community and national service.

George Herbert Walker III: Stifel, Nicolaus & Company

Walker explained: "My most important decision came … in 1992, when I decided I would not continue as the chief executive officer of the investment banking firm I was then running and handed over the reins to a successor.

"Then, in January 2003, the president — George W. Bush — came to St. Louis to make a speech. I was invited to go out and meet him, along with three others, at the airport. He said to me, 'Do you want to ride down in my limousine?' I said, 'Yes, sir!' Just the two of us were in the limo, and we chitchatted for a while, and then he said, 'Hey! Is it true you could be interested in serving abroad?' And I said, 'Yes, we sure would be very excited about that.' And he said, 'What country would you like to go to?'

"I said, 'Oh, Mr. President, wherever you think we could be of service.'

"He said, 'Great. I'm so glad to know you're interested. I will do some work on this when I get back to the White House tonight, and you'll be hearing from us.'

"A week later the White House called and said, 'We've decided to send you to Hungary as the U.S. ambassador.' In fact, my wife and I were not even sure where Hungary was on a map.'"

'A Wonderful Experience'

"In July 2003, we went to Hungary, and I spent just under three years there as ambassador. It was a wonderful experience. What I was particularly pleased about is that at the end of the three years the government gave me one of the highest medals they give for outstanding service, and two Hungarian universities gave me an honorary degree." ●

Paths to Service: Defining Moments That Transcend Business

If you are in business long enough, you'll probably become involved in community service in one way or another. Usually you do it because you want to help out and give something back, although sometimes you're just trying to live up to what's expected of you as a local business leader. Regardless of how you get there, community work goes with the territory and can be highly rewarding in many intangible ways — and often it's more rewarding than business itself.

General John W. Handy: U.S. Transportation Command

General John Handy's life and "business" have centered on service to his country. Starting out as a pilot in the U.S. Air Force, and trained to fly its giant transport and cargo aircraft, Handy moved on to numerous USAF management jobs of increasing importance and complexity. His military career spanned 39 years, with almost six years of service as a four-star general.

As a leader in the military, Handy dedicated himself to his missions and to his fellow servicemen and –women rather than to the corporate concerns of profits, margins or shareholders. That is not to say that he could afford to be unconcerned about the financials of his organization — they are impressive — but they were not his first

priority. His primary mission was safely moving all personnel and material around the globe for the Department of Defense. He carried out this challenging task not only for all the armed services, but also for many government agencies.

General Handy sees a series of decisions he made during his time as head of the U.S. Transportation Command (USTRANSCOM) as the events that defined him. While many of us in business sometimes think that the decisions we make in critical moments are matters of "life and death" in their importance for our companies, that is, of course, not literally true. For Handy, however, it was.

It turns out that he made good decisions, ones that military families throughout the country can be thankful for and that our nation as a whole can be proud of. ●

Conclusion

These executives' defining moments are filled with lessons for the rest of us. Their stories are valuable collections of guiding principles for anyone aspiring to be a leader. Of course, each story has a unique setting and plot, but they share some important and universal principles:

- **There's no substitute for strong leadership.** Leadership is the ability to set a direction and motivate people to move in that direction. It's about getting them into a mindset in which they put their reservations aside because they genuinely *want* to follow the mission. You don't always get to make important decisions under ideal circumstances; often they are made in a fog of uncertainty or even chaos. Any effective leader must be comfortable operating in any environment.
- **Ethical behavior is not just right, it's smart business.** For every deal point, negotiating position, higher price or other advantage you might give up by being ethical, you'll get it back in multiples for doing the right thing and the moral thing. Every business leader featured emphasized honesty and integrity in his or her dealings.
- **Always have a plan.** Planning is not about tying yourself down to any particular set of steps. It's about disciplined thinking — forcing yourself and your team to work through issues so you're prepared to either follow the script as it continues to make sense or go off in new directions as necessary. Planning is about imagining the future and, when circumstances change, re-imagining it.
- **Be comfortable with risk.** Business is about risk management, which means you are constantly analyzing and assessing new scenarios. If you are truly risk-averse, you probably don't want to be the boss.
- **Know yourself and follow your heart.** Every good leader must have the courage to go against the pack, or even against the advice of respected advisers, family or friends, if his or her internal compass is pointing in a different direction.
- **Take responsibility.** Step up and be willing to shoulder the burdens of your actions and your decisions, whether they turn out well or poorly. When the outcomes of your actions become clear, it's fine to take credit where credit is due, but it's also important to accept the blame when it all goes wrong.
- **Never stop learning.** Sandy McDonnell, in his quest to transform McDonnell Douglas into a professionally run organization, consulted with many people, perhaps most significantly with Reginald Jones, the chairman and CEO of General Electric, to learn how he would approach the same management situation.

Faced with any difficult business or career decision, you are ultimately on your own. Nobody can definitively tell you the right answer. But by broadening the inputs and listening to the voices of those whose journeys have taken them to similar places, you can find comfort, direction and inspiration for the moments that will determine your course — and on those rare and special occasions, those moments that will come to define you. ●

Ethics at Time, Inc.

Reginald Brack of Time, Inc., spurred on by his sense of ethics and fair play, forced cultural changes that emphasized a new set of values, including promotions based on merit, discouraged the three-martini-lunch culture and disenfranchised the good-old-boy network that had a stranglehold on the company.

RECOMMENDED READING LIST

If you liked *Tough Calls from the Corner Office*, you'll also like:

1. ***It's Your Ship* by Captain D. Michael Abrashoff.** Abrashoff shares his experiences commanding a guided missile destroyer. Abrashoff's primary focus to make his warship more effective was getting the most from his crew.
2. ***How the Best Leaders Lead* by Brian Tracy.** Tracy reveals the strategies he teaches top executives to achieve astounding results in difficult markets.
3. ***The 21 Indispensable Qualities of a Leader* by John C. Maxwell.** Maxwell provides a concise, accessible leadership book that helps readers become more effective leaders from the inside out.

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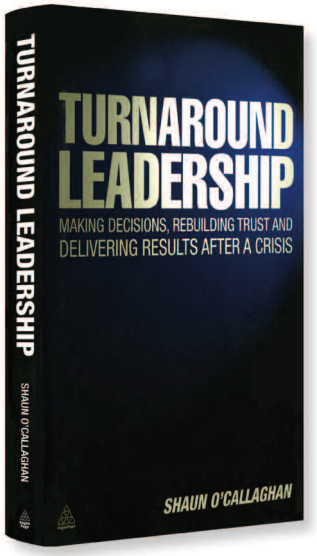

Turnaround Leadership

Making Decisions, Rebuilding Trust and Delivering Results After a Crisis

by Shaun O'Callaghan

THE SUMMARY IN BRIEF

Crises come in all shapes and sizes. They could be the result of a shift in consumer spending habits, or system-wide problems arising from a recession. The simple fact is that if you are in business for any reasonable period of time, you will have to manage and lead through a crisis.

Turnaround Leadership can help you plan a successful recovery after a crisis. Not only will it enable you to rebuild your business through developing the skills required during a recovery, it will also help you to identify the causes of a potential crisis so you can avoid one in the first place. It starts by looking at exactly what a crisis is and what can cause one. It then concentrates on the key areas of leadership expertise you need to master in order to be more effective in recovering after a crisis.

Turnaround Leadership will give you the tools you need to make the right decisions and lead your staff in this new environment. It will help you to effectively communicate those decisions with your customers, investors, lenders, suppliers and employees. It will also show you how to deliver better results so you can get your business back on track.

IN THIS SUMMARY, YOU WILL LEARN:

- How to make the right promises.
- How to gather multiple viewpoints.
- How to develop core business skills.
- How to deliver results through relationships.
- How to rebuild trust with authentic communication.

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THE COMPLETE SUMMARY: **TURNAROUND LEADERSHIP**

by Shaun O'Callaghan

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Leading After a Crisis

Any company that is being built to exist for more than a generation will have to go through periods of significant market uncertainty and suffer recession or business crisis. Any manager who wants to take up a leadership position will face a business crisis at some point in his or her career. In fact some leaders make it their career to help companies recover from a crisis. The simple fact is that if you are in business for any reasonable period of time you will have to manage and lead through a crisis.

Five Areas of 'Leadership Expertise'

There are five areas of "leadership expertise" that a manager can seek to master to be more effective in recovering after a crisis:

1. Making the right promises.
2. Gathering multiple new viewpoints.
3. Developing core business skills.
4. Delivering results through relationships.
5. Rebuilding trust with authentic communication.

As a leader after a crisis you must decide what, if any, promises to make and to which stakeholders. In periods of crisis and their aftermath there will always be higher levels of uncertainty about the future. Perversely, in such periods of heightened uncertainty people crave more uncertainty. Everybody asks for more and more detail, and budgets and forecasts are redone at more frequent intervals.

In such circumstances understanding the perspectives of your customers, investors, lenders, employees and suppliers is a key part of devising, communicating and delivering a successful recovery plan.

The second area of leadership expertise is gathering multiple viewpoints. It is often the lack of a fully rounded view of the issues that results in a business crisis. As you plan to emerge from the immediate impact of a crisis it is essential that a diverse, but appropriate, range of viewpoints is gathered to inform your recovery plan, communication and implementation. A critical aspect is not just gathering the differing viewpoints but being able to understand how the viewpoints interact with each other.

The third area of leadership expertise is developing the core business skills that will help you make the right judgments and plans for a recovery. These may be skills that you have already developed and use in "normal" business circumstances, but their application to a post-crisis environment may require you to refresh your insights.

The fourth area of leadership expertise covers how you can affect the delivery of business results. At a certain tier of management you become unable to directly deliver results through the impact of your own efforts. At this point working longer and longer hours, with ever more intensity and enthusiasm, will not produce the returns that it did earlier in your career. By this stage you will need to have made the transition from delivering results by yourself to enabling other people to be more capable and motivated in their jobs.

The fifth area is rebuilding trust with authentic communication. The first four areas of leadership expertise require skilled communication to rebuild trust with people inside and outside your organization. To be effective such communication needs to be authentic. ●

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What Is a Crisis?

Failing to recognize that you have a crisis will prevent you and the rest of your management team from starting to take the actions necessary to manage and recover from it. A dictionary definition would say that a crisis is a time of intense difficulty or danger.

In medical terms a crisis is the turning point of a disease, when it becomes clear whether the patient will recover or not. The origin of the word crisis is from the Greek *krisis*, meaning "decision." In order to produce a practical business definition of a crisis it helps to focus on two parts of these different definitions: the concept of a turning point and the danger the problem poses.

The working definition of a crisis used here is when stakeholders change their view on an important assumption they are making about your business; or when you as a business fail to deliver on one of your promises.

Triggers of a Crisis

Using this definition provides us with a way to start to identify the risks within your business that could trigger a crisis. The first steps to take are:

- Identify the key stakeholders.
- List the critical assumptions made by each stakeholder.
- List the promises made by the business to each stakeholder.
- Consider the danger caused by a change in any assumption and/or any broken promise.

The first stage in completing these steps is to agree who the key stakeholders are within your business. While political correctness may prompt you to list a large number of interested parties, focus on the top five or six. Involving more diverse views from across the whole spectrum of your organization and its partners may flush out a stakeholder that you had not considered important before.

The next step in defining what could trigger a crisis is to list the critical assumptions that each important stakeholder is making. At any one time each of your stakeholders will have made certain assumptions about the future based on their view of what is likely to happen.

Identify and List Important Promises

The third step of the process is to identify and list the important promises that have been made to each stakeholder. It is necessary to distinguish between assumptions and promises. Assumptions are made by a stakeholder about your company, sector or the total economy. In contrast, a promise to a stakeholder is made by a manager.

Many Types of Crises

Crises can come in many shapes and sizes: system-wide and sector-specific problems can arise from a recession, technology changes that render a business model obsolete, regulatory changes and shifts in customer spending habits. Company-specific problems may result from poor strategic choices, lack of financial discipline, failed implementation of an IT project or self-inflicted damage to a brand.

The last step is to consider the consequences of a change in other people's assumptions and/or the breaking of promises made by the business.

Analyze the potential triggers of a crisis. A thorough analysis using stakeholders, assumptions, promises and danger level is quite involved and may even be a deliberately harsh definition of an impending crisis. It is harsh because it may sound the alarm bells on an impending crisis earlier than you think is necessary. But a harsh definition is more likely to alert you earlier to problems and possibly prevent them from becoming a full-blown crisis. The Titanic sank for many reasons, but part of the cause of management complacency at the White Star Line was the assumption that the ship was unsinkable.

External Causes of a Crisis

We can examine a crisis by looking at the underlying assumptions and promises that a business has made and seeing what caused stakeholders to change their opinions on those assumptions and promises. We can split the turning points into those primarily driven by external factors and those resulting from how the business is managed.

The four external factors to consider are: economic cycles; customer priorities; product, technology and business model innovation; and outside intervention.

Economic Cycles

For a business leader, trying to predict the timing of a downturn is not necessarily the best use of his or her time. Perhaps the old maxim of "hope for the best but plan for the worst" is a useful motto for managers.

Do not assume that today's economic circumstances will continue forever when things are good, or get better quickly when the economy is bad. Whatever the circumstances, you will be at a competitive advantage if you generate more of your cash flow needs from internal sources.

Customer Priorities

The second possible external cause of a crisis relates to the spending intentions of customers and consumers. Such changes in the normal course of competitive business should not be an external factor that causes a crisis. If it does become a crisis this is because management has been insensitive to the changes in the market that have been happening and have failed to react to them. The factor we are looking for here is the risk of a sudden change in spending patterns that would be much harder for a management team to predict. Hence this factor may be more of an outlying risk of causing a crisis but it can have a dramatic impact if it occurs.

A change in consumer sentiment about their wealth and continuing employment can cause rapid changes in spending decisions that last for many years.

Product, Technology and Business Model Innovation

The third area of external change that could generate a crisis is in the area of innovation.

As with potential changes to customer spending priorities, the normal cut and thrust of competition will produce a continuous flow of innovations that managers have to anticipate, be sensitive to and responsive to. This normal level of innovation is something that a leader should expect to have to manage and on its own is not a driver of crisis. Failure to respond to market innovation will create a crisis if management is too optimistic in its assumptions or insensitive to what is changing.

Outside Intervention

The last driver of a potential crisis from an external perspective is when a regulator, government or legislator changes the rules of the game for a specific company, a sector or the economy as a whole. These types of changes can result in sudden and cataclysmic impacts that have terminal consequences for a company. Why? Because a critical stakeholder has removed a company's license to operate or ability to trade profitably and management has very little time or few ways to respond. This is a perfect crisis that management did not see coming and its impact on value can be enormous.

Internal Drivers of a Crisis

We can itemize four causes arising from within management that contribute to a crisis-generating turning point. They are broken promises, corporate breakdown, management optimism and lack of sensitivity.

Broken Promises

The seeds of a crisis germinate at the point where a key stakeholder changes a critical assumption about a business and/or when an important promise made by management is broken. You will need to identify potential internal drivers of a crisis. Understanding what promises have been made is a good place to start.

Many companies that have made it through a crisis did not have a complete or up-to-date schedule of all the critical promises the business had made to its stakeholders. The first question must be whether your business knows what promises have been made, and how and when those promises are reviewed and assessed.

Always keep a register of the promises you make and, as importantly, investors might think you have made.

Corporate Breakdown

The second internal driver of a potential crisis is some form of corporate breakdown.

There are at least four traits of a business that a leader can monitor to help identify such breakdowns from a system-wide perspective:

- *No 360-degree view.* Decisions are made at a boardroom level without a genuine understanding of how the business actually operates.
- *Unbalanced economics and incentivization.* A business model, product or promise works in the short term but is a ticking time bomb that remuneration policies obscure until too late.
- *Management optimism.* Leaders are always assuming that things will be better than they turn out to be and responding too late to adversity.
- *Lack of sensitivity.* Managers do not scan their environment, market and business effectively enough to pick up on emerging trends and threats.

Devoting some serious management effort to these four areas can make a worthwhile impact on the incidence of serious corporate breakdowns.

Management Optimism

The third internal driver of a crisis is the predisposition of many managers to make over-optimistic assumptions about the future; it is a common trait in relation to identifying potential corporate breakdown.

Unhealthy optimism is found in leadership teams that make assumptions about future sales, margins, costs and cash flows that push middle managers to make poor resource judgments.

A word of warning. A leader who is displaying unhealthy optimism will often not recognize it, confus-

ing the need for a positive mental attitude with unhealthy optimism and, when the issue is raised, will shoot the messenger.

Lack of Sensitivity

The fourth driver of a crisis is where leaders and managers think they are sensitive to changes in the market but actually miss critical trends and changes. Such a lack of corporate sensitivity can manifest itself in being slow to understand changing customer needs, expanding too slowly or too fast in new countries and markets, in losing staff as ways of working change, or in being unable to set the right cost base.

Being sensitive means continually scanning the market and your own business to pick up emerging trends and issues. It is also the ability to make sense of disparate sets of conflicting data and take some action as a result.

Where to Start After a Crisis — Making the Right Promises

In the normal course of business, a leader is constantly making and trying to deliver on a set of promises to key stakeholders. The challenge is to try to give a reasonable return to all stakeholders. The choices of what promises to make and, critically, the delivery against those promises make up the fundamental core of what a business does. In many ways, you could say that the principal role of a leader is to make, balance and deliver business promises. Such promises could include:

- What can I promise to investors and lenders to attract and retain the right financing?
- What will customers expect and require from our company in order to buy from us?
- How can I attract, motivate and retain the right people?
- What will suppliers want from me, and what can I promise them?

Consider the interactions between four categories of stakeholders: customers, investors and lenders, employees and suppliers.

A crisis will destabilize the positions of the different stakeholders and restrict your ability to deliver on the promises previously made. To help with the start of your planning after a crisis spend a little time thinking about each of the key stakeholders, how they might feel and the promises you might consider making them:

- **Customers.** For a promise to customers to make business sense it needs to provide value to them, so they will stay with you or return if they have left; be capable of being delivered by you at a profit; and generate sufficient cash to pay all the other stakeholders their promised return. Consider the promises made against four parameters — quality, value, service and innovation.
- **Investors and Lenders.** The types of promises that companies make to investors and lenders tend to be financial in nature. As you start out on your recovery plan preparation the first important thing to do is understand what the lenders can do to help you in your turnaround and what they can do to remove control from your hands.
- **Employees.** After a crisis, your people will be the ones to design and deliver a recovery plan and you may have to make and keep promises to them that were not necessary in less turbulent times.
- **Suppliers.** As with the other three categories of stakeholders, understanding the current position of your suppliers, their potential reactions and the impact of their actions on your recovery planning are necessary first steps to take.

Gathering Multiple New Viewpoints

The second area of leadership expertise is about expanding the insights and knowledge you have about the crisis and the potential recovery options. This should enable you to make better choices and plans. The two resources in scarce supply after a crisis are cash and time. In order to increase the supply of both you will have to take actions, communicate effectively and deliver some early results. Action is not, however, a complete substitute for thought and insight. The actions you take have to be smarter than the ones that took the business into a crisis.

As with all matters of business, and in particular after a crisis when you are under greater levels of scrutiny, everything is a question of balance and perception. You need to ensure that stakeholders who expect rapid action feel that you are taking the necessary urgent measures. As a leader you must ensure that people in your team are, for example, totally in control of cash forecasting and management. As importantly, you need to make sure that stakeholders "perceive" that you are in total control of cash.

In addition, as a leader you need to make sure there is time available to seek out the fresh insights that you and the team will need. Given that time is always short in a crisis, you need to make the best use of the resources you apply to gaining new perspectives.

There are a couple of important principles about any approach that you use to gain fresh insight. First, make sure that you take a 360-degree viewpoint, which will require going to a wide variety of perspectives. Second, seek out new and different people, data and opinions. Sometimes it is the things on the periphery that are the most relevant but also the most difficult to find and interpret.

In business, being only a supply chain specialist or wizard accountant is unlikely to give you all of the perspectives that you will need to build and deliver a successful recovery plan. In order to make the best leadership decisions after a crisis you need to consider the factors facing your business from multiple viewpoints.

Six Viewpoints

You and your team need to test yourselves to see that you have sufficient knowledge to answer the questions that arise from six viewpoints:

- *Customer aces*. How will consumers and enterprises behave during and after a crisis?
- *Make promises you can keep*. How are plans and decisions made and do we deliver on our promises as a business?
- *Follow the money*. Where and how is cash generated and used within our business?
- *Lean not mean*. How is our cost base structured and what could be done to change it?
- *Flesh and blood*. How will the people outside and inside our business be affected by the crisis and how might they react?
- *Imagine new futures*. As we look toward the future, what is the transformational change that our company could make following the crisis?

It is important to consider the whole of your business from each particular viewpoint. ●

Core Business Skills 1 — Cash and Time

The third area of leadership expertise is developing the core business skills that could help you deliver a successful recovery plan.

Four core business skills are managing cash flow and time, developing strategy after a crisis, maintaining sales and cost base restructuring.

Managing Cash Flow and Time

Even companies not facing a crisis should always be trying to improve the amount of free cash flow they generate from their business operating model. An improvement in free cash flow generation improves the valuation of a company and the opportunities it has to make strategic and tactical choices. Understanding cash as a platform to gain fundamental insights into your business after, or even before, a crisis calls for an active change in leadership and management philosophy. Here are some specific cash forecasting and management tools:

- *Cash committee*. A cash committee is responsible for producing the cash flow forecasts and planning and monitoring cash improvement initiatives.
- *Forecasting*. There are basically two types of forecasts: a short-term, 13-week forecast driven from your balance sheet and an 18-month to three-year forecast driven by your profit and loss account assumptions about the future.
- *Time and cash before the accounting starts*. Clearly the shorter the time it takes from idea to invoice the faster you will generate cash. Of course it is essential to improve your order-to-cash cycle but it is also possible to improve your idea-to-order time.
- *Cash improvement opportunities*. For most companies one of the largest areas of cash outflow is in the form of sales taxes, corporation tax and employee-related taxes. In each of these areas local rules and regulations can be investigated to determine opportunities for cash flow benefits.
- *Trapped Cash*. One of the first places to look for additional cash after a crisis is cash trapped in parts of the business that could be better applied elsewhere within the group.
- *Capital Spending*. There are two ways to approach the issue of capital investment. First, what can be afforded? Second, what does the recovery plan require? There will often be a difference between the two approaches, especially at the start of the recovery plan, immediately after the crisis.
- *Working Capital*. After a crisis many customers will have concerns about buying from you. If you can provide them with additional perceived benefits and change the cash profile of your working capital investments at the same time, then you are starting to build a robust recovery plan.

All of these tools have multiple purposes: improved cash generation, buying more time for your recovery plan, re-engaging management with the detail of the business and creating stakeholder confidence that you are in control.

Remember, time and cash are often your most precious resources. ●

Core Business Skills 2

Developing the following core business skills will help you design and deliver a better recovery plan: developing strategy after a crisis; maintaining sales; and cost base restructuring.

Developing Strategy After a Crisis

After a crisis that has generated liquidity issues, the strategy formulation process is often driven by the perceived requirements of the financial stakeholders. This involves management working out how much profit and cash need to be generated and then working back to the most achievable combination of sales volumes, prices, cost reductions, capital spending and disposals to achieve this. Some would call this "the pragmatic capitalist" approach to strategy after a crisis. It is probably the one most used by companies that have faced a financial crisis.

An alternative approach to the "pragmatic capitalist" is the customer- or market-driven opportunity strategy. After a crisis you consider what the needs and requirements of different customer segments are and choose the opportunities that fit with the demands of your stakeholders.

Maintaining Sales

Maintaining sales during and after a crisis is one of the most important things to focus on.

To assess the potential strategies for maintaining sales, there are three things you could start to think about.

First, the confidence of your salespeople. After a crisis your own employees' confidence will be depressed. It is therefore a priority to produce and communicate a set of "questions and answers" for front-line staff to use with customers.

The second area to look at in maintaining sales is your marketing and product development teams. The important and urgent action is to communicate a shared view of the state of the customer's mind across the organization. This means that different departments are all using the same assumptions when interacting with customers to generate sales.

The third area to consider in maintaining sales after a crisis is the external messages you choose to communicate. When Tylenol was reintroduced into the market after the poisonings in 1982, it was accompanied by significant price reductions. Johnson & Johnson was keen to give customers an added reason to retry the product. After a crisis, you could consider adding, for a period of time, a feature, whether price, guarantee length or service in addition to the product's previous benefits.

Cost Base Restructuring

The flip side of striving to maintain sales income is to restructure the cost base to reflect the impact of the crisis and the proposed recovery strategy.

Each of the following post-crisis strategies provides a different context to the cost-reduction tactics that you could employ:

- *Cut back to grow.* A sizeable part of the cost base will need to be reduced, with many job losses and redundant assets to dispose of. However, an investment in the remaining core will be necessary.
- *Get fit.* The existing business may need to raise its net margins by 10, 20 or even 25 percentage points by increasing sales productivity and reducing the costs of operations and overheads.
- *Hold your breath.* Cost deferment and cost reduction need to be carried out to survive until the market returns, without permanently harming the business.
- *Save or dispose to invest.* Cost reduction efforts need to generate cash in the short to medium term, so the cash cost upfront of the cost restructuring cannot be too big.
- *Dress the bride.* Cost reductions can boost margins and therefore valuations, but care has to be taken not to cut perceived marginal activities that a purchaser values.

Delivering Results Through Relationships

The source of new ideas, better operating models, improved actions and the results you want is the network of relationships that you build inside and outside the business. The better those relationships are, the better business results you will deliver.

What does better relationships mean? There is both a quantity and quality element.

There is a wide range of people you will need to build relationships with in order to build and execute your recovery plan. It is not sufficient to rely on a narrow range of relationships where you feel comfortable.

As a business leader, your role is to act as the ringmaster, knowing everybody and having a sufficient relationship with them to gain their trust and contribution.

This brings into focus what the quality of the relationship needs to be. Clearly it will be different for different stakeholders. For your top team a quality relationship means that the team members are releasing their maximum discretionary efforts to achieve the plan. It can be

measured by the contribution they are making to developing and accepting the changes that will be needed. It can also be measured by the success that the team has in selling the plan to the rest of the business.

Rebuilding Trust With Authentic Communication

After a crisis, trust levels between the company, its customers, employees, suppliers and financial stakeholders can be at dangerously low levels. This lack of trust can lead to cash and time problems, missing out on opportunities when an upturn happens and, very often, a change of management.

The trust equation can be used to develop expertise in this area:

$$\text{TRUST} = \frac{(\text{BENEFIT-COST}) \times \text{INTIMACY}}{\text{PERCEIVED RISK}}$$

The equation is a framework for thinking about trust and how to rebuild it after a crisis.

- **Trust.** The first challenge is to define how we would measure business trust. Can you define and measure trust in the same way as you would sales, cash or profits? Unfortunately, there is no international accounting standard for trust.
- **Benefits Less Costs = Value.** The first part of the trust equation is about the tangible business value that you are bringing to a stakeholder as a result of the implementation of the recovery plan. Or, to put it more simply, what is in it for me, the stakeholder? If the business benefits from the plan are inconsequential for a person or institution, why should they bother to support it?

Some stakeholders will be interested in the benefits, or damage, to their reputations, personal pride, sense of responsibility and position in society. The costs to them of their time and inconvenience may figure as greatly as any return of cash and profits.

- **Intimacy.** The next part of the trust equation is about the quality and quantity of your interactions with each stakeholder. You may have developed a revolutionary recovery plan that will change the face of the commercial world, but if nobody knows who you are, their trust in you will be zero. Anything big multiplied by zero is still zero.
- **Perceived Risk.** The last part of the trust equation focuses on the risks that the stakeholders see in committing their time, money, credibility and discretionary effort to the recovery plan. Note that this is not your view of the actual risks they face but the stakeholders' own perception of the risks. To be successful in this area will require you to be able to stand in the shoes of your stakeholders and genuinely understand their point of view. This is one of the key components of being authentic. You make a genuine effort to understand the other person's point of view.

The other key aspects of authenticity are that you do not try to be somebody you are not and you do not try to cover up the problems your business is facing. A quickly made, sincere apology and acceptance of responsibility can go a long way to re-establishing a base to build trust after a crisis.

Trust and Communication

Think about how you bring key stakeholders on side to support your recovery plan. Even if the quality of your plan and ideas are outstanding, a low level of acceptance by stakeholders means your results will be below requirement.

Consider the causes of a crisis and the five areas of leadership expertise that you can work to develop to be better prepared to manage after a crisis. The glue that will help to bring all of these elements together is your ability to bring the right level of trust with stakeholders.

Leading after a crisis is one of the most challenging experiences a manager can expect to face, but it can also be one of the most rewarding. Just remember, always, to be careful with your assumptions.

Gut Feelings

The selecting and making of new promises after a crisis will test your common business sense. This "gut feel" about what is the right thing to do is a crucial ingredient in leadership and decision making. However, gut feel is also a dangerous way to make decisions if you do not have all the facts.

RECOMMENDED READING LIST

If you liked *Turnaround Leadership*, you'll also like:

1. ***Crisis Leadership Now*** **by Laurence Barton.** A corporate insider's insight discloses how catastrophes happen and how to build crisis management thinking into your company's strategy.
2. ***Corporate Reputation*** **by Leslie Gaines-Ross.** Gaines-Ross identifies the roles corporate leaders must play in reputation recovery and sustainability.
3. ***Judgment*** **by Noel M. Tichy and Warren G. Bennis.** Leaders are remembered for their best and worst judgment calls. It is a leader's judgment that can determine the fate of the entire organization.

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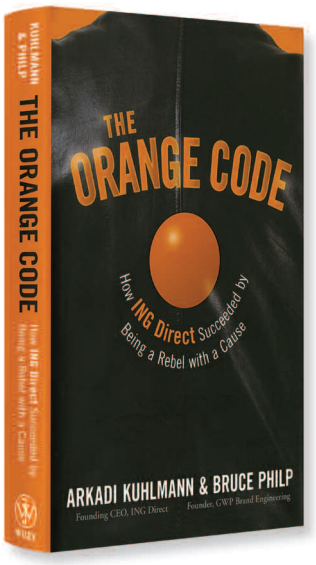
Leadership: Strategies

The Orange Code:

How ING Direct Succeeded by Being a Rebel with a Cause



by Arkadi Kuhlmann and Bruce Philp

THE SUMMARY IN BRIEF

Since 1996, ING Direct has grown from a mere concept to a global enterprise, with more than 20 million customers in nine countries. From the time this Internet-based direct bank first launched in Canada, it focused on serving ordinary people who felt abandoned by today's money-hungry financial institutions. In an industry dominated by big banks with little patience for their customers, ING Direct has always strived to be different — a rebel with a cause, if you will — and in doing so, it has become the most successful online banking venture in history.

In *The Orange Code*, Arkadi Kuhlmann, founding CEO of ING Direct USA and Bruce Philp, the branding consultant who helped him make ING Direct a cause to its own people and a household name, discuss the unconventional approach to business strategy, leadership and management that built ING Direct. Kuhlmann and Philp not only address the practical principles that have propelled ING Direct to the top, but they also help you understand how the cause of personal financial empowerment has made everyone a winner in the ING Direct story.

While the idea of a business as a cause — with a brand as its constitution — might seem idealistic and even naive in theory, it's not anymore. The level of success achieved by ING Direct holds important lessons for and offers some much needed inspiration to a business world that could use a little of both right now.

IN THIS SUMMARY, YOU WILL LEARN:

- How to create a company that has a cause.
- How any leader can ensure his or her brand says what it is and is what it says.
- How to create a corporate culture that goes beyond creating competence.
- How to make the customer a business partner.
- The temptations that can sink a business.

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THE COMPLETE SUMMARY: **THE ORANGE CODE**

by Arkadi Kuhlmann and Bruce Philp

The authors: Arkadi Kuhlmann is the founding CEO of ING Direct USA, which has become the country's largest Internet-based bank. He also serves as chairman of the board of ING Direct Canada. Prior to starting ING Direct, he was president of North American Trust.

Bruce Philp is a writer and branding consultant with nearly 30 years' experience in the field, working with some of the world's most well-known, valuable and loved consumer brands.

The Orange Code: How ING Direct Succeeded by Being a Rebel with a Cause by Arkadi Kuhlmann and Bruce Philp. Copyright © 2009 by Arkadi Kuhlmann and Bruce Philp. Summarized by permission of the publisher, John Wiley & Sons Inc. 252 pages, $27.95. ISBN 978-0-470-28723-1.

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Introduction

ING Direct made history when it became the continent's largest Internet bank and one of the largest savings banks in America, and it defied expert prediction by becoming profitable within a couple of years of its launch. It also created a product category where none existed before.

The original Orange Code is a document that emerged very early in the history of ING Direct. It was created to be a sort of ethical road map, a promise ING Direct made to itself about how it would do business.

Claiming to have a cause is not, by itself, a new idea in leadership or in marketing. ING Direct went two steps further: It attached this internal code of conduct to its mission so that every behavior of every member of its team would serve it every day. And then it made customers complicit in that promise by embedding the spirit of the Orange Code in the ING Direct brand, effectively transforming those customers into watchdogs who would keep the enterprise honest.

The Guy in the Cape

Chief executive officers are a different breed, but they're by no means all the same. The best, from a branding point of view, are charismatic leaders: the bosses whose authority comes from an inspiring and genuine sense of purpose, a purpose not served by the status quo as they see it.

For ING Direct's founding CEO, Arkadi Kuhlmann, a calling such as "leading Americans back to saving" makes the leader's job description pretty simple:

"For a company that is built on a cause, shaped by and with its brand, the leader needs to carry the torch. Our credibility in the marketplace and the confidence of the people we employ can work and be sustained only if the leader can lead a company of people. We too often forget a company is fundamentally a company of people. The passion, the personal sacrifice, the belief that the cause, expressed by a vision, is real and can be actualized must come from the leader."

The ING Direct Leadership Model

ING Direct declared itself a rebel with a cause in an era when elaborate business models were more the fashion, when entrepreneurs spent more time with venture capitalists than they did with consumers and when being clever got more attention than being authentic. Between this and the fact that nobody thought at first that consumers would even want what ING Direct had to sell, it was obvious that no mere manager was going to make this idea fly.

For as long as anyone who knows him can remember, Kuhlmann has been a deep believer in the duty everyone has to themselves to have savings. Consumers lit this fire for ING Direct, but the fuel came from a value system. This connection between what people needed and what Kuhlmann believed in, more than any other factor, defined for him the way he would have to lead ING Direct: It would be evangelical, and it would be from the heart.

There are five fundamental things that it takes to be a leader of a company that is a cause. They aren't all from the standard CEO playbook, and they aren't all easy or

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Edward O'Neill**, Graphic Designer; **Tom Moore**, Contributing Editor

warm and fuzzy. But they are what it took to bring ING Direct to market, and grow it profitably, against all odds:

- **A calling.** ING Direct's corporate vision statement to lead Americans back to saving was a spiritual beacon for the enterprise, a strategic true north as they built the bank from day one. A decision was made that the idea behind this bank wasn't just a revolutionary business model, but a business model in the service of a revolution.
- **The guts to make it personal.** It's just as essential that this calling comes from a real place. Otherwise, the "calling" can seem like a marketing invention and the boss's moral authority can be pretty fragile and the leader two-dimensional. The boss can't be a creation of the mission or a shill for it; he has to be its author, and who he is as a person has to authenticate it.
- **A powerful enemy.** With no wrong to right, there's no job for a white knight. But the fact of a broken status quo in retail banking does more than create a business opportunity or a strategic convenience. Having someone to blame for a broken status quo also creates a tremendously effective leadership tool. Its competitors become a monolithic enemy, a dragon to be slain. For the people who work at ING Direct, that makes coming to work a bit heroic and more of an adventure.
- **An inner circle.** Picking a team is one of a leader's most basic responsibilities and is too important a task to rely on mere formal interviews and tidy curricula vitae as the bases for making decisions. Motivation and character are the things that separate loyal, enthusiastic workers from paycheck-collecting journeymen. Don't hide behind the safety of a good-looking resume. Hire people who have experienced rejection and have something to prove to the world.
- **The possibility of failure.** The constant state of impending crisis and creative destruction is not for the faint of heart when it comes to being on a team such as Kuhlmann's. It creates a continuing feeling of being potential prey to some outside force. As ING Direct gets larger and more successful, it could run the risk of believing its own press. It could run the risk of becoming complacent and thinking that it knows all it needs to know. Its own corporate ego could become its most dangerous predator. Crisis is Kuhlmann's way of keeping the enterprise small in its own collective mind, as if it were a perpetual startup that is just relieved and happy its doors are still open.

Powered by Purpose

The corporate mission statement is one of those things that went out of fashion too soon and for the wrong reasons. Such statements all too often failed at giving a company a real sense of purpose. It's hard to get adrenalized by a multiparagraph puddle of ambiguity, diluted by consensus until it is odorless, flavorless and utterly unthreatening to the status quo.

And yet a mission — a cause — is one of the most effective leadership tools humans have ever devised. Groups with clear causes practically self-organize. They organically attract the right kinds of people and turn them into teams. They produce a more empowered employee who knows what's right, even without a policies and procedures manual. They naturally produce compelling and profitable brands and direct the way companies behave in the marketplace so that everything is magnetically consistent. A team with a purpose is infinitely more formidable than a team with a process.

ING Direct has a five-point formula for an enduring mission statement that makes things happen:

1. **Advocate for somebody.** Mission statements about how an organization works produce bureaucracies. Mission statements about those served by an organization produce armies.
2. **Make it next to impossible.** It's unlikely that ING Direct will turn everyone on Earth into a saver any time soon. It's the journey that inspires, and the horizon should always be just out of reach.
3. **Make it poetry.** The great mission statements are music to hear and read, sticky and difficult to walk away from. If it sounds like the instruction manual that came with your DVD player, keep working on it. And poetic doesn't just mean pretty; it also means pure and unnervingly simple.
4. **Write it for you.** To include every stakeholder in the audience for your statement of purpose is to guarantee that your statement will devolve into being some sort of aspirational mirage. If you write it just for the people who show up for work every day, you get the powerful advantage of making it into a battle cry.
5. **Bring it down from the mountain.** Declaring a company's purpose is a leadership responsibility. Collaborating on it or, worse, delegating it produces a perfect little storm of negative consequences for leadership. Show us a leader who magnanimously gave rank-and-file managers the job of writing a mission statement, and we'll show you a dusty plaque in the reception area.

Building a Core Team

Consensus management isn't very compatible with a young organization on a mission. You can't have an organization with any real strength or drive if you populate it with conventional people who will just do as they're told.

Building a core ING Direct team meant searching for a combination of the two qualities that could reconcile the dilemma: a strong-minded internal sense of purpose and a genuine belief in what ING Direct was trying to do.

Building a high-performance team isn't a mechanical process. Character and motivation help amplify skills and aptitude. An enterprise isn't a machine, it's an unfolding story. Here are three principles to go by:

- **Don't just hire — assemble a cast.** Competence is a commodity. Sure, you need everyone in an organization to be able to do his or her job reliably and efficiently. But competence is table stakes for any employable candidate, and that means that it's equally available to your competitors. Companies will look at resumes and decide that the more years you've gone without screwing up, the more valuable you must be. But there's no profit in that. Not losing isn't the same as winning.
- **Manage your business's culture and that culture will manage your business.** To the outside observer, ING Direct's operating style can seem chaotic. Decisions seem provisional, and they're often made in a way that goes far beyond consultation. On the surface, this might seem like some kind of forced collegiality, but it's not. It's a way of making sure that everyone's input is heard publicly. That, in turn, forces the team to consider and care about the team. It eliminates silos not only functionally, but also culturally. And it promotes accountability to one another as well as to the cause.
- **Make everybody a hero.** Any revolution, even a business revolution, relies on mythmaking to keep it alive and inspired. There is a genuine and deliberate effort to give the team a sense that what they're doing is important and heroic and that it can create a legacy for each of them if they play their cards right.

The Conundrum of Advertising

Here are three pieces of advice any leader can use to make sure the brand says what it is and is what it says:

- **Think of advertising as the boss talking.** Today's consumers — and today's employees — want, above all, to know that what they're buying into is authentic. This is even more acute when you're asking them to take a chance by trying something new and unproven. Whether a company intends it or not, advertising, in all its forms, is that company's most public expression of what it thinks is important and how seriously it takes its customers and employees. Ignore this, and the most you can hope for is an amusing advertising experience that might make people briefly remember you, if only for that. But be authentic in your commercial messages and people will do better than remember. They'll believe, and belief is the root of loyalty. A good rule of thumb: Don't ask your ads to say anything your CEO couldn't say with a straight face.
- **Keep your friends close and your agency closer.** The reputation of a company and its brand is too valuable and too fragile to trust to suppliers that are disengaged or have their own agendas and too important to trust solely to middle managers. If a supplier is being given work that the public can observe and interpret, then that supplier should feel accountable to the very top, and maybe even fear it, just a little. A brand is a leadership responsibility, not a management one, and that makes the choice of a strategic communications partner no less important than the choice of an auditor or corporate law firm.
- **It doesn't matter that people are going to judge your advertising; what matters is how they're going to judge you for doing it.** You can't afford to care about what people think of your advertising in a creative sense, short of it being offensive or damaging to your credibility. You should care only about what your advertising makes them think of your company for doing it and, ultimately, whether it makes them *want* to want what you've got to sell. Popularity isn't a business result. All that matters is whether your messages brought consumers any closer to becoming your customers. That path starts with curiosity, which becomes desire, which then seeks trust and finally becomes action. Everything else is just vanity.

You Say You Want a Revolution?

It's possible to believe that banks are an oligarchy by divine right, a royal court from which favor and excommunication are dispensed to consumers who are supposed to consider themselves lucky to be allowed to bank at all. Banks are not evil, for the most part. But their institutional self-interest combines with their legacy systems and habits of thought to produce an

arrogant anti-consumer dynamic. It's a dynamic that, every day, leaves customers with the uneasy feeling that they need their bank more than their bank needs them.

ING Direct got a lot of things right: its mission, its leadership, its brand, its culture and team, and so on. But underneath all this, there really had to be a different way of doing what a bank has to do, so that success would never lead to arrogance. For everyone at ING Direct to believe, for the consumer to believe, that things would be different at ING Direct and, more important, to prevent the organization from devolving into the very dragon it was created to slay, ING Direct's banking business model had to be quite simple: Align ING Direct's operational imperatives with what's good for the customer. Invent a financial services business model in which, when the customer wins, ING Direct wins. And vice versa.

What If We Started Over?

"If consumers were to think differently about money and how they dealt with it," says Kuhlmann, "then our enterprise model would have to look and work differently as well. It quickly became obvious that to make it work we needed to be a rebel."

The first order of business was learning "What does the customer really want to pay for?" and "What do we absolutely need in order to profitably deliver it to them?"

Instead of working to create customer value by trying to overcome the basic nature of an institution, Kuhlmann and his team focused ING Direct on the point where the bank and the customer meet and built its solution outward from that moment of truth. For ING Direct, that felt like something more familiar and comfortable to the average American: a retailer.

Kuhlmann explains the distinction: "As a retail business, we are confronted with high volume and inventory turnover and small margins. Profits can only come if you get everything right. Your sales and marketing are on trial every day. Bottlenecks are deadly. Trust and reputation are being built constantly, and word of mouth is a big factor in success. A great retail business is built and operated from the customer's point of view."

For traditional banks, this approach is almost impossible to emulate. Kuhlmann explains why it worked for ING Direct: "As a new bank that wanted to use this strategy, we could develop business practices that supported our vision of a bank with a cause, because we had no legacy to serve."

ING Direct's idea evolved from letting the customer tell them how to run the bank, to making the customer a partner in it.

For a company with a cause, change is not a defensive tactic; it's a way forward. ●

Saving the Savers

It's hard to overstate how important it has been to ING Direct's success that there was no formally defined target group for what it had to offer. ING Direct was created for someone called the saver, a creature that, when the bank launched, seemed Sasquatch-like in its rarity and reclusiveness, if it existed at all. In a very real sense, ING Direct invented its customer, a consumer defined by attitudes and values rather than by its demographic characteristics.

"In any new startup or big push forward in business, many personal agendas need to be reconciled, not accommodated, along the way," says Kuhlmann. "As with any army marching off to battle, it gets organized by having a shared, larger objective in mind. It marches on its stomach, the saying goes, but it fights for a cause. In the end, the result is glory, and the human spirit triumphs by having done something good and just for man and country. If people's personal goals get met in the process, that's fine. It just can't be the focus."

If you make things hard for people, nobody is going to believe for a second that you're here to save them. Words, if they're long enough and you use enough of them, make walls. Eventually, people get the message they aren't welcome.

Simplification, as obvious as it might seem in hindsight, has been one of ING Direct's most fundamental ways of saving the saver. The products themselves must be simple. The process of signing up for one must be simple. The experience of using it must be simple. And this drive is not motivated by the belief that people aren't smart enough to handle complexity. It's motivated by the understanding that simple means honest. ●

It Takes a Village

Good leaders try to motivate their employees. Great ones try to inspire them. But ING Direct went further, declaring the people who work there to be the brand incarnate, and a full-fledged community, one with its own language and customs, its own obligations of citizenship, and its own gathering places. It's called being "orange," and the experience of citizenship in the community begins the day they walk through the door: The first training material they receive is a booklet called

"Your Official Orange Passport." The subhead on the cover is, "Get ready for the adventure of your life."

The word "values" comes up a lot in the ING Direct story. Values are the structural components of ING Direct's sense of purpose, its "pixie dust." This company's ability to inspire consumers and be nearly immune to being copied by competitors comes not from a proprietary business model, but from the cause the model serves. So it's natural that the team ING Direct builds has to be made up of recruits with an affinity for those values. And it's essential that the company appear to be guided by those values in the way it sells. But if ING Direct stopped there, its values could quickly become abstract and irrelevant to the way work gets done from day to day. They'd become an artifact of its culture, maybe, but not necessarily central to the way it operated.

For Kuhlmann and his team, that wasn't going to cut it. Such a lack of authenticity would be devastating to ING Direct's credibility as a cause. And it would be terribly unsatisfying to the people who worked at ING Direct. This was supposed to be, after all, a revolution. You can't have people just "phoning it in." They have to have evangelical fire in their bellies, and a book of rules isn't going to put it there. The leadership of this new bank needed something more organic, a way to make the organization live these values almost without thinking. And it needed the people who work there to expect this from one another just as constantly as their leaders expect it from them.

The solution was to prove one of the defining decisions in ING Direct's success: They recruited the brand as the key instrument of leadership.

The Brand as the Moral Standard

The word *brand*, for most people, instantly evokes marketing. They think of it as the name a company gives to its value proposition, making it recognizable to prospective customers. Most companies confine the subject of brands to their marketing departments just as they'd confine the subject of dental benefits to their HR departments. ING Direct made it mean much more. What it calls its brand is actually the moral standard to which everything the company does it held. It's what everybody and everything has to live up to. As Kuhlmann once put it, "Everybody thinks that the leadership of ING Direct shaped the brand. But it's not true. It's the brand that shaped the leadership." This turned the creation of ING Direct into something akin to nation building.

"The 12 statements in the Orange Code are not linked to a single theme but are a collection of thoughts that express a philosophy," explains Kuhlmann. "The Code states how things should work in our business, by stating how we should be. We did not turn it into a rules-based formula."

The Lesson: Don't Try This at Home

ING Direct got phenomenal performance out of its organization by making its brand an instrument of leadership. As a consequence of that leadership decision, the traditional wall between marketing and operations was torn down. The wall between the consumer and the organization got torn down too. The people who touched the consumer in any way became the brand incarnate, creating a classic virtuous circle: The organization stands for something; hires and operates in that image; efficiently attracts customers who share those values, who then have their attraction to the brand authenticated by their experiences with it.

You can see the power of this virtuous circle in ING Direct's numbers, whether it's in the high percentage of customers acquired through referral, the phenomenally low cost per acquisition, and behind this the phenomenally high conversion rate (often hovering in the 40 percent range); the strong staff and customer retention; or the exceptionally high satisfaction ratings.

Before a leader decides to try to substitute a moral purpose for a commercial one, he or she should try this simple gut check: What is the very last thing anyone in my company could get fired for? At ING Direct, it would be quite difficult to get fired for anything you did to help customers save their money, so long as it was legal. If the last thing you can get fired for sounds a lot like your company's declared mission, then hoist the flag. You are a brand nation. ●

The Money on the Table

Offering more products and services is obviously not a bad idea. It can be quite a good one, in fact, especially if it's a leader's job to build shareholder value. But it can also be messy and unproductive, and it usually goes wrong in one of two ways: Companies either make the move into a new category too soon, before they have enough credibility and resources to support it, or they move into a category that's just too different, in the consumer's mind, from the one that earned them trust in the first place.

This was what put Kuhlmann at odds with some of his original mortgage team. To them, a mortgage was another financial service, something a bank just does. But to the customer, Kuhlmann knew, the wrong

mortgage was an invitation to spend too much money, coming from a brand that stood for saving it. It would be dissonant, and dissonance like that destroys trust.

It's not that going after the money on the table is a bad idea. It's just that trying won't be easy or free. There are some costs that no financial model can measure, but that a leader should consider carefully:

1. **It can change you.** Adding products and services pushes an organization away from advocacy and toward bureaucracy. Power bases get built. The organization Balkanizes around product categories. These little empires can start defining themselves by how they're distinct with the organization rather than how they serve its overall mission.
2. **It can weaken you.** The risk of dividing resources is much broader than just to marketing. Leadership bandwidth gets divided too. So does the infrastructure of the organization, and it all has the same effect: It pulls the organization apart, bit by bit, creating a collection of pieces that are considerably weaker than the former whole was.
3. **It can make you look bad.** For all the marketing consequences of being greedy, there is a more basic danger, one that is especially scary if your business has publicly described itself as a cause: You can look as if you didn't mean it. Here again, let your brand's code be your compass.

Steering by the Stars

A funny thing happens when an organization is completely sure of what it stands for. It suddenly finds itself more nimble. Instead of a massive strategic playbook-in-the-sky that anticipates every challenge to its goals and prescribes a process for getting from A to B, it simply has a center of gravity and a sense of direction, a certainty about its purpose that is so solid that it isn't afraid that circumstances might intrude and contaminate its plan.

Without the pressure of executing the prescribed process, it can be fully watchful for the next source of momentum. The clearer your purpose, the less fixed your plan needs to be. Or, at least, a plan serves the organization's purpose rather than the other way around.

A clear sense of purpose is strategically liberating. Serendipity has always been a theme in ING Direct's success. But serendipity has never meant mere luck or opportunism; the company has always known who and what is needed and where it was ultimately going.

A Community Presence

There are three things that drive ING Direct's approach to charitable activity: We want to make a real difference, we want to be hands-on and engage everyone at ING Direct in what we are doing, and we want to focus our giving on causes that reflect our own values as a company and a brand.

Consider this and you begin to see a strategic pattern in the kinds of causes ING Direct works for in its communities:

- Children are the future. Primarily through the ING Direct Kids Foundation, children are given the chance and the means to learn, which, in turn, empowers them to believe in themselves.
- Financial literacy. There is more to self-determination than saving, and yet even this simple habit is one that too few people learn early enough, too often condemning them to a life on the treadmill of debt.
- Housing for those who can't make that all-important start on their own. For Americans, there is no more fundamental symbol of security than a home, no more powerful step in the journey to independence.

Herding Cats

The enemies of organizational integrity for an enterprise come in two basic varieties: The first is more of a nuisance than a threat, though it can still be pretty destructive, and that's the disparate individual agendas of the people on the team. If a company is more managed than led, the fact that everyone has his or her own agenda is just part of the deal.

But in a company whose leadership is striving to unite it around some kind of mission, those moments when employees ask about why they can't decorate their cubicles or why they have no titles make the leader's job seem like herding cats. You sometimes wonder who is really working for whom and how it came to be that a good day is just one when none of these cats pulled down the curtains or shredded the couch. Still, if you hire well and stick to your principles, this is a tolerable leadership challenge. Every good person, in the end, wants to play for a winner.

The second kind of enemy is more worrisome, because they're here to help. They're the professional managers, people with resumes studded with the names of corporate icons, and maybe even some management-

consulting experience. They talk about process and measurement and they toss data around like a circus knife-thrower. They think life is lived in fiscal quarters and that every business plan is a chance to start over again. To them, an enterprise is a machine, not a community. Their horizons are always short-term, and their rhetorical style is characterized by rationality and coolly embroidered with numbers. They are irresistible because, for a while anyway, they can fatten everybody's bonus check — and because they seem so darned reasonable.

Still, two things remain certain: An enterprise must grow, and that means more and more people with no cultural memory of a company's founding cause. And as it grows, it needs professional managers, because the bigger and more successful you become, the fewer technical mistakes you can afford to make. The challenge for tomorrow's leadership is not to avoid growth, but to somehow keep the flame alive in the face of it.

Peeling the Orange

The Orange Code did two crucial things for ING Direct. First, it collectivized the brand, made it everyone's business and responsibility. And second, it connected leadership to the operation of the company on a spiritual level. Instead of quietly assuming ING Direct will make money, the Orange Code loudly declares how it will be done. Without this sturdy bridge between the idea of ING Direct and the practical realities of the enterprise, it very likely would not have survived. This is how Kuhlmann defines the code:

1. **We are new here.** Every day is a new beginning, a new set of challenges, a chance to reinvent ourselves.
2. **Our mission is to help people take care of the wealth they make.** Money is the fruit of work, and saving it is fundamental to freedom. Few missions could be more important to the lives of our customers than this one.
3. **We will be fair.** Everyone has value. Everyone deserves a chance at independence. So everyone will be treated equally here.
4. **We will constantly learn.** Every experience we have will make us wiser and better at what we do. That will always be true.
5. **We will change and adapt and dwell only in the present and in the future.** The world does not stand still. Neither will we. We will not resist change. We will be exhilarated by it. The value of the past lies only in what it has taught us. Our greatest treasure is our potential. We are nourished by thinking about what can be done.
6. **We will listen; we will invent; we will simplify.** Our customers can make us better if we let them. But we must first understand them. We can find a solution or create one, but if our invention does not make our customers' lives better, it will not make our business better.
7. **We will never stop asking why or why not.** Nothing can be sacred here except for our mis sion. To be challenged is not to be criticized. It is to be invited into the process of invention.
8. **We will create wealth for ourselves, too, but we will do this by creating value.** Our customers want us to succeed. Profit is the proof that we are fulfilling our mission, and it is only rewarding when it is earned.
9. **We will tell the truth.** We cannot succeed without the trust of our customers and of society.
10. **We will be for everyone.** To be our customer, people need only a dollar and the will to be independent. Though we welcome everyone, we will have the courage to accept that not everyone will hear the call, and we will remain true to ourselves.
11. **We aren't conquerors — we are pioneers; we are not here to destroy — we are here to create.** We have competitors, not enemies. We will respect them. We came here to offer people a choice. It is for them, not us, to decide who will prevail.
12. **We will never be finished.** Every generation will have its own hunger for independence and its own challenges in achieving it. We will be there for them, as new then as we are today.

RECOMMENDED READING LIST

If you liked *The Orange Code*, you'll also like:

1. ***Driving Change* by Mike Brewster and Frederick Dalzell.** To most people, UPS is a reliable fact of life. Brewster and Dalzell show why Big Brown is a company to emulate.
2. ***The Starfish and the Spider* by Ori Brafman and Rod A. Beckstrom.** This book addresses the differences between two organizational styles. The authors demonstrate why a smart business model contains both.
3. ***The Soul of the Corporation* by Hamid Bouchikhi and John R. Kimberly.** Discover how your firm's identity is related to — and different from — its organizational culture, brand positioning and reputation. Learn how to manage the unconscious shared beliefs that give your organization coherence.

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John C. Maxwell

September 2010

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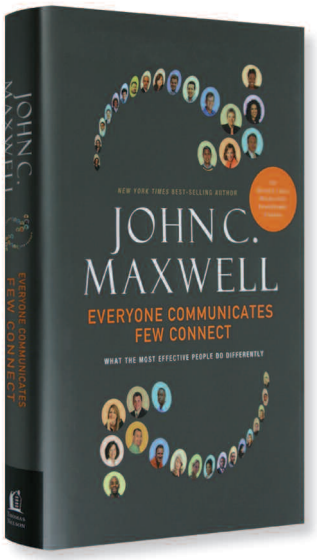
Leadership: Development

Everyone Communicates, Few Connect

What the Most Effective People Do Differently



by John C. Maxwell

THE SUMMARY IN BRIEF

Only one thing stands between you and success. It isn't experience or talent.

In *Everyone Communicates, Few Connect*, world-renowned leadership expert John C. Maxwell says if you want to succeed, you must learn how to *connect* with people. And while it may seem like some folks are just born with it, the fact is *anyone* can learn how to make every communication an opportunity for a powerful connection.

How can you *really* connect with others?

"Connecting is the ability to identify with people and relate to them in a way that increases your influence with them," says Maxwell. "And the ability to communicate and connect with others is a major determining factor in reaching your potential. To be successful, you must work with others. To do that at your absolute best, you must learn to connect."

It's a skill anyone can learn. In *Everyone Communicates, Few Connect*, Maxwell offers his proven method — Five Principles and Five Practices — so you can connect one-on-one, in a group or with an audience. You'll see all your relationships take a quantum leap.

Connecting is a skill you can learn and apply in your personal, professional and family relationships — and you can start now.

IN THIS SUMMARY, YOU WILL LEARN:

- How to find common ground.
- How to keep your communication simple.
- How to capture people's interest.
- How to inspire people.
- How to stay authentic in all your relationships.

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THE COMPLETE SUMMARY: **EVERYONE COMMUNICATES, FEW CONNECT**

by John C. Maxwell

The author: John C. Maxwell is an internationally respected leadership expert, speaker and author who has sold more than 18 million books including more than one million copies of *Developing the Leader Within You*, *The 21 Irrefutable Laws of Leadership* and *The 21 Indispensable Qualities of a Leader*. He is the founder of EQUIP, a nonprofit organization that has trained more than 5 million leaders in 126 countries. His blog can be read at JohnMaxwellonLeadership.com.

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Prologue

When your phone drops a call, you know it, don't you? And what is your reaction? How does it make you feel? Annoyed? Frustrated? Angry?

Being disconnected wastes your time. It interrupts the flow of what you're trying to accomplish, and it undermines your productivity. The bottom line is that connecting is everything when it comes to communication.

You know when you don't have a good connection on the phone, but how about when you're communicating with people in person? Do you know when a connection has been made? Can you tell when the connection is starting to go bad? Can you identify when the "call" has been dropped?

Most people have an easy time knowing when the connection is good on the phone. But they have no idea if they're connecting with others in other everyday situations.

How do you know that you've connected with others? Look for the signs. When interacting with people, whether one on one, in a group or with an audience, you know you've connected when you sense:

- **Extra Effort:** People go the extra mile.
- **Unsolicited Appreciation:** They say positive things.
- **Unguarded Openness:** They demonstrate trust.
- **Increased Communication:** They express themselves more readily.
- **Enjoyable Experiences:** They feel good about what they're doing.
- **Emotional Bondedness:** They display a connection on an emotional level.
- **Positive Energy:** Their emotional "batteries" are charged by being together.
- **Growing Synergy:** Their effectiveness is greater than the sum of the contributions.
- **Unconditional Love:** They are accepting without reservation.

Anytime you interact with people and you see evidence of these signals, you know you're connecting.

If you want to learn how to connect and thereby become more effective in everything you do, there's good news. Even if connecting with others isn't something you're good at today, you can learn how to do it and become better tomorrow.

PART I: CONNECTING PRINCIPLES

Connecting Increases Your Influence in Every Situation

People cannot succeed in life without communicating effectively. It's not enough just to work hard. It's not enough to do a great job. To be successful, you need to learn how to really communicate with others.

Good communication and leadership are all about connecting. If you can connect with others at every level — one-on-one, in groups and with an audience — your relationships are stronger, your sense of community improves, your ability to create teamwork increases, your influence increases and your productivity skyrockets.

Connecting is the ability to identify with people and relate to them in a way that increases your influence

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Edward O'Neill**, Graphic Designer; **Chris Lauer**, Contributing Editor

with them. Why is that important? Because the ability to communicate and connect with others is a major determining factor in reaching your potential. To be successful, you must work with others. And to do that at your absolute best, you must learn to connect.

According to the *Harvard Business Review*, "The No.1 criteria for advancement and promotion for professionals is an ability to communicate effectively." That means connecting! If you learned to connect better, it would change your life.

Connecting is crucial whether you're trying to lead a child or a nation. President Gerald Ford once remarked, "If I went back to college again, I'd concentrate on two areas: learning to write and to speak before an audience. Nothing in life is more important than the ability to communicate effectively." Talent isn't enough. Experience isn't enough. To lead others, you must be able to communicate well, and connecting is key.

It Starts With Your Attitude

The ability to connect with others begins with understanding the value of people. Jim Collins, author of *Good to Great*, observes, "Those who build great companies understand that the ultimate throttle on growth for any great company is not markets, or technology, or competition, or products. It is the one thing above all others — the ability to get and keep enough of the right people." You do that by connecting with these people.

You can become more effective by learning to connect with every kind of person in any situation by:

- Focusing on others
- Expanding your connecting vocabulary beyond just words
- Marshalling your energy for connecting
- Gaining insight in how great connectors connect.

Here are five practical skills of connection to acquire:

- Finding common ground
- Making your communication simple
- Capturing people's interest
- Inspiring them
- Being authentic.

These are things anyone can learn to do.

Connecting Is All About Others

When you are trying to connect with people, it's not about you — it's about them. If you want to connect with others, you have to get over yourself. You have to change the focus from inward to outward, off of yourself and onto others. And the great thing is that you can do it. Anyone can. All it takes is the will to change your focus, the determination to follow through and the acquisition of a handful of skills!

Three Questions People Are Asking About You

Understanding that your focus must be on others is often the greatest hurdle people face in connecting with others. It's a matter of having the right attitude. But that alone is not enough. You must be able to communicate that attitude of selflessness. How do you do that? You do it by answering three questions that people always ask themselves when interacting with others, whether as a client, customer, guest, audience member, friend, colleague or employee:

1. "Do you care for me?" Mutual concern creates connection between people. Whenever you can help other people understand that you genuinely care about them, you open the door to connection, communication and interaction. You begin to create a relationship. And from that moment on, you have the potential to create something beneficial for both you and them, because good relationships usually lead to good things: ideas, growth, partnerships and more.

2. "Can you help me?" In his book *Presenting to Win*, Jerry Weissman points out that when people communicate, they focus too much on the features of their product or service instead of answering the question, "Can you help me?" The key, says Weissman, is to focus on benefits, not features.

In our current world, people are bombarded with information daily about the features of this product or that gadget. They tend to tune it out. If you want to get someone's attention, show that you can help.

Connecting One-on-One

To increase your influence one-on-one:

- Talk more about the person and less about you. Prepare two or three questions you can ask someone before a meeting or social gathering.
- Bring something of value, such as a helpful quote, story, book or CD, to give to someone when you get together.
- At the close of a conversation, ask if there is anything you can do to help them and then follow through. Acts of servanthood have a resounding impact that lives longer than words.

3. "Can I trust you?" Trust is vital to any business. In fact, it's vital to life itself. Author and speaker Jeffrey Gitomer once said that trust is even more important than love!

If I Were You …

Whenever people take action, they do so for their reasons, not yours. That's why we have to get on their agenda and try to see things from their point of view. If we don't, we're just wasting their time and ours.

You can connect with others if you're willing to get off your own agenda, to think about others and to try to understand who they are and what they want. If you really want to help people, connecting becomes more natural and less mechanical. It goes from being something that you merely do to becoming part of who you really are. If you're willing to learn how to connect, you will be amazed at the doors that will open to you and the people you will be able to work with. All you have to do is keep reminding yourself that connecting is all about others.

Connecting Goes Beyond Words

When people try to communicate with others, many believe the message is all that matters. But the reality is that communication goes way beyond words.

In an important study, UCLA psychology professor emeritus Albert Mehrabian discovered that face-to-face communication can be broken down into three components: words, tone of voice and body language. What may come as a surprise is that in some situations, such as when verbal and nonverbal messages aren't consistent, what people see us do and the tone we use can *far* outweigh any words we say while trying to communicate. In situations where feelings and attitudes are being communicated:

- *What we say* accounts for only 7 percent of what is believed.
- The *way we say* it accounts for 38 percent.
- *What others see* accounts for 55 percent.

Amazingly, more than 90 percent of the impression we often convey has nothing to do with what we actually say.

The Four Components of Connection

If you want to succeed in connecting with others, you need to be sure your communication goes beyond words. How can you do that? By connecting on four levels: visually, intellectually, emotionally and verbally.

1. What People See — Connecting Visually. People expect any kind of communication to be a visual experience. Anytime you are in front of other people to communicate — whether it's on a stage, in a boardroom, on a ball field or across a coffee table — the visual impression you make will either help or hinder you. The first place to start when connecting visually is to increase the chances that people are paying attention to the right things and not being distracted. If you're well groomed and wearing the right clothing for your situation, then that's a good start.

2. What People Understand — Connecting Intellectually. To effectively connect with people on an intellectual level, you must know two things: your subject and yourself. As jazz musician Charlie Parker once observed, "If you don't live it, it won't come out of your horn." There's no substitute for personal experience when we want to connect with people's hearts.

3. What People Feel — Connecting Emotionally. Whatever is inside you, whether positive or negative, will eventually come out when you are communicating to others. People may *hear* your words, but they *feel* your attitude. That will either enable you to connect with people and win them over, or it will alienate them and cause you to lose them. In fact, your attitude often overpowers the words you use when speaking to others. As Jules Rose of Sloans' Supermarkets points out, "The exact words that you use are far less important than the energy, intensity and conviction with which you use them."

4. What People Hear — Connecting Verbally. Words are the currency of ideas and have the power to change the world. What we say and how we say things make quite an impact. People respond to the language we use.

People pick up more than they might think from the way others say things. Tone, inflection, timing, volume, pacing — everything you do with your voice communicates something and has the potential to help you connect to or disconnect from others when you speak.

Connecting Always Requires Energy

It doesn't matter with whom or within what context you are trying to connect. It's always the same: You need to bring energy to do it effectively. And to make the most of connecting opportunities, you must channel that energy strategically. There are specific things you can do to help foster connection.

Five Proactive Ways to Use Energy to Connect

Here are five observations about the energy required

to connect and what action you should take to be strategic in using that energy:

1. Connecting Requires Initiative: Go First. Initiating a conversation with someone often feels awkward. Offering help to someone means risking rejection. Giving to others can lead to misunderstanding. You won't feel ready or comfortable in those moments. You just have to learn to get past those feelings of awkwardness or insecurity. The people who connect with others are the ones who go ahead and do what the rest of us never quite got around to.

2. Connecting Requires Clarity: Prepare. Connecting requires that we know what we're doing when we make contact. That means having clarity of thought, and clarity most often comes as a result of preparation in three main areas: know yourself (personal preparation), know your audience (people preparation) and know your stuff (professional preparation).

3. Connecting Requires Patience: Slow Down. Henry David Thoreau wrote: "The man who goes alone can start the day. But he who travels with another must wait until the other is ready." Waiting can be very frustrating. It can try your patience. However, if you want to connect with people, you have to be willing to slow down and go at someone else's pace. Good connectors don't always run the fastest, but they are able to take others with them. They exhibit patience. They set aside their own agendas to include others.

4. Connecting Requires Selflessness: Give. When you listen to someone speak, ask yourself, "Is the person giving me everything — eyes, face, body, brain and personality? Or is this person simply passing through town and this opportunity to speak is just a stop along the way?" People who want to connect with others must give their all. And that takes energy!

5. Connecting Requires Stamina: Recharge. If you are responsible for leading people or communicating with others, it is especially vital for you to find ways to recharge. It's really very simple. All you have to do is know the things you like to do and make time for them. If you can carve out moments to do what energizes you, then you will always have reserves of energy you can draw upon when you want to connect with others.

Connecting Is More Skill Than Natural Talent

Philosopher-poet Ralph Waldo Emerson said, "All great speakers were bad speakers first."

If you want to have better relationships, or if you want to become a better leader, make connecting your goal. To do that, become a student of communication if you aren't one already. Study effective and ineffective speakers, observing what works and what doesn't. Give thought to what causes people to listen to others, and begin working on cultivating those characteristics. And wherever you go, watch how good connectors interact with people one-on-one.

Connecting One-on-One

The skills you learn to connect at one level can be used to start connecting at the next level.

Most people believe that it's easier to connect with people one-on-one than with a group or an audience. That's usually true because they have more practice connecting with an individual than they do with a group. The way to overcome the fear of speaking to larger groups is to practice using the skills you acquire at one level on the next level. The process begins with using whatever gifts and talents you possess to begin connecting with people one-on-one.

To connect well one-on-one, you need to:

- Have interest in the person.
- Place value on that person.
- Put his or her interests ahead of your own.
- Express gratitude to and for that person.

Connecting in a Group

Once you have begun to connect well one-on-one, take stock of what skills you've developed and what assets you've utilized to succeed in that arena. Now consider how you can use these things to connect in a group. What easily transfers? What must be "translated" or altered in some way to be used with a group? Use those skills. In addition, take the four things mentioned above for connecting one-on-one and expand them to apply to a group:

- Show interest in each person in your group. Do this by asking each person questions.
- Place value on each person by pointing out his or her value to the others in the group.
- Make it your goal to add value to everyone in the group, and let them know that is your intention.
- Express your gratitude to each person in front of others.

Connecting With an Audience

As you become more adept at connecting with groups, once again take stock of what worked in connecting with them. Try to anticipate what could work

well with larger audiences. Just remember: the larger the audience, the more energy you need to bring to your communication.

To start the connection process, do the following:

- Show interest in your audience. When possible, meet and greet audience members before you speak. While speaking, let people know that you understand that each person is unique and special.
- Place value on each person by letting them know you spent a lot of time preparing your talk because you value them, their purpose and their time.
- Put the people first by letting them know you are there to serve them by being willing to answer questions and making yourself available to interact with people after a speech.
- Express gratitude and thank them for their time.

PART II: CONNECTING PRACTICES

Connectors Connect on Common Ground

The practice above all others that opens the door to connection with others is to look for common ground. It's difficult to find common ground with others when the only person you're focused on is yourself!

While it is true that not everyone starts out with the same ability to connect, anyone can learn to connect better because *connecting is a choice*. If you want to increase your odds of connecting with others, then make the following choices every day in your life:

- **Availability — "I will choose to spend time with others."** Common ground must be discovered, and that takes time. Availability also requires intentionality. Make it your goal to be available to others. Don't disconnect; stay engaged.
- **Listening — "I will listen my way to common ground."** Anytime you are willing to listen to others and figure out how the thing you're offering fills their needs, you've found a way to reach common ground.
- **Questions — "I will be interested enough in others to ask questions."** If you aren't especially outgoing or have a difficult time asking questions, you can use this trick that Duke Brekhus says he learned from Ron Puryear. Remember the word FORM, which stands for family, occupation, recreation and message. Brekhus comments, "When we ask questions centered around these topics it is amazing how much we can learn about a person and how quickly we can get to know them."
- **Thoughtfulness — "I will think of others and look for ways to thank them."** If you are able to show considerate thoughtfulness, you will find common ground with others.
- **Openness — "I will let people into my life."** Communication is all about the openness of finding commonality with others. Connection always requires both parties to engage and be open.
- **Likability — "I will care about people."** People like people who like them.
- **Humility — "I will think of myself less so I can think of others more."** If you want to impact people, don't talk about your successes; talk about your failures. Civil Rights activist Cornel West says, "Humility means two things. One, a capacity for self-criticism. … The second feature is allowing others to shine, affirming others, empowering and enabling others. Those who lack humility are dogmatic and egotistical. That masks a deep sense of insecurity. They feel the success of others is at the expense of their own fame and glory."
- **Adaptability — "I will move from my world to theirs."** To move others, we must first be willing to move ourselves to where they are. We must adapt to others and try to see things from their point of view.

Connectors Do the Difficult Work of Keeping It Simple

As leaders and communicators, our job is to bring clarity to a subject, not complexity. It doesn't take nearly as much skill to identify a problem as it does to find a good solution. The measure of a great teacher isn't what he or she knows; it's what the students know. Making things simple is a skill, and it's a necessary one if you want to connect with people when you communicate. Or to put it the way Albert Einstein did, "If you can't explain it simply, you don't understand it enough."

Here are five guidelines for keeping things simple:

1. Talk to people, not above them. The direct and simple approach is usually best in all forms of communication. Greater complexity is never the answer in communication — if your desire is to connect.

2. Get to the point. Good communicators get to the point before their listeners start asking, "What's the point?" To do that, one must start out knowing what the point is. The time to start thinking about the reason for your communication is before you begin to speak.

3. Say it over and over and over and over again. Good teachers know that the fundamental law of learning is repetition. Repetition is essential in communication if you want people to understand and buy into what you're saying. William H. Rastetter, who taught at MIT and Harvard before becoming CEO of IDEC Pharmaceuticals Corp., asserts: "The first time you say something, it's heard. The second time, it's recognized, and the third time, it's learned."

4. Say it clearly. In the end, people are persuaded not by what we say, but by what they understand. When you speak clearly and simply, more people can understand what you're trying to communicate. Being simple as a communicator isn't a weakness. It's a strength! Author and critic John Ruskin observed, "The greatest thing a human ever does in the world is to see something and tell others what he saw in a plain way."

5. Say less. Executive communication coach Anne Cooper Ready, in her book *Off the Cuff*, gives the following advice: "Begin, and end, on time. Or better yet, end a little early. Even if you are a paid speaker and want to impress the organizers so they know they've gotten their money's worth, stop yourself with a particularly good answer a few minutes before you have to. In today's overbooked society, nothing is more appreciated than the gift of a little found time."

Connectors Create an Experience Everyone Enjoys

Being interesting can be learned.

As you prepare to communicate, no matter whether it's to one, 100 or 1,000, try to do as many of these seven things as possible:

1. Take responsibility for your listeners. In general, there are no bad audiences, only bad speakers. If the audience is asleep, somebody needs to go onstage and wake up the speaker! Take responsibility for creating an experience that others will enjoy when you're with a small group of people.

2. Communicate in their world. To connect with others in their world, you can't just live in your own world. You have to link what you want to say to what others' needs are. Anything you can do to relate to your listeners and meet them on their terms is going to help you connect — as long as you maintain authenticity. You can't pretend to be someone you're not. You have to be yourself while speaking someone else's language.

3. Capture people's attention from the start. Here are some things you can do: Start with a comment about the situation or setting. Introduce yourself. Relax. Begin with humor. Create a sense of anticipation. You need to find ways to connect with your listeners early, put them at ease and get them interested from the start. Find ways to make the experience enjoyable.

4. Activate your audience. Look for signs of involvement from the people you're communicating with. If there are signs of life, great! If there aren't, get to work trying to get audience members involved. Here's how: Ask questions. Get people moving. Ask people to interact. It's the speaker's responsibility to bring energy to the audience and to work to activate them.

5. Say it so it sticks. If you want people to remember what you say, you need to say the right thing at the right moment in the right way! Link what you say with what people need. Find a way to be original. Use humor. Use a shocking statement or statistic. Say things in an interesting way. Learn to pause. Give people a chance to consider what you just said.

6. Be visual. Most people learn visually. Anything that can help people visually helps them to connect. Encourage people to take notes. When you've written something down it is more likely to stay with you. Use words to try to stimulate the imagination of your listeners. Encourage them to paint vivid pictures in their minds.

7. Tell stories. Perhaps the most effective way to capture people's interest and make the experience enjoyable when you talk is to include stories. Whether you are communicating humor, hard facts or tragedy, storytelling improves the experience.

Connectors Inspire People

As effective communicators inspire people, there is a kind of formula, The Inspiration Equation, that comes into play. It works like this: ***What They Know + What They See + What They Feel = Inspiration***.

When these three factors come into play and a communicator is able to bring them into alignment, it creates a synergy that inspires people. And from that place of inspiration, you can often lead people to take action. Here are the three pieces of the Inspiration Equation:

- **What People Need to Know.** In the context of connecting, people need to know you're on their side. Greek philosopher Aristotle understood this and commented on it in *The Rhetoric*. In the context of persuasion, he identified the most important element as *pathos*, the communicators' ability to

connect with the feelings, desires, wishes, fears and passions of their listeners. It's a way of giving people reassurance, of letting them know they can trust you, of telling them that they should listen to you. How do you communicate that? It boils down to two things: People need to know that you understand them and are focused on them, and they need to know that you have high expectations of them.

- **What People Need to See.** Most people decide very quickly whether they will continue listening to you or simply "turn off" and stop paying attention. Often they make that decision based on what they see. Their perceptions begin at a surface level. Do you look pleasant? Do you smile? If there are no red flags for your listeners, then they are usually willing to give you enough time to prove yourself. They are looking for your conviction, your credibility and evidence of your character.
- **What People Need to Feel.** The most important factor in the Inspiration Equation is what people feel. If you leave that part out and you don't help people feel what they need to feel, they will never be inspired. Why? Because people will not always remember what you said or what you did, but they will always remember how you made them feel! If you want to inspire people, there are three things you need in order to help them feel: your passion for the subject and them, your confidence in yourself and them, and your gratitude for them.

Connectors Live What They Communicate

To be successful in the long run, you need to do more than connect. You need to keep connecting, and you can do that only when you live what you communicate. When you do, the results can be fantastic. The more time goes by, the better the relationship gets.

We can't expect to connect with others if we don't live what we communicate. That can hurt someone professionally, but obviously it's even more painful on a personal level. One of the ways you can keep yourself accountable to live right is to think about the impact of your actions on your family. That's why you should always try to keep in mind this definition of success: "Those who are the closest to me and know me the best, love and respect me the most." When the people who know how you live day in, day out, see that your words and actions align, then they can trust you, have confidence in you and connect with you. And that makes life a great and enjoyable journey every day.

Credibility Connects

The true power of connecting with others does not come from superficial interactions with others — smiling at a stranger, being friendly with a food server or wowing a one-time audience. It comes from connecting with people long-term. In ongoing relationships, we are able to make an impact of real value. When we live with consistent integrity with our spouse, children and grandchildren. When we treat our customers, clients and colleagues the way they wish to be treated. When our neighbors see our values and actions lining up. When we lead others with honesty and respect. These are the things that give us credibility, allow us to connect and afford us an opportunity to help others and add value to them. As training consultant Greg Schaffer remarked, "If you do not connect with others, influence is out of the question."

American writer Henry Adams said, "A teacher affects eternity; he can never tell where his influence stops." The same can be said of a connector who has integrity. We can make a difference in our world, but to do so we must begin with ourselves — by making sure our words and our actions are consistent every day. We must live what we communicate. If we do that, there's no telling what we will be able to accomplish.

Action

If you really want to help others, you need to take your communication to the next level — which is to call people to action. When do inspired people take action? When you do two things:

1. **Say the right words at the right time.** Good leaders understand the importance of timing.
2. **Give people an action plan.** Connectors inspire people to move from "know how" to "do now."

RECOMMENDED READING LIST

If you liked *Everyone Communicates, Few Connect,* you'll also like:

1. ***The 21 Indispensable Qualities of a Leader*** **by John C. Maxwell.** All great leaders possess these 21 qualities.
2. ***The 360 Degree Leader*** **by John C. Maxwell.** Learn to develop your influence from wherever you are in the organization.
3. ***Leadership Gold*** **by John C. Maxwell.** Maxwell shares a lifetime of leadership truths, which can guide anyone who currently leads or aspires to lead.

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Jon. R Katzenbach, Zia Kahan

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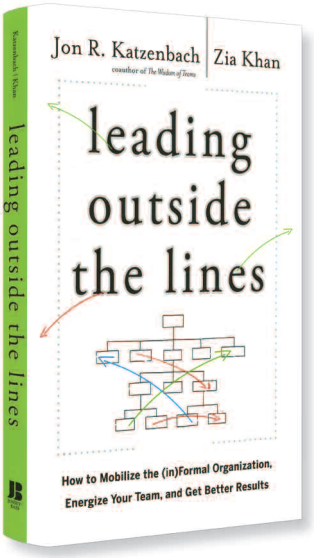
Leading Outside the Lines

How to Mobilize the (in)Formal Organization, Energize Your Team and Get Better Results



by Jon R. Katzenbach and Zia Khan

THE SUMMARY IN BRIEF

In *Leading Outside the Lines*, two top thought leaders, Jon R. Katzenbach and Zia Khan, offer an all-new examination of the modern workplace and how leaders and managers must embrace it for success. Together they reveal how two distinct factions form the bigger picture for how organizations actually work. The first faction is the more defined and visible "formal organization": the management structure, process configuration, performance metrics and formal strategy. The second faction is the "informal organization": the culture, social networks, peer interactions and ad hoc communities that spring up naturally and, in an equally vital but different way, can accelerate or hinder an organization's success. Many leaders quickly master the formal organization. Some leaders instinctively know or eventually learn how to mobilize the informal. However, the most effective leaders achieve breakthroughs by integrating both the formal and informal as both can contribute to performance in different but complementary ways.

Through compelling case studies from enterprises around the world, *Leading Outside the Lines* explores how top-level organizations balance the informal and formal elements of organizations to achieve outstanding results.

Leading Outside the Lines takes a timeless organizational approach and creates a powerful paradigm-shifting tool set for applying it, showing when you can get the most done by using the informal elements that operate under the radar, and when it is better to use formal processes. It also illustrates how the two can work together to get the best of both. In addition, the authors help senior leaders, front-line managers and individual contributors get better performance results.

IN THIS SUMMARY, YOU WILL LEARN:

- How to understand the requirements for 21st-century leadership.
- How the work of today's best organizations really gets done.
- How to help your teams shine in terms of performance, innovation and retention.
- How to tap into the power of the informal to reach your goals.

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THE COMPLETE SUMMARY: **LEADING OUTSIDE THE LINES**

by Jon R. Katzenbach and Zia Khan

The authors: Jon R. Katzenbach is the author of *Why Pride Matters More Than Money, Peak Performance* and co-author of the seminal book *The Wisdom of Teams*.

Zia Khan is the vice president of strategy and evaluation at the Rockefeller Foundation.

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Introduction

In most companies, the formal organization is still seen as the right approach, the default structure. Especially if you have been trained in the hard disciplines (finance, technology or operations management) as so many senior leaders have, you tend to work most naturally through tangibles like job descriptions, organization charts, process flows, scorecards and physical structures. There is nothing wrong in that. However, you may be less comfortable dealing with the fuzzier aspects of an organization (informal networks, cultural norms, emotional realities and peer pressure) even if you recognize their importance. Leading outside the lines is harder than managing within the formal lines, partly because that territory is less well defined, less studied and less written about.

In the current business environment — characterized by a rapid rate of change, increasing globalization and the rise of Web-based social networks — more and more companies are finding that the best way to create lasting value is by nurturing all kinds of informal and nonhierarchical initiatives rather than by relying so heavily on formal top-down rules of engagement.

An Effort Worth Making

To make a shift toward the informal is not easy. It is, however, an effort that is really worth making. Increasingly, those companies that can *mobilize* the informal organization as effectively as they *manage* the formal — that is, integrate the two and achieve a balance of complementary benefits — are the companies that can create a real and sustainable competitive advantage.

Specifically, these organizations are ahead of the curve because they successfully accomplish more than one balancing act:

- They foster, encourage and support deep values that inform the decisions and actions taken at all levels of the formal structure. However, their values are also evident in the informal attitudes, interactions and behaviors of people throughout the organization.
- They ensure that formal, long-range strategy is understood rationally by people working on the front lines of the operation. However, they also provide emotional and visceral support, so the strategy permeates all aspects of the work.
- They retain the efficiency and clarity of the well-defined structures that define the formal organization while also capitalizing on the flexibility and speed of the social networks and peer interactions that connect people informally.
- They ensure that in addition to the formal methods of compensation and reward, including pay, benefits, bonuses and well-defined forms of recognition, employees have emotional sources of motivation that commit them in ways that the formal mechanisms cannot.

PART ONE: USING THE INFORMAL TO ENHANCE THE FORMAL

Why do managers favor the rational approach and rely on top-down execution efforts? Largely because the mechanisms of the formal organization can be clearly defined, named, captured in written form and measured. They include:

- *Strategy*. A set of priorities, plans and performance objectives that guide choices throughout the organiza-

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Edward O'Neill**, Graphic Designer; **Chris Lauer**, Contributing Editor

tion in how to best use resources and deploy capabilities.

- *Structures.* The lines and boxes that determine who reports to whom for what and that help align the decision making needed to achieve the organization's strategy.
- *Processes and procedures.* The written ground rules that determine the information and work flows needed to efficiently carry out the organization's day-to-day tasks.
- *Programs and initiatives.* Sets of goals, work plans, rules of engagement and resources dedicated to achieving specific objectives within defined time lines.
- *Performance goals and metrics.* The explicit targets and measures that can be used to monitor and evaluate the performance of different groups and individuals.

The formal comprises the nuts-and-bolts hardware that runs the machinery of business.

The Magic of the Informal

The informal isn't as easily defined as the formal, because it does not have the clear structural boundaries that the formal has. In essence, the informal is the aggregate of organizational elements that primarily influence behavior through emotional means.

And, unlike the formal elements, the informal elements of an organization rarely appear as written instructions. Even so, they can still be identified and named. They include:

- *Shared values.* These are the shared beliefs and norms for taking action and making decisions as demonstrated individually and collectively.
- *Informal networks.* These are positive patterns of relationships between people that may be based on knowledge-sharing, trust, energy or other characteristics.
- *Communities.* These are more focused, cross-functional groups that share a common identity and practice.
- *Pride.* People feel proud when they use their skills to realize goals that are meaningful to them.

The informal is uniquely good for motivating people to go above and beyond their job duties, communicating information quickly and meaningfully, catalyzing collaboration and accelerating behavior change.

When the Balance Shifts

The required balance of the formal and informal changes over the course of a company's life cycle and imbalances tend to appear during periods of significant growth — or significant declines in growth.

Young companies, those with between 10 and 50 people, are informal by nature for four very good reasons. First, their worlds are largely unpredictable and unstable. Second, the participants know each other personally. Third, they are constantly forming and reforming in different ways to address sudden unexpected challenges. Finally, the personal values of the company are usually strongly shared — even if unstated — because of the hands-on involvement of leaders and the visible, interactive way they make decisions and solve problems on the run.

An Ever-Changing Balance Point

In these companies, productive relationships develop organically through long hours, shared space and collective frustrations. Such relationships usually reflect mutual respect, common interests, a strong sense of purpose and feelings of pride in working together to accomplish that purpose; these are natural motivators for the emerging enterprise.

As the organization grows, however, it increasingly needs to create distinct work groups, clear structures and repeatable workflow processes. As the organization grows, so does the need for clarity around who is responsible and accountable for execution, who has decision-making authority and who controls resources. The growing complexity of workflows amplifies the need for lucid processes that add direction and efficiency for work that is repeated often. As complexity increases, tough leaders demand more clarity about who deserves credit or blame.

The increases in need for formal elements (compensation plans, operational controls, clarity of accountability and responsibility and efficient work flows) can happen gradually or in waves. Generally, by the time a company has surpassed 1,000 people, it needs a robust and coordinated formal organization.

Just as organizations that have grown organically and informally will need to add more formal processes, leaders also need to become increasingly conscious of the changing role of the informal organization, giving it the attention and resources it needs to stay healthy and supportive.

The informal needs to be balanced with the recognition that appropriate elements of the formal are equally important, particularly as size and complexity increase.

Jumping Together

The difficulty of getting the formal and informal organizations jumping together has been the subject of management theorists' working for at least a century. Mary

Parker Follett, a pioneer in the study of organizations, defined the notion of integration as early as the 1920s, by saying, "When two [conflicting] desires are integrated, that means that a solution has been found in which both desires have found a place, that neither side has had to sacrifice anything."

Thus leading outside the lines need not diminish the impact of leading inside the lines. Indeed, when the actions are integrated, the lines largely vanish and "leading" becomes a holistic style that moves organizations to places they couldn't otherwise go.

Getting informal and formal mechanisms to integrate is tricky, and the shifting balance point between the informal and formal organization is but one part of this challenge. The inherent leadership bias to over-rely on the formal, plus the inherent limitations of the informal, make for a very dynamic situation. However, when all parties keep an eye on the balance, as well as on jumping together, needs become clear and practical solutions present themselves. Wise leaders learn how to monitor the line between the formal and informal organization.

The Elements of Integration

It is very important that leaders learn to spot important signposts that indicate integration is actually happening between formal and informal mechanisms. For example:

- *Emotionally motivated decisions and actions that align with strategic intent.*
- *Dynamic routines that are constantly improved upon.*
- *Work groups that grow organically to supplement and work across defined structures, yet maintain sufficient structure to execute efficiently.*
- *A range of value propositions to satisfy employees with different goals and ambitions.*
- *Employees who are proud of the company, their colleagues and their day-to-day accomplishments.*
- *An ecosystem of outside partners, suppliers and customers who are motivated to help the organization succeed.*

These are a few indicators of integration that can't be easily deconstructed into either their formal or informal components. At a high level, it's hard to find the line that separates what's being mobilized informally and what's being managed formally. The two become fundamentally intertwined. ●

PART TWO: MOTIVATING INDIVIDUAL PERFORMANCE

One of the strongest positive emotional drivers is pride. Pride in the journey can be as motivating as pride in the destination. Refinery workers will take extra care in their work for the pride of a clean safety record, or more simply the good feeling of helping a colleague avoid an injury.

Yet most motivational programs focus entirely on the formal rewards: money, perks and promotions. Research and experience show that how people feel about their work, and the pride they take in their daily or weekly accomplishments, can be a powerful motivator of their daily behavior. Here are some insights about pride as a motivational force:

- **What matters most is how people feel about what they do**. Pride is at the heart of what motivates peak performers in most human endeavors.
- **Pride has a dark side to its motivational pull.** Companies that rely too much on pride in monetary and material rewards for motivation invariably lose their best people to the highest bidders.
- **Pride in the journey is as important as pride in the destination.** The best motivators have learned how to get their people to anticipate how good they will feel during the journey as well as the end.
- **Money, perks and promotions also motivate people.** The tangible elements of job rewards are important in meeting survival and life-sustaining needs in Abraham Maslow's hierarchy. Once these fundamental needs are met, however, money becomes more important in attracting and retaining talent than it is in motivating behavior change and discretionary performance efforts.

Four other concepts have also come to light:

- **Feelings about the company motivate loyalty rather than behavioral change.** Pride in the company, and in its leaders, brands and aspirations, is important in attracting and retaining talent. Motivating behavior change, however, is much more dependent on how a person feels about the work itself.
- **Any organization contains multiple sources of pride.** Successful motivators have learned through trial and error how to draw on different sources of pride for different people and purposes.
- **People rarely feel pride in isolation.** There is almost always a real or imagined "pride audience" with whom individuals want to share their good feelings. People derive strong feelings of pride by reflecting on how their pride audience recognizes (or would recognize) an accomplishment.
- **Formal rewards can sometimes diminish pride.** Considerable study has been devoted to the combined effects of extrinsic motivators such as monetary rewards,

and *intrinsic* motivators such as pride in the work. It turns out that *extrinsic* rewards can actually reduce intrinsic motivation.

Values Driven, Not Values Displayed

Consider two well-known organizations whose stated values were similar. Organization A had *communication, respect, integrity* and *excellence*. These values were posted on the company Web site, included in the employee manual and printed on wallet cards distributed at company events. However, looking at the company's employee engagement survey results, researchers found a large and disturbing gap in the degree to which people actually subscribed to these values. They didn't necessarily disagree with them — who could disagree with any of those four words? — they just didn't *apply* them to determine their decisions and behavior.

The values of Organization B were *honor, courage* and *commitment*. These words are a little more unusual than those of Organization A, perhaps, but still nothing particularly exceptional. The real difference in these words is how the values actually determine critical behavior. Every person in this organization talks openly about the values, and makes critical, even life-saving decisions, based on them.

Can you guess the two organizations? Organization A was Enron. It went bankrupt after massive accounting irregularities came to light in 2001. Enron's CEO, Jeff Skilling, is in jail and his lawyers are still in court arguing his appeal. Organization B is the U.S. Marine Corps. It has endured for more than 200 years as an elite, high-performing institution — winning our nation's most difficult battles time and again.

A critical difference between these organizations lies in the use of the informal organization to bring the values to life. Enron was a values-*displayed* organization, where the values were nothing more than words on paper, cited in speeches and presentations when convenient. The Marine Corps is a values-*driven* organization, in which the values are lived, breathed and drawn upon to guide day-to-day actions and decisions.

Values as Organizational Guides

Values are both formal and informal. They are formal in that they can be written down, displayed throughout an organization's physical space and fleshed out in elaborate memoranda. They emanate on high and are disseminated through the hierarchy. However, it's the informal organization that is responsible for elevating values from admirable statements to a way of life.

In a values-driven organization, the values are shared and promoted not just through formal means but also by people who act consistently and communicate constantly. They are espoused and enforced among peers as well as by superiors at all levels. Values help organizations outperform their competitors, and success further reinforces the values.

It's Still About Performance

In the autumn of 2004, Gregg Sheehy, a contract relationship executive and senior vice president at Bank of America (BofA), took over responsibility for the bank's relationship with TeleTech, an independent customer support call center to which BofA outsourced much of its helpline business.

Sheehy needed to improve TeleTech's performance, but he had no formal authority over the company. TeleTech's people didn't work for Sheehy; he was not their manager. So, Sheehy had very few, if any, formal sticks available to him. He decided to work with informal carrots instead.

Making the Right Connections

For starters, he gave the TeleTech employees his word that he wasn't going anywhere soon, as had been the pattern among his predecessors. He wanted the people to know that he was interested both in results and in the people who worked at the company.

He built strong personal relationships with members of the leadership team and other key influencers. He took them out for meals, shared stories, paid attention to what mattered to them and, as a result, got to know them personally. As mutual respect increased, Sheehy was able to get employees to see more clearly the need to close the performance gap. He convinced them that rather than accept the minimal level of service laid out in their contract, they should aspire to exceed the contractual agreements and take personal pride in the achievement and what each of them as individuals do to make it happen.

Personal, Credible Interactions Are Mandatory

Sheehy believed the key to demonstrating both his and BofA's commitment to TeleTech's ability to improve was continued personal support and close, informal contact. No matter where he was, or what time zone he was in, Sheehy often called to offer his congratulations when a new benchmark had been achieved.

Sheehy's approach was to balance the formal impera-

tives with informal mechanisms in ways that would create the emotional commitment and energy needed to change behaviors to push TeleTech up the ladder of performance results.

The Informal Builds Performance; Performance Enhances the Informal

Both the formal and informal organizations in a company are needed to reach challenging performance goals, and both are strengthened by doing so. Managers can encourage this kind of mutual reinforcement in a number of ways:

1. *Set group performance goals* that require people to collaborate and often experience life in a real team. By working together, they get to know each other's values, skills, aspirations and feelings.

2. *Make goals meaningful* to create a sense of purpose and striving. When a goal is made individually meaningful, it becomes a source of pride that motivates behavior.

3. *Apply values to the hardest problems* that stand in the way of achieving performance goals. When applying values enables progress and the resolution of important problems, it reinforces the usefulness of those values as a group experience. ●

PART THREE: MOBILIZING ORGANIZATIONAL CHANGE

Setting the Fast Zebras Free

Mark D. Wallace was U.S. Ambassador to the United Nations during the George W. Bush administration. With charismatic good humor, Wallace talked about his role as a political appointee and the challenges that accompany it. There is always a lot of work to be done at the UN, and so, as Wallace says, "It becomes very clear, very quickly, who the fast zebras are."

Fast zebras is one of Wallace's favorite metaphors for those people who have the ability to absorb information and adapt to sudden challenges capably and quickly. On the African savannah, it is the fast zebra that survives a visit to the watering hole, drinking quickly and moving on, while the slower herd members fall prey to predators lurking in the shadows. The fast zebra is, in essence, a person who knows how to draw on both the formal and informal organizations with equal facility.

Different Organizations, Different Roles

Fast zebras can be found in all kinds of organizations, and in many different roles. They are, however, still relatively rare animals. Obviously, a wise leader learns to recognize and use them effectively. They have the ability to navigate treacherous waters of complex organizations, as well as the wisdom to cultivate the informal relationships that will guide them to perform well. What is more important, however, is that even though the instinctive fast zebras are rare, most people in most organizations have the potential to improve those skills.

It boils down to paying closer attention to the informal elements of your organization. We all network informally to some extent. We don't all, however, think rigorously about who we might add to our networks to enrich our work experience, or how we might more effectively influence our work experience or those within our networks to help us perform better.

A few fast zebras are born that way or master their skills early on. Others master them the hard way, through years of trial and error under difficult circumstances. However, most people can improve their organizational effectiveness and performance significantly by learning how to connect emotionally as well as rationally with a few more of their respected colleagues. ●

Melting the Frozen Tundra

In 2003, when Michael Sabia, CEO of Bell Canada, was asked to discuss the challenge he had with his top team, he said, "My problem isn't at the top. It's across the bottom."

He explained, "The organization's stuck. We introduced all sorts of well-planned strategic, organization and operating programs, but very few have had the impact we need. The front line is not changing their actions and behavior nearly as fast as we need, so we know we're doing something wrong." Then he added, "To make matters worse, many of my leaders are not convinced that we need to change our approach. They want to keep pushing the programs. Sometimes it seems like trying to pound through frozen tundra."

Know What You Want

Sabia's problem was typical of those of many large, complex organizations facing the challenge of rapidly changing market conditions. They put in place a new formal organization to address a strategic and operating challenge, yet they are not getting the behavior that the challenge demands.

Sabia decided to focus first on the supervisors in customer-facing operations. He was not only clear about who he wanted to target but also what he wanted them to do. He had evidence that customer satisfaction correlated with employee engagement. He needed these managers to motivate the customer-facing front-line staff

to take more pride in the results of their day-to-day work on customer satisfaction.

Build It and They Will Come

It seemed obvious to Sabia that if he could get a critical mass of managers across the company to unite, share positive experiences and focus on similar motivational elements, that could make the critical difference — and he turned out to be dead right.

In the early stages, this small network grew by word of mouth and became a symbol of the change Bell Canada needed. Eventually the informal network became a virtual community that got too big to manage itself, so it put in place some formal rules supported by the corporate center and a limited budget. It developed a few simple processes to bring on new members, plan conferences and develop local chapters. In just under two years, more than 2,000 members (all of them potential motivators) joined the group, making it the largest community of practice at Bell Canada.

And while the movement to build pride in the work was not the only aspect of the Bell culture change effort, it was the primary source of change energy across the front line. ●

Mobilizing: A Different Kind of Managing

Leaders at all levels of the organization can proactively influence the informal organization to get more traction where they need it. Instead of managing, the term *mobilizing* is more descriptive of what is needed — and it highlights the important distinctions.

Of course, *mobilize* has military connotations, typically defined as "marshaling resources for action." When business experts use the phrase, however, they mean putting human resources in motion that allow the organization to realize the full potential of the ideas and actions of more people. Leaders need to prod the informal organization, to guide or herd it in the right direction without trying to control or constrain it.

Of course, the balance between how much effort a leader puts into mobilizing the informal as opposed to managing the formal is difficult to strike. Most leaders tend to pay attention to one of the two, only to realize they need to compensate by paying closer attention to the other. As at Bell Canada, Sabia turned to the informal only when he realized that formal mechanisms weren't working fast enough. He did not, however, abandon the formal elements in favor of the informal; rather he found ways to get the best out of both.

The most effective approach, especially at times when leaders need massive change, is to take advantage of both *at the same time*.

Principles for Mobilizing

Unfortunately, there is no proven best way to mobilize the informal. It depends on who you are and where you are. A high degree of improvisation and customization is needed in every situation. However, there are a few principles that are generally helpful as people try to mobilize the informal while managing the formal:

- **Concentrate on the critical few.** Be crystal clear about a few objectives and behaviors.
- **Draw on what is already working.** Most people will take more pride in adopting what was developed from within rather than borrowing best practices from other organizations.
- **Promote emotional energy that feeds on itself.** Finding opportunities to create tipping points, reinforcing cycles or chain reactions is critical so that the energy latent in the informal organization can rise up and direct itself without requiring an overwhelming use of resources from the formal organization. ●

Five Behaviors of Master Motivators

Here are five common behaviors that set the best apart from most "good managers":

- **Know your people.** Create meaningful connections to get to know your team personally and understand individual definitions of success.
- **Recognize success.** Use spontaneous pats on the back for the "how" in addition to the "what"; the journey is as important as the destination.
- **Maintain the course.** Translate the organization's strategies into local context; prioritize a few goals and follow them; help people stay on track.
- **Use facts to make decisions.** Employ a transparent and data-driven process to make hard choices and always explain the "why" in clear terms.
- **Broaden the work.** Create stretch opportunities for everyone based on their skills and goals that go beyond the job description.

What to Do

Mobilizing the informal is a means to the end of solving performance challenges — and it's the latter that worries people. It's important to go beyond specific examples and explore a few general performance challenges where particularly helpful insights into the informal organization have been found:

- **Strategic planning.** This is the ultimate formal process where analytics, decision making, accountability setting and plan development rule.

An approach to try: Balance formal strategic planning processes with unstructured input from different parts of the organization, and allow people the time to wallow around in all the information to synthesize new insights.

- **Innovation.** There is another dimension to innovation beyond the creation of neat prototypes: the ability to take a high-potential idea, develop it and put it out into the market.

An approach to try: Create a very visible and central innovation process in which underdeveloped ideas can easily find their way to the front end. Integrate informal and formal mechanisms throughout the process.

- **Cost-cutting.** Companies often take an approach to cost cutting that resembles a crash diet. Experts advocate lean cuisine because it is a healthier and more enjoyable approach, and it helps keep the weight off longer.

An approach to try: Include people in the challenge of cutting costs. Engage employees in surfacing solutions and instill peer-to-peer "pride in being thrifty."

- **Culture change.** Culture is a blend of many elements of the informal organization. One of the most important — and overlooked — factors is to bring the culture to life with real and visible examples.

An approach to try: Find a double handful of key influencers at multiple levels — special individuals who are already exhibiting the behaviors you want. Get their help in initiating peer-to-peer interactions focused on the specific behaviors that need to change.

- **Customer service**. Nordstrom has no employee handbook at all. Instead, it has a 75-word statement that says, among a very few other things, "Our number one goal is to provide outstanding customer service." There is only one rule in the statement. "Use your good judgment in all situations. There will be no additional rules."

An approach to try: Ask employees which rules and processes are getting in the way of serving customers, and get rid of them. Create multiple and diverse sources of pride for employees in customer service processes, and be sure to find ways to provide public recognition for accomplishments that are otherwise overlooked by formal scorecards and metrics. ●

In Conclusion

While the fashion of management theory encourages throwing out the old to make room for the new, that is not what is being proposed here. Rather, you are being urged to:

- Keep and strengthen your formal management approaches — just realize their limitations.
- Avoid viewing the informal organization as unruly chaos — it can be influenced and energized to accelerate performance results and strategic imperatives.
- Refuse to manage the informal with the techniques that work for the formal — you will only make things worse.

When the informal organization is mobilized to balance the formal organization, the overall construct is whole and complete. New levels of performance result. It is like pushing a swing. New heights can only be achieved when the pusher and the swinger are in sync.

Many examples and case studies demonstrate some of the complexities involved in getting the best from both the formal and informal organizations, but they also illustrate the many different ways that leaders can achieve integration of the two. It is the mindset, the bias toward balance and integration, that differentiates the peak performers from the also-rans — be they individuals, teams or enterprises.

As you travel along this road, however, recognize that achieving integration is dynamic — a moving target. All this summary can offer is a range of ideas, options, approaches and examples to draw from — only some of which will fit your needs and your organizational DNA.

In addition to the ones offered here, find your own and they will help you be successful in leading outside the lines. ●

RECOMMENDED READING LIST

If you liked *Leading Outside the Lines*, you'll also like:

1. ***How the Best Leaders Lead* by Brian Tracy.** Brian Tracy reveals the strategies he teaches top executives to achieve astounding results in difficult markets against determined competition.
2. ***Leadershift* by Emmanuel Gobillot.** Author Emanuel Gobillot describes how to adapt traditional leadership roles and presents the tools necessary to embrace and succeed in the age of mass collaboration.
3. ***Leaders Make the Future* by Bob Johansen.** Drawing on the latest ten-year research from the Institute for the Future, this powerful book explore the external forces that are shaking the foundations of leadership.

· Book 20 of 388 ·

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Charlene Yi

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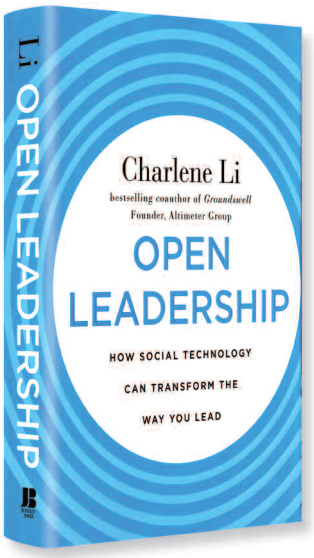
How Social Technology Can Transform the Way You Lead



by Charlene Li

THE SUMMARY IN BRIEF

"Be open, be transparent, be authentic," are the current leadership mantras — but companies often push back. Traditionally, business is premised on the concept of control and yet the new world order demands openness.

Open Leadership offers leaders a resource that shows how to tap into the power of the social technology revolution and use social media to be "open" while maintaining control. Social media expert Charlene Li (co-author of *Groundswell*) explains how Facebook, Twitter, YouTube, Yammer, Jive and other popular social media sites can improve efficiency, communication and decision making for leaders and their organizations.

Openness requires more — not less — rigor and effort than being in control. *Open Leadership* reveals step-by-step, with illustrative case studies and examples from a wide range of industries, how to bring the precision of this new openness both inside and outside the organization. It also includes suggestions that will help an organization determine an open strategy, weigh the benefits against the risk and have a clear understanding of the implications of being open.

By embracing social media, leaders can transform their organizations to become more effective, decisive and ultimately more profitable in this new era of openness in the marketplace.

IN THIS SUMMARY, YOU WILL LEARN:

- How to create guidelines, policies and procedures to thrive in the new culture of openness.
- How many successful companies have managed openness.
- What you need to include in your new openness strategy.
- How to deal with the tensions between openness and order.

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THE COMPLETE SUMMARY: **OPEN LEADERSHIP**

by Charlene Li

The author: Charlene Li is founder of the Altimeter Group and the co-author (with Josh Bernoff) of the best-selling book *Groundswell*. She is one of the foremost experts on social media and technologies, and is a consultant and independent thought leader on leadership, strategy and social technologies.

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For additional information on the author, go to http://www.summary.com or visit open-leadership.com.

INTRODUCTION

As your customers and employees become more adept at using social and other emerging technologies, they will push you to be more open, urging you to let go in ways in which you may not be comfortable. Your natural inclination may be to fight this trend, to see it as a fad that you hope will fade and simply go away. It won't. Not only is this trend inevitable, but it also is going to force you and your organization to be more open than you are today.

In the past, organizational leaders had the luxury of remaining ensconced in their executive suites, opening up only when they felt the need to. Today there is information leakage everywhere, with company miscues and missteps spreading all over the Internet in seconds. And all involved — from employees and customers to business partners — feel entitled to give their opinions and get upset when their ideas are not implemented. The fundamental rules that have governed how *relationships* work are being rewritten, because of easy, no-cost information sharing.

The challenge, therefore, is to redefine how those relationships will operate. Organizations and their leaders need to lay out the commitments they expect from these new relationships.

It is critical that your organization not enter into these new open relationships without guidelines. Simply opening up and devolving into chaos, or worse, "letting this take its natural course" are recipes for disaster. Being open requires more — not less — rigor and effort than being in control.

The struggle in balancing openness and control is a universal, human problem. Just as children grow and develop their own voices that need to be heard, our customers, employees and partners want to be brought into the inner sanctum of the organization as well.

PART I: THE UPSIDE OF GIVING UP CONTROL

One March day not long ago, Dave Carroll was a United Airlines passenger waiting for takeoff. He looked out of the airplane window and couldn't believe what he was seeing. Out on the tarmac of Chicago's O'Hare airport, he saw baggage handlers tossing suitcases, sometimes dropping them on the ground. Among the items were guitar cases — and the alarmed Carroll, an independent Canadian musician and songwriter, realized that these were *his* guitars being thrown back and forth.

Sure enough, when Carroll landed in Omaha, his final destination, he opened his guitar case and found his beloved Taylor guitar badly damaged. Carroll was in a hurry to get to his gig, and he was booked with back-to-back shows, so it wasn't until three days later that he contacted United to report the damage.

But United refused to compensate Carroll for the $1,200 repair — the company had a standing policy to not accept claims more than 24 hours after a flight, because as time passes it becomes increasingly difficult to pinpoint responsibility for the damage. Because Carroll submitted his claim more than three days after the damage occurred, United said that it would not pay for damages that could have been caused elsewhere.

Carroll pressed his case for months but made no progress, so he made a music video called "United Breaks Guitars" and posted it on YouTube. He felt better, and he really didn't think more than a dozen people or so would see it. That was on July 7, 2009. Within

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three days, the video had more than 1 million views, and Carroll's anthem became a viral sensation. By the end of 2009, there had been more than 7 million views and hundreds of news stories about Carroll's experience.

Understandably, United was aghast. The company immediately reached out to Carroll, who explained that his biggest desire was to have United's baggage damage policy changed.

Tony Cervone, United's SVP of corporate communications said, "We engaged directly with Dave as soon as this came out, and said, 'What happened and let us understand this better.' We listened, and then we changed a couple of the policies immediately."

Carroll posted a heartfelt video statement that explained the incident, applauded United Airlines for its efforts in reaching out to remedy the situation and even praised the professionalism of United's employees.

The New Rules of Open Leadership

What's changed today is that new technologies allow us to let go of control and still be in command, because better, cheaper communication tools give us the ability to be intimately familiar with what is happening with both customers and employees. Open leadership can be defined as: *Having the confidence and humility to give up the need to be in control while inspiring commitment from people to accomplish goals*. Open leadership fosters new relationships. To understand and govern how these new relationships work, we need new rules like the following:

- **Respect that your customers and employees have power.** If you ever need a reminder of what customer and employee power look like, just go read a social media monitoring report on your company from a vendor like Radian6, BuzzMetrics or Cymfony.
- **Share constantly to build trust.** At the core of any successful relationship is trust.
- **Nurture curiosity and humility.** The natural outgrowth of curiosity is humility, which gives you the intellectual integrity to acknowledge that you still have a lot to learn and also to admit when you are wrong.
- **Hold openness accountable.** In relationships, accountability is a two-way street — it makes clear the expectations in the relationship, as well as the consequences if they are not met.
- **Forgive failure.** Things go wrong all the time in relationships, and the healthiest ones move on from them, leaving behind grudges and blame. This is not to say that failure is accepted; rather, that it is acknowledged and understood.

Customer Support at iRobot

iRobot, the $300-million manufacturer and marketer of the Roomba vacuum, integrates its discussion forums and community (hosted by Lithium Technologies) into its customer support system. When an unanswered question is elevated from the community forum to the iRobot support center, the service representative can see information about the customer's participation in the Lithium online community, such as which questions were submitted and which ones were answered.

The 10 Elements of Openness

The 10 elements of being open fall into two broad categories: six information sharing elements and four decision making elements.

Open Information Sharing

The six elements of information sharing can be defined primarily by the goal and the nature of the sharing:

1. **Explaining.** The purpose of this type of information sharing is to inform people about a decision, direction or strategy with the goal of getting recipients — employees, associates, distributors and others — to buy into the idea, so that everyone is working toward the same goal.
2. **Updating.** New publishing tools, like blogs, collaboration platforms and even Twitter, provide updates that are easily available whenever someone needs them. These updates capture the knowledge, expertise and actions that happen in the ordinary course of business.
3. **Conversing.** Today, anyone with a computer can provide feedback to the organization — comments on blogs, discussion forums, review sites — and, even better, the company can talk back. By conversing openly, an organization engages in these conversations with the intent of improving operations and efficiency.
4. **Open Mic.** Micah Laaker, a director at Yahoo!, has adopted the phrase "open mic" because it so aptly captures the essence of this type of shared information, where anyone and everyone is welcome to come forward and participate with no preconditions.
5. **Crowdsourcing.** The goal of crowdsourcing is to grow the sources of new ideas and gather fresh thinking to create or improve a new product or service. This was always possible (think of the

Pillsbury Bake-Off, in which customers compete for prizes with new recipes they create). But the difference now is that this is happening on an unprecedented scale and is directed at encouraging a coherent contribution from an individual toward a specific goal.

6. **Platforms.** EBay is a great example of an open platform — by standardizing how items are listed and how transactions are handled, the company has enabled millions of individual sellers to trade online. The goal behind open platforms is to create standards, protocols and rules that govern how organizations and people can interact.

Open Decision Making

There are four major types of decision making in organizations today:

1. **Centralized.** A small number of people — typically the CEO and perhaps a small team around that person — have the knowledge and judgment to make centralized decisions.
2. **Democratic.** In democratic decision making, a limited set of choices is put forward to a group and voting is used to make the decision.
3. **Self-Managing.** In the consensus decision making model, every person involved and affected has to agree about whatever is being decided, resulting in tremendous buy-in. This type of decision making is often used in hiring.
4. **Distributed.** This model of decision making is a hybrid of all of the preceding ones, in that it pushes decisions away from the center to where the information and knowledge to make decisions actually reside, typically closer to the customer.

PART II: CRAFTING YOUR OPEN STRATEGY

What is often missing when leaders try to decide how open to be is a coherent open strategy and "open-driven objectives." With an open strategy, decision shifts from *whether* you should be open, to how open you *need to be* to accomplish your overall strategic goals.

There are four underlying objectives integrated into almost every successful strategic plan. The objectives apply to both internal and external situations, to an audience primarily of employees as well as to one of customers and partners. These objectives are to:

• **Learn.** First and foremost, organizations know that they must learn from employees, customers and partners before they can do anything else. Organizations and their leaders must be constantly open to learning. And you must do this first before pursuing any other goal — otherwise, you risk operating in a vacuum.

• **Dialog.** Communication — both internal and external — transforms a relationship from that of shouting out one-way messages to a dialog between equals. And along the way, people in the conversation become more and more engaged, to the point where they have a dialog without you having to be present. At the core, marketing and communications is about building relationships, but the key is knowing how to do it in a way that feels relevant and "authentic" to someone.

• **Support.** People both inside and outside the organization need help at different times — ranging from presale to post-sale.

• **Innovate.** Creativity needs to be fostered, both inside and outside the organization. Organizations are starting to turn to their customers for ideas, leveraging crowdsourcing markets, like crowdSPRING, uTest and InnoCentive, for design, testing and ideation, respectively. Customers and employees are also clamoring to have a say in what is created.

Understanding and Measuring the Benefits of Being Open

It's hard to quantify the value of a relationship, because we can tap into that value in so many different ways.

The difficulty with today's social technologies, like Facebook, blogs, discussion forums and Twitter, is that they appear to lack clear, direct benefits compared to more established relationship channels. In actuality, the activities taking place on those sites are inherently measurable, but we have not yet established a body of accepted knowledge and experience about the value of these activities versus the costs and risks of achieving those benefits.

Research shows that the open-driven objectives all create some common benefits, in that they:

• *Remove friction*. By removing barriers and access to information and people, the cost of information sharing and decision making is lowered. It is also simply easier to do.

• *Scale efforts*. The culture of sharing means things spread faster and wider, with less direct investment.

• *Enable fast response*. The real-time nature of social technologies means that you can respond quickly. In fact, if you are not there to head off the growing wave, you risk being overrun.

• *Gain commitment.* This is probably the hardest to quantify but the most important as you win the hearts and minds of your employees and customers.

The Ultimate Metric

Many companies have adopted the Net Promoter Score (NPS) as a key metric of customer loyalty and satisfaction in their organizations. The NPS asks just one question to gauge customer satisfaction: "How likely are you to recommend [company] to a friend or colleague?" on a 0 to 10 point scale. People who respond "9" or "10" are considered Promoters, those who respond "7" or "8" are Passives and those who respond "0" to "6" are Detractors. To calculate your company's NPS, take the percentage of your customers who are Promoters and subtract the Detractors. Satmetrix, which deploys and manages NPS loyalty programs, benchmarked the NPS scores of several industries, with companies like Vonage (45 percent), Charles Schwab (36 percent), Apple (77 percent) and Google (71 percent) leading in their respective categories.

NPS is especially interesting in that this single metric is strongly correlated with repeat customer purchase. Moreover, the NPS explains differences in relative revenue growth rates. To increase your NPS score requires that you increase the number of Promoters and decrease the number of Detractors. Greater openness can directly improve NPS in these two areas — consider how updating more frequently can convert Passives to Promoters, or how conversing in a more open manner can meet the needs of Detractors.

The beauty of NPS is that it is immediately and easily measurable. Having a common metric across the company provides not only a unified view, but also a way to make consistent trade-offs. ●

Structuring Openness With Sandbox Covenants

Open leadership requires that you create structure, process and discipline around openness when there is none, so that people know what to expect and how to behave in a new open environment. Make the rules, involving your employees and customers along the way. Think of it as one of your first openness initiatives — writing what could be called the "sandbox covenant" that will govern *how* you will enter into these new relationships.

One way to think about openness is to use a playground sandbox metaphor. On the one hand, there are clearly defined boundaries to the sandbox, and within those boundaries, it's a safe place to play. On the other hand, the sandbox still has rules: No throwing sand, no taking someone's truck unless you have permission.

Using Covenants to Build Trust

Covenants are promises that people make with each other, which differ from traditional corporate policies and procedures that *dictate* how things will operate within organizations. The philosophy behind covenants is more suited to openness strategies because the promises, bargains and contracts reflect a real trade-off and transfer of power and responsibility. When leaders open up and give up control, they trust that employees will do what they promise and that customers will respond and engage in a civil manner. A key part of a covenant is accountability — spelling out what happens if either party doesn't keep their side of the bargain.

A recent survey by Deloitte found that only 22 percent of companies have any type of social media guideline or policy in place. Without any sort of guidelines, employees and their managers will be at a loss as to what is allowed and what isn't. When situations come up, managers should all be able to recognize them as a problem (or not) and turn to the guidelines for advice on potential next steps. The following elements are essential components of a company's social media guidelines:

• **Introduction: Setting the Stage.** It's important to start off with the right tone — which is why your guidelines should start with a statement of encouragement and support.

• **Guidelines.** Explain when and for whom the policy applies. Explain why the organization needs social media guidelines and in particular when it applies to a person's *personal* use of social media. Address identity transparency, responsibility, confidentiality, common sense and judgment.

• **Best Practices for Social Media Practitioners.** Have a personality. Develop a voice. Address spelling and grammar. Respond to people.

• **Oversight and Consequences.** Describe the process for managers to follow.

• **Additional Resources.** Include HR, press and legal contacts for managers and employees, and training.

The sandbox covenant that you put in place has to be consistent and congruent with the kind of relationship you have with your employees and your audience. If *they* are not ready for openness, if *you* are not ready for openness, then you will have to make your sandbox covenants tighter and more closely defined to have a good working relationship. ●

Orchestrating Your Open Strategy

Openness, by definition, means that there will be bridges built between traditionally isolated departments and silos — and some people may not be all that happy about this. People are comfortable in their well-defined positions; then, suddenly, openness changes the rules and requires that they work together in concert toward a common goal.

This change doesn't happen overnight, nor will it happen on its own. You will need an overall action plan that lays out the details for the open strategy and goals that you developed — essentially, the score that you will use to conduct and lead your organization. Your detailed plan should include the following five elements:

• **Create robust socialgraphic profiles of your customers and employees.** There are three elements of socialgraphics: social audit, engagement audit and influence audit. By mapping the basic socialgraphics of your audience, you'll have a fundamental baseline of where your customers and employees are today.

• **Identify points where workflow and stakeholders are affected.** One of the first actions you need to take is mapping out the workflows, processes and stakeholders that will be affected by your open strategy goal. You need to anticipate how requests need to be handled and to clearly communicate that to the people who will have to take action. Here are three types of workflows: triage of real-time requests, crisis management and internal communications.

• **Determine the best organizational structure.** The Altimeter Group has found that successful organizations adopt one of three models: organic, centralized or coordinated. The *organic* model is very natural and allows openness to develop where it is most likely to grow and thrive. In a *centralized* model, one person or group leads the efforts and sets the pace. In a *coordinated* model, one group provides best practices, with execution at the edge. The right model for you depends heavily on the level of openness in your organization, your goals and how you are currently structured.

• **Assign roles and responsibilities.** In most situations, there are three major responsibilities: laying out the strategy, building and maintaining the tools, and engaging with the community. The strategist is the person who sets the direction of the open initiative and makes sure that a strategic plan is in place, corralling executives behind it and securing resources as needed. The builder or program manager decides on the technology, details the business model and workflow, and manages ongoing maintenance. The community manager facilitates and responds to the community, be that communicating with an external community or fostering internal employee collaboration.

• **Design appropriate training and incentive plans.** Some companies, like Humana, have social media training modules uploaded on their intranets, with titles like "Understanding LinkedIn in 15 Minutes" and "Understanding Twitter in 15 Minutes." Other organizations organize mentorships, whereby younger, more socially savvy employees buddy up with a senior executive for weekly online training sessions. But a more important education and training initiative to consider is one for changing mind-sets and behaviors. It comes down to the incentives the organization puts in place. When someone sees a benefit in being more open and sees a reward for doing so, behavior tends to change.

PART III: OPEN LEADERSHIP REDEFINING RELATIONSHIPS

There are two mindsets that define and determine how open you are as a leader. The first is your view of people — in general, are you optimistic or pessimistic about people's intentions? No one is completely optimistic nor completely pessimistic — and, like an open strategy, this often depends on the situation at hand. But in general, open leaders believe in "win-win" situations, in which when people act in their self-interest it also turns out to be in the best interest of the organization.

Optimism allows open leaders to be more open with information, both in sharing it with a greater audience and in gathering it from different sources. If a key component of your open strategy involves more open information sharing, then you will need to have leaders who are more optimistic than pessimistic in their mindsets.

The second mindset is your view of your successes: as either coming primarily from your efforts as an individual or stemming from the efforts of a team. A good leader always has elements of both views, but in tough times, where do you draw your strength from as a leader — yourself or the people around you? Open leaders recognize their limitations and are quick to collaborate with others, whereas individualistic leaders turn inward and rely first on their own strength and ability to prevail.

If your open strategy requires more distributed decision making, then having leaders who are comfortable with collaboration will be crucial.

The Importance of Curiosity and Humility

Open leaders are inherently curious about the world and have an insatiable need to constantly seek out

opportunities to improve themselves and the world around them. They are curious about customers, about their employees, about suppliers, about industry trends and about the wider world. Most intelligent leaders are open to what they don't know, but open leaders are driven by a deeper quest to learn constantly. They look at social technologies as a unique way for them to extend that learning in a way that they never could before.

Being curious isn't enough to make people open leaders — you can be a constant learner but not necessarily want to change your view of the world. Humility is also needed, and as Jim Collins pointed out in his book *Good to Great*, it's a key characteristic of great leaders. But in the context of open leadership, humility plays a special role — it allows open leaders to accept that their views on something may need to shift because of what their curious explorations expose. In a sense, humility gives them the self-awareness and confidence to admit when they are wrong or need help.

Nurturing Open Leadership

To be a leader, you must first be a good person with intangibles like integrity, honesty, fairness, respect for people, a sense of humor, daring — in short, traits that, as described in Warren Bennis' classic *On Becoming a Leader*, get people to trust and follow you.

In addition to characteristics like integrity, open leadership requires one over all others — authenticity. "Managing Authenticity: The Paradox of Great Leadership," an article that appeared in the *Harvard Business Review* in 2005, explains: "Authenticity is a quality that others must attribute to you. … Authenticity is largely defined by what other people see in you and, as such, can to a great extent be controlled by you."

Open leaders have the ability to pull the relevant parts of their authentic selves into the conversation, to innately know which parts of their identity and personalities to show to whom and when.

So, how do you get started being an "authentic" open leader? First, you must remain true to your values and focus on what you want to accomplish.

The second thing you can do to build your authenticity skills is to start small. By tapping into the core person that you are — and just as important, centering your efforts on the people and audiences you want to reach — you'll soon find and develop your voice.

Transparency Is Not Show-and-Tell All

The other key skill you will need to develop is transparency. Executives like Brian Moynihan, the new CEO of Bank of America, understand the importance of transparency, saying, "We … are changing the way we do business. We are committed to fairness and transparency." Moynihan is acknowledging that after the transgressions of the past decade, organizations need to be more forthcoming about how they conduct business.

Like authenticity, transparency is defined not by you, the leader, but by the people you want to trust you and your organization. How much information do they need in order to follow you, to trust you with their money or business?

This skill can be described as making information "visible." You make visible your goals, and also the challenges, threats and opportunities you face. Greater visibility can also come from *not* sharing, as long as it's accompanied by reasons why the leader cannot say more (for example, "We're in negotiations").

Supporting Open Leadership with Technology

Some leaders have learned that they are capable of using social technologies to extend and support their leadership. Open leaders will need to be very comfortable with using social technologies to implement an open strategy. This has to start at a personal level — how comfortable are *you* with these technologies yourself? To develop new open relationships, you'll have to *scale* your authenticity and transparency.

The Failure Imperative

A key part of being an open leader is the ability to effectively deal with failure, because even with the best structures and planning in place, things go wrong. By mastering failure, you create an environment in which risk taking is encouraged and recovery from failure becomes a skill that everyone in the organization possesses. Essentially, this is about your ability to create a culture in which people have such trust in each other that they know they can safely take risks.

How you, as an open leader, deal with failure is just as important as how well you deal with success. If you feel you cannot be open to mistakes and failures, think of the consequences of this closed mindset. Your colleagues will be afraid to step out or to speak up, and that goes against the very core of being open.

John Chambers, the CEO of Cisco, often asks prospective employees about results. "I never get hard work confused with success. So I walk you through your successes, and what you did right. I also ask you to tell me about your failures. And that's when people make a tremendous mistake. All of us have had mistakes

and failures, yet it's surprising how many people say, 'Well, I can't think of one.' That person immediately loses credibility with me. It's an important ability to be very candid on what mistakes they've made, and then the question is, what would you do differently this time?"

Structure Your Risk-Taking and Failure Systems

There are four processes and skills that you can build into your organization to create the structure and discipline that will give you and your organization the resilience you need to deal with failure:

- **Conducting post-mortems.** Companies need to listen to what is being said about their brands and businesses online. And if your organization encounters rough waters, consider how you will recover.
- **Preparing with worst-case scenarios.** Worst-case scenario planning involves brainstorming all of the things that could possibly go wrong, getting them out on the table, and putting in place mitigation and contingency plans to reduce risk and anxiety.
- **Building in responsiveness.** Best Buy has a little monitoring program called Spy that allows it to monitor social media mentions about the company. CMO Barry Judge views social media as a constant opportunity to engage. He wants "to make it as easy as possible for people to complain." Rather than see this as a negative, he views each complaint as an opportunity to hear about all the daily mistakes and failures at Best Buy, in an effort not only to resolve those problems, but also to make Best Buy better in the long run.
- **Preparing yourself for the personal cost of failure.** Personal failure has never been so exposed as it is with social media. We must, therefore, have a whole different attitude about failing — about trying something that doesn't work, but, just as important, how to address your failure.

Starting the Transformation

Here are some recommendations on how to get started with a transformation:

Create a sense of urgency with information sharing. The opportunity with today's open technologies is that you can share the data and information needed to make your case not only vivid, but also personal. Rather than hearing the need for urgency from the top, you can also hear your colleagues and peers join in on the discussion. So when you start making your case for transformation, be sure to bolster the impact of your message with the voices of others in the organization.

Identify the values that will carry you through the transformation. Every organization has a set of core values, even if they are not expressly laid out, that you as a leader will be able to tap. Decide which ones will form the basis for the new culture and, using social technologies, demonstrate your commitment and connection to those core values in authentic ways. And, by all means, ask that people join you in spreading those core values to others.

Lead by example. To have credibility in the new culture, the leaders have to demonstrate the attitudes and behaviors that will be positively received and rewarded.

Start small to win big. Building up confidence in the transformation and the new culture with little steps will actually speed up the transition, not slow it down.

Institutionalize systems and structures. Processes, procedures and guidelines all help institutionalize the change so that it becomes not only easier, but routine.

Be patient. Although you need to create urgency to spur action, you need patience to guide the change through its sometimes achingly slow first stages.

The advantage of pursuing an open strategy is that you will do it in the company of people who wish you the best, who will be there to support you and will count themselves among the many who will benefit from your success.

Four Behaviors of Open Leaders

1. Hiring, training and promoting the right people.
2. Creating a culture that supports being open.
3. Removing barriers to being open.
4. Encouraging risk-taking and speedy recovery from failure.

RECOMMENDED READING LIST

If you liked *Open Leadership*, you'll also like:

1. ***Trust Agents*** **by Chris Brogan and Julien Smith.** Need to learn more about increasing trust with your audience via social media? Let two preeminent experts guide you to greater transparency.
2. ***Getting Naked*** **by Patrick Lencioni.** In his latest engaging business fable, Lencioni tells the story of a consultant's eye-opening experience and the lessons it provides about the positive impact of transparency.
3. ***Leadershift*** **by Emmanuel Gobillot.** The age of mass collaboration is challenging the very nature of leadership. Gobillot provides key advice to navigate the new frontier.

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James M. Kouzes and Barry Z. Posner

December 2010

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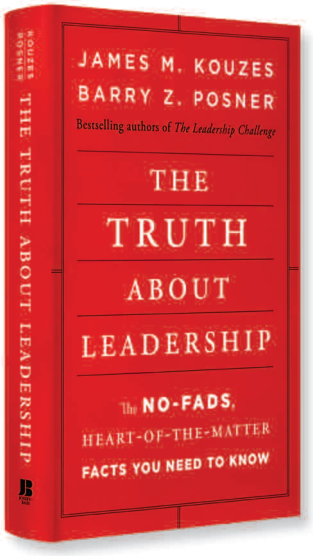
Leadership: Development

The Truth About Leadership

The No-Fads, Heart-of-the-Matter Facts You Need to Know



by James M. Kouzes and Barry Z. Posner

THE SUMMARY IN BRIEF

In these turbulent times when the very foundations of organizations and societies are being shaken, leaders need to move beyond the pessimistic predictions, the trendy fads and the simplistic solutions. They need to turn to what's real and what's proven in order to understand what the evidence tells us about how exemplary leaders get extraordinary things done. This is the imperative that best-selling, award-winning leadership experts James M. Kouzes and Barry Z. Posner have undertaken in their work.

Based on 30 years of research — and more than 1 million responses to Kouzes and Posner's leadership assessment — *The Truth About Leadership* explores the fundamental, enduring truths of leadership that hold constant regardless of context or circumstance. In 10 time-tested truths, this summary reveals what all leaders must know, the questions they must be prepared to answer and the real-world issues they will likely face.

The Truth About Leadership shows emerging and experienced leaders the heart of leadership and what they need to know to be effective. It also offers a dynamic new look at what it means to lead today. The lessons in *The Truth About Leadership* help leaders do their real and necessary work — bring about the essential changes that will renew organizations and communities.

IN THIS SUMMARY, YOU WILL LEARN:

- Ten fundamental truths about leadership.
- How sharing responsibility can help you become a more effective leader.
- Lessons that will sustain you in your personal and professional development.
- How a focus on values, commitment and trust can help you become a successful leader.

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THE COMPLETE SUMMARY: **THE TRUTH ABOUT LEADERSHIP**

by James M. Kouzes and Barry Z. Posner

The authors: James M. Kouzes is the Dean's Executive Professor of Leadership, Leavey School of Business at Santa Clara University, and one of the leading executive educators in the United States. Barry Z. Posner is Professor of Leadership at Santa Clara University, where he served as Dean of the Leavey School of Business for 12 years. Together, they are the best-selling authors of *The Leadership Challenge* and dozens of other books and workbooks on leadership.

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For additional information on the authors, go to http://www.summary.com or www.truthaboutleadership.com.

Introduction: What Everyone Wants to Know About Leadership

There are fundamental principles that inform and support the practices of leadership that were true 30 years ago, are true today and will be true 30 years from now. They speak to what the newest and youngest leaders need to appreciate and understand, and they speak just as meaningfully to the oldest leaders, who are perhaps repurposing themselves as they transition from their lengthy careers to other pursuits in volunteer, community or public sectors. They are truths that address what is real about leadership.

Here are 10 fundamental truths about leadership and becoming an effective leader:

1. The first truth is that **You Make a Difference.** It is the most fundamental truth of all. Before you can lead, you have to believe that you can have a positive impact on others. You have to believe in yourself. That's where it all begins. Leadership begins when you believe you can make a difference.

2. The second truth is that **Credibility Is the Foundation of Leadership**. You have to believe in you, but others have to believe in you too. What does it take for others to believe in you? Short answer: credibility. If people don't believe in you, they won't willingly follow you.

3. The third truth is that **Values Drive Commitment.** People want to know what you stand for and believe in. They want to know what you value. And leaders need to know what others value if they are going to be able to forge alignments between personal values and organizational demands.

4. The fourth truth is that **Focusing on the Future Sets Leaders Apart.** The capacity to imagine and articulate exciting future possibilities is a defining competence of leaders. You have to take the long-term perspective. Gain insight from reviewing your past and develop outsight by looking around.

5. **You Can't Do It Alone** is the fifth truth. Leadership is a team sport, and you need to engage others in the cause. What strengthens and sustains the relationship between leader and constituent is that leaders are obsessed with what is best for others, not what is best for themselves.

6. **Trust Rules** is the sixth truth. Trust is the social glue that holds individuals and groups together. And the level of trust others have in you will determine the amount of influence you have. You have to earn your constituents' trust before they'll be willing to trust you. That means you have to give trust before you can get trust.

7. The seventh truth is that **Challenge Is the Crucible for Greatness.** Exemplary leaders — the kind of leaders people want to follow — are always associated with changing the status quo. Great achievements don't happen when you keep things the same. Change invariably involves challenge, and challenge tests you. It introduces you to yourself.

8. The eighth truth is that **You Either Lead by Example or You Don't Lead at All.** Leaders have to keep their promises and become role models for the values and actions they espouse. You have to go first as a leader. You can't ask others to do something you aren't willing to do yourself.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Edward O'Neill**, Graphic Designer; **Chris Lauer**, Contributing Editor

9. The ninth truth is that **the Best Leaders Are the Best Learners.** Leaders are constant improvement fanatics, and learning is the master skill of leadership. Learning, however, takes time and attention, practice and feedback, along with good coaching. It also takes willingness on your part to ask for support.

10. The tenth truth is that **Leadership Is an Affair of the Heart.** Leaders make others feel important and are gracious in showing their appreciation. Love is the motivation that energizes leaders to give so much for others. You just won't work hard enough to become great if you aren't doing what you love.

These are *enduring* truths about leadership. You can gain mastery over the art and science of leadership by understanding them and attending to them in your workplace and everyday life. ●

Truth 1: You Make a Difference

Everything you will ever do as a leader is based on one audacious assumption. It's the assumption that *you matter.*

Before you can lead others, you have to lead yourself and believe that you can have a positive impact on others. You have to believe that what you do counts for something.

The Truth Is That You Make a Difference. It is not a question of "Will I make a difference?" Rather, it's "What difference will I make?"

You Are the Most Important Leader

Leader role models are local. You find them close to where you live and work.

You also definitely find leader role models "close to home" in your organization. The media, and many leadership gurus, focus a lot of attention on people at the top of organization — founders, CEOs, generals, presidents and the like. They make it seem as if these top dogs are the only ones responsible for everything that's great, and everything that's lousy, about organizations. It's a subtle thing, but it perpetuates the trickle-down theory of leadership: All things start at the top and trickle down to the bottom. But, when you actually look at the data, you see a very different picture.

The leader who has the most impact on your day-to-day behavior is, in fact, not the CEO, the COO, the CFO or any other C — unless, of course, you report directly to that person. The leader who has the most influence over your desire to stay or leave, your commitment to the organization's vision and values, your ethical decisions and actions, your treatment of customers, your ability to do your job well and the direction of your career, to name but a few outcomes, is your most immediate manager.

This means that if you're a manager, to your direct reports *you* are the most important leader in the organization. ●

The Five Practices of Exemplary Leadership

1. Model the way.
2. Inspire a shared vision.
3. Challenge the process.
4. Enable others to act.
5. Encourage the heart.

Truth 2: Credibility Is the Foundation of Leadership

Leadership begins with you and your belief in yourself. Leadership continues only if other people also believe in you.

The Truth Is That Credibility Is the Foundation of Leadership. What does it take to be the kind of person, the kind of leader, others want to follow, and will do so enthusiastically and voluntarily?

It turns out that the believability of the leader determines whether people will willingly give more of their time, talent, energy, experience, intelligence, creativity and support. Only credible leaders earn commitment, and only commitment builds and regenerates great organizations and communities.

Constituents Have Clear Expectations of Their Leaders

Leadership is a relationship between those who aspire to lead and those who choose to follow. You can't have one without the other. Leadership strategies, tactics, skills and practices are empty without an understanding of the fundamental dynamics of this relationship.

In every relationship people have expectations of each other. Sometimes these expectations are clearly voiced, and other times they're never discussed, but nonetheless, expectations are present in every human relationship. By surveying tens of thousands of people around the world, asking them to select the qualities that they most want in a leader, the results reveal there are a few essential "character tests" someone (you) must pass before others

are willing to grant the designation of leader.

Before anyone is going to willingly follow you — or any other leader — he or she wants to know that you are *honest, forward-looking, inspiring and competent.* Before they are going to voluntarily heed your advice, take your direction, accept your guidance, trust your judgment, agree to your recommendations, buy your products, support your ideas and implement your strategies, people expect that you will measure up to these criteria. Credibility ties it all together.

In the investigation of admired leadership qualities, the data reveals that more than anything people want to follow leaders who are credible. Credibility is the foundation of leadership. ●

Truth 3: Values Drive Commitment

Imagine you're sitting in a meeting with a group of your colleagues. The door to the conference room opens and in walks someone you've never met before who says, "Hi, I'm your new leader." What questions immediately come to mind that you want to ask this person?

People have lots of questions they would want to ask, but by far the most frequently asked is: "Who are you?"

People want to know your values and beliefs, what you really care about and what keeps you awake at night. They want to know who most influenced you, the events that shaped your attitudes and the experiences that prepared you for the job. They want to know what drives you, what makes you happy and what ticks you off. They want to know what you're like as a person and why you want to be their leader. They want to understand your personal story. They want to know why they ought to be following you.

Before you can effectively lead others, you have to understand who you are, where you come from and the values that guide you.

The Truth Is That Values Drive Commitment. You cannot fully commit to something that isn't important to you. No one can. You can't fully commit to something that doesn't fit with who you are and how you see yourself. In order to devote the time, to expend the energy and to make the sacrifices necessary, you have to know exactly what makes it worth doing in the first place.

Your ultimate success in business and in life depends on how well you know yourself, what you value and why you value it. The better you know who you are and what you believe in, the better you are at making sense of the often incomprehensible and conflicting demands you receive daily. You need internal guidance to navigate the turbulent waters in this stormy world. A clear set of personal values and beliefs is the critical controller in that guidance system.

Listen to Your Inner Self

If you are ever to become a leader whom others willingly follow, you must be known as someone who stands by his or her principles.

Values represent the core of who you are. They influence every aspect of your life: your moral judgments, the people you trust, the appeals you respond to, the way you invest your time and your money.

Clarity of values gives you the confidence to take the right turns, to make the tough decisions, to act with determination and to take charge of your life. ●

Truth 4: Focusing on the Future Sets Leaders Apart

Angela Gu was in her first year as assistant controller, overseeing the accounts payable function in Finance for Wal-Mart China. While Wal-Mart had opened 11 stores in six cities across China, it had expansion plans to triple the store count and enter into more new cities over the following three years. At that time the Finance Department was set up by city, and Angela could see that if the accounts payable function grew at the same rate as the company expanded they would grow from about 200 people to more than 800 people within a few years. She explained how she imagined the challenges and problems this would create for her area, "including the people management, procedural control, and compliance and costs related to personnel, travel, training and telecommunications."

Anticipating the future challenges the company would face, Angela proposed an alternative to the CFO — a centralization initiative — and received approval to move ahead. The program involved all divisions in the home office and local cities, including human resources, merchandising and operations, in addition to finance. The effort paid off almost immediately in terms of productivity, improved control and standardization, and established a platform for future efficiency-driven programs. Within a year the average number of accounts payable associates serving one store was reduced by 40 percent, and within three years the actual headcount in accounts payable had been reduced by nearly 50 percent, despite the almost fourfold expansion of new stores. Angela explains:

The initiative was quite new, with no other precedent to refer to, but the vision of a national accounts payable center excited me. You can always choose to follow whatever you have been doing — which demands from you no extra thinking or efforts — or you can focus on accomplishing something different that would do good for the enterprise.

Being forward-looking paid dividends for Angela and for Wal-Mart. This kind of anticipatory thinking can do the same for you.

The Truth Is That Focusing On the Future Sets Leaders Apart. Your constituents expect you to know where you're going and to have a sense of direction. You have to be forward-looking; it's the quality that most differentiates leaders from individual contributors. Getting yourself and others focused on the exciting possibilities that the future holds is your special role on the team.

Spend More Time in the Future

Developing the capacity to envision the future requires you to spend more time in the future — meaning more time reflecting on the future, more time reading about the future and more time talking to others about the future. It's not an easy assignment, but it is an absolutely necessary one. It also requires you to reflect back on your past to discover the themes that really engage and excite you. And it means thinking about the kind of legacy you want to leave and the contributions you want to make.

None of this can be done by a pessimist. You must remain optimistic and hopeful about what is yet to come. A positive difference can only be made by a positive leader. ●

Truth 5: You Can't Do It Alone

Leadership is not about the leader *per se*. It is not about you alone. It's about the relationship between leaders and their constituents. It's about the connection you and your teammates have with each other. It's about how you behave and feel toward each other. It's about the emotional bond that exists between you and them. Exemplary leaders know that they must attend to the needs and focus on the capabilities of their constituents if they are going to get extraordinary things done.

Ask Great Questions

Rather than thinking that you have all the answers, you need to be able to ask great questions. Great questions send people on pioneering journeys in their minds. They're a lot more likely to discover novel ideas when you set them free to explore on their own. The answers are out there, and they will be found among your constituents as long as people feel safe in offering them.

Asking questions is just one way that you can communicate that you believe in other people's abilities. Giving them choices, providing them with discretion over how things are done and fostering accountability are other ways. People want to feel in charge of their own lives. They want to be in control. They want to determine their own destinies. They want to know that their input matters, that their ideas are good ones, that their answers are correct and that their decisions will be supported. It's your job as a leader to increase people's sense of self-determination, self-confidence and personal effectiveness.

Interact With Others

High-quality relationships don't happen spontaneously. They require leadership. It's your job to interact with others in ways that promote connection, collaboration, confidence and competence. When you do, you'll see learning, innovation and performance soar.

The Truth Is That You Can't Do It Alone. Leaders alone don't make anything great. Leadership is a shared responsibility. You need others and they need you. You're all in this together. To build and sustain that sense of oneness, exemplary leaders are sensitive to the needs of others. They ask questions. They listen. They provide support. They develop skills. They ask for help. They align people in a common cause. They make people feel like anything is possible. They connect people to their need to be in charge of their own lives. They enable others to be even better than they already are. ●

Truth 6: Trust Rules

A PricewaterhouseCoopers study of corporate innovation among the *Financial Times* 100 showed that the number one differentiating factor between the top innovators and the bottom innovators was trust. That means that if people don't trust you, your organization is likely to underperform and be slow to innovate.

If you are going to build cohesive teams, then you must also create a structure for trust in your organization. Without it you can't lead.

The Truth Is That Trust Rules. Trust rules your personal credibility. Trust rules your ability to get things done. Trust rules your team's cohesiveness. Trust rules your organization's innovativeness and performance.

Trust rules your brand image. Trust rules just about everything you do.

Increase Your Trust, Increase Your Influence

Researchers have found that the level of trust that constituents have in their leaders determines the amount of influence they will willingly accept. In an experiment on the impact of trust on group problem solving, leaders in a high-trust condition had greater influence on group members and were more willing to accept influence attempts by group members than were leaders in a low-trust condition. This same study also found that high trust led to greater acceptance of group member interdependence, more cooperation and enhanced information flow among all group members.

Studies involving soldiers in combat in Iraq found that the more the soldiers trusted their platoon leaders, the more willing they were to accept their leader's influence concerning their motivation to become better group members, strive for excellence and improve as people. Even in a traditional command-and-control environment, trust comes first and following comes second, not the other way around.

Trust motivates people to go beyond mere compliance with authority. It motivates them to reach for the best in themselves, their teams and their organizations. ●

Truth 7: Challenge Is the Crucible for Greatness

When people think of the business leaders they admire, they think about people who have turned around failing companies, started entrepreneurial ventures, developed breakthrough products and services, or transformed industries. Challenge was the context in which these leaders operated and change was the theme of all their campaigns.

You don't have to study historical leaders to learn this lesson. You can just look at everyday leaders such as yourself and those down the hall or across the street. For example, here is what Katherine Winkel, marketing communications coordinator at Monsanto, had to say about a discussion in a seminar about peers' personal best leadership experiences:

The similarity that most stuck out in my mind at the time, and indeed remains with me, was that in each story the person described having to overcome uncertainty and fear in order to achieve his or her best. Whatever the case, staring down uncertainty and ultimately overcoming this hurdle was a major theme.

Typically, you would think people would describe uncertainty and fear as negative or even de-motivating factors in leadership, but here it seems they are almost prerequisites for success! It teaches us that uncertainty is a necessity that drives us to do our very best.

The personal best leadership cases, as Katherine observed, are about triumphs over adversity, about departures from the past, about doing things that had never been done before, about going to places not yet discovered. They are all about challenge and change.

The Truth Is That Challenge Is the Crucible for Greatness. The study of leadership is the study of how men and women guide people through uncertainty, hardship, disruption, transformation, transition, recovery, new beginnings and other significant challenges. It's also the study of how men and women, in times of constancy and complacency, actively seek to disturb the status quo, awaken new possibilities and pursue opportunities.

As the late John Gardner, adviser to four U.S. presidents and founder of Common Cause, was fond of saying: "What we have before us are some breathtaking opportunities disguised as insoluble problems." Sometimes leaders have to shake things up. Other times they just have to grab hold of the adversity that surrounds them. Whether challenge comes from the outside or the inside, leaders make things happen. Leadership and challenge are simply inseparable. ●

Truth 8: You Either Lead by Example or You Don't Lead at All

Jazz virtuoso Dizzy Gillespie once said, "That trumpet is lying in the case every day, waiting for me." In the same sense, leadership is waiting for you every day. It's waiting for you to take action. It's waiting for you to show others that you mean what you say. It's waiting for you to demonstrate that you know how to get people moving. In the final analysis, leadership is about playing that instrument called "you." But when you perform, you have to make sure that you play in tune. Your audience won't applaud dissonant notes.

That was certainly the insight that Casey Mork, manager of the new product team, shared about one of his supervisors, someone Casey felt wasn't clear about his values, never "had a true voice," and said one thing and did another. "As could be predicted," explained Casey, "with the lack of a model at the top, our group failed in internal cohesion, customer experience and business results." Casey learned what every aspiring leader must realize:

You've got to walk the talk, not just talk the talk. Leaders are responsible for modeling behavior based on the values they communicate. The leader must then live by them, in plain view of those he or she expects to follow the values. A leader must go beyond just talking about organizational values — such as "customers are always different" — he or she must actually demonstrate how to do this.

Casey understood that leading is not about telling others what to value and what to do. You have to model the way you want others to feel, think and act. You have to show others that you are going to do exactly what you are asking them to do.

The Truth Is That You Either Lead by Example or You Don't Lead at All. Enduring leadership truth No. 2 is *"Credibility is the foundation of leadership."* Your actions had better be consistent with your words. In the final analysis, people believe what you do over what you say. As journalist and author Alan Deutschman writes in his book *Walk the Talk*, "Leaders have only two tools at their disposal: what they say and how they act. What they say might be interesting, but how they act is always crucial." ●

Truth 9: The Best Leaders Are the Best Learners

The potential to lead exists in you. If you apply your head, your heart and your courage, you can learn to lead.

Leadership is not preordained. It is not a gene, and it is not a trait. There is no hard evidence to support the assertion that leadership is imprinted in the DNA of only some individuals and that the rest of us missed out and are doomed to be clueless.

The Truth Is That the Best Leaders Are the Best Learners. Leadership can be learned. It is an observable pattern of practices and behaviors, and a definable set of skills and abilities. Skills can be learned, and when we track the progress of people who participate in leadership development programs, researchers observe that they improve over time. They learn to be better leaders as long as they engage in activities that help them learn how.

No matter how good you are, you can always get better.

Learning Is the Master Skill

Studies show that leadership can be learned in a variety of ways. It can be learned through active experimentation, observation of others, study in the classroom or reading books or by simply reflecting on one's own and others' experiences.

Certain styles contribute to more effectiveness in some practices, but there is no one best style for learning everything there is to know. The style is not the thing.

What is more important is the extent to which individuals engage in whatever style works for them.

Passion for Learning

You have to have a passion for learning in order to become the best leader you can be. You have to be open to new experiences and open to honestly examining how you and others perform, especially under conditions of uncertainty. You have to be willing to quickly learn from your failures as well as your successes and to find ways to try out new behaviors without hesitation. You won't always do things perfectly, but you will get the chance to grow.

Another dynamic that gives rise to the need for aspiring leaders to be first-rate learners is the astounding pace of change in the world. Not only do you have to be able to learn, but you have to learn how to learn, constantly absorbing and teaching yourself new ways of doing old things and new ways of doing new things. ●

Truth 10: Leadership Is an Affair of the Heart

Leaders shouldn't turn a blind eye to reality or hide it from their teams. You must be honest with your constituents about the state of the organization's or the nation's health. Then you have a choice.

You can tell people they're doomed, criticize the ideas they present, contradict them at every turn and offer little or no support as they struggle to survive. Or you can give them hope. You can tell people that if they apply themselves — and if they're willing to struggle and suffer — they will overcome one day. You can tell them you have confidence in their abilities, help them to broaden their perspectives, build on their ideas, support them as they look for solutions and recognize their contributions. It's not hard to recognize the right option to choose.

Positive energy is especially important in volatile times. When the news is worrisome, and often downright scary, it's pretty easy for folks to become negative. And people become negative even faster when they see it in their leaders, whether overtly in speeches or even if they just mope around a bit. Negative leadership breeds negative emotions. And these negative emotions are far more damaging to an organization's and an individual's

health than doing nothing at all. In uncertain and challenging times, it's your obligation as a leader to accentuate the positive. If you don't, you're either keeping things the same or making them worse.

The Truth Is That Leadership Is an Affair of the Heart. Leaders put their hearts in their businesses and their businesses in their hearts. They love what they're doing and they stay in love with leading, with the people who do the work, with what their organizations produce and with those who honor them by using their products and services. They show they care by paying attention to people, sharing success stories and making people feel important and special. Exemplary leaders are positive and upbeat, generating the emotional energy that enables others to flourish.

Epilogue: Leaders Say Yes

Everything you do as a leader begins with one word: *yes*. Until you say yes, nothing great can happen.

Reminders About the Truths

You can make a difference. Leadership begins when you believe in yourself and believe that you can make a positive difference in the world.

Others have to believe in you too, and gaining followers can be tough. Followers comes when you work hard to earn their faith and confidence.

You have to be clear about what's important to you if you're going to devote yourself fully to something. Values drive commitment.

Leaders focus on the future, whether it's the future of a group, organization, nation or the planet. Big dreams that resonate with others inspire and energize.

While the leader may initially provide the spark of an idea, it takes a group of people — sometimes small and sometimes large — to make something extraordinary happen. And when beginning something brand new, the truth that trust rules is especially relevant. There isn't much else to go on. You just have to show that you trust others. Your trust in them will bring greater trust in you.

All leaders are severely tested and there will always be detractors — those who will tell you it's impossible, that it can't be done, that you're not capable and that your dream is foolish. Despite the obstacles and despite the naysayers, you just have to go out there and do it. You have to make mistakes, bounce back and persist. You have to go first as a leader. You have to be the example that others can follow.

How to Show You Are Trustworthy

Research has shown that a few key behaviors contribute to whether or not others perceive you as trustworthy. Here are four actions to keep in mind:

- Behave predictably and consistently.
- Communicate clearly.
- Treat promises seriously.
- Be forthright and candid.

Leadership is not about wishful thinking. It's about determined doing. There are no shortages of problems to solve. Leadership is not about telling others that they ought to solve these problems. It's about seeing a problem and accepting personal responsibility for doing something about it. And it's about holding yourself accountable for the actions you take.

Leaders aren't bystanders. They are active participants who work tirelessly to mobilize others to want to struggle for shared aspirations. Leaders believe that they have an obligation to do something to bring about change and that, with the active engagement of others, they can move things forward.

You Have to Say Yes to Leadership

You have to say yes to begin things. You have to say yes to your beliefs, you have to say yes to big dreams, you have to say yes to difficult challenges, you have to say yes to collaboration, you have to say yes to trust, you have to say yes to learning, you have to say yes to setting the example and you have to say yes to your heart.

Are you ready to say yes to leadership? When you are ready to say yes, doors will open to entirely new adventures in your life. When you are ready to say yes, people will join you on the quest. When you say yes, you will discover your own truth about leadership.

RECOMMENDED READING LIST

If you liked *The Truth About Leadership*, you'll also like:

1. ***A Leader's Legacy* by James M. Kouzes and Barry Z. Posner.**
   The authors present powerful essays that explore leadership and legacy.
2. ***Leadership Gold* by John C. Maxwell.**
   John Maxwell shares a lifetime of leadership truths.
3. ***The Accountable Leader* by Brian Dive.**
   This book argues that most leadership-related problems arise from the lack of accountability in jobs.

· Book 22 of 388 ·

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Susan Scott

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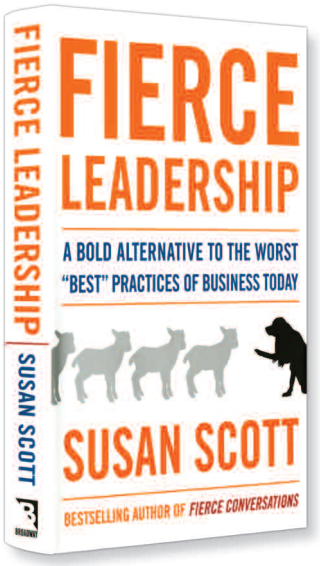
Fierce Leadership

A Bold Alternative to the Worst "Best" Practices of Business Today



by Susan Scott

THE SUMMARY IN BRIEF

Provide anonymous feedback. Hire smart people. Hold people accountable. These are all sound business practices, right? Not so fast, warns corporate training expert Susan Scott. In fact, these mantras — despite being long-accepted and adopted by business leaders everywhere — are completely wrongheaded. Worse, they are costing companies billions of dollars, driving away valuable employees and profitable customers, limiting performance and stalling careers. Yet they are so deeply ingrained in organizational cultures that no one has questioned them. Until now.

In *Fierce Leadership*, Susan Scott explains how to spot the worst "best" practices in our organizations using a technique she calls "squid eye" — the ability to spot the disastrous behaviors to which we have fallen prey — so we can apply the antidote.

With fierce new approaches to everything from employee feedback to corporate diversity to customer relations, *Fierce Leadership* offers fresh and surprising alternatives to six of the so-called best practices permeating today's businesses. *Fierce Leadership* will help any leader at any level who is ready to take a long, hard look at what trouble might be lurking in his or her organization — and do something about it.

IN THIS SUMMARY, YOU WILL LEARN:

- How to positively influence situations and organizations.
- How to marry how you are with who you are.
- How to answer some of the most compelling questions in business today.
- How to re-energize leaders, employees and managers alike.
- Why "received wisdom" is wrong and how to get it right.

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THE COMPLETE SUMMARY: **FIERCE LEADERSHIP**

by Susan Scott

The author: Susan Scott is the founder of Fierce, Inc., a global training company whose clients include Yahoo!, Starbucks, Cisco, New York Life, Coca-Cola, Best Buy and LEGO. She is the author of *Fierce Conversations: Achieving Success at Work & in Life, One Conversation at a Time*.

From the book *Fierce Leadership: A Bold Alternative to the Worst "Best" Practices of Business Today* by Susan Scott.
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Introduction

Leaders are usually highly intelligent people with invaluable experience on the firing line, a decent amount of humility, a wicked sense of humor and a strong desire to grow their companies and champion change. They are usually on the right track, and much of what they do works. Yet so many pour considerable time, intelligence and cash into significant sinkholes — *practices* — with no good outcomes and, in fact, costly implications.

It's not that we're trying to deliberately sabotage our companies; it's just that we don't always recognize the implications of our practices, because most of the time, those on the receiving end of our questionable ideas don't bellow, "Are you nuts?!" Instead, most flinch, then shrug it off as life in a *Dilbert* world, to be expected, what can I do, I'll lay low until this latest hell blows over.

What we need is "squid eye."

Squid Eye

Paul Lindbergh, an advanced aikido practitioner and killer jazz musician, moved to Hawaii as a teenager and soon began diving with native Hawaiians for squid, a highly prized catch that could be sold for a tidy sum or taken home and served for dinner. But after weeks of diving, despite the fact that the local guys always caught plenty, he had caught only one squid.

When he expressed his frustration — "How come you guys catch squid and I don't?" — the Hawaiians laughed and said, "You gotta have 'squid eye.'"

"What is squid eye?"

They explained.

"It's the ability to see the squid while he is blending into his natural environment. It's the ability to see him just being himself. It is the ability to see him even when he doesn't want you to see him, to see him even when he is hiding. Be advised, he is very skilled. You must understand, he is there."

The Hawaiians began to tell Lindbergh many things about the squid. For example, one might see a few small stones lying on the bottom of the ocean and understand that the squid put them there. When he saw those stones and maybe some shells, they told him to look for a small hole at the base.

It was tough to spot the first mound of stones, like looking for morel mushrooms. You can't find any and then suddenly stumble across one. Once you know what you're looking for, you realize you're standing in a patch of them.

Once Lindbergh learned the tells, like that mound of stones, he had no difficulty finding squid ever again. And then he learned the tells for lobster, kumu, papio and other Hawaiian fish and thereafter began to eat extremely well.

Spotting the Tells

For Lindbergh, tells signaled the presence of a potential feast, famine, even danger.

Even some of the most successful organizations fail to outlast a few generations of management because they are unable to see the threats they face and the imperative to change. And while there are threats we can do little about — a competitor's new gizmo, the price of oil, a

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Edward O'Neill**, Graphic Designer; **Chris Lauer**, Contributing Editor

housing-market crash, an economic downturn, Mother Nature, etc. — there's plenty going on right now under our noses that we *can* do something about. But we don't because we can't see the *tells* signaling that something we're doing is not working, perhaps never did work, is in no danger of working and that, indeed, something is very, very wrong.

The Idea of Fierce

The idea of *fierce* is simple, yet not simplistic.

A culture — whether global, national, corporate or familial — is shaped by our daily practices, and the most powerful practice of all is conversation. Our careers, our companies, our personal relationships and our very lives succeed or fail, gradually then suddenly — one conversation at a time.

The conversation *is* the relationship, and while no single conversation is guaranteed to change the trajectory of a career, a company, a relationship or a life, any single conversation can.

This is true if your company has five employees or 50 or 50,000; if you're in retail, banking, graphic arts or moviemaking; if you're a teacher, a professor, a researcher or a rabbi; or if your expertise is in architecture, manufacturing, dog training or software.

No matter what you do, business — small or global, simple or complex — is fundamentally an extended conversation with colleagues, customers and the unknown future emerging around us. While meetings pile up, add up, the real work is being done by someone offering a nourishing drink to others — one conversation at a time. What gets talked about in a company and how it gets talked about determine what will happen — or won't happen.

Quality Matters

But simply having the conversation isn't enough. It's the *quality* of the conversation that matters.

Conversations provide clarity or confusion. They invite cross-boundary collaboration and cooperation or add concertina wire to the walls between well-defended fiefdoms. Conversations inspire us to tackle our toughest challenges or stop us dead in our tracks, wondering why we bothered to get out of bed this morning. A conversation can be deadly boring or a profound experience of humanity, of intimacy.

A leader's job is to engineer the types of conversations that produce epiphanies: conversations that reveal we are capable of original thought; intelligent, spirited conversations that provide clarity and impetus for action, for change. Yet too often, we, the results-smitten, speak only of measurable goals, key business indicators, action plans, cash-flow projections, economic indicators, process and procedure. All are worthy come-ons, yet true success requires conversations that exert a deeper magnetism, a pull as powerful as the tides. Conversations that are intelligent and impassioned. Personal and universal. Meaningful, authentic conversations during which we wouldn't willingly trade places with anyone. Conversations that feel like they could be taking place in a concert hall or a sanctuary — *fierce* conversations.

Why Fierce?

The simplest definition of a fierce conversation is one in which we come out from behind ourselves, into the conversation, and make it real. While most people are uncomfortable with *real*, it is the *unreal* conversations that should scare us to death. Why? Because they are incredibly expensive, for organizations and for individuals.

Most organizations want to feel they are having a real conversation with their employees, their customers and their evolving marketplace. And most individuals want to feel they are having conversations that build their world of meaning.

What Is 'Fierce' Leadership?

There's a bold, compelling line between "leadership" and *fierce* leadership. It's OK to cross the line.

Practicing Squid Eye

What might you notice if you were practicing squid eye that would suggest you and/or your organization are not "seeing" your customers and clients as individual human beings? Check any of the following tells that apply to *your* organization:

- **You have an initiative called "client centricity."** The fact that there is an initiative on the subject in the first place is a tell to your customers (and to everyone else) that you are *not* client centric, you are the exact opposite; otherwise, you wouldn't need an initiative in that area.
- **You use the term *customer facing*.** This implies that you have a special face that you pull out of a drawer and slap on when you're about to talk with a customer. What happened to you being *you*, consistently, no matter whom you're with?
- **You confuse "presentation training" with sales training.** Your employees are rarely taught how to have conversations — two-way *exchanges* of ideas and sentiments — with your customers.

Here is the short definition of *fierce leadership* (noun, verb):

1. A fast-acting anti-venom to the business-as-usual mode of high task/low relationship, self-serving agendas, directing and telling, anonymous feedback, holding people accountable, excessive use of jargon and mandating initiatives that cause people to weep on too many fine days.
2. Acquiring your most valuable currency: emotional capital.
3. The acquisition of squid eye and the demise of truth-telling squeamishness and ethical squishiness.

You will begin to cross the line, dropping into a different kind of serious, a different way of being, a different quality of relationship, once you understand and act on the central premise at the heart of everything fierce:

If you want to become a great leader, gain the capacity to connect with your colleagues and customers at a deep level … or lower your aim.

Your most valuable currency is relationship, emotional capital. This is far from a naïve, feel-good notion. It's good business sense. ●

Fierce Practice #1: From 360-Degree Anonymous Feedback to '365' Face-to-Face Feedback

Anonymous feedback doesn't tell us what we really need to know because it is ANONYMOUS, and most people don't provide specific examples to support their evaluations because more specifics might help the recipient guess who wrote them! So we avoid specifics and instead use sanitized phrases and a "score" of some sort, all of which tells the recipient very little about how to improve his or her performance.

The Fierce Practice: '365' Face-to-Face Feedback

Here are the simple rules of 365 face-to-face feedback:

- Stay current by exchanging feedback 365 days a year.
- Do it face to face whenever possible (and never via e-mail).
- Give it as soon as possible after something occurs.
- Praise is as important as criticism. *Actually, it's more important.* So don't just give feedback when it's negative.
- Always own your comments. Feedback is invaluable. It's anonymity that is the problem.

The goal of the fierce practice is to have open, honest, face-to-face conversations, 365 days a year, with the people central to your success and happiness. Give it and receive it.

Praising With Courage and Skill

Feedback is all too often associated with the word *negative*. But in fact, positive feedback — praise, recognition and acknowledgment — is the most powerful feedback of all. Fierce leaders express appreciation and gratitude up close and personal, in the moment. Their comments are authentic, specific, heartfelt. Consequently, the message is received and people glow.

Does praising people require courage, compassion and skill? Yes. As crazy as it sounds, we're just as lousy at praise as we are at confrontation. Maybe worse. Too often, our meager attempts fail to truly reach the people we acknowledge, and that's a shame! What to do?

Ken Blanchard got it right years ago with a simple statement in *The One Minute Manager*: "Catch people in the act of doing things right." Praise doesn't have to come in a group exercise; it's wonderful one on one, face to face, in the moment. Or pick up the phone, write a note, send an e-mail. And don't wait for perfection; acknowledge behavior that is heading in a positive direction. Fierce leaders practice this.

Whole Again

Our most valuable, enduring relationships require that we stay current with one another at work and at home — face to face. While most leaders fulfill their basic job descriptions, including conducting performance reviews, filling out surveys and listening politely (with gritted teeth) to anonymous feedback, fierce leaders do something more interesting, more real. They engage in meaningful conversations that truly connect.

When our achievements, talents and positive results are noticed and acknowledged and our missteps are addressed and resolved, we deepen our commitment to bringing the best of ourselves to our work and to our families every day. And this, in turn, translates to stronger relationships and better performance, which translates to success and happiness.

Who deserves your praise? Who deserves an apology? Whose behavior or attitude is causing serious problems? What are you waiting for? ●

Fierce Practice #2: From Hiring for Smarts to Hiring for Smart+Heart

In 2003, Howell Raines was fired from his post as managing editor of *The New York Times*. Raines had every managerial advantage and a brilliant strategy, but

he "lost the newsroom." He failed to win the hearts and minds of his staff, without which he could not hope to implement his change strategy.

In 2007, Bob Nardelli was dismissed from his position as CEO of Home Depot. He had arrived with impeccable credentials and achieved dazzling financials, but he failed to connect with the shareholders, deal makers, legislators, regulators and nongovernmental organizations who wanted to have a say in how the company was run and on whom the company's continued success depended.

The problem for Raines and Nardelli and so many other brilliant individuals was that reason did not prevail. Raines and Nardelli alienated people, so their reasoned arguments fell on deaf ears.

Yet despite all the evidence pointing to the fact that it is the deeply feeling, emotionally intelligent people who are best equipped to deliver these results, many leaders continue to focus on hiring and promoting people with pedigrees, graduates of the best business colleges, who, talented though they are, do not view human connectivity as relevant to their success. Why? Because nowhere in their education have they been taught to focus on the human side of their subjects.

Good Doctors

In *Blink*, Malcolm Gladwell points to Dr. Wendy Levinson, an international expert in the field of the physician-patient relationship. Dr. Levinson looked at why some doctors who make mistakes that put their patients' lives in jeopardy get sued, and others don't. Dr. Levinson found that patients sued doctors they didn't like and didn't sue doctors they did like, even if the doctors they like made mistakes.

And why do patients like or dislike their doctors? The decision was not rational. Physicians who don't get sued take a little more time — three minutes more than physicians who do get sued. And it was the quality of the physician-patient conversation, *how* the doctors talked with their patients — notice *with*, not *to* their patients — that made the difference. Patients like doctors who really listen, draw their patients out (*tell me more about that*) and answer their questions fully. Those three extra minutes and how they were used were the differentiator. In the blink of three minutes, the patient felt seen, heard, understood, valued and respected. You don't get that in every doctor's office — or in every executive's office.

Book smarts don't guarantee good teachers, good doctors or good leaders, because these aren't cognitive skills. No one's knocking an excellent education from a good school. It's just that this isn't enough. In fact, fewer young people are interested in attaining an MBA, because they recognize that the emerging right-brain economy requires a set of skills and characteristics not taught in most business schools. Many Gen Xers and Yers say they see value in forging more meaningful relationships at work, while struggling to get beyond the usual, superficial agenda they can't quite put their fingers on. These are the people — the ones who are both smart and engaged, who value human connection — who we are choosing for leadership roles today, globally. They understand that, while no single conversation is guaranteed to change the trajectory of a career, a company, a relationship or a life, any single conversation can.

Fierce Practice #3: From Holding People Accountable to Modeling Accountability and Holding People Able

Initially, for most people, the notion of "fierce accountability" sounds frightening, aggressive, full of conflict, smacks of a heavy workload. Yet if you think of fierce in the most positive light, like fierce loyalty, fierce resolve or fierce friendship, you might associate fierce accountability with a bias toward action and passionate commitment to exceptional results, even in the face of obstacles.

Here's the official definition of fierce accountability:

A desire to take responsibility for results; a bias toward solution, action. An attitude; a personal, private non-negotiable choice about how to live one's life.

The question is, given my goals, how will I achieve them? Given the barriers to my progress and the current results on my plate, some of which are troubling, what am I going to do?

Complicated times call for simple answers. Simply put, "if it's to be, it's up to me."

Accountability is not a process or a tool. It's what helps a process or tool become effective. Can you think of a very good structure or process in your company that sings in the hands of some people and weeps in the hands of others? Most processes, procedures or structures are not inherently good or bad. It's who's got their hands on it.

What if, instead of holding others accountable, we held ourselves accountable and others able — able to take charge, take action and effect change? What if, instead of pointing fingers and laying blame, we mod-

eled accountability and inspired others to do the same?

The fact is that no one can mandate accountability for another person. To say "I'm holding you accountable" is pointless. The only person I can hold accountable is myself. Personal accountability is a way of life — and like all fierce practices, it's an inside job. The accountability conversation is one I have with myself and only with myself. But the good news is, it's contagious.

The Fierce Accountability Cycle

Let's look at the steps in the "fierce" practice of modeling accountability and holding others able:

Step 1. Prepare yourself. Taking an accountable stance requires a great deal of courage. We may have to give up being "right."

Step 2. Prepare others. So far you've had a fierce conversation with yourself, which is where accountability begins. Now what about "others" in your life — colleagues, friends, family members — whose results and the results of everyone around them would be greatly improved if they chose personal accountability as a way of life?

Step 3. Do it! Take these steps:

- Identify the issue.
- Clarify the issue.
- Determine current impact.
- Determine future implications.
- Examine personal contribution to the issue.
- Describe the ideal outcome.
- Commit to action.

Step 4. Debrief. Even if you're convinced the conversation went well, check in with the other person to see how he or she felt it went. The conversation wasn't merely a task on your to-do list. There's a lot riding on the outcome.

Step 5. Do it again, only better.

Fierce Practice #4: From Employee Engagement Programs to Actually Engaging Employees

If employees aren't engaged, your company will suffer. Good people quit, defect, disappear or worse, show up every day — in body — but their souls are occupied elsewhere. They become disgruntled, disenchanted, disillusioned. And this affects your bottom line.

Yet despite all that companies are doing to promote employee inclusion and engagement, which go hand in hand, many still see this as merely something that makes people feel good — or at least better — about their jobs. Of course inclusion and engagement make people feel good. They also increase productivity, reduce turnover and build revenue.

Think of it this way: inclusion + engagement = execution muscle … and without execution muscle, you might as well hang it up. Let's define terms.

Employee inclusion suggests that people of every stripe — gender, age, sexual orientation, ethnicity, religion, aspiration, disability, position or title and whatever other differences are possible in the human population — feel that they have a place at the table, that they are seen, heard and valued and that given stellar performance, they have an opportunity to advance; that they do not feel marginalized, "less than," left out, overlooked, invisible, made wrong, taken advantage of, disrespected, ignored or mistreated.

At its heart, inclusion is about membership, belonging to a community, whether a family, a school, a company, a country or the human race.

Employee Engagement

Employee engagement is generally viewed as the degree to which employees view the goals of the company as in line with their own lives so that when they have choices, they will act in a way that furthers their organization's interests and vice versa. In *Getting Engaged: The New Workplace Loyalty*, author Tim Rutledge explains that truly engaged employees are attracted and committed to, inspired and fascinated by, the work that they do.

It's no surprise that "employee engagement" is a key initiative within many companies. After all, engaged workers are more productive, make more money for the company and create loyal customers. They contribute to good working environments where people are happy, ethical and accountable. They stay with an organization longer and are more committed to quality and growth — in fact, engaged employees outperform their unengaged counterparts by 20–28 percentage points.

Yet according to the *Gallup Management Journal*'s semi-annual Employee Engagement Index …

- 20 percent of employees are actively engaged in their jobs;
- 54 percent are not engaged; and
- 17 percent are actively disengaged.

If companies are so committed to including and engaging their employees, why these dismal numbers? Because inclusion and engagement can't be feigned,

trained or forced. They can't be mandated or taught in some dry management seminar. Because like the other fierce practices, inclusion and engagement start with you.

The Fierce Practice: Include! Engage!

Stop *talking* about inclusion and engagement and start *including and engaging* in every conversation, every meeting. And yes, there is a bit of serious business that will influence the outcome before you walk into a room or open your mouth. That bit would be your intention, your motivation. What do you want and *why* do you want it? We often forget to consider the "why" part, and it's the more important of the two questions.

Fierce Practice #5: From Customer Centricity to Customer Connectivity

"Customer centricity" is one of the most common terms in business today and a key initiative for many companies. In service to this "best practice" — which refers simply to focus on customers — companies invest millions in "CRM" (customer relationship management) initiatives aimed at training "customer facing" employees. There's no question that acquiring and retaining customers is vital to every company, but it's the way companies are going about it that's dead wrong.

Consider the fact that 55 to 75 percent of all CRM and customer centricity initiatives fail to meet objectives. Charles Green, co-author of *The Trusted Advisor*, points out that many companies have the client focus of a vulture — they pay close attention to what the clients are up to, but only in order to figure out the right time to pounce and tear at their flesh. Green suggests that most CRM systems are not really plans to build a relationship at all — they are just a list of features and benefits advertising the wonderful things the company could do for customers.

In short, customers don't want to be treated like customers; they want to be treated like people. That is *real* customer centricity. And in addition to considerable professional expertise, it requires deep listening and the ability to connect as human beings — proven time and time again to win customer loyalty, boost profits and make your company the kind of place where customers like to do business and talented people like to work.

The Fierce Practice: Customer Connectivity

If you want to become a great organization, one that endures and thrives despite economic downturns, fluctuations in the global stock market, climate change and escalating costs of doing business, then gain the capacity to connect with your customers at a deep level, or lower your aim. And this practice starts with *you*; it is the individuals in our organizations who build relationships with customers and consistently win new business one conversation at a time.

Connecting with customers is neither a naïve notion nor a "soft skill." It is an essential skill, one that requires courage, because it involves a fair degree of intimacy, which is initially uncomfortable for many people.

Focus on Individuals, Not Companies

Remember, you are selling to an organization via an individual. Or several individuals. Don't forget that ABC company didn't buy your services, Andy did. Or Susan, Katherine or Chad. So how do you sustain relevant relationships with individuals with the decision-making power in their organizations?

Do all that you can to ensure their success. Work to understand and embrace their agendas. Make their agendas your own. Understand what individuals are trying to do, and personalize your work with them. Be voracious about learning. Sit in on meetings. Understand their competition. Make your interest personal, authentic and passionate. Strap on your helmet and take the field with your customers. Then stay in the game until the whistle blows.

Fierce Practice #6: From Legislated Optimism to Radical Transparency

Legislated optimism is the purview of the one-way leader. When optimism is legislated, meetings produce more nothing than something. Ideas die without a funeral or proper burial. Communication is primarily from the leader to everyone else. The reverse is not valued, not welcomed, because the leader and his inner circle of advisers know best. Always have, always will. And the message is always upbeat. Accurate information is presented with a coat of whitewash and abracadabra laid over it.

In a culture of legislated optimism, leaders know only the sound of one hand clapping. They ask questions not because they want answers, but because they want to hear the *sound* of asking them. In this environment, conclusions are reached at the point when everyone stops thinking, which is often short of brilliant. The leaders have already done the thinking for us and have called it

good. No point in telling them what we're actually dealing with every day, since to do so would not be a career-enhancing move.

What Is Radical Transparency?

A post on Wikipedia describes radical transparency as "a management method where nearly all decision-making is carried out publicly. All draft documents, all arguments for and against a proposal, the decisions about the decision-making process itself, and all final decisions, are made publicly and remain publicly archived."

Human connectivity is the key to exponential growth for companies and for individuals, a sustainable, competitive edge. Radical transparency is at the very *center* of our increasingly hyperconnected world. In fact, it is already a trend. If you're not moving toward open-source thinking and full disclosure, please note that this particular train has left the station. But if you run, you can still jump on.

Virtual Reality

To truly understand our own leadership potential is to truly understand ourselves — capital R reality. It's about taking ownership of our results and making choices with clear intentions. We can learn the skills and the tools, but true leadership is about learning to maintain a state of being that is both authentic and powerful.

Leaders are ineffectual if they fail to move quickly and honestly to their own inward essential character.

Conclusion: Crossing the Bold Line

One of the greatest challenges we all face is understanding and embracing our own leadership potential. Even the most highly paid executives struggle with internal questions about their personal effectiveness as leaders. This is normal. Our results, attitudes, beliefs, prejudices, fears, hopes, glories and broken places have led us all to practices that others celebrate or question, that *we ourselves* celebrate or question.

At the same time, we are all leaders in some capacity or another. It doesn't matter if we have the title or not. But there is a profound difference between having the title and being the kind of leader to whom people are drawn and to whom people commit at a deep level. The former are just leaders, while the latter are fierce leaders. These are the leaders others look to for advice and opinion and gratefully follow wherever they go. These are the leaders who engage others whenever they are present. Call them natural leaders, if you will.

Courage

Fierce leaders aren't born that way; crossing the bold line between leadership and "fierce" leadership takes courage and work. It requires that you hone your faith in others and in yourself. Not blind faith, but rather the faith that comes from paying attention, being present. Crossing the line requires that you screw your courage to the sticking place and summon all your skill; reach, in fact, for skills you don't yet have.

Replacing worst "best" practices with fierce practices is challenging, and that's the point. *And, so what*? You cannot differentiate yourself or your company by taking the well-worn, familiar path.

Mythology expert and writer Joseph Campbell explained that the "hero" is heroic because at some point he steps off the path that everyone else is on and heads into the woods where there is *no* path and no indication of help. But he does it anyway. It's the first step into the woods that is the heroic moment. And then everything changes. Help appears that is exactly what he needs, when he needs it. It is there for him alone.

What is the path you have to step off of?

Make Connections

It is not enough to be a leader. This world is full of leaders who cause us to wonder how in the world they achieved that position.

We've got to make connections — at a deep level. Create them, every day, on purpose. Make more and more of them. Connect the people in our homes and businesses and cities and countries, so that we and our children and our colleagues and customers breathe connection in and out like oxygen. Souls rising. Resulting ultimately in that elusive concept we call peace on earth.

Love is a practice too. Give it a try. When outside influences are challenging, allow your quiet heart to lead you.

RECOMMENDED READING LIST

If you liked *Fierce Leadership*, you'll also like:

1. ***The Truth About Leadership*** **by James Kouzes and Barry Z. Posner.** Kouzes and Posner share 10 time-tested fundamental truths about leadership and becoming an effective leader.
2. ***Open Leadership*** **by Charlene Li.** Li (the coauthor of the bestseller *Groundswell*) offers the next-step resource that shows leaders how to be "open" while maintaining control.
3. ***Leading Outside the Lines*** **by Jon R. Katzenbach and Zia Khan.** Katzenbach and Khan examine how two distinct factions, the formal organization and the informal social networks, together form the bigger picture of how organizations actually work.

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Captain D. Michael Abrashoff

December 2010

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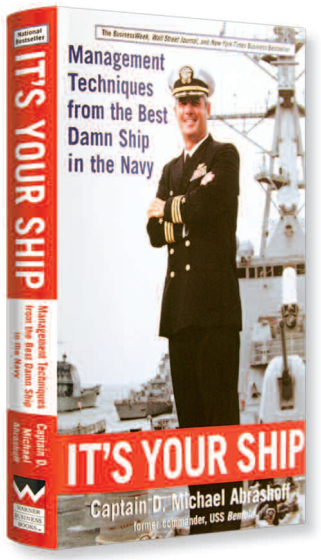

by Captain D. Michael Abrashoff

THE SUMMARY IN BRIEF

For an organization to be successful, everyone who works for the organization, from the CEO down the ranks, has to feel that it is their company. *It's Your Ship : Management Techniques from the Best Damn Ship in the Navy"* — describes the 20 months Captain D. Michael Abrashoff spent in command of the U.S. Navy guided missile destroyer *USS Benfold*. The author uses his experiences from commanding the *Benfold* to formulate lessons for management leaders in general, with the bottom line being that people are the core resource.

Technologically, the *Benfold* was the same ship before and after Abrashoff took over. However, he recognized the need to give his sailors a stake in the ship's effectiveness. This "ownership" improved the sailors' performance and made the ship far more effective, as well as a model for the rest of the Navy. Abrashoff recounts how he taught his crew to "listen aggressively" — not just hearing what someone has to say, but listening and understanding the situation clearly — as well as the importance of building up the people under your command or management.

Using an array of forward-thinking techniques that were often contrary to traditional Navy practices, Abrashoff turned his ship's dysfunctional crew into confident and inspired problem-solvers eager to take on initiatives. Within months of Abrashoff's coming aboard, the slogan on *Benfold* had become "It's your ship." Over time, the destroyer became known as one of the best examples of a Navy sea command, setting precedent and raising the bar in many areas.

IN THIS SUMMARY, YOU WILL LEARN:

- How to take command, as well as lead by example — don't just say, do it.
- The importance of communicating purpose and meaning.
- When to go beyond standard procedure — the traditional approach may work, but something new may work better.
- How to generate unity — it's not just your ship, it's our ship.

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THE COMPLETE SUMMARY: **IT'S YOUR SHIP**

by Captain D. Michael Abrashoff

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Opportunity in a Troubled Industry

In 1997, when it received a new commanding officer, the *USS Benfold* was a state-of-the-art, 8,600-ton guided-missile destroyer. To be given this spectacular vessel as his first sea command was thrilling to Captain D. Michael Abrashoff, yet there were serious challenges as well. The ship had the Navy's most advanced arsenal of computerized missiles, a radar system that could track bird-sized objects 50 miles away and four gas turbine engines that could power the ship into combat at 30 knots — more than 33 miles per hour. However, while its systems and technologies were cutting-edge, many of the ship's practices and protocols were outdated and inefficient — some were even detrimental. The Navy, like the rest of the American military, had spent a lot of time and money preparing for tomorrow's battles with antiquated methods, and this lag was creating substantial challenges. To make matters worse, the Navy was in the midst of a personnel crisis. Morale among the sailors was low, resulting in a dismal retention rate. In the military, people literally provide the fighting edge, and the Navy was losing its own.

Fighting a Losing Battle

The statistics were startling. Prior to 1997, nearly 35 percent — or almost 70,000 — of the 200,000 people who joined the military annually wouldn't complete their enlistment contracts. Of those who completed their first hitch, a very small percentage re-enlisted — not nearly enough to keep senior billets filled. Worse yet, the best talents were often the first to leave. Since it took $35,000 to recruit a trainee, and tens of thousands more in additional training costs to get new personnel to the basic level of proficiency, the price of this attrition to the taxpayer was staggering. That was only the beginning, since the dropouts went home discouraged, making it even harder to convince others to join.

The government was certainly not getting its money's worth, but neither was it providing life-forming experiences that would shape the character of those in the military and enable them to continue to contribute once they returned to civilian life. Despite technological and military potency, the *Benfold* was not prepared for its primary role: combat. With a sullen crew that resented being there and could not wait to get out of the Navy, the ship was, in effect, dysfunctional.

Over the course of two years, Abrashoff improved the situation aboard ship by pursuing progressive alternatives to traditional Navy management and leadership methods. In order to make his warship more effective, Abrashoff focused on challenging, and getting the most from, his people. The captain sought, and usually found, ways to make his crew grow, to make them feel part of a unified crew, and to feel that they could make an individual contribution to benefit the whole. Leaders have to realize that change, if handled properly, is possible, starting with their piece of the world. ●

Take Command

After formally assuming command of the *Benfold,* Abrashoff remembered flushing with embarrassment at how some of the ship's crew did not give his predecessor a respectful send-off. His first thought was about himself. How could he ensure that his eventual departure wouldn't be met with relief when he left the ship in two years? He knew he was taking over a very tough

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Edward O'Neill**, Graphic Designer; **Bruce Brager**, Contributing Editor

crew who hadn't exactly adored their previous captain.

Abrashoff knew he would have to come up with a new leadership model. Considering his role as leader in the context of his new post, the captain decided to first fix the people-problem on his ship. He read exit surveys conducted by the military to find out why people were leaving. He assumed that low pay would be the first reason, but in fact it was the fifth. The top reason was not being treated with respect or dignity; second was being prevented from making an impact on the organization; third was not being listened to; and fourth was not being rewarded with more responsibility.

In 1997, the Navy had a horrible retention rate. Less than half of all sailors re-enlisted for a second tour of duty; the fact that they could retire with generous benefits after only 20 years of service tempted very few. The *Benfold*'s retention rate was even below the average — a dismal 28 percent. In short, the ship was souring nearly three out of four of its youngest sailors, the people the Navy needs the most if it is going to develop a critical mass of reliable petty officers (the Navy's enlisted ranks) and long-term specialists.

A New Approach

Abrashoff realized that no one, including the man or woman at the top, is capable of making every decision. As the *Benfold*'s new leader, Abrashoff would have to train people to think and make judgments on their own. Empowering means defining the limits in which people are allowed to operate and then setting them free.

Abrashoff began by first assuming that there is always a better way to do things and, contrary to tradition, the crew's insights might be more profound than even the captain's. Several months were spent analyzing every process on the ship, and each crew member was asked if there was a better way to do his or her job. Time after time, the answer was yes, and many of the answers were revelations.

A second assumption Abrashoff acted upon was that the secret to lasting change is to implement processes that people will enjoy carrying out. Focus leadership efforts on encouraging people not only to find better ways to do their jobs, but also to have fun as they do them.

Little gestures go a long way. At the San Diego Navy base, for example, Abrashoff decided to stop feeding the crew official Navy rations and instead to use the ship's food budget to buy quality civilian brands that were cheaper and tastier. Some cooks were sent to culinary school, and what they learned turned the *Benfold* into a lunchtime mecca for sailors from all over the San Diego base.

Captain Abrashoff on Learning the Ropes

For a Navy officer, your first posting depends on your class rank at the Academy, and if you choose to be a ship driver, as I did, you find that the sleekest, newest ships go to the people at the top of the class. My first assignment was to an old rust bucket frigate, the *USS Albert David*. Oddly, that turned out to be an advantage. On the fast new ships, the Academy hotshots continued to compete with one another for training time and opportunities to learn. On *Albert David*, competing with officers at the bottom of the list, I still had to bust my butt, but it was easier to break out.

But the officers I was reporting to were also considered to deserve the *Albert David*, and it was their leadership style I was learning. Unfortunately, that was old-fashioned command-and-control; they barked orders and micromanaged everything. The captain was abusive. He yelled at us so hard the veins on his neck and forehead would bulge.

At one point, the captain fired the antisubmarine warfare officer and told me, who had no training at all, to replace him. I was able to do some good things by studying my job and telling my dysfunctional division what to do. I was getting semi-good results and moving up the career ladder, but I was still handicapped by my micromanaging style.

Similarly, a resourceful sailor created outdoor entertainment by projecting music videos on one of the ship's vertical surfaces for crews to enjoy as they refueled. The shows generated a lot of buzz throughout the fleet and lightened up a tedious and sometimes dangerous job.

How did the new approach affect the *Benfold*'s retention rate? For the two most critical categories, it jumped from 28 percent to 100 percent and stayed there. All of *Benfold*'s career sailors re-enlisted for an additional tour. Replacing them would cost about $100,000 per new recruit for training, but the considerable dollar savings are only the beginning. The ultimate benefit, retaining highly skilled employees, is incalculable.

Functional Innovations

The innovations on the *Benfold* were not all lighthearted. On the way to the Persian Gulf in 1997, the *Benfold* was one of three ships sailing together and scheduled to stop in Honolulu, Hawaii. The ships were involved in an exercise with an American submarine posing as the enemy. The submarine's task was to sink

the ship carrying the commodore, the commander of the three-ship force. While awaiting official plans for the exercise, the captain asked his junior sonar operators, the people who watch for enemy submarines on electronic equipment, to create their own plans. They were told to put themselves in the mind of the submarine commander, determine his likely plans and come up with ways to stop them.

To everyone's surprise — including Abrashoff's — they devised the most imaginative plan he had ever seen. Abrashoff submitted it, but both the commodore and the captain of the sister ship in charge of the exercise shot it down in favor of a last-minute plan based on the same tactics the Navy has been using since World War II. Now more than ever, the Navy and the U.S. military overall needed to stop preparing for past battles and start preparing for new ones.

When he heard the decision, Abrashoff argued with them on the ship-to-ship radio. The radio is a secure circuit, but also a party line that any sailor can listen to by punching the right button, which all his sailors did. They heard the captain challenge his bosses to try something new and bold. Unfortunately, tradition, plus outmoded business practices, carried the day.

As a result, the submarine "sank" all three of the ships. Talk about dejection. But the captain's sailors knew that Abrashoff had gone to bat for them. He could not do less; the sailors' innovative solution was well-deserving of their captain's allegiance.

Lead by Example

While the image of a Navy captain conjures up gold braid and firmly barked orders, neither of those things makes a leader. A leader will never accomplish what he or she wants by ordering it done. Real leadership must be done by example, not precept.

Whether you like it or not, your people follow your example. They look to you for signals, and you have enormous influence over them. If they see you fail to implement a policy you disagree with, they may think they have a green light to do the same.

If they see you not telling the truth, they may feel free to lie as well. Likewise, if they see you challenge outdated business practices, they will follow suit. Doing so will become ingrained in the culture. Whenever an officer proposed a plan, Abrashoff asked, "Why do we have to do it that way? Is there a better way?" So they always searched for better ways before coming to him. You train your crew how to operate through every decision you make and every action you take.

Never Forget Your Effect on People

Leaders need to understand how directly they set the Leaders need to understand how directly they set the tone and spirit of everyone around them. Mediocre leaders often don't take the time or trouble to know their people.

Abrashoff learned of an incident between his predecessor on the *Benfold* and a sailor. It was near the end of the previous captain's tour when he stopped the sailor in the passageway and asked if he was new to the ship. The sailor had been one of the first to report to the *Benfold* as the ship was being built and had served two years under that captain. But he answered, with a straight face, "Why, yes sir, I am. And what is it that you do aboard the ship?" The captain then fingered his gold command-at-sea pin and said, "Do you see this pin? This means I'm the commanding officer of this ship." The veteran sailor responded that it was a pleasure to meet him. A couple of sailors who witnessed this exchange enjoyed a good, long laugh.

As a manager, the one signal you need to steadily send to your people is how important they are to you. In fact, nothing is more important to you. Realize your influence and use it wisely. Be there for your people. Find out who they are, literally. Recognize the effects you have on them and how you can make them grow.

Listen Aggressively

It didn't take long for Abrashoff to realize that his young crew was smart, talented and full of good ideas that frequently came to nothing because no one in charge had ever listened to them. Like most organizations, the Navy seemed to put managers in a transmitting mode, which minimized their receptivity. They were conditioned to promulgate orders from above, not to welcome suggestions from below.

Abrashoff decided that his job was to listen aggressively and to pick up every good idea the crew had for improving the ship's operation. Some traditionalists might consider this heresy, but it's just common sense. After all, the people who do the nuts-and-bolts work on a ship constantly see things that officers don't. It seemed to him only prudent for the captain to work hard at seeing the ship through the crew's eyes.

This resulted in finding a simple way to limit the frequency with which the ship had to be painted. One sailor suggested changing the ferrous-metal bolts, which rusted and streaked the sides of the ship, with stainless steel bolts, which did neither. Because the Navy did not

have stainless steel bolts, the ship's credit card was used at The Home Depot to buy enough bolts. Painting decreased from six times a year to once a year. Because of this suggestion, the entire Navy has now adopted stainless steel bolts.

Communicate Purpose and Meaning

The whole secret of leading a ship or managing a company is to articulate a common goal that inspires a diverse group of people to work hard together. That's what Abrashoff's sailors got: a purpose that transformed their lives and made the *Benfold* a composite of an elite school, a lively church, a winning football team and — best of all — the hottest go-to ship in the U.S. Navy.

When Abrashoff took command, he kept walking around the ship trying to understand why everything seemed so desperately wrong, why there was no energy anywhere. It finally hit him that people were just showing up to collect a paycheck every two weeks. They were locking their passion and enthusiasm inside their cars in the parking lot and just bringing their bodies to work.

No one had ever thought to give them a compelling vision of their work, a good reason to believe it was important. So Abrashoff came up with a vision they could believe in and began making improvements. Slowly the sailors stopped leaving their enthusiasm in their cars and began bringing it to work.

Abrashoff appreciated communication from top management. He believed in the practice of telling everyone personally what's in store for him or her and explaining why changes are made. People can absorb anything if they are not deceived or treated arrogantly.

Some people feel that by keeping people in the dark, they maintain a measure of control. But that is a leader's folly and an organization's failure. Secrecy spawns isolation, not success. Abrashoff found that the more people knew what the goals were, the better buy-in he got — and better results were achieved.

Open Clogged Channels

Communicating includes management not only keeping "the ranks" informed, but also openly receiving information from below. Building up the passion and confidence of subordinates includes seeking out and taking good ideas. One dramatic example on the Benfold occurred in 1997. The Navy was having major technical problems with communications. Messages were secure, but they just did not get through to the intended parties. Some messages took five to six days to get to captains — an eternity in a military situation where seconds could count.

A *Benfold* radioman on the front line of ship communications spent hours reading technical manuals on a new satellite system the ship had received. The radioman told the captain he could unclog the backlog in Persian Gulf communications. The captain knew the three-star admiral in charge of naval forces in the Gulf should know this, but thought it wise to go through the necessary channels. First, he went to the communications chief of staff for the two-star admiral in charge of the *Benfold*'s battle group. The chief of staff vetoed the idea on the ground that it would divert manpower and use the system for a purpose not intended.

Six weeks later, with a worsening communications situation, Abrashoff decided to bypass the chief of staff and go straight to the two-star admiral. The admiral liked the idea and ordered its implementation. The radioman was flown to other ships to train them on how to use the new system. The new system worked and cleared up the communications problem. After he left the *Benfold*, the radioman was sent to help upgrade White House communications.

Look for Results, Not Salutes

Like military services around the globe, the U.S. Navy is a hierarchy. Rank, seniority and military discipline govern nearly everything. "Officer Country" signs ban enlisted people from parts of nearly every ship.

As gently as possible, Abrashoff set out to chip away at this rigid system. Formal etiquette is never out of style in the Navy, nor was it on his ship. When the captain walked on deck, sailors cleared gangways, threw salutes and stood at attention. They were honoring the office, as sailors must. But in a short time they learned that Abrashoff was not interested in flattery or fluff. Rigidity gets in the way of creativity. Instead of salutes, the captain wanted results, which meant achieving combat readiness.

As captain, Abrashoff was charged with enforcing 225 years of accumulated Navy regulations, policies and procedures. But every last one of those rules was up for negotiation whenever his people came up with a better way of doing things.

Go Beyond Standard Procedure

In the Navy, as in business, SOP — Standard

Operating Procedure — tends to rule. You will seldom get in trouble for following standard operating procedure. On the other hand, you will rarely get outstanding results.

Innovation and progress are achieved only by those who venture beyond standard operating procedure. You have to think imaginatively, but realistically, about what may lie ahead and prepare to meet it. You have to look for new ways to handle old tasks and fresh approaches to new problems.

Don't Work Harder — Work Smarter

Abrashoff applied this principle to attack an epidemic of mechanical failures that was sweeping all the Arleigh Burke-class destroyers in the Atlantic and Pacific fleets. These ships, including the *Benfold*, have an enormous demand for electricity, which they get from gas turbine generators. The ship can run on two of them, with a third on board for emergencies. The generators' critical cooling mechanism is a heat exchanger that runs seawater through metal tubes in the lubricating oil reservoir. The generators cost upward of $1.5 million each, but some designer had decided to save money by using cheap metal for the reservoir tubes. The tubes cost about $7,000. The upshot was that the tubes corroded, the pipes cracked, seawater contaminated the oil and the motors broke down.

When the *Benfold* lost two generators in a short period of time and had to limp back to port, Abrashoff started digging and learned that there had been around 60 similar failures. He wrote a message to the three-star admiral in San Diego blasting the design.

Abrashoff's message informed the admiral that not only had the poor design cost the Navy $60 million in lost generators, but that they could not be replaced fast enough, so the Navy was losing combat capability.

An obvious solution was to replace the tubes with a tougher alloy, such as Monel. But the way the Navy worked, Abrashoff knew it would take a year of studies before anything was approved. Abrashoff's ship was down to one generator; the captain needed a fix now and took matters into his own hands.

One of the *Benfold*'s broken lube-oil coolers was taken to a local engineering shop where Monel tubes were installed. It was tested and it worked, so Abrashoff had the other one fixed; those heat exchangers are working to this day.

According to Abrashoff, when you see a bad trend developing, yell and holler until people pay attention to it. By flagging the breakdowns, Abrashoff allowed the admiral to push the Navy to focus on the broader problem, while, simultaneously, the captain saw through a more immediate initiative. None of this happened simply by following standard procedure.

Build Up Your People

Once a year, all Navy ships undergo a thorough assessment in which outside inspectors validate the ship's readiness. The ship as a whole, and the crew's abilities and proficiencies, are rated in 24 categories, on a scale ranging from basic Level One to advanced Level Four.

The purpose is to determine how much additional training the crew needs to be ready for combat. But regardless of its readiness rating, every ship spends the next six months training at sea. Thus, there was no incentive to reach Level Four, and in fact, no ship ever did. Level One was the required minimum and that was usually considered good enough. Then, the *Benfold* came along.

Originally, the goal was for the *Benfold* to reach an overall rating of Level Two. But because of the enormous potential of the crew, it was raised to Level Three. The first challenge was finding enough senior people to supervise the 24 areas of testing. The combat systems officer told Abrashoff they only had 20 qualified people who were not involved in other critical operations.

Thinking fast, the captain responded, "Fine — pick supervisors from the next group down. You don't always need a senior person in charge."

"That's never been done before," the officer said.

The captain then responded, "See what they can do. Let's assign senior people to the most demanding areas, and work our way down to the junior ones. We have nothing to lose."

As it turned out, the third- and second-class petty officers were so honored to be chosen that they worked hard enough for several of their teams to outshine those supervised by senior people. The outside inspectors protested, saying they could not validate the work of an important team that wasn't headed by a commissioned officer. But the captain insisted, and his sailors did such a fantastic job that the inspectors ate their words and gave the *Benfold* Level Four in that category.

Breaking out of the stratified systems to trust people, especially those at or near the low end of the hierarchy, was a useful, progressive change. It allowed individuals with talent to rise to levels that no one had expected, simply by challenging them: Make the *Benfold* the readiest ship afloat. In that context, how could they not have done well?

Be the Rising Tide That Lifts All Boats

Since World War II the Navy has issued foul-weather jackets that are made of ugly blue duckcloth that keeps sailors neither dry nor warm. To the *Benfold*'s young sailors, they were a fashion statement not worth making. While browsing in a marine gear store, one sailor spotted a civilian version he loved that was made of blue Gore-Tex with reflective stripes and a built-in flotation device.

Naturally, he told the captain about it immediately. The Navy jackets cost $150 apiece; these were $90 and superior in every way. They would actually keep the sailors warm and dry, and they'd be safer than the standard issue because of the flotation device. As a bonus, "USS Benfold" could be stenciled on the back.

This was not the usual Department of Defense procurement; instead, this was more value for less money. "Great idea, sign me up," Abrashoff said. They used the ship's credit card to buy 310 jackets, passed them out to all hands, and had a very cool-looking and inspired crew.

The next day, when another ship pulled into *Benfold*'s pier, its sailors saw the Benfold crew wearing the jackets. Half an hour later, that ship's command master chief strode over to say, "My captain has ordered you to stop wearing those jackets."

"Really? Why?" Abrashoff asked.

"We almost had a mutiny over there — our crew wants the same jackets."

According to Navy protocol, the senior officer present is responsible for a pier's security, and he had decided that pier security was endangered because his sailors coveted the *Benfold*'s sailors' jackets.

The master chief of the other ship was informed that Abrashoff considered the other captain's order illegal and refused to obey it. If he insisted, Abrashoff would be happy to go to the admiral's office and accept an immediate court-martial. The command master chief delivered the message and returned half an hour later with a new directive: "My CO has decided you can wear your jackets after all."

That ship could have bought those jackets but never did. Meanwhile, the so-called "Benfold Jacket" became the rage, and the ship's squadron commander ordered them for the five other ships under his command.

Jealousy and envy are powerful emotions and, if acted upon, can cause serious problems. A jealous commander may behave in ways that inhibit and paralyze his or her subordinates, who eventually turn off and tune out. The antidote lies in trying to make the people who work for you feel needed and highly valued. Help them believe in that wonderful old truism, "A rising tide lifts all boats." With only few exceptions, every organization's success is a collective achievement. ●

Generate Unity

One of the harder tasks of a leader or manager is to convince people to accept that they are all in the same boat. In the case of *Benfold*, this was literally true. Either they would support one another or the whole ship could be in critical trouble that no one could escape.

One of the toughest things for organizations to accomplish is to get people to set aside personal differences and work for the good of everyone involved. The task of the leader is to assemble the best team possible, train it, then figure out the best way to get the members to work together for the good of the organization.

Treating people with dignity and respect is not only morally right, but practical and productive. Unity became the fundamental purpose of Abrashoff's leadership model. He achieved it because he and his crew learned how to make people want to belong to their 310-member club, ready to give their best to a fair-dealing ship that clearly valued them. ●

Improve Your People's Quality of Life

Abrashoff feels that corporate America, like the military, is headed for a nervous breakdown. We are now permanently wired to our work, wherever we are. Even on vacation, we're tethered to pagers, cell phones and laptops so we can log in from the beach. This is OK, in moderation.

In excess, it eats away at the inner reservoir of spirit that people need to draw on when life gets tough. If you work 70 or 80 hours a week and never take time out for a work-life balance, the reservoir doesn't refill and soon you're running on empty. When times get tough, the body may be willing, but the spirit will be out to lunch.

Abrashoff wanted to change that. When he interviewed his sailors, he asked them not only how to improve the ship's performance, but also how to have fun at work. The responses were amazing.

Fun With Co-workers Makes a Happy Ship

One sailor said it would be neat if the ship had a stereo system and maybe once a week at sea the crew

could gather on the flight deck and watch the sunset while listening to jazz. Abrashoff did that.

Another sailor suggested a happy hour every Friday night at sea. Abrashoff was ready to break a lot of rules, but definitely not the one that bans serving alcohol on a ship at sea. Still, it's possible to have happy hour without alcohol, or so Abrashoff decreed. Every other Friday night, the crew gathered on the mess decks for a feast. The ship also bought a karaoke machine.

Still another sailor said, "Why don't we put a sheet on the back bulkhead on the flight deck and get a movie projector and show movies under the stars at night?" Abrashoff thought it was a fantastic idea and a step forward in unifying his crew.

Abrashoff tried to instill fun in everything he did, especially mundane, repetitive jobs such as loading food aboard the ship. He decided that music would make the job go faster. With the ship's huge stereo system playing great tunes, it was a whole new scene. Everyone danced to the music, and the officers and chiefs supervising the work force ended up pitching in themselves. Music seemed to make even the most boring task fun — a lesson that somehow had escaped the U.S. Navy.

Having fun is a notion you can apply to any workplace, anywhere. Not long ago, Abrashoff proposed it to a conspicuously dour bank, and the managers looked alarmed. They said, more or less, "Fun isn't allowed here. It goes against the culture of the organization." But one of the managers broke ranks: "Why don't we have Laugh-In once a month?" she asked. The others softened, albeit slowly, and the light finally dawned.

So now, one day a month, the bank's once mirthless employees gather for a brown-bag lunch and sit together watching reruns of TV classics. These people had barely said a word to one another for days, if not decades. The last Abrashoff heard, they were actually laughing.

All this shows what you can accomplish when you throw formality to the winds and free your people to have a life on your time, which soon becomes the time of their lives. None of this required big money — only imagination and good will. ●

Life After Benfold

When Abrashoff's tour of duty was over, it was time to hand over the *Benfold* to its new captain. The day before he was relieved, Abrashoff's successor took him aside and said the *Benfold* was unlike anything in his experience. He did not want to become known as the one on whose watch the *Benfold* had declined. He asked Abrashoff what he should do, and Abrashoff summarized the *Benfold* playbook. His successor became a great leader. He was so highly valued that he was ranked the number one commanding officer in his squadron.

Abrashoff's approach to leadership began as an experiment born of necessity, but it is not unique. In all sorts of thriving businesses, the managerial role has changed from order-giver to people-developer, from authoritarian boss to talent cultivator. The bottom line: It's your ship. Make it the best. ●

Create a Climate of Trust

Once leaders have set the terms of the new social contact with their workers, they need to have the courage of their convictions. The best way to keep a ship — or any organization — on course for success is to give the troops all the responsibility they can handle and then stand back. Trust is a human marvel — it not only sustains the social contract, it's the growth hormone that turns green sailors into seasoned shipmates and troubled companies into dynamic competitors.

But trust must be earned, and you earn trust only by giving it. When Abrashoff took over the *Benfold*, he found distrust throughout the ship. When an adversarial relationship among department heads is built into the system, it poisons the whole atmosphere. It divides the crew into factions, erodes their trust in one another, and reduces combat readiness.

One of the first things Abrashoff did was to tell his four department heads that their futures in the Navy depended on the overall success of the *Benfold*. Together, they would sink or swim; it does no good to have the best weapons department if the engineering department could not keep the engines running to get the ship into combat.

RECOMMENDED READING LIST

If you liked *It's Your Ship*, you'll also like:

1. ***Get Your Ship Together* by D. Michael Abrashoff.** Stories of creative leaders from all branches of the U.S. military and business world.
2. ***First, Break All the Rules* by Marcus Buckingham and Curt Coffman.** Advice from some of the world's greatest managers, based on 80,000 interviews over 25 years.
3. ***Leadership Lessons of the U.S. Navy SEALS* by Jeff Cannon and Jon Cannon.** An analysis of the leadership and team-building strategies of the elite Navy units.

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How to Put More Minds Together

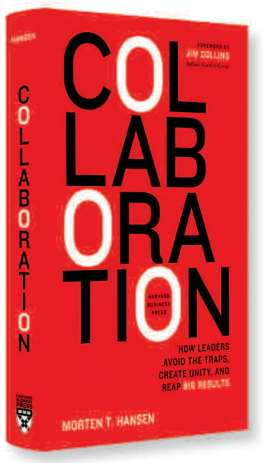
Review by Chris Lauer

COLLABORATION: HOW LEADERS AVOID THE TRAPS, CREATE UNITY AND REAP BIG RESULTS

by Morten T. Hansen

Harvard Business Press © 2009, 231 pages, $29.95, ISBN 978-1-4221-1515-2

Everyone cheers the benefits of creating collaboration, but every leader who has tried has discovered that it is much easier said than done. Building teamwork is difficult partly because it is so hard for us to relinquish our personal responsibilities to other people. Recently, a handful of researchers have figured out some critical ways to weave collaboration into the fabric of their organizations.



Dr. Morten Hansen has been studying how the best leaders and organizations get teamwork right. Along the way, he has also discovered how other leaders have missed the mark. Hansen is a collaboration expert. His research on the subject earned him a Ph.D. from Stanford University. With his doctorate in hand, he joined the faculty at Harvard Business School where he continued his research into collaboration while teaching in the school's MBA program. Today, he specializes in collaboration as a management professor at the University of California and the international graduate business school INSEAD. For the past 15 years, Hansen has compiled a compendium of valuable information on the power of working together. In his book *Collaboration*, he describes the results of this groundbreaking research.

To start, Hansen points out that bad collaboration is worse than no collaboration, so pay attention when creating teams. The trick is to do it well, like Apple did when it created the iPod. With a variety of examples fresh from the headlines, Hansen shows business leaders how great and awful attempts at collaboration look in real life.

Hansen writes that the most effective forms of collaboration come from a combination of decentralized work and collaborative work. Each work style has its benefits, so it's up to the organization to decide when each one works best.

Decentralization

Lately, more companies than ever are adopting some form of decentralized work. More people are being given the freedom to control their own work. Hansen recognizes the benefits of a decentralized work unit, but he also believes that leaders should put more effort into creating "disciplined collaboration."

Balancing autonomy with collaboration creates many challenges for business leaders. The best companies are conquering these challenges by creating internal processes that enable collaboration. For example, Procter & Gamble (P&G) has created more than 20 "communities of practice." So far, about 8,000 employees are participating in these communities. A community of practice is made up of volunteers from all corners of P&G's many divisions. Together, these groups work together to solve

problems and share ideas. Other employees in the company are encouraged to communicate with these groups by using an "Ask Me" feature that is part of P&G's intranet.

Another way leaders at P&G motivate collaboration in the organization is by promoting from within. By moving people across business units and locations, P&G facilitates the growth of cross-unit networks among its many employees.

Crest Whitestrips

One result from P&G's efforts to cross-pollinate its business units with ideas from different groups is the tooth-whitening product Crest Whitestrips. P&G employees from three separate units worked on the product, including experts from the oral-care division, researchers from the fabric and home-care division and scientists from R&D. Their unique collaboration created a successful new product.

Innovations like Crest Whitestrips happen at P&G because the company's CEO, A. G. Lafley, encourages product developers to work with people outside of their own departments. Since he became CEO in June 2000, Lafley has worked hard to make the company more collaborative on every level. That sense of collaboration permeates the top ranks of the company. Studies show that the company's global leadership team works remarkably well together. Hansen points out that P&G has seen about 5 percent organic growth every year since Lafley took the lead.

Disciplined Collaboration

Hansen summarizes his collaboration model in just a few words: "Disciplined collaboration requires that organizations be decentralized and yet coordinated." Some leaders will be prepared to create more disciplined collaboration in their organizations, others will need to make some changes to the ways they lead.

Cisco's CEO John Chambers admits that he had to change his old command-and-control leadership style to adapt to a new era when collaboration within organizations is required. In an interview with *Financial Times* editor Chrystia Freeland, Chambers explains that leaders "make better decisions through collaboration. And while you might spend more time discussing it than you'd like, once the team has discussed it with different backgrounds, then they can build upon that base much faster than before."

If Chambers can break old habits and create a more collaborative mindset at Cisco, Hansen muses, then any leader can develop a more collaborative leadership style.

California Governor Arnold Schwarzenegger is a great example. He went from "Terminator" to collaborator almost overnight. One day he was hunkering down with Republican allies, going it alone, pushing to get voters to pass four of his new ballot measures. On Election Day in November 2005, all four initiatives failed.

The governor opened his eyes to a new reality. He noticed that he was down from a 60 percent approval rating to a 33 percent approval rating. Voters were telling the governor that they disapproved of his partisan, non-collaborative ways.

Suddenly, he switched to a different approach. The governor started reaching out to state Democrats. He demonstrated his commitment to bipartisanship by replacing his Republican chief of staff with Democrat Susan Kennedy. State lawmakers were finally able to sign laws to increase the state's minimum wage, reduce greenhouse gases and allocate money to rebuild roads, schools and bridges. Together, California's Republicans and Democrats solved key problems.

The Not-Invented-Here Barrier

One of those obstacles that blocks collaboration is what Hansen calls the "not-invented-here barrier." This obstruction pops up when the members of one group are unwilling to reach out to other groups for input. Hansen writes that this is a motivational problem that can occur when people develop an insular perspective that excludes outsiders. This can cause them to shun new ideas and perspectives.

The not-invented-here barrier played a pivotal role in the U.S. government's inability to stop the 9/11 hijackers, Hansen writes. Better collaboration among U.S. intelligence agencies would have made it easier for agents in the FBI, the CIA and the State Department to share important documents.

A study of the intelligence breakdown before 9/11 shows that U.S. agents tended to stick to their own agencies when looking for information. Months before the 9/11 terrorists destroyed the World Trade Center, the FBI had information that could have been used to catch one of the hijackers, Hansen explains, but that information was not distributed to other agencies. That's why the hijacker's name never made it to the State Department's watch list.

If the information had been distributed rather than held until it was requested, agents might have been able to stop him from entering the United States when he reapplied for a U.S. visa three months before the attacks. Hansen writes, "At the FBI, agents rarely reached out to ask other federal agencies with potentially valuable information databases to assist in searches." Better collaboration among U.S. intelligence agencies before the 9/11 attacks could have saved many lives.

The Hoarding Barrier

Another thing that might be holding collaboration back in your organization is what Hansen calls "the hoarding barrier." People hitting this wall do not return phone calls. They drag their feet when somebody else needs something. If the divisions within your company are having trouble sharing their resources because they have developed competitive relationships, then you have hoarders in your midst.

The 9/11 Commission investigation showed that massive hoarding was taking place within the country's intelligence services. The CIA didn't share with the FBI and the State Department. The FBI agents didn't share with each other. As a result, a crucial memo was never passed along. Hansen writes, "A decentralized structure of the intelligence community, narrow incentives and fear of revealing information all contributed to a climate of hoarding in the intelligence community."

The Search Barrier

Another problem that plagues great collaboration is an inability to find who and what you need within your organization. If your searches for people or facts become endless mazes of wrong turns, then the "search barrier" has you trapped. Although this problem can be rampant in large companies, smaller companies can suffer from it as well. Global companies with people spread around the planet have to work extra hard to make their information accessible to employees if they want collaboration to take place.

The final barrier to collaboration that Hansen describes in *Collaboration* is the problem of transferring experience, skills and technologies across people from different units. Tacit knowledge, which includes anything that you cannot easily write down in a manual, is hard to share. That's why it is so difficult to teach somebody how to close a difficult sale, or execute a successful merger between two unique companies. Unlike explicit knowledge, which can be shared with a written document, tacit knowledge takes a while for people to acquire.

Studies show that collaboration is easier when people work with the types of information that are easier to share, such as clearly documented diagrams or straightforward information. On the other hand, Hansen writes, it is much harder for people to work together when they have ambiguous goals or deal with unknowns.

Solutions for Collaboration

Hansen's research has revealed three management strategies for leaders who are trying to motivate employees to collaborate: Unify your people, cultivate collaboration through "T-shaped" management and construct nimble networks. Unifying people and cultivating collaboration through your management structure can help you conquer hoarding and the not-invented-here barrier. Building agile social networks and cross-unit relationships is a great way to combat problems with searching and transferring information.

The first solution for increasing organizational collaboration is unifying people. Hansen writes that successful leaders do this by creating a goal that unifies people, clearly stating that teamwork is a core value and showing executive support for collaboration initiatives.

Leaders still have a long way to go regarding collaboration. Beyond the organizational barriers that can stand in their way, there are a few other things a little closer to home that are preventing them from creating teamwork. Hansen lists four: arrogance, bad attitude, fear and ego. The worst of these is arrogance, he writes. Some people are under the firm, but erroneous, assumption that everything they say and do is right. When a leader or team member thinks he or she is smarter than everyone else, that arrogance can stifle collaboration.

Conquering Defensiveness and Fear

Defensiveness can also be a problem. If you are defensive, then you might get stuck in a very narrow perspective and ignore important criticisms. Defensiveness can also make you less inclusive, Hansen writes, which can shut down efforts to grow collaboration.

Fear is another destructive element that can limit the possibilities of collaboration. When a leader is afraid to lose or afraid to be humiliated, he or she will usually stick with a very narrow agenda. Hansen explains that collaboration works better when everyone is open to everyone else's ideas and the possibility that their own ideas are less important than the team's goals.

Finally, big egos can kill collaboration. Hansen's research shows that big egos were the least powerful of the collaboration killers, but they can stop collaboration dead when a leader is enraptured with his or her own agenda. An egotistical leader does not usually involve other people in his or her decision-making process.

Unify People

Collaboration starts with unifying people. To create a unifying goal, Hansen proposes four criteria to help leaders get started. First, make sure your goal creates a common fate for all relevant groups. Sometimes your message will be designed to unify only part of your organization.

Jack Welch had a unifying message when he took over as CEO at General Electric(GE), but it was just for GE's business units. "Be number one or two in every

business globally," Welch said. This was a unit-specific goal, as opposed to a "common-fate goal."

Another way to unify people is to create a goal that is simple and concrete. President Kennedy wanted to land a man on the moon. It was a difficult endeavor, but it was a simple message. About 400,000 people coordinated their efforts to make this goal a reality. The country rallied around the message and made it happen. Hansen advises leaders to strip away any clutter from a message so people can connect to it. They must also make sure it stirs passion.

Finally, remember to put your competition on the outside. As Hansen writes, "Few things unite people better than having a common enemy."

Words alone will not make a campaign for increasing collaboration a success. Leaders need to state their commitment and follow up with concrete action. Many people will be involved because that commitment will need to be reflected in how people are recruited, rewarded, promoted and fired.

'T-Shaped Management'

In 2001, Hansen and author and business strategist Bolko von Oetinger wrote an essay for the *Harvard Business Review* titled "Introducing T-Shaped Managers: Knowledge Management's Next Generation." They called their strategy for getting collaboration to stick a "T-shaped" management approach. In their model, the vertical line of the T represents how you deliver results in your job. The horizontal line stands for getting results while collaborating with other people across the organization. A T-shaped manager balances horizontal knowledge-sharing responsibilities and business unit responsibilities.

How does a leader implement T-shaped management when individual and group concerns are equally important? Start with training. Then move to the organization's appraisal process. To show leaders how this works in the real world, Hansen presents a popular Harvard Business School case study from Professor Diane Burton.

Burton's case study describes the dilemma of a senior banker at Morgan Stanley. Executives will likely be able to identify a similar problem player in their own organizations regardless of industry.

The banker had an employee who was a great producer but a terrible team player. The senior banker had to decide whether to hire his star performer as managing director.

Two years earlier, leaders at the company had launched a campaign to ensure that collaboration was taken seriously throughout the organization. To demonstrate their commitment to the program, leaders set up a 360-degree performance appraisal process that assesses contributions to the company and "team player skills." Morgan Stanley's annual performance appraisals include comments from bosses and colleagues on how well an employee demonstrates teamwork. When the senior banker's "lone star" was up for a promotion, those performance reviews showed he was great with clients, but horrible with partners and traders. This kind of information helped the senior banker make his decision.

Nimble Networks

In his bestseller *The Tipping Point*, author Malcolm Gladwell asserts that knowing more people is the key to becoming more connected.

Hansen disagrees. He writes that "the more, the merrier" does not always work better than a nimble network of great contacts. He also offers this tip: The goal of networking is not simply more networking. The goal of networking is better results. A strong contact list, he adds, includes a variety of people whose jobs span different disciplines, technologies, experts, customers, colleagues and industries.

Most leaders already know that better collaboration boosts performance, but few have mastered the ability to cultivate collaboration throughout an entire organization. Hansen spent many years studying the successes of collaboration masters and the mistakes of collaboration failures. He then shaped that research into a collection of smart ways leaders can leverage more teamwork into their organizations. The result is a practical guide to building fruitful collaborations.

The author: Morten T. Hansen is a management professor at the School of Information, University of California, Berkeley, and at the international graduate business school INSEAD. His articles have appeared in the *Harvard Business Review* and the *Sloan Management Review*.

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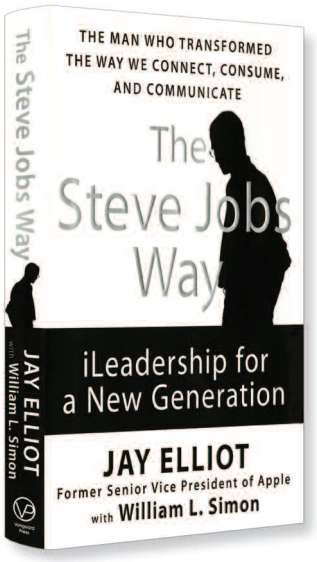

The Steve Jobs Way

iLeadership for a New Generation

by Jay Elliot with William L. Simon

THE SUMMARY IN BRIEF

In *The Steve Jobs Way*, Jay Elliot, former senior vice president of Apple Computer and close colleague of Steve Jobs throughout his tenure, takes readers on a remarkable tour through Jobs' astonishing career. From the inception of game-changing products like the Apple II and the Macintosh, to the development of the iPod, iPhone, iPad and much more, this summary presents real-life examples of Jobs' leadership challenges and triumphs, showing readers how to apply these principles to their own lives and careers.

Packed with exclusive interviews from key figures in Apple Computer's history, *The Steve Jobs Way* provides a rarely seen, intimate glimpse into the Steve Jobs you won't see on stage at one of his legendary presentations at Macworld. It also thoroughly explores his management and leadership principles. From product development meetings to design labs to the world outside of Silicon Valley, readers will see the *real* Steve Jobs, the "Boy Genius" who forever transformed technology and the way we work, play, consume and communicate.

The Steve Jobs Way is the "how to be like Steve" book that readers have been waiting for.

IN THIS SUMMARY, YOU WILL LEARN:

- Why Steve Jobs is in a class by himself.
- How Steve Jobs runs an organization that brings such convenience, time-saving and pleasure to so many people around the world.
- How Steve Jobs' unique leadership style has forever changed our everyday lives and the world around us.
- How to shift your paradigm and get your organization to shift with you.

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THE COMPLETE SUMMARY: **THE STEVE JOBS WAY**

by Jay Elliot with William L. Simon

The authors: Jay Elliot served as the senior vice president of Apple Computer, responsible for all corporate operations, reporting directly to Chairman of the Board Steve Jobs. He also helped Jobs create the Macintosh computer from development to introduction. Elliot's articles and interviews have been published in *The Wall Street Journal, The New York Times, Time Magazine* and *Fortune*. He is also the CEO and founder of the software company Nuvel, Inc.

William L. Simon is the author of two *New York Times* bestsellers, including *iCon*, which is currently the best-selling Steve Jobs biography.

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For additional information on the authors, go to http://www.summary.com.

PART I: PRODUCT CZAR

Steve Jobs is the *world's greatest consumer*. I saw it from the day I joined Apple. He breathed life into the Macintosh as "the computer for the rest of us." He stirred the iTunes Store and the iPod into being out of his love for music and the desire to take music everywhere with him. He loved the convenience of the cell phone but hated the heavy, clumsy, ugly, hard-to-use phones on the market, and that dissatisfaction led to his giving himself and the rest of us the iPhone.

Steve Jobs survives, thrives and changes society by following his own passions.

"I could be doing a lot of other things with my life," he said. "But the Macintosh is going to change the world. I believe that, and I've chosen people for the team who believe it, too."

This product passion goes through the entire Apple corporation — from the receptionists to the engineers to the members of the board of directors. If the employees of any company do not feel this passion as passed on from the leaders, then the leaders need to be asking, "Why not?"

From the Drawing Board to Delivery

As his own product czar, Steve wore a dazzling number of hats in the Macintosh team, starting with product conceiver-in-chief. From the drawing board to delivery, he *inhabited* the product, living every detail of what it would experience as if it were a living, breathing organism.

He knew he had to be surrounded by people as invested in achieving excellence in the products as he himself was. His passion is one of the great underlying secrets of Steve's success. He is exacting, demanding and, yes, at times, inconsiderate. It's all a reflection of the fiery passion that drives him. ●

Success Is in the Details

Steve Jobs understood something that a lot of companies try to do, but are rarely successful at. The more he advanced, the simpler his products became. In some instances, it's less about the product and more about the user.

For Steve, nothing is wasted, nothing is unnecessary. It doesn't happen by cramming in more, it happens through creativity and innovation, with a relentless pursuit of perfection. It means thinking through everything with the laser-focused goal of making it intuitive to the user. The irony is that this takes more work, more detail-oriented planning.

You probably know a few people — or perhaps more than a few — who consider themselves "detail oriented." Maybe you'd even put yourself in that category. Steve's level of focus on details is one of the most crucial aspects of his success and the success of his products.

As Simple and Uncomplicated as Possible

When Steve Jobs had his best engineers working on the top-secret project to develop the iPhone, he had to wage a battle. Trying to create a cell phone product was a monumental effort for a company with no background

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Edward O'Neill**, Graphic Designer; **Chris Lauer**, Contributing Editor

in the field. One of his big reasons for taking on this unlikely challenge was that every cell phone he had ever seen was, in his view, far too complicated to use: a perfect challenge for a man so dedicated to detail and to its companion quality, simplicity.

So Steve had decided early on that the cell phone being developed at Apple would have only a *single* button.

His engineers kept telling him over and over in their once-or-twice-a-week review meetings that it was not possible for a cell phone to have only one button. You could not turn it on and off, control the volume, switch between functions, go to the Internet and use all the other features the phone was to have, if you had only a single control button.

Steve was deaf to their complaints. He kept demanding, in effect, "The phone will have only one button. Figure it out."

Though he has, through the years, been an incredible solver of problems and originator of clever ideas on all the products developed under him, Steve didn't know how the phone could be designed so it would need only one button. But as the ultimate consumer, he knew that's what he wanted. He kept sending the engineers back with the demand that they figure out the necessary solutions.

You know the end of the story: The original iPhone had only one control button. ●

PART II: TALENT RULES

I should have known it would hardly be your typical business product retreat. The oversized glass windows in the second-floor restaurant of the Carmel Inn gave everyone in the room a perfect view of the sparkling blue swimming pool. A bunch of young guys and a couple of young women were happily cavorting in the water below — stark naked. At 8:00 in the morning, no less. Most of the diners didn't know where to look. Two dignified, gray-haired old ladies lingering over their coffee appeared to be in shock. I was almost as surprised as they were. Those kids out there splashing and hooting were members of the Macintosh team.

Forming a Team Culture

Every leader and every manager wants his or her people to work together; all pulling in the same direction, supporting each other, everybody pitching in to do their part in achieving the goal of the group. Yes, the business of the swimming pool was way over the top, not exactly the best example of what a leader should be striving for …

Encouraging the 'Artist' in Everyone

Steve took advantage of the artist sensibility in his engineers. Always in hyper-mode about having new products ready to show, he whips the troops into shape like a lion tamer with lines like, "Real artists ship on time."

Andy Hertzfeld, a key member of the original Mac design team, put it this way: "The Mac team had a complicated set of motivations, but the most unique ingredient was a strong dose of artistic values. The goal was never to beat the competition or to make a lot of money; it was to do the greatest thing possible, or even a little greater."

but it certainly did show that Steve had indeed created a sense of community among the Macintosh group.

By this time, the Mac team had grown from the original core group of five people formed to create a breakaway computer, to about 30, including the newbies Steve had been adding to the teams. He had planned this offsite to make sure everybody was on the same wavelength and moving in the same direction.

These folks, mostly 20-somethings, were being challenged to come up with completely fresh, original ideas in what could be called a near-hostile setting: within the confines of a company thriving on a product line that Steve now saw as dated and no longer relevant. The skinny-dipping should have come as no surprise. He had scoured the halls of Apple and elsewhere for people with the courage to be different, to be unconventional, to go beyond. I saw the naked swimming as a sign he was succeeding.

Elements of Team Building

As everyone walked into the opening session of the business retreat in Carmel, guys and gals were standing by with handouts: Each arriving team member was handed a T-shirt imprinted with what was to become the iconic logo of the Mac team: Pirates! Not the Navy!

I never did ask Steve where that line came from. I now think it may have been a line made up by the late Jay Chiat, the incredibly talented co-founder of Chiat/Day, the ad agency that, through the years, was to work such magic for Steve and Apple. But it was Steve who took it up as a catchphrase that would stir the troops. He recognized it as a rallying cry that would help build a cohesive team, a team of people who would bond and rely on one another. ●

Tapping Talent

If you were starting a new school, you would want to hire the very best teachers you could get. If you were starting a Web site aimed at people who compete in horse shows, you'd hope to staff up with fine riders who were or had been medal-class winners and had won Best of Show trophies. And so on.

That's easy to say but obviously not so easy to do. Yet it's one of the keys to the success of Steve Jobs. Each time he has been faced with the challenge, he has managed to come up with extraordinary people.

Discovering a Pirate Where You Least Expected

Steve doesn't hesitate or waste time once he's made up his mind about somebody.

Although he operates from the gut level when hiring, he's also very thorough. Before an interview with attorney Nancy Heinen — who later became the company's general council — Steve asked to see some contracts she had written so he could evaluate the "aesthetics" of her work.

Sometimes after an interview by Steve, I'd talk to the candidate myself. Most of the people I talked with didn't even feel the time with Steve had been an interview; in their eyes, it was more like a college lecture or a VC pitch on Apple products, followed by a final exam of you explaining how you were going to contribute to Mac and the team.

In searching for talent, you mustn't be put off by first impressions. You must find the real person, sometimes discovering a pirate where you least expected. ●

Rewards for the Pirates

Most corporations acknowledge employees by holding a little celebration for birthdays, employment anniversaries and so on. But for a product-centric company like Apple, celebrations, rewards and recognitions are focused around the company's stars: its talent and its products.

Steve truly cherishes his people. It's not just that he knows he couldn't be doing all these great things without them: He lets his people *know* he knows. The lengths Steve goes to shower recognition, appreciation and reward on his people often left me in awe.

The most memorable example came when he told me, "Artists sign their work," and decided that the signatures of the original engineering team members would be etched on the inside of the cases of the first Macs. The signing party was held after a weekly staff meeting on Feb. 10, 1982, with each person on the engineering team putting his or her signature on a big piece of drafting paper, including Steve Wozniak, using his familiar nickname, Woz.

Mac buyers would never see the signatures inside the case or even know they were there. But the engineers knew it, and that meant a lot to them. Even to this day, every time they see a classic Mac in someone's garage or in a computer museum, they have the satisfaction of knowing their names are inside. For most of us, there are few greater satisfactions than knowing we were part of a great product. ●

PART III: TEAM SPORTS

The product-driven organization has the product as the most important element in everything it does. Steve is a towering example of being the face of your product wherever you go. The most obvious place to witness this is when he is about to make a presentation at a press conference or Mac Expo. Steve often pays little attention to the prepared remarks. At the same time, he is always fiercely demanding about the smallest detail — down to the exact placement on stage of the key product being introduced, exactly how it will be lighted and on exactly what cue it will be revealed.

To watch him on stage at one of these presentations was to see a consummate actor; no, in fact, he was better than a great actor, because actors mouth words written by others, while Steve would speak *impromptu*, knowing in advance, of course, precisely what messages he wanted to get across, yet not following any script. He could hold a huge audience spellbound like this for an hour or even two.

Unparalleled Confidence in the Product

He is always in hyper-mode about having new products ready to show. No matter what the product, his confidence in it is unparalleled. And he is remarkably imperturbable. When he was introducing Apple's first laser printer, the LaserWriter, he went through his lengthy build-up, finally pressed the button on the computer keyboard to give the print command … and nothing happened. Steve went right on talking as if this was the way he had planned it while a gaggle of white-coated techies flocked to the stage, found a loose cable, plugged it in and vanished.

Steve returned to the computer, pressed the button and the pages began pouring out. He was not the least bit flustered.

When he introduced the iPhone 4 and could not get a signal, he simply requested that the audience turn off their iPhones and, voilà, with the interference problem solved, he got the signal. ●

Maintaining Momentum

In the fall of 1985, Steve Jobs, the ultimate product guy who didn't want to bounce from company to company, was in crisis mode. Being worth $200 million didn't take away the sting that he was no longer with the company he co-founded. The Macintosh project he so deeply believed would change the nature of computing had been suddenly snatched away from him.

Staying in the Game

For a time, it looked as if Steve had indeed quit the game. That surprised me — it didn't seem like what I expected from the Steve I knew.

But he hadn't quit. He turned out to be the model of how to act in a time of crisis: Keep charging ahead until you find that new road. He was to show the guts and gumption that marks the product-inspired person.

Steve started NeXT Computer, Inc. — at first spelled Next — and set to work creating what was for all practical purposes the next generation Macintosh he had wanted to do at Apple. He would show he could do what he told everyone he could: build a great product even outside of Apple's protective umbrella.

Steve Jobs at Pixar

While Steve was trying to make the NeXT computer into his dream machine, he came across another powerful computer for a specialty use. And the man who had been paying the bills was looking to unload the whole package: the whole team of people plus the computer technology and the software they had created.

This was the digital graphics animation unit of Lucasfilm, George Lucas' film studio in Marin County, Calif. That unit was, of course, what would come to be known as Pixar.

It took some five years from contract-signing to premiere for *Toy Story*, but for everyone involved, it had been well worth the struggle and the wait. Many people had been skeptical that a company headed by Steve Jobs, the technologist, could produce a praiseworthy work of art.

After its premiere during Thanksgiving week 1995, the film won great accolades from critics, parents, children — viewers of all kinds, all around the world. A film that eventually cost some $30 million went on to earn $190 million in the United States and a total of more than $300 million globally. It established the production company, Pixar, as a star in the Hollywood firmament. ●

Recovery

In 1996, with both NeXT and Pixar still draining money, the happy chance that would save Steve's neck and set him up for all the great things he was to do came from the least likely source, the last place he could possibly have expected.

Apple Computer desperately needed a new operating system.

The company was then in the hands of a skilled Ph.D. technologist, Gil Amelio, who had engineered a remarkable turnaround at chip-maker National Semiconductor and been brought in to Apple to provide technology leadership and solve the financial problems. When it was clear that the Apple engineers were not going to come up with a viable new operating system, Gil began looking outside the walls of Apple's headquarters at One Infinite Loop.

In the end, Apple didn't contract with NeXT for the development of a new Macintosh operating system; instead, Apple purchased Steve's entire company, gaining all rights to NeXTStep, many of NeXT's best talent … and Steve Jobs, in the role of consultant to the CEO. People warned Gil that if he allowed Steve back into Apple, Steve would soon take the company away from him. Gil's answer was that he had made the decision that was best for the company.

Back in Full Command

In 1997, Steve Jobs was back and he was, for the first time in the history of the company, in full command. *Fortune* editor-at-large Peter Elkind beautifully described the New Steve, the Takeover/Business Manager Steve: "Right away, Jobs dug into the mucky details of the business, creating a sense of urgency, radically reducing Apple's product line and accelerating a wholesale cost cutting that would shrink the company back to profitability. Jobs had become a far better leader, less of a go-to-hell aesthete who cared only about making beautiful objects. Now he was a go-to-hell aesthete who cared about making beautiful objects that made money. No engineering spec, no design flourish was too small for his scrutiny."

The observation was only partly correct. For Steve, it's never really been about making money, but the first order of business called for remaking Apple in some

painful ways to save it from the dust heap of failed technology companies. He began taking a hard-eyed look at every product and project in the company.

As Steve became more visible, it generated a mixture of excitement and trepidation, somewhat typical in any transformation, but, at the same time, software engineer Winston Hendrickson remembers, also unique with an uncomfortable air of "what's next?" Decisions and changes were finally happening — and at an unprecedented pace for Apple in that era. This generated a high level of excitement, in part from the fact that "the scale and velocity of the actions made it progressively more clear there was a new sheriff in town." ●

Holistic Product Development

Today, most products of any complexity — as well as a lot of very simple ones — include components or ingredients not created on-site but purchased elsewhere, from some other company.

It's why the rim at the top of the can of Gillette shaving cream always turns rusty: Gillette makes the shaving cream but buys the cans from a supplier — a nameless manufacturing company that doesn't have to take any flak from Gillette customers. (And one wonders whether Gillette's top managers aren't using their own product; if they were, wouldn't they have corrected the problem a long time ago?)

A Fundamental, Essential Question

By the time of his return to Apple, Steve had begun to understand what he would come to consider a fundamental, essential question: How is it possible to produce a product that works well if the group creating the software and the group creating the hardware work entirely independently of each other?

His answer: It's not possible.

But if you think that question only applies to companies in high-tech, you're in for a surprise. We are rapidly reaching a time when many mundane, everyday products will have a computer chip in them, and these products will communicate with one another in ways we're only just beginning to conceive.

Many home washing machines have been controlled by computer chips for years. And have you noticed how a Prius or Lexus owner unlocks his or her car and starts it? Not with a key, but with a "keyless" gadget containing a computer chip. Electronics in the car recognize a signal being emitted by the gadget and unlock the car as the driver approaches, then allow him or her to start the car just by pressing the ignition button.

That's a foretaste of the future.

An Essential Part of Steve Jobs' Product Philosophy

I've come to call this marriage of software and hardware the "Holistic Product Development" concept; it has become an essential part of Steve's product philosophy, and of mine. And even if you're not in high-tech, it will need to become part of yours sooner than you imagine. ●

Evangelizing Innovation

In Steve Jobs' world, products are not created by one or two or three product idea-people supported by a flock of hands-on engineers or artisans who turn the ideas into working products. That's not the Steve Jobs way and it never has been.

This isn't something he thought on for a while and finally had a bright idea about. He works from the gut, intuitively, and knew from the first that if he assembled the right team, they would together provide enough creative horsepower to turn his dreams into real-life products.

Steve understood, without having to think about it, that innovation is not only a team sport, it needs to be evangelized — both internally and for outside partners. When you have opened up innovation to outside resources, they need to operate as part of your team. The Mac group practiced it in the early days, when a team of "evangelists" was out beating the drum with developers to create applications.

The Whole-Product Theory

From day one, Steve has lived a philosophy that is an extension of the holistic product development concept. This one says that you cannot produce successful technology products — products that work well and live up to expectations — unless the company that created the hardware also created the software. I came to call his stance on this "the Whole-Product Theory."

For a time, I argued with Steve about the notion. I thought that if we sold our software, as Microsoft does, we could have a better product and control the software market.

He convinced me I was wrong, and he did that not just with his reasoned explanations but, over time, by my witnessing the success of Apple's products and the deficiencies of just about everybody else's. In order to get the best performance of the software running on the hardware, you need to control the total system. The principle isn't just for technology companies: If Steve

made mattresses, he wouldn't just design the frame and then buy the springs from the lowest bidder.

PART IV: BECOMING COOL: A DIFFERENT VIEW OF SELLING

When studying Steve Jobs for lessons in the art of branding, you soon realize he has a master craftsman's ability to create a consistent, positive product image in the minds of his customers. He combines stick-to-itiveness with an intuitive sense of exactly what it takes to get the public enthralled with a product. He understands that this isn't just a question of how well the product is designed and how smoothly it works — although these are critical factors — but of how it is perceived by the user, which, of course, is the key to product success.

When Steve introduced the Apple II in 1976, he made well-known television talk-show host Dick Cavett the company's first celebrity spokesperson; Cavett had tremendous credibility among the educated Apple II target market. By 1980, the Apple II had an 80 percent market share and was so strong a product that developers had created more than 1,000 applications to run on it.

In fact, the overwhelming success in branding the Apple II — the glory that the press showered on Apple (as well as on Steve) — was what drove IBM to the decision that they needed to enter the PC market. They weren't exactly a newcomer to the arena: I had seen personal computer products in the IBM labs as early as 1976. But they were in the business of leasing mainframe computers to large companies and didn't understand the consumer marketplace. Having IBM as a competitor made Steve nervous at first, but IBM never figured out the things that, for Steve, were second nature. The first IBM PC was introduced in 1981; IBM closed down its PC business nine years later.

Meanwhile, upstart Apple ascended to the hallowed ranks of the Fortune 500 in shorter time than any other company in history.

Getting the Equation Right

Apple is a prime example of the rewards that come when you get the equation right: products that people truly want and great branding, which is the door opener for waking people up to the products.

Riding the Retail Juggernaut

Steve was on a tear when he relaunched his ascendancy — and Apple's — after his return in 1996. With his left hand, he was using his now-honed business experience to reshape the product line and trim the corporation to a survivable size, while with his right, he began laying the groundwork for what a few would consider visionary and many would consider foolish: a move into retail.

Launch Time

On May 15, 2001, at Steve's invitation, a gaggle of reporters toured the first Apple Store located in the Tysons Corner Center, in McLean, Va. — the early locations chosen to be somewhat off the beaten path. Despite all the elaborate designing and planning, if Steve was hoping the event would come off like one of his ecstatically popular annual presentations at Macworld, he was quite disappointed. The location was hardly one of the mall's retail anchors. After trooping up to the second level and being given a peek at the store, located next to an L.L. Bean, many of the unimpressed journalists remained skeptical. For a time, it looked like their negative impressions might be right.

A sister outlet located in another upscale mall, the Galleria, in Glendale, Calif., opened four days later.

With the Apple Stores, Steve Jobs was taking one more giant step on the path of selling directly to the consumer. It was a direction plenty of product companies had tried, most with little success. A lot of people were watching to see if Apple's esteemed leader would take a belly flop this time.

Despite the dire predictions by experts in the retail field and others, the Virginia store racked up more than 7,000 sales on its first day. And that was just the beginning.

In the fall of 2010, Apple had more than 300 stores, including in China. The showcase store on Fifth Avenue in Manhattan is open 24 hours a day, every day of the year. And you won't be surprised to learn that design awards have been heaped on the stores.

Achieving the Definition of Cool

There is nothing more cool in the world of business than creating a product that millions of people immediately want, and many who don't have are envious of those who do.

And there is, as well, nothing more cool than being a person who can imagine and create a product like that.

Add one more element: creating a series of these way-cool products not as separate and isolated efforts but all parts of a high-level overriding concept.

Finding an Overriding Theme

Steve's Macworld keynote speech in 2001, delivered to a live audience of thousands at the Moscone Center in San Francisco and to an untold satellite audience around the world, took me completely by surprise. He laid out a vision that would cover the next five or more years of Apple's development, and I could see where it was leading: to a media center you could hold in your hand. Many people found the strategy a brilliant view of where the world was likely to be going.

Steve recognized that only a PC was smart enough to run complex applications, that its large screen provided a broad canvas for users, and its cheap storage far surpassed what any of these devices could offer on their own. And he was transparent about Apple's road map.

Any of his competitors could have emulated this blueprint. No one did, which gave Apple a lead for years: Mac as a Digital Hub — the nucleus of the cell, a powerful computer able to integrate the range of devices from television sets to phones so that they became a seamless part of our everyday lives.

PART V: ON BECOMING STEVIAN

Can you really follow in the footsteps of Steve Jobs — applying the principles explained in these pages to improve your way of doing business and forever improve the products you create?

My answer is yes, and my evidence is that I've done it myself, repeatedly.

In 1987, I was invited to speak about employee entrepreneurship at a Fortune 100 CEO conference in Williamsburg. About a week later General Electric's (GE's) vice president of human resources got in touch. The company was developing a program to promote more employee input and was I interested in taking part?

I went to New York to meet with the team that was building the new program, and Jack Welch came in to address the group. Jack was seen as a very strong-willed businessman who had a reputation for a tough attitude and not listening well. I didn't see him that way. He wanted to create an environment where GE employees could feel they were part of the business and would participate in solving its problems.

The program aimed at capturing and implementing the good ideas employees had for improving the company's operations — with something more inviting and more effective than a suggestion box. In other words, give GE employees something like the experience of being pirates at a startup.

More Steve Jobs Principles

Here are some other Steve Jobs principles that served me well:

- Be passionate about each project you work on.
- Be driven by an opportunity and create a product for it.
- Always be open to talent who can help.
- Do your best to make the product intuitive, so a user's manual isn't needed.
- Be really honest with yourself about your products.
- Ensure that the products represent you and your traits as a person.
- Work through your people and celebrate as a unit with every success.
- Keep innovating to get closer and closer to your ideal, your vision of perfection that goes beyond the currently achievable reality.
- Don't listen to people who say it can't be done.

'Work Out' at General Electric

Working with a Boston consulting firm, we created a program called "Work Out" to achieve these goals. We tested it at a GE plant in Buffalo that had a reputation for being one of the company's most bureaucratic operations.

Work Out proved to be an overwhelming success. Jack himself said, "Work Out is meant to help people stop wrestling with the boundaries, the absurdities that grow in large organizations. We're all familiar with those absurdities: too many approvals, duplication, pomposity, waste." He also said the program "turned the company upside down, so that the workers told the bosses what to do. That forever changed the way people at the company behaved."

For me, the experience was one more proof that the principles of iLeadership can be applied by people at every level, and can make a profound and lasting difference.

RECOMMENDED READING LIST

If you liked *The Steve Jobs Way*, you'll also like:

1. ***Leading Outside the Lines*** **by Jon Katzenbach and Zia Khan.** The authors examine how to merge the more defined "formal" organization of a company and the best aspects of the "informal" organization.
2. ***The Search*** **by John Battelle.** This summary provides a revealing look at one of the most influential companies of the 21st century. Learn the insights of how Google evolved and changed the face of technology.
3. ***Winning*** **by Jack Welch.** Welch provides an overview of cultural values, delves into hiring to explore what winners are made of and shares advice on crisis management.

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Paul Sullivan

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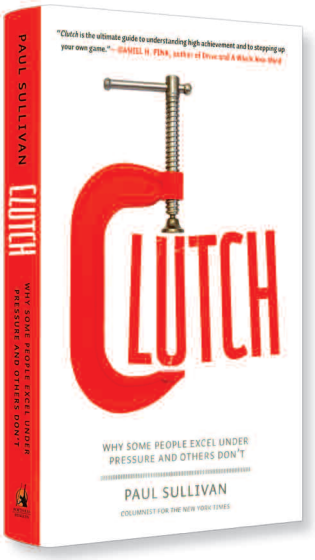
Leadership: Development



Clutch

Why Some People Excel Under Pressure and Others Don't

by Paul Sullivan

THE SUMMARY IN BRIEF

Sooner or later everyone encounters a situation in which the stakes are high and the outcome is vital. And even top performers can crumble when faced with such extreme pressure. Consider the CEO who panics in a desperate attempt to shore up his company's earnings, the veteran politician who grows overconfident and loses to the upstart candidate, the quarterback who carries his team to the Super Bowl but falls apart in the final quarter. All of them choked.

But then there are the performers who thrive under such conditions: the ER doctor racing the clock to save someone's life, the lieutenant who leads his platoon to victory after an ambush, the young attorney who refuses to be intimidated in court and wins the crucial case.

These people are clutch. Their ability to overcome extreme pressure consistently and beat the toughest odds fascinates us. How do they do it?

According to financial reporter Paul Sullivan, clutch performance does not stem from an innate ability. It's a learned skill — the art of operating in high-stress situations as if they were everyday conditions. Some of the most experienced and talented performers lack this skill, but *Clutch* shows that anyone can develop it.

IN THIS SUMMARY, YOU WILL LEARN:

- How a rookie baseball player pitched his team into its first World Series.
- Why some people choke.
- How to cultivate the shared traits that define clutch performers.
- How to overcome extreme pressure and achieve greatness.

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THE COMPLETE SUMMARY: **CLUTCH**

by Paul Sullivan

The author: Paul Sullivan writes the "Wealth Matters" column for *The New York Times*. His articles have appeared in *Condé Nast Portfolio, The International Herald Tribune, Barron's* and the *Financial Times*.

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Introduction: What's Clutch?

What does it mean to be clutch? Most sports fans are pretty sure they know the answer.

Most people associate clutch performances with a triumphant sports moment: the home run that wins the game or the basket or stolen pass at the buzzer. But each of these contains an element of luck, and clutch is not luck. Being clutch is not the hole-in-one to win; it's the well-struck shot close to the flag and the putt that drops in with the tournament on the line. It's the precisely executed series of plays in football, not the Hail Mary pass. It's the fortitude to continue battling out a Wimbledon final as you always have — even though the whole world is wondering whether you are going to choke.

Clutch, simply put, is the ability to do what you can do normally under immense pressure. It is also something that goes far beyond the world of sport. And while it has a mental component, it is not a mystical ability, nor somehow willing yourself to greatness. After all, every professional athlete is mentally tough or he or she wouldn't have made it that far. For that matter, every chief executive of a company has shown leadership to get where he or she is. But that does not mean he or she will be clutch.

Being great under pressure is hard work. This is part of the reason why we are so impressed by people who seem immune to choking. These people come through in the clutch when others don't. If they're business leaders, they become gurus other executives want to emulate. In politics, the person who runs the gauntlet wins the election, but if he or she can do so in a particularly cunning way, he or she becomes an example of strategic excellence. In combat, it is the leaders who come under fire and get their platoon to safety who are recognized as war heroes. If the people are sport figures, their triumphs become legendary.

PART I: WHY PEOPLE ARE CLUTCH

Focus

Focus is the foundation for any clutch performance. It is the basis on which the other traits of pressure performers are built. Yet being focused is not as simple or obvious as it may sound. The reason is, many people confuse focus with concentration.

David Boies represented the United States in the antitrust case the United States Department of Justice brought against Microsoft in 1998 and, 10 years later, he faced off in a lower Manhattan courtroom against a formidable opponent in Ted Wells, of the litigation department at Paul Weis, a major New York law firm. The two sides were fighting over $4.2 billion and whether Hank Greenberg, the longtime head of the insurer AIG, essentially had the right to the money when he was ousted as chief executive.

Boies has defined his career through high-profile cases that have been intense, pressure-packed and public. Early in his legal career, he started to focus on the same two questions for every trial. First, "What are the facts?" and second, "What are the basic principles of law here — not what were the detailed holdings of 50 cases, but just what are the basic principles of law that apply to this area?" Such an approach seems too simple to have led to Boies winning a half-dozen major cases in his career. But Boies' focus on having a clear understanding of the issues and laws creates a solid foundation. He builds the

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Edward O'Neill**, Graphic Designer; **Chris Lauer**, Contributing Editor

morality play around that. However, it is not the play that helps him excel under pressure, but his focus on telling the story in court. That ability allows him to withstand the immense pressure of any high-profile trial.

In the Bubble

Once the trial starts, Boies' focus puts him into a bubble. At times, he said, the only people he will socialize with are lawyers on his team and the opposing team. He doesn't want to lose his edge and start thinking of other things. In the courtroom, he said he not only has no idea how the trial is going on a broader level but he does not care. "It's totally irrelevant," he said. "I judge it by how the evidence is coming in — whether you can support what is being said. You sometimes get a sense from the judge, sometimes the juries, but that's very hard." How can the progress of the trial not be relevant? How else would he know where he stood? But that is actually one of the keys to being clutch.

If Boies stopped to congratulate himself on a particularly deft cross-examination or tried to tally up where he stood, he would lose his focus; he would be out of the bubble. He is concerned more with tangible measures. Whether he is winning or losing at any given point, he said, is "a very abstract concept while it is going on. What you're really focused on is the next step, the next witness, the next argument." His focus does not make him myopic. It allows him to follow the tack that he or his opponent is taking at that moment and recalibrate his argument. That is what he can control. "When you're doing a trial, you're so focused, you're not thinking about anything else," he said.

Discipline

Discipline is almost always a battle against yourself. You may be in front of a Senate committee, but the true battle is against your own will. Members of the Olympic riflery team in the 1970s realized this when they sought out Ari Kiev with a simple question: How could they calm themselves enough to shoot as well in competition as they did in practice? As the first psychiatrist on the U.S. Sports Medicine Committee, Kiev's task was to teach top amateur athletes how to perform under the stress of elite competition. At the time, sports psychology was little known and less understood. Many were suspicious of psychiatry in general, and several athletes begged off working with him. One exception was the riflery team. They went to him because they knew their success was based on becoming more disciplined. They knew they needed to master their emotions to achieve success under pressure. Unlike hockey or soccer players, riflemen had no opposing player and no team to fall back on. A rifleman simply had to stand in competition and shoot the same way he stood and shot in practice.

But the best in the world missed. In the clutch, the pressure got to them. And that was where Kiev, a Harvard- and Cornell-trained psychiatrist, came in.

"I was interested in learning how to help them manage stress," Kiev said. "I looked at what helped them focus and not get distracted."

Pressure at the Highest Level

Working with the riflery team, Kiev gained a greater understanding of how pressure affected someone at the highest level. What they did was a pure example of how being disciplined affected their success or failure in competition. He found that the key for the riflery team was to learn to shoot between breaths. This was something they could focus on and, with discipline, control.

Kiev was a serious medical scientist, not some snake-oil salesman. He was trying to get people to realize that when it came to making big decisions under pressure, they failed because they lacked the discipline to evaluate their choices in the present, without interference from the past. This interference could come from a family crisis — a bad childhood, a difficult relationship — just as it could come from a decision that had not turned out as the person thought it would — a missed shot.

Clutch Player: Tiger Woods

When golf champion Tiger Woods was asked how he always seemed to win a tournament when the pressure was greatest, the simplicity of his answer was striking. "I've put myself there, in that situation, more times than anybody else," he said. "I've also failed more times than anybody else. But along the way, you do succeed."

Adapting

The Secret Service's plan is for nothing to happen, but that is not always realistic. Adapting is key.

John Hinckley emerged from the press pool and shot President Ronald Reagan in March 1981. That he succeeded in shooting the president was an enormous failure on the Secret Service's part, but how they adapted showed the service's strength. Each man fell into his role. Timothy McCarthy stepped into the line of fire

and took a bullet meant for Reagan. Jerry Parr and Ray Shaddick threw the president into the bulletproof limousine. The one, though, who stood out most was Drew Unrue, the driver. He was initially told to drive to the White House, but when it was clear Reagan needed immediate medical attention, he was redirected to George Washington Hospital, finding it quickly in an era before every car was equipped with a global positioning system. Every man had a job to do and did it. They did not bemoan the enormous breach of security that had enabled Hinckley to fire five shots. That would be handled later. They fell into line to save the president, allowing the others to clean up afterward. Their plan of protecting the president had failed completely when he got shot. But they didn't focus on that. They adapted and saved his life.

The Plan vs. the Fight

They relied on their training to adapt to any possible scenario and focused on the outcome: protecting the president. This is the key difference between people who are great under pressure and people who are not. Those who wilt when the pressure is hottest fall back on what they expected to do ahead of time, as if it were a security blanket or the only way forward. Those who succeed under pressure readjust: They focus on the goal that needs to be accomplished, not a specific way to accomplish that goal. ●

Being Present

In David Rabe's play *Streamers,* the actor who plays Sergeant Cokes only appears onstage twice. The play takes place in 1965, and the Vietnam War is about to heat up. Set in a barracks in Virginia, *Streamers* tells the story of a group of recruits contemplating going off to Vietnam as their fears, prejudices and innocence rise to the surface. The 20-minute monologue Cokes delivers, the last words of the play, has become one of the most important in contemporary American theater. Whether the play succeeds or fails rests on the shoulders of the actor who plays Cokes, making it a moment ripe for stage fright.

On a late fall night in Boston, the play opened at the Huntington Theater, a respected regional venue, and Larry Clarke was playing Sergeant Cokes. This was the first major revival of *Streamers*, considered by many to be the best of Rabe's four "Vietnam Plays," in 30 years.

The popular image of opening night is one of actors pacing and full of nerves as they wait for the curtain to rise. For seasoned professionals, it is different: That pressure charges them up. It signals that this is not a rehearsal, this is what they have been working toward. They are completely committed to the present. Regardless of what their fellow actors or the audience throws their way, they're prepared to react under the pressure of live theater.

'Fight the Fight, Not Fight the Plan'

Colonel Thomas Kolditz, the head of the behavioral studies department at the United States Military Academy at West Point, said: "We teach our cadets to fight the fight, not fight the plan. There is a break point where the plan goes in the trash. That's the skill. The focus is on intent. It's outcome based."

Clarke, a veteran stage actor whose everyman look became widely known through a recurring role on *Law & Order*, was excited for the curtain to rise in Boston.

Becoming Present

It might seem hard to believe that Clarke was not nervous to take on such a risky and important role. But he had long ago mastered the art of being present.

What does it mean to be present? Being present is a learned behavior. It is partly the result of the previous three clutch traits — focus, discipline and adaptability. But being present is more than the aggregate of these other traits. Being present is a state that makes someone ready for whatever comes his or her way. It is a heightened awareness that prepares him or her to respond. It can be a bit edgy, but it is more that feeling of being aware of nothing other than what you are doing.

Clarke was in a difficult role, but he was not thinking of the people who had done it before him, of failing and taking the play down with him, or of what he was going to do after the show. He was present, and that was why he could be clutch with one of the most challenging roles in contemporary American drama. ●

Fear and Desire

The force of fear is a remarkable factor in helping someone make crucial decisions under pressure.

In 2007, researchers at the University of Bath, in England, found that fear of something less desirable provided great motivation under pressure. They studied 281 university students, two-thirds of whom regularly went to the gym. The researchers were focused on physical

fitness and what motivated some students to work out and others not to. Half of the students were asked to imagine themselves as overweight and unattractive. The researchers then further divided the sample by asking half of the group to imagine themselves failing at their workout regime — and thus becoming even less attractive — while telling the other group to see themselves succeeding wildly and in doing so becoming much more attractive. Over the course of the study, the researchers found that the group that was motivated by the fear of looking awful, stuck to their workout better than the group that was doing it with the hope of looking better. The gap between the two groups was significant, with 85 percent who wanted to avoid becoming unattractive continuing their workouts when told they were failing compared to 65 percent who were told they were succeeding. Even if both groups started out going to the gym regularly, the ones that were doing it to look better than they already did dropped off, while those who felt, in essence, that they had to dig themselves out of a hole were the ones who continued.

It would make sense that once someone has attained something tangible, like a degree of physical fitness, fear would not work as a motivator anymore. For executives who have motivated themselves through the push and pull of fear and desire, the pressure is always on and there is no end zone. They feel that they need to keep going or else they will be drawn back to where they started. That combination of fear and desire allows them to be clutch when someone motivated by just one of these emotions might fold.

Lousy Childhoods

Some people show skills that have made them clutch in particular events. But those who have navigated through pressure-filled upbringings to successful lives are different. Theirs is an overarching life strategy for being clutch. It is macro, not micro. Fear and desire enable them to be clutch, but these are not strategies they can turn off. Obviously not all people who had a lousy childhood or suffered a business setback will learn to succeed under the pressure of leading an entrepreneurial life. But some people can use fear and desire to succeed under pressure. ●

Double Clutch: What Billie Jean King Did for Women

On Sept. 20, 1973, Billie Jean King and Bobby Riggs entered the Houston Astrodome in a procession worthy of gladiators. King, one of the greatest female tennis players of her day, was carried in on an Egyptian litter by four barrel-chested men in togas. Riggs, a player once ranked No. 1 in the world, was wheeled into the stadium by a bevy of voluptuous women pulling a rickshaw. Some 30,000 people had filled the stands, and the match was broadcast live to an estimated 48 million American homes as well as beamed via satellite to 36 foreign countries.

Riggs, 55, had been shooting his mouth off about women being inferior athletes compared with men, and King, 29, had stood up to prove him wrong.

From the outset, King ran Riggs all over the court. She served and volleyed to beat him at his own game. She went on to beat him 6–3 to win. In the *New York Times* story the next day, King was lauded for her victory. The paper reported that she took just over two hours "to reaffirm her status as one of the most gifted and tenacious competitors in sports, female or male." King proved that women, under extreme pressure, could be as clutch as men.

The Burden of Double Clutch

When a woman succeeds under the inherent pressure of what she is doing but also while being judged against men, she is double clutch. Here's why. If one woman beats another under the pressure of a major tournament, coming from behind to do so, against expectations, she is clutch. But transpose that to worlds where women have not historically been leaders — the business world, scientific research, the military — and the woman who succeeds there is double clutch. She first has to perform under the pressure of the task at hand as anyone would, but then she also has to navigate through an inherent bias that says women have not succeeded historically in these fields. She has combined all five elements that would make us say she was a clutch performer but then taken her skills to a higher level. She has made her sex irrelevant and her performance paramount. She has done this against the inherent pressure of the task and also the pressure of institutional bias.

What Does It All Mean?

How Billie Jean King prepared to play Bobby Riggs was a lesson in combining the five key traits of being clutch. One, King was focused on preparing for the match as if she were playing a top female competitor, not an old man. Two, she showed tremendous discipline in the shots she hit, picking the ones that would put Riggs at a disadvantage. Three, she had a plan to tire him out, but if, after the first of five sets, that plan was

failing, she was prepared to adapt it. She was concentrating on winning the match, not winning it in any particular way. Four, after she had prepared, she put herself in the present, embracing the moment but never getting ahead of herself. Five, she was driven not only by the fear of losing to Riggs and the setback that would have been for women's rights but also by the desire to shut Riggs up. This was the total clutch package.

The flip side of this was Riggs, who made two of the three cardinal errors of people who choke. First, Riggs was shockingly overconfident. He had beaten Margaret Court and thought he would beat King just as handily. Second, he was already thinking of the accolades that would be bestowed on him when he beat her — before they had even played. While he was talking, he was not training, and that showed in how quickly he tired out. Yet, after his defeat, he did what many chokers do not or cannot do: He took personal responsibility for his loss. As King threw her racquet in the air to claim victory, he leaped the net and, in congratulating her, he said, "I really underestimated you." ●

PART II: WHY PEOPLE CHOKE

A Leader's Responsibility

Just as there are five traits shared by people who are clutch, there are three common causes of choking. An inability to take responsibility for your actions is one of them. The other two are overthinking and overconfidence.

When it comes to choking, a refusal to accept personal responsibility is often the starting point. The unwillingness to take blame for bad decisions and tolerate criticism for tough ones is a telltale sign of a bad leader under any conditions. It becomes a critical flaw, though, if he finds himself in a situation where serious, tough and probably unpopular choices are necessary. The longer he has to navigate under pressure, the worse he is going to make the situation. His desire to dodge responsibility is going to become more apparent and magnify his choking.

Pressure Reveals Who Has It and Who Doesn't

The psychological literature around personal responsibility has two strands. The first veers toward self-help. Most books are geared toward getting people out of bad relationships and bad behaviors. They take a consoling route: *I did this; I should not have; and I'm going to stop.* The second is the objective philosophy associated with Ayn Rand. It advocates a form of enlightened self-interest that requires people to take responsibility for what they do and be rewarded for it: *I did this well, and I deserve to be compensated for it.* The psychology of self-help and Rand's enlightened self-interest share an emphasis on taking responsibility for what you have done, good or bad, and either becoming better or becoming recognized for it. The reward for the responsibility, though, comes after the fact. It's reactive.

The type of personal responsibility that is needed to be good in the clutch is different. It is always there, but under pressure it becomes purely focused and is the underlying force in the action*: I am doing this because it is the right thing to do, and if I fail, I know I tried.* Responsibility here is not an accounting for your actions; it is your actions. And however it turns out, you are the one who did it. You are the one in your office working on the deal; you are not letting someone else iron out the details.

Responsibility is doing what is right and leaving the rest to be sorted out. ●

The Perils of Overthinking

The baseball world was turned upside down in 2008. The New York Yankees missed the playoffs for the first time in 13 years and the Tampa Bay Rays, a perennial last-place finisher in the same league, made it to the World Series. Many factors guided the two teams to victory and defeat, but two players came to represent each team's divergent fortunes: an experienced, highly paid choker and a rookie who was amazing in the clutch. Both had been No. 1 draft picks in their respective years, but that was where the similarities seemed to cease. This is where we look at the second trait of chokers, overthinking, through how Alex Rodriguez (A-Rod) and David Price saw themselves during that time.

Overthinking What You Do

How could a young, untested pitcher be so clutch in the most pressure-filled moment in his team's history, while a seasoned player, a three-time American League Most Valuable Player, could spend season after season choking when it mattered most? The answer lies not in how they went about doing their jobs but in how they *thought* about doing their jobs.

Price threw the ball as he had been trained to do — hard and fast or with a curve to it — and struck out batters. Rodriguez was the one who struck out, hit into double plays, popped up weakly or otherwise hurt his team when it needed their greatest player most. The reason was, in the clutch, A-Rod overthought his every

move; in fact, he thought of most of his moves in their historic place in baseball. Price, on the other hand, channeled his college success and his failures to get himself ready to pitch. Under pressure, Price pitched normally, but A-Rod played differently, as if the weight of expectations was sitting on the end of his bat.

Just as the Yankees won all the time, the Rays lost. It was the natural order of baseball: New York had the best players money could buy; Tampa Bay had rookies, middling players and aged veterans cut from other teams.

But by October, the feeling had changed.

The greatest piece of insight into A-Rod's mindset was a 2001 *Esquire* profile by Scott Raab. "It's hard to compete when you don't have a place in the game now as a shortstop, so you have to look years back to find someone to compete against," A-Rod said before signing the largest baseball contract ever. "That's what I do. I'm playing against guys like Ernie Banks or Hank Aaron or Ozzie Smith." All three are considered among the best to have ever played the game.

A-Rod's mind was filled with lofty assumptions: He expected to make the clutch plays fans crave, to be the perennial subject of ESPN highlight clips, to leave glory in the path to the Hall of Fame. Three years before pitching his team into the World Series, Price was considering a job at McDonald's. A-Rod imagined himself playing alongside Banks, Aaron and Smith when he needed to think about hitting the ball. Price focused on trying to pitch as well as he could whether it was a Vanderbilt *[where Price played college baseball]* game or the World Series. That is the difference between thinking and overthinking.

To avoid the perils of overthinking, a person needs to just do what he does — and not think of what he could, would or should do in that situation. ●

Overconfidence Starts the Fall

Overconfidence is the bigger, more destructive cousin of overthinking. It might be the most pernicious form of choking for one reason: its magnitude. When someone like A-Rod overthinks the situation, he fails personally, but other teammates can make up for his shortcomings. When the leader of a company becomes overconfident, his choking can be systemic. (The opposite is also true: A company that overthinks things may miss out on a deal and lose market share, but it can probably correct things. And a person who is blithely overconfident on his own most likely spirals into ineffectiveness — or barroom solipsism — without doing greater harm.) But the collapse overconfidence brings about is a complicated thing. It usually starts off as a feeling of unease, and that uneasiness may manifest itself as a sense that something is not sustainable, perhaps even at the top. Then, it abates, with months, years passing before anything more happens. But when the collapse comes, it is usually swift. And those left in its wake start to wonder how they missed something so obvious. The lies, the tales, the trumped-up reports were, of course, too good to be true. If it was fraud, and not mismanagement, the sense of betrayal is worse. And if it wasn't, then the steps to arrest the decline become obvious in retrospect.

Four Causes of Overconfidence

Tony Alvarez and Bryan Marsal, two of the go-to guys in the business that clean up when leaders fail under pressure, said one of four reasons always causes the overconfidence:

- The least pernicious reason is the business cycle. If your business is built on oil trading no lower than $30 a barrel, when it is at $50 a barrel, you're fine; if it goes to $20 a barrel, you could be in trouble.
- The second state that creates overconfident executives is easy money. When Lehman Brothers filed for bankruptcy, a victim of too much debt and misplaced bets, Marsal was named the company's chief restructuring officer. He said: "They shouldn't have had so much leverage. They shouldn't have had such a disproportionate concentration in real estate assets. And they should have been smarter about using short-term debt to finance long-term assets."
- The third reason is the bad manager thinks he knows more than he actually does.
- The fourth reason that causes overconfidence is the fraudulent manager is uniquely and supremely overconfident. He thinks he can get away with something and never be detected. ●

PART III: HOW TO BE CLUTCH

How to Be Clutch with Your Money

"Money is the most powerful secular force in the world," Brad Klontz, financial psychologist and author of *Mind Over Money*, said. "Money is linked to everything — safety, health, relationships, creativity and spontaneity, social belonging. It's the one thing that intersects everything, and as soon as I'm talking about money, all the family dynamics come out."

When many people saw their portfolios plummet in

the Great Recession, loss led to anger and, worse, blame. However, there are lessons to be learned and clear ways to be clutch with financial decisions in the future. Here are five specific steps to take when the pressure you face is financial:

- **Accept.** The first step to getting out of a tough financial bind is to admit that you're in one. That's not as easy as it sounds. Americans are generally a future-focused group. Accept that your financial situation is not as you thought and the longer you wait to act, the more pressure will be on every decision.
- **Psychologically Readjust.** The faster this happens the better. You have to become aware of the feelings you're having about your money. In a crisis, it may be gone and that's not good. But obsessing about it is not going to make it come back.
- **Prioritize.** Once you have come to terms with what has to be done, you have to decide how to divide things up: What do you need, what do you want to keep and what needs to go immediately? Getting rid of what you can't afford in a crisis will go a long way to bettering your financial position.
- **Take Responsibility.** No one made you buy a house or anything else you could not afford. Regardless of what kind of deal or incomprehensible mortgage you were offered, the ultimate responsibility lies with you.
- **Focus on the Outcome.** You want to live to fight another day. Your goal is not to sell one thing to buy another. Your goal is to shore up your personal balance sheet. Once you have restructured your cash flow, you will be better positioned to make money decisions under less pressure.

Ultimately, being clutch in a personal financial crisis means embracing thriftiness to keep yourself out of such crises in the first place. ●

How to Be Clutch in Sports

Dale Lynch's breakthrough as a golf coach came when the mechanics of the golf swing began to make sense to him.

Making a player's game complete so he had no weaknesses under pressure became Lynch's goal. The player could still hit bad shots or get lucky or unlucky, but when he stood over the ball, he would feel confident that he could hit whatever shot was required. To get to this end, Lynch started to simplify everything in order to dissect the different shots. Then he measured the results so he could quantify what a player needed to work on. His work was noticed by the Australian government, and, in 1991, he was hired to start a golf training school at the Victorian Institute of Sport, an Olympic-level training center.

From the start, there were five areas that Lynch emphasized:

- **Technique.** This was first and foremost. If a player was not technically sound, his swing would break down under pressure.
- **Physical Conditioning.** If you run out of steam on the 15th hole, no theories or tips are going to help you win.
- **Simulated Pressure.** Instead of letting students hit a particular shot 20 times, the coaches forced them to hit it right the first time or not at all. They began to emphasize quality over quantity.
- **An Unwavering Routine.** "When we work with young players, part of the coping package is working on their routine and making it consistent," Lynch said. "That helps their mental skills to cope."
- **Success on the Road.** Because of Australia's distance from the rest of the world, all young players had to travel. But this allowed Lynch to test their progress. On unfamiliar terrain, their deficiencies become apparent. This quickly increases their frustration and puts pressure on their game.

With all five points, Lynch's goal was to create a complete player.

Lynch's way to handle pressure is to get your fundamentals solid, and you'll know you can rely on them under pressure. Have any weaknesses and they will haunt you when your adrenaline is pumping and you are struggling to stay focused. The same can be said for any recreational sport, from tennis and squash to skiing, rowing or any number of activities in which you pit yourself against the elements: If your fundamentals are sound, you will do better under pressure.

It all starts with a know-thyself moment followed by hard work on the fundamentals of the game. Being clutch is not a mystical state; it takes work. ●

RECOMMENDED READING LIST

If you liked *Clutch*, you'll also like:

1. ***Mojo* by Marshall Goldsmith.** Performance, both on and off the job, is linked to a quality that Goldsmith refers to as mojo. In this title, he shows you how to get and maintain your mojo.
2. ***Executive Presence* by Harrison Monarth.** Monarth helps readers understand the power of perception and provides the techniques needed to take a career to its highest level.
3. ***Talent is Overrated* by Geoff Colvin.** Colvin dispels the myth that otherworldly abilities come from out of the ether. In this title, he explores the concept of deliberate practice and how it can be applied to business and life.

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Josh Linker

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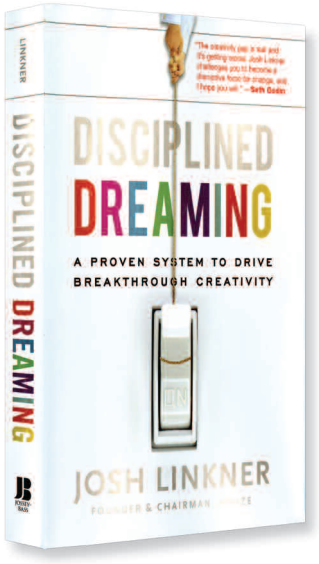

by Josh Linkner

THE SUMMARY IN BRIEF

If you are not tinkering with your business every day, sooner or later the markets will begin to tinker with you — and it won't be pleasant.

In *Disciplined Dreaming*, business innovator and jazz musician Josh Linkner shows exactly how you can create profitable new ideas, empower employees to flex their creative muscles and tap into the power of creativity to sustain a competitive advantage over the long haul. Drawing on interviews with hundreds of successful CEOs, entrepreneurs and artists, Linkner distills exactly how creativity can be encouraged, as well as its impact on the bottom line.

Disciplined Dreaming outlines a proven, easy-to-apply five-step process — Ask, Prepare, Discover, Ignite and Launch — that will help you and your team develop your creativity chops. Through illustrative stories, real-world examples and fun, yet practical, exercises, Linkner shows leaders and team builders how to become immediately more effective in discovering new routes to profitable solutions.

Designed to be flexible, *Disciplined Dreaming* clearly demonstrates how creativity can be used for everything from innovative, game-shifting breakthroughs to incremental advances and daily improvements to business processes. With *Disciplined Dreaming*, even the most resistant corporate bureaucracies can cultivate creativity and become more competitive in today's shifting marketplace.

IN THIS SUMMARY, YOU WILL LEARN:

- A road map for individuals, teams and companies that leads to new ideas.
- How to use a systematic approach to becoming a winning improviser.
- How to avoid unpleasant pitfalls in the marketplace.
- How business leaders at all levels can unleash creativity in order to reach their full potential.

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THE COMPLETE SUMMARY: **DISCIPLINED DREAMING**

by Josh Linkner

The author: Josh Linkner, a *New York Times* best-selling author, is founder and chairman of ePrize, a dominant player in the promotions industry serving 74 of the top 100 brands. He is a four-time entrepreneur, venture capitalist, accomplished jazz musician and highly sought-after keynote speaker. He has won several business, technology and design awards, including the Ernst & Young Entrepreneur of the Year Award, Crain's 40 under 40, Automation Alley's CEO of the Year and the Detroit Executive of the Year. *Disciplined Dreaming: A Proven System to Drive Breakthrough Creativity* by Josh Linkner.

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Introduction

Disciplined Dreaming is a system for expanding creative capacity, fueling competitive advantage and building personal and professional growth. Businesses have systems and processes for everything, from answering the phone to taking out the trash. Remarkably, most companies have no such system for the one thing that matters most: developing and growing creative capacity. Disciplined Dreaming provides a specific system to attack any Creativity Challenge, big or small, and, in the process, build a culture of creativity and sustained growth for individuals and their organizations.

Companies that have "innovation processes" often stifle the creativity of their organization by making those processes too rule-driven, formal and restrictive. In contrast, Disciplined Dreaming is an open system that focuses on the creative mindset and philosophy along with specific techniques, rather than a rigid code of rules.

The Case for Creativity

Microsoft is a great example of the dangers of betting on the past instead of the future. Windows and Office remain dominant in the market and have generated more than $100 billion in profit for Microsoft in the last 10 years alone. For years, Microsoft was the poster child of innovation and thought leadership; but then its focus began shifting to past successes, causing the company to miss out on important advances. While Microsoft placed its bets on an established customer adaptation cycle, its competitors innovated. So the company lost to Kindle, Sony and Apple in the e-book world; it lost to Google in the Internet search world; it lost to Wikipedia in the online encyclopedia market; and it lost to Apple in the digital music sphere. And Microsoft completely missed mobile phones and tablet PCs.

The rate of change in the new era of business has dramatically accelerated and ever-shorter product life cycles put ever-greater demands on creative capacity. The new model for winning a better future is to remain on the forefront of innovation. To do that, organizations have to use their resources to place smarter bets earlier and faster. That requires the creative foresight to know when it's time to shift investments forward — even if it means sacrificing the golden goose.

Are You Ready to Become a Disruptive Force of Change?

You may not like it, you may wish things were different, you may look fondly at the past, but none of this matters: The rules have changed. The financial meltdown and global recession of 2009, combined with globalization, rapid advances in technology and communications, population trends, geopolitical movements and a next-generation work force, have made the past irrelevant. These changes punctuate the end of an era and signify the beginning of a new one.

For you and your company to win in the Age of Creativity, you need to nurture and develop your creative skills to become more like an artist than a technician. In this marketplace, you have to be able to add value in the face of uncertainty. You can't rely on a rulebook to figure out what to do next. Instead, your rewards will be based on fresh ideas, improvisations and a willingness to release your grip on the status quo. You need to be the disruptive force of change or you run the risk of getting knocked out of the competition.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Edward O'Neill**, Graphic Designer; **Chris Lauer** Contributing Editor

Disciplined Dreaming: Your System for Creativity

As you practice the Disciplined Dreaming system, you'll find ways to inject creativity in every setting of your business life, from your Monday morning staff meeting to setting up the trade show booth, from finding a better way to install the tires on a new car to coming up with a new cocktail recipe in the bar of your hotel chain employer. Don't limit the system to product development meetings; think of Disciplined Dreaming as part of your personal and organizational DNA.

Expanding Your Creative Vision

Here are some tips to consider as you allow your mind to explore in new directions:

- **Tolerate ambiguity.** There will be times when things don't add up or you feel as though you are off track. These are often the situations where you are getting very close to a breakthrough. Keep pushing forward!
- **Avoid "right" and "wrong" answers.** Focus more on the questions — especially open-ended questions — than on the answers.
- **Accept ruts and grooves.** There will be times when you feel as though nothing is clicking, then out of nowhere, the ideas begin to pour out of you. Focus more on the process and on driving curiosity than on trying to force results.
- **Listen.** Renowned creative director and television producer Lori Weiss believes that listening is the key to creativity. She urges her colleagues to always be open-minded and to listen — to what people say, what they don't say and what the environment is telling them. You will connect to a wellspring of creativity if you clear your mind and listen.
- **Don't be rigid or stubborn.** Don't let your experience translate into your being hardwired to the past.
- **Seek input.** The more diverse minds you can deploy against your Creativity Challenge, the more possibilities you will be able to consider. Seek input from unrelated fields and different perspectives.

Above all, remember to challenge everything. Challenge assumptions. Challenge the status quo. Challenge the "complacent incumbents." Challenge the rules. Challenge yourself.

Step One: Ask

The first step of the Disciplined Dreaming process is to define your Creativity Challenge — the specific problem you want to solve. As the old saying goes, "You'll never hit a target you cannot see." The more clearly and thoroughly you detail your Creativity Challenge, the more effective you'll be at resolving it.

In Disciplined Dreaming, the *Creativity Brief* is a tool you can apply to make any creative pursuit more successful. By providing a system for organizing your thoughts up front, the Creativity Brief will serve as your North Star and guide you toward the best possible creative outcome.

The Creativity Brief

Here is a review of each of the sections included in the full Creativity Brief:

Section I: Describe the Desired Outcome. Your first task is to write a *one-sentence* description of the desired outcome of your Creativity Challenge.

Section II: Define the Creativity Challenge. What is the problem you are solving for? Can you restate it in a few different ways? What about reversing it? Write 20 questions about your challenge. What is the need for change? What value is created by doing something new? What is a simile for the challenge? Can you establish a "spine"? If so, what is it? List key observations and assumptions about the challenge. Could you paint a picture or make a model of the challenge?

Section III: Situation Analysis.

a. Past: What worked and didn't work, and why? What consequences have occurred? What baggage exists?

b. Present: What are you currently doing? What is conventional wisdom? What is the status quo and who is trying to protect it?

The Growing Creativity Gap

We have an increasing need for creativity in the business world, but a decreasing supply — conflicting trends that have created a large and growing creativity gap. For perhaps the first time in our history, American creativity is on the decline. In fact, researcher Kyung Hee Kim at the College of William and Mary has found that predictors of creativity among our population rose steadily until 1990, but have been inching downward ever since, in what Kim describes as a "very significant decrease."

The creativity gap will determine the economic potential of every individual and organization in the years ahead. Closing the creativity gap is what Disciplined Dreaming is all about.

c. Future: What does the ideal solution look like for this challenge? How will the world be better if you get this right? What difference will a great outcome have on your company, your career or both?

Section IV: Resistance. Who would lose if this problem were solved? List the roadblocks that may get in your way. What are the financial considerations that could limit your creativity? What do you and your team fear? Complete this sentence: We would be completely successful in this effort if only …

Section V: Target Audience(s). Whom is the idea for? Whom do you need to convince? Once implemented, whom will this idea impact?

Section VI: Communication Strategy. How will you communicate to others about the idea? Will you seek feedback along the way or keep it quiet until launch? What is your plan to roll out the idea once complete?

Section VII: Competition. Who else is trying to solve this same challenge right now? Are there competitive ideas? Is your idea competing with other Creativity Challenges for resources?

Section VIII: Project Plan. Break the Creativity Challenge into smaller mini-challenges to make it easier to manage. Establish the tone and style of the project. List the rules of the road — the dos and don'ts. Set specific deliverables or outputs you expect from taking this Creativity Challenge. Establish the budget. Create a timeline including key milestone dates and the people responsible for various tasks along the way.

Section IX: Key Metrics. How will you define success? List three to five key performance indicators (KPIs) for measuring the success of your Creativity Challenge. If everything goes well, what level of return on investment could you realize?

Your Creativity Brief will be your guide to vision, clarity and action as you resolve your Creativity Challenge. ●

Driving Curiosity and Awareness

Three simple questions can lead you to more (and more astounding) breakthroughs. Tape these to the walls, make them into a screen saver and tattoo them on your teammates:

1. **Why?**
2. **What if?**
3. **Why not?**

These questions can help you address issues of any size, and you can certainly use them when tackling your Creativity Challenge. Asking "Why?" helps you understand the current state of affairs, and challenge the status quo and conventional wisdom. When you ask "What if?" you are exploring fresh possibilities and imagining how the world would look if you made a change or if a new idea came to life. Asking "Why not?" helps you understand constraints. It allows you to connect with the limiting factors that are currently blocking positive change.

Opening Your Beginner's Mind

An exceptionally bright student was training to become a monk with a master at a Zen monastery in Japan. The student was a bit arrogant and liked to show off his knowledge to other students. One day, the master sat down with the student for tea. The master poured tea into the student's cup until it ran over and the tea spilled over the table.

"Master!" cried the student. "Can't you see the cup is already full and cannot accept any more tea?"

"Exactly," said the master. "Just like you, so full of ideas that you cannot accept any new ones. You must approach your study with an 'empty cup' so you leave room to accept new ideas. How can you accept anything new if your cup is already full?"

This story illustrates a concept known in Eastern philosophy as having a beginner's mind — a mind that remains completely open to new concepts. As people progress in life (and their careers), they become filled with preconceived notions, assumptions and history that can cloud their thinking.

To spur curiosity, you want to develop your beginner's mind. As you embark on the creative process, for example, shake things up. Change reading habits, patterns, food, music, the route you take to the office, sleeping habits and anything else you can think of. These changes will raise your awareness and help you connect with the world in fresh ways. ●

Step Two: Prepare

You need to be in the right frame of mind to free yourself from creative barriers and release your true creative potential.

Tony Robbins, the world-famous motivational speaker, jumps on a portable trampoline for three to five minutes before every speech. Lennox Lewis, the former heavyweight boxing champion, listened to fast, intense jazz music on a headset before every fight. In the same way that a musician warms up with scales and stretching exercises before giving a concert, you can warm up your

mind and get in the zone. Preparing yourself to be creative will allow you to unleash your best ideas right out of the gate.

Building Creative Cultures

Mental preparation is a good place to start getting ready for the creative process, but a creative mind needs a creative culture in which to flourish. There is an undeniable correlation in organizations between high levels of innovation and cultures that nurture creativity.

Every great structure requires ongoing maintenance. You can keep your creative culture alive and flourishing by making sure your operation is guided by these seven critical rules:

1. **Fuel passion.** To promote passion in your team, develop a sense of purpose, promote collaboration and have fun.
2. **Celebrate ideas**. In a creative culture, rewards come in many forms: money, yes, but great businesses also celebrate creativity through praise (both public and private), career opportunities and perks. If you want your team to be creative, you need to establish an environment that celebrates and rewards them accordingly.
3. **Foster autonomy.** People and teams that can call their own shots are better able to produce valuable creative output, whereas a person who has to run every minute detail by his or her boss for approval will quickly become numb to the creative process. That's why fostering autonomy is a critical step in maintaining a creative culture.
4. **Encourage courage.** Netflix is known as much for its creative culture as its innovative business model. The company has continued to grow and thrive by encouraging employees to take creative risks without fear. They tell their employees to "Say what you think, even if it is controversial. Make tough decisions without excessive agonizing. Take smart risks. Question actions inconsistent with our values."
5. **Fail forward.** As a business leader, you need to be very tolerant of risk-taking and setbacks. Rather than thinking of something that doesn't work immediately as a "failure," think about it as an experiment. I call these experiments Failing Forward, because each one leads you one step closer to the perfect solution.
6. **Think small.** When you want your creative culture to foster big ideas, it's important to think small. Smaller companies tend to be more curious and nimble. They have a stronger sense of urgency and are not afraid to embrace change. In contrast, larger organizations often exist to protect old ideas rather than to create new ones.
7. **Maximize diversity.** As competition increases, generic one-size-fits-all products and services are easily supplanted by products tailored to niche audiences. To connect with customers, you need to really understand the world from their perspective, not yours — this is one area where a diverse culture can make a huge difference.

Preparing Your Environment to Promote Creative Passion

Your physical environment has a direct impact on creativity.

If you want to see how important the physical work environment is to a creative company, visit Google's headquarters in Mountain View, Calif. The "Googleplex" looks and feels like an energetic college campus. Going from building to building is easy — jump on a Razor scooter or Segway and head to your destination (just leave it there for the next person to use when you're done — no need to sign it out). Each building is decorated with funky artwork and cool colors, and is well stocked with free food and drinks. Employees are encouraged to bring their friends and family for free meals in the warm and welcoming cafeteria. This dynamic and family-like environment sparks creativity and passion throughout the team.

A creative environment is an incredible recruiting and retention tool. If you were a bright, creative person at the top of your game and had your choice of nearly any company to work for, what would be attractive to you? A bland, beige cube farm filled with old-school, bureaucratic clutter? Or a surprising and stimulating environment designed to delight and inspire?

Shaking Things Up

The way you use your environment plays an important role in how much creative "juice" it produces. Eric Lefkowski, co-founder of Groupon, is an incredible serial entrepreneur who has taken four companies public, has invested hundreds of millions of dollars in new ventures and employs thousands of talented people. To keep things fresh, he randomly reassigns seating for hundreds of people in his main Chicago facility on a regular basis (every month or two). Lefkowski believes that this kind of periodic shake-up provides his team with a fresh perspective, a new vantage point. By being moved around,

people make different connections with other team members and never get too comfortable. This approach is a powerful stimulus for creativity.

Step Three: Discover

Discover is the third phase of the Disciplined Dreaming process. In this stage, you break free of the straitjacket of "We've always done it that way" or "This is our usual approach" or "We don't have the luxury of trying something new."

Legendary jazz trumpeter Miles Davis believed that musical creativity was an act of discovery. Simply put, he thought that the music already existed and it was his role as an artist to discover it. Throughout the four decades of his extraordinary career, Davis constantly searched for inspiration from a wide variety of sources, exploring new boundaries at every turn, going well beyond the normal confines of the jazz of his day. We've seen how your mental cultural and physical state can boost your creative abilities by preparing you for the creative journey. That journey is all about discovery.

Looking Through a Different Lens

Looking at a problem from a new perspective, perhaps by playing a particular role, is an excellent way to discover creative new approaches and solutions. This approach can be called "a Different Lens," and it involves, quite simply, looking with fresh eyes at a problem you're thinking about.

In your next brainstorming session, for example, think about the issue from the perspective of a musician — or a villain or an architect. By role playing, you can find that fresh perspective yourself, even when looking at problems you've been struggling with for a long time.

Capitalizing on Inflection Points

Andy Grove, the former chairman and CEO of Intel, often said that opportunities are hidden in inflection points — a point where one social or business trend changes trajectory and starts off in a new direction. Points of change have marked business breakthroughs more often than not and offer perceptive entrepreneurs irresistible chances to launch new enterprises. By carefully examining inflection points, we can discover spectacular business opportunities.

Today inflection points occur constantly. They happen when we see changes in political administrations, climate, consumer preferences, foreign relations, technology, health and fitness, travel habits, fashion and music. The trick is to spot the point of change — the point where you can define a "pre" and a "post" condition that signals an inflection point. The entire trend-spotting industry labors to help us see these inflection points while they're first developing so that we can capitalize on the opportunities they create.

Step Four: Ignite

Think about your creative potential as a raging forest fire. Extraordinary heat and furious energy, growing and spreading with explosive power. Forest fires don't magically appear out of the blue. There's no such thing as an entire forest spontaneously combusting in the blink of an eye. Instead, they begin with a spark. The spark could come from a cigarette butt, a leftover campfire or a lightning bolt, but a single spark is required to begin. The same is true for your creativity and, specifically, for beginning a creative project.

Often, the first part of generating an idea isn't formulating a complete and thorough concept, but rather looking for sparks.

Look for Little Flashes of Inspiration

A creative spark need not be a fully baked idea. In fact, most aren't. Look for little flashes of inspiration or thoughts to get your work under way. If you are working on a new ad campaign, a spark could be a collection of a dozen of your favorite campaigns by other companies. A chef's spark may be a single ingredient, such as cilantro, to begin a new chicken recipe. A product design spark may be a simple idea for a new grip on a toothbrush.

When trying to spark your creative flame, remember these two points: (1) start with a number of small sparks, no matter how incomplete, to begin the creative process; and (2) be very careful not to quickly extinguish those sparks.

Your initial creative sparks are fragile and need support and nurturing to grow into your own creative fire. The most common way to prematurely kill your sparks is to switch into left-brain, analytical mode. Your little, young, fragile spark is no match for the brutal attack of fear-based thinking.

Don't forget to keep your creativity directed toward solving your Creativity Challenge. Focus on finding the best — not the most complex — solutions. Let your creativity flow completely unrestricted throughout the creative process, but then select the solution that will create the best results, not the most dazzling display.

Igniting the Sparks of Creativity: The Four Most Powerful Techniques

Here are four of the most effective exercises to keep the excitement building during brainstorming sessions:

- **EdgeStorming.** To begin your own EdgeStorming session, conduct a normal brainstorming session where various people from the group toss out ideas, but ask the group to take each idea to its furthest possible extreme. To make the list, ideas must be outrageously big or small, loud or soft, expensive or cheap. By forcing yourself to the edges, you'll uncover countless fresh and new ideas.
- **The Long List.** This is a technique for developing fresh ideas that I first learned back in college, and still use today with great results. I was in a course about creating magazine and newspaper ads. The class was divided into teams and we were assigned the task of developing headlines for a Florida State Lottery ad campaign. No problem, we thought, until the professor dropped the bomb. Each group was to return with no less than 200 headline ideas. We had 60 minutes. Wowza!

To get the most from the Long List technique, follow these four simple steps: articulate the objective, set your idea goal, do short bursts and let it rip.

- **RoleStorming.** We've talked about adopting different personas and role playing as a way to prepare for the creative process. RoleStorming takes this idea one step further to help you develop your creative ideas without hampering them with too much left-brain editing or execution. In effect, you invite Steve Jobs to join your team.

If you have a six-person team, it has now grown to seven because Steve Jobs has joined the group. Imagine that he is actually sitting there as you and your group launch the brainstorming process. In addition to each person contributing as him- or herself, have each person also suggest ideas on behalf of Steve Jobs. What ideas might he have to create a transformational breakthrough?

- **SCAMPER.** Advertising legend Alex Osborn not only founded one of the most successful ad agencies in the world, BBDO, but also coined the phrase *brainstorming* and is credited for inventing the technique. Later in his career, he invented another technique that is less well known but incredibly powerful: *SCAMPER*. This name is an acronym and stands for:

Substitute. Corn flakes led to Bran Flakes (substitute ingredient).

Combine. Raisin Bran was born from combining bran flakes with raisins.

Adapt. Cinnamon Toast Crunch came from borrowing the flavor of cinnamon toast and then adapting it into a cereal recipe.

Magnify or minimize. Frosted Wheat became Frosted Mini Wheats.

Put to other use. Rice Krispies Treats are now packaged in separate units and sold as a competitor to the candy bar.

Eliminate. Without nuts, reduced fat, sugar-free, only whole grains — Eliminating one or more aspects of an idea is a clever way to uncover brand new ideas.

Rearrange or reverse. Post launched Honey Bunches of Oats in 1989. Today you can enjoy your Honey Bunches packaged with almonds, bananas, peaches, strawberries, chocolate clusters, cinnamon clusters or vanilla clusters. What did Post do next? The company launched Just Bunches, eliminating the other elements of the cereal altogether.

Step Five: Launch

Welcome to step five of the Disciplined Dreaming process: Launch.

You've come up with a range of good ideas and now it's time to select the best of them. Here is one technique for narrowing down your choices to a single, best idea: the Matrix.

Scoring Your Ideas: The Matrix

The most common approach to idea selection is the Matrix Scoring technique. This is a powerful technique and can help you choose your best ideas and sell them to outside stakeholders. Using it, you will take a handful of your best ideas and score them on several factors that are most important to you. You'll then add up the total scores.

The scores from this technique should guide your decision-making process, not determine it. Use the numbers to support your judgment; you aren't subject to them.

Testing Your Selections

Prototyping is a powerful way to carefully examine ideas and begin to assess their real-world potential. Prototyping need not involve complex machinery or big investment. No matter how crude, anything you can do to bring your idea to life so that you can examine it in a 3D format will help you determine whether it should receive further support or if you should move on to the next idea.

What about when the idea involves a service? Or experience? Or people? Role playing is the ideal technique to help determine which ideas make the most sense and to identify any "soft spots" that may exist. Simply act out the customer experience or service you are proposing. The more realistic the better.

Setting Your Metrics: Measurement

Once you've narrowed the field to one or two of your best ideas to pursue, you should think about how you plan to measure them. Solid metrics will help you not only determine the success of your idea as it relates to your Creativity Challenge, but also secure necessary buy-in from others (bosses, investors, the board of directors, partners, suppliers and so on). Zeroing in on key metrics and measuring against them as your idea comes to life will also help you refine the idea as it evolves.

Select the top key metrics that you plan to measure and track as your creative project moves forward. Warning: Don't choose too many metrics to monitor or you will quickly lose focus. Narrow the field to a handful of the most important data points and stay focused on those.

Building Your Action Plan

You've finally made it to the exciting point of launch. You and your idea are about to blast off, and you'll soon be enjoying the benefits of your creativity. It is critical that you build a detailed execution plan to ensure that your great idea doesn't explode on takeoff.

Make sure that you've covered the basics, including:

- Budget, forecast and anticipated return-on-investment model.
- Roles and responsibilities of team members during the execution phase.
- Detailed timelines with clear milestones and checkpoints.
- List of the top risks and contingency plans if they occur.
- Resources needed (money, people, time, equipment, facilities, travel and so on).

Building Your Creativity Chops

Jazz musicians call the time and effort they invest in developing their musical skill "building chops." The Disciplined Dreaming system suggests a framework of ideas, processes and practices for building *your* chops by expanding your creative capacity.

Answer the following questions to gain a clearer picture of the way you currently approach the creative process:

1. What percentage of your time is spent creating something new, as opposed to working out operational details or protecting the past?
2. List five ways that you can beat your competition. How could they beat you?
3. If you were entering your industry as a startup, how would you break the mold to beat the incumbents?
4. What elements of the past or status quo are you clinging to? What do you need to let go of?
5. How could placing your bets earlier drive your bottom line?
6. List five ways your company is stagnating; for each of these, list at least two ideas addressing how you can break through those barriers.

- Communication and rollout plan.

Take Care of Business

It is time to gracefully transition back into your normal business processes. You'll need to integrate your idea back into your own systems, as most ideas will not live in isolation but as part of a larger organization or community.

Move forward with boldness and thoughtfulness, with urgency and passion and with a renewed sense of purpose and wonder. Congratulations! You have created and implemented a fresh, new idea. Whether it is big or small, you have made a difference. In some way, you have changed the world. ●

RECOMMENDED READING LIST

If you liked *Disciplined Dreaming,* you'll also like:

1. ***Innovation X* by Adam Richardson.** Richardson defines a new class of business problems — X-Problems — tough new challenges that thwart conventional planning but present massive innovation opportunities.
2. ***From Concept to Consumer* by Phil Baker.** Baker shows readers how to take an idea and turn it into a successful product, but also prepares them for what happens after the product's introduction.
3. ***Outsmart!* by Jim Champy.** Champy shares an inside look at the success factors associated with many of the companies that continue to outsmart their competition — even in a tough marketplace.

· Book 28 of 388 ·

3317 Whats Holding You Back?.qxd

Robert J. Herbold

July 2011

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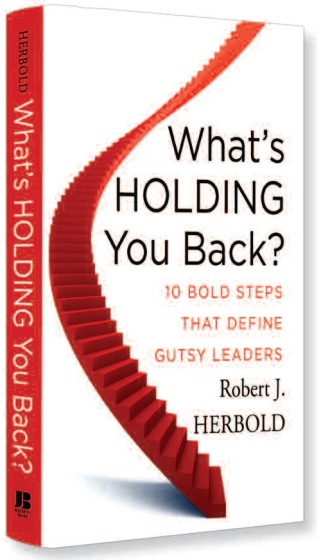
Leadership: Development



What's Holding You Back?

10 Bold Steps That Define Gutsy Leaders

by Robert J. Herbold

THE SUMMARY IN BRIEF

The more responsibility a manager has, the more likely it is he or she will face tough decisions. Often, these hard choices determine the difference between success and mediocrity; yet many managers, when faced with tough decisions, crumble. Whether making decisions for a small group, a department, a division or the whole company, all managers have experienced situations where they know what they need to do, but also know that these steps will be unpopular. They worry that there is no ideal option, a lack of data, guaranteed disappointment or no quick fix — they need a long-term perspective. And they worry that their choices might be dead wrong. They will decide to delay, further analyze, massively compromise, ignore the whole thing or employ any other tactic to avoid dealing with the situation.

What's Holding You Back? offers leaders and managers the road map they need to confront difficult situations head-on. Robert J. Herbold clearly explains why managers fall victim to very human behaviors, such as avoiding conflict, striving for certainty, avoiding a career risk, a lack of self-confidence, a lack of a sense of urgency or protecting their turf, and details the larger consequences of this lack of courage. He then spells out the 10 core principles of confident leadership.

IN THIS SUMMARY, YOU WILL LEARN:

- How to confront your inner wimp and call upon your inner courage.
- How to deliver accountability and decisiveness.
- How to grapple with the toughest dilemmas.
- How to cultivate operational and innovative excellence with gutsy leadership.

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THE COMPLETE SUMMARY: **WHAT'S HOLDING YOU BACK?**

by Robert J. Herbold

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What's Holding You Back?: 10 Bold Steps That Define Gutsy Leaders by Robert J. Herbold. Copyright © 2011 by Robert J. Herbold. Summarized by permission of the publisher, Jossey-Bass, an Imprint of Wiley, John Wiley & Sons, Inc. 214 pages, $27.95, ISBN 978-0-470-63901-6. To purchase this book, go to www.amazon.com or www.bn.com.

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Introduction

Courageous management has real impact. Gutsy leaders are constantly making sure that their organizations have simple, understandable, clear game plans for the future. In addition, headcount is kept as low as possible, and processes are constantly simplified and standardized in order to minimize distractions.

Just as important, strong, courageous leaders create a culture that is curious, even paranoid, about the future, to keep people always looking for new ways to help the company grow and improve. They make sure that decision making is crisp and accountability is clear. They constantly look for important new trends in consumer behavior and technology that they can use to their advantage. Once important change is planned, they reconfigure the organization to implement that change quickly and effectively.

It's tough to stay lean and agile as an organization. It's tough to constantly innovate and execute new, bright ideas that will increase the satisfaction and loyalty of your customers. But it can be done and you can do it.

The Big Issue: Managers Lacking Courage to Make Tough Decisions

There are huge implications when managers lack the courage to make the tough decisions. The problems to which this sort of behavior can lead usually fall into one of the following two categories:

1. *Operational complexity.* Weak leaders often lack the courage to turn down the never-ending requests for more manpower; their failure to do so results in excess personnel. Organizational fragmentation (various groups going off in separate directions) and non-standardized processes emerge as the manager fears confronting and denying the endless requests of groups wanting to do their own thing. Ever-increasing bureaucracy and complexity are the results.
2. *Lack of innovation.* In dealing with new ideas and change, insecure or inexperienced managers often seek the safety of consensus-oriented decision making, thus suffocating innovation. There are often no clear goals regarding innovation and the qualification process for new ideas is random. Weak leadership also tends to cause a lack of clarity regarding who is responsible for spotting key trends and innovating accordingly.

What to Do About It

The key question is: How can managers avoid such problems and significantly improve their ability to be courageous, gutsy leaders? The truth is, you are probably never going to turn the inherently timid person into a naturally charismatic, hard-charging leader. But all managers can learn 10 fundamental principles that will enable them to spot what needs to be done and provide the leadership to make it happen.

Principle I: Devise a Demanding Game Plan to Confront Reality

It's exciting to be the leader of an organization. It gives you the chance to have some real impact on the efficiency and effectiveness of what the group is doing.

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The exhilarating part of being a leader is diving in and figuring out exactly what is going well and what isn't, and how you can put together a demanding game plan that will improve the group's overall contribution to the organization. A "demanding game plan" refers to an aggressive and clear vision, the selection of the right strategies to fulfill the vision and proper, well-defined measures of success.

Most People Within an Organization Fear Change

A real change agent is typically going to run into some resistance within the organization. However, a strong leader doesn't let this stand in his or her way. Instead he or she tries to alleviate those fears by making it clear that there is big opportunity to improve the way the group works and how it contributes to the organization.

Good leaders, regardless of the size of their organization, create a sense of urgency. When things aren't going well, they implement a focused and demanding game plan to achieve significant improvement.

So how can you achieve the kind of crystal-clear direction necessary to create and implement a game plan that will ultimately lead to exciting innovation and operational excellence? Three things must be in place:

1. **A clear vision with impact.**
2. **Aggressive strategies to achieve that vision.**
3. **A defined way of measuring success.**

Principle II: Staff for Success

The more responsibility you bear as a leader, the more you realize how critically important talent is. You soon learn that you can't do everything yourself. You need to acquire the best talent possible, develop those individuals and put them into the key assignments that are going to make a difference in achieving the vision and strategies of the organization. The situation within one consumer products company can shed light on just how important it is for a leader to come to grips with personnel issues and possess the ability to obtain quality information about performance in the organization.

The eastern regional sales manager of this company was a talented individual who had made rapid progress up the corporate ladder but who was having some very significant problems in his current assignment. His region was rated the lowest of the four U.S. regions in revenue growth during the previous 12 months.

His region had been struggling for years, which was the primary reason he had been put into the job 18 months earlier. The company was confident that he could turn the situation around. However, he had two direct reports who were problematic. The district manager who had responsibility for Philadelphia had the worst numbers of all his direct reports. The Boston district manager was a close second. Unfortunately, there was no reliable performance appraisal system at the company, so the personnel files of both the Philadelphia and Boston district managers really didn't document any serious conversations about performance. HR sent forms out on an annual basis, but no one paid much attention to the process.

Matters Get More Complicated

The regional manager was told at the orientation for this role that these two individuals were extremely well regarded within sales and that their relationships with customers were always viewed as exemplary. To make matters more complicated, the two problem district managers were close friends of the VP of sales.

The regional manager gathered as much data as possible on the sales results over the last five years for these two problematic managers. It turned out that they did very well with their food chain customers, but poorly with the drug chains and mass merchandisers in their areas. Going back 10 to 15 years, most of this consumer product company's sales were to food chains. During the last 10 years, drug chains and mass merchandisers had

Move Weak Performers Out Quickly

Here are some simple guidelines to follow on an ongoing basis to avoid performance problems:

- **Implement high-quality performance appraisals.** You need a system that regularly and clearly makes every member of your organization aware of his or her strengths and weaknesses and how his or her overall performance is regarded.
- **Give early warnings**. You have to confront weak performance as soon as you detect it and make it clear to the individual that things have to change.
- **Strengthen the talent pool**. You need to be constantly developing talent so that when you do make changes, you'll have people ready to take on the new responsibilities.
- **Move people around regularly**. By moving people around, you can further develop their skills and benefit from their prior experiences.

become the major growth channels.

The regional manager took a month to visit with some of the sales reps in each district to learn how they felt about the business and about their district sales managers. What he found out was that there was significant de-emphasis of anything but food chains, and although any bright ideas on how to stimulate the drug and mass merchandiser business were received graciously, nothing was ever done. The conclusion was very clear. These two district managers hadn't grown with the company and weren't doing anything differently than they had 15 years earlier. They also hadn't receiving feedback about their weak performance over the years.

Confront Leaders with Unsatisfactory Performance

Fortunately, the remedies were also clear. The eastern regional manager had to confront the VP of sales with the unsatisfactory performance of these two individuals and immediately move them out. Also, HR needed to be confronted about the inadequate performance appraisal process, as that department was the reason for the lack of quality performance data on people in the company. Given the weakness of the two individuals' businesses, and the strength and thoroughness of the regional manager's analysis and recommendations provided to the VP of sales, the eastern regional manager was given the OK to move into action to clean things up.

Remember, don't wait long to get rid of weak performers. You have to fight off all those human tendencies to accept the status quo, and deal with the situation. Hesitation can have serious consequences for the entire organization. ●

Principle III: Clean Up the Sloppiness

Most people have experienced the frustration of having roadblock after roadblock thrown in front of them as they tried to get something accomplished. They reach the point where they realize that the world just can't be that complex. When easy things are hard to do, it's an obvious sign that it's time to clean up the organization and get back to the simple world we all love to operate in. Typically, complexity and sloppiness in a company are due to excessive headcount, fragmented and independent organizations, lack of standardized practices, and disjointed and antiquated information systems. The tough part for a manager is getting up the courage to tackle these problems, knowing full well that many people will feel the impact or even be eliminated.

Clear Vision, Courage and Support

It takes clear vision, courage and support to effectively simplify an overly complicated organization and also to prevent an organization from becoming overly complex in the first place. Here are some guidelines to keep in mind as you pursue that desired simplicity:

- *Put one leader in charge of each system or process.* The goal of the person responsible should be to standardize his or her assigned process across the whole company.
- *Tell the organization.* The troops need to know that you have every intent of operating the organization in a simple manner and do not want to see processes and systems become complicated and bloated.
- *Keep things simple and effective.* The person in charge of a particular system or process needs to constantly re-evaluate his or her system or process and its role within the company, keeping an eye on how things can be kept simple and highly effective.
- *Require 100 percent participation.* ●

Principle IV: Institutionalize Tight-Fisted Cost Control

In general, most employees and managers believe that they need more people in order to get their work done. They also need more equipment, more systems, more of everything. Because of this inherent human tendency to bulk up, a leader needs to be tough, objective and very visible regarding cost. He or she needs to be constantly working to make the organization very lean and cost conscious. It requires guts, but it's essential. As a leader, you must take a very clear and continual stand on the need for tight-fisted cost management.

Key Ingredients of Tight-Fisted Cost Control

Here are some key guidelines that you need to follow to take a stand on complexity and achieve tight-fisted cost control:

- *Take a tough, visible stand on cost.* The troops need to know that you are making cost management a high priority. You need to send this message over and over. Use all the communication tools available to constantly reinforce the message.
- *Match your actions to your words.* Don't allow exceptions that will be talked about in the halls that clearly show you are willing to back off the cost objective. Employees will be watching closely to learn how they can best protect their assets and ideally acquire more.

- *Take budgeting seriously.* Know your budget well. As the leader, you need to be very thorough in scrutinizing each element of your budget. The planning and budgeting process must also be interactive so that the troops clearly understand your thinking. They must understand why you are making certain financial decisions and what pressures you are facing, which will enable them to trust that you are being an objective and effective leader.
- *Be prepared for faultfinding.* One of the toughest things to do in an organization is to constrain or tighten resources. It brings out some of the worst emotions in people. You, and the managers who report to you, will need to be prepared for criticism and faultfinding. At times, your determination will be perceived as rudeness and stubbornness, but you can't let this affect your decision. You must constantly remind folks why you are doing this in the first place. You and your team will need to be very gutsy leaders.

As a leader, you need to be very clear and very visible with plans and rationale for achieving tight-fisted budgets. You also need to continually reinforce the message that cost is very important. That's how you institutionalize aggressive cost management. ●

Principle V: Insist on Functional Excellence

As leaders get promoted and gain more responsibility in an organization, they don't immediately acquire all the in-depth knowledge required to fully understand every area that falls within their authority. When leaders lack knowledge and lack someone who can be a reliable source of knowledge, things get messy. Huge amounts of complexity are caused all the time by sloppy functional leaders and sloppy practices. It is often the major source of operational chaos in an organization.

Balancing Your Organization

Achieving balance isn't easy, but it can be done. Following are some key principles you can use to strike the ideal balance between the thought leadership and discipline of a centralized operation and the responsiveness and effectiveness of a distributed organization.

- **Manage the key functional fundamentals.** There are three guidelines to follow for managing these key functional areas:

1. *Create one universal system where possible.* Do things one way across all divisions where you can. If it's an area that doesn't give you competitive advantage, it's probably best to do it one way throughout the entire company.
2. *Only allow exceptions when truly necessary.* If a particular division can really and truly gain advantage by customizing a particular process to meet its unique needs, let that division do so. But beware that everyone has a tendency to claim that he or she has very special needs. Require divisions to present a clear business case for exceptions and hold yourself to extremely tough standards when judging those cases.
3. *Carefully measure efficiency and effectiveness.* Develop concrete measures and benchmarks for tracking both the effectiveness and the efficiency of the various processes associated with these functional areas.

- **Organize for functional excellence.** For each of your functional areas, such as finance and HR, you need a strong centralized group to make sure that up-to-date, sound technology is being used and that efficiency measures that cut across all the operating divisions are in place. Personnel from functional areas that support an operating division should reside within and be paid for by that division.
- **Assign clear responsibility.** Once you create a strong, centralized group in your organization, you need to ensure that the group's responsibilities are clear. The key responsibility for your centralized functional group is to make sure that both the personnel assigned to each operating division and the personnel in the central group are operating efficiently and effectively. ●

Principle VI: Create a Culture of Innovation

It takes real courage and hard work to consistently, day after day, challenge your organization to be innovative. Once you achieve some sort of success, it is easy to sit back and view the situation as mission accomplished. The secret is getting the people in your organization to understand that the competition is always right around the corner with yet another bright idea that will drive your product to commodity hell, causing you to compete only on price. To avoid that, they need to be constantly coming up with innovative ideas that make your products exciting and distinctive in the marketplace.

Innovative Leadership at Deere and Co.

Deere and Co. has been around a long time, perhaps because the leadership at Deere has always understood

that innovation is the key to product superiority.

When Robert Lane became CEO of Deere in 2000, the company had great strengths in its brand, dealer organization, products and loyal employee base. What it didn't have was a great business. Lane's goal was to achieve 12 percent operating return during economic droughts and 28 percent in good times. His plan was to achieve this by continuing to innovate new and better products. His point of view was simple: "You cannot get into commodity hell." Lane fully realized that the only way to sustain strong economic performance is through innovation that will keep you ahead of your competitors.

All of this is paying off handsomely for Lane and Deere. When Lane became CEO in 2000, the stock price had been stuck in the $20 range. By mid-2008, it was in the $70-$80 range. Deere was hit hard in late 2008 by the global recession, but continued to invest heavily in technology to avoid commodity hell.

Creating a Culture That Nurtures Innovation

To achieve this level of innovation and subsequent financial success in your organization, you need to create a culture that nurtures innovation. Here are some key tips that will help you and your organization stay out in front:

- *Communicate your goal of innovation, regularly and thoroughly.*
- *Encourage and inspire innovation.*
- *Reward innovation.*
- *Instill a sense of urgency in the troops.*
- *Never get into a price battle.*

Principle VII: Demand Accountability and Decisiveness; Avoid Consensus

Innovation is often viewed as incompatible with things like accountability, goals and measures. This is just not true. When you are pursuing innovation, accountability is necessary to keep the innovators focused.

When creating a system of accountability, however, you need to emphasize the pitfalls of consensus management to the person accountable. New products, product features or processes typically affect a lot of people in the organization, so there will be a lot of input. Requiring a consensus from all the people involved or affected would kill the innovation; it would strip away the unique and distinctive aspects that make the idea innovative.

Put Some Degree of Focus Around the Task of Innovating

Here are some guidelines that work well in companies to generate fresh thinking and new ideas that can really pay off:

- *Put one person in charge.* Any group that is assigned the task of innovating needs one leader who is accountable for the group's progress.
- *Find strong-willed, senior talent for the job.* The person you pick for this job should give his or her staff strong guidance, but also the freedom to do their jobs.
- *Create focus.* You need to carefully define what innovative success looks like so that you get the results you want and can measure them.
- *Agree on measures up front.* At the start of the innovation search, you can save a lot of time by giving adequate attention to the issue of how things will be measured.
- *Keep the focus on impact, not internal politics.* The leader of the innovation process needs to train his or her innovators to focus, first and foremost, on the customer impact of what they are doing.
- *Challenge outside input.* You need to make it clear that all input, no matter what level the organization it comes from, will be challenged concerning its credibility.

Principle VIII: Exploit Inflection Points

Significant shifts in the technology or the consumer habits and practices underpinning your industry are often referred to as inflection points. They are very important because they can cause the existing products or services in the industry to be rendered inferior, out-of-date or old fashioned. To take advantage of inflection points and to keep from becoming obsolete, you must either replace your current offerings with up-to-date new products or modify your existing products.

Kodak Faces a Major Inflection Point

By the late 1990s and early 2000s, digital photography became the rage, and digital camera sales were growing 30 to 50 percent per year. Kodak was nowhere to be found. Although it did launch some digital cameras that were respectable in their performance, Kodak was always late to market and could not keep up with the rapid pace of technology improvements being introduced in the marketplace by Canon and several other vendors on almost a monthly basis.

The story has a sad ending. It's not clear whether Kodak will survive. It is currently pursuing a line of printer products to generate some revenue, but it's a company that absolutely lost its way because it missed a key inflection point.

Assemble the Right Group of People

Assembling the right group of people to keep your organization on the cutting edge of technology isn't easy. Making sure they have the space and resources they need to do their jobs well is no easier. Here are some characteristics to look for when putting your team together and some guidelines for keeping them productive:

- *Assemble a strong team.* Some things you should look for when assembling your team are breadth of experience, total commitment to consumers and intelligent risk-taking.
- *Don't encumber creativity with bureaucracy.* The worst thing you can do to people who are charged with finding and exploiting inflection points is put them in a bureaucratic environment.
- *Keep the group very small.* Strong performers know how to get work done and don't like to be encumbered with an excess of people. Also, involving too many people dilutes responsibilities and creativity.

The most important decision in identifying and exploiting inflection points is in the selection of talent.

Principle IX: Value Ideas from Anywhere

One thing that is certainly true about innovation is that you can't program it. Bright ideas can emerge from just about anywhere. It's tough to know exactly what background and characteristics enable a person to generate valuable ideas.

The practical implication of this truth is that you must be open minded to encourage and consider ideas from anywhere — not just from your product development staff, but from all employees, consumers, industry analysts, universities and so on.

You need to make sure that within your organization, processes are set up to receive input from the outside and properly evaluate it.

One thing that seems to be true in the pursuit of innovation is that the closer you are to the actual use of a product, service or process, the greater your chances are of observing or experiencing something that might generate a new idea or insight that brings a new capability or big improvement.

How to Turn Up Successful Ideas

Here are some key points for you to keep in mind to turn up successful ideas:

- *Get ideas from your customers.* As an organization matures and has some experience with success, too often it becomes internally or technologically focused. Studying and understanding consumers can be seen as a low priority. Your job is to make sure the people charged with innovation are getting out of the office and spending quality time observing and talking to customers.
- *Don't rely solely on quantitative market research.* Consumers simply aren't going to go out of their way to answer questions you don't ask.
- *Avoid qualitative research.* Qualitative research, such as focus groups and one-on-one interviews, are generally too intrusive. Most focus groups are not trustworthy because you don't know if one particular participant intimidated the rest of the group or even if the interviewer biased the conversation. The same holds true in regard to one-on-one interviews done by a professional researcher. You just don't know how comfortable that consumer was in expressing his or her views or, again, if the researcher was biased.

Strong leaders know that there is no substitute for observing how customers use their products. Although unstructured activities with customers may test your patience, they are more useful and provide more insight into developing your products and services than any amount of market research can.

Principle X: Shake Up the Organization

Established organizations often have a very difficult time achieving dramatic innovation that will have a major impact on the performance of the company. This is because they have comfortably settled into a routine for managing the business, and it's natural to become convinced that you have figured things out and there is no need to change.

When you leave organizations alone but ask them to innovate, in all probability, the ideas that emerge will be subtle variations on what they are already doing. If you want major innovation, you really have to shake up the organization.

Create Intense Marketplace Focus

A strong leader needs to make sure everyone in the

organization understands that focusing on a small number of product areas where you can clearly win and making that win happen via laser-like market focus are key.

Here are some courageous practices that you need to put into place to create the same kind of marketplace focus in your organization:

- *Do business in a small number of industries where you can win.* Take a look at your organization and objectively assess how many totally different and independent efforts are being pursued. You'll need real courage to set priorities and shut down efforts that have been going for years.
- *Move in the merchants.* You need to select people for key positions who have a real sense of the marketplace and enjoy creating excellence with regard to products, distribution channels and consumer experiences.
- *Focus on product, channel and consumer excellence.* A strong leader needs to provide intense focus on these things.
- *Create a sense of marketplace urgency.* You need to remind your organization regularly that success in the marketplace is your most important measure.

Reorganizing, putting strong performers in key jobs and keeping the focus on customers are powerful tools you should be using to shake up your organization so that it can implement new, high-potential, innovative ideas. By doing this, you will be on your way to establishing a strong business driven by strong leadership.

Conclusion

You — yes, you — can be that leader who has the courage to face the tough decisions and achieve operational and innovative excellence.

Implementing these principles requires courage, but these principles and the reasoning behind them are easy to explain to your people. Taking action will earn you their respect and will generate the excitement that is required to get your organization going in a positive direction.

Now go out there and be bold. Be very clear that you have a decisive plan and that you are not afraid to take action and do what's right even when it's hard. It's difficult for any leader to put him- or herself on the line, to take a public risk, but that is exactly what you must do. No one needs a leader for inaction, to preserve the status quo.

Your newfound energy and resolve will inspire your team and, even should they not agree with you, they will respect you. With these 10 principles to guide you, with this road map of the difficult situations that require your decisiveness, nothing will hold you — or your organization — back.

Think Globally

Becoming global isn't simply something that is appropriate only for companies with hundreds of thousands of employees. Even small companies should be thinking this way.

There are some basic rules you should follow when you start to think globally:

- *Consider outsourcing non-strategic activities.* Non-strategic activities are those tasks that aren't going to give you a competitive advantage, things like administering a benefits program, or manufacturing products that don't require highly specialized expertise.
- *Choose the right location for strategic activities.* Strategic activities affect the nature of your products and services. The marketing and positioning of your products are strategic because they affect the way a product is received in the marketplace. Examine the needs of your business to decide if putting some of your strategic activities in an international office would make sense.
- *Be strong.* Whether you're outsourcing your non-strategic activities or setting up a global office to handle some strategic ones, chances are that your organization will aggressively fight these decisions. Employees will argue that the company has unique expertise to do the tasks or that the tasks require intimate knowledge that only they have. As a leader, you need to be aware that this pressure will always be there and you need to be tough.

RECOMMENDED READING LIST

If you liked *What's Holding You Back*, you'll also like:

1. ***The 21 Indispensable Qualities of a Leader* by John Maxwell.** Maxwell provides a concise, accessible leadership book that helps readers become more effective leaders from the inside out.
2. ***Leaders Make the Future* by Bob Johansen.** This powerful book explores the external forces that are shaking the foundations of leadership.
3. ***You Already Know How to Be Great* by Alan Fine with Rebecca Merrill.** Fine reveals his simple and proven approach to achieving breakthrough performance through an amazing process called G.R.O.W. (Goal, Reality, Options, Way Forward).

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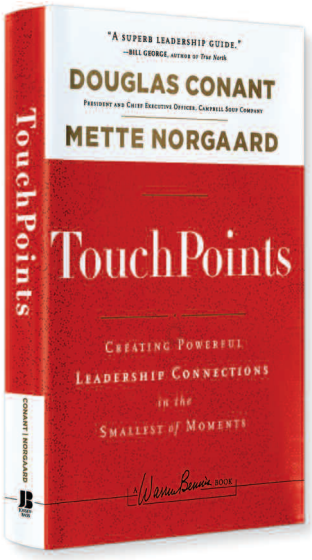
Leadership



TouchPoints

Creating Powerful Leadership Connections in the Smallest of Moments

by Douglas Conant and Mette Norgaard

THE SUMMARY IN BRIEF

Leadership is tough. You must hit your marks — despite back-to-back meetings, endless e-mails and chance encounters in the hallway.

Most leaders feel that these inevitable demands keep them from doing their "real work." But in *Touchpoints*, authors Douglas Conant and Mette Norgaard argue that these interactions are overlooked opportunities to expand your influence and deliver measurably better results.

TouchPoints shows how a leader's legacy and impact are, in fact, built through hundreds, even thousands, of interactive moments in time.

The good news is that everyone can attain greater "TouchPoint" mastery by delving into three essential assets: your head, heart and hands. As the authors explain, one of the greatest investments you can make is constant attention to your mental model, your emotional maturity and your bias for action.

TouchPoints speaks to the theory and craft of leadership by promoting a rational, authentic, active and wise approach. With greater skill and energy, you can start transforming otherwise ordinary interactions into powerful leadership moments — one TouchPoint at a time.

IN THIS SUMMARY, YOU WILL LEARN:

- The three essentials of mastery.
- How to create your own unique leadership prototype.
- Why "walking the talk" is essential to your success as a leader.
- How to listen exponentially.
- The four magic words of any TouchPoint.

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THE COMPLETE SUMMARY: **TOUCHPOINTS**

by Douglas Conant and Mette Norgaard

The authors: Douglas Conant is president and CEO of Campbell Soup Company. Under his leadership, Campbell reversed a precipitous decline in market value and employee engagement, improving its financial profile, enhancing its diversity and inclusion and raising its corporate social responsibility profile. Mette Norgaard is an expert on strategic leadership and learning. She advises executive teams around the world on how to create distinct learning solutions that advance their companies' strategies. She has worked with senior-level leaders from Microsoft, Procter & Gamble, GE Capital, Nucor Corp, Harley Davidson and more.

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The Power of TouchPoints

It's 3:30 p.m. You're holed up in your office, trying to grab some time to finish a proposal that's critical to the future of your department — and your own career — when a team member knocks on your door to ask for advice. How do you respond? Do you give in to the flash of irritation and tell him to come back later? Or do you stop what you are doing and help him right now? It's your choice.

As a leader, you make these choices all day, every day. The "knock on the door" happens over and over again — phone calls, meetings, e-mails and text messages, all with questions to answer and fires to put out. The workload is expanding and the time you have to deal with each issue is shrinking. Some days it feels as if the information age has morphed into the interruption age.

But what if you could step back and look at these interactions with a fresh perspective? What if, instead of seeing them as interfering with your work, you were to look at them as latent leadership moments? What if these moments held the answer to leadership in today's busy world, turning ordinary moments into TouchPoints?

TouchPoints take place any time two or more people get together to deal with an issue and get something done. TouchPoints can be planned or spontaneous — in hallways, on factory floors, in conference rooms, on the phone and via e-mail. Some deal with straightforward issues; others involve complex challenges.

These TouchPoints *are* the real work. They are the moments to bring your strategies and priorities to life, the interactions that translate your ideas into new and better behaviors.

The Exponential Effect of a TouchPoint

TouchPoint leadership capitalizes on the social networking effect, what we call the *exponential effect*.

Every person you engage with is embedded in webs of relationships. Whatever you say or do in a TouchPoint may be quickly transmitted to five or six people in that person's network — and then relayed to their colleagues and so on. Therefore, when you impart a sense of urgency, people may pass that on; when you inspire confidence, that too may be transmitted; and when you blow it, people are bound to hear about it.

You can choose to bring a sense of positive energy and direction to your very next TouchPoint, and then do it again. To get started right away, simply take the next unplanned interaction as an opportunity to help. Twenty TouchPoints a week would add up to more than 1,000 TouchPoints in a year. This would be a very small commitment, yet the impact would be significant because you would not only feel more in control of your time, but you would also gain more influence. ●

The Commitment to Mastery

To succeed in the work of leadership, you need to be good at it. And to become really good at it, you have to prepare. Frankly, if you don't love the pressure, the sweat and the grind, it just isn't worth it. Life is too short to be halfhearted about your work. More important, people deserve someone worth following. That is why we encourage you to make the commitment to mastery.

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The Mastery Essentials

If you aspire to mastery, you must use your head, heart and hands. You need a *logical* model that guides your approach to leading people and change (head), a clear sense of purpose and an *authentic* way of engaging with others (heart), and practices that enable you to be prepared and *competent* in the moment (hands).

Your touch is where the three strands (head, heart and hands) come together in the art of the moment, enabling you to make clear judgments in the TouchPoint. When you have the touch, you can have a dozen balls in the air and juggle them all with ease. You may stand in the midst of escalating tensions and naturally diffuse them. You can make split-second decisions in a way that seems effortless to others. The way you do that is by blocking out noise, stripping away everything extraneous and being fully present to the possibilities of the moment.

1. Use Your Head: To begin with, you need a clear approach to leadership. As a leader, you must be prepared to parse through countless data points, detect the patterns and frame what is going on in the TouchPoint. To do so quickly, intelligently and consistently, you need to create a personal leadership model that works for you in your unique situation.

2. Use Your Heart: Next, you need to become incredibly clear about your intentions so that you can develop a healthy and dynamic core. Think about the core of a golfer, the axis around which the rest of the body rotates when he or she takes a swing. Having a strong core allows the golfer to wind up the body's inherent energy and release it in a natural and controlled way until the rotation is completed. To achieve such grace and power in the moment, you need to be very clear about who you are and why you choose to lead. You need to have the heart for leadership.

3. Use Your Hands: Finally, you need to become clearly competent so that you can engage with confidence and extend that confidence to others. You need to be able to draw on a variety of skills so that regardless of what is thrown at you, you can handle it. You may need to diffuse tension with humor, push people by asking tough questions or tell stories that stick. Whatever is needed, you want to do it skillfully.

Missing the Mark

If you like the *idea* of mastery but wonder whether it is worth the price, take a moment to consider the costs of not aiming for mastery.

- *If your head is not in the game:* When you don't have a clear approach to leadership, people don't understand why you make the calls you do. Why was that project given to another department? Why don't they get that report anymore? People search for the underlying logic, but it doesn't seem to be there.
- *If your heart is not in the game:* When you don't know (or don't show) what's in your heart, you cannot make a real connection with others. You may genuinely care about the people on your team, but if they can't tell your true feelings, why should they trust you? Also, if you don't convey what you care about, they will be less forthcoming with their own concerns and cares.
- *If you are not prepared for the game:* When you don't do your homework, people don't count on you to prepare and put forth your best effort. They just don't feel they're in good hands with you as a leader.

Leaders who want to be influential look at leadership as something they must get really good at. Because they work at it, they improve, which makes them feel more committed, so they practice more and continue to accelerate their own development. What type of leader do you want to be? And do you want it enough to make the commitment to mastery? ●

Use Your Head: The Commitment to Inquiry

Developing a leadership model is one of the most practical, energy-saving, and stress-reducing things you can do as a leader. To lead effectively in a TouchPoint, you need a leadership model that is uniquely relevant to your situation, one that can engage people and improve performance. Every leader's model is different, because everyone's situation is different.

Make a Commitment to Inquiry

The first step in creating your own leadership model is to become aware of your current assumptions — the ways in which you almost instinctively think about people and performance. Next, search for answers to two vital leadership questions by drawing inspiration from various sources and thinking about your own experience. Finally, organize your answers into a meaningful flow — an *ideapod* where you have "downloaded" the best thinking available, added your own experience and created a set of ideas that works for you.

Consider Your Underlying Assumptions

You first need to surface your assumptions about leadership. As you read the examples below, which ones fit your way of thinking about leadership most closely?

- *Competition* or *collaboration*
- *Instructing* others or *inviting* them
- *Expanding* rapidly or *evolving* gradually
- Aiming for *efficiency* or creating *communities*

You can think of the word pairs as representing two distinct world views, two different ways to think about motivation and change. When you gravitate toward stories that build on the first word in the pair, you will tend toward an *assertive* way of thinking about issues and people. If you are inclined toward the second word in the pairs, you will have an *adaptive* approach.

But why limit yourself to one approach or another? Instead of having an assertive or adaptive approach, leaders need an *integrated* approach. It makes no sense to think of people as being altruistic *or* selfish, competitive *or* collaborative because, as human beings, we are both. Likewise, it is nonsense to look at an organization as if it ought to run like a machine *or* evolve like a living system. There are ways to create both efficiencies *and* communities. In fact, the best solutions often lie in the creative tension between these natural dualities.

Answer Two Vital Questions

Just as a potter must know his material (clay) and understand how to transform it (process) into a strong functional object, a leader must know his or her "material" (people's talent, energy, creativity and commitment) and understand how to transform that into performance.

To comprehend these basics and how they apply in your culture and context, you need to ask two vital questions:

- *What makes people give the very best of themselves?* This question is about what makes your people engage wholeheartedly. Consider each member of your team. What do you think engages each person? What turns each person off? What about the team as a whole?
- *What makes for ever stronger performance in an ever changing world?* What are the lessons you have learned about achieving results and then doing it again and again? Have you ever been part of a team that came from behind, beat all the odds and won? If so, what created the magic? Also consider your best-performing colleagues and bosses. How did they approach major initiatives? What did they do to create momentum and deliver results?

Move From Prototype to Primetime

The value of prototyping is that it allows you to take your best ideas and make them tangible. The aim is to develop a model that you can draw on the back of a napkin while explaining your leadership approach to someone else. (For valuable examples of leadership prototypes, please visit www.conantleadership.com)

To start developing your prototype, reflect on the assertive, adaptable and integrative points of view and the way you responded to the two vital questions. Jot down your insights.

Sort your thoughts and ideas into clusters. Some might deal with relationships while others focus on results; some might concern people's character and others, their competencies. Play around until the clusters seem clear.

Next, step back and think about how the ideas relate to one another. When you have a good understanding of how your ideas are connected, quickly draw several rough prototypes until you have something that makes sense. Once you have come up with a prototype that you think accurately expresses your own unique approach to leadership, see whether you can explain it to someone else. If things are not flowing well at this stage, go back and create a few more prototypes. Once you are confident that your model is clear and coherent, you will be ready for prime time: to share it with your team, your boss and other people you work with.

Be Consistent and Flexible

Once you have a solid model, you need to execute it consistently. Using your head means you become disciplined in both your thinking and implementation. But there are, of course, times when you need to make adjustments to your model as you gain an even better understanding of human nature and the nature of change. Another reason to adjust your model is perhaps because you need better and faster ways to engage people and accelerate the pace of change.

Einstein once observed that the person who "can no longer wonder, no longer feel amazement, is as good as dead." To be fully alive in the way you lead, you need to be curious, ask good questions, and find an approach that works for you in your unique culture and context. In other words, make a commitment to inquiry. ●

Use Your Heart: The Commitment to Reflection

When you use your heart, you will make better judgments concerning *the issue*; you will make stronger connections with *other people*; and you will develop your personal authority *as a leader.*

Lead With Your Head and Your Heart

Some of the decisions you need to make in a

TouchPoint are clear-cut. You simply get the best data available, do the analysis and make the call. In most cases, though, you need to consider more than numbers. There are even times when the numbers reveal one course of action to be the *smart* thing to do, yet you know it is not the *right* thing to do. In such cases, you need to trust your intuition and connection to your principles. You need to use both your head and your heart to make a wise decision.

Even when making minor decisions, you will want to use your heart. For example, you may need to decide whether to start an off-site meeting on a Monday or Tuesday, a decision that determines whether people get to spend Sunday at home instead of at an airport. Each day, dozens of such minor decisions affect the trust people have in their leader, the pride they take in working for the team and the strength of their commitment.

To make genuine connections with other people, you need to bring more than information and experience to the interaction — you need to bring yourself.

Answer the Questions of the Heart

Previously, you considered two questions that encouraged you to look at the way the *world* works. Now reflect on the way *you* work through three questions of the heart:

1. Why do I choose to lead? All too often, people become leaders because doing so was the next logical step in their careers. They know what they want to *get* from their position (such as a new challenge, more influence, more prestige or better pay), but many are vague about what they want to *give*. Many have a good reason to lead, but are tentative about their *purpose*. (*For resources on leading with purpose visit www.mettenorgaard.com.*)

Knowing *why* you want to lead gives you a well of energy to draw on that is deeper than merely finding meaning in your work. The challenge is that most of us don't take the time to connect with our passion and purpose.

2. What is my code? Every leader needs a code to live by, a set of principles that provides an underlying consistency in every TouchPoint. Your code is based on the principles you believe in and captures what to you is the right thing to do. When you live by your code, you have a good conscience; when you violate it, you disappoint yourself.

Through personal reflection, you can start to capture the principles you choose to live by. Think of a time when you took a stand. Why did you do it? What principles were involved? How did it make you feel? What about a time when you didn't take a stand but felt that you should have? What principles were you ignoring? What were the consequences?

Having a code helps you keep your perspective when you are doing well and take the high ground in times of adversity.

3. How well do I walk the talk? Each TouchPoint is a small test: You say you want people to be candid, but do you really want to hear what they have to say? You say you want to let them run with the ball, but do you really let them? When you "walk the talk," people find you more credible. As a leader, your goal is to walk the talk in TouchPoint after TouchPoint.

How well do you walk the talk? Be honest with yourself and keep in mind that it's common for people to think they are doing better than they actually are. Let's say your code includes "honesty" and "respect," and you see yourself as someone who talks straight and pays attention when others talk. OK, that is what you *say* is important, but is it what other people see you *do*?

The easiest way to keep yourself honest is to become clear-eyed about how you use your time. How tenacious are you about making time for things that matter most? A more data-driven way is to get unfiltered 360-degree feedback on your behavior. Yet another way is to find a couple of trusted advisors who care about your success and will be candid with you.

Beyond the three questions of the heart, leaders often struggle with a fourth question, which is about accountability. *First and foremost, you are accountable to yourself.* To be true to yourself, continue the process of self-discovery by answering the questions: "Why do I choose to lead?" and "What is my code?" at even deeper levels. To reinforce the insights you gain, start each day with something that inspires you. During the day, try to spend time with people who bring out the best in you. And end the day by asking yourself: *How well did I walk the talk today? What could I have done better?* ●

Use Your Hands: The Commitment to Practice

TouchPoints are intensely practical because each one deals with real people and real issues in real time. Therefore, it is not enough to be clear-headed and clear-hearted in a TouchPoint; you must also be clearly competent.

Developing the skills so that you can be proficient in TouchPoint after TouchPoint requires continuous practice. TouchPoints are all about communication. To han-

dle whatever might be thrown at you in the moment, you need to be incredibly skilled at understanding what others are saying and at making yourself understood.

Lead With Listening

Listening is one of the most amazingly efficient things you can do as a leader. But listening can be very hard to do. One reason is that most leaders have a bias for action and when they are listening, it does not feel as though they are doing anything. And listening is even more difficult in today's interruption age.

In a TouchPoint, listening with your head and with your heart is critical if you are to gain a good understanding of the issue. Without that understanding, you can easily waste everyone's time by solving the wrong problem or by merely addressing a symptom, not the underlying disease.

To use people's time and energy wisely, you want to listen with your head for the evidence, listen with your heart for the energy and listen exponentially for all the other voices that touch the issue.

Listen With Your Head

Listening with your head means listening for the evidence — facts, figures, actions, events and conversations — that led to that current TouchPoint.

Most TouchPoints deal with quick updates and straightforward tactical issues; in those interactions, you can simply get the information, find out what the other person needs and provide it. But when the issue is more complex, you need to give the other people more time to describe the situation. To make sure you stay with them on their agenda instead of hijacking it, here is a small practice to try. Whenever someone is seeking to explain something to you and you feel a question or piece of advice bubbling up, bite your tongue and ask yourself, *How exactly will this comment be helpful to the others?*

Listen With Your Heart

When you listen with your heart for the energy in a TouchPoint, you tune in to how the other people are feeling. This means you pay attention not only to the words, but also to the facial expressions, tone of voice and body language that reveal whether people feel excited, nervous, upset, unsure, committed or confident. An easy practice that can help you tune in to the feelings of a TouchPoint is to imagine the energy as being red, yellow or green. It's like coming to a traffic light: you stop if it's red, slow down if it's yellow or go through if it's green.

- **When the energy is red:** We say the energy in a TouchPoint is red when people are testy or angry, when they become vocal about why your proposal won't work, or when they withdraw, avoid eye contact and shut down. If you sense that this is taking place, stop and listen. Try to find out what is going on. If they are disagreeing with you, try to understand their reasoning.
- **When the energy is yellow:** In a TouchPoint, people may seem to express doubt, keep questioning something, or seem hesitant or unsure about how to handle the situation. When that happens, slow down and listen with your heart. Giving people a chance to express their concerns can help both of you.
- **When the energy is green:** Green energy means that the way is open for you and others to move on; the other people in the TouchPoint feel curious, engaged, confident and keen to move forward. Green energy doesn't mean you stop listening. In fact, the more engaged the other people are, the more you might want to tune in, because they will probably be eager to offer good ideas and take on the responsibility for implementing them.

Listen Exponentially

Just as every TouchPoint you engage in can potentially impact many people beyond those who are immediately involved, every conversation you have with an individual or group has been triggered by many prior TouchPoints. To gain an accurate and complete understanding of what is really going on, you need to think about all the stakeholders and listen for all the voices that touch the issue, even those that are not present. That kind of listening demands extraordinary attention.

Here is a solid practice you can use to get the full picture. When people schedule time to meet with you about an important issue, ask them to come prepared with the answers to a few diagnostic questions, such as: What is the problem? Whom does this problem affect and how? What are the behaviors that are contributing to the problem? and so forth. Then begin the meeting by giving them 8 to 10 minutes to lay out their answers without interruption.

Follow Through With Speaking

In a TouchPoint, you want to speak from your heart so that people become engaged and you need to speak from the head so that what you say makes sense to them. Furthermore, you need to speak skillfully and exponentially so that your message will be clearly understood through several degrees of separation.

Speak From Your Head

One of the most important things to do in a TouchPoint is to clarify expectations. When a leader is not sufficiently clear, people fill in the gaps themselves. They decide what a "quality outcome" looks like, make assumptions about what "within a reasonable time" means, or figure out when and how to hold themselves accountable. If their assumptions are wrong, as assumptions often are, people may not meet your expectations, which may result in feelings of disappointment and frustration, wasted time, loss of confidence and, sometimes, higher costs.

Speak From Your Heart

When you need to engage people on your issue, you need to make a strong personal connection. The more you are asking of them, the stronger that connection needs to be.

When leading major change initiatives, one of the greatest challenges is to get people excited and committed to the change. To do so, you need to speak from your heart and share your enthusiasm for the project.

Here's a practice you can try with the help of a colleague and a copy of a classic speech, like the Gettysburg Address. Read your speech to your colleague. Every time your colleague is moved, he or she is going to move toward you. When your colleague isn't moved, he or she is going to move away from you. Practice reading the speech until the person ends up standing right next to you.

Speak Exponentially

In this interruption age, we engage in smaller and smaller TouchPoints, and in many more of them. Those brief interactions also travel faster and farther than ever before: a quick text message to a colleague in another building can make it around the world in seconds. Consequentially, it has become imperative for leaders to master the power of exponential communication, both face-to-face and in writing.

One executive does this by writing 10 to 20 personal notes every day to thank people for their contributions, welcome new hires, or congratulate leaders on promotions or other successes. He writes the notes to individuals who often share them with other people. Over the years, these notes have added up to tens of thousands of TouchPoints.

Lift Your Game

The more difficult a TouchPoint and the higher the risk, the more skilled you need to be. For people to count on you in highly visible and highly sensitive situations, they need to trust both your intentions and your skills. To reach that level of competency requires intense practice.

Performers who are world-class in their fields practice intensely for about three hours a day to stay on top of their game. That is probably not realistic for you. But it is realistic to select one skill that you will practice during the coming week. For example, you might ration the number of times you allow yourself to speak during a meeting. As you practice, focus on how good you are compared to how good you *could become*.

Wynton Marsalis, director of the Lincoln Center Jazz Orchestra, considers pristine technique to be a sign of morality. Not mastering the technique is, to him, like an athlete who comes to a game out of shape. "Don't start professing a love for the game. The love is what would have made you get your ass in shape." To Marsalis, love is the spiritual essence of what we do. Technique is the way we tangibly demonstrate it.

Whether you are a leading artist or a world-class leader, real learning requires both *passion* and *practice*. Yes, it is hard; it is also intensely rewarding. ●

Mastering the Touch: How Can I Help?

Every leader has his or her own unique style. But when it comes to mastering the touch, they all have one thing in common. When dealing with others, they think less about what they can *get* and more about what they can *give*.

Four Magic Words: How Can I Help

Leadership is not about *you* — it's about *them*. Whether the TouchPoint is about your issue, their issue or an issue you share, asking "How can I help?" at the start of an interaction opens up space for people to voice their ideas, concerns and viewpoints. Those four magic words shift the focus from what you want to communicate or accomplish to finding out what they want and need from you.

The Touch Point Triad

In music, a triad describes the three notes you need to form a complete chord, the three notes that create the harmony. Likewise, a TouchPoint triad describes the key notes you have to hit to be helpful in even the briefest of moments. Asking the magic question "How can I help?" prepares you for the triad.

The first note, listening intently, helps you figure out what is really going on and what others need.

The second note, framing the issue, ensures that everyone in the TouchPoint has the same understanding of the situation.

The third note, advancing the agenda, means deciding what next steps to take and who will take them. After the TouchPoint is over, following up with a question such as "How did it go?" or "Is there anything else you need from me?" is a reminder that you care. In addition, the other people's response lets you know how things worked out and whether you were genuinely helpful.

As you engage in a TouchPoint, all you need to remember is "listen-frame-advance," "listen-frame-advance." And you do it dozens of times each day, day after day.

The Four A's of an Effective TouchPoint

Having the touch is really about connecting, being present to the possibilities, advancing the agenda and improving performance. It is about engaging in a way that is alert, abundant, authentic and adaptable.

- **Alert.** Being alert is about developing great situation sensing. As a leader, you can be so alert that you become superb at identifying the real issue. When you are fully present, you can see gaps in someone's line of logic and pick up bits of information that provide clues as to what is going on.
- **Abundant.** To think in a way that is abundant, you need to reject the scarcity mind-set that says, "I can either hit the targets this quarter *or* build the capacity to deliver long term," and instead find ways to "get the job done now *and* next time." Instead of thinking "I can either be tough-minded *or* tender-hearted," you can be "tough on standards *and* enthusiastic about people."
- **Authentic.** Being authentic means that leading is not just your job; it's your passion. If it is something you love to do, you will spend a lot of time thinking about it and becoming really good at it, which will make you enjoy it even more. As you share your enthusiasm for leadership with others, they will *want* to join you. In addition, being authentic also comes with a certain level of authority, because it means you will live by a very clear code that provides an underlying clarity and consistency in every TouchPoint.
- **Adaptable.** The secret to being adaptable is to develop a broad range of skills so that you can adjust and adapt in the moment. Does the situation require you to be directive ("Do as I say"), consultative ("What do you think?") or inspiring ("We are changing the world.")? Do you need to push people or be patient? Show strength or share a vulnerability? Step forward and take charge or fall back so that someone else can take the lead? Whatever you do, the key is to do it skillfully.

How Can I Do Better Tomorrow?

You know what it feels like when you have touched someone in a positive way. Conversely, you also know what it feels like when you blow it. When you do mess up — and you will — the key is to course-correct and to do it quickly. People will forgive you for messing up, as long as they can see you are doing your best to improve.

If you really want to make progress, do your own "post-game analysis" of your TouchPoints at the end of each day. Reflect on the dozens of connections you have made and ask, *What worked? What could I have done better?* This is not only about getting experience, but, more important, learning from your experience.

The ongoing discipline of inquiry, reflection and practice will help you become an ever better leader. And there will always be more to learn.

Coda

Leadership is hard. The pressures are mounting, the complexities are escalating, the demands are never-ending and even if you were to work 24/7, you could never get everything done. That is just the way it is.

Yet no matter how hard it can be to achieve ever higher levels of performance, we believe you can approach each day with a sense of optimism and focus your energy on the things you can control. When you are clear-headed and clear-hearted, you can consistently direct your attention to *the issues* that are material to the business, a matter of principle or both. When you are clearly competent, you can engage *the other people* in a way that increases their commitment and confidence.

RECOMMENDED READING LIST

If you liked *TouchPoints,* you'll also like:

1. ***Talent Is Overrated* by Geoff Colvin.** Colvin takes a look at what really makes world class performers great, revealing that it is more involved than just talent.
2. ***What's Holding You Back* by Robert Herbold.** Herbold explores why managers hesitate to confront issues and reveals the core principles of confident leadership.
3. ***The Truth About Leadership* by Barry Z. Posner and James Kouzes.** Leadership experts Kouzes and Posner share 10 time-tested truths about leadership.

· Book 30 of 388 ·

3320 Stop Workplace Drama.qxd

Marlene Chism

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Stop Workplace Drama

Train Your Team to Have No Complaints, No Excuses and No Regrets

by Marlene Chism

THE SUMMARY IN BRIEF

Gossip. Power struggles. Poor team coordination. These are all symptoms of workplace drama. They are obstacles that can drain your company of its best talent, get in the way of true productivity and profit, and eat away at the effectiveness of your organization — that is, unless a leader steps up and takes responsibility for changing course.

Communications consultant and national speaker Marlene Chism has created an eight-step methodology that breaks through the negative thinking that can contribute to drama in organizations of every kind and size. She has identified the gaps that drama creates — a gap between where your company is and where it aims to be, and the psychological gap that occurs when people are faced with change and the fear that goes with it.

In *Stop Workplace Drama*, Chism shows how to change the way you and your organization confront and work through problems, implement effective management strategies in a drama-filled organization, and find new solutions that create positive growth for every member of your company.

IN THIS SUMMARY, YOU WILL LEARN:

- How to create healthy boundaries, get your work needs met and make the most of your valuable time.
- How to seek viable opportunities and take responsibility for your efforts.
- How to instill necessary changes without unleashing fear in your organization.
- How to cut through your personal drama so that it doesn't create further issues at work.
- How to boost morale, maximize your company's potential and put your organization on the road to success.

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THE COMPLETE SUMMARY: **STOP WORKPLACE DRAMA**

by Marlene Chism

The author: Marlene Chism is a consultant, trainer and professional speaker. She is the founder of the Stop Your Drama methodology — an eight-part process for helping managers and small-business owners identify the barriers that are holding back their teams. She is also the creator of Attitude Builders, a monthly teleseminar program developed for busy managers who want easy staff development with no prep, no plan and no problem. She has shared her processes and programs with companies such as NASA and McDonald's. *Stop Workplace Drama: Train Your Team to Have No Complaints, No Excuses and No Regrets* by Marlene Chism. Copyright © 2011 Marlene Chism. Summarized by permission of the publisher, John Wiley & Sons Inc. 229 pages, $24.95, ISBN 978-0-470-88573-4. To purchase this book, go to www.amazon.com or www.bn.com.

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For additional information on the author, go to www.summary.com or www.StopWorkplaceDrama.com.

Introduction: We Don't Do Drama Here

The Society for Human Resource Management (SHRM) has estimated that it costs $3,500 to replace one $8-per-hour employee when all costs — recruiting, interviewing, hiring, training, reduced productivity and so forth — are considered. And SHRM's estimate was actually the lowest of the 17 nationally respected companies who calculated this cost!

Other sources provide the following facts and figures: Employee replacement costs range from 30 to 50 percent of the annual salary of entry-level employees, 150 percent of middle-level employees and up to 400 percent for specialized, high-level employees!

Despite our ability to amass this kind of information, it's difficult to identify where the real drama lies. Some people assume it's all due to turnover, when in reality it comes from an ineffective supervisor and poor interpersonal relationships. In fact, the No. 1 reason for turnover is relationship problems with the boss.

You may think the real drama at home is about the fight you had with your spouse, but it's really about all the times you avoided having the difficult conversation, failing to listen or speak your truth to others or even yourself.

Drama impacts all of us — both at home and at work. It hampers productivity and inhibits personal effectiveness. And the worst part, of course, is that if you can't spot the drama, you can't stop the drama. Nonetheless, most of us try to fix the symptoms instead of identifying the core issues.

The Drama Versus Your Drama

The drama is the situation. *Your drama* is how you react to it. Therefore, while you may not be able to stop *the* drama, you certainly can stop *your* drama. In other words, you may or may not be able to control or change the circumstance, but with some training, you can learn to manage — and alter — your response.

One quote on this concept is by Vivian Greene: "Life is not about waiting for the storms to pass. It is about learning to dance in the rain."

Most people do not know how to separate the drama from your drama, but you can learn to navigate the ship even in a storm — with the right equipment, maintenance and planning.

What Composes Drama

When trying to identify the common elements in drama, you will always find at least one, if not all three of these core components:

1. A lack of clarity (which can also be referred to as *fog*).
2. A relationship issue.
3. Resistance.

In addition, you may also see any combination of the other five principles in the Stop Your Drama Methodology (the gap, truth, reinvention, energy, creator). These principles work as a system rather than a step-by-step linear process. When you make a shift in any one of the eight areas, the impact will have a ripple effect.

When you experience drama, three questions to ask yourself are:

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Edward O'Neill**, Graphic Designer; **Chris Lauer**, Contributing Editor

1. Where am I unclear?
2. What is the relationship component?
3. What am I resisting?

Once you are able to identify how clarity, relationships and resistance negatively impact your business, you can effectively create a quick solution to help you navigate positive change. ●

Clear the Fog

There are a million and one potential excuses as to why you are frustrated, stuck and not getting what you want, but there is only one real reason: You are unclear. You have fog that is clouding your vision.

The premise of the first Stop Workplace Drama principle, "Clear the Fog," is:

1. **The one with clarity navigates the ship.**
2. **Clarity can change any situation.**

Once you are clear in your business, you are in charge. You attract the right people to your team. They are working toward the same goal. They are motivated. You become excited. You make decisions that are in agreement with who you are and the values that you hold dear. Your choices support and work in harmony with other parts of your life.

The Fog

The fog is your inability to focus and your lack of willingness to see the bigger picture. Occasionally, you might have two desires that do not align. For example, your desire for free time is competing with your desire to finish a project, so you procrastinate and start drifting aimlessly.

The fog is any distraction or division that clouds your vision and threatens your commitment. When you are in the fog, you feel confused instead of motivated.

In short: Any time you lose focus and your level of commitment diminishes, you are in the fog — and you are splintered.

How to Gain Clarity

Being stuck in the fog can cause a lot of confusion and a lack of alignment. The first step to clearing that fog is to gain clarity on your values and goals. Here are three questions you must answer in order to become clear on your objectives:

1. Who am I?
2. What do I want?
3. What am I committed to?

Spend time thinking about this, and put pen to paper.

The Leader vs. Denial

As a leader, you are required to be open to and see the reality of the situation — and you are required to bring your staff out of denial on a regular basis. If you are letting substandard performance, bickering, backstabbing and other forms of drama erupt in your business, someone is in denial. You may justify this person's behavior because your company is going through a big change, or you may procrastinate about bringing unwanted behavior to light because you dread the conflict. However, the longer you let it go on, the uglier it is going to get. You can't escape the responsibility before you. You must constantly balance the task of motivating and leading with bringing your people out of denial.

How you define yourself, what you say you want and what you claim to be committed to will not only help clear the fog, it will also give you your "true north," so to speak. If you aren't sure about what you want, you now know what your next step is — to define it. Answering the "what am I committed to" question will clear a lot of fog. If you meditate on these three questions and think deeply about your life and business, you will come to know what behaviors to eliminate, where you are wasting time and what exactly is draining your energy.

Your actions and words either align with what you have just said or they point to significant problems. Either way, you have now gained awareness and cleared the fog. ●

Identify the Gap

Besides a lack of clarity, the most likely reason that you're experiencing drama is that you get *stuck in the gap* — the place between where you were and where you want to be. If your goal stretches you even a little, it's important to keep in mind that your goal always looks easier to achieve than it is.

As a leader, it takes wisdom and recognition to realize that no matter how accessible a goal seems, it nearly always looks easier to achieve than it is. You don't always know what will be required upfront or the changes and obstacles that may occur along the way.

Whether you are initiating change or being forced to change because of the economy, outside threats, someone else's decisions or new legislation, any significant adjustment throws you into that gap of the unknown. It's a place that's full of surprises where much is required

of you. Very often, the power of newfound vision and clarity is so strong that it is tempting to jump into the boat with no map and only one oar.

Even small changes can create big drama. This phenomenon is as true for the individual as it is for a small business or large corporation. Identifying the gap is about giving yourself and your team the resources to weather the storm and withstand the drama in the gap. Prepare your team for the gap, and you will enjoy a successful journey.

The premise of "Identify the Gap" is:

1. **The gap is the distance between point A and point B in reference to achievement.**
2. **The bigger the gap, the bigger the potential for drama.**

If you lead a team of people, it is very important to identify the two types of gaps always present in change. It is equally vital to manage these gaps and communicate their existence to your team. Let's talk about the two kinds of gaps.

The First Gap: The Physical Journey

The first gap — the physical journey — involves all the practical ways you get from point A to point B. You plan, do a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis and hire the right team. You strategize, put together a marketing plan and so on.

The Second Gap: The Nonphysical Journey

The second gap — the nonphysical journey — comprises all the components of the spiritual, emotional and mental processes you experience while getting from point A to point B.

The second gap is often the more challenging one. Even though you are operating on the nonphysical level, these nonphysical lessons eventually also manifest in the physical realm. These losses may teach you the importance of self-forgiveness, patience and tenacity.

As a leader, you must be aware of the psychological and physical changes your team undergoes when they are threatened with change. One way you lessen the drama is to identify the gap and develop a realistic view of your starting point — including your weaknesses and limitations individually, as a team and even as a company. If you don't recognize any limitations and weaknesses before your journey begins, you are sure to see them along the way.

Any significant transformation will challenge you to overcome the drama in either the first or second gap. The sooner you accept this truth, the more fun you can have while navigating the changes you are about to make. ●

Tell Yourself the Truth

In a nutshell, your unconscious mind controls much of your life. You have programmed habits that run on autopilot. That is why there are so many versions of the truth and so many misunderstandings, hurt feelings and drama. Although our stories protect us — by helping us avoid distasteful information — they can also hamper productivity.

You might be wondering — if our stories are based upon the unconscious, how is it possible to tell yourself the truth?

The premise of "Tell Yourself the Truth" is:

1. **All people live their lives from the stories they believe.**
2. **Your truth is only one version of a larger reality.**
3. **Denial is a way to avoid responsibility.**

No matter what you think the truth is, there is always another, bigger reality. Listen for the red flags in the stories your staff tells you: the excuses about why things cannot change, why things just are the way they are and how someone is doing someone wrong.

None of these excuses adds one iota to problem-solving or moving forward — and chances are that a big portion of what you hear is just the story. People resist looking at the bigger reality. We all trust our version of the truth; in fact, most of us initially defend our bad behavior whenever we're asked to change.

Justification Keeps You Stuck

Have you ever noticed that when you ask someone to change his or her behavior — be it sarcasm, eye-rolling, angry outbursts or stubborn attitude — they will usually respond with something like "Oh, that's just the way I am"? Justification is one way that people regularly avoid taking personal responsibility. We make excuses for our behavior based on a litany of reasons — personality theory, horoscope and the way we were raised.

A better way to approach these self-awareness tools is to use them to better understand your strengths and weaknesses as a way to make positive change — not to make excuses for bad behavior or irresponsible patterns.

One of the best systems of self-discovery and personal development is the "enneagram," a personality assess-

ment based on nine distinct patterns of thinking, acting and feeling that determine the nine major personality types. Dr. David Daniels, author of *The Essential Enneagram: The Definitive Personality Test and Self-Discovery Guide*, explained: "Every human being has three basic needs, the need for security, the need for relationships and the need for getting what we want.

"We try to get these needs met in different ways depending upon our personality type. Sometimes our ways work for us in a leadership capacity and sometimes our methods work against us."

Dr. Daniels elaborated, "If we want to expand into self-mastery there is a universal growth process [which he calls] the 4 A's: Awareness, Acceptance, Action and Adherence. You can own your personality instead of letting it own you. Once you own your personality then you are liberated."

Imagine how liberating a workplace could be if each individual took charge of his responses in a team capacity — without being held captive by dysfunctional thought patterns, actions and truths that do not serve him.

Look differently at what you consider to be the truth about who you are — and consider that no matter what your astrological sign, personality type, life history or habits, you still have choices and the ability to influence change. ●

Reinvent and Realign

The way you see yourself has everything to do with how you lead. When your view of who you are changes, so do the results you produce. **"Reinvent and Realign" is all about becoming the person you want to be so that you can align with your values with clarity.** This process will also allow you to mentor your employees to create their identities as individuals who not only empower themselves personally, but also support the team and your organization's mission.

The notion of self-reinvention is an interesting one; it's the area of personal development where you will find the most excuses and regrets until action is taken. How many people prefer the status quo even when it is detrimental to their leadership? You have probably heard the excuse "that's just the way I am" used as a way to justify rude behavior. That rude behavior may eventually lead to a lawsuit and turn into the regret of resisting change.

Eliminating excuses and regrets means aligning with your highest values so you can effectively lead others by example. Leadership is more than a title.

Stepping Into a New Identity

To anyone seeking positive change: You can do it — and the time is now. Be who you want to be right this second. Give yourself permission to be excellent, and stop letting others define you. If you need to clean up some old baggage or make amends to move on, then do it now — so you can be proud of who you are now instead of making excuses for who you could have been. In fact, no matter what your previous experiences have been or how you have behaved, your past does not have to equal your future. You can start reinventing and be successful today right from where you are.

Eckhart Tolle, in his book A *New Earth: Awakening to Your Life's Purpose*, has introduced the following concept concerning success: "Don't let a mad world tell you success is anything other than a successful present moment. You cannot achieve success; you can only be successful." Doesn't that take the pressure off? Success is a state of being, just like the fact that you are a woman or a man. You can't seek that which you already are.

The four questions you must ask yourself are:

1. Who am I?
2. What am I committed to?
3. What actions and behaviors are out of alignment with who I say I am?
4. As a leader am I getting my desired results?

Since you already asked yourself the first two questions in the last section, you should already know what you want. Now ask yourself: Are you taking a left-hand turn to the island called "excuses," or are you rowing straight to the island called "leadership"? From there, you start reinventing and realigning. Each word, behavior and habit ultimately shines the light on where you really are and whether your deeds match your thoughts and words.

Keep track of all the ways you define yourself, and correct yourself when you are misaligned with your word. As a result, you'll have a great relationship with yourself — something that becomes the foundation for your relationship with others. ●

Stop Relationship Drama

Everything in life is centered on relationships, and relationships exist because of the way in which you think. You can only experience someone or some situation in relationship to yourself; therefore, in order to change anything in your life, you must change the way

you think about it. When you are willing to see another person differently, you can change your relationship with that person.

The Premise of Stop Relationship Drama Is This

Relationships are always active first on the nonphysical level. In other words, they exist because of your thinking. You can't even have a relationship with someone until you think about that person, right? When you first meet someone, you form an impression, and your views of that person build and shift as you interact with and observe him or her. In essence, your thoughts influence your behaviors — and thus, your relationship — toward that person.

When your thoughts about yourself change, so does your experience.

But what about all the other relationships you have — to time, money, your past, your imagined future, your body and every other aspect of your life?

Why Relationships Matter

Your success and ultimately your happiness in life are directly related to the quality and quantity of your relationships. The more connected you feel, the happier you are.

This is equally true in your workplace. Research company Gallup reports on its website that having one good friend at work is essential for employee satisfaction. Good workplace relationships are simply good business. Why? Because nine out of 10 problems that employees encounter at work are people-related. Therefore, you have solved nine out of 10 problems when you focus on developing better workplace relationships.

Denial Is the Drug of Choice

Managers or business owners frequently know and even admit that drama is present in their workplaces. Denial is the drug of choice for many of us when we face difficult choices.

Awakening from the drug of denial can be painful. When you shed light on another person's incompetence, rude behavior or pattern of which the person was unaware, the person will become defensive. Your staff member may feel attacked or belittled, so make sure you approach these issues with kid gloves. Observe these two rules:

1. Never catch anyone off guard.
2. Always correct in private and do it within a positive, team-oriented approach, with the intention of bringing out the employee's best. ●

Master Your Energy

All drama has three common elements: a lack of clarity, a relationship component and an energetic component. We have already talked about clarity and relationships; this section is about the energetic component.

The premise of "Master Your Energy" is: Everything in the universe is made up of energy, and all energy systems work together. Therefore, the leader who understands how to master energy can help bring out the best in others. In turn, this will help to eliminate much of the complaining and excuses — not to mention turnover, burnout and power struggles.

The cause behind many illnesses is an inability to comprehend energy mastery. Working harder with less contributes to more workplace drama due to misunderstanding and the perception of the lack, limitation and fewer resources to handle the workload.

Energy mastery works from this premise: Since everything in the universe has energy, productivity and well-being are directly related to mastering energy. Mastering energy occurs when we create boundaries, have our needs met, and develop systems to help maximize and leverage time. The better you are at mastering your energy, the higher your personal effectiveness — and the more positive the impact you have on others.

Being in charge of your emotional, mental, spiritual, environmental and physical energy can make you a very positive role model. As *The Power of Full Engagement* authors Jim Loehr and Tony Schwartz state in their book, "The more we take responsibility for the energy we bring to the world, the more empowered and productive we become. The more we blame others or external circumstances, the more negative and compromised our energy is likely to be."

Think of it this way: Energy is power, and we all lose power in various ways. Some of us do not get enough rest, while others let their minds wander endlessly over problems. By mastering your energy, you can become more empowered and productive.

Manage Your Goals to Sharpen the Focus

The five kinds of energy are *physical, mental, emotional, spiritual* and *environmental.* All of these work together and impact one another. For example, everyone knows how easy it is to have an emotional outburst (or excess emotional energy) when you're overly tired (lacking physical energy).

Everything is energy — and each type of energy is a portal of sorts. Rather than looking at each component

separately, realize that any one of these areas can bring about positive changes. If you require rejuvenation and get it, you will have more mental clarity. When you get your team excited about how the company goals contribute to their well-being, you add gas to the tank. When you set boundaries, you create calm instead of chaos. ●

Release Resistance

Wouldn't it be awesome if leadership were as easy as setting reachable goals and having a few authentic conversations and everyone would be rowing together? The reality, however, is that life is not that simple. No matter how great you are as a leader, you will face one of the biggest roadblocks to productivity and personal effectiveness: resistance.

Leaders face resistance on a daily basis. Teams resist working together. Individuals resist change. Perhaps you even resist the most difficult parts of your job.

The core of resistance is what author Eckhart Tolle describes in *The Power of Now* as the "non-acceptance of what is." You avoid because you don't want to face whatever it is that you don't want to face. You complain because you can't deal with a certain situation, or you justify an angry outburst because you cannot accept the hand that has been dealt to you. How many times have you heard the same friend complain about her mean boss or sloppy husband? Complaining denotes an unwillingness or inability to let go of what can't be controlled, or to face and act on what can be changed.

The premise of releasing resistance is: You cannot solve a problem until you accept the situation. When you jump into a solution before releasing resistance, you will just experience more drama. The solution only comes after you let go of your resistance.

The Four Main Patterns of Energy

Resistance can be identified by four main energy patterns. When these are broken, they allow the one who is resisting (you or someone else) to take full responsibility for facilitating or navigating change. Those four main energy patterns are *blame, resentment, justification* and *judgment*. Resistance is always a state of non-acceptance and an avoidance of responsibility.

Non-acceptance starts as a thought impulse such as "I don't want to go through this (fill in the blank)." That thought triggers an emotional response such as frustration, dread, irritation or guilt, then quickly materializes into more observable behaviors such as angry outbursts, finger-pointing, blaming as well as subtle behaviors such as avoidance and procrastination. In the end, resistance boils down to an unconscious avoidance of responsibility, which spirals into negativity, then finally into full-blown drama.

Responsibility Is the Recognition of Choice

Here is a concept to memorize: Responsibility is the recognition of choice.

You need to teach your employees to bring an idea, partial solution or suggestion for moving forward when they come to you with a complaint. The options don't necessarily have to be the best choices or the right ones — but simply recognizing that there are choices will enable someone to leave the victim role behind. They can then find the power to make a suggestion, accept what is or ask for what they want in a way that benefits the whole organization. ●

Become a Creator

Always seek out and encourage creative employees who see choices even in difficult times. A key distinction of a creator is someone who recognizes choice. Great employees are the ones who believe in free will.

Dr. Roy F. Baumeister, professor of psychology at Florida State University in Tallahassee, said that a belief in free will predicts better job performance. We are not arguing the point of whether free will exists or not; we are discussing the belief that it's beneficial to act on it. What if there was one question you could ask during job interviews that would determine who would be a responsible worker?

Our belief in choice allows us to create a better workplace.

The Premise of Becoming a Creator Is This

The path to developing a great team and positive workplace is empowerment. Leaders must be able to develop other creators. Creators take responsibility and see opportunity. They don't blame the economy, another person or a situation. They live life in the flow and from the field of possibilities. "Become a Creator" is a fancy way of saying "take responsibility."

Recognize Choice

In order to create, you have to first see yourself as a creator and be willing to recognize the choices that you have.

Self-regulation is important to human performance, not to mention avoiding a lawsuit or keeping a cus-

tomer. In terms of your business, this means that when a customer is rude, a co-worker is disrespectful or an unwanted change occurs, the damage will be minimal with the person who can self-correct and self-regulate. Even when the boat springs a leak, the empowered and creative employee will choose instead of react. There will be a bigger gap between stimulus and response. Exercising the power of conscious choice lets people feel more empowered; eventually, their programming is changed to a place where emotional intelligence and reacting with grace under fire is the norm rather than the exception.

The first part of being a creator is to recognize choice. Since leadership is about influencing others, a leader's No. 1 duty is to be a role model and teach others about personal responsibility. That means helping others to step out of the old programming of the victim mode and recognize choice. ●

Conclusion: No Complaints, No Excuses, No Regrets

As long as you are living on this earth, you will experience some obstacles to your peace and prosperity.

But drama is not really the problem. The amount of time you stay in the drama — and the effort you put toward it — is the problem.

Complaints, excuses and regrets only serve to keep the drama alive. We complain when we believe that we're powerless. However, even when you are at the mercy of some unfair action, you still have a say in what happens.

An excuse is just a thought that keeps you stuck. It lives in sayings like "It's too hard," "It may not pay off," "I'm too old," "They may not understand," "Because of my past, it is just not possible."

Any time you are really stuck, ask yourself what excuses keep you from moving forward. Most of us make excuses on a regular basis without even noticing.

The reason I didn't return your call is because I was too busy.

I would have been on time but the traffic was horrible.

Every excuse is simply one more indicator that you are letting outside circumstances control your life. Excuses strip us of personal power. Try to ask yourself "Where could I be without that excuse?" once in a while; you will see that a self-awareness exercise like this one helps pinpoint places where you get stuck in the old story instead of reinventing and stepping into a new truth.

Regret is often the result of too many excuses. Fail to be responsive one too many times (even though you were busy) and you lose a customer. Show up late one too many times and you lose credibility with your peers.

Regrets also come from reacting instead of responding, from failing to think ahead, and from doing what you want to do now without recognizing how it may negatively impact your future. When you are clear about your core values and are more committed to the discipline of living congruently, you will find that you have fewer regrets.

Ask These Three Questions

So, the next time you experience drama, ask yourself these questions: Where am I unclear? What is my relationship issue? Where am I resisting? Train yourself to ask these each time you experience the chaos of change, the urge to retaliate, the desire to win an argument or the thought that you simply can't go on.

There is no reason to deny or be afraid of the drama — or even your own drama. Embrace what drama has to teach you about yourself, your values and your opportunities for growth. ●

How Creators Concentrate on Outcomes

According to *The Power of TED (The Empowerment Dynamic)* author David Emerald, creators concentrate on the outcomes they are committed to achieving. Rather than merely reacting to problems and focusing on what they don't want, they focus their vision on what they do want. Emerald claims that becoming a creator can definitely make a bottom-line difference for your business. One of his clients — the CEO of a technology services company — reported that they increased the pipeline of prospects four-fold and experienced a 32 percent growth over the previous year — during a period in which many competitors struggled or went out of business. The CEO attributed this growth to implementing TED and focusing everyone in the organization on becoming a creator.

RECOMMENDED READING LIST

If you liked *Stop Workplace Drama*, you'll also like:

1. ***Fierce Conversations* by Susan Scott.** Scott helps readers transform everyday conversations employing effective ways to get the message across. This guide includes exercises to learn the Seven Principles of Fierce Conversations.
2. ***It's Your Ship* by Capt. D. Michael Abrashoff.** Great advice from a military mind. Abrashoff helps you get the most from your crew.
3. ***Change the Culture, Change the Game* by Roger Connors and Tom Smith.** Learn how to build a culture of accountability in your organization through Experiences, Beliefs, Actions and Results.

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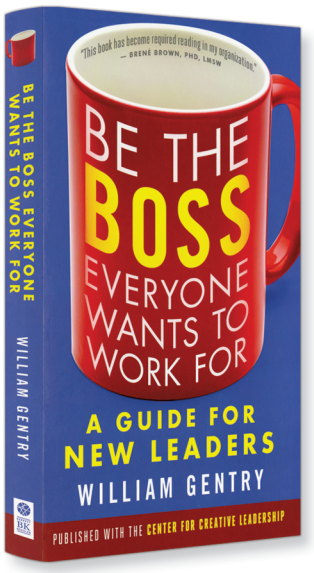
Be the Boss Everyone Wants to Work For

A Guide for New Leaders



by William Gentry

THE SUMMARY IN BRIEF

You've been promoted to leadership — congratulations! But it's nothing like your old job, is it? William Gentry says it's time to flip your script.

We all have mental scripts that tell us how the world works. Your old script was all about "me": standing out as an individual. But as a new leader, you need to flip your script from "me" to "we" and help the group you lead succeed.

In *Be the Boss Everyone Wants to Work For,* Gentry supports and coaches you to flip your script in six key areas. He offers actionable, practical, evidence-based advice and examples drawn from his research, his work with leaders, and his own failures and triumphs of becoming a new leader.

But this book is more than a series of best practices — it's your guide to internalizing a leader's perspective. Gentry helps you flip your script so you'll know what to do to help yourself and the team you lead succeed. That's the kind of boss everyone wants to work for — and the kind of boss who accomplishes the most.

Get started flipping your script, and become the kind of boss everyone wants to work for.

IN THIS SUMMARY, YOU WILL LEARN:

- Why becoming a new leader brings a sea change in roles and expectations.
- The six ways you can "flip your script" to become a boss everyone wants to work for.
- The importance of non-verbal communication among leaders.
- How to adjust to new relationships with subordinates and teams.
- How to gain a leader's perspective and develop and focus on others.

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THE COMPLETE SUMMARY: **BE THE BOSS EVERYONE WANTS TO WORK FOR**

by William Gentry

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Be the Boss Everyone Wants to Work For: A Guide for New Leaders by William Gentry. Copyright © 2016 by William Gentry, Ph.D. Summarized by permission of the publisher, Berrett-Koehler Publishers, Inc. 216 pages, $19.95, ISBN 978-1-6265-6625-5. To purchase this book go to amazon.com.

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Introduction

Exceeding expectations and having a very special set of technical skills helps a person stand out from others and makes a high-performing employee and possibly a kick-ass movie hero. It does not necessarily make a boss everyone wants to work for.

New leaders must do something much more substantial and, frankly, much more different from anything they've ever done before in their professional careers. It's probably why so many are struggling, even failing, in their new gigs as bosses.

Consider the following findings over the past decade: 82 percent of frontline leaders (where many new leaders are in organizations) are not rated as "excellent" in skills and capabilities as leaders; 80 percent of frontline leaders are dissatisfied with the job they are doing as leaders, and 70 percent of their senior managers agree; 40 percent of newly promoted leaders fail within the first 18 months; 50 percent of managers are labeled as incompetent, a disappointment, a wrong hire or a complete failure by their co-workers.

New leaders get a raw deal. Actually, many of them get no deal at all. Almost 60 percent of new leaders receive nothing in formal training or development when they become a boss for the first time. Nothing. Just a "We can make this official on Monday" congratulations and an expectation that as soon as HR approves the promotion, they will lead others just as effectively, if not better, than middle-to-senior-level executives who have had years of leadership experience.

Becoming a leader for the first time in your life is no doubt one of the biggest psychological and emotional shifts you will ever experience in your career. It's totally different from what you do in your normal, everyday work as an individual contributor.

If you want to be more than that title on your business card and you want to step up your game, there's hope. This is your fresh start. You can be a new leader and the boss everyone wants to work for.

Flip Your Script So You Won't Flop as a Boss

There is one overarching theme for new leaders to be the boss everyone wants to work for: Flip your script.

First, let's be clear on what a script is. Think about a play, musical, movie or television show you've watched. It was scripted. It used written text to guide the performance.

But scripts aren't just for jocks, nerds, villains, heroes and heroines on stage and screen. We all have scripts in our lives. In your own life, you write your own script and live your life based on what your script says about the various roles you have: parent, child, partner, spouse, sibling, community activist. Your script helps you understand who you are and how to live. It's what is expected of you.

When you write your own script, you provide details about how you are supposed to think; what you are supposed to do; how you should act, feel, relate with others; how you should view the world; and how you should view yourself. Scripts help us understand our roles and our purpose.

The script for individual contributors is all about "me" and "my" own abilities, achievements, technical expertise

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Masiel Tejada**, Graphic Designer; **A. Imus**, Contributing Editor

and personal desire to get ahead. That's not necessarily a bad thing; having ambition and seeking personal excellence are worthy traits. It's perfectly normal for us to be motivated to succeed and do well in life.

But to be a successful leader, to transition from a technical expert to a leader of people, you must be willing to shed the "individual contributor" role that got you the promotion to leadership in the first place and stop shining the spotlight on "me, myself and I."

Flip from a "me mentality" to putting attention on "we" and "us." That old script — that relentless determination to complete work, reliance on technical savvy, being a subject matter expert, that focus on "me," to get rewards, recognition and impress others — is nowhere in the script of a new leader who wants to be the boss everyone wants to work for.

Realize that the biggest driver of any new leader's success is not about "me" anymore. Make others — your staff, your team, the people you lead and serve — successful and help them fulfill their potential. Flip from being the center of attention to shining the spotlight on others.

Six Ways to Flip Your Script

Flipping your script is a huge idea, a big deal. It goes against every normal and natural instinct you may have. It's so different from everything that has made you successful up to this point in your career. But leading others is so different from anything you've ever done before. Here are six parts of the script you must flip in order to be the boss everyone wants to work for.

- Flip your mindset.
- Flip your skill set.
- Flip your relationships.
- Flip your do-it-all attitude.
- Flip your perspective.
- Flip your focus.
- Stick with your flipped script.

Flip Your Mindset

Research on new leaders suggests that you flip your script by flipping your mindset.

According to Carol Dweck, author of *Mindset,* there are two predominant mindsets. Some people have a *fixed mindset* (what some academics call entity theorists). They think what gets them ahead in life are their innate abilities, intelligence, talents and hard work. They must constantly prove themselves to others. They want to look smart. They are motivated by extrinsic motives (external rewards, approval from others, wanting to look good in front of others or wanting to prove they are better than others). They also have a fear of failure because failure says something negative about their abilities.

Others have a *growth mindset* (what some academics call incremental theorists). They think their abilities can be developed through learning, training and persistence. They believe they can improve from their own failures. They want to learn because it's fun, engaging, intrinsically pleasing and challenging. This attitude resembles a flipped script.

The research of Dweck and others clearly demonstrates the positive effects of a growth mindset in parenting, school and relationships. And regardless of leadership experience, their research provides evidence that leaders with a growth mindset, a flipped script, are much better off than leaders with a fixed mindset.

In one study, Peter Heslin, Don Vandewalle and Gary Latham focused only on managers with a fixed mindset. They purposefully split fixed-mindset managers into two groups, each taking a 90-minute workshop. The formats of the workshops were nearly identical, with one critical difference:

- One group's 90-minute workshop emphasized the fact that people have multiple abilities, and in some areas they are strong, whereas in other areas, they are weak.
- The other group's 90-minute workshop focused specifically on adopting a growth mindset through "self-persuasion." In that workshop, managers tried to talk themselves into adopting a growth mindset — in other words, flipping their mindset.

So what happened? The fixed-mindset managers who attended the "self-persuasion" training were more willing to provide coaching and had higher quantity and quality of performance-improvement suggestions. These changes were not seen in the fixed-mindset managers who attended the other workshop.

If you think you have a fixed mindset, the research offers you hope. If given the proper time, energy and support you can flip your mindset.

What You Can Do to Flip Your Mindset

The one big thing you can do to flip your script by flipping your mindset? It's your "mindchatter": talk to yourself differently. Mindchatter is that inner dialogue we have providing us opinions and evaluations on how well (or not so well) we are at doing things. It's the

play-by-play commentary. It's the positive, optimistic and validating chatter we hear when we do something right. It's also the critical, harsh, crippling, destructive chatter we hear when we aren't at our best and are struggling.

We all face doubt and uncertainty. We all have times when the voices in our head say something like, "I've never been a boss before. Can I do it?" Or, "I've never failed at anything. What happens if I fail at this?" Or worse, "I'm not good at this. I'll never be able to flip my script."

When things start to go sideways, we tend to start focusing more on ourselves, our own talents and keeping our egos in check. When you hear these sorts of lines in your head, recognize it's not the mindset of the boss everyone wants to work for. Shut it up. And flip it. Mindchatter matters.

As a new leader, make sure your mindchatter is constructive. Be perceptive, motivational, realistic and positive. Listen to the right mindchatter. Use your mindchatter to tell yourself, "You can do it in time," or "You do have the power to learn about leading others," and "You can be the boss everyone wants to work for." And it's really important to use "you," not "me."

Even the Pronouns Matter

In her book, Dweck discussed the "I" versus "you" pronoun among chief executive officers (CEOs), the people at the very top of organizations. CEOs who wanted validation — superstar or hero status, or wanted others to believe they were the smartest, most talented person in the room — tended to have a fixed mindset. They used the pronoun "I" more.

Others mentioned, like Jack Welch of GE, Anne Mulcahy of Xerox or Lou Gerstner of IBM, had a growth mindset. They hated using the word "I" and preferred to use "you" or "we" or "us" in their writings and speeches. They also emphasized the importance of learning and growing as a leader, not being the smartest and best and brightest in the room. "It's not about me anymore," right? They got it. They flipped their script by flipping their mindset.

Flip Your Skill Set

As a new leader, when you get promoted to be a boss, it's not about having the skills of an individual contributor anymore. It's not about technical smarts and savvy, knowing the lingo, mastering the program, operating the machine, closing the sale or having the work-arounds at your fingertips. Instead, you need to flip your skill set.

In a study, new leaders took a 360-degree assessment. Over and over again, the following four skills were consistently picked as being more important for success than others as well as being skills new leaders often struggled with more than others: Communication, Influence, Leading team achievement and Developing others.

Communication — It's More Than Words

As an individual contributor, people look at your work. As a new leader, people look at you — your face, body language, behaviors and actions. Your ability to communicate with others is valued and relevant in accomplishing your work and connecting with your direct reports and other co-workers.

One area new leaders should understand, enhance and improve is nonverbal communication — whether it's getting your point across, tailoring your communication to your audience or saying something other than "Because that's what I said."

When you are talking with others in the hallway, during one-to-one meetings or presentations or anywhere else at work, are you really "saying" what you think you are saying? The actual "words" said really make up a small portion of what's actually being said. Science agrees. Researchers Ray Birdwhistell and Albert Mehrabian believe that nonverbal communication makes up anywhere between 65 and 93 percent of the total emotional interaction between two people. And when the words don't match the behaviors? We believe what's not being said, the nonverbals, rather than the words.

To flip your communication skill set, be aware of every type of way you communicate nonverbally. These ways are what psychologists Steve Nowicki and Marshall Duke, among others, term different "channels" of nonverbal communication. Here are six:

1. **Rhythm and use of time: not just for music.** Rhythm plays a role in the way you communicate with others. Being "out of sync" with others may cause confusion, anxiety or discomfort for both you and the other person or people you are with. How you organize time and commitments also says a lot about you.

2. **Interpersonal distance (space) and touch: not being touchy-feely.** There are several "zones" we use for communication, and if someone invades a zone and the rules that are part of them, that causes problems. In the workplace, touch carries extreme meanings and should definitely be used with caution. You don't want a lawsuit on your hands, or a negative

reputation (i.e., being that person who gives people the creeps).

3. **Objectics: more than "dress for success."** Think about your clothes, hair, tattoos, jewelry, cosmetics and fragrance. Many times, it's the first thing people notice about you, and these objectics may tell people a lot about you in that split second: who you are, what you do, what you believe in, what you support and your own personal values. And you didn't even say one word.
4. **Gestures and postures: you reveal a lot with your hands and stance.** You can say a lot with your hands and body without uttering a single word. Your posture can say things as well. If you have a slouched posture, people may think you are tired or disinterested. Hands in pockets may convey boredom. But standing straight may tell others you are attentive, excited, enthused or confident. Leaning in may tell someone you are interested in what is being said.
5. **Facial expressions: you can read it all over my face.** In face-to-face interactions, a smile, frown, grimace, raising your eyebrows, eye contact — all of that can tell people something that words may not.
6. **Paralanguage: say what?** This is all the things that make up the sound that accompanies the words. Think about your tone of voice — the loudness, speed and intensity of your speech. Silence (or absence of it) too. And don't forget those "credibility killers" that ruin your credibility, authority and reputation, like, well, "like" and "you know" and "uh" and "um." All of these examples are part of paralanguage.

The Platinum Rule of Communication

The golden rule of "treat others the way you want to be treated," can be flipped to the platinum rule: Treat others the way *they* want to be treated. It can greatly help new leaders flip their script, communicate better and be the boss everyone wants to work for.

The platinum rule is a good tool to remember when you communicate with others. Say you only want to hear the bare minimum. You'll tend to converse with others in that manner too. But others (possibly the people who report to you) have a desire to hear more and be engaged in conversations and decisions. They want to be heard. So, flip your script by flipping your communication. Talk with others more, understand what others are feeling, and become more aware of the verbal and, in particular, nonverbal messages.

Influence

Influence is all about your power, authority and ability to shape or change your audiences' actions, decisions or opinions. Influence happens all the time at work. If you influence well, you'll be successful at work. But influence is more than just "Do it because I'm the boss." The "3 H's" are three ways that you can influence others:

Head: Influence people using rational approaches. Use your intellect, reason, logical arguments and facts.

Heart: Influence people using emotional appeals. Let people know how a decision will affect their own lives, work, values, beliefs or those of the people around them.

Hands: Influence people using a connection you have with them. Work together to accomplish a common goal.

The one big takeaway to flip your script by flipping your influence skill set? Follow the platinum rule — influence others the way *they* want to be influenced.

Though you may love talking about data, others may be bored to tears when they hear it. Maybe that's the way you've done it before, and your influence attempts fell short. Now is your chance to flip your influence skill set by talking about values, beliefs and feelings ("heart") or through reciprocity and collaboration ("hands").

Flip Your Relationships

When you officially become part of management, you start wearing the imaginary T-shirt that says, in big bold letters, "Leader" across your chest and the imaginary hat that has "Boss" stitched in, and everybody can spot your new wardrobe. Once that happens, people immediately see you differently. Adjust, get used to it and flip your script.

When you flip your script by flipping your relationships, you now pay attention to others, their needs and their well-being. There are two major relationships you have to flip: one with your peers (some, your friends) and one with your team.

From BFF to Boss

Many new leaders have difficulty displaying authority, particularly to those with whom they have a history and friendship. It's the biggest challenge new leaders have, and many just don't know how to go about flipping that relationship. Here are four ways to get you started:

Be clear. It's your job as the boss to talk about the new responsibilities you face in your new role and to set clear expectations and boundaries from the start. Explain that you are accountable for the development and performance of everyone who reports to you, not just your BFFs.

Be aware. People will observe, notice and go so far as to scrutinize every decision you make (or don't make), and whom you give your time and attention to (or whom you don't). Be aware of what you are doing and not doing. Build high-quality relationships with as many of your subordinates as possible.

Be fair. New leaders (and many well-seasoned ones too) often treat some followers differently than others. And that's okay, so long as you treat everyone fairly. Treating everyone equally isn't mandatory. You don't have to give each and every subordinate you have the same amount of equal time. You don't have to give equal bonuses or raises for every individual on your team. In fact, research indicates that treating everyone in a group the exact same way may be as dysfunctional as treating a few selected people especially well. If you develop higher-quality relationships with some employees and not others, base those relationships on merit, not blatant favoritism. If some are provided opportunities to grow and expand in their roles and responsibilities, and if they receive development, support, encouragement and rewards *based on their performance,* then different levels of treatment actually represent your fairness.

Be prepared. When you go from BFF to boss, the friendship as you and your BFF knew it has ended. It's over. Done. You and your friend must choose whether a new relationship begins. If you or your friend can't adjust, be prepared to move on. But don't burn bridges. You never know who may be leading you one day.

Why You Should Flip Your Relationships with Your Team

Two things describe effective leaders: They get the job done, and they are really good at relationships.

With task-oriented behaviors, you lead others doing the work. You drive results, helping others be productive and complete work efficiently and effectively.

Relationship-oriented behaviors are all the things leaders do to make others feel comfortable. It's not just about being friendly. Flip your script by understanding the importance of the relationships you have with your team.

When you are the boss, you can make or break your team's effectiveness, performance and ability to learn not just by leading them in doing the work, but especially through building your relationships with team members.

Anytime you have a collective of people with shared work, such as the teams you lead, you know that leadership is happening when you see three outcomes: direction, alignment and commitment.

Each and every person on your team should agree with what the team is trying to achieve and that the goal is worthwhile.

Each person should know his or her roles and responsibilities and what others are doing.

Each person should be dedicated to the work and committed to the team.

It is your responsibility to check in with your team, both individually and as a collective.

Flip Your 'Do-It-All' Attitude

As a new leader, your work is different. The work you once did won't earn you recognition and won't make you a successful leader. So what do you do? What's your script?

First, you don't do all the work anymore. Second, you develop others.

Some new leaders feel they must do the work because there is not enough time or resources to get the work done. But many others do the work because they know it better than everyone else.

According to teams expert Dr. Eduardo Salas and his colleagues, team members should have all the information they need at their fingertips to get the job done and know all the procedures necessary to get the work accomplished. When you flip your "do-it-all" attitude, you drive results and productivity by leading others to perform the work, and you reduce ambiguity and provide structure to the work.

One other thing you do when you flip your "do-it-all" attitude is delegate. You should give someone important work and more responsibility while providing authority, resources and support. And by delegating effectively, you free up your time to do other work that may need more of your attention. You also build trust among the people you delegate work to and provide autonomy.

Developing Others Is Like a Gift

The people you lead want to know that someone — you in particular — prioritizes their development and growth. Developing others is one of the biggest skill gaps of new leaders, yet the boss everyone wants to work for is known for making time to develop others and believing that developing others is a top priority. Developing others is like a gift, as good to give as it is to receive.

Do these three things to develop others: support others, create goals and give feedback.

Support others the right way. Researcher Kathy Kram believes (and dozens of studies affirm) that there

are two types of support you should provide when you develop others. One is career-related support. Four ways to provide this type of support are build the reputation of people you are developing by bragging about them; help others develop their skill sets; protect others from things they don't need to know; and give them interesting, challenging assignments.

The second type of support you should provide is emotional support. Those you develop often find great support from you that inevitably increases or builds up their competence, identity, self-worth and effectiveness. Two ways to provide this type of support are by (1) being a role model and (2) accepting others for who they are.

Create goals the right way. Goals should be (1) specific, (2) difficult, (3) yet attainable, according to researchers Ed Locke and Gary Latham. According to Locke and Latham, specific, difficult, yet attainable goals are linked to reduced absenteeism, fewer injuries and increased production.

Give feedback the right way. From this point forward, it's not about "me" and how "I" am doing; instead, flip your attention toward developing others by providing feedback. Providing positive and negative feedback to your direct reports, staff or team is the only way they will know how they are performing well or, if they are not, how they can become better. It's what the boss everyone wants to work for does and is part of your script now.

Flip Your Perspective

Most individual contributors have a narrow view of what goes on in their organizations. Now that you're a new leader, flip your perspective. See things more broadly. Expand your vantage point.

As you flip your script by flipping your perspective and you start to take on that bigger view, you'll quickly see the organizational politics at play. Your ability to flip your perspective has a bearing on how well you manage politics, how well you work with co-workers and stakeholders (up and down as well as across the organization), how you feel about your organization and how well you do your job.

Those who flip their perspective understand that there are competing interests, scarce resources, ambiguity, unclear rules and regulations and a lack of information. They see it all. They don't let politics get in the way of their goal to bring transparency and clarity to their teams, their co-workers or stakeholders they work with. They remove uncertainty in the environment.

When you flip your perspective in this way, you'll survive — even thrive — at navigating politics in your organization with your political savvy, and feel good about yourself and the way you do it too.

What You Can Do to Flip Your Perspective

Here's the skinny: Understand what you want, what others want and determine where there is common ground so everyone wins and benefits. To do that, you need political savvy. There are four different aspects of political savvy that you can develop.

1. **Read the situation.** Objectively scan, observe and gather information about yourself and the people and the environment around you. You are highly self-aware with your own thoughts and behaviors. You also thoroughly understand the thoughts, behaviors and needs of co-workers and stakeholders you interact with.
2. **Determine the appropriate behavior before acting.** Based on observations of what is going on around them, politically savvy bosses learn what to do in a given situation. Find common ground and do what needs to be done, so everyone wins something and feels good about the final result. You don't manipulate others to get what you want. Instead, work through the system to ensure everyone's needs are served.
3. **Network strategically.** Networking strategically is building strategic relationships and garnering support for your goals and those of your co-workers and stakeholders. By connecting with influential individuals who hold different resources and valuable assets, you'll gain a voice where you might not have been heard otherwise. More importantly, you could gain access to important information from key insiders. So what does a strategic network look like? ODD: open (people you know in your network should not all know each other), diverse (people in your network should not all be from the same group or division) and deep (understand what people do, the situations they are in, and their motives, values and needs).
4. **Leave people with a good impression.** As a boss with political savvy, be sincere and authentic in all that you say and do, and leave people with a good impression.

Flip Your Focus

Now that you are a boss, your focus must constantly be on your character, integrity and doing what is "right." Let's face it: people look up to leaders and expect a lot out of

them. You clearly have a lot of power and influence over others. And so you have the potential to affect the lives of people outside of your own. When you flip your focus, you understand that your actions and decisions affect more than just you.

One study investigated the character strengths of integrity, bravery, perspective and social intelligence among 191 top leaders of organizations. The direct reports of these 191 leaders supplied the ratings of the four character strengths, and the bosses (in this case, board members) of the 191 leaders reported on how effective these top leaders were in their jobs. After crunching the numbers, integrity, bravery, perspective and social intelligence each positively related to performance.

The data also showed which of the four character strengths was most important. Integrity came out on top. Character and integrity are even tied to the financial performance and bottom lines of organizations and how people feel about their jobs, too. According to research by KRW International, CEOs rated as having high character, including integrity, had a five times greater average of return on assets than CEOs with low character. They also found that employee engagement was 26 percent higher in organizations with CEOs high in integrity.

What You Can Do to Flip Your Focus

When you flip your focus, you understand that your impact is bigger. Pay attention to integrity because you need it in many things you do as a new leader. In particular, you need integrity when making decisions and when building trust. Here are some tips to increase your odds of doing the "right" thing when the time comes.

What would others think? Ask yourself if the behavior you are about to engage in or the decision you are going to make would be something you want your friends to read about in the local paper or the *Wall Street Journal*.

Promise and then deliver. Be clear about what you can do and the timeframe around it. Confidently commit to what you can do. Then deliver on it.

Learn from why good people do bad things. We oftentimes don't do the "right" thing because we don't fully comprehend the entire situation; we don't see the big picture or understand the actual choices we can make. Think about the future. Fully understand the possible aftermath of your decisions, and be transparent to all parties involved about why you are making that decision. Also, know the triggers and pressures that prompt making the wrong decision. Research indicates that we are more likely to act unethically when we work in uncertainty; we are under extreme time pressure; we work alone; or there are big rewards (usually monetary) tied to our work. If you are in any of these situations, you are more likely to go down a path you shouldn't go or make a decision you don't need to make.

Stick With Your Flipped Script

Stick with your flipped script, the script of the boss everyone wants to work for, and do not revert back to the "It's not you; it's me," script.

Psychologist Robert Eisenberger believes that if we feel our organization cares for us, we "pay back" the organization through our efforts, increased performance and commitment, and by going above and beyond our jobs to help our colleagues and our organization reach goals.

As a leader, you represent, symbolize and personify the organization to your direct reports. So those who report to you attribute how well the organization supports them based on how well you support them. Shine the spotlight on others.

If the people you lead and serve are successful, you are successful. Think about it. Maybe you are leading a small team right now. If they are successful, you'll be seen as a driver of results and developer of talent. You'll be given more responsibility. You'll lead more people. If they continue to be successful, maybe you'll lead an entire department, division or function one day.

Ultimately, as leaders, we are called to serve others, help others grow and make the world around us a better place. You have the capability and capacity to make others feel wanted, needed and special at work. You have the power to make them feel valued and appreciated. You can outline exactly what they do and how it matters to you, your organization and even society at large. That's a rare commodity in organizations right now.

You have the potential and ability to be the boss everyone wants to work for. Now, go do it.

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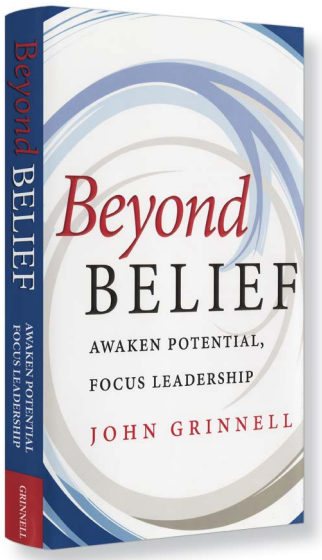

Beyond Belief

Awaken Potential, Focus Leadership

by John Grinnell

THE SUMMARY IN BRIEF

The word *leadership* has been grossly overused to the point that many do not know what it really means and are unaware of the personal commitment required. Today's interconnected world, with its serious economic, environmental and social challenges, cries out urgently for real leadership, yet few know what it is or how to develop it.

Beyond Belief uses seven powerful models, case studies, and research from John Grinnell's more than 25 years of experience to clarify the intangible psychosocial basis of organizational life so outcomes of leadership are more predictable. A lucid explanation of the way a leader's self-awareness of personal beliefs influences outcomes lays a solid foundation for pointing out how to more rapidly cause followers to gain perspective, act accountably, and rapidly align to adapt faster in the marketplace.

Beyond Belief will show you how to step up to the personal challenge of real leadership. And as Grinnell suggests, whether you do or not is entirely up to you.

IN THIS SUMMARY, YOU WILL LEARN:

- To increase self-awareness in yourself and your organization in order to move beyond the old, habitual behaviors that have been holding you back.
- To use your new awareness to align you and your organization with its goals to become "on-purpose" and to motivate others to do the same.
- To use accountability, including its positive side, to hold everyone responsible for achieving their part in reaching set objectives — including you.

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THE COMPLETE SUMMARY: **BEYOND BELIEF**

by John Grinnell

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We Need Leaders Now: Awaken Leadership

Real leadership is one of the most rewarding but difficult challenges a human being can undertake. To step up and do what others can't do or will not do is why there are so few real leaders. It always starts from within oneself and moves out to others. It has less to do with intelligence and analytical ability and everything to do with perspective, integrity and courage.

The problem is that we call people leaders when they are not. They then think they are leading when they can't. Most can't because they don't really understand what it is or are unwilling and don't have the stomach for it. Leadership can be learned, but just because a person is a boss or can charismatically stand up in front of a crowd doesn't mean that person can lead.

Failure of leadership and the consequences of that failure are all around us. Think back over the past decade. The Enron debacle. Then there was the mortgage crisis. More recently, we've seen the IRS appearing to target certain populations in our country. Little is learned, with history repeating itself over and over again. Many have given up hope, believing with grim resignation that we will never be able to escape the gravitational pull of human nature and unaware leadership. These failures represent the next major challenge in the evolution of leadership. That is, to awaken and learn to look within with awareness to become more effective.

Types of Leadership: A Model

Interpersonal leadership is the leverage point of all organizational success, yet it is probably the least focused on and least understood. The usual reasons people become leaders are ego gratification, pleasing family and friends, money and security, power over others, achievement and prestige. These reasons often work at first for young leaders, as they underpin the necessary drive and ambition for leadership; but in the long run, if they are not coupled with awareness and clear purpose and values, they can never help a leader reach his or her potential and the potential of the organization that leader serves.

Happy leaders usually have become leaders by choice, have prioritized their values, and often find meaning in serving others, not just themselves. This highlights a key point: Leadership is the most important service a human being can provide for our society. Yet many executives don't realize this truth and don't see that each decision and action is either contributing to or damaging the fabric of society.

Leading others with meaning and toward full potential begins with self-knowledge. It has more to do with our beliefs, relationships, ways of communication and actions than the content of what we say. The mind prompts people's perceptions, reactions and behavior, which are what cause the results in organizational life. By using this insight, leaders can consciously create conditions that allow people's motivations to be directed toward a chosen, better outcome. While the mind is abstract, and reaching the hidden self involves working with the abstract, the insights we can develop about how to reach it are practical.

The Grinnell Leadership Vitality Model

Awareness — both self-awareness and awareness of how others think, feel and work together — is the first essential step in developing leadership, in tandem with grasping

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the organization's purpose. Out of awareness, linked to the vision and goals arising from purpose, flow the other components: alignment and accountability. Together, these elements compose the Grinnell Leadership Vitality Model. Alignment coordinates the insights that come to the aware leader with the envisioned goal and with other goals that awareness and knowing the purpose produce. Accountability ensures that the leader, the organization and the leader's followers will carry out the actions necessary to reach those goals.

Real leadership requires the leader to align the work of others with his or her goal by understanding what actions on the leader's part will elicit the necessary motivation to achieve it. And to do so, the leader must gain an awareness of how individuals' minds work and the ways their perceptions and behavior cause them to interact with and relate to each other. A real leader asks, "What can I say or do to get individuals to cause them to motivate themselves to do what I need them to do?"

Self-awareness, the entranceway to the awakening of human consciousness is the next great "age" for humanity as we find our place among the computers and "big data" of the future. Self-awareness is the taproot of leadership and the first step in awakening personal leadership and organizational potential.

Jump-Start Real Leadership: The Challenge of Real Leadership

Not all organizational leadership is real leadership. Some form of leadership, after all, is inevitable: Someone has to make decisions. But a "decision" can occur by default, a failure to act, what I call "indecision making," and the resulting non-action constitutes a decision. Leaders of organizations abide by conventional patterns of behavior within the organization because doing so seems the safe course. However, when an organization has to adapt to changing conditions, it's not so safe after all.

Real leadership recognizes that changing or transforming an organization requires a change in mind, a change in belief, and a change in behavior. Such change is usually rife with uncertainty. Change is mowing the grass. Transformation is replacing the lawn. And the key to transformation is awareness.

The Quit Zone

When leaders disrupt the deep sleep of habitual belief and behavior with conflicting intent, different information and new behavior, they often meet the quite normal resistance of established habits and beliefs, first within themselves and then from others. This area where the new path is glimpsed but avoided is the "quit zone." Most of us operate in a memory-based zone, which is comfortable — it's based on beliefs we've accrued in the past. The quit zone, though, is a place of uncertainty and, therefore, for many a cause of anxiety, but it is also a place of exhilaration when we glimpse the future that could exist.

The quit zone is an area full of creative tension: The future is unknown, but if we are aware of ourselves, our core values, other people, and the purpose of our organization, we can form a new belief, one that aligns with our purpose, and engage in new behavior. What separates a real leader is the ability to jump off the edge of the cliff in the quit zone and start a new venture or expand an existing one when success is uncertain and when chosen values, behavior and beliefs are unproven.

Don't underestimate the challenges: making the jump is difficult; sticking to the old beliefs is too easy, and excuses and rationalizations are readily at hand. The force of this inertia is why, once you become aware of how your mind works and what drives your behavior, aligning your behavior with the purpose glimpsed in the future where the leader path (unknown but believed in) will take you becomes the inescapable task if you want to succeed.

Aligning your own behavior, however, is not enough. You also must align the behavior of those working with you. To equip yourself to align behavior with purpose, you have to fulfill two conditions:

- See a goal the organization must drive toward in order not only to survive but also to thrive.
- Perceive what specific actions should occur to accomplish that change.

A stumbling point here is that many people expect to have a clear step-by-step plan that will not change before they take the jump. This is not possible, and there must be an agreement to "building the bridge as we walk on it." Commit to the better future together. Promise persistence, not perfection.

The Grinnell Leadership Vitality Model

The stages of leadership are awareness, alignment, accountability and purpose. Expanded awareness forms the foundation of every other part of real leadership, and all the stages build toward fulfilling the purpose. Each stage builds on the previous one to show the logical connection

from awareness through service to customers, partners in success, and the social environment. Once I am self-aware and aware of others, I will realize how to align my behavior and cause others to align theirs with the mission. When I know how to align behavior, then I need to be accountable to our purpose, myself and my associates; they need to be accountable to me, to themselves and to their colleagues, too.

These stages also interpenetrate; just like alignment, on-purpose leadership flows out of awareness. And just as you can't change to more fully align behavior until you are aware, you can't align it until you have a firm sense of what the purpose is. The purpose, which includes our chosen core values, also fills out the framework of accountability. You're accountable for whether your behavior matches the purpose.

Being On-Purpose: Focusing Mission and Values for Breakthrough

Leaders create the "new abnormal." They don't make their target the one that accompanies their feeling of certainty. This is also why people don't usually like real leadership at first, as it creates feelings of uncertainty. But it also is their ship bound for the future.

With a clear purpose, a leader can assess the current conditions of his or her life, leadership and organization, and see the gaps between where he or she is and where he or she needs to be. With a clear purpose, leaders can see what is "at gap," or out of alignment with the target. They then go about with purpose, changing those aspects of the organization, including their behavior and that of their followers, technologies, infrastructure and people, that stand out in stark relief and that are important. To change them, a leader turns the gaps into objectives and plans how to meet those objectives.

Being on-purpose with our behavior has to start with being on-purpose with our mind. All outward behavior is driven by the mind and its beliefs, so all real transformation starts with a shift of mind. The real leader holds the organization to its purpose and manages his or her mind to be on-purpose when others can't or won't.

If a true transformational change is to occur, the leader and his or her followers must behave in new ways. The key to this new behavior is being on-purpose. The new behavior required for transformation to a satisfying future grows out of awareness of purpose tied to self-awareness. Once your organization's purpose — and yours — is clear, then you can expand awareness and seek alignment.

Making Purpose Visible

Make clear to the people you are asking to be real leaders the logical connection between the values, beliefs, behavior, structures and processes you are asking them to change and the approaching future. Translate vision into a meaningful mission and core values, which together are your organization's purpose. Hold regular accountability group reporting sessions on objectives. This is a way for real leaders to tell the truth about progress and problems and to ask for help early.

Values are the light beam guiding you through the uncertainty and darkened unknown of change — getting you from here to your chosen there. We can choose to change to address the future in a manner that will result in our getting the experience we want, or we can go back to sleep and accept what we are programmed to experience. Values are the basis of the path we choose through life. Beliefs drive organizations until leadership decides to choose values that fully align with purpose.

Setting Core Values

Values need to be part of the most significant leadership decisions and actions. Core values must be set at three levels. The first is conceptual alignment, which means it makes good business sense in terms of where we are going. The second level is ensuring there is behavioral alignment. The third level is "heartfelt." It is part innate, as deeply held beliefs guide a sense of knowing that the values are right for you. It is a commitment of one's life, energies and focus. This gives a tremendous advantage to the organization as it goes through transformation.

Things you can do to strengthen your core values:

- Make sure you know what your core values are, and use them repeatedly to make tough decisions.
- Communicate the core values over and over and over again.
- Hold people accountable to them.
- Make the values discussion a part of every planning process, strategic or otherwise.
- If you want to alter the culture and values, focus on the positive.
- Demonstrate the cause and effect of your values. When success occurs, look at how the values play a part in it.

Expanding Awareness: Perspective or Ego Satisfaction — A Choice

The problem with beliefs is that because they're part of a survival mechanism in our minds and because they're our theories about reality in our minds, they become ingrained, and they lead us to act habitually. Self-awareness on both personal and organizational levels enables us to recognize the beliefs of an organization and individuals within it — including, first of all, ourselves. When we are not aware of our beliefs, they run the show instead of us. The degree to which a leader or leadership team running an organization is unaware of the beliefs that drive their decision making and behavior is the degree to which they are out of control of the situation that confronts them now.

To expand our awareness zone requires us to go beyond ego or beliefs and our defense mechanisms. This is why self-awareness and knowledge of human nature is so critically important for seeing issues and reaching effective outcomes. To get out of the box, you must understand the box. To go beyond these ego-imposed limitations, to maintain curiosity in the face of perceived critical feedback, and to stay conscious while feeling vulnerable constitute the fundamental path to reducing mistakes of leadership. It should be a primary focus of team leadership to create safe environments where people will step out into this new behavior.

The Controlling Force

Being self-aware involves cultivation of a free consciousness that can stand outside yourself and look at your actions and beliefs from an observer's perspective, then move beyond the confines of habitual emotion, judgment and thinking. If you want to attain free consciousness, the process starts with understanding how you form your identity, your ego. Your ego is a rigid system of beliefs about yourself that you maintain and reinforce through perception. Over time, by paying close attention, we can develop the ability to recognize behavior, thoughts and perception flowing from our personality. We can then move beyond its constraints to consciousness — of our minds, our emotions, our actions and where they spring from.

Breaking free of blind spots, denial and the fear of change is not easy. It is uncomfortable. You must go through that discomfort and pain the ego generates to reach a better place. You first need to be honest with yourself, and recognize and understand the beliefs, judgments, perceptions and resulting behavior that produce unsatisfying outcomes.

Once you understand them, you have to accept responsibility — an important step in human growth and leadership development. Everyone makes mistakes or gets negative feedback. What the real leaders, young or old, seem to do is hurt for a bit, then pick themselves up by the bootstraps and figure out how to solve the problem. We can meet the challenge and lead, or we can stay in our familiar unaware state and play victim.

If you believe your team or organization would benefit by becoming more adept in expanding awareness, here are some recommendations: Have your team members attend a self-awareness-based leadership development program. Hold facilitated feedback sessions. Have your executive team participate in personality assessments, and make sure they are tied to the business. Finally, build a common language and model of leadership and self-awareness. Use systematic reinforcement.

Seeking Alignment (With Purpose, Self and Others): Integrity or Hypocrisy in Leadership

Awareness of old patterns of belief and behavior is only the starting point. Aligning, focusing and realigning mindsets, beliefs and behavior around a common purpose is the next step. Organizational self-examination — of its purpose, anchored in those core values — provides a vision of where the organization should go. That vision will guide you as you align the organization, peers and followers, and yourself with the purpose and new behavior so that the business can fulfill that purpose.

No leader can achieve his or her goals without the efforts of others. The follower supplies the energy for achieving an outcome. Do you want to create dependents requiring your help and energy or strong adults taking on responsibility and getting the monkey off your back? Real leaders who perceive the needs of their followers respond to them with appropriate action, which means not only understanding those needs but consciously adapting their own behavior to take them into account. Once followers know you understand their views and have considered them with openness and transparency, they will usually go along with you even if you don't accede to their requests.

Integrity in Self-Alignment

Showing subordinates that you value honest feedback about your actions leads them to trust you and to share

more personal, valuable information about processes and operations in the organization. Some feedback may be painful to your ego to hear, but real leaders expand beyond the pain, realizing it is temporary and wanting to see clearly and listen for any valuable information. It's easy to get good news, but you have to dig deep to get the bad, which is often the most useful. Since hearing criticism and interpreting the thinking behind it helps you discern a follower's needs, it provides valuable information indeed.

When leaders change their own behavior to align with the organization's purpose and goals, followers have permission, so to speak, to change their own behavior — they are encouraged to do so by the example of the leader. Leaders must be all in, or others will not follow fully.

The Art of Causing Followership

The essence of instilling new beliefs, perception and behavior in followers is "need-goal alignment." The leader works to align the satisfaction of the followers' needs with the goals for which the leader is responsible. The art of causing followership rests on three fundamental principles:

- People do what their minds and emotions tell them to do, not what the leader says to do.
- The follower provides the motivation.
- All motivation is self-serving.

By seeing clearly what the organization's goals are and the changes they call for and by understanding your followers' needs, you gain the ability to link those needs to the goals by demonstrating how the new behavior will benefit the followers. If they see no benefit, they are unlikely to change their behavior regardless of how inspiring a speaker you are.

Followers also must clearly see the connection between the new behavior and processes and the bigger strategic picture — the purpose and goals. Your picture must present all these factors in images that are personally meaningful to your followers. The employees who are going to freely exert the most effort to change will be those who see that the perceived gain outweighs the perceived cost.

No leader can motivate others. A leader can only move followers to motivate themselves. An individual's efforts toward achieving a goal are done for personal, satisfying reasons. All human action fulfills a personal need and is self-serving. If you can align your followers' needs with the organization's goals, creating an environment in which followers will achieve those goals when they satisfy their own needs, the rewards will far outweigh the costs.

Acting Accountably: Courage or Compromise of Leadership

Unless the new beliefs and new habits you introduce into your organization's new culture include accountability at every step, then your effort to change course is likely to flounder and ultimately fail. Just as awareness begins with self-awareness and builds from there to awareness of others' motivations, for leaders, accountability starts with themselves and then spreads to their followers. Without accountability, habitual behavior kicks back in.

Accountability is a way of sharing the consequences of failure — but it's also a way of sharing the consequences of success. With accountability, the likelihood of success goes way up. Accountability is a way to know that an individual or organization is making progress toward an objective. The more objective and measurable the gauging of that progress is, the more accountable it is — and we are.

Accountability is inseparably tied to responsibility. We are responsible for something, and we are responsible to someone or something. Holding oneself accountable means accepting responsibility for the outcome. "When accountability is seen as a positive tool that can foster development and full communication as opposed to the 'witch hunt' that it is sometimes perceived to be," said one executive, "the organization's potential can be unleashed, and success beyond our most optimistic hope can be realized."

Measuring Expectations

To use metrics most effectively to gauge performance, the leader must let followers know from the beginning, and clearly, what standards he or she will use to assess them. Equally important is keeping tabs on progress and keeping in touch throughout the process. This, again, can be a positive experience rather than the grown-up equivalent of going to the principal's office. Leaders who can empower followers through sharing the organization's vision can enable them to claim ownership of the organization's goals, which is an effective approach to both alignment and accountability.

Accountability to the Future

Holding yourself and your followers accountable might seem to cover the subject, but leaders have broader responsibility. They are accountable to the organization itself as future conditions shift and change, but also to immediate society and beyond. Being accountable to the organization means you have responsibility to the future in three ways:

• Stay on-purpose: You as leader must ensure that the direction and values remain viable but also that everyone

remains on-purpose, aligned with an organization's vision and its goals and accountable to that purpose.

• Anticipating gaps: A leader must anticipate problems by projecting the company's activities into the future or re-examining current practices to discern where they could come up short or go wrong.

• Invisible social contracts (that bind the leader): Who is going to lead the organization in the future? Developing future leaders is one of the most important tasks an organization can undertake. Yet frequently organizations thwart it by playing favorites and not basing these decisions on what's good for the organization going forward.

Transforming Organizations: Changing Minds to Change Performance

Transformation requires expanded awareness, alignment and accountability — always in support of the mission and values, which is the organization's purpose. Leadership is the adaptive force of the organization. In nature, organisms that don't change fast enough to meet the demands of the environment don't survive. The same is true of organizations. Leadership is not an external factor; it is an internal, personal commitment.

Leaders don't make certainty their purpose. Until a leader makes the jump into uncertainty, he or she is not really leading; few, if any, will follow until that leader does jump. Leaders lead minds. Organizations are composed of individuals working together using certain processes and following policy to achieve a common outcome. These individuals hold a set of beliefs in varying degrees of alignment with the values and goals of the organization, and they act out of those beliefs.

All organizational transformations come from a change of mind and perspective. Until this occurs, with the accompanying decisions, actions and behavior that arise from those changed minds, nothing in the organization really changes.

The leadership system is the network of individuals who are the "keepers of the culture" and all the perspectives, behavior, judgment and expectations therein. Transforming the organization begins with changing the perspectives, behavior and expectations of those keepers and thus changing the culture. Once they are able to expand awareness, seek alignment, act accountably and be on-purpose, you have a powerful leadership culture in place to balance the need for stasis.

Leaders must change their own minds before others will change theirs. Some have to "fake it until they make it," acting behaviorally in alignment even when their passion isn't there yet. Often this requires a "leap of faith" and the ability to "stomach" many difficult decisions and actions that must be undertaken.

Here is a list of steps to keep in mind while going about the work of transformation:

- Find a better way, a difference that makes a difference — and commit!
- Articulate the new direction; contrast it to what you have been doing.
- Make sure your top team is clear and in true agreement with the new direction.
- Overcommunicate the new direction, and invite your key people to help you figure out how to get there.
- Translate the new strategies and tactics into key objectives, and assign stakeholders in achieving the objectives.
- Stay intensely focused for 18 months to three years. Follow up regularly. Hold regular accountability meetings.
- Make the change experience a "leadership development" experience.
- Never get mad or show frustration when people bring problems to you.
- Never, never, never get so busy that you forget to celebrate success!
- Give feedback quickly, and coach the "good people with old habits."
- Quickly change processes and people that aren't going to work.
- Communicate the vision to people three or four levels down. Build the culture there.

Leading and Living Beyond Belief: Experience Your Experience

Seeing clearly beyond the limitations of existing beliefs is the hallmark of a real leader. This is not a typical definition of leadership, but it is true. Think of what leadership requires in this way: Real leaders are the few who can kick themselves out of the nest.

We must learn to use our new interconnectedness, technology and big data effectively. The challenge is to go beyond the beliefs that no longer serve us with a process of increasing self-awareness. We are naturally bound to

our past and the comfort these past mindsets and beliefs provided us. To go beyond belief is the heroic act of the leader who wishes to attempt to make a real, meaningful "difference that is a difference."

How do leaders take themselves and their people beyond the dictates of the past, and how do they consciously choose values and achieve what I call "awakened leadership"? This is a realization of consciously chosen beliefs, values and purposes that guide us to what we want, not what is habituated and unconsciously expected. Leaders who live their lives by choice beyond automated beliefs are the ones who also can help free others to reach their full potential.

Bringing Potential into the Open

Organizations are extensions of the humans who work within them, driven by the collective minds and beliefs therein. Many who lead an organization mistakenly believe their task is changing processes, policy and technology. Culture is the hardest and most important task for leaders to do well. Once the minds of employees change, the organization can change; and the key to this is alignment. Once there is the capacity and ability to truly learn, that is, change so as to go beyond ego-defended limitations with expanded awareness, the result will be a platform from which one can find not only new but truly different and better paths and a purpose and solutions that will allow that alignment to go beyond the ego and achieve a shared, purposeful future.

Integrity is also an essential characteristic for successful alignment within an organization. Integrity comes from knowing oneself and having the emotional discipline to say "no" to wrong impulses. At its root is a variation of the Golden Rule — to help or hurt another in our society is to help or hurt ourselves. Real leaders contribute enormously to both their organizations and society when they improve the likelihood of sustainability of those organizations so that families can provide for themselves, organizations prosper and hiring increases, helping our world economy recover more fully.

Given the scope of challenges organizations and society face, encouraging an individual to look inward may seem a backward approach, a turning away from confronting the problems, but it is instead the key to doing so. Real leadership flows from an earned perspective, reflecting a subtle but significant shift inside oneself. Looking inward cultivates the ability to examine problems outside the self clearly and discern which actions will be most effective and adapting to change. It is the only way to truly prepare people to use the power of the mind to create the future that leaders want and that we will share in.

The Big Ten Collaborative Leadership Behaviors

1. Communicate openly, accurately and quickly: Interorganizational process issues as well as interpersonal problems are made worse when not brought up soon enough within the team.
2. Lead strong: All organizations have crises. The worse the storms, the stronger the leadership and courage required — feel the gut tighten and act well.
3. Trust, verify and urgently solve problems: The sooner you can spot a problem, the better. Trust is essential for success, but verification helps find blind spots and issues early.
4. Decide with the purpose in mind: Be on-purpose by keeping what's best for the larger enterprise and values in the forefront of your thinking and decision making.
5. Recognize vulnerability: Team members need each other to meet the organizational purpose and aren't completely in charge of their own destiny — you are vulnerable to your teammates' performance.
6. Know when to lead and follow: You may be leading today but following tomorrow. It's about getting the job done — not who's in charge.
7. Keep the transformation moving: To keep things moving may require help from a higher authority when goals of team members are misunderstood, misaligned and in a logjam.
8. Forgive (self and others); it's practical: Learn the lesson and take action. Let go of the embarrassment (shame), and move forward — fast.
9. Find opportunity: While the team is busy, make time to look ahead, and find ways to work more efficiently and collaboratively.
10. Show appreciation: Catch people "doing it right." If you see on-purpose behavior, thank them.

RECOMMENDED READING LIST

If you liked *Beyond Belief*, you'll also like:

1. ***The Accountable Leader* by Brian Dive.** Centered around three themes — leadership, accountability and organizational structure — this book explores what it means for managers to be held accountable at every level.

2. ***The Oz Principle* by Craig Hickman, Tom Smith, Roger Connors**. The authors detail how people and organizations armed with attitudes of workplace accountability can overcome obstacles, excuses and biases.

3. ***Goals!* by Brian Tracy.** Tracy offers specific advice to help executives and others achieve their personal and workplace goals.

· Book 33 of 388 ·

35-30 What Keeps Leaders Up At Night

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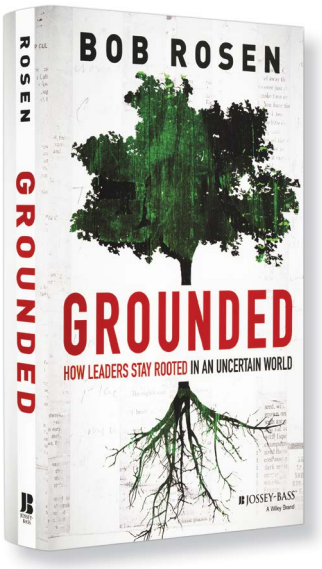
Leadership

Grounded

How Leaders Stay Rooted in an Uncertain World



by Bob Rosen

THE SUMMARY IN BRIEF

Confronted by disruptive change and worldwide economic turbulence, leaders at all levels — across all industries and sectors — find themselves ill equipped to manage the challenges they now face. They must contend with chronic uncertainty, intense competition, personal burnout and a new world order of global interconnectedness. Most leaders are poorly served by the prevailing paradigm that obsessively focuses on what we do to produce short-term results while sabotaging who we are as healthy human beings. Few have seen alternatives, until now.

In *Grounded*, internationally renowned CEO advisor Bob Rosen proposes a new approach to leadership that speaks to our better selves and is designed for any leader who grapples with the unrelenting and complex demands of today's marketplace. Rosen argues that leaders at every level can become more self-aware, develop their untapped potential, and drive significantly better results — for themselves, their teams and their organizations. Based on long-term research with hundreds of CEOs and leaders from around the world, this groundbreaking approach is drawn from Rosen's Healthy Leader model and highlights the six personal dimensions that fuel — and refuel — the world's top leaders: physical, emotional, intellectual, social, vocational and spiritual health.

Now, any leader can master the six dimensions needed to develop the stamina and strength to not only weather tough times but also to achieve exceptional results.

IN THIS SUMMARY, YOU WILL LEARN:

- To understand the links between who you are and how you perform.
- How to cultivate the six roots of healthy leadership in yourself and those you lead.
- How to build a personal leadership model that works with your values, goals and capabilities.

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THE COMPLETE SUMMARY: **GROUNDED**

by Bob Rosen

The author: Bob Rosen is a trusted CEO advisor, organizational psychologist and best-selling author. As the founder and CEO of Healthy Companies International, he has long been on a mission to transform the world of business, one leader at a time. A frequent media commentator, he has been featured in the *New York Times,* the *Wall Street Journal, Fortune* and the *Financial Times.* Rosen's previous books include *The Healthy Company, Leading People, Just Enough Anxiety, Global Literacies* and *The Catalyst.*

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For additional information on the author, go to www.summary.com or visit BobRosen.com.

PART I: A CRISIS ON THE HORIZON

The Winds of Change

The winds of change are flaming both a personal and public emergency in leadership. The debt crisis. Stagnant growth. Climate change. Tax reform. Indicted CEOs. Business bankruptcies. Many of our so-called leaders are having trouble leading under these conditions. Whether you lead a multinational conglomerate, an entrepreneurial startup or a modest-size nonprofit organization, you are encountering forces of change that are as dramatic and potentially life altering as any violent storm. Leaders at all levels are buffeted from every direction by six forces:

- **The speed of change:** People can't keep up with the pace of change.
- **Impermanence:** Uncertainty is the new normal.
- **Complexity:** Business leaders often struggle to keep up-to-date with technology.
- **Transparency:** Regulations, consumers and employees are demanding it.
- **Intense competition:** Being driven by competitiveness at any cost will preoccupy you with short-term results at the expense of creating long-term value.
- **Globalization:** Work and business are no longer local, and work has been woven into our lives a nd lifestyles.

Leaders are juggling the best they can, but many see that their results are falling short. We have discovered that leaders who are truly healthy in all senses of the word are evolved human beings and extremely effective leaders. In researching the qualities that make up this healthy leader, we unearthed three unequivocal truths:

- Who you are drives what you do.
- Who you are is grounded in your healthy roots.
- Healthy leaders build teams and organizations that outperform.

Are You Bending, Breaking or Staying Rooted?

Whether internal or external, the gale-force winds of change add layers of uncertainty and frustration to life. They can make it particularly difficult for the leader to find a balance in life while he or she is having to pursue growth and higher performance.

Many leaders cling to old mindsets and accept outmoded ways of thinking. Primary among their misconceptions is focusing too much on action and too little on introspection. They haven't examined what it is inside them that is informing, motivating and inspiring their actions. Another reason that leaders are foundering is a climate of acceptance and tolerance of dysfunctional behavior in themselves and others.

Leaders react to the forces of change in one of three ways. A large proportion choose to ignore the obvious and put their head in the sand. Others make halfhearted, uninformed attempts to handle all that's coming at them, and when these fail, they move on to another task or simply give up.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Amanda Langen**, Graphic Designer; **Corbin Collins**, Contributing Editor

Leaders who recognize the forces battering an organization and its people see reality clearly, anticipate future pressure points, and get ahead of the storm. These leaders consider the winds of change to be an opportunity, not an obstacle. These individuals are personally grounded, with well-established qualities and values.

Who You Are Drives What You Do

When we say a leader must be grounded, we are affirming that a person possesses a strong root system. Well-developed roots are important to a leader for the same reason they are essential to a tree. They support and nourish what you see. In leaders, the aboveground portion is their behavior or actions. Yet what a leader does will inevitably fall short or fail unless it is supported by healthy roots. These roots define who you are and who you aspire to be — your life purpose, your character and deepest values, and your true self. These roots give you the inner strength and mindset needed to handle all that is coming your way.

PART II: THE ROOTS OF HEALTHY LEADERSHIP

Physical Health

You can't be an effective leader without paying attention to your body; it needs constant care and maintenance, just as your company does.

Strong personal health begins with body-mind awareness. The body's primary systems depend on each other. If one malfunctions or is weak, others suffer too. The mind is a vital partner in this integrated system. Physically you are probably more able than you realize, but optimizing your physical health means getting your mind on board.

What connects the mind and body is energy — a steady flow of electrical signals that activate cells and muscles in the body and neurons in the brain. This energy initiates actions — it sparks movement and consciousness. This dynamic flow of energy influences everything you think about, are aware of, and all that you do.

Energy Management

Energy management is a twofold challenge. It's contending with the physical and mental stress of running a team or organization, and it's using these demands as a springboard for renewing and reinvigorating yourself. Energy management asks you to think about your inner physical and mental reserves and then to use your interactions with your environment to create positive energy. You are harnessing personal energy while simultaneously generating organizational energy.

Achieving the right energy balance comes with avoiding extremes and finding a middle ground that works for you. This is your personal homeostasis, a state where your energy production makes you optimally healthy and productive.

Peak-Performance Lifestyle

Think about your own personal and work life. Are your attitudes and habits geared to peak-performance living? Ask yourself:

- What changes do I need to make to advance my physical health?
- Do I make sure I have time to exercise regardless of where I am or what is going on?
- Does my schedule include regular breaks for rest and relaxation?
- Do I set a good example for my team and my organization?

Maintaining a peak-performance lifestyle demands more than a daily run or having salads for lunch. It's also about prevention — keeping illness at bay and your immune system strong. Seventy-five percent of medical costs are preventable. Thirty minutes of moderate physical activity each day can reduce the risk of a heart attack by up to 50 percent.

For these and other reasons, the payoff to a company from investing in the health of workers is huge. The benefits can be seen in worker attitudes and commitment, productivity and the financial return on investment.

Emotional Health

There are many theories as to what constitutes emotional health. There are no hard-and-fast formulas, but when we focus on emotional health with executives, three aspects keep showing up: self-awareness, positive emotions and resilience.

Self-Awareness

Developing self-awareness can be an uphill battle against all the pressures of a world that values action over introspection. Being honest with yourself also means recognizing when you are in denial about your abilities (strengths and weaknesses), your feelings and your behavior.

We all like to believe that we're good critical thinkers and don't let our emotions get in the way of sound judgment. But few of us are consistent in thinking clearly.

We overgeneralize, jump to conclusions, engage in obsessive thinking, ignore the positive, and magnify or minimize situations.

At the heart of internal communication is self-reflection. This entails asking yourself questions about your values, assessing your successes and failures, thinking about your perceptions and interactions with others, and imagining where you want to take your life in the future.

Put on hold your natural inclination to take action, and instead devote your energy to internal inquiry. Extraordinary leadership stems not from your day-to-day behavior but from what's inside you.

Positive Emotions

Healthy leaders who express hope and optimism imagine and invest in a better future. They believe in people and give them the benefit of the doubt, and they avoid getting blindsided by crises, using them instead as challenges. Without hope, it is easy to become overwhelmed by your problems. With hope, you are motivated to push past obstacles and strive for something better. Often rooted in experience, optimism is hope coupled with realism. It is the wisdom to know what is possible and having faith in your ability to reach your goals.

Resilience

Handling the ups and downs of work along with the constantly changing business environment requires the presence of mind to calmly assess the true nature of the problem. Staying calm ensures that you won't react without careful thought and before collecting relevant information from everyone involved. It's vital that you take a deep breath and calm down when something has shocked you or your company.

Getting comfortable with uncertainty demands that you prepare yourself emotionally for a constantly churning world. The quality that best handles uncertainty is emotional flexibility. This is a readiness to shift gears, bounce back, and move in a different direction when calamity is headed at you.

Intellectual Health

We need a greater capacity to deal with mental complexity, and intellectual health is the key to enhancing that capacity. By expanding your mental range, you can broaden your thinking, solve complex problems, and focus on what is truly important.

Many leaders are linear thinkers, seeing problems as a straight line with direct cause-and-effect explanations. But today's world is not linear; it's weblike and interconnected. Your thinking needs to be flexible and systemic, able to make jumps that defy logic, and understand the complexity of a multidimensional and multidirectional world. Healthy leaders possess three features of intellectual health — deep curiosity, an adaptive mindset and paradoxical thinking — that equip them to handle the complexities that beset an organization.

Deep Curiosity

Deep curiosity prompts new learning that actually creates new connections and associations in your mind. It's like building a web of thoughts, information and mental processes. If you are continually curious, this strengthens your brain's wiring and communication systems. Curious people tend to be more eager to learn and tend to remember more. Leaders who are constantly learning and growing have a unique mindset that gives them a distinct advantage. They see learning as their primary task, and they value deep curiosity.

Deep curiosity is intentional, conscious and focused. It hones in on the knowns and unknowns, sifting through what is necessary and what is extraneous and settling on the best ways to fill in the blanks. To be curious is to be on a journey of deliberate personal education. The most common reason we shut down our curiosity is that we are simply running too fast. We don't take the time out of our busy lives to be curious.

Adaptive Mindset

An adaptive mind is a self-transforming mind. It is agile and flexible, open to the unexpected, and able to handle the uncertainty of change. It possesses a clear point of view, but it's open to other ideas and thus has a great capacity to expand in the face of increasing mental complexity.

The higher you go inside organizations, the more capacity you need for dealing with mental complexity. The ability to develop an adaptive mentality that course-corrects in real time has a direct effect on your leadership performance.

There are two modes of thought going on inside each of us. One is fast, instinctive and emotional. The other is slower, more deliberative and more logical. Both systems can cloud our thinking, yet both are necessary for leading in a complex world. This is why healthy leaders spend so much time cultivating an adaptive mindset: digging deep for data, questioning their mental assumptions, acting with instinct and intellect, learning how to multitask, and asking challenging questions of themselves and others. The more unknowns they can surface and the more levels they can think on, the more prepared they are.

Paradoxical Thinking

Lateral thinking generally defies logic, making mental leaps away from analytical, sequential thoughts and arriving at novel and unusual solutions. Most of the time, people use linear thinking. It is a predictable way of thinking, being a series of steps each depending on a yes or no, correct or incorrect answer before moving on. Yet in a complex world, such thinking doesn't create a broad range of options or inspire creative possibilities.

Leaders need to be able to tap into cognitive opposites. A leader today lives in a world filled with tension generated by opposite forces. There's a constant tug of war between today and tomorrow. You're pressed to meet demands for meeting monthly targets while articulating and pursuing long-term growth strategies. You have to cut costs and boost revenues.

If you examine your thoughts and actions, you will probably find a number of paradoxical forces. It is useful to remember that you need both. They give you balance and shield you from extremism. Common and useful leadership paradoxes include constructive impatience, realistic optimism, confident humility, committed detachment and passionate rigor.

Healthy leaders must live in the present and future simultaneously. They must balance speed and urgency with discipline.

Social Health

Everything you do in business affects who you are and your relationships with others. Business is immensely personal, and the sooner we realize this the better we will be.

Leadership follows an inside-outside progression. Social health starts with authenticity, advances to mutually rewarding relationships, and culminates in nourishing teams and communities.

Authenticity

Being your real self is reflected in what you disclose and how you interact with others. Building authenticity requires self-awareness. Guidelines for self-examination include knowing yourself, being yourself and sharing yourself.

Personal core values are the bedrock of any trust. When you have a firm handle on your values, trust follows. The following qualities can help you earn trust and strengthen your social health:

- **Credibility:** This comes down to being truthful.
- **Dependability:** You must consistently make good on promises and commitments.
- **Predictability:** Consistency in your values and temperament.
- **Valuing the common good:** Driven not solely by self-interest but also by a desire for everyone to benefit.
- **Emotional safety:** You do not abuse people's health, feelings, self-image or principles.

Mutually Rewarding Relationships

Human beings are biologically programmed not only to form social bonds but to connect in deep, personal ways. A leader needs a repertoire of social skills to foster healthy, productive relationships. The most powerful tools are

- **Empathy:** Deep understanding on an emotional and cognitive level about the fears, frustrations, aspirations and concerns of people.
- **Fairness:** Leaders who are evenhanded and fair generate trust and cooperation.
- **Communication:** The ability, in spoken and written word and deed, to express yourself and understand what others are trying to communicate.
- **Appreciation:** Studies confirm that appreciation is at least as important as money.

When leaders exhibit these attributes of social health, they shed light on everyone; when they don't, they are quick to cast shadows on the people around them.

Nourishing Teams and Communities

Communities make us feel good — they support and rejuvenate us. We are born to bond into groups, and when we don't, we suffer physically and psychologically. Teams have a special place in all organizations. Flatter organizations foster shared information, authority and decision making, and this changes how leaders and teams must relate to each other.

Social networks are not on your formal org chart but are critical to how your company executes its strategy. People with larger and more diversified personal networks are higher performers. Most significant is their ability to energize rather than de-energize people in their networks. Companies with well-managed network conductivity simply outperform their competitors.

Vocational Health

Vocational health is directly linked to results and performance. It enables you to convert dedication and hard work into tangible success. A direct benefit of being vocationally adept is that you become more successful and fulfilled, and your company becomes a much more attractive place

to work. To develop vocational health, you need to find a meaningful calling, develop personal mastery, and cultivate a drive to succeed.

Meaningful Calling

As workers, people fall into three groups. There are those who feel that what they do is solely a job, those who feel that their work reflects who they are, and those who feel that their work is a personal calling. Discovering what inspires you is fundamental to meaningful work. Some get inspired by historical figures; others are inspired by a parent, a coach or a great boss. Those lucky enough to find that perfect combination of talent and passion known as the "flow state" are the ones who achieve harmony in their work.

If you are to shape events instead of being shaped by them, you need to know what you want to achieve. What is your desired legacy?

To tap into the passion of others, talk to people about what they love to do. Identify their unique talents, and let them excel in that space. Share your compelling story and guiding principles with others, and ask about theirs.

Personal Mastery

Personal mastery is best summed up as an innate desire for growth, self-improvement, and the inner satisfaction that comes with being able to do or know something thoroughly. Your ability to master a skill or body of knowledge depends on a commitment to lifelong learning.

As we grow, we confront and master each new challenge, and the stages build on each other. To some, pursuing personal mastery may seem like a self-absorbed process. But finding the right balance between self-improvement and helping others is the secret to great leadership.

Drive to Succeed

Success requires both personal talent and an environment that supports your efforts toward achievement. The critical quality for a leader is to be constantly pushing forward, making progress, eschewing the status quo, and seeking out new horizons. It's the love of pursuit that matters.

Go after what you want; be comfortable with success *and* failure; don't feel the need to prove anything to others; don't be afraid to win or lose; keep getting better and raise the bar; and enjoy the journey and the destination.

Healthy leaders are crystal clear on the leadership legacy they want to create. By starting with the end in mind and thinking about your legacy before you break new ground, you can visualize the big change you'd like to make and create a blueprint for the future that gives form to your values and goals.

Spiritual Health

The essence of spiritual health comprises three qualities: believing in a higher purpose that gives you a mission in life, feeling a global connectedness that transcends cultures and borders, and showing a generosity infused with kindness and gratitude.

Higher Purpose

We all possess a higher purpose, yet many of us have no idea what it is. Finding the answer begins with the knowledge that this is not a formula. Instead, you are on a journey of discovery as you look for ways to use your unique gifts while also helping others, improving the world as you go along.

Leaders and organizations realize meaningful benefits when they care how their activities and products affect their employees, the lives of their customers, and the communities and environment in which they operate.

Leading according to your higher purpose can mean holding firm to values even in times of doubt and economic uncertainty. With a higher purpose as your driving force, you inspire others to make a difference. You also imbue your organization with a spirit of authenticity and meaning that helps people get through tough times.

Global Connectedness

Cultural forces have a huge impact on an organization, regardless of whether your business has dozens of overseas offices or is strictly a local enterprise. Your employees undoubtedly represent a melting pot of cultures. It's vital to understand these diverse cultures.

Healthy leaders have a deep appreciation for what makes people unique. They believe people are created equal and different and that each person has a special contribution to make. They understand their own biases, how to tap into diverse talents, and build cultures of mutual respect.

Becoming culturally literate is a complicated and ever-evolving process. The development path of the global leader typically begins within oneself and one's family, then gradually radiates outward. You can expose yourself to other cultures by traveling, reading, listening to music from other countries, even learning the basics of a foreign language.

Generosity of Spirit

Gratitude is the lifeblood of spiritual health. When we show appreciation, we are saying that we care. Showing gratitude is highly personal: you have to accept who you are and what is both good and not so good about yourself. It reflects a humility which recognizes that you are human like everyone else on this planet.

Gratitude radiates outward and touches the lives of everyone close to you. Expressing gratitude in the workplace is critical. Not only does it create an atmosphere of loyalty and engagement, but it also has bottom-line effects. Gratitude begets gratitude.

On Becoming a Healthy Leader

As a leader, you need to understand what sparks your actions. Your well-being, success and organization depend first and foremost on who you are. You need to examine the internal stuff — what goes on in your mind and heart — before doing anything. The roots of healthy leadership form the core of who you are. You may be wondering how to cultivate robust, healthy roots. The answer lies in the four channels of learning:

- **Seeing:** This channel is dedicated to self-awareness, perceptions, and the level of consciousness that enables a person to see himself and others clearly and honestly.
- **Thinking:** Conscious and unconscious thoughts generate ideas, help you interpret people and events, and fuel the internal dialogue you constantly have with yourself.
- **Feeling:** Your emotions are essential for helping you form bonds and survive threats to your life and well-being.
- **Acting:** The acting channel comes alive through verbal and nonverbal communications; in your decisions, interactions and habits; and in how you conduct yourself on a day-to-day basis.

PART III: PUTTING LEADERSHIP INTO ACTION

How Healthy Leaders Build Healthy Organizations

Business success emanates from developing the roots of healthy leadership and mastering the leadership actions by mobilizing people around you. When who you are is translated into what you do, you create an environment that makes all the difference. Consider the following six leadership actions that build healthy, successful and sustainable enterprises.

Tapping into a Higher Purpose

Healthy leaders first must tap into the higher purpose of their organization. The grounded leader understands that everyone is rooted and enriched when people pull together for something greater than themselves. When individuals pursue more than simply a livelihood, they fulfill a quintessential human need to contribute to the community of their fellow man.

Leaders who do this well understand the importance of others' believing in a higher purpose. Ultimately most people are motivated less by external rewards than by deep personal values. People want to feel that they matter and that what they do adds to a greater good.

To tap into this intrinsic motivation, a leader must inspire. Inspiration arises from what gives people hope — hope that they can make a difference and hope that they are helping others. The challenge for a leader seeking to instill a higher purpose is twofold: creating the vision and inspiring people to pursue it.

Forging a Shared Direction

A healthy leader brings people together to push for a common goal, something everyone can commit to — an inspirational objective that is bold enough to challenge people and bring out the best in them. Getting to the goal line entails change for both the company and the people making it happen. Priorities are reconsidered and realigned, and people learn new ways of doing things. A leader cannot pursue a bright, new future without the support and dedication of others.

The second step is to design a clear road map, a blueprint for success that includes strategies for moving ahead, metrics for measuring progress, and an always-humming communication network binding people together and renewing their commitment.

Evaluate the scope and boldness of your vision. Ensure that you have a strategy and plan for implementing it. Don't let yourself drift along. Be prepared to make adjustments.

Unleashing Human Potential

The big hurdle for many is that although they believe that a company's success depends on its people, they don't always know how to engage people.

Today's workers are younger, better educated, more mobile, and determined to have a full, rich life in which work gives them meaning and value. Engaging employees as whole people motivates them to pass their enthusiasm onto the customer. Three tools are particularly effective in unleashing potential. Number one is appreciating and recognizing people. We all desire to be acknowledged and praised.

Another approach is through teaching and mentoring people. This signals that they are capable of learning and worthy of attention and personal growth. The third approach is about protecting and stretching people to unlock their full potential. This means giving them jobs that challenge them just enough and encouraging them to take risks.

Believe in your people, and help them believe in themselves. Get the right people in the right jobs. Ensure that your leadership is personal. Let them know that you care about their feelings and personal lives.

Fostering Productive Relationships

Relationships are at the heart of business. The grounded leader knows this instinctively. Relationships are what make people's lives enjoyable and gratifying. Healthy relationships are the essential fuel for productivity.

A healthy leader fosters productive relationships in a variety of ways. Reaching out with heartfelt generosity immediately drops people's defenses and opens the door. Straight talk, a willingness to share power and control, and being considerate help people trust you. People like doing business with people they like.

Cultivate acquaintances, and turn familiarity into friendships. Use diverse teams to yield better solutions. Think about relationships in terms of your connections to the larger community and the world.

Seizing New Opportunities

A healthy leader always needs an eye on what's directly ahead, making sure there's a firm foundation of innovation and imagination. An essential aspect of leading is finding new avenues for both corporate and individual growth.

Great organizations are always learning and innovating. Whether it comes to acquisitions, organically from inside, or as the result of small improvements in performance, growth begets an expanding customer base, fends off competitors and fosters innovation.

A growth mindset is essential. Thinking and acting like an entrepreneur is also part of the package. A leader cannot be afraid of taking chances. The growth-minded leader is always looking for new trends and tapping into the best thinking and practices.

Driving High Performance

What pushes performance is individual behavior, and what shapes behavior is inside a person. When your healthy roots are strong and fully developed, that's going to determine what you do.

High performance is the result of a holistic synergy among all six types of health. A leader with a full complement of healthy roots pushes performance to ever higher levels of achievement by taking ownership of his role in leading. He creates a culture of freedom and responsibility so that people feel that they can make a difference and know that they are accountable. He makes bold commitments, then acts with speed, urgency and agility. The leader is constantly raising the bar on learning and execution and measures only what matters.

Solidify what you know, and admit what you don't know. Share power and responsibility. Promote trust and collaboration. Keep your eye on both the present and the future. Set big goals, and push people to get ahead while providing them with support.

Grounded: A Change in Consciousness

You can change the way you see the world and your place in it by examining your thought processes, your emotions, and how you interact with others. You can tap into a new level of consciousness.

This means turning off your autopilot and choosing to direct your mind toward all the choices you have. Attend to the healthy roots of your leadership, and have the courage to be who you truly are. By discovering and demonstrating your true self, you can lead the way into a new age, a time of health and prosperity.

RECOMMENDED READING LIST

If you liked *Grounded*, you'll also like:

1. ***The 360 Leader* by John C. Maxwell.** According to Maxwell, you can learn to develop your influence from wherever you are in the organization by becoming a 360-degree leader.

2. ***Executive Presence* by Harrison Monarth.** Monarth believes anyone with the will to succeed can do it, and he provides the techniques needed to take a career to its highest level.

3. ***Touchpoints* by Douglas Conant and Mette Norgaard.** The TouchPoint model has three components that involve using your head, heart and hands to connect with employees and to enhance their performance.

· Book 34 of 388 ·

35-30 What Keeps Leaders Up At Night

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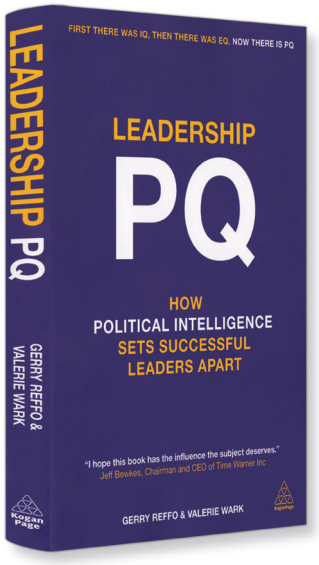
Leadership PQ

How Political Intelligence Sets Successful Leaders Apart



by Gerry Reffo and Valerie Wark

THE SUMMARY IN BRIEF

Most of today's leaders cut their teeth in a different world, where the best recipe for successful enterprise seemed to be for governments to provide a stable, market-oriented regulatory regime and allow companies to get on with the business of creating economic growth. The job of government was to get out of the way. Today, much has changed in the way governments govern and in the attitudes of government to business. Leaders must find better ways to enable business, government and society to work together to deliver profit, growth and better lives for future generations.

Political Intelligence is a new leadership requirement that allows governments and businesses to build relationships and work together in a new and more effective way. Successful leaders have built the capability to interact strategically in a world where government and business share power to shape the future.

Leadership PQ explains why political intelligence is now a critical leadership requirement; presents exclusive case studies and interview material to demonstrate the impact of PQ in action; and provides practical advice on how to develop it effectively by navigating the Golden Triangle of business, government and society.

IN THIS SUMMARY, YOU WILL LEARN:

- Why PQ is necessary in a shared power world.
- The five key facets of the PQ model and specific indicators for how to develop them.
- Practical tips for how to develop PQ both as an individual and in your organization, including how to integrate PQ into HR systems.

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THE COMPLETE SUMMARY: **LEADERSHIP PQ**

by Gerry Reffo and Valerie Wark

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PART I: INTRODUCING POLITICAL INTELLIGENCE (PQ)

What Is PQ and Why Does It Matter?

The future demands leaders who can do more. Globalization, complex societal challenges, changes in the planet, population, wealth and technology mean that the world is becoming more interdependent and power is more broadly distributed. It's happening now and will intensify.

Political Intelligence (PQ) is the leadership capacity to interact strategically in a world where government, business and wider society share power to shape the future in a global economy. PQ is rooted in the relationship between citizens, government and business.

PQ is more than working together with one or more people to achieve a purpose. PQ is for leaders with enough insight, vision and humility to recognize that they are working within a wider system. What they offer has to meet the needs of customers, consumers, citizens, the environment and future generations. Government, business and society share the power to provide better outcomes for all.

Why Has the Need for PQ Arisen?

The world is different now. Most businesses don't operate in a stable long-term economy, nor do they have the regulatory environment they want. The world is becoming more regulated. And few countries would be described by business as "well-governed," with the promise of predictable, business-friendly policies.

In addition, according to Sir John Grant, Executive Vice President, Policy and Corporate Affairs at BG Group, electorates/citizens are better educated, better informed, better networked and, as a result, better organized and more demanding than ever before. Governments face greater constraints than ever before, largely as a result of globalization, which puts international capital in control and reduces governments' room for maneuvering and has created a whole set of problems which governments can't resolve by themselves. Business struggles with the speed in which reputations of companies, products and services change.

Business leaders must understand this more complex "political" environment. Businesses need to be able to work with government to anticipate where the problems are coming from, exert as much influence on the political world as the campaigning NGOs, Twitter campaigns and media stories that dictate so much of modern government, and become part of the solution rather than one of the problems.

It's a Shared Power World

A shared power world is one where no single organization is in full control of its destiny. Making profits, governing nations, providing public services and helping society are done more effectively when organizations work with others. Business, government and non-profit organizations raise their game when they embrace working with partners and stakeholders to achieve what they

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Amanda Langen**, Graphic Designer; **A. Imus,** Contributing Editor

want individually and jointly. Leaders with the capacity to work in a shared power world and deliver better individual and joint outcomes are the new rock stars.

Change Drivers

Thought leaders, authors and journalists draw attention to the drivers for environmental change:

Market failure: Many of today's top business leaders grew up with the belief that the phenomenon of globalization and the development of large multinational corporations would mean that national governments would become increasingly less influential. The global economic crisis and the apparent failure of the market to deliver prosperity in developed economies changed this.

Wicked problems: Problems in the 21st century include climate change, resource scarcity, debt, inequality, poverty, disease, conflict, and religious and ethnic intolerance.

Demographics: By 2050, world population will reach between 8.1 billion with low fertility and 10.6 billion with high fertility. Economic development and rapid urbanization in emerging economies is predicted to move 3 billion new people into the middle classes. Economic growth, improved education and political stability are potential benefits that ought to flow from this seismic shift. On the down side, natural resources will become scarcer.

Struggling political systems: China's autocratic political system and state capitalism enable it to pursue and implement long-term policies and make short-term corrective changes quickly. But it has yet to effectively challenge the corruption arising from the nature of the political system. In the Western democratic system, private capitalism and the market form the economic platform. People enjoy freedom of expression and take for granted a free media, the rule of law and an independent judiciary. Despite these strengths, governments struggle to govern effectively. Neither bipartisan or multi-party systems work well. The electoral cycle encourages short-termism.

Finding solutions that offer good outcomes for society, business and national governments is a challenge.

Doing Business Differently

Leaders need to build into their organizations' DNA an understanding of shared power and the perspective of being part of a wider societal system. Operational decision making is messier when power is shared. Control is reduced. More people are involved. Information must be shared. Activities must be more transparent. Different views must be taken into account. Finding solutions takes longer.

Business is under pressure to become part of the solution. The need for co-operation both remains and increases with political, economic and demographic change. Society has the power to hold business and governments more to account for how they attend to what is important for all of us.

PART II: THE PQ MODEL

Introducing the Model

The PQ model is a set of skills, behaviors and processes designed for leaders and future leaders in business, government and non-profits who want to work together to deliver better outcomes — to deliver profit, growth and better lives for future generations. The model consists of five facets, each of which is supported by five indicators. The facets are

- **Futurity**
- **Power**
- **Empathy with purpose**
- **Trust**
- **Versatility**

The concept is that all five facets work together in harmony to create PQ. A politically intelligent leader is able to hold each facet and seamlessly move around, judging the right moment to use each one.

Shared power brings opportunities for innovation, diversity, scale and groundbreaking changes. It also brings complexity, competing interests, politics and misunderstanding. The challenge for leaders is how to maximize the opportunities and overcome the difficulties.

Futurity

Futurity means being in a future state. Leaders with PQ think about posterity. Reflecting on the big issues, problems and challenges that face society, they imagine a better future where these are overcome. Perhaps most importantly, they see how to create the conditions to make that better future happen.

Futurity is more than the strategic thinking process. With futurity, you start from the future and continually look back to where you are now. So unfolding events, risks and opportunities are viewed through the lens of a future state. Futurity in a PQ context is anticipating the needs of consumers, citizens and future generations, generating

ideas about how to meet those needs, and finding the right partners to make it happen.

Here are the indicators of effective performance in this facet:

Shapes the future: reflective, well informed, thinks holistically; spots the patterns and makes the connections with the present. Many of the clues to the future lie in the present and the past. PQ leaders make time to find out what is going on across the globe and to reflect on what it means for their own operations and for humanity. The best leaders understand history and draw on the past to bring context to today's events.

Sets the strategic direction; identifies partners; mobilizes and aligns stakeholders. As soon as an idea forms, leaders start to think about how to turn it into reality. Finding the right partners (just like the right staff) is serious work and determines the success of your project. Aligning strategies with partners and relevant stakeholders enables leaders to increase scale and impact. Finally, building an inclusive relationship with stakeholders so that they feel empowered and able to contribute creates the conditions for alignment and a productive outcome.

Registers changing currents; re-sets delivery to seize opportunities and mitigate risks. A strategy is a map to inform implementation of a future vision. It's not a blueprint of the future. It must be refreshed, changed or adapted as necessary in response to changes in the environment. Disruptions will occur. Addressing them openly and creatively usually improves the original strategy and provides opportunities not previously envisioned.

Balances different ways of thinking. Futurity requires our whole brain to be engaged: the analytic and the innovative, the strategic and the operational, and the emotional and rational. By engaging the whole brain, you approach every issue and decision from multiple perspectives, thereby increasing the odds of focusing on the right things.

Delivers the future: bringing focus and clarity to complex decision making and implementation. Futurity is more than imagining the future. It is equally driven by a passion to get things done — to move towards delivering the future vision with as much speed as possible.

PQ leaders are both visionaries and realists. They create and shape the future, stretching their own imagination and triggering the imagination of others. Seeing the challenges facing society, PQ leaders create the conditions for tackling those problems in their own organizations and in partnership with others.

Power

In a PQ context, power is the ability to build relationships and influence others with the intention of shaping the future towards both profit and a better society. In a shared power world, thoughtful leaders know that, however important their job title, they don't have ultimate power. Power to shape the future is held in many hands.

How PQ leaders interact with others determines how much influence they exercise. PQ leaders encourage modern business leaders to deliver value for shareholders and contribute to wider societal benefits; public policy leaders to interact strategically and inclusively with business to deliver for citizens; and non-profit organizations to harness the power of government and business to deliver effective outcomes.

Here are the indicators of effective performance in this facet:

Find outs where power and influence reside in each stakeholder group; builds and nurtures relevant networks and relationships. In a shared power world, stakeholders are critical to the success of any operation. Understanding this is vital. So is changing the way you interact with them. It's less about managing stakeholder relationships so that you get what you want. It's more about engaging with them to find mutual benefits. Why? Because stakeholders are more powerful, more broadly based and better organized.

Takes opportunities to influence and advances the future vision. PQ leaders focus on the future vision. Recognizing and creating opportunities to influence, they use them to advance towards their future vision. In so doing, they find allies, build support, and influence those with power to make their future vision a reality. In the past, those with huge financial muscle have been able to exert unfettered influence. But things are changing. Corporate reputations have taken a hit. While large companies exercise less influence than before, the influence of the general public is increasing. Most business leaders have yet to work out how to deal with this change in the balance of influence on government.

Acts courageously, takes risks and upholds ethics. Working in a shared power world to secure a future vision is not easy. You face multiple issues: different stakeholder interests, competing visions and mutual dependency. It takes courage and an appetite for risk. But these characteristics must sit within an ethical framework. Ethics shapes how leaders should behave in terms of rights and responsibilities and fairness to society. Strong ethics and values offer a solid basis for attracting others to work with you.

Influences stakeholders by combining charisma and purpose. Charisma combined with a strong purpose is a powerful combination that inspires and influences others. Joseph Nye identified three elements of charisma as vision, confidence and communication skills. Nye then added emotional intelligence to describe an inspirational style of leadership. To be more charismatic, you must describe your future vision and how to make it happen in a way that captures the imagination of others.

Understands complexity and explains it simply and memorably. Communicating regularly and persuasively with the stakeholders is a key part of a PQ leader's role. Persuasive communication that is meaningful and captures the interest and energy of the audience is central to influence. Communicating simply and memorably requires effort and discipline. You need to be clear about what you want to say; then refine it through reworking until it is sharp and lucid. Also, most people want to know the facts, but touching people's emotions increases impact and memorability. A strategic narrative links the future vision and why it matters to all project communication.

Empathy with Purpose

Empathy is the capacity to imagine oneself as another person, emotionally to feel what the other person feels, cognitively to know how the other person sees the world. Empathy with purpose in a shared power world means building strong and trusting relationships with stakeholders who are central to the success of a shared project and using the shared relationship to achieve outcomes that offer mutual and wider benefits.

Empathy with purpose in a PQ context works at four levels. It includes developing empathy in relationship with individuals: the ability to listen, understand and develop a deeper relationship that in the longer term may increase your capacity to influence partners and stakeholders; creating empathy among others by doing things that attract them to connect with your organization or country; building and maintaining empathy amongst those engaged in delivering a shared project as partners or stakeholders; and having empathy with humanity: PQ leaders feel a responsibility to others and want to leave a positive legacy for future generations.

Here are the indicators of effective performance in this facet:

Studies key stakeholders: sees and feels the world from their perspective and does things that they value. PQ leaders have a two-pronged approach to stakeholder management. First, they take a systematic approach to stakeholder identification and means of engagement. Second, and this is what differentiates them, is that they believe it's important and therefore invest time in both emotional and cognitive empathy to understand how other people and organizations see the world and what they want.

Relates to wider society; culturally competent and respectful. Cultures are an expression of beliefs, values and deeply held assumptions that influence the way people, organizations and nations behave. PQ leaders are curious about and understand other cultures — through being well informed, travelling, job assignments, learning foreign languages and customs, and by encouraging diversity in their workplaces. They are fluent at the level of both organizational and international culture.

Builds shared empathy by attracting others through values, behaviors and innovation. People attract other people by expressing their values. Organizations and institutions are attractive when they behave in accordance with accepted values and when they display creativity and innovation. Attraction, in turn, builds empathy.

Inspires passion and commitment from other stakeholders to the shared project. Nothing that ever mattered was easy. The role of the leader is to keep people focused on the shared project, especially when the project is complex and competing interests abound. PQ leaders are committed to delivery and have a strong empathy with the overall mission. It drives them. And it enables them to inspire a similar empathy in others. Common themes that leaders use to create commitment include clarity about the mission, instilling fear and good communication across projects.

Feels empathy with humanity and acts to make the world a better place for future generations. PQ leaders care about the world they live in and the world they will leave behind. They feel personally responsible to work and behave in ways that will create a legacy to "future-proof" the planet. Feeling responsible towards humanity is not the same as traditional corporate and social responsibility (CSR), so often an adjunct to core business. PQ leaders are zealous about improving people's lives and sustaining the planet. It's integral to their work.

Trust

Trust is the foundation of all great relationships and the strongest determinant of their success. Trust binds relationships and enhances reputations. Behaviors that create trust include integrity, transparency, inclusivity, consistency

and reliability, and concern for the best interests of others. Unlike the other PQ facets, trust is binary. People either do or do not trust you; there is no continuum for trust.

So why does trust matter in a PQ context? Leaders working in a shared power context don't have the traditional hierarchical position that gives them sole legitimacy and authority. They operate within a web of relationships, where positional power is not enough. The leaders whom others trust to serve their joint interests achieve more.

Here are the indicators of effective performance in this facet:

Consistently acts with integrity and honesty. Trusted people behave consistently. What they believe, say and do "stacks up." Their values and behaviors are aligned. This strong inner core and sense of purpose is expressed through their behavior. They consistently model their beliefs through their behavior at work and in their personal lives. Through their behavior, they inspire, motivate and win the support and trust of others. They are straight talking, use simple language and communicate clearly.

Operates ethically, inclusively and transparently. In a shared power world, the importance of ethical behavior and transparency increases. Leaders want to partner with people they can trust. Customers and consumers make choices based on reputation. Reputation counts in all sectors and affects how others interact with you. In business, it determines whether consumers buy your product or use your service; whether others, including a sought-after, smart, innovative startup, choose you as a partner.

Values and puts effort into projects and relationships that deliver long-term and societal benefits. This indicator of trust describes the behavior of leaders who choose to put effort into projects that deliver innovative, sustainable and long-term outcomes. Businesses that are struggling to maintain or to build public trust have a powerful incentive to partner with NGOs to deliver long-term societal benefits, as NGOs enjoy public trust. Partnering with them to deliver tangible societal benefits enhances the reputation of the business and the leader with consumers and customers.

Manages competing interests without compromising trust and long-term benefit. In a shared power world, leaders have to find solutions that take account of competing interests. Business leaders look for ways to become more sustainable without pricing themselves out of the market. The leadership challenge is finding a way to meet stakeholders' short-term needs while remaining focused on delivering the long-term vision and doing it in a way that maintains the confidence and trust of society.

Establishes a track record for delivering consistent and reliable results. In a shared power world, people are mutually dependent. They rely on others to deliver what they promise. Reliability depends on capability as well as values. Making sure that you have the necessary competences, skills and resources to deliver what you promised at the agreed level of quality is part of the trust equation.

Versatility

Versatility is about having a broad range of thought and behavior and the self-command to use it intentionally. It's responding swiftly and fully to demanding situations, knowing when to be flexible and subtle and when to be strong and focused.

In a PQ context, leaders are working on complex multidimensional problems in a partnership with a range of stakeholders. Second, they're versatile: whether dealing with crises or anticipating the future; behaviorally moving up and down the scales — between firm and flexible, analytic and empathetic, vision and rigorous implementation. Third, they understand the importance of image, symbolism and behavior; and they make choices based on these criteria. Fourth, and this is an overarching point, they must be masters in PQ, able to use all five facets in harmony.

Here are the indicators of effective performance in this facet:

Changes tack to fit new demands ranging from crisis to evolution. Leaders who are future-focused understand that the environment is continually changing and are ready to move with it. Changes are often gradual and subtle and frequently invisible to those involved. Monitoring tools should be in use to spot patterns and trends indicating change early enough to allow timely evaluation and action. Punctuating these evolutionary changes in the landscape are spikes of crisis that burst on to the scene and demand immediate attention. If mishandled, they too have the potential to derail any project.

Exercises self-command to calibrate responses and pace change to fit the circumstances. PQ leaders are operating in complex environments. Self-command is necessary in order to calibrate responses to get the pitch right and move at a speed that brings others with you. Having the self-command to calibrate our responses appropriately is driven by our own personality and how well we deal with pressure, the quality of our relationships with

key stakeholders, which will determine the level of support we get, and our ability to read the mood of different stakeholders and say what is needed.

Maintains focus and strength of purpose; brings rigor and discipline to measurement of results. Strategies often fail because leaders lose sight of their goals. Leaders know when they set out on a journey what they want to achieve. But as the environment inevitably changes, leaders have to adapt their strategies to fit the new contexts. They must do this without losing focus on their overall vision.

Exudes confidence, at ease and in touch with others' needs. PQ leaders who are confident in their own abilities inspire confidence in others. Common characteristics include courteous but not deferential; say what is necessary with energy, pace and concision, but no rush; avoid self-justification; defend the points that matter; not seeking validation or praise; not knocked off balance by criticism. In addition, PQ leaders all have a powerful presence, but whether their influence comes from business, politics or religion, they know what matters to them, and they're at ease with themselves. This frees them up to be curious, challenging, gracious and remarkably lacking in personal ego.

Recognizes political reality; knows when to push and when to concede; and works with the politics to achieve objectives. There will be times when, however strongly you believe in something or however important it is to your strategic objectives, the timing isn't right, and it's not possible to exercise influence. Public opinion might be too strong or the political imperative too great. Versatile leaders know when to persist and when to concede. It's a delicate judgment. Both require courage and vision.

PART III: HOW TO DEVELOP PQ CAPABILITY

Developing PQ as a Leader

PQ leaders want to make a positive difference to the world. They achieve this through their determination, skill and capacity for learning. They mobilize people from across their networks to see and deliver a better future through shared leadership.

We know that PQ capability comes from the ability to use all five facets in harmony. However, you need a good level of capability for each facet before you can harmonize them.

Developing PQ Capability Across the Five PQ Facets

Futurity: To develop futurity, keep up to date with political and business news — national and international. Use a range of media to get different perspectives. Talk about the news. Raise conversations with colleagues and friends that are far reaching: "What if..." Actively seek out people who work in different organizations. Attend conferences and training programs that have participants from a wide range of backgrounds and sectors. Embed thinking about the future into your business schedule.

Power: Remember that power is fragmented. You need to think broadly about stakeholders. Hold a brainstorming session with colleagues and some stakeholders to work through the stakeholder questions. Think broadly and creatively about how to engage the different groups. In personal terms, watch television and films, noting the most powerful communicators. Borrow some of their techniques, and make them your own. Read books about storytelling and the power of story. Make sure your body language is aligned to your message. Work with a coach, mentor or actor to explore and develop your personal impact.

Empathy with purpose: Think about other people, their situation, their wants and dreams. Be generous with your time; get to know people; actively listen; observe and ask probing questions. Think about those with whom you have empathy. How did you develop that empathy? What could you be doing more or less of to achieve empathy with others?

Trust: PQ leaders are trusted because they are clear about who they are and what they stand for. To elicit your leadership brand, ask yourself, "What are people saying about you? How do they describe you? How would you like to be perceived? Is your brand a clear manifestation of what you stand for? Does your behavior make it easy for people to work out your brand? Are you and your brand aligned? Can you be trusted to deliver this brand consistently?"

Versatility: PQ leaders can flex both analytically and behaviorally in pursuit of their goals. What scanning and monitoring systems do you have in place? How robust are they? How do you ensure that you are innovative and ahead of the trend? Think of leaders you know who remain consistent in their beliefs and yet can seamlessly shift their style to engage a wide range of people. Observe them closely, and try to integrate some of their behaviors into your own leadership style. Seek feedback to understand how you might improve your performance.

Developing PQ in Your Organization

PQ is a good-news story. It offers an opportunity to motivate and inspire employees and to re-energize collaborative efforts. As you work with your colleagues to interpret and apply it in your organization, make the most of the opportunity it offers to reinvigorate the way people feel and think about their work.

PQ Skills Audit

A first step to understanding the existing levels of PQ capacity in your organization is to conduct a skills audit. The aim is to find out which roles need PQ, the skill level of the people in those roles and their development needs. The first job is to assess PQ relevance to each role. This involves considering each role against defined criteria and making a judgment about whether PQ has high, medium or low relevance to successful completion of the role.

For example, for each function, such as the CEO, executive board, heads of departments, team leaders and so forth, evaluate how relevant PQ is to the role. Once you know which roles have high or medium PQ relevance, it's the role of senior line managers to review the performance of individuals in those roles and assess their skill level based on their track record. Once there is agreement on the data, the next stage is to decide how to develop the individuals concerned.

Integrating PQ with Other HR Systems

One way of developing PQ in organizations is to integrate it with HR systems. PQ is the basis for explaining to everyone "how" they should do their job — not the processes but the values and behaviors.

We recommend that five aspects of learning and development are reviewed as part of the implementation of PQ:

Formal training programs: Review your formal training offer to align it with the PQ facets and indicators. The level of redesign will be dictated by how important PQ is to the role. Inviting speakers with PQ skills from other sectors to contribute to your leadership programs will give participants a broader view of how PQ is applied in different spheres.

Online learning: Online learning is also a good tool for awareness raising and for providing information to teams. PQ should feature in induction packages and other tailored, online courses. Using the intranet to feature news of cross-sector partnerships gives employees a feel for the innovative and valuable work going on across the organization.

Coaching: Individuals in roles with a high or medium PQ relevance and who are too senior to attend a generic leadership program are most likely to respond best to tailored PQ coaching. Coaches should understand PQ both in terms of the context and how to apply it.

Mentoring: Mentors should be senior leaders who have demonstrated PQ leadership and are able to share their experiences with individuals developing their own PQ. Running facilitated sessions with these mentors to share ideas, experience and learning with each other will prepare them better for supporting their individual mentees.

Assignments/secondments: Some individuals will show potential for PQ through their attitudes and behaviours but may lack experience of leading or working on complex projects or of working across cultures. Those with potential to be senior leaders should be directed to specific assignments to enable them to develop their PQ skills and experiences. Others may have strong credentials in visionary thinking, focus, rigor and getting things done, but lack sufficient empathy to build trusting relationships. Working on secondment with a cross-sector partner offers another way to understand their issues from "the inside out."

We believe the future needs more leaders who understand that integral to their leadership role is helping their community and society to solve their biggest challenges. Society craves leaders who create and shape a better future. Shaping that future when power is shared relies on empathy with both individuals and humanity, building strong and trusted relationships, the courage and conviction to do what is necessary while persuading others to join in, and telling a story that helps everyone understand the balance between the needs of society and business, the global community and nation states, the future and the present.

RECOMMENDED READING LIST

If you liked *Leadership PQ*, you'll also like:

1. ***Primal Leadership*** **by Daniel Goleman, Richard Boyatzis, Annie McKee.** The authors describe what executives must do to become emotionally intelligent leaders and build emotionally intelligent organizations.

2. ***Ecological Intelligence*** **by Daniel Goleman.** Reveals the hidden environmental consequences of what we make and buy, and how we can drive the essential changes we all must make to save our planet.

3. ***Success Intelligence*** **by Robert Holden, Ph.D.** Success Intelligence examines how to enjoy real, soulful success while living in a manic, busy and hyped-up world. Dr. Holden describes his unique coaching program.

· Book 35 of 388 ·

35-30 What Keeps Leaders Up At Night

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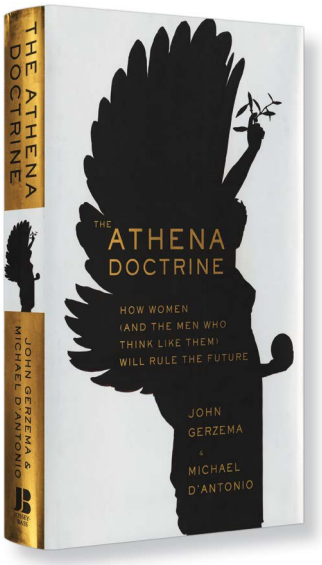
Leadership

The Athena Doctrine

How Women (and the Men Who Think Like Them) Will Rule the Future



by John Gerzema and Michael D'Antonio

THE SUMMARY IN BRIEF

John Gerzema and Michael D'Antonio traveled the world to uncover stories of women and men who lead innovative organizations with the skills and values commonly associated with women. By emphasizing cooperation, communication and sharing, these pioneers succeed in a super-connected world. In *The Athena Doctrine*, the authors show why femininity is the operating system of 21st century prosperity.

Among 64,000 people surveyed in 13 nations, two-thirds said the world would be a better place if men thought more like women. Values traditionally associated with women create more effective leaders and organizational strategies in today's society; traits associated with women — flexibility, empathy and honesty — underpin career mobility and personal fulfillment; and feminine traits help us adapt seamlessly and effectively to today's changes.

Brought to life through fresh stories from around the world and backed by rigorous data, *The Athena Doctrine* shows how feminine values are ascending. By nurturing, listening and collaborating, men and women alike are resolving conflicts, finding profits and redefining success in every realm. Rich with implications for leadership, change management and even career management, these stories will inspire you to find the same success.

IN THIS SUMMARY, YOU WILL LEARN:

- Why women inspire more trust in consumers, coworkers and investors.
- Why "feminine" kindness and collaboration have become essential values.
- How the revision to Iceland's constitution typifies the Athena Doctrine.
- Why Athena-style values are being adopted all around the world.

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THE COMPLETE SUMMARY: **THE ATHENA DOCTRINE**

by John Gerzema and Michael D'Antonio

The authors: A bestselling author, speaker and consultant, John Gerzema is a pioneer in using data to identify social change and help companies adapt to new trends and demands. He wrote *The Brand Bubble* and coauthored *Spend Shift*. Michael D'Antonio is the author and coauthor of many books, including *Spend Shift*. While at *Newsday*, he won the Alicia Patterson fellowship and was a member of a team of journalists who won the Pulitzer Prize.

The Athena Doctrine by John Gerzema and Michael D'Antonio. Copyright © 2013 by Young & Rubicam Brands. Summarized by permission of the publisher Jossey-Bass, a Wiley Imprint. 298 pages, $27.95, ISBN: 978-1-118-45295-0.

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For additional information on the authors, go to www.summary.com or visit www.athenadoctrine.com.

Introduction: The Athena Doctrine

Although women still haven't achieved parity, their steady progress points to the value of feminine traits in the modern economy. Patience, sensitivity, and the ability to understand others are extremely valuable traits in a fast-paced and interconnected world. In our surveys, 78 percent of people said that, "today's times require we be more kind and empathetic"; another 79 percent affirmed that, "a successful career today requires collaborating and sharing credit with others." These numbers affirm that "feminine" kindness and collaboration are essential values in the workplace as well as in the larger society.

Boiled down to a manageable number, the keys to success, as our 64,000 respondents saw it, were

- **Connectedness:** an ability to form and maintain human networks.
- **Humility:** an approach to life that allows for listening, learning from others and sharing credit.
- **Candor:** a willingness to speak openly and honestly.
- **Patience:** a recognition that some solutions emerge slowly.
- **Empathy:** a sensitivity to others that promotes understanding.
- **Trustworthiness:** a track record and strength of character that inspire confidence.
- **Openness:** being receptive to all people and concepts.
- **Flexibility:** the ability to change and adapt when circumstances require.
- **Vulnerability:** the courage to be human and make mistakes.
- **Balance:** a well-rounded sense of purpose.

Gathered together, the qualities most favored in our study resembled the character of the Greek goddess Athena. Venerated for her intelligence, skill, civilizing influence and fairness, Athena was a goddess of industry, arts and crafts. It is Athena who gave the Greeks the olive tree, which sustained their economy and culture. When conflicts arose, she responded with clever strategy and wise tactics, whereas her brother Ares acted in violence.

If Athena is the personification of the qualities that suit our times, then the ideals she represents can be considered a kind of doctrine, guiding us toward effective leadership and success in our work, our communities and our personal lives. Mainly feminine in a traditional sense, the Athena model is nevertheless available and essential for men who hope to thrive in an era of constant change.

What follows are insights garnered from our global survey and the stories of people all over the world who struggle with economic adversity, rapidly changing technology and stubborn social problems. Their Athena-style values didn't guarantee any of them eventual success. But the sincerity, energy, curiosity and creativity they brought to bear in the pursuit of sustainable solutions were extremely inspiring and gave us reason to hope that successful, inclusive and humane initiatives will emerge from the current state of crisis.

Great Britain

In 2011, no social development was more significant than the rise of the "Occupy" protest movement, which was a loosely organized effort that allowed people to

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Amanda Langen**, Graphic Designer; **S. Dayton**, Contributing Editor

express their thoughts and feelings in a time of great uncertainty. In London, the Occupy activists built tent cities and intended to focus public attention on their opposition to bailouts for banks and cuts to government spending on education and social programs.

With politicians failing to deliver progress, and austerity making daily life tougher, ordinary citizens became impatient and then angry. But while they forcefully declared the current system "unsustainable," the London protesters did not offer a considered second step toward reform or improvements in "the system." With no further outlet for the energy of the movement, it became mainly a matter of outcry rather than action.

However, at scattered locations around the city, inspired individuals and groups were quietly working on their own alternatives. Although we happened to arrive just in time for the noisy protest, we had come to London to meet a number of revolutionaries who were both quieter and more deliberate. Here we would find women and men who were practicing business, community activism and crafts with a true Athena spirit. In every case, they stressed the power of connection — to individual customers, colleagues and communities — to multiply the effect of their efforts and produce innovative solutions to common problems.

Traditional pathways to work and security were disappearing and it was easy to feel unsteady. Unless you were blazing a new path.

WhipCar

Tom Wright and Vinay Gupta were in fact acting as pioneers of the new economy, turning an idea into an asset. Their small company, WhipCar, allowed anyone with a safe and reliable automobile to rent it by the hour, day or week to a neighbor who needed one. The car and the transaction would be secured by WhipCar and its insurers. The service would take a small slice of the transaction but charge no membership fees.

When we caught up with the founders of WhipCar, they were adding more than 100 vehicles to their listings every day, and each week saw an uptick in the number of rentals they had facilitated. Soon to exceed 15,000 vehicles, the fleet of cars available through WhipCar was worth in excess of $20 million and would rank the service among the largest rental outfits in the market. This resource was marshaled not with a bank loan or stock offering but on the basis of a simple but courageous idea: people are essentially honest.

As it turned out, drivers who actually met the individuals who owned the cars they rented drove more carefully than Vinay or Tom expected. "We think that the human element actually reduced risk," noted Tom. With WhipCar, "you are in someone's car. It's not a faceless car owned by some corporation. Everyone is acutely aware that they have to bring the car back to someone who owns it ... This is a human marketplace, and that human aspect brings out the best in the people."

Most of the innovators we met in Britain had established new business models that engaged consumers and citizens directly and made things better, one person at a time. But these kinds of direct efforts were not the only signs of innovation we discovered. Though no longer the seat of an empire, London remains a place where people with a broad vision for changing the world cultivate new ideas.

Iceland

We visited Iceland in early 2012 to see what happens when an entire country must respond to a profound economic crisis caused by a serious lapse in social values, precipitated by excessive financial risk-taking.

The craziness culminated with the collapse of the banks in October 2008. As the government authorities took them over, the krona became worthless abroad, and prices for imports — and almost everything except for fish must be imported — skyrocketed.

The Pots-and-Pans Revolution

Called the Pots-and-Pans Revolution, public protests grew to the point where the government finally resigned. It was replaced by a new coalition, including the country's first female prime minister, Johanna Sigurdardottir. Johanna promised to act with "prudence and responsibility."

Iceland's new government dealt with the financial crisis with swift measures that were the opposite of the austerity impulse that swept Europe. Spending on social programs was increased to ease the suffering of families, and the krona was devalued. The devaluation made imports so expensive that the local people focused their spending on domestically produced goods. It also made Iceland's fish available to the world at bargain basement prices, which led to increased production and employment.

As Iceland's new leaders moved to deal with the immediate crisis, they also looked for ways to revive the balanced values that had made the country stable in the past. The vehicle for restoring the country would be a new constitution. In a remarkable display of egalitarianism, the government sent invitations at random to 1,000

citizens who were asked to join a constitutional forum. Streamed continuously on the Internet, the forum settled on eight themes, ranging from democracy to transparency and the separation of powers, that should dominate the new constitution.

Considered in the context of our global survey, the ambitions of the constitution, including harmony, security and happiness for today's citizens and future generations, are traditionally feminine. In writer Orn Barour Jonsson's view, they are also classically Icelandic, because they tie together the practical and the spiritual while honoring both humanity and the power of nature.

Just three generations ago, most Icelanders depended on the land and the sea for their survival. "We lived because the Earth gave up something for us," he said. "A sheep or a fish gives its life so we can survive. Nature is the basis."

After the fall, people across Iceland looked for ways to feel good about themselves and their country while they nursed both anger and a feeling of innocence lost.

"All of this doesn't have to end badly," said Sandra Hrafnildur, a college graduate who has been unable to find work in her field and who admits she feels "a little bit angry" at the executives and politicians who knocked Iceland off its slow but gentle path toward prosperity and made prospects so tough for her generation. "Most of our problems come from not understanding who we are and what we are doing. Now more voices are being heard, and I think more people are being understood. We're becoming ourselves again."

Israel

Isolated in a region where many of its neighbors are avowed enemies and recent battlefield opponents, Israel faces more external threats than any small country on Earth. With a population of roughly eight million, Israel can't afford to exclude anyone from the work of building and preserving the nation.

Like Israeli men, Israeli women have always been subject to conscription — today, even combat roles are open to them.

According to the Israeli cliche, raw power elicits respect, and anything softer invites defeat. But a counternarrative, one that elevates community, cooperation, emotion and creativity, has always been a part of the national story too. When older, native-born "sabras" talk about the nation's founding and early decades, they invariably speak of the shared sacrifice and cooperation that were essential to survival. These traditionally feminine responses to a profound challenge are as much a part of the Israeli character as physical courage and mental toughness.

In a country of sharp elbows, it takes a special blend of toughness and commitment — to one's home, one's neighbors and one's ideals — to speak truth to power. As a host of a TV news show called Uvda (Truth), Ilana Dayan may be the most outspoken journalist in her country's mainstream media. A military veteran with a law degree, Dayan has endured repeated lawsuits for her reports on corruption and crime.

Dayan told us that she had recently begun to approach her subjects with more empathy and patience. By acknowledging the feelings and needs of the people she interviews, she wins their trust and cooperation. In the end, the product of her work is improved by the person-to-person bonds she forms with even the most challenging people. Dayan sees her growth into this way of working as an example of change in the larger society. She sees Israel as becoming a kinder place, more cooperative and receptive to different styles of work and leadership.

She says, "One of the most important changes is the ascent of women to real power. Right now women are the leaders of three Israeli political parties." Dayan also counts women in finance, the military and business as major influences, leavening the old, macho military way.

Israel cannot afford to leave the strengths of women on the sidelines as it develops into a mature country, and, as Israel's President Shimon Peres insisted, the world cannot thrive by neglecting the feminine half of human nature.

Japan

One scientist who measured the force of the 2011 Sendai earthquake reported that it was so strong that it literally made the Earth move. The tsunami caused as the quake buckled the seabed reached a height of 30 feet and raced toward the main island of the Japanese archipelago with the speed of a jet airplane. The zone of devastation stretched for more than 150 miles along Honshu's coastline. The press revealed that radiation was leaking from nuclear power reactors at Fukushima. Three reactors had melted down, and hydrogen explosions had blown holes in containment buildings.

The grief suffered by individuals and the nation as a whole filled the world press but was quickly joined by images of outrage, empathy and action.

Remarkable as they were, the protests paled in comparison with the spontaneous efforts made by Japanese citizens who noted their government's failure and acted on their own. This was the phenomenon we visited Japan to explore. To us, the citizens who sprang into action represented the Athena value of personal responsibility.

Roomdonor.jp

Within a week of the earthquake, a Keio University sophomore name Kohei Fukuzaki had launched the website Roomdonor.jp to match displaced individuals and families with those who volunteered vacant houses, apartments and rooms. In two weeks, Fukuzaki recruited 2,000 spaces and placed hundreds of homeless in free accommodations. Everyday citizens like Kohei became leaders who took moral responsibility for dealing with the crisis.

When we pressed Kohei to consider the cultural and historical import of his effort, he said he saw it in the context of Japan's continuing adjustment to an era of limited economic opportunity and overstressed government services. "Japanese people had become very quick to criticize," he observed, noting the impatience people expressed over the faltering official response to the disasters. The lesson he took away from 3/11 points to a revival of individual responsibility and a one-to-one, personal response to serious social problems.

In Kohei's view, massive corporations and government agencies came to dominate society during Japan's great boom period. While they provided financial security that was practically cradle to grave, "neighborliness disappeared." The generation born and raised in the so-called Lost Decades — Kohei's generation — didn't know this time of plenty mixed with dependency. (The Lost Decades refer to Japan's long period of low or no economic growth, beginning in 1991.) When 3/11 came, they responded with "an old Japanese spirit people used to show whenever there was a fire or some other emergency. They helped each other directly. I think social media triggered a memory of the old, traditional Japanese personality," said Kohei with a smile. "We returned to a persona that is truly Japanese."

Japan may indeed be a window into the future of many developed markets: aging population, slow growth, new pathways to happiness. The young people of Japan — without any context for the excess and materialism of the 1980s — are building business models based on valuing values. They care less about affluence and more about influence.

Columbia and Peru

From the late 1970s into the early 1990s, the Medellin drug cartel, ruled by the notorious Carlos Escobar, used murder and intimidation to control a cocaine trade that did millions of dollars in business per day. At the peak of the drug trade, Medellin's murder rate reached more than 20 per day in a city of less than two million.

Escobar's death heralded a steep decline for the cartel and an opening for the people of Medellin to remake their city. Already a university city and home of the widely acclaimed artist Fernando Botero, Medellin had always been a cultural and commercial hub, and these sectors came back quickly. But city development officials recognized that a culture of crime and violence festered in the poor, overcrowded slum neighborhoods that sprouted on Medellin's hillsides.

Metrocable

Officials recognized that because of difficult terrain, these neighborhoods were isolated — people had to walk long distances to reach business districts. To knit Medellin's neighborhoods together, officials designed and built a system of cables and gondolas that, like the lifts at fancy ski resorts, would carry people up and down the hillsides in style.

The first line of the Metrocable, promoted with a code of behavior called Metrocable Culture, opened in 2004. The gleaming stations and cars became a source of civic pride, and hours-long commutes were reduced to minutes.

The metro culture imbues citizens with a sense of ownership and personal investment; from the beginning, neighborhoods were part of the planning the system, helping to choose sites for the stations as well as helping to make improvements around those areas.

The widely publicized efforts made to include all citizens in the life of Medellin and to foster peace and unity put the city on our itinerary as we searched the world for stories that showed the Athena Doctrine at work. Here, some very brave men and women have responded to violence and chaos by opening their arms to bring people close. Similar stories were unfolding elsewhere in Latin America as innovators sought to deal with long-term social, economic and political problems.

Do-It-Yourself Efforts

In neighboring Peru — where through most of history, everyday people have struggled with high levels of poverty and limited public resources. Inequality remains a stubborn problem, but the country's economic conditions

have improved more in the past decade than any nation on the continent.

Compared with Colombia, Peru seems to have advanced on the strength of do-it-yourself efforts that have succeeded despite its grave political problems. Three successful elections seem to have stabilized politics enough to motivate entrepreneurs and individuals to remake the country and its image. Emphasizing local culture, especially its food and food products, they have sparked a kind of renaissance, stimulating pride among Peruvians and worldwide interest in the country's blend of Pacific, indigenous and European influences.

Visitors to Lima rarely leave the upscale Miraflores district; when they do, they quickly discover a city where huge numbers of people live in shantytowns where security, utilities and money are in very short supply. For the poor, basic services remain the key to survival; and in Lima's busy streets, no one has done more to help them than the women's police unit founded by activist Silvia Loli.

Certain that police services would improve if women were welcomed onto the force, Loli began pressing for them to be recruited. The idea gained some traction when public anger over corruption in the transit police reached a boiling point.

With a sense of wonder at what has changed in her country, Loli told us about the progress made in public safety. Data gleaned from police units that included women led to the development of offices for women inside police stations. Although men, women and children benefit from the police reforms and new laws, the energy behind the changes came almost entirely from women.

Kenya

Small-scale agriculture is the beating heart of Kenya's economy, sustaining more than half its people. National leaders in Nairobi may anticipate growth spurred by a more stable democracy, but in the countryside, people are more focused on rainfall and soil conditions. And it is in the realm of these very basic concerns that Athena-style trust and cooperation, enabled by technology, are making a big difference in everyday life.

Rose Goslinga

Eager to do something to combat poverty in the country, Rose Goslinga first focused her attention on the fact that many farmers held back on planting costly seeds or cultivating all their acreage. With a little more research, she discovered that many of these small-scale farmers were reluctant to risk bigger investments in seed and fertilizer because a drought or a flood could wipe out their crops. If she could figure out a way to limit their risk with insurance, just as big agricultural firms do in the developed world, they might make the moves required to get more out of their land.

Rose turned to inexpensive, automated weather stations that could measure wind, rainfall and temperatures. One station might cover hundreds of farms. With a network of stations reporting by wireless telephone, great swaths of the country could be observed. Analysts, equipped with the right computer program, could take the readings from the stations and determine when farmers enjoyed the conditions to thrive and when their crops would suffer. In bad times, farmers wouldn't even have to make an insurance claim. They would be paid automatically and have the money to try again.

Today, farmers across Kenya make insurance a routine part of their seasonal planning. The repeat business has allowed the service to become self-sustaining, which was one of Rose's primary objectives. She said she wouldn't have been interested in a charitable enterprise that subsidized an outcome that wouldn't be possible otherwise. "The idea is we've got to run it as a business," she noted. A farmer's willingness to pay indicates that "it has value." The value is also evident to farmers who can try new crops and techniques and expand production. This kind of development is essential, as small farms cannot sustain ever-growing numbers of people.

In Kenya's domestic economy, technologies, policies and relationships that build trust form the foundation of hope and well-being.

India

For all its progress, India remains an extremely poor country where 70 percent of the people live in rural isolation. India's future depends not so much on software engineers and industrial moguls as it does on the rural poor becoming middle-class workers and consumers who enjoy the kind of life promised by independence and democracy.

Nowhere is the promise and peril in India more evident than it is in Gujarat, where we traveled to discover stories of innovators practicing openness — to other people and new ideas — in the pursuit of progress.

DBS Communities

The founders of the development company DBS Communities were inspired by the book, *The Fortune at the Bot-*

tom of the Pyramid written by the late C.K.Prahalad. The book argues that huge opportunities for profit, and social good, await those who tap into the multibillion-person market represented by those who live on less than $2.50 a day. Goods and services priced to serve these customers will find almost limitless demand. Prahalad also offers a strong argument for businesspeople to consider PPP — purchasing power parity — to gauge a market's opportunities. PPP takes into account huge variations in the cost of basics like land, transportation, raw material and labor.

DBS did the same thing as they considered building affordable housing in Gujarat, where construction workers earn modest wages, and materials such as cement cost less than they do in industrialized countries. Powered by these cost savings, DBS launched two housing developments in the city of Ahmedabad and one in the coastal city of Surat. Equipped with modern kitchens and baths, they will be priced between about $8,000 and $20,000.

The Indian market is filled with potential buyers who rent substandard and even slum housing but could afford to buy low-priced condominium-style homes. However, many of these people don't have bank accounts and have never taken out loans or credit cards that would establish a credit record. To overcome this problem, DBS approached nonprofit agencies that could help buyers gather documents for mortgage applications and put their finances in order. These agencies also counsel buyers on setting household budgets. "We understand the customers much better," explained Rajendra Joshi, who founded a nonprofit development agency called Saath, which formed an alliance with DBS.

After consulting with groups of potential buyers, the partners determined that buyers who made $150 to $200 per month could afford new apartments ranging from 200 to 400 square feet. Economies of scale could be achieved by constructing hundreds of units at sites near existing slums, creating new communities that would represent a higher standard of living for people who had achieved a certain level of financial stability.

The DBS-Saath plan depends on pride of place and homeownership to create upward momentum for the poor and the development of a strong middle class in India. Success depends on the fact that real incentives are driving everyone toward the same end point: an India in which more people can raise themselves up.

China

After 25 years of economic boom, the Chinese definition of success has begun to shift. In addition to the pursuit of wealth and status, people with drive and ambition want to feel fulfilled and that they are creating a better way of life. As experts have noted, the people of China seem to be yearning for a kind of spiritual fulfillment, which might be expressed in connection and service to others, or perhaps in the restoration of pre-Communist values. They seek to do this mainly through individual initiative and not through political organizing.

A first-generation Chinese American, Calvin Chin immigrated to Shanghai in 2004. He joined a startup called Semiconductor Manufacturing International Corporation (SMIC), which had grown rapidly thanks to partnerships with city governments eager for job-creating industry.

Taking what he learned and what he earned with SMIC, Calvin cofounded an organization called Qifang, which pools small investments to provide tuition loans to college students. In a matter of months, Qifang arranged for 2500 students to get financing at interest rates that varied according to the student's credit worthiness. Not one borrower fell behind on his or her payment schedule, and Qifang attracted worldwide attention for its success. His next initiative, called Transist, provides technical assistance and financing up to $1 million for startups that seek both "profit and purpose." Transist has already put money into four promising companies.

"Thirty or 40 years ago, the government filled the space for values," he noted. Today Chinese people can set their moral, social and commercial priorities. That change is expressed in the development of socially conscious businesses and, for the first time in Chinese history, the rise of philanthropy and private service organizations.

Sweden, Germany and Belgium

In Stockholm, Brussels and Berlin, we discovered how a long tradition of civic action inspires people to the heights of Athena-style innovation.

It is in the Swedish nature of things to simply open up conversations and include as many voices as possible. And everyone in the country seems to have a growing interest in both self-expression and discovering the perspectives of their neighbors. When we asked Maria Ziv, marketing chief for VisitSweden, about this phenomenon, she said she believes that Swedes and visitors to their country hunger for direct connection, whether it means sharing a week, a day or an hour with each other. Tour buses are out. Welcoming visitors to your home is in. "We've got this hunger to learn about others."

Friendsurance

Headquartered within sight of a remnant of the Berlin Wall, Friendsurance is based on an ingenious scheme that promises to make its customers safer, healthier and happier while saving them money. It accomplishes these goals by letting people form their own buying groups for basic insurance products.

Tim Kunde, the young innovator behind Friendsurance, is like other European entrepreneurs who strive for a combination of social and financial rewards. His breakthrough idea involved harnessing the power of friendship to save people money and make their lives less susceptible to losses.

"People pay the same insurance premiums at the start of the year, and then we give them a payback at the end of the year," explained Tim when we met. The refunds, which can total as much as 50 percent, are based on the number of claims against the insurance made by your network of friends.

Friendsurance adds accountability to the insurance process by linking premiums and rebates to one's network of friends and acquaintances. Once the deal is made, friends naturally feel a moral duty to behave well, and this feeling is reinforced by peer pressure.

Well-knit groups that function in an open and cooperative way can represent Athena values even when they engage in a pursuit as mundane as insurance.

Bhutan

For generations, Bhutanese kings have permitted only the most gradual modernization of the country. With the introduction of each new technology and social concept, including democracy, officials have painstakingly weighed the benefits against complex ancient values. They do not assume that "newer" equals "better" or that "modern" is the same as "advanced."

The overriding principle of the national religion stresses personal enlightenment for the benefit of a universe full of interconnected souls. In this view, individual achievement is encouraged, especially if it produces a benefit for all of creation.

The local culture also promotes a remarkable level of mutual respect. Historically, Bhutanese men and women have known substantial equality in marriage, community affairs and commerce. Indeed, the feminine spirit is highly regarded in Tibetan Buddhism, and property in Bhutan is passed from mother to daughter.

In Bhutan, we found that officials were concerned about improving economic conditions and reducing poverty. Tourism and hydroelectric exports to neighboring India have brought revenues into the country, and some of this money has gone toward raising the standard of living. But as material conditions improve, officials seek matching gains in the physical, emotional and spiritual wellbeing of the population.

In most global reports on economic activity, Bhutan ranks in the bottom third, sometimes the bottom quarter. Bhutanese people, however, don't seem to regard themselves as suffering or deprived. People in Bhutan feel content if their health, relationships, spiritual lives and families are all in good shape. Officials in Bhutan have identified three general uses for time — work, rest and leisure — and set the ideal for a happy life at one-third for each purpose. Surveys show that Bhutan is very close to that ideal.

Conclusion: The Age of Athena

Wise, courageous, humane and cooperative, Athena represents the best in all of us. Athena businesses make profits while creating lasting and mutually beneficial relationships with customers and communities. Athena governments serve all constituencies. Athena nonprofits find self-sustaining ways to do good.

Fortunately for all of us, the young adults who will determine the wellbeing of future societies seem poised to live up to the Athena Doctrine. Among our respondents, these young adults were less rigid in their definitions of masculine and feminine and more likely to appreciate the full range of human strengths and talents. We believe that this starting point makes them more resilient, more willing to experiment, and more open to unconventional ideas.

It's enough to give anyone hope for the future.

RECOMMENDED READING LIST

If you liked *The Athena Doctrine*, you'll also like:

1. ***Work With Me*** **by Barbara Annis, John Gray**. Annis, a world-renowned expert on gender issues in the workplace, and Gray, author of Men Are from Mars, Women Are from Venus, identify eight gender blind spots that create tension between the sexes.

2. ***Beating the Global Odds*** **by Paul A. Laudicina**. Laudicina shows you how to cut through the clutter and regain your focus as you confront the challenges of the future.

3. ***Leadership and the Sexes*** **by Michael Gurian, Barbara Annis.** Gurian and Annis explain how to use scientific gender intelligence in business.

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35-30 What Keeps Leaders Up At Night

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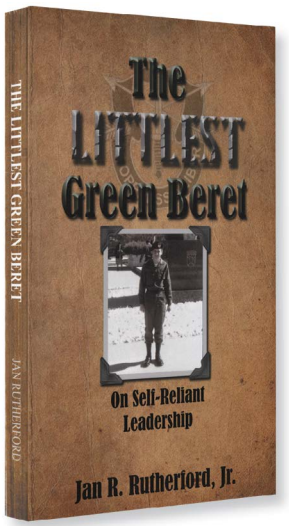

The Littlest Green Beret

On Self-Reliant Leadership

by Jan R. Rutherford, Jr.

THE SUMMARY IN BRIEF

Leadership, like life, presents us with numerous challenges. Some of the challenges are external while many of the obstacles are internal. Becoming a self-reliant leader is about embracing all challenges, and doing more than you ever thought possible.

No one has the "formula" for optimal leadership. There is no set of traits, or a perfect template. What we all have, however, is the opportunity every day to develop self-awareness, selflessness, and self-reliance, which are at the heart of effective leadership, says Jan Rutherford. Overcoming the stigma of whatever limitation one may have, is part of the self-reliant aspect Rutherford talks about. Setbacks and even failures are valuable learning and growth experiences provided one uses solitude for introspection. How to learn from the everyday crisis is the crux of leadership development, according to Rutherford.

Rutherford provides a pathway for leadership growth that is exemplary and positive, inspiring and trustworthy, and influential and impactful.

The Littlest Green Beret provides guidance that will help you develop a pathway to learn from your own experiences and build effective leadership skills.

IN THIS SUMMARY, YOU WILL LEARN:

- What is self-reliant leadership?
- How do crucibles, adaptability and discipline help form someone as a leader?
- How does an effective leader navigate change and dysfunction?

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THE COMPLETE SUMMARY: **THE LITTLEST GREEN BERET**

by Jan R. Rutherford, Jr.

The author: Jan Rutherford entered the U.S. Army at age 17, measuring five feet four inches, and weighing 114 pounds. He spent six years in Special Forces as a medic and "A" team executive officer and three years as a military intelligence officer. Since then, Rutherford has acquired over 25 years of business experience and has held executive roles in business development, marketing, sales, training, product management, and as a CEO. In 2011, Rutherford founded Self-Reliant Leadership, LLC – a leadership development firm focused on helping leaders and teams develop self-reliance to create powerful results through executive workshops, custom programs, coaching, keynote speeches, and wilderness expeditions. As a Senior Instructor at the University of Colorado Denver Business School for over a decade, Jan teaches leadership courses to MBA students and Doctor of Nursing Practice candidates, and a class each summer in Ireland." *The Littlest Green Beret: On Self-Reliant Leadership* by Jan R. Rutherford, Jr. Copyright © 2011 by Jan R. Rutherford, Jr. Summarized by permission of the author. Published by Pylon Publishing LLC. 163 pages. ISBN 978-0-9829676-8-3. Summary Copyright © 2015 by Soundview Executive Book Summaries®.

Introduction

Leadership can be an illusion of control, but changing your perspective on everyday experiences can provide inspirational learning opportunities for personal growth and development. Self-Reliant Leadership is synonymous with knowing which questions to ask yourself and having the courage to answer them and act.

What questions should you routinely ask yourself? On a daily basis, what steps should you take to find personal success in your life's work? A key determinant of success is whether you can rely on yourself for self-coaching. However, self-reliant leadership is dependent on achieving a balance between independence and the interdependence of working with others to accelerate your own personal growth and development.

Self-reliance and Leadership may seem to be contradictory notions, but there are three mutually supporting concepts.

Self-Awareness: Leadership requires Self-Awareness. Leaders understand their strengths and shortcomings and how those traits affect their ability to create willing followers.

Selflessness: The second is Selflessness. A leader needs to have a steadfast passion for serving others, and that requires putting others first.

Self-Reliance: Lastly, Self-Reliance is essential because leading means being out front, and there are more naysayers than supporters, when trailblazing. Self-Reliant Leaders believe in leading by example to develop followers who have initiative, persistence and determination.

Self-awareness, Selflessness and Self-Reliance are the three character traits that are the lifelong pursuit of effective and outstanding leaders.

Self-Reliance

It's fascinating to study why some lead and some follow.

It takes the same self-reliance to survive in the brush as it does to survive in a position of leadership. A person needs the same ability to take risks if he or she is jumping out of a plane or taking an organization in a radical new direction.

To become a leader who inspires others to greatness (or at least to do their best), you need to turn yourself into a "living laboratory." Everyone is molded by his or her experiences — including and especially by his or her mistakes. Great leaders learn the lessons from their experiences faster than other people.

You may have heard the suggestion that you should "dress" for the position you want. You should start your career in leadership by thinking like a leader, no matter what your position.

Even under the best circumstances, your current trajectory will require periodic adjustments. During land navigation training in the Army, for example, you learn that even the tiniest error with a compass becomes more significant the farther you travel. You learn to focus on a point that you can see, such as a large knot on a tree, and make sure you have the correct heading to that particular point. You then do the same thing over again

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Rebecca S. Clement, Publisher; **Sarah Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Amanda Langen**, Graphic Designer; **Beth Van Woert,** Contributing Editor

once you get to each marker. A five-mile trip through the underbrush might really be 20 short trips with constant course corrections.

This same principle applies to your own leadership development: Your journey will include many measurements with plenty of course corrections that sometimes involve going back a few steps to ensure the path is correct.

You must constantly adapt and change — constantly change — not because of outside demands but because your internal laboratory will be telling you, "This doesn't work," or "This works much better" and "This is the way a great leader would act."

Experience is the best teacher. Seventy percent of success is really about showing up, and that idea encompasses whole worlds of thought. You show up and bring your body and your mind and your spirit. To spend your time in the right place, you will need to sacrifice something. That shouldn't be a scary word. Sometimes you have to forego immediate gratification for later gain. You must stay focused, and to do that you need unwavering discipline to persevere. Embrace obstacles and adversity, as they can serve as a source of strength and personal growth.

Leverage your time, and enhance your powers of observation to gain insights that accelerate your own personal growth and development. Think like a descriptive writer. Observe everything and make mental notes: Connect the dots, see complementary and opposing forces, make correlations and draw conclusions (even if you're wrong, you'll learn from it!). Make new behaviors a habit that will strengthen your character to make a difference in the lives of others.

But first, you have to know yourself.

- What was the earliest adversity you faced, and how has it affected your life?
- Who are the leaders you admire, and what are the traits that make them effective?
- What does self-reliance mean to you?

Crucibles

Effective leaders are known for having an inquisitive mind and an insatiable appetite for learning about what makes people tick. A crucible provides the opportunity to reflect on what you see, hear and process — especially during the tests of adversity.

One day, while sitting on the edge of the school's track during lunch, a bunch of kids grabbed me from behind, picked me up and threw me in the cafeteria's dumpster. Instead of being covered with food, I was covered in pencil shavings and had some pencil lead poked under the skin on my arms and hands. I was humiliated, and I was mostly frustrated that I had no control over the situation.

I decided then and there that I would show the kids that I wasn't just some smaller version of them. Despite society's obsession with a child's growth, as if it's controllable, I'd have to use my wits to build credibility as a "normal" kid. I surely didn't understand the concept at the time, but I was making a conscious decision to become a fake extrovert to exert more control over my own fate and put forth some semblance of self-control and influence over others. The outcome of my own forced personality transition was that I was becoming an astute observer of human behavior. If I indeed took control of how I responded to the environment, I could change, enhance or temper a given situation, and that meant I had to be proactive and goal-oriented. The sharper the goal in my mind's eye, the more optimistic I became at achieving the goal, and when I achieved small wins, I became more optimistic about accomplishing goals that were more ambitious.

Understanding how you'll react to adversity helps to remove doubt, while focusing on short-term sacrifices for long-term gains. There's nothing like a crucible to help you understand what you're good at and what you enjoy. There are a number of resources available for self-discovery, and a first-rate and down-to-earth starting point is to write out your own beliefs and core values. Values are the foundation upon which a leadership philosophy is honed that fits your interests, skills and expectations.

Whether you are looking for concepts to jump-start an idea or because you are looking for motivation or inspiration, consider three of the most important questions you can ask when facing an obstacle or trying to advance your objectives through others:

- **Where am I?** It's a broad question that requires a great deal of introspection. This is difficult because it requires you to be painfully honest with yourself — honest about your strengths and honest about parts of your character that may be holding you back.
- **Where do you want to be?** This helps you focus your purpose. What does success look like and feel like to you? It is fine to dream big, but the important thing is to dream. It is critical that you decide your life's passion, because creating a vision will mean making a difference in the lives of others.
- **How will I get there?** What are the details of how you will make a difference? The difference you want to make in this world requires some degree of influence with others. Think of the difference you will make as a form of service. How will you get to the

place you so eloquently described for your team? How will you track your progress in order to adjust for optimal performance?

Coaching

Teaching and coaching can be interchangeable when the objective is to guide people to the source of their own power, and coaching is a fundamental skill of effective leaders.

Growing up, my neighbor was a good old boy from Alabama and a former Marine. Jerry Snell was still in great physical shape, and he took me under his wing to teach me how to hunt and fish — the first person who inspired in me the concept of self-reliance. You have to be squared away first before you can ask anything of anyone else.

One time, when we were out all day in waist-deep water with water moccasins and alligators all around, he said, "Now take us back to camp."

I protested and said, "I can't do that — I've just been following you and watching for snakes."

He said, "Well, it's going to be a long night then."

I led us back to camp eventually, and we got in as darkness descended. Instead of congratulating me on my land-navigation skills, Jerry said, "Next time, pay attention. What would you do if something happened to me?"

He had a point — actually, he had two points: I needed to rely on myself, and I needed to think about contingencies for others. Adapt, conserve energy and keep it simple: Leadership defined.

Consider the people who have truly touched your life. Chances are they mentored you in some way, i.e., they illuminated and brought out a passion that you developed into a strength. The teacher/mentor/coach truly demonstrated leadership by communicating to you in a clear, respectful, stimulating and consistent manner. He or she inspired you to reach higher.

Coaching requires different skills and approaches based on where an individual is with regard to performance. If you're new to a team or have a new member on your team, the first order of business is to establish trust and set performance standards so you can assess performance and results. Your team will be assessing whether they can trust you, whether you care about them and if you are committed to their success. The best way to answer those concerns is to do what's right, do your best and treat others the way you would like to be treated (simple stuff you learn at an early age, but behavior that requires constant tweaks and reminders).

Coaches are people who have the ability to hold a special mirror in front of you that provides insight that others cannot. This comes from understanding a person's values and beliefs and elevating that person's own esteem and expectations.

Adaptability and Discipline

What separates runners of equal ability on the hills is their disciplined ability to adapt and endure suffering a little more than the other racers. In other words, understanding when and how to channel energy for that extra edge is a critical determinant of success — especially for leaders.

I learned a lot about myself in basic training through my interaction with other trainees and the drill sergeants. Some of the soldiers were coming from far rougher environments than anything the Army could throw at us, and it was an eye-opener for me to be around some pretty tough people.

During the first part of basic training, my squad leader got caught leaving the area and lost his leadership position after just a few weeks. The drill sergeant had noticed that I assumed a role in coaching other soldiers and picked me to be the new squad leader. I was more organized and had picked up on things quicker than some of the other soldiers.

So, here I was, the smallest soldier in the platoon. I was in charge of a kid who just got demoted and an assortment of characters who weren't accustomed to taking orders in any form — from anyone. I adapted and chose to coach and collaborate rather than dictate. My efforts paid off, as I was picked by the drill sergeants as the top trainee of the platoon. More than anything, this phase illustrated the value of adapting to an environment and having the self-discipline to thrive. The most valuable lesson is that if you want something bad enough and you're willing to sacrifice comfort and pleasure, the goal is quite attainable.

A great deal has been written about leadership crucibles as severe tests of how people handle adversity. How a leader handles adversity and hardship can certainly highlight strengths and weaknesses, and it's good to know how you'll react before leading others because leaders will inevitably be tested with a crisis at some point.

In the absence of crisis, leadership can be collaborative, managerial and mundane. It can also involve strategy development, planning and contingency preparations. In a crisis, a leader's decisiveness and ability to focus will be tested, and it's good to know how you'll respond when others are dependent on your ability to pass the ultimate test.

As an Art … from the Heart

The goal of leadership is to gain willing followers who are committed and not merely compliant. Leadership is ultimately a balancing act, much like the concepts of yin and yang — two opposing but complementary and interdependent forces found in all things. Leadership, like yin and yang, is something that requires balance — as one increases, the other tends to decrease, and vice versa. A highly energetic person can also be a very impatient person; that is, a strength can ultimately be a weakness.

Self-reliance can serve as a fulcrum on which to balance compassion and discipline as indicators of leadership effectiveness. Articulating where you're going, how you'll get there and why it's important is the mechanical part of leadership. The art is in working towards a balance to build trust and gain a voluntary commitment from those you seek to influence (also known as emotional intelligence).

For example, missions need to be accomplished but can only be done through the successful management/balancing of human relationships. A leader needs strength of character but also needs a measure of humility. A leader needs to do the right things while also managing to do things right. Tasks need to be accomplished, processes need to be initiated and followed, and creativity needs a good dose of pragmatic behavior. One can drive compliance, but having true commitment is another matter. Micromanagement is the bane of most teams, while unchecked autonomy is not conducive to great team accomplishments, either.

In the end, it's really about communicating a vision in such a way that the leader is able to gain willing, engaged and motivated followers who are truly committed, not blindly obedient drones. The vision needs to strike a balance between expending energy on short-term objectives while achieving long-term goals so people are engaged, energized and passionate.

Learned Optimism

We only possess two innate controllables: where you spend your time and how you respond to your environment. How you respond to your environment is analogous to choosing your attitude by way of controlling your emotional response to other people and situations.

While I served at the John F. Kennedy Special Warfare Center and School, the Army's special-operations university, I had the honor of working with a man who had a phenomenal story of demonstrating hope and optimism in dire circumstances. His name was James Nicholas (Nick) Rowe. In 1963, he and two other soldiers were captured by the Viet Cong, and he was taken and kept prisoner in the U Minh Forest, known as the "Forest of Darkness," in southern Vietnam. He was held for five years, spending most of the time bound and suffering from dysentery, in a small bamboo cage. He was hopeful for escape yet realistic with how long he might be held against his will. He confronted the brutal facts of his situation and did everything possible to survive physically, mentally and emotionally. He controlled how he responded to his environment and prevented his captors from entering his remaining area of control and stealing his hope. In 1968, on his way to be executed, he managed to escape and was rescued 11 days later by a U.S. helicopter. He was one of only 34 American prisoners of war to escape in Vietnam and the only one to have escaped from the Viet Cong. Rowe had the unwavering optimism that the enemy could not break his spirit and that he would eventually be rescued or escape.

When people face adversity, you see different things in them than when they're relatively comfortable. No pain, no change.

A plethora of new research is demonstrating that developing an optimistic outlook and approach can be a learned behavior that has benefits for your health far beyond leadership. One such study was by Toshihiko Maruta, M.D., a psychiatrist at Mayo Clinic. Maruta found, "It tells us that mind and body are linked and that attitude has an impact on the final outcome — death." He went on to say that optimists might be less likely to develop "learned helplessness," which is the polar opposite of self-reliance.

Becoming an effective leader starts with a passion to enhance the human condition and the realization that you can't go it alone. Developing effective leadership skills is the desire to understand others and your effect on them. Human interaction is not like a science experiment, with controlled conditions and repeatable results. Interactions and interventions amount to infinite possibilities. Every day, every person and every situation are nuanced in some intricate and fascinating circumstance. If the recipe existed, we would be able to test aptitude and leadership quotients and make effective leadership easily repeatable. But we can't. Since the beginning of recorded history, philosophers have opined about the dearth of leaders. What we can do is embrace the apprenticeship and become extraordinary learners who constantly and consistently study what works within the context of different events, different times and different people.

Learning to lead boils down to focusing your time and managing how you respond to your environment. Your passion about a given undertaking and your attitude to-

wards the people you lead must match your rhetoric.

Conflicts and Dysfunction

Leaders will always encounter disruptive and negative individuals, and like bad apples, they can sour the entire team. When there is poor morale and high turnover, it can usually be traced back to misaligned expectations due to failed communications. This creates a dysfunctional team.

For any organizational position, the people who support your leadership position need clear and concise job descriptions with enough detail, so roles and responsibilities are clearly understood and acknowledged. The coaching sessions and formal appraisals that follow need to be consistent with what was initially outlined as the expectation.

Misaligned expectations are expectations that could have been aligned had there been mutual trust, communication with candid assessments and frank feedback. Being transparent when it comes to balancing rewards and reparation is the best way to align expectations and facilitate healthy communication.

After every exchange with the people you work with, ask yourself, "As a result of this interaction, am I exerting influence and in what way? Am I viewed as an adversary or an ally for the people who depend on me?"

The language of leadership needs to be clear, respectful and congruent. Clear language reduces ambiguity and aligns expectations. Respectful language is the basis for trust and a collegial relationship. Congruent language means the leader walks the talk — i.e., there is alignment between his or her words and deeds, which leads to a model of integrity.

Building Teams

When I was a platoon leader in the military intelligence battalion that supported the infantry division, my platoon sergeant would take care of the day-to-day minutiae. He taught me that I needed to understand my role as a leader.

I needed my interactions with the platoon to be "measured." I needed to ration my time to enhance my impact. I needed to spend time thinking about what I wasn't going to do, because overexposure actually detracted from my ability to be seen as the leader when it counted. I needed to prioritize and focus on just a few things. I decided the top three things were training discipline regarding job skills, the ability to absolutely rely on each other (teamwork), and the endurance and stamina that only come from a high level of physical fitness. This lesson of discerning activity from results has served me well and is a lesson many leaders frequently fail to heed.

When new initiatives are started, the effective leader has to spend time deciding what will be discarded. It is the art of focus. After all, a leader cannot be all things to all people; this leads to confusion, failure and a lack of clarity. Even the questions leaders ask convey insight as to what is an important priority. It's often said that you can't manage what you don't measure, but questioning everything ultimately means you lack focus on the important priorities for the team you lead.

Leadership can take two tacks. One approach is that the leader initiates change without any external stimulation to alter and improve the organization. The other is when a crisis is thrust upon the person in a leadership position and tests him or her, for all to see. The latter requires a different set of skills and the ability to see the situation, gather the facts, confront the realities, develop and test courses of action and decisively move the organization beyond the crisis. In both instances, the leader must create a vision for the organization and articulate that vision in such a way that the team willingly commits and executes the strategy based on the leader's vision. The vision is the *why* that creates purpose and a sense of optimism for the team.

As a leader, you need a vision that comes from passion. You need to deeply yearn to accomplish something you can only do with the help and assistance of others who are equally committed. Your success lies in knowing the difference between activity and real results. Achieving real results will require you to lead by example.

Characteristics of an Effective Team

The three major characteristics of an effective team are shared accountability, a distinctive purpose and real work. Is the accountability truly shared? Did you give up some measure of power and control so your team members are empowered beyond a doubt? Do team members know their distinctive purpose — where they're going and why?

While figuring out how to build a team to make a difference, how you approach your goals will be a key determinant of your success. Along with knowing where you want to go, you will need unbridled energy and enthusiasm, because optimism (or pessimism) is contagious. You'll also need an eye for the external environment, for purposes of adaptation (i.e., course correction). Lastly, you will need a disciplined focus for your energy to ensure you make small steps daily towards your higher goals. Self-awareness and self-coaching are the catalysts for leading yourself, building your team and motivating team members to new heights of accomplishment.

Instigating Change

Leadership is nothing if not change. As leaders, we know affecting positive change starts within. We tend to think change is something we do rather than something we think. As a lesson in leadership, pay close attention to what works for you when it comes to successfully navigating change. Any Boy Scout remembers to be prepared, and the role of the "10 Essentials" serves as part of an outdoor creed and checklist for safe passage through the woods of any eventuality: compass, map, headlamp/flashlight, fire starter, first-aid kit, extra clothes, extra food and water, matches, knife and sun protection. It takes 10 Self-Reliant Leadership Essentials to affect change — first in yourself and then in others.

1. Passion. Your passion serves as an internal compass and helps establish direction. Zeal for your mission's purpose begets commitment.

2. Vision. Passion can be fleeting, so you need a vision that will sustain you when the going gets tough. Knowing where you're going is needed before you can convince others to willingly follow you to the destination. What you see as your vision also serves as the map for others to "see" your destination.

3. Consideration. Considering and contemplating all available options for a vision provides insight the same way a headlamp/flashlight illuminates what was previously unseen.

4. Intention. Intent ignites passion the same way a spark precedes a fire. It's analogous to transposing thoughts into action. Clarify what's possible and what others can contribute.

5. Planning. Planning is all about anticipating alternatives, just as packing a first-aid kit is a thoughtful contingency for any adventure.

6. Commitment. Commitment is defined as the act of binding yourself (intellectually and emotionally) to a course of action. Packing extra clothing for an outing in the woods means you're determined and committed to the journey, and no matter what's thrown at you, you'll persevere.

7. Sacrifice. There is no single trait that's a more important determinant of leadership success than the ability to unreservedly sacrifice in order to achieve deliberate outcomes for the greater good. The act of bringing along extra food on a hike means you're carrying extra weight and have as a contingency the knowledge that current provisions could run dry. It means knowing that whatever discomforts you'll experience, the destination will be worthwhile.

8. Discipline. It's hard to sacrifice anything without self-discipline, much less sustain momentum towards a goal. Matches are essential to start a fire and provide a sense of security, just as discipline is required for a desired outcome to be achieved.

9. Action. Before a knife is used to cut, the user envisions what the knife will help create or alter. Action is the tool that follows intent and planning. The sharper the knife, the easier the cutting, and the more focused the action, the greater chance for momentum and achievement.

10. Habit. A result of repeated sacrifice, discipline and action are something analogous to a routine. Just as you know sun protection can prevent painful sunburn in the short run and prevent cancer in the long run, you're also aware that good habits have short- and long-term benefits. Predictability creates trust in others, which is a result and benefit of discipline and sacrifice.

The last marker of personal change is not so much an action but a result of a disciplined approach to the 10 steps: Character (moral fiber) is built through the process of making a positive difference in the lives of others.

Continuous Learning

If you don't learn from your mistakes, you're apt to repeat them until you do. Successful leaders have the ability to know where they belong and where they can apply their strengths to succeed.

The ability to identify and attract quality mentors is a skill that provides an extraordinary advantage for learning to lead. With job changes becoming more and more frequent, the ability to attract mentors will be a critical success factor for aspiring leaders.

Your continuous learning can take place at work, on your own or through charitable organizations. Your learning can take place anywhere you are able to work with others with similar convictions but where you are likely to have next to zero positional authority.

Since leadership is part psychology, part sociology, part anthropology, part philosophy and part political science, verbal communication skills and interpersonal skills are important determinants of effectiveness and success. Of course, there are traditional means by which to learn: seminars, courses, classes, tradeshows, lectures, journals, articles, magazines and books.

A learner mindset will require a steadfast commitment to enhance your experience, and the real challenge will be to develop candid channels for feedback on your progress.

The Ultimate Team

Successful journeys all start out the same way — a vision with detailed planning. Lewis and Clark co-led the ultimate team as the Corps of Discovery. The expedition was extraordinary in so many ways — not the least of which was extreme hardship, unspecified timeframes and an unknown outcome.

President Thomas Jefferson created a vision for the journey through a very specific question: Where is the United States with respect to the fur trade, and is there a quick overland route to the Pacific?

Jefferson and Lewis rolled out a map and said, "This is what is known about the United States." They made an assessment of where they were. The second thing Jefferson and Lewis did was point at the area that was uncharted. Jefferson said to Lewis, "Your goal is to explore the Northwest Territory via the Missouri River and find an overland route to the Columbia River and on into the Pacific Ocean."

The direction Jefferson provided (oral and written) was crystal clear and focused on the *what* versus the *how*. The instructions Jefferson wrote for Lewis left no doubt what his objectives were. Lewis knew where he needed to go, what he needed to report and what success looked like.

It was then left to Lewis to choose how to get there. He determined the structure, logistics, and most importantly, decided what type of men he needed on the expedition to be maximally effective and successful.

First, he took ownership of the mission and responsibility for his own self-development. Lewis knew which questions to ask himself, and he had the courage to answer them and act. One of the smartest decisions he is credited with, in planning, was asking William Clark to be his co-leader. Lewis knew his strengths, and he was acutely aware of his shortcomings. He knew Clark was better with people.

How would he evaluate the success of the journey? His ultimate measurement was the successful exploration, mapping and intelligence collection for his commander in chief. It was clear where the mission started, how it concluded and what the outcome would mean to the leaders, their men and their country.

Where are you? Where are you going? How will you get there?

Plot your **location**, determine your **destination**, navigate with clear **direction** and constantly **evaluate** the team's progress. But remember, the real learning will take place during your crucibles as your adversity quotient is tested. It's how you respond when you get lost, run out of supplies, lose people, forgo sleep and make apparently mutinous decisions.

Hear the Unheard

Hearing the unheard refers to a commitment to develop your communication skills by being observant, empathetic and listening. It's a matter of self-reflection and self-discovery, along with accumulating expertise in the field in which you lead. The unheard is hearing your inner voice. It's about asking yourself hard questions and working long and hard on the answers. It is not about immediate answers. How can you focus your energy to produce the greatest impact? For whose good do you serve? Are you easy to follow?

Epilogue

We are in desperate need of leaders. Mastery of any art only comes from practice and experience. You need to stick your neck out.

If so, you are accepting a heavy burden and a privilege: leading men and women to accomplish great things. A good leader remains a student of leadership and uses his or her acquired experiences to teach, coach and inspire others to reach their potential. Learn to inspire yourself. Your leadership impact might influence only one person a little bit. At the same time, it could impact thousands.

Use what you have learned to speed up the learning process. Challenge yourself to change, and be open to more change. Accept and even welcome adversity because it will be your prime teacher.

I believe you have control over two things in your life: how you spend your time and how you choose to respond to your environment. If you do each well and wisely, you will become an extraordinary leader.

RECOMMENDED READING LIST

If you liked *The Littlest Green Beret*, the author recommends:

***Undaunted Courage* by Stephen Ambrose**. A look into the exceptional leadership of Lewis and Clark during one of the great journeys of discovery.

The Social Animal: The Hidden Sources of Love, Character, and Achievement by David Brooks.

The Future of Management by Gary Hamel. A call for leaders to create new ways to manage the energies of others.

Creating the Good Life: Applying Aristotle's Wisdom to Find Meaning and Happiness by James O'Toole.

· Book 37 of 388 ·

35-30 What Keeps Leaders Up At Night

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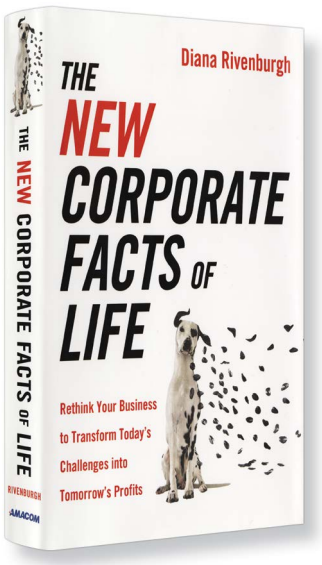
The New Corporate Facts of Life

Rethink Your Business to Transform Today's Challenges into Tomorrow's Profits



by Diana Rivenburgh

THE SUMMARY IN BRIEF

If your company does business the old school way, you may not be in business for long. Disruptive innovation, economic instability, environmental degradation, increasing stakeholder power, and other irresistible forces can pummel your company or provide the stimulus for you to alter your strategies in ways that solve the very problems old school practices often caused.

The New Corporate Facts of Life provides a penetrating analysis of the global forces impacting organizations and creates a map for charting a sustainable, profitable future. Whether you lead a multinational operation or a tiny startup, you cannot avoid the game-changing forces permanently altering the business landscape. A product innovation can blindside your strategy; angry customers can tap the power of social media to tarnish your brand overnight; harmful business practices in your supply chain can make your company look like a heartless, greedy enterprise.

Learn how leading-edge companies have already taken steps to harness The New Corporate Facts of Life to devise innovative and responsible solutions that benefit society and the bottom line. In today's unpredictable, interdependent world, you need new strategies that can harness seismic changes to your competitive advantage. You'll find them in *The New Corporate Facts of Life.*

IN THIS SUMMARY, YOU WILL LEARN:

- To create compelling visions to shape a radically different future and engage diverse stakeholders for innovation.
- To forge ahead with industry-changing strategies and develop bold leaders to thrive in uncertain times.
- To foster vibrant cultures with committed, inspired employees and design resilient, prosperous organizations.

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THE COMPLETE SUMMARY: **THE NEW CORPORATE FACTS OF LIFE**

by Diana Rivenburgh

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For additional information on the author go to www.summary.com or visit www.strategic-imperatives.com.

Meet The New Corporate Facts of Life

Few logos enjoy as much global recognition as the Nike Swoosh. You see it on people's clothes and shoes all over the world. Like many companies, though, Nike constantly strives for excellence but cannot avoid its share of serious business problems.

In the late 1990s, Nike came under attack for some of its suppliers' terrible labor practices. The press and the public condemned the unsafe working conditions, forced labor and child employment involved in the manufacture of some products bearing the Nike Swoosh.

Redefining its entire perspective on supply chain management, Nike moved to clean it up by training and auditing suppliers and choosing to do business only with those who adhere to fair and legal labor practices. Nike moved beyond managing risk and rebuilding its brand, and assumed a leadership position, with the overriding goal of redefining every aspect of its business and thereby transforming an entire industry.

My research into Nike and scores of other forward-thinking companies has identified seven powerful, interconnected forces that will trigger a catalytic change in the global business landscape:

1. **Disruptive innovation:** This occurs when a new product, service or business model renders the old way of doing business obsolete. The Internet has disrupted everything from health care to shopping to dating. Telemedicine puts patient records on handheld devices and in the cloud, while smart grids redefine energy use. Personal computers bring instant information, interactive communication, productivity software and endless entertainment to our desks and laps, while smartphones put it all in the palms of our hands. To keep up with such changes, companies must redefine how they foster innovation.

2. **Economic instability:** Financial uncertainty threatens all countries, industries and people. Our hyperconnected world links economies around the globe in which events in even the tiniest countries impact the biggest ones. Economic instability swings both ways. Booming economic periods usher in their own challenges and opportunities. As economies thrive, companies must manage growth while creating contingency plans should new bubbles burst and threaten their very existence.

3. **Societal upheaval:** Corruption, political unrest, poverty, food shortages, terrorism, pollution, unemployment, unfair labor practices, limited education, inadequate health care and crimes against humanity erode the quality of life for people around the world. Conventional corporate social responsibility, which often receives more lip service than serious strategic investment, has become an imperative in today's turbulent world. Business leaders who fail to anticipate and manage societal issues make a big mistake because those issues can take down a company. Smart executives look for the opportunities hidden in all the noise of revolution.

4. **Stakeholder power:** Companies must pay equal attention to an expanded universe of people who touch and who are touched by their organization: employees, customers, competitors, suppliers, community leaders and citizens, governments, NGOs and alliance partners. When

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Amanda Langen**, Graphic Designer; **Corbin Collins**, Contributing Editor

they involve all stakeholders, companies can reap the benefits of greater collaboration, innovation, loyalty and awareness of both challenges and opportunities.

5. **Environmental degradation:** The old model that humans can plunder the earth at will and suffer no consequences has become obsolete. Environmental degradation brings drought, floods, unclean water, disease, death, security threats and pollution. Negative perceptions of a company's impact on the environment decrease brand value; positive perceptions increase it. Smart companies can convert the threats into opportunities.

6. **Globalization:** Globalization has created hyperconnected markets where communications technology and rapid transportation link citizens of the world together as never before. Just as information, ideas, talent, products and services, and investments travel the globe, so too do problems stemming from overpopulation, resource depletion and income disparity. Peace and stability will provide the best solutions not just for individuals and government but also for the world's business enterprises.

7. **Population shifts:** The expanding global population and shifting demographics change the game for all organizations. The UN has declared population growth the biggest problem of the new century, posing serious threats to human health, socioeconomic development and the environment. The more people on the planet, the more stuff they need. This puts tremendous pressure on finite resources.

These irresistible forces have created The New Corporate Facts of Life (NCFOL). They cannot be ignored. The changes emerging from this era of catalytic change demand a major shift in strategic thinking. We stand on a brink of changes every bit as massive as those that shaped the Industrial Revolution and the Information Age.

Every time you make a business decision, whether large or small, local or global, strategic or cultural, you should consider its implications with respect to The New Corporate Facts of Life.

Reset Your Mindset

Mindsets, mental models, paradigms, perspectives, whatever you call them, they consist of all the basic assumptions, beliefs, images and stories that shape the way we define ourselves, other people, organizations and every facet of the world. They determine how we interpret and respond to situations. They are the lenses through which we view the world. Of course, these lenses often distort what actually exists to match our own individual way of looking at the world. We don't see Reality with the capital R, we see our own unique brand of reality.

From each event we experience, we observe data in the world around us, select which data we will use, add meanings to the data, and draw conclusions based on those meanings. These conclusions become beliefs that spur us to take action. To make matters worse, our beliefs continue to influence the data we select and accept. We continue to reinforce our beliefs and justify our actions based on how we view the world around us. Often, even the most prominent leaders in their fields resist new ideas that eventually replace the old facts of life.

Replacing Old Rules with New Facts

Forward-thinking businesspeople are replacing the old shareholder-centric mindset with a much more inclusive shared-value one. They know that sustaining long-term growth in the 21st century will depend on both businesses and governments recognizing that they cannot survive if the seven billion people inhabiting our planet cannot attain healthy standards of living without depleting the earth's resources or running up colossal public debt. By looking through a fresh lens and adopting a shared-value model, a new breed of companies is finding ways to save money, make money, enter new markets, and create new products and services that delight customers, improve their quality standards and processes, and attract talented and engaged employees.

Resetting our mindsets with the profoundly different perspectives we need to prosper in the future starts with opening our minds and our hearts. Opening our minds takes real effort. Opening our hearts helps us connect emotionally to a future we had not previously imagined.

The human brain responds to change the same way it responds to any physical threat, as our fear urges us to flee or fight the danger. No wonder we find it so challenging. Transformational change toward a better future requires us to conquer our biases and fears.

Questioning Organizational Mindsets

Before you can adopt a new mental model, you must comprehend the existing one. It all starts with developing an inquiring mind and engaging in deep reflection and introspection. Ask the hard questions. Capture a belief in one sentence, and then ask yourself, "Why do I believe this? What facts support this belief? Will this belief withstand the test of time?" Then frame a new belief, and ask the same questions. You can perform the same exercise with groups.

Resetting the prevailing mindset of an organization begins and ends with hard questions, open minds, keen ears, respect for the opinions of others, and a willingness to weigh all options. That sort of environment not only generates the best ideas and solutions; it paves the way for people to take new directions.

Although we can't go through life without making certain assumptions and attaching meaning to events, we can learn techniques to understand and question our own assumptions and those of others. The inquiring mind

- Reflects: Examine the thoughts and assumptions that lead you to your beliefs.
- Informs: Share your thoughts and assumptions with others.
- Inquires: Ask questions to learn about the thoughts and assumptions of other people, especially if they differ from your own.

You must look beyond the facts surrounding a specific belief because a person's unique experiences and emotions always add a good deal of subjectivity to their thinking. That's why you cannot easily change a mindset by simply stating the logical business case for it.

Engaging people in the process of looking at issues from many different perspectives not only surfaces opportunities and reduces risks; it also fosters closer working relationships. Change occurs faster and is more likely to stick over time when the people involved enjoy strong interpersonal relationships — when they care deeply for one another and about the results they achieve together. If they believe change will help them get better results, they work harder to implement it. On the other hand, people don't care much for what they didn't create.

Create a Compelling Vision

Many equate vision with mission, strategy or goals. We define it as a compelling, vivid image of an aspirational future that aligns to your values and purpose and that requires substantial effort to achieve. Farsighted companies look past traditional business boundaries when they shape their visions because they know that, despite the importance of profits, value extends beyond the bottom line.

The best vision provides a guiding beacon. You should adhere to four important principles to discover more than just a lot of fancy words to insert into your annual report:

1. **Keep true to your organization's purpose and core values:** What should remain intact despite whirlwind forces reshaping the business landscape?
2. **Engage key stakeholders to co-create your vision:** Which influential stakeholders can provide new and diverse perspectives?
3. **Think big, bold and beyond today's obvious possibilities:** Can you imagine a seemingly impossible future for your organization?
4. **View the future through the NCFOL lens:** Which sweeping changes will most dramatically affect your business?

Let's imagine you run Childco, a toy company that specializes in plush toys and stuffed animals. You begin to imagine a better way to do business by combining your need for profit with your desire to become a better corporate citizen in the world. For each NCFOL, you consider what Childco might do:

Disruptive innovation: What sort of toy animals will delight children 10 years from now? Twenty years from now? How about robotic teddy bears? Can Childco discover innovative ways to promote learning?

Economic instability: The U.S. Bureau of Labor Statistics in 2005 reported that one-third of U.S. workers, more than 42 million people, belonged to a growing freelance segment of the labor force. How will this trend affect Childco in the future? You begin to imagine a virtual organizational structure using entrepreneurs to bring greater design innovation that will expand the market for your products.

Societal upheaval: How do we find out if any suppliers use forced labor? You decide to develop a higher level of social conscience by going beyond conventional notions of corporate social responsibility and philanthropy. You vow to find ways to improve working conditions within your own supply chain.

Stakeholder influence: Retailers now insist you sign an agreement committing you to ethical practices in your supply chain. You commit to maintaining engagement with multiple stakeholders inside and outside the company and to insisting that all managers encourage new ideas, listen carefully to complaints, and never exact punishment for honest opinions that differ from their own.

Environmental degradation: You assume that someday Childco might be required to measure and report on the materials and energy it uses and on its impact on the planet. You resolve to go beyond compliance and adopt a vision of Childco as a responsible environmental steward.

Globalization: Considering the global reach of your supply chain, you commit Childco to use raw materials that will not force it to raise the price of the next generation of plush toys to levels that most families cannot afford and that will not cause irreversible harm to the areas from which the materials are obtained.

Population shifts: You anticipate both opportunities and threats. Parents in developed nations are spending more per child. Childco could tap into the rising middle class in other countries. Childco must continue to keep a sharp eye on population shifts and demographic changes around the world.

Articulating the Vision

After progressing through the various stages of vision creation, you pull your core team of forward-thinking stakeholders together to consider all that you have learned. The team comes up with a working draft of a new vision for Childco:

"We create products that delight and educate children in ways that respect the world's resources and communities. Our innovative people and partners do this by merging profit and purpose to protect the future for the generations to follow. We have fun. We make people smile."

Map the Strategic Journey

Although vision paints the picture of where you want to go and how you want to grow your business, strategy sketches a roadmap to your destination. A great strategy does not follow an arrow-straight path but allows for surprising twists and turns along the way. It provides a way of thinking about your future in concrete and tangible terms.

UPS serves as a good example of strategy in action. The company, started in 1907 as a messenger operation, initially delivered messages, packages, and food, in addition to running errands on foot or by bicycle. UPS now operates one of the largest private ground delivery fleets and one of the largest airlines in the world. Clearly, its strategic planning and execution have passed the test of time. Imagine your company dominating its market 100 years from now.

UPS leaders constantly ask fundamental questions such as, "What does this company really do? Why does what we do matter to the world? What will we be doing 15 years from now?" The company's strategic planning team constantly brings employees with cross-functional backgrounds together with external experts to scan the business environment, test the company's own assumptions, and inspire innovations.

Delivering Today's Commitments and Tomorrow's Promise

NCFOL strategies go beyond lip service and incremental changes. Smart organizations look for truly transformational ways they can maximize their core business while recreating themselves for a dramatically different future. This process usually occurs in three overlapping phases: In Phase 1, the company grows and protects its core business, enabling it to finance the future while preserving the present. At the same time, in Phase 2, it develops business opportunities that it can begin to grow today. In Phase 3, it invests in initiatives that allow it to experiment with opportunities that might fuel future growth and profitably propel it well past its competitors.

UPS has always strived to integrate short- and long-term business plans, emphasizing growth that preserves its core business (Phase 1, package delivery), while investing in new ventures (Phase 2, global logistics management), and exploring future opportunities (Phase 3, harnessing big data, alternative-fuel vehicles and next-generation technologies).

The New Corporate Facts of Life present game-changing opportunities. Interestingly, UPS has contemplated them all as it continuously monitors global and industry trends and seeks ways to build greater capabilities. It does so with its basic purpose and vision in mind: to "enable global commerce" and "synchronize the world of commerce by developing business solutions that create value and competitive advantages for our customers."

Consider how you might integrate each of the NCFOL into your own company's strategy. What, specifically, must you do to put it at the forefront of your industry? How will you preserve and grow your Phase 1 core business while ensuring future growth and profitability by investing in Phases 2 and 3?

Build a Unique and Vibrant Culture

Research consistently proves a strong correlation between culture and all aspects of business performance. A vibrant, high-performance culture brings a smart strategy to life. Dysfunctional cultures crush strategy, frustrate people, and hamper business success. Great cultures capture people's hearts and minds to drive greater creativity, collaboration, engagement and excellence.

The work of nurturing a culture never stops. Culture creation or transformation progresses through four key phases:

1. **Define your desired future-state culture:** Start with your strengths. Every company does some things well. Identifying your strengths and assets provides a foundation of pride and optimism on which people can build new cultural traits. Engage all stakeholders, and research the state of the art. Scan the business media; visit with

leaders at other organizations; review the research; and consider your competitors. Review your company's strategy and vision, and consider whether they need to change. Communicate the desired cultural traits to all stakeholders.

2. **Assess your current culture:** You can use a lot of different tools to assess your culture, including contextual observation, group and individual interviews, organizational practices review, crowdsourcing and culture surveys. Look for what's working well and not so well. What differentiates the highest-performing locations from the lowest-performing sites? What do their leaders do differently? What principles and values guide their practices? How can you get more people doing what they're doing?

3. **Create your culture by leading, engaging and aligning:** You need to simultaneously exercise leadership, engage your key stakeholders, and align your organizational practices with the new culture. Dysfunctional cultures come from the top. So do vibrant cultures. The right culture starts with the right leadership. Leaders must embody and promote the desired culture. Foster employee engagement by providing meaningful work clearly linked to key goals, clarifying the context of the work, and practicing full transparency. Review the results of your earlier assessment of management practices; list practices that require adjustment; and take steps to modify ineffective or damaging practices and/or create new ones.

4. **Measure the results:** Decide at the outset exactly how you will determine whether new beliefs drive new actions that, in turn, drive business results. Go beyond the customary financials to include factors such as employee happiness, customer satisfaction, brand image, community appreciation and environmental impact. For each priority area, indicate how you will measure progress.

Organizations that choose to embrace The New Corporate Facts of Life define and align their cultures to achieve their visions of a strikingly different tomorrow, where their workforce moves from compliance to commitment to creation.

Lead on the Edge of Change

As our incredibly complex world continues to change, so too must our leaders. Huge but not insurmountable challenges loom on the horizon. Tackling these challenges and turning them into breakthrough opportunities require a new breed of leader.

A new model of leadership competence for an emerging breed of leaders who will help create more profitable organizations in a better world is the BOLDEST Leadership Competency model. BOLDEST stands for Boundaries, Opportunities, Learning, Deliverables, Emotions, Systems and Talents:

Boundaries: Leaders must reach across many boundaries to forge relationships and alliances to accomplish the seemingly impossible. They must bring people together to solve big, complex challenges. When leaders lack sufficient knowledge about key issues such as supply chain traceability, cultural nuances in emerging markets and energy alternatives, they must tap the expertise of specialists in everything from trash to biophysics. They must build coalitions across borders, influence key stakeholders, and break down functional silos.

Opportunities: Leaders must do more than hit their numbers. They must possess the confidence and imagination to see possibilities much further away than the current bottom line. Visionary leaders redefine the problems speeding toward their organizations as opportunities for finding innovation and promoting optimism. They see around the bend, create compelling visions, and inspire people to action.

Learning: Continuous learning has become essential in our fast-changing world. Everyone in the organization must quickly absorb complex information every day. Formal or informal, education is the mother of innovation. Bold leaders foster a culture of continuous learning at all levels.

Deliverables: Leaders must create a better tomorrow while delivering profitable results today. Achieving the organization's vision and strategy requires holding people accountable and aligning goals across the business. Strong, responsible growth comes from leaders who know how to merge innovation with operational excellence.

Emotions: Long-term success in life requires a high degree of emotional intelligence. Leaders who display self-awareness and self-management operate with integrity and self-confidence. Those who do well with social awareness and relationship management demonstrate the empathy and other skills essential for effecting social interaction, influencing others and building strong teams.

Systems: Leaders must rise above the trees to see the forest. Everything they and their people do functions like a gear in a larger system. Top performers think and operate systematically by managing complexities, recognizing patterns and making connections. They consider opposing ideas simultaneously to gain different perspectives and surface innovative solutions. And they manage complexities.

Talent: BOLDEST leaders spend a lot of their time creating more leadership capacity throughout the organization. Hiring, retaining, developing and deploying the

best talent available must become their top priority. They build organizational capacity and develop leadership at all levels.

Top performers progress from beginner to capable, competent, proficient and finally expert. Experts know that the mastery of their craft or profession depends on three key factors: experience, knowledge and skills. Experts never stop learning, and that keeps them consistently at the top of their fields. Just as no one is born an expert, no one is born a leader.

Engage to Excel

Every stakeholder plays a role in a company's future success. Companies affect their lives; they affect the success of their companies. That makes stakeholder engagement an extremely important activity, one that creates an ongoing dialogue about issues that concern all parties.

You can build and maintain relationships with stakeholders in a variety of ways. One-way communications, such as email blasts, may send an important message, but they do not engage people in the sort of dialogue you need to grow a relationship. Rather, you need to adopt methods that pull people into your circle where you can engage them in a meaningful dialogue. Companies, governments, NGOs and others realize that success increasingly requires greater collaboration both inside and outside their organizations.

You want to design a stakeholder engagement process that draws everyone into your company's circle of relationships. I recommend a six-step process, which has gotten great results for a lot of organizations:

1. **Identify:** Define the issue, identify the relevant stakeholders, and consider both the opportunities and risks for engagement.
2. **Plan:** Set the objectives and scope for engagement, and prioritize stakeholders according to their relative significance in accomplishing goals and strengthening relationships.
3. **Design:** Establish principles for engagement, make initial stakeholder contact, and determine the best ways to involve diverse groups. Agree on mutual objectives, set expectations, and design the engagement.
4. **Engage:** Each engagement effort should progress through three distinct phases: preparation, implementation and follow-up. Once you have designed the method you will use to engage stakeholders, you must set the stage for its implementation, arranging logistics, issuing invitations, sending out materials, training facilitators, gathering background information on those who will attend and so on.
5. **Assess:** Assess the outcomes of each and every engagement activity. Compare what actually happened to what you expected to happen when you originally designed the process. List what went well and what went wrong, adding notes about specific ways you could improve subsequent efforts.
6. **Act:** Decide what you will actually do with ideas that emerged from the engagement process. The same applies to the stakeholders. What steps can they take to help achieve mutual objectives?

Design a Resilient Organization

Resilient organizations consistently focus on and align with a coherent set of values and a sound business strategy while remaining flexible enough to adapt to whatever surprises pop up on their radar screens. They design their companies to harness today's powerful economic, social and environmental forces in a way that serves all stakeholders by engaging employees, thrilling customers, outpacing the competition, satisfying shareholders, serving communities and strengthening the bottom line. They do this by design. Without the right organization design, even your most brilliant strategy will ultimately sink. With a resilient one, you can weather any storm.

True organization design encompasses much more than a company's structure. It means aligning structure, processes, management and people practices with business strategy. Companies must not only see the winds of change coming their way; they must react to them swiftly and effectively. But you can't do this willy-nilly. You must do it by design. Resilient organizations always keep scanning the horizon for the next competitive threat or disruptive innovation.

Ten Strategies for Designing a Resilient Organization

Ten strategies determine success in designing a resilient organization:

1. Design an organization to manage anticipated and unanticipated challenges. Resilient organizations prepare themselves for what they can and cannot see down the road. They constantly monitor the market for potential risks and opportunities.
2. Put in place a future-oriented structure that builds on your organization's current strengths. Sustainable

expansion means prioritizing investments for the future while building on the strengths of the past and present. Future-focused organization design emphasizes preparing for future flight over making minor corrections to an existing flight plan.

3. Create an all-encompassing structure for systemic change: Isolated solutions attack problems one tree at a time; systemic solutions take the whole forest into account.
4. Distribute accountability and authority throughout the organization: Whereas formal structures often set up boundaries and define restricted roles, integration systems and processes connect functions and people across boundaries.
5. Link functions with networks to get things done: Work really gets done through flexible webs of networks that connect people with various systems and processes. Networks facilitate agility and the ability to handle complexity.
6. Engage internal and external stakeholders to address major issues: Transforming to a sustainable business model brings people together to collaborate across boundaries inside and outside the organization. Internal functions work with external partners in an effort to keep improving and transforming industries.
7. Amass financial, social and natural capital: A company's traditional profit and loss statement doesn't show all the costs and benefits associated with its activities. Business activities create measurable costs and benefits with respect to human beings and their communities.
8. Foster leadership at every level: The journey toward an aggressive sustainability strategy begins with cultivating the right leaders at all levels of the organization. Real progress demands more than a cosmetic effort.
9. Create a stimulating work environment that promotes diverse thinking: It's the out-of-the-box thinker, the maverick or the positive deviant who often comes up with the bright ideas that make a company more efficient, more sustainable and more profitable.
10. Attract, develop, deploy and retain the best people: It takes more than a bunch of superstars to bring home the trophy. You must provide the right training and coaching for them to work harmoniously as a team.

No single organization design approach will work for every business. If you keep the 10 strategies in mind as you design and redesign your own organization, you will solve many of the problems that plague companies that are struggling to prosper in an NCFOL environment with outdated organization designs.

Lessons for the Road

Four lessons can help companies adopt a new business model around The New Corporate Facts of Life:

- You can meet the people you need to meet: Be a connector and get connected. One introduction can open a thousand doors. Strands of the same web connect all of the people on the planet.
- You can learn what you need to know: Learn to look at every activity as a potential school, every new contact as a potential teacher. Try to return favors.
- You can turn every problem into an opportunity: Effective leaders do not see problems; they see opportunities for innovative, sustainable and profitable solutions.
- You can lead from where you stand: You can lead without an official title or a big budget. You can start small, learn quickly, and bring others along the path to success.

If change doesn't happen in our organizations or our communities, we can't blame it on too few resources, the lack of mentors and partners, too little information and knowledge, or a closed door. Failure to change would come only as a lack of leadership.

As Gandhi put it, "Be the change you wish to see in the world."

RECOMMENDED READING LIST

If you liked *The New Corporate Facts of Life*, you'll also like:

1. ***What Keeps Leaders Up at Night*** **by Nicole Lipkin.** Lipkin uses psychological and neuroscience research to show leaders how to recognize and resolve eight of today's most troubling management issues.

2. ***Practically Radical*** **by William C. Taylor.** Taylor offers radical ideas and practical advice to help leaders fix what's wrong in their organizations and launch new initiatives that have the best chance to succeed.

3. ***Change with Confidence*** **by Phil Buckley.** Addresses the biggest questions that change leaders ask and provides the context, examples and advice to answer them well and to enable successful, sustainable change.

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35-30 What Keeps Leaders Up At Night

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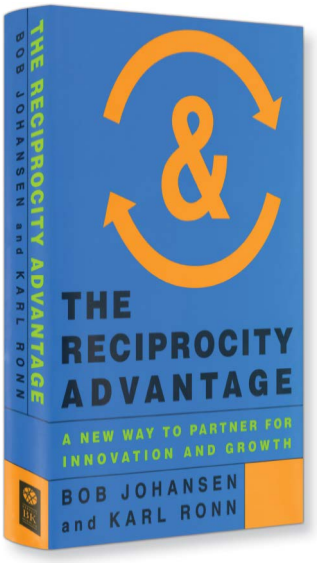
The Reciprocity Advantage

A New Way to Partner for Innovation and Growth



by Bob Johansen and Karl Ronn

THE SUMMARY IN BRIEF

A powerful new kind of competitive advantage is now possible thanks to technological and social disruptions that are already occurring. These disruptions revolutionize how companies can partner to create new growth.

The Reciprocity Advantage shares a model for creating that growth: define your right-of-way (the underutilized resources you already own that you can share with others), partner to do what you can't do alone, experiment to learn and scale the new business at low risk.

"Reciprocity" and "advantage" are words that are not normally seen together, but reciprocity — giving now to get later — will become a normal part of winning in the future. Provocative and pragmatic, leading 10-year forecaster Bob Johansen and experienced business developer Karl Ronn describe how to lean in to disruptions to create new growth for your business. They show you how to leverage new forces like digital natives and cloud-served supercomputing into massively scalable, profitable, incremental growth for your business.

Distilled from hands-on work, *The Reciprocity Advantage* will get you started on creating your own reciprocity advantage.

IN THIS SUMMARY, YOU WILL LEARN:

- The future forces that will disrupt your business.
- A three-step process for uncovering your right-of-way.
- Why reciprocity will be key to business growth in the future.
- How to scale a new business at low risk.

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THE COMPLETE SUMMARY: **THE RECIPROCITY ADVANTAGE**

by Bob Johansen and Karl Ronn

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Introduction: The New Way to Grow a Business

Reciprocity lives in the space between transactions (buying and selling) and philanthropy (giving for good causes). Advantage lives in a world where businesses seek a superior position that leads to profit and growth. Advantage means achieving a winning position, but it doesn't necessarily mean that others must lose in order for you to win.

Reciprocity advantage will be a new type of competitive advantage.

- It will be grounded in a right-of-way that you already own.
- It will require that you give away some of your assets in intelligent ways now in order to make money and grow your business over time.
- It can happen only when a company is able to *both* practice reciprocity and make money.
- It must be designed to be massively scalable.

Society is just entering a unique period when doing good and doing well will have to be combined in ways that have never before been imagined. A reciprocity advantage is a chance to do good while also doing very well.

PART I: RECIPROCITY ON A MASSIVE SCALE

Reciprocity Right-of-Way

Right-of-way is an unrealized opportunity space where you can create a new large-scale practice of exchanging with others for mutual benefit. Right-of-way is the space within which you can create your reciprocity advantage. Indeed, a reciprocity advantage becomes possible only within your right-of-way.

The Historic Right-of-Way Story

The transcontinental railroad was cutting-edge technology for its day when finished in 1869. Suddenly it became possible to travel or send goods across the continent in what, at the time, was amazing speed. The railroad developed into the major growth industry of the late 19th century. But commuter trains, planes, trucks and cars have now replaced the bulk of the transportation — and disrupted the trains business.

As much as the railroad companies missed the transition from trains to modes of transportation that did not require rails, the big miss was not foreseeing the potential that arose from thinking differently about the land that was under and above the rails. The land under the tracks is the classic right-of-way. But above those tracks, invisible in plain view, was a right-of-way that railroads owned but completely missed: communications.

The railroads already had the land underneath their trains when the telegraph developers approached them and wanted to string wires above the tracks. To the railroads, this new telegraph technology allowed them to know where all their trains were, for free.

It was a windfall to the railroads at the time, but years later we all now realize that the railroads missed claiming most of the benefits from their own right-of-way. The railroads completely missed the communications revolution — which turned out to be even more important than railroads.

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Uncovering your own right-of-way involves understanding what the railroads never did learn, that every company is really in three businesses.

- **Product:** Railroads that move people and goods.
- **Service:** Transportation, any way that moves people or goods en masse.
- **Experience:** Communications, any way to get the benefit of travel without physical movement. (The railroads' missed reciprocity advantage.)

Each business has the potential to create massively scalable reciprocity if it can uncover its right-of-way for complementary growth. Land for the railroads was a physical right-of-way, embodied in the air over the tracks. But the right-of-way can include products, services and experiences.

Uncovering your right-of-way is the first step to creating a reciprocity advantage. Then you look for the partner who can help you do what you cannot do alone.

Partnering to Do What You Can't Do Alone

Reaching out to others — potential partners and potential customers — will become increasingly possible and increasingly necessary. Partnerships are basic to creating your reciprocity advantage, and partnerships will be possible on a scale never before imaginable.

New Ways to Partner on a Global Scale

Connectivity has grown dramatically, and potential partners can come from anywhere. Innovation in the cloud will focus on value, not just price. The greatest value and the largest margins will come from services and experiences that link to products, not just on selling for the lowest price. Price-based competition will be cutthroat and unattractive. Value-based partnerships will be the key to growth, scalability and profitability. Larger social value, beyond just transactional value, will become possible on a much grander scale.

What if the railroads had viewed the telegraph companies as potential partners to explore the emerging communications space, instead of seeing their proposal as a narrow business transaction?

As Internet connectivity expands, new potential partners become available who were simply not reachable before. The best partners will demonstrate their worth by looking out for one another.

Asymmetrical partnering, where one partner is much larger than the other, will become increasingly possible because anyone can link to anyone else through the cloud. Non-obvious partners will become more common. Everyone will need to learn how to fish for partners efficiently and effectively. It will be easier to find partners, however, within established networks of trust.

What would your company love to do but could not do without a good partner that is unlike you? What does your right-of-way give you permission to do with others but that you are not yet doing and could not do alone? You will have to experiment to learn how to answer these questions and to create your reciprocity advantage.

Experimenting to Learn: How to Make Money in New Ways

In their current business, most companies already do prototyping. They make models of the product or service and share it with potential customers and then take the best versions to management to gain alignment to the new direction. The range of prototypes is bound by the limits of the existing business. This type of testing is done to prove you are right before going to market.

The market for your reciprocity advantage business probably doesn't exist yet. Therefore, you will need to prototype more broadly than you ever have before. To learn about the future, you will need to be able to produce thousands of prototypes rapidly and at low cost. This skill is called *design thinking*. Common language in the design community is to refer to these efforts as *low resolution prototypes*.

You will have to experiment to learn and do so with your partners in order to find your reciprocity advantage. Hundreds or thousands of low-resolution prototypes are needed to find the reciprocity advantage that will add onto your core business in complimentary ways without cannibalizing it.

Rapid prototyping is the ability to create quick, early versions of innovations, with the expectation that later success will require early failure. In Silicon Valley, if you haven't failed, you are perceived as not having taken enough risks. The future will be created with smart, fast, cheap experiments in the real world.

Amplifying to Create Scale

A reciprocity advantage happens only when people learn new ways to make money through practicing reci-

procity. It's not a reciprocity advantage until you scale it. Once you find your reciprocity advantage, you must let it propagate as fast as it can. Competitive advantage is often fleeting. Reciprocity advantages can be enduring. The good news is that propagation will become much easier.

New Tools and Practices for Scaling

The future tools for propagation and scaling will become much more lightweight and practical, in several senses. The digital technologies that enable scaling are literally lighter than the massive industrial technologies that they are replacing. Beyond this, organizations themselves have become more lightweight because now a few people can produce economic value that in previous years would have taken an organization of hundreds to manage.

Perhaps the most dramatic example of this shift is 3D printing. Imagine going to a website to browse an online catalog. You choose a toy that looks like the perfect present for a child's upcoming birthday. At the end of the transaction, however, you do not select the "ship" option. Instead, you hit a button that says "print" and watch as the gift is mechanically fabricated before your eyes.

Increasingly, design and distribution can live in the cloud, with local manufacturing in the form of 3D printing. For some products, this will be a game-changer. 3D printing will disrupt Home Depot, Lowes and parts stores of all kinds. While the technology is in its early stages, the potential for streamlining the scaling process is staggering. 3D printing will accelerate the move to mass customization and scaling, where production is done on a large scale, and yet products have a personal or customized feel.

With the emergence of the Internet, online software and services have become increasingly important. Indeed, we are now at an inversion point. As centralized systems enter their twilight and mobile platforms reach their zenith, the cloud is the place to look for future innovations in computation. The cloud will be the amplifier for propagation — not just innovation.

Shoppers, too, will have the power of supercomputing driving their purchasing decisions. They will have access to as much or as little information as they desire, and neither manufacturers nor retailers will be able to control the flow of this information, even in the buying environment. However, they could offer trusted filtering options. Indeed, competition for trusted filters at the point of purchase will be fierce. Trust will fuel scale. Reciprocity will be increasingly scalable.

PART II: FUTURE FORCES THAT WILL DEMAND RECIPROCITY

One of the biggest challenges in creating new businesses is designing for a changing world. Four future forces will shape and disrupt your ability to uncover your right-of-way, to find the best partners, to develop a give-to-learn strategy and to scale your business for greater impact: The digital natives, socialstructing, gameful engagement and cloud-served supercomputing will disrupt old economic models and create opportunities for new ones.

How the Digital Natives Will Disrupt Rights-of-Way

In 10 years, everyone on the planet 28 years or younger — rich or poor — will be a digital native, someone who grew up in the interconnected world of early-stage social media, vivid video gaming interfaces and early-stage cloud-served supercomputing. The digital natives will demand new rights-of-way in physical and virtual space. They also will speak or text or videotape their own languages, tell their own stories and embody a wild mix of cultures — all amplified through the cloud on a global scale.

Kids becoming adults in the next 10 years will have a sense that they can connect personally with anyone on the planet — and they will be correct. This sense of global connectedness could spawn a new era of global empathy, although it is too early to tell. What is apparent is that growing up in a digitally enhanced world will be different — *very* different — for better *and* for worse.

Language Will Change as the Digital Natives Become Adults

As we think 10 years ahead about reciprocity advantage, consider the importance of language and how the digital natives write, think and communicate. Careful framing of the future with just the right words will be very important to reach them. If you use the right words and concepts, digital natives will draw you toward the kind future you want to create. If you don't use the right words, your failure to communicate will constrain you. For example, instead of calling them consumers, the best companies are already calling them what they should have been called all along: people.

Rights-of-way will be uncovered, cultivated, nurtured and grown through cloud-amplified networks of trust. Instead of calling it *marketing*, *advertising* or *commercials*, the best companies are already calling it what they should have been calling it all along: engagement. The digital natives will distrust traditional marketing and not want to be marketed to; they will want to be engaged with. The younger you are, the more you already expect this kind of engagement.

The Digital Natives Will Be Attracted by IP-Free Practices

What will right-of-way mean in a world where it is becoming increasingly difficult to own intellectual property (IP)? The space where you are trusted may well be a space you cannot own.

The direction for intellectual property over the next 10 years will go from closed to more open, but it will be a very messy process along the way. In many cases, it will be much more attractive to think of IP as currency that must be exchanged to derive value rather than property that must be protected.

In many cases, it will be smarter to uncover your right-of-way and give away small amounts of access to these assets in order to learn how to make money in new ways. This is the essence of the reciprocity advantage and why it will be the wave of the future in a world led by digital natives.

How Socialstructing Will Disrupt Partnering

Socialstructing is a term invented by author Marina Gorbis, and it refers to a process that includes microcontributions, nonmonetary rewards, technology-enabled sociality, community organizers, not managers, and large network participation. Socialstructing will mean radically new ways of partnering. Expect a big shift in the diversity of potential partners — and the diversity of ways in which the partners will be able to work together.

In a socialstructed world, partners can come from anywhere, and they can be any size. In particular, we expect more partnerships involving very large and very small players because it will become much easier to find potential partners and work together. Collaboration, teaming and partnerships will become possible on a scale that could never before have been imagined.

Traditionally, corporations and jobs have evolved out of necessity and have been effective ways of organizing work. But it is becoming possible to break tasks down much more precisely than before, and new ways of structuring work are developing rapidly. Innovation can be broken down into tasks and microtasks. The leadership challenge will be one of coordination and clarity. Leaders in these kinds of socialstructed organizations will have to be very clear where they are going but very flexible about how they get there. All partners will have to be committed. And the terms of engagement will need to be both flexible and robust.

Diasporas as Partners

In today's world, think of a diaspora as a network of trust. Modern diasporas are social networks with shared values that are amplified through the social networks and — increasingly — social media. People have always lived in the context of social networks. Now these networks are more varied, more visible and more electronically connected than in the past.

Partnering with members of diasporas is possible but tricky. Diasporas will amplify commercial innovation, scale and disruption — *if* their members become committed to a product or service. Companies will need to grow relationships based on trust in order to engage with diasporas.

The reason innovation happens faster within diasporas is because of shared values and great trust. Within diasporas, brand trust building happens quickly. If a brand or a company is perceived to be consistent with a diaspora's values, then it will have permission to experiment with new products and services, as long as it stays within the envelope of trust that has been granted. Networks of trust will shape how rights-of-way are perceived and accepted.

How Gameful Engagement Will Disrupt Experimenting to Learn

Think ahead 10 years — how will corporations experiment to learn about the business they want to create? In other words, how will you prototype your new business? The answer: you will game it.

In order to learn how to make money in new ways, you will need to get others gamefully engaged with your idea. How might you get people engaged? You make it fun. You make it meaningful. You lower risks by simulating rather than playing for real right away.

We expect that the word *game* will become more acceptable within business cultures, but it may take time. The key element is first-person immersive experiences rather than the usual third-person learning associated

with lectures or training programs. Gameful engagement emphasizes the playful element but also the necessity for first-person engagement.

The next decade will be boiling with emotionally enhanced attention that will allow companies — indeed require companies — to rethink how they experiment to learn and ultimately how they do marketing, advertising and commercials. Corporations will need to engage in playful and authentic ways. Commercials and advertising as we know them will cease to exist and will be replaced with exchanges that are more personalized, playful and engaging. What corporations tell people will become less important than what people tell each other about corporations and their products.

Corporations will need to learn about new business opportunities by using game-like approaches to try them out in low-risk ways. They will need to engage with their customers — especially the digital natives — not just market to them. They will need to learn how to experiment to learn, in a spirit of gameful engagement.

How Cloud-Served Supercomputing Will Disrupt the Practice of Scaling

Like so many other emerging technologies in the past, the cloud has been oversold and —so far — has underdelivered. That, however, is about to change. The cloud is not just about outsourcing information technology functions and providing storage. Soon the cloud will function like a supercomputer, providing a virtual overlay on the physical world to allow us to do things we've never done before. This cloud-served supercomputer will allow us to scale and propagate in ways we have never before imagined.

Cloud-served supercomputing will be characterized by dramatically increased global connectivity, with parallel processing power that will be available to a much larger portion of the world's population. Expect powerful amplification of almost everything, with public demands for transparency and grating uncertainty about privacy. The cloud will amplify reciprocity *and* it will introduce new risks of criminal hacking.

Cloud-served supercomputing will be characterized by

- global and increasingly open access;
- multimedia and multilingual capabilities;
- increasingly mobile access;
- links to sensors that will be cheap, ubiquitous and often connected (some of which will be in our bodies);
- filters of the physical world, using a range of criteria and offered by a wild mix of players;
- flexibility in ways that we can only imagine now;
- lower costs for computing and communications.

From a consumer products standpoint, we are within a decade of cloud-based coordination that could, for example, facilitate self-organizing supply chains or bring insights from the most sophisticated business analytics engines to the local street-corner market in Delhi. Amplified by the cloud, people with initiative and energy to innovate can bring themselves up to speed — using the most powerful business tools in existence — no matter where they happen to live.

The best way to think about the cloud will be as a very large and sometimes unpredictable amplifier. Whatever you do, for good or for evil, will be amplified by the cloud. Your reciprocity advantage will be empowered and amplified through the cloud.

PART III: HOW TO DEVELOP YOUR OWN RECIPROCITY ADVANTAGE

The hardest part of thinking about the future is figuring out what to do next — given the external future forces. While not completely predictable, the reality is that to innovate you must choose where you want to go but then be flexible about how to get there.

How to Uncover Your Right-of-Way

Finding your right-of-way will require a deep understanding of your business — beyond day-to-day operations. Rethinking your business will open your management team's eyes to new possibilities. The first stage has three parts:

Right-of-Way Step 1: Agree on Your Core Business. What industry are you in? What is responsible for two-thirds of your total company's profits or sales? Typically one or two product lines and one or two channels or geographies are your core. The core is where you will find your right-of-way for extending into new businesses. Keep making your core business better and better.

Right-of-Way Step 2: Reinvent Your Business as a Service. If the first business is drilling holes, the second business is selling anything that makes a hole — even if it requires no drill. We refer to the second industry as a service because it involves hiring you to do the same job you do today but doesn't necessarily use your assets. Once you

have defined your core industry, step back and ask, "What do people hire us to do?" Forget how you do what you do. Rather, focus on the end result, or the benefit. See the hole — not the drill.

It is not optional to get into these service businesses. If there is a business that does what you do a great deal faster or more cheaply, it will eventually be the dominant way of doing business. Rather, you need to make multiple investments in emerging industries that do what you do in radically different ways.

Right-of-Way Step 3: Redefine Your Business as an Experience. Once you have defined your core business and your service industry, ask yourself, "If my business were an experience, what industry would I be in?" Only rarely does a new medium replace an old one. Rather, the new medium tends to disrupt the way we use existing media — and those media blend with each other. Kodak sold cheap cameras at Disneyland because the quality of the picture from your expensive Nikon camera was irrelevant if you forgot to bring it. The goal of new-experience businesses is to augment the sales by getting people to pay for things they are not currently buying.

Once you've uncovered your underutilized right-of-way, the next step will be searching for a partner that will enable you to accomplish what you cannot do alone.

How to Find the Best Partners for You

Partnerships are hard. Don't form one unless you have to do so in order to do what you want to do. To find and grow your reciprocity advantage, you have to find a partner with whom you can create a new business — a business that you could not create alone.

Partnerships are very different from transactional relationships. If you work for a large corporation, chances are that your company was formed as a partnership. More often than not, it was two people — Hewlett and Packard, Procter and Gamble. These kinds of deep partnerships are not just transactions. They brought together people with complementary skills to create a new business. Because each partner brought specific proficiencies to the relationship, neither one could be easily substituted.

If you are to discover your reciprocity advantage and succeed in creating new reciprocity-based companies, you will bring one half of the equation to your new business. Your first challenge, however, is to understand that you aren't just looking for another person or corporation who can give you something — you need to find your missing half.

What Right-of-Way Should You Share?

You must know your right-of-way *before* you seek a partner because that will help you understand what kind of partner you need. A core question to ask yourself is this: "If I share my right-of way away for free, will it hurt my existing business?"

The concept of free is a hard one for many financial managers to grasp. Most times the answer to the question above is that it would hurt your business to share things you own. The reciprocity advantage involves sharing assets in intelligent ways *now* that will result in new growth over time.

How to Learn by Experimenting with Many Open Iterations

When designing experiments, big dreams matter. The experiments need to be fast and cheap, but the prize needs to be worth your trouble.

You must embrace creating new businesses in order to find your reciprocity advantage. But a sticking point for taking action is the belief that new businesses are very risky. New businesses do have a high failure rate, but that doesn't mean they are risky. The problem is that companies treat new business like current business. When you move away from the core, you need to behave differently. New strategies are required for managing risk so the pain of failure is reduced. Starting new businesses requires becoming a great risk manager.

Most startups fail because they can afford to make only a few bets before they run out of cash. But big companies can afford to make thousands of bets to learn their way to success. Yet, big companies usually don't succeed either. Why? Many big companies place too much money on each bet. They need to find ways to construct and manage incredibly small bets.

Writing Options on Your Future

The tool you need for managing high risk is an option. An option is a specific right to buy something of value at a predetermined price at a particular time in the future for a specific cost today. Options are placed to make your money go further when there are larger unknowns. The key options concepts include 1) You pay a very small percentage of the cost. So, you can invest in many possible projects. 2) Options expire. They don't have a life of their

own, unlike stale development projects that never seem to die. 3) The risk is limited to the initial investment. Every 60 days you can walk away or reinvest.

The common error is to create a big team and spend a million dollars and one year on one idea. An options approach takes that budget and cuts it into small chunks. As with the uncertain stock market, many small bets to find the winner are better than one single investment. The solution to starting new reciprocity businesses is using options thinking and rapid prototyping. Make to learn, not make to sell.

How to Scale Your Reciprocity Advantage

Scalable reciprocity will require designing for scalability from the beginning. Reciprocity is good, but massively scalable reciprocity is growth that reshapes industries.

You will know your reciprocity advantage is ready to scale when your service or product meets three criteria — it's desirable, viable and ownable. Failing to meet all three criteria will severely limit or even doom your reciprocity advantage.

Start with something that has two out of the three criteria: you know people desire it, and you know the viable business model — you just need to make it ownable. Two out of three is easy. When you have all three, you will be ready to scale rapidly.

When you know your product is desirable, you know you have a viable financial model, and you know how to sustain the business long enough to get a return, you have created a low-risk, high-potential business. When that happens, scale it!

The main reason new businesses fail is that they scale before having all the needed answers. A second reason is that they fail to go all in when they have a clear path to success. When your reciprocity advantage meets all three criteria, you have a winning idea. Speed is on your side. Run!

Knowing When to Quit

Not everything will work. You will need agility to read and react quickly to whatever happens. How do you know if it is time to go home? Only two things correlate with success for a disruptive new business idea: passion and keeping commitments. If after trying something for a period of time, you or your team loses passion for it, stop doing it. An iterative, team-led milestone process is the best way to get a breakthrough. Be disciplined. Luck is part of what it will take to be successful, but discipline will help you be lucky more often.

When the Future Is Reciprocity

Interestingly, most of the world religions teach the value of giving, but now neuroscience and the psychology of happiness are teaching us the same principals — backed up by data. A new appreciation for the value of giving will fuel new models for reciprocity advantage.

There are many things you can do right now that will make the future of reciprocity both possible and practical. Uncover your reciprocity right-of-way. Partner to do what you can't do alone. Experiment to learn. Amplify to create scale. Create your own reciprocity advantage.

This model will work at the corporate level, but you can also use it on yourself to create your own personal reciprocity advantage.

The world of transactions — buying and selling stuff — will continue to exist, but it will become increasingly difficult to make money in this space alone. The core of any business will continue to be removing unnecessary costs and meeting the needs of existing customers. But companies will need new avenues of growth. To drive growth, you will need to focus on increasing value for your customers, value that will grow overall market size. Master your transactional business, but grow it by creating your own reciprocity advantage.

Your reciprocity advantage will create new opportunities for high-margin businesses that can complement your core business.

All businesses — and all individuals — have an opportunity to find a reciprocity advantage. Reciprocity and advantage, long thought of separately, will be increasingly synergistic.

RECOMMENDED READING LIST

If you liked *The Reciprocity Advantage* you'll also like:

1. ***Get There Early*** **by Bob Johansen.** Johansen and the Institute for the Future provide their insights into the next decade and show readers how they, too, can begin to navigate the road to the future.

2. ***Finding Allies, Building Alliances*** **by Michael Leavitt, Rich McKeown.** The authors present a guide for anyone tasked with fostering and maintaining an effective, productive and collaborative venture.

3. ***The Wide Lens*** **by Ron Adner.** Adner shows that many companies fail because they focus too intensely on their own innovations and then neglect the innovation ecosystems on which their success depends.

· Book 39 of 388 ·

35-30 What Keeps Leaders Up At Night

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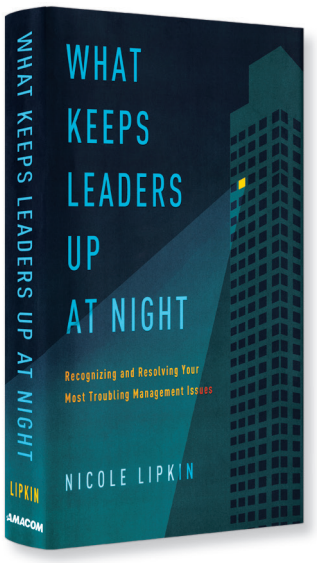
Leadership

What Keeps Leaders Up at Night

Recognizing and Resolving Your Most Troubling Management Issues



by Nicole Lipkin

THE SUMMARY IN BRIEF

No matter how successful you are, if you're like most leaders, you're occasionally plagued by the doubt that accompanies typical management questions.

In *What Keeps Leaders Up at Night*, psychologist and business consultant Nicole Lipkin shows you how to recognize and resolve eight of the most troubling management issues leaders face today: miscommunication, stress, change, unhealthy competition, damaging group dynamics, loss of motivation and engagement, elusive success, and the typical leadership snafus that make us temporarily go from good to bad.

Explaining the mental processes that play pivotal roles in the workplace, *What Keeps Leaders Up at Night* helps you to gain greater awareness of what causes these recurring problems and to find better solutions by recognizing and addressing those causes more quickly and effectively.

Lipkin uses real-life case studies coupled with psychological and neuroscience research to demonstrate how to solve complex and fascinating problems that leaders encounter every day.

IN THIS SUMMARY, YOU WILL LEARN:

- The three overarching reasons good bosses sometimes go bad.
- How confirmation bias affects our assessments of personality and leads us to terrible business decisions.
- The neurological fire alarms that blare inside your mind when experiencing the negative effects of stress.
- How to get the most from your team by understanding the mental processes inherent in group dynamics.

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THE COMPLETE SUMMARY: **WHAT KEEPS LEADERS UP AT NIGHT**

by Nicole Lipkin

The author: Nicole Lipkin, a sought-after speaker, consultant and executive coach, holds a doctorate in Clinical Psychology as well as an MBA. The author of *Y in the Workplace: Managing the "Me First" Generation*, she has shared her expertise on NPR, NBC, CBS, Fox Business News, and other high-profile media outlets.

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I'm a Good Boss. So Why Do I Sometimes Act Like a Bad One?

When you take a close look at why good bosses go bad (temporarily versus the chronically horrible bosses that go bad every minute of the day), you usually find three overarching reasons: too busy to win, too proud to see and too afraid to lose. Once you understand why you sometimes display the symptoms of the *good boss gone bad* syndrome, you can use your newfound self-awareness to cure what ails you.

Too Busy to Win

Keeping busy may make you happy, but at some point excessive busyness can overwhelm your coping capabilities. That's when we become too busy to win. Excessive busyness can impair performance and productivity, making you increasingly forgetful, fatigued, and prone to poor decision making and problem solving.

You can deal with an increasing number of tasks and responsibilities, but at some point you begin to bend under the pressure. If you're not paying close attention, you do not feel the bend until you snap under the final addition to your workload.

The human brain simply cannot concentrate on more than one, or in rare cases, two, cognitive tasks at once. Sensory overload will cause the brain to focus on one immediate task at the expense of others, or it will prompt it to take on a set of mindless tasks that soothe it. That explains why super busy people love making lists.

Bosses who become too busy to win can easily fall into a cycle of self-sabotage. When your workload grows too heavy to bear, you get mired in the little stuff and lose sight of the big stuff. The forest (managing others) disappears as you wander among the trees. Without enough of your skillful management, your people start making more mistakes, adding even more to your workload because you must now devote time to fixing those mistakes. It becomes a vicious cycle. The more you mess up, the more your people mess up, and the more your people mess up, the more you mess up.

You need to keep a wary eye on your workload and the appearance of any too-busy-to-win symptoms. It all boils down to gaining and maintaining self-awareness. When the symptoms appear, force yourself to take a break.

Too Proud To See

Although most of us don't like to admit it, we often all get wrapped up in our own ideas, not because we are idiots but because we are human. It's natural to think our ideas are best, especially when we're the boss. The too-proud-to-see variation on the *good boss gone bad* syndrome involves three problem-bound behaviors:

1. Letting yourself get so tied to an idea that you won't let it go.
2. Refusing to heed the advice of others.
3. Relying on your past successes at the expense of weighing different patterns, options or solutions.

All three of these behaviors not only damage performance and productivity but also can undermine your credibility as a leader. Avoiding them requires a strong dose of self-awareness.

The phenomenon called *confirmation bias* causes us to seek out information that supports our views or beliefs and to give more weight to confirming information, while discounting or not noticing information that contradicts our point of view.

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This can wreak havoc, however, when we are managing other people because it can prevent us from making accurate and effective judgments and decisions. Confirmation bias interferes with our ability to gather all sides of an argument, consider all possible points of view, and weigh a situation with a cool, objective mind.

Too Afraid to Lose

A leader who shies away from certain risks not only hurts himself but also hampers everyone else's ability to forge ahead and get the job done. Those suffering from the too-afraid-to-lose variation

- Worry excessively about failing to get the right results.
- Question and second-guess every step along the way.
- Avoid decisions and commitments that might cause mistakes.
- Get involved in every detail, particularly as deadlines loom.

These toxic behaviors will destroy a leader's credibility. More than the other variations, the too-afraid-to-lose form thwarts creative problem solving and impedes team progress.

Good bosses who fall into the trap often worry about appearing weak. They mistakenly associate failure and mistakes with weakness and incompetence. This false relationship causes them to behave stupidly and out of character, micromanaging details or becoming immobile. Those suffering from this common ailment are experiencing a problem with what psychologists call *self-efficacy*.

Good bosses tend to possess a strong sense of self-efficacy. However, any number of circumstances can diminish or even destroy it. When your self-efficacy gets swamped, you immediately sink into too-afraid-to-lose quicksand.

Many screw-ups result from the three variations on the *good boss gone bad* syndrome. The path back to the ranks of the good boss is paved with self-awareness. Just pausing to cast an objective eye on your maladaptive or unproductive behavior or asking a trusted ally to tell you the honest truth about how you've been acting lately can get you back on track.

Why Don't People Heed My Sage Advice?

Most of us cringe when we watch someone fail to influence and persuade other people. The speaker struggles earnestly to capture and hold the audience's attention, only to be met with blank looks, tilted heads, yawns and confused stares. Nothing devastates a boss more than losing the ability to persuade, influence and motivate others to get results.

When you drill down through all the research to the basic bedrock issues, you hit two simple but hard facts. You lose your influential powers when people do not buy into you and when people do not buy into your message.

Many people use the terms influence, persuasion and manipulation somewhat interchangeably. But each carries its own meaning. Influence requires winning the minds and hearts of your audience and thus inspires action. Persuasion stimulates a person to action because it makes intellectual sense. Manipulation crosses a fine line between persuasion and influence. It replaces the welfare and benefit of the group with the selfish desires of the individual.

Why Don't People Buy Into Me?

Focus, for now, on influence because influence hinges on personal buy-in. Why do some people stimulate buy-in so easily, while others find it so hard? The answer is power and its unique relationship with credibility and influence. For purposes of this discussion, we'll define *power* as the ability to exercise influence. You can't achieve influence without power. You can't exercise power without a relationship. This brings us back to the premise that influence occurs within relationships.

In 1959, psychologists John French and Bertram Raven developed a framework for understanding different types of power. Raven, Arie Kruglanski and Paul Hersey, working with Marshall Goldsmith, expanded that original framework into seven distinct types of power:

Legitimate Power. This power arises from one's title or position in the pecking order and how others perceive that title or position.

Coercive Power. This power comes from fear. Someone who uses coercive power influences others by threat and force.

Expert Power. This power comes directly from a person's skills or expertise or from perceived skills or expertise. Expert power is knowledge-based.

Informational Power. This power comes from the possession of needed or wanted information.

Reward Power. This power motivates people to respond in order to win raises, promotions and awards.

Referent Power. This power depends on personal traits and values, such as honesty, integrity and trustworthiness.

Connection Power. This power creates influence by proxy. People employing this power build important coalitions with others.

In the workplace, these seven types of power generally fall into one of two categories: formal (legitimate, coercive and reward power) and informal (referent, expert, informational and connection power). When it comes to influencing people without creating potentially negative effects, referent, expert, informational and legitimate power tend to get the best results.

A successful leader often relies on referent power to influence people because it most effectively breeds credibility. Who will most likely heed your sage advice? Those people with whom you have built strong, positive relationships.

The effective use of referent power involves developing a number of important and not easily acquired skills, including the ability to manage boundaries, maintain strength of character, make a clear and compelling presentation, adapt communication to the listener, forge trust and display empathy.

Given our natural tendency toward trust, this shows why we respond so positively to referent power, which depends on personal traits and values we admire. Influential relationships thrive in the presence of referent power.

Why Don't People Buy Into My Message?

Even if people admire a leader's personal traits and values, they might still ignore the leader's message. In most cases, the breakdown occurs because, somehow, people did not find the message compelling. How, then, do you create compelling messages that always get through?

Nothing can help a leader become more convincing than coupling an important message with an unforgettable story.

A story provides common ground where people can share an experience with others. Although each person may interpret the story differently, everyone gets the point. As a universal connector, the story triggers different parts of our brain, including our emotional powerhouse (the amygdala), and those stimulated by a simple presentation of facts and figures (i.e., the prefrontal cortex, which controls our working memory). It helps us make sense of our world. When someone hears or reads it, that person's mind fills in the blanks until he or she can see it all happening.

Don't overdo storytelling. The best storytellers tell their stories judiciously, tailoring them to the context, personalizing and adapting them to themselves and their audience, and making sure they deliver the right message.

Why Do I Lose My Cool in Hot Situations?

Whether you are dealing with sudden acute stress or ongoing chronic stress, only knowledge and training will see you through it all. Psychologists know that people perform well under stress if they possess the information they need to take effective action. Under stress, they feel they can take control of or at least strongly influence what happens next.

Physiologically, your body, for the most part, reacts automatically and predictably to acute and chronic stress. Your brain does not. Our perceptions and beliefs strongly influence which situations stress us out and how we respond to the high-pressure ones.

When it comes to all the little stressors (or big ones that impact us personally), demanding deadlines, noise pollution and relationship problems, we bring a unique set of beliefs and perceptions to those situations. They cause reactions that run the gamut from a minor grimace to a full-scale meltdown.

In the late 1970s, Dr. Susan Kobasa, a clinical psychologist at the City University in New York, found that three personality traits could actually protect someone from the negative health effects of prolonged stress:

Commitment: Maintaining a purpose in life and nourishing your social and community involvement. Positive beliefs foster successful reactions to stress.

Control: Perceiving control over a situation. People can choose how they react to a stressor and thus exert some degree of control over it.

Challenge: Viewing stressful events as problems or opportunities. Those who cope successfully with stress tend to look at the silver linings as well as the clouds.

A 180° Shift

Tape this motto to your desk: I CANNOT STOP STRESS. Striving for success, balancing work and personal life, dealing with the intense pressure that characterizes most workplaces, and just living in this

revved-up, high-pressure world with so many people and devices vying for our attention will create stress. Count on it. But also tape this motto beside the first one: I CAN CONTROL MY REACTIONS TO STRESS. You can minimize the adverse effects of stress, the meaning you attach to stressful situations, and your poor responses to the inevitable stressors that come your way. In other words, the stress response is negotiable.

Not surprisingly, negative self-talk can prompt our stress response because negative musings often distort reality. Those of us who cope well with stress more often listen to an inner voice that serves as a friendly inner drill sergeant, encouraging us to suck it up, push harder, stop whining. That's a good thing. But taking orders from an unfriendly inner drill sergeant — one screaming at us to crawl back into bed, bury our heads under our pillow and cry our eyes out — doesn't do us any favors.

Negative self-talk or cognitive distortions can resist even our best efforts to change them. They can become so deeply ingrained and habitual that it takes an almost superhuman effort to break their hold on our mind. You can take the following practical steps to get that unfriendly drill sergeant out of your head:

Step One: Become cognizant. What triggered the event? What negative thoughts popped into my head? What emotions did I experience? When you start analyzing your negative self-talk you should begin to appreciate how the perceptions they express instigate or further a stress response.

Step Two: Obliterate the negative thought. Once you identify the negative thought(s), you can ask another series of questions to help change them. Ask yourself,

What is my negative thought?

What evidence proves this thought true?

What evidence proves this thought false?

What advice would I give a friend who feels this way?

What conditions should I accept right now?

What won't change?

What words will express my new healthy thought?

Stress management does not mean stress obliteration. Rather, it means learning how to negotiate your own reactions to the stress that inevitably occurs every day of your life as a leader. Choosing to mind what's going on in your head and observing your body's physiological responses and how others perceive you mark the first sure steps toward coping effectively with stress.

Why Does a Good Fight Sometimes Go Bad?

Like most deeply rooted human behavior, competition is perfectly normal and healthy. Competition can make the office an exciting and rewarding place to work. Conventional wisdom insists that cooperation and collaboration work better than competition, but the inevitability of social comparison argues quite the contrary. Comparison is the mother of competition.

When we watch others succeed or fail, we often compare ourselves to them, and our observations can stimulate powerful emotional and behavioral responses. Many factors influence the nature of our feelings and reactions, including past experiences with similar situations, our level of self-esteem, and our judgment about whether someone deserved to succeed or fail in a particular endeavor.

What if we delight in someone's setback or despise his or her advancement? Then we can easily slide into envy, jealousy, even rage and end up disliking ourselves even more than the target of our ill will. Herein lies the psychological dilemma where the collision of social and self-expectations can shift a good fight into a bad fight.

You should keep in mind, however, that such negative emotions are part of being human. You can't avoid them; but left unchecked, they not only create turmoil; they can also damage both the target of those feelings and the one experiencing them. They do not pose serious problems or threaten a relationship unless you ignore them and let them fester into a deep psychological wound.

Promoting Good Fights

To create a healthier environment that keeps the good fight from going bad, as a leader you can cultivate certain norms:

- *Supportive, Friendly Competition*: Create friendly competition but not an ultimate "win or lose" challenge among team members.
- *Transparency*: Maintain an open-door policy that encourages people to speak candidly about their feelings. When you must do something that might cause feelings of envy or taking pleasure in the misfortunes of others (e.g., adding a teammate, promoting, demoting or rewarding someone), do it openly and make your reasons perfectly clear to all concerned.
- *Mentorship*: Mentoring opens up the line of communication and reduces preconceived notions and assumptions that can fuel the envy flame.
- *Address Conflict*: Nip problems in the bud. A good leader notices the emotional nuances that occur between people. The minute you see it, address it.

Why Can Ambition Sabotage Success?

We all create what psychologists call *self-schemas*: personal stories we use to define ourselves. For many of us, our internal monologues are like comfort food. For others, our stories are like swallowing shards of glass, causing such pain and suffering that they interfere with our ability to function. Whether positive and optimistic or negative and pessimistic, our stories become so deeply ingrained, so taken for granted, they cannot be easily changed.

Only with deep self-awareness can we detect the patterns and alter them in ways that will help us get more of the success we desire.

I call a self-centered or focused schema a *myopic schema*. Myopic suggests a narrow and exclusive perspective. In contrast, a *panoramic schema* encompasses the "big picture." If you imagine a spectrum, with myopic on the left and panoramic on the right, most of us fall somewhere in the middle. Those who live on the far left of the spectrum often find it harder to sustain long-term success than do those who operate on the far right.

What turns an ambitious leader into a bad character or even a criminal? More often than not, it's an unbridled drive to serve oneself at the expense of all others. So how do leaders start down the path to wrack and ruin? It all comes down to the lies we tell ourselves.

Lies We Tell Ourselves

Cognitive dissonance is a concept proposed by Leon Festinger in the 1950s. Cognitive dissonance means that our schemas impel us to hold onto our existing attitudes and beliefs while avoiding disharmony (or dissonance).

To cope with cognitive dissonance, we use three different tactics to reconcile disharmony. First, we can change our beliefs ("Cheating is ok"). However, our schemas make it hard for us to alter our basic beliefs and attitudes. Second, we can change our actions ("I'll never cheat again"). While powerful emotional motivators such as guilt or anxiety can encourage us to whip our behaviors into shape, we often tamp down feelings of guilt or anxiety over an action or decision because we can easily train ourselves not to feel that way. Guilt seldom sustains learning over the long haul. The third and most common tactic for resolving cognitive dissonance involves changing our perception or memory of an action ("Since everyone cheated on that test, why shouldn't I?"). Reconceptualizing the behavior provides a pleasant and convenient way to deal with disharmony, and it supports our natural human desire to see ourselves as basically good and reasonable people.

Given our imperfections as human beings, our minds have created a whole host of defense mechanisms and biases to cope with cognitive dissonance, including self-justification, rationalization and the self-serving bias. While we readily observe those behaviors in others, we find it much harder to see them in ourselves.

No matter how much bad behavior, faulty decisions, abusive leadership and unethical practices some leaders commit, they will not change their ways. They will, instead, do whatever it takes to preserve their positive view of themselves.

Leaders who work with a panoramic view of success do not operate with total selflessness, but they do define their own success within the context of the bigger picture. If "we" don't succeed, "I" don't succeed.

The best leaders evolve from a myopic view (conventional) to a panoramic (postconventional) view as they gain more experience. Why do so few leaders adopt a panoramic approach to success? Part of the answer lies in the fact that every leader must deal with so many competing forces and priorities, both internal and external. When you are working inside a tornado, it's hard to step back and see yourself, your stakeholders and your situation clearly.

Shifting from a myopic to a panoramic approach to success and leadership takes a lot of willpower and an extreme commitment to counteracting the lies that we tell ourselves.

I offer this advice: Never shy away from saying, "I was wrong." Leaders hate to admit their failings, but doing so makes people respect you more than all the rationalizations and justifications in the world.

Why Do People Resist Change?

Brain analysis technology has proven that change activates the prefrontal cortex. However, analysis has also shown that, because the thinking part of the brain connects to the emotional part, an assault of unfamiliar information can upset the emotional part of our brains. The mere prospect of change can ignite a firestorm of emotions (intense fear, anger, depression, fatigue, anxiety) that make us want to fight for the comfort of the status quo.

No matter how much clear writing you can see on the wall, you can easily succumb to the powerful forces of

psychological biases that can blind you to the need for change. Many cognitive biases can immobilize us, but sometimes it simply comes down to mental exhaustion.

New and unfamiliar routines and choices challenge the comfort zone of our ingrained habits. When you effect a change, you force yourself out of that comfort zone. It takes a lot of energy, and it can wear you out. In the same way that your muscles eventually give out during a strenuous workout, your mental muscle starts to lose function at full speed, hampering your ability to care, make choices, maintain motivation, weigh decisions and ultimately take action. Psychologists call this *ego depletion*, a state of mind where you can lose critical elements of your self-control and all the other mental processes that require focus and conscious effort.

Given all the forces that conspire against a decision to paddle through unknown waters, what's a poor leader to do? Research into brain plasticity (also known as neuroplasticity or cortical remapping) has shown that the brain can change and adapt as a result of learning and experiencing new behaviors, environments and neural processes. Leaders who want to move forward can take the following steps to survive the rapids.

Challenge Biases. When change slips into town, a leader must confront it head-on. Bring together all the people who feel a sense of ownership in the status quo and encourage them to ask and answer some key questions:

- How do we define our status quo?
- What benefits have we derived from our status quo?
- How are we limited by our status quo? Would we choose to make the same investments? Which business forces require a bold response?
- What specific changes can we make to ensure a bold response?
- How will we benefit or not benefit if we make those changes?

Simply guiding yourself and your people through this process will shake up people's minds, get them thinking in a forward direction, and loosen the shackles of the status quo.

Reframe. Here's a strategy I like to use with clients who are wrestling with decisions about confronting change.

- Gather people with similar and different business interests in a room.
- Write a one-sentence summary of the business challenge on a white board.
- Invite people to offer different ways to state the challenge.
- Cross out all value-laden terminology: fair, smart, dumb, beneficial and problematic.
- Reframe the question in a neutral sentence.
- Ask different stakeholders to frame the challenge from their particular point of view.
- Help the group analyze gains and losses from each point of view.

Effective reframing shifts emphasis from symptoms to causes. It replaces a Band-Aid with the antibiotics to heal the infection.

Recoup. When facing decisions that involve shaking things up, you need to recognize that being avoidant, stuck, resistant or delaying is sometimes simply due to mental exhaustion or burnout. Despite the tremendous resilience of the human brain and body, sometimes we need to give them a rest so they can recoup their full abilities. It's easier said than done when we find ourselves up to our eyebrows in quicksand.

As always, the simplest advice applies: eat well, get enough sleep, exercise, engage in play and social activities with friends, read a book or go to the movies or theater, spend time enjoying your hobbies, meditate or do anything else that lets off steam.

Developing habits takes time. However, our brains love to form new ones, especially healthy, positive ones that will prevent exhaustion, help you switch gears, and give you the break you need to reenergize and make clear-headed decisions.

Why Do Good Teams Go Bad?

According to *social identity theory* (SIT), a term coined by Henri Tajfel and John Turner in the 1970s, people derive a sense of their self not only from their personal identity (unique personal characteristics) but also from their association and identification with one or more social groups (male, female, black, white, brunette, blonde, workgroup A, workgroup B, etc.). Social identity allows us to identify with each other and act together by reaching consensus on what matters, on what rules/norms will govern behavior, and on how to define and work toward shared goals. Group membership provides people with a sense of belonging, a basic and universal human need to know who we are and how we fit into the world. No wonder we gravitate toward groups of all kinds. Once we join a group, however, some truly fascinating dynamics kick in.

In a world of constant choice, our selections, from friends and lovers to computers and cars, define who we are and separate us from other groups. Once you ally yourself with a group, you begin to enjoy wonderful benefits, such as cooperation and cohesiveness, but you also begin to fall prey to some disturbing liabilities, such as prejudice and corruption. "We" can accomplish anything; "we" are good. "They" are incompetent; "they" are bad.

While cohesive groups can accomplish amazing results, extreme group conformity can stifle creativity,

innovation, critical thinking, decision making and problem solving. On a large scale, social conformity can breed a productive and supportive culture, but taken to the extreme, it can cause people to turn a blind eye to wrongdoing, the equivalent of jumping off the Brooklyn Bridge with your friends.

Leaders who see a good team going bad must intervene immediately. Quite often a leader can't see it happening because he or she has also conformed to the group. In that case, a trusted adviser or a coach can provide objective advice on getting the team back on track.

Psychologists have postulated three main theories to explain why people participating in group decision making increasingly polarize and strengthen their initial preferences and why those people who hold dissimilar preferences at the outset often end up changing their minds and accepting the majority opinion:

1. *Persuasion*. People change their minds when they pay attention to what they deem rational arguments offered by other group members.
2. *Comparison*. People change their minds to conform to the group, especially when they accept those norms as socially desirable.
3. *Differentiation*. People change their minds to accommodate a decision they think the group should make.

Not all groups polarize. In fact, in well-established groups, especially under time pressure, people will more likely compromise and reach a middle ground in their decision making.

Counteracting the Traps

Setting up and managing good groups require careful thinking about the team's composition, size, objectives and protocols. To counteract some of the common problems that can make a good team go bad, establish group diversity, define expectations, emphasize collective awareness, provide the right training, stress freedom of thought, insist on information sharing and promote innovation.

Every group, from a mixed-doubles tennis team to a 250-person sales force, comes under the influence of group dynamics. Understanding those dynamics helps leaders to create and manage teams more effectively and to keep them from falling prey to negative group behaviors that can make a good team go bad.

What Causes a Star to Fade?

In psychological terms, engagement is a state of mind driven by behavioral, cognitive and emotional factors. Regardless of why and how engagement occurs, research and surveys have consistently shown that engagement applies to every type of work environment and figures prominently in business outcomes.

You must build engagement into the very fabric of the organization. Busy with the business of busyness, we lose sight of what really matters to our people and unintentionally disengage the very people on whom the success of our organization depends.

High levels of engagement cushion the effects of a poor work environment, and that can influence people's motivation to cope with challenging deadlines, limited resources, or even nasty bosses.

In a positive culture of engagement, people naturally go the extra mile for your team, for your customers and for your company. That's why you need to watch for organizational decisions, environments, attitudes and behaviors that interfere with engagement.

Engagement is not a luxury these days; it's a necessity. Companies that have begun to believe in this concept have gained a competitive advantage. What exactly, can you do to engage your people and keep them engaged?

Our basic and powerful need for social connection figures prominently in our work lives. Engagement, retention, performance, productivity, cultural commitment, wellness and stress reduction depend on it. That's why a leader must concentrate on fostering relationships. Stronger social connections lead to higher levels of engagement.

Here are the three simple rules to get back on track as a good boss: seek self-awareness, help others gain self-awareness, and remember we're only human after all.

RECOMMENDED READING LIST

If you liked *What Keeps Leaders Up At Night*, you'll also like:

1. ***360 Degrees of Influence by Harrison Monarth***. Monarth provides advice on how to gain the trust and respect of those around you and how to expand your influence well beyond your immediate environment.

2. ***Just Listen*** by Mark Goulston. A veteran psychiatrist and business coach, Goulston reveals the secret of how to get through to anyone, even when productive communication seems impossible.

3. ***The 360 Leader*** by John C. Maxwell. According to Maxwell, you can learn to develop your influence from wherever you are in the organization by becoming a 360-degree leader.

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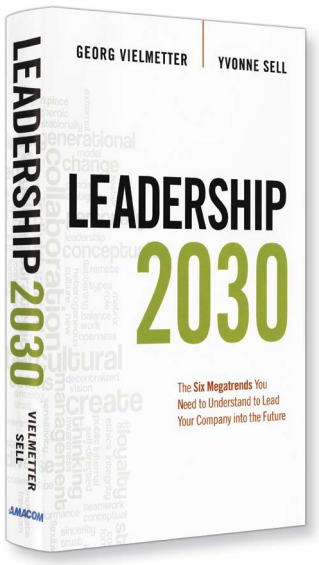

Leadership 2030

The Six Megatrends You Need to Understand to Lead Your Company into the Future

by Georg Vielmetter and Yvonne Sell

THE SUMMARY IN BRIEF

Massive global forces will reshape your business by the year 2030. Formidable competition from China, environmental pressures, talent wars and technological leaps will divide the short-term thinkers from the prudent few looking for long-range opportunities.

Drawn from research conducted by Hay Group, a global management consultancy, and Z_punkt, an international leader in strategic foresight analysis, *Leadership 2030* pinpoints six converging megatrends and provides direction for leading your organization through profound change. The megatrends are globalization 2.0, environmental crisis, individualism and value pluralism, the digital era, demographic change and technological convergence.

Thought-provoking analyses assess the transformative effects of the megatrends on leaders and their organizations. Case studies, examples, interviews and data drive home the evidence. Fictional profiles clarify the effects each megatrend has on decision-making processes. Together, they make *Leadership 2030* your most sweeping, nuanced guide to the monumental challenges ahead.

IN THIS SUMMARY, YOU WILL LEARN:

- How the six megatrends will impact every organization.
- Why leaders will need to focus on the diversity of employees and consumers.
- The importance of being an altrocentric (rather than an egocentric) leader who is prepared to face new global and environmental challenges.

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THE COMPLETE SUMMARY: **LEADERSHIP 2030**

by Georg Vielmetter and Yvonne Sell

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Introduction

Nobody knows what the future will look like. It is all too easy to focus on one single trend, development or incident, then extrapolate and jump to the wrong conclusion. But there comes a time when people have a feeling that change is in the air. We live in such a time. Something is in the air. But it is difficult to get a grip on exactly what is changing, how and why, and what the future will look like as a result.

Answers lie in the science of foresight analysis (sometimes called future research). Foresight analysis is a robust, cross-disciplinary, scientific research that focuses primarily on social science. After extensive research, it was decided that the most fruitful way to analyze the changes occurring would be to identify the current megatrends in global society.

It is important to understand that a megatrend is a long-term, transformational process with global reach, broad scope, and a fundamental and dramatic impact. More specifically, there are three dimensions that define a megatrend:

- **Time:** Observable over decades, megatrends can be projected with a high degree of probability at least 15 years into the future.
- **Reach:** Megatrends affect all regions and stakeholders, including governments, individuals and businesses.
- **Impact:** Megatrends fundamentally transform policies, society and the economy.

Using these dimensions and working with research partner Z_punkt, six megatrends were identified that are creating — and will continue to create — the greatest shifts in the business environment: Globalization 2.0, Environmental Crisis, Individualization and Value Pluralism, The Digital Era, Demographic Change and Technological Convergence.

Globalization 2.0

Five Essential Points of Globalization 2.0

1. Globalization 2.0 is fundamentally different from version 1.0. The East will progress from just being the workplace of the West; Western companies will still operate in the East, but under different circumstances. Goods, people and capital will flow in multiple directions, not just from West to East, but also very much from East to West.

2. Traditional trade patterns will be disrupted. As economic power shifts eastward, trade between emerging markets will flourish. The East will rely less and less on the West for goods and services. Organizations will need to think differently about marketing.

3. Beware of "glocalization." New middle classes will emerge in more and more countries, each with its own set of consumer demands, thereby "glocalizing" the market. A single, centralized strategy and operating model will no longer be adequate for multinational organizations.

4. The burden of complexity will intensify. Globalization 2.0 will demand a complexity of thinking that few organizations or leaders have encountered — significantly intensifying the cognitive and, in particular, the conceptual and strategic demands on already overstretched leaders.

5. Contextual awareness will be critical. Organizations will need to be more adaptable and encourage diversity

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Rebecca Clement, Publisher; **Sarah Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Amanda Langen**, Graphic Designer; **Elizabeth Van Woert**, Contributing Editor

of thought in order to enhance their contextual awareness and ensure that communications is truly two-way.

Globalization 2.0 is characterized by two unique and interrelated attributes: the shift in the economic balance of power to Asia and the rapid expansion of the middle class in the emerging nations.

Out of the Loop

A side effect of the shifting balance of economic power under Globalization 2.0 will be a sea change in world trade patterns. Increasing levels of commerce between emerging nations will present another significant threat to Western economies and corporations. Business relationships, strategic alliances and economic agreements that exclude the West altogether are increasingly being struck.

With dizzying economic expansion and strengthening corporate success comes the growing wealth of the local population. Under Globalization 2.0, this means improving purchasing power for hundreds of millions of people in low- and middle-income economies. However, it's important to recognize that we are not talking about a globally homogenous group of increasingly affluent workers with identical consumption patterns. Significant cultural differences and unique local preferences will drive demand for different products and services in each local market.

The Demands of Globalization 2.0

Organizations and their leaders are grappling with unprecedented complexity in the macro-business environment brought about by Globalization 2.0. Here is a summary of the key challenges businesses are facing and the demands these challenges will place on leaders.

- *Contextual awareness and conceptual thinking.* More agile structures will be necessary to enable localized strategic decision making in order to take advantage of globalization. Strategies, business models and operating models will need to be adapted to the demands of different markets. Leaders will require highly developed contextual awareness and conceptual thinking to identify and implement the right structures for their organizations.
- *Cross-collaboration.* Deeper and more frequent collaboration will be required between functions and across regions and countries to fine-tune businesses' local radars. And not only internal collaboration. Glocalization will demand more collaboration with external partners in order to enter local markets. For leaders, this means being able to manage effectively across multiple functions, regions, countries, nationalities, cultures and markets.
- *Diversity.* Stronger contextual awareness, improved local sensitivity and greater cross-country collaboration will necessitate more diverse teams. And they must be diverse in all senses of the word: nationality, ethnicity, culture, age, gender, function, career background, etc. Intercultural sensitivity and adaptability will be essential attributes in leaders.
- *Loyalty.* The global war for talent will be transformed by Globalization 2.0. Loyalty will be at a premium. Talented employees and future leaders will be able to take their pick from among employers the world over, as competitors spring up throughout the emerging regions to challenge established Western corporations. Only the most compelling and inspiring leaders will be able to attract, retain and engage the best people in a talent market devoid of loyalty.

The Environmental Crisis

Five Essential Points of Environmental Crisis

1. Climate change is real and almost irreversible. Global warming as a result of economic activity has caused extreme weather events around the world, leading to death, displacement and considerable economic damage. The earth's temperature is approaching catastrophic levels.
2. Critical resources are being depleted. Peak oil supply from conventional sources was reached in 2006. Yet global energy consumption is rising as millions of consumers worldwide join the ranks of the middle class. Water shortages are becoming increasingly drastic. Rare earth minerals — essential to modern technology — are becoming scarcer, more expensive, and more difficult to reach.
3. The implications are potentially catastrophic. This creates a recipe for, at best, drastically reduced margins for organizations, and, at worst, deep global recession, famine and widespread social turmoil.
4. Carbon footprint moves from corporate social responsibility to the bottom line. Carbon reduction will become essential to market competitiveness. Organizations will need to embed environmental awareness into their processes and decision making in order to create a culture and operations that minimize environmental impact.
5. Transformational thinking and operations will be necessary. Leaders will need to think transformationally to achieve this, communicate a clear rationale for such radical change, and ensure that they execute the vision. New kinds of collaboration, including joint ventures with competitors, will be required to find innovative solutions.

The environmental crisis is perhaps the most profound of the six megatrends. It calls into question the very fundamentals on which economic prosperity and development are based. And at its heart are grave implications for

global society and prosperity and, therefore, for businesses and their leaders.

The environmental crisis facing the earth comprises a complex web of factors. Two of these are the changing climate due to global warming and a growing scarcity of natural resources (principally oil, water and rare earth minerals).

Moral Dry Ground?

Clean technologies will present new opportunities for organizations to operate more sustainably. But ultimately, businesses will be driven by one of two clear motives: inherent eco-ethics or the laws of market economics.

Some businesses are undoubtedly driven by the desire to operate as sustainably as possible, minimize ecological impacts, and safeguard the future of the planet. Eco-ethics are the founding norms of these companies. To them, environmental protection is a guiding principle, not a CSR exercise or market response.

But it would be naïve to expect every company to be motivated by inherent eco-ethics — tantamount to asking them to forsake the rules of capitalism. The moral case alone is not sufficient for most businesses. Until society accepts a different kind of market economics, where profit motive is no longer all-consuming, the market will determine the need for sustainable operations for most companies.

The Demands of the Environmental Crisis

How do leaders create sustainable operations and cope with rising costs as resources dry up? Here is a summary of the main challenges for businesses and their leaders.

- *Transformational thinking.* Strategies, structures, decision making, operations, cultures, processes and procedures must all evolve to minimize environmental impact. Innovation will be necessary on a massive scale. Creative, strategic and conceptual thinking will be critical leadership skills.
- *Execution.* Change initiatives rarely fail at the conception stage; successful execution is what so often eludes organizations. Leaders with a track record in delivering business change will be prized.
- *Visionary communication.* Organizations invariably suffer from a natural state of inertia. As agents of transformation, leaders will need to inspire employees to strive to achieve the new, sustainable organization. And they will need to spell out with total clarity what it means in practical, everyday terms for individuals' roles and performance.
- *New forms of collaboration.* The intellectual power to deal with climate change will be beyond any one leader or even organization. Collaborations across functions and with external partners will become essential. Competitors will be forced to come together to find shared solutions.

Individualization and Value Pluralism

Five Essential Points of Individualization and Value Pluralism

1. Mounting affluence will drive growing individualism in emerging societies. Greater income levels will give people easier access to cultural influences, which will expose them to a wider range of life and career options.
2. People's values will increasingly pluralize. Higher incomes will also grant individuals the freedom to follow their unique priorities and tastes when choosing between these new options.
3. Niche opportunities will emerge in local markets. Societies will individualize at different paces. Agile businesses will be able to identify and capitalize on local market opportunities created by individualization.
4. Organizations' internal and external environments will fracture. As the expectations of individuals are transformed by increased wealth, companies will need to consider every employee and every customer as an individual. Failure to do so will mean loss of talent and business.
5. Greater flexibility and sensitivity will be essential. With loyalty at a premium, organizations must get closer to their markets and workforces than ever before. More flexible, less centralized and flatter structures will be needed to understand and respond to customers' and employees' needs.

As societies industrialize and their citizens become wealthier, everyday life becomes increasingly governed by more individualized choices and decisions.

With more money in their pockets, people find that they can leave behind the economic strictures of the past. Prosperity frees a society from scarcity of the basic requirement of human existence, such as food and shelter. As a result, people's priorities move up through Maslow's hierarchy of needs as they look to improve other aspects of their lives. People are driven by more profound values, like humanism, religious faith, social justice and protection of the environment. And they are at liberty to indulge in more emotionally fulfilling activities, seeking intellectual challenge and pursuing their aesthetic preferences.

As a society's wealth grows, so does its citizens' access to education and a diverse range of media. Exposure to this cultural capital opens their eyes to new lifestyle options.

A Shattering Effect

On the surface, growing wealth and increased freedom of choice for billions of people around the world would seem to be a wholly positive development. But for organizations, the consequences are likely to be deeply perplexing. Individualism and value pluralism will fracture companies' external and internal environments, shattering established structures and existing market dynamics.

As the emerging middle class flexes its newfound financial muscle, freedom of choice will splinter demand patterns, creating the need for an ever expanding array of products and services to satisfy increasingly varied tastes. Individualization will give rise to niche opportunities — some fleeting, some more sustained — on an unprecedented scale.

While playing havoc with the external environment, individualization will also skew the internal landscape for organizations, bending attitudes to work and careers and changing the structure, quantity and quality of people's relationships — with each other and with their employers.

Changing expectations among workers lead to accelerated staff turnover, as workers move around in search of their life goals. Changing expectations also attract more people to careers in professional, service and creative industries, which are perceived as being more fulfilling — as well as more lucrative.

Individualization also drives the desire to shape not just our careers but our entire working lives as we see fit. The traditional three-phase life cycle — youth, professional life, retirement — is no longer the rigid template it once was.

The Demands of Individualization and Value Pluralism

Individualization and value pluralism will likely lead to fragmenting employee and customer values, more diverse teams, less centralized structures, flatter hierarchies, flexible working practices and greater employee turnover. As a result, organizations and leaders will need to

- *Display intellectual openness and curiosity.* Sensitivity to individuals' needs and the flexibility to respond accordingly will be crucial to generating loyalty. Leaders will need to be curious about and open to employees' and customers' pluralistic drivers, so as to understand what motivates people and be able to attract, engage and retain them.
- *Provide bounded autonomy to unite diverse teams.* Leaders will need to draw on the appropriate leadership styles in order to make staff members appreciate each other's strengths while respecting differences and to manage and engage diverse teams and highly individualized team members. Providing autonomy within a clear set of boundaries to create stability and direction will be necessary to foster the right conditions for teams to perform.
- *Redefine loyalty and manage extended networks.* When staff retention can no longer be expected, loyalty will depend on leaders' ability to develop and maintain lasting relationships with current and former employees within and beyond the organization.

The Digital Era

Five Essential Points of the Digital Era

1. The digitalization of our lifestyles is becoming the norm. With ubiquitous Internet connectivity, the proliferation of mobile devices, and the popularity of social networking, we are now "always on," at home and at work. This is eroding traditional boundaries between our personal, private and professional lives.
2. Digital natives have increasing influence. The inexorable progress of digital technology is creating a divide between younger, tech-savvy "digital natives" and older generations. Younger people have a technological edge over their more senior colleagues, yet in many cases lack the attitudes and social skills expected in the corporate world and tend to challenge authority. Organizations must find ways to accommodate and cross-skill both groups.
3. Virtualization is disrupting power relationships between companies, customers and employees. The digital era has given rise to new virtual business models and platforms, enabling consumers to pick and choose more easily and trade among themselves instead of with commercial providers. This gives customers unprecedented levels of choice. In addition, reputations are at risk as disgruntled employees can publicly hold employers to account online.
4. The workplace is fragmenting. When employees are always on, the concepts of work and the workplace become fluid. Often employees can perform tasks anywhere, anytime, challenging the need for a central, bricks-and-mortar location and traditional organizational hierarchies. This will appeal in particular to digital natives, who readily embrace virtual working methods and tools and have little respect for orthodox structure and hierarchy.
5. Leadership will need to "go remote" and prioritize loyalty and reputation management. Leaders need to get a grip on managing diverse, loose-knit teams whose members are dispersed around the world and have varying degrees of digital competence. In order to create loyalty, leaders must foster a sense of unity, engagement and collaboration among people who rarely meet, and ensure that

there is effective decision making among these groups. Openness, integrity and reputation management will be key in a transparent, virtual world.

Digitization is a booming worldwide phenomenon. It is not only changing the way we communicate; it is also transforming the way we work and the nature of our professional and personal relationships. It is opening up new divides, blurring long-established boundaries, and turning traditional hierarchies upside down.

This state of technological affairs is producing a new breed of digital citizens. Younger generations have never known life without the Internet and mobile technology. Living life in such a public and always-on manner breaks down the barriers that traditionally divided people's personal, social and professional lives.

The digital era is also disrupting conventional power relationships between companies and their customers, fragmenting traditional market structures and value chains, and creating a constantly shifting kaleidoscope of opportunities and threats.

In an inescapably digital environment, younger employees gain a clear competitive edge in the workplace, contrary to traditional organizational hierarchies. Younger, tech-savvy individuals find themselves with more influence and able to have more impact than 50-something managers, who may lack technological skills and essential knowledge of the sphere in which so much business is done.

The Demands of the Digital Era

- *Bridging the gap.* Organizations will need to address the digital divide between younger and older generations in the workplace, as well as digital natives' less traditional attitudes toward corporate life and leadership roles. Organizations will need to embrace the creativity, curiosity and innovation that digital natives bring, while providing frameworks, guidance and coaching to help them cope with corporate life and acquire the necessary social skills.
- *Virtual working.* New structures, hierarchies and IT infrastructures will be required to enable work to be carried out anywhere in the world, at any time, and to allow dispersed teams to collaborate effectively. Organizations will also need to figure out the infrastructure and security implications of an ever-increasing proliferation of devices, many of them owned by employees rather than the company.
- *Digital wisdom.* Leaders will face the challenge of making decisions on and rolling out programs that they may not fully comprehend. They will need to understand the implications of these decisions in terms of structures and processes and the skills and abilities required.
- *Remote leadership and loyalist management.* Leaders must find ways to organize, manage and motivate teams that rarely meet and are located all over the world. Leading disparate groups will demand new decision-making processes and new ways to foster loyalty.
- *Integrity and reputation management.* In a transparent world, where reputations can be publicly trashed at the click of a mouse, organizations will need to behave impeccably. For leaders, this will demand high levels of openness, sincerity and integrity, which will mean consistency of values, words and deeds.

Demographic Change

Five Essential Points of Demographic Change

1. The world's population is expanding and aging in parallel. The global populace is expanding, particularly in developing and emerging markets, and rapidly maturing, especially in the industrialized world. Both trends are forecast to continue and even intensify well into this century. International migration is also on the rise and will be magnified by an array of "push" and "pull" factors in the coming decades.
2. Demographic change is placing great pressure on social structures and (especially Western) companies. National welfare systems are being stretched to the breaking point by growing populations as well as by faltering support ratios (numbers of working-age adults to dependent citizens) as a result of aging. In addition, many Western societies (and also China) are maturing beyond the point at which they will begin to perform less effectively in socioeconomic terms.
3. The war for talent will intensify. An aging global population will mean a shrinking global workforce, stepping up the competition for specialized skills, high performers and effective leaders. Corporations and even nations will find themselves in a global war for key talent.
4. Workforces will diversify as companies adapt. Successful organizations will need to develop an increasingly diverse workforce to ensure an adequate talent pipeline. This will mean recruiting men and women of all ages and from a variety of cultural backgrounds, relying on migration where necessary. Working practices, employment conditions and HR procedures will evolve to reflect the varying needs of different ages, ethnicities and genders.
5. Managing diversity will be a core leadership competency. Leaders will need to display exceptional sensitivity

to their employees' needs and abilities to earn the loyalty and maximize the performance of diverse teams. This will demand a thorough knowledge and depth of understanding of their teams.

Demographic change is primarily a combination of three concurrent phenomena: population growth, aging societies and increasing migration. As these trends alter the dynamics of the world's populace, they will wreak havoc on organizations' product and employment markets.

Organizations will have to work harder to attract, integrate and develop an adequate pool of potential star performers, which will include international migrants, older workers, a higher proportion of women, and employees with eldercare as well as childcare responsibilities. This will mean finding new approaches to recruiting and identifying talent.

The Demands of Demographic Change

Here is a summary of the key challenges leaders face from demographic change:

- *Enabling new levels of diversity.* Loyalty and commitment — not to mention performance — will depend on an organization's ability to let each team member thrive, whatever his or her nationality, cultural background, gender, age, personality, approach to work, experience, skills or abilities. Organizations will need to provide the structures, policies and environment to harness such considerable diversity.
- *Connecting generations and cultures.* By fostering understanding, collaboration and knowledge exchange, leaders will play a pivotal role in overcoming divisions between generations and cultures, and ensuring that they all work productively together.
- *Managing and motivating diverse teams.* A challenge for leaders will be to understand what is and what is not negotiable from each individual's cultural and personal perspective. Considerable listening skills and empathy will be required to identify what motivates each team member. A single rallying cry to the whole team will no longer suffice. Leaders will have to learn to live with ambiguity and base decisions on conflicting trends and demands.

Technological Convergence

Five Essential Points of Technological Convergence

1. Technological progress is likely to transform many aspects of our lives. Advanced scientific disciplines — nanotechnology, biotechnology, IT, cognitive science and robotics — will drive major innovations in important areas such as healthcare, logistics and nutrition.
2. Convergence will drive the greatest innovations. The coming together of these scientific fields will make possible the greatest leaps forward, transforming some industries, threatening others, and creating a myriad of new product markets.
3. R&D will take center stage. Research and development will become an interdisciplinary function, requiring an even higher skill base. Making sure that R&D has the right mix of skills will be a key leadership responsibility.
4. Convergence will necessitate new levels and forms of collaboration. Diverse scientific disciplines, businesses, academia and even competing companies will need to work together on pioneering research programs. Meanwhile, companies will need to do away with conventional organizational boundaries to enable unprecedented levels of collaboration and knowledge sharing.
5. Societies will debate the ethical boundaries of technological advancement. Societies will need to question the rights and wrongs of some areas of innovation — for example, the potential to slow aging and enhance human cognition — and set a framework for acceptable progress. Businesses will need to respect this debate.

Nobody knows what the future will look like. What we can be certain about is that people will grasp the opportunity to enhance their knowledge and capability. Also certain is, as technological convergence progresses, it has the potential to create new industries, transform sectors, and threaten the very existence of some business models.

The Demands of Technological Convergence

In summary, leaders will need to

- *Learn to live with uncertainty.* The outcomes, implications and applications of technological convergence are highly unpredictable. Leaders will need to be comfortable with uncertainty and ambiguity, and they will have to keep constantly abreast of progress and its consequences for their customers and staff.
- *Foster new forms of collaborations.* Intensive cooperation within the company, with other companies and with academic institutions will be essential. To enable this to occur, organizations will need to dismantle the boundaries between disciplines and departments. Leaders will need to promote and manage knowledge exchange internally and with partner organizations, including competitors.
- *Innovate ethically.* Products that overstep the boundaries of acceptable progress will not be tolerated. Businesses and their leaders will be expected to act with integrity and respect the societal debate on technological advancement.

Reinforcers, Dilemmas and the Perfect Storm

Each individual megatrend will create tough challenges and enormous complexity for organizations and leaders. However, the megatrends do not develop in isolation. They develop together, and as such, they will greatly intensify the difficulties for business leaders.

The megatrends combined will result in a set of five key reinforcers (consequences driven and strengthened by several megatrends at once) and four significant dilemmas.

The five reinforcers are

1. *Stakeholder proliferation.* Leaders must be sensitive to the expectations of a rapidly expanding network of stakeholders, which will increase complexity just at the point where leaders are looking to create simplicity.
2. *Power shift.* Leaders' power will shift to their various stakeholders, reducing the authority of leaders to lead organizations through the challenges presented by the megatrends.
3. *New working practices.* A new "social practice" of work will emerge as work and the workplace go mobile, the boundaries between personal and professional life break down, and a resistance to formal authority takes hold among younger generations.
4. *Cost explosion.* The costs of businesses will explode as a result of a scarcity of talent and natural resources; the research into, development of, and use of advanced technology; and the demands of globalization.
5. *Ethicization of business.* Concerns over the environment and NBIC technology, combined with the transparency of the digital era, will demand the highest ethical standards of organizations and their leaders.

The four dilemmas relate to

1. *Mobility.* While globalization will drive a greater need and desire to travel, environmental concerns will demand that travel is seriously reduced.
2. *Resources.* Scarcity of natural resources will coincide with spiraling demand for them.
3. *Hierarchies.* Complexity tends to generate more intricate structures, yet growing individualism will call for flatter organizations.
4. *Horizons.* The immediacy of the digital era is at odds with the need for long-term solutions to climate change.

The Altrocentric Leader

Leadership in 2030 will call for individuals who choose not to see themselves as heroes, as headlines or as patrons and who do not put their egos first. The leaders of the future will not be egocentric. They will be altrocentric. The defining characteristic of altrocentric leaders is a primary focus on and concern for others rather than themselves. They see themselves as just one integral part of the whole. Altrocentric leadership is based on a firm grasp of the relational, contextual and shared nature of leadership.

Good leaders — great leaders — will understand that the key source of their power is other people. And they will use this to empower those around them. Ideal behavioral competencies of the altrocentric leader are

1. **Inner strengths:** ego-maturity, intellectual curiosity and emotional openness, and empathy.
2. **Values:** ethical standards, concern for diversity.
3. **Strategic business thinking:** contextual awareness, stakeholder recognition.
4. **Stakeholder interaction:** meaning-making, cross-boundary partnering.
5. **Execution:** bounded autonomy, senior team leadership.

Developing altrocentric leaders will require considerable time, energy and investment. Leaders need to start thinking differently about how they will operate. They will need to think outside the box, the building, the organization and sector. They will need to think out of the ordinary if they are to stay afloat amid the megatrend storm.

RECOMMENDED READING LIST

If you liked *Leadership 2030* you'll also like:

1. ***Leaders Make the Future* by Bob Johansen.** In a VUCA world — one characterized by volatility, uncertainty, complexity and ambiguity — traditional leadership skills won't be enough.

2. ***The Leadership Pipeline* by James Noel, Stephen Drotter, Ram Charan.** Three experts show companies how to build their leaders by understanding the critical passages a leader must navigate and by providing the appropriate development for navigating those passages.

3. ***The Leadership Challenge* by Barry Z. Posner, James Kouzes.** This updated version is grounded in research and interviews with a diverse group of leaders at all levels in a wide variety of organizations around the world.

· Book 41 of 388 ·

360 Degrees of Influence

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360 Degrees of Influence

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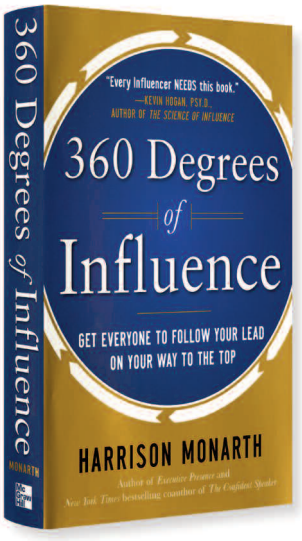

by Harrison Monarth

THE SUMMARY IN BRIEF

Leadership doesn't have to be a top-down proposition. In fact, the best leaders influence those who are below and above them, as well as people external to the organization, such as customers and partners. This 360 degrees of influence is what separates the good leaders from the great leaders.

Founder of the global executive coaching firm GuruMaker, Harrison Monarth makes a living helping top figures in business and politics hone their influencing, communication, persuasion, impression management and media skills. He teaches leaders how to operate without relying on spin or manipulation.

In *360 Degrees of Influence*, Monarth provides advice on how to gain the trust and respect of those around you — no matter where they're positioned in the organizational hierarchy — and how to expand your influence well beyond your immediate environment. Providing valuable insight into human emotion and behavior, Monarth reveals the secrets to becoming the most psychologically astute person in the room — so you can be the most influential leader in the room.

In addition to sharing insight he has gleaned during years of coaching top executives, Monarth includes techniques and tips to help you tackle the challenge of influence and leadership head-on.

Right now, one of your own counterparts might be exerting influence over you and your boss. You can do the same thing. Apply the lessons of *360 Degrees of Influence* to place yourself in the best possible position to lead the leaders.

IN THIS SUMMARY, YOU WILL LEARN:

- How to assess your current influencing power.
- How to overcome resistance to your ideas and proposals.
- How to know what people are thinking and feeling — even better than they do.
- How to use five valuable decision-making strategies.
- How to create an influence strategy tailored to your organization's hierarchy.

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THE COMPLETE SUMMARY: **360 DEGREES OF INFLUENCE**

by Harrison Monarth

The author: Harrison Monarth is the author of *Executive Presence*, and founder and president of GuruMaker, a global communications consulting firm that coaches Fortune 500 executives, politicians and other high-level professionals. He has personally coached members of the U.S. Senate and U.S. House of Representatives, as well as executives from PepsiCo Inc., The Ritz-Carlton, Merrill Lynch, American Heart Association, IBM, Hertz, Cardinal Health, Cisco Systems and Intel.

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For additional information on the author, go to www.summary.com or www.gurumaker.com.

Swayed, Nudged and Driven: Influence Is Constant

A New Zealand bank helpfully nudges customers to save money on impulse by just pressing a button on their iPhone. Apparently there's an app for that.

New York taxicabs have a touchscreen on the back of the front seat suggesting how much passengers should tip the driver upon arriving at a destination. Big colorful buttons give the option of paying $2, $3 or $4 if the fare is less than $15. If your fare is more than $15, the buttons display percentages from 20 to 25 to 30 percent. Clearly counting on people's laziness or inability to calculate and self-select a fair tip, cabbies are happy to report that gratuities have shot way up, again due in part to these highly suggestive buttons that are tilted toward generosity.

We face tens of thousands of minor and major interactions every day that guide or steer us in one direction or another. While all this influencing and nudging is perhaps becoming more obvious as we get older, it's been a factor from the moment we released our first gut-wrenching screams upon entering this life.

We Are Born to Influence

These days, it's impossible to walk down the street without experiencing the power of influence. Even if the street is completely empty, beckonings, warnings, sales pitches and opinions fill every conceivable angle of our vision. This exposure to influence begins with our earliest sense of self, at the moment we acknowledge we are not alone and experience desire in some form. For most of us, this begins at birth.

With that first infantile desire emerges a natural instinct as to how to obtain what we want. Infants are not able to rationalize, prioritize or otherwise communicate outside of their own desires, yet they get what they want by opening their cute little mouths and letting it rip.

This first taste of the power of influence begins a process of developing and understanding our inherent powers in that regard. While social and domestic variables conspire to take this ability to different places and levels, the universal fact is that it is there within us, always available as a power to be reckoned with. Whether that power emerges as harnessing influence to get what we want, or succumbing to it and becoming helpless against the desires of others, remains an issue not so much of fate as of comprehension.

In other words, some get it and some don't.

Your Personal Influencing Arsenal

Edward M. Hallowell, M.D., an instructor of psychiatry at Harvard Medical School, says that relying on face-to-face meetings is the most effective influencing strategy of all.

Perhaps more than any other aspects of leadership and career empowerment, the art of influencing others in a 360-degree manner depends on two realms of skill: the ability to craft your thoughts and presentations clearly, strategically and persuasively, and the ability to apply the proper tools and the power of scientifically proven human psychology to the effort. It all begins and ends with an outward-facing understanding of your audience and shaping your intentions to create a win-win situation that plays into their sense of worthiness, fulfillment and the better good of all. ●

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Chris Lauer**, Contributing Editor; **Amanda Langen**, Graphic Designer

360-Degree Influence Starts with You

If you want to advance toward a goal, you have to pay attention to the goal and to your progress toward it. If you set an unreasonable goal (too hard and you'll lose motivation; too easy and you'll coast) or don't keep your behavior in line with that goal, nothing happens.

Actually, "nothing" is only one possible outcome. In our daily lives, we constantly risk losing credibility for lack of focus, inability to meet deadlines, fiscal irresponsibility or any other reason closely connected to not being able to self-regulate. Thus, many people find themselves puttering away in the same cubicle they were assigned when they first started at the company. Or worse.

If you are motivated enough to learn the nuances for influencing others, you have to discipline yourself in terms of the goals you set and in monitoring your progress toward those goals.

Tips to Master Self-Regulation

- **Determine exactly what you want to work on.** Be specific. Maybe you've identified an opportunity for improvement or your boss has given you a gentle nudge. Either way, you'll have to define the issue in clear language. Clear thinking and language are critical to being seen as an influencer.
- **Recruit additional resources.** Whether you're trying to get in shape or become a more compelling presenter, it's difficult and unnecessary to go it alone. Ask a coach and watch others who do it well. Influencers keep their eyes and minds open for any tool and information that will help them reach their goals.
- **Seek feedback everywhere.** Work on your emotional intelligence as you learn about yourself from others' feedback and your own feelings. The more feedback you can gather and the better your perceptions, the more you can adjust or stay the course. Drop what doesn't work and keep what does.
- **Start small.** Incorporate new ideas you learn about. Note the results. Then add some more.
- **Treat your life like a laboratory.** You are experimenting with a new approach, and experimentation means failing is OK. Failure just means that one method isn't working, so you search for another. Always head forward. Thomas Edison once said, "Hell, there are no rules here. We're trying to accomplish something." Smart influencers don't give up; they look for other angles. ●

Breaking Through Resistance

How do we convince those around us who think they already know everything they need to know? Ken Broda-Bahm, writing about the influence of scientific testimony on a jury, notes that the mere presentation of the facts is not enough to convince skeptical jurors. "Scientists like to present new knowledge in a revolutionary framework ('this changes everything'), but human learning tends to be more evolutionary." Because discovery is so often disruptive, it can work against you. Therefore, "instead of offering scientific evidence as a challenge to current beliefs, offer it as a supplement."

This advice easily translates to the workplace. How many people do you know who are highly protective of their turf and unwilling to entertain even the thought that someone else might know more than they do? Probably plenty of them! Here's how to gently influence their beliefs. First, instead of outright demolishing their convictions, build off of them; it's much easier to coax people over a bridge than it is to convince them to jump across a chasm.

Second, teach them about the issue before attempting to persuade them. This can work as a kind of priming: by reminding your audience of knowledge they already have and treating them as capable of learning more, you connect their prior knowledge to your "new" facts. Lay the groundwork, then build your story on top of it. In litigation lawyer terms, prepare them to accept your version of events.

Finally, Broda-Bahm states, "The most complete explanation wins." While jurors (and co-workers) are not always impressed with reams of data, lacking those data can certainly hurt your credibility. If you want to persuade others to follow your lead, you have to demonstrate that you have the knowledge to lead, a demonstration that requires you to run down as many objections as possible.

Three Keys to Overcome Resistance

To help you on your path toward greater influence, here are three common types of resistance and how you can overcome them:

1. **This has nothing to do with anything.** Connect your change to the overall goals of the organization or project, pointing out how it fixes ongoing problems or will improve the current situation.
2. **Been there, done that.** Ask them to explain the prior innovations and why they failed. Then walk them through your proposal and show them how the

two differ. Respect their prior experience and invite questions about your proposal as a way to hook them into seeing the proposal through your eyes.

3. **Another year, another fad.** Be as specific as possible in your suggestions and tie the changes to particular behaviors or proposed outcomes to demonstrate the real effects of the change. ●

Know What Really Motivates People and What People Really Care About

If you had to boil down the challenge of influence to one word, it would be *empathy*. Derived from the Greek *pathos* and the German word *Einfühlung*, it is defined as "the ability to identify with and understand somebody else's feeling or difficulties."

The very definition parallels that of reading minds. Common social myth holds that women are better at this than men, but research hasn't sufficiently substantiated that theory. The field here is actually level, at least in one area. While men do just as well with empathy on issues of economics and commerce, research does show that women still rule the empathic roost when it comes to relationships, where keen skills are even more critical to attempts at exerting influence.

Mastering the art of empathy depends on the successful interpretation of both verbal and nonverbal cues that link to the thoughts and feelings of others in a given moment or span of time. Body language, facial expression, content, vocal tone and volume, and how people interact with others on their side of the issue paint a clear picture for astute influencers who have developed the ability to assign meaning instantly to what they see, hear and perceive.

One Columbia University experiment attempted to measure "empathic accuracy," that is, the ability to perceive correctly what others are experiencing. Researcher Jamil Zaki and his colleagues noted that perceivers were most accurate when they could both see and hear the targets, less accurate when they could hear and not see and least accurate when they could see but not hear the targets. Clearly vocal cues are terrifically important to the ability to infer what another person is feeling.

No surprise there, perhaps, but it was surprising that those discussing negative experiences tended to be far more expressive than those discussing positive experiences. The researchers suggested that because the expression of negative emotions is less socially acceptable, perceivers are far more likely to pick up these cues and thus to analyze those emotions more accurately. The conclusion was that negative energy and resultant empathy is more easily perceived than positive energy. While this may be obvious, it sharpens the influencer's strategy at both ends of the spectrum. Bottom line — it's easier to sense when you're bombing than when you're nailing it. ●

Practice Moment Awareness

One skill that astute influencers practice is that of nonjudgmental *moment awareness*. In essence, this is the sorting out of positive and negative aspects of perception, an analysis that leads to an empathic response. For this to work, we influencers must be self-aware and in the moment to ensure accuracy of perception and to avoid the very human tendency to hear and see what we want to hear and see.

One subtlety involves the *choice* to be empathic, the intention to perceive incoming verbal and nonverbal cues to truly understand how other people feel rather than using those cues and feelings against them. An *agendized* intention risks skewing perception, while the choice to be "in the moment" with someone yields a more accurate read, which is vital to how well we exert influence.

How Our Decisions Define Our Ability to Influence

The decisions we make — in the worlds of politics and business, in particular — hardly ever affect only us. The benefits of smart decisions and the fallout from bad ones have a potentially wide-ranging impact on the lives of colleagues, peers, families and communities — the net results from this often being a measure of our personal influence in the aftermath.

Making decisions involves taking responsibility, not just for the decision itself, but also for the *consequences* of that decision. This means you have to think beyond just the decision. Consider its implementation and the impact of your choice, and recognize that despite never having perfect information, you nonetheless have to choose. To decide, in short, is to risk.

If that sounds a tad dramatic, maybe you should reflect on why so many people refuse to decide. Ask yourself why you sometimes avoid or dislike making decisions. While the aforementioned inevitable lack of "perfect" or even sufficient information is to blame, the truth is that sometimes people don't want the responsibility that comes with a decision — or more specifically, they

don't want to deal with the possibly unpleasant outcomes of a disputed decision.

However, 360-degree influencers can't afford such immunity. Just look at the people you admire or strive to emulate. Do they waver or equivocate? Do they unload responsibility on someone else?

The fact is leadership and influence are inseparable from challenging decision making, and the more we know about the process, the better equipped we are to bolster our influence in all directions with the making of sound decisions.

Five Decision-Making Tools

So what can we do to ensure that we make good decisions? Here are five strategies that can help you cut through biases that can cloud your thinking and give you ways to make hard decisions with clarity and without — or with far less — regret:

1. **Focus on the process, not (primarily) the outcome.** It makes good sense to use a solid decision-making process that can offer a better chance for delivering good results.
2. **Be skeptical.** Critical thinking is underrated, and testing the validity of assumptions and evidence means you'll be in a better position to defend your decisions than those who merely believe or take the word of pseudo experts.
3. **List the relevant variables.** Tom Davenport, President's Chair in Information Technology and Management at Babson College, cautions, "Without some inventory, all decisions will be treated as equal — which probably means that decisions won't be addressed at all."
4. **Sort the relevant information.** After making your lists (and checking them twice), draw up consequences tables and scrutinize your objectives; do anything that forces you to separate out the significant variables from background noise.
5. **Eliminate irrelevant information.** In some situations, you might simply want to go through your lists and eliminate those items that are less important to you. ●

Setting the Stage: Strategically Influencing People's Decisions

Now that you've got all of *your* decision making figured out, how do you go about influencing the decisions of others?

Reason and evidence do matter a great deal and having them on your side via diligent research and preparation can make influencing easier. But if you don't consider all of the other variables at play in the decision-making process, you are likely to be pushed aside in favor of someone who has — someone who has pitched his or her argument in a way designed to appeal to the people with the final word.

Perception Shapes Thinking and Behavior

Depending on the interactions you have and to what degree and purpose others seek out your company, expertise, help or input, you are somewhere along the continuum of likeable, contributing, valuable resource, influential. It's important to know where.

Having an unbiased view of how others perceive you is an absolute must in any quest for leadership. You can't lead, guide, teach and inspire if you don't have an accurate picture of your level of influence with others. You have to know whether people see you as competent but intimidating. Whether they don't take you seriously or take you way too seriously. Whether they feel they can trust you or that you're someone who hogs all the credit. The list of variables is inexhaustible, just like the range of human judgment with all of its nuances and shades of gray.

High-potentials and executives on the fast track are given all kinds of tests to help them see the blind spots in their communication and leadership styles. From 360-degree multirater feedback to Myers-Briggs Type Indicator to DiSC and our colors on the Personality Dimensions scale, there's no shortage of assessment tools to tell us where we fall short or hit the mark on leadership.

Avoiding Groupthink

Research psychologist Irving Janis defined the term *groupthink* as follows: "A mode of thinking that people engage in when they are deeply involved in a cohesive in-group, when the members' strivings for unanimity override their motivation to realistically appraise alternative courses of action."

Professors David Garvin and Michael Roberto suggest that influencers try to build "constructive cognitive conflict" into the decision-making process as a way both to try to head off affective or personal conflicts and to inoculate against groupthink. They suggest creating a "point-counterpoint" or "intellectual watchdog" process, whereby some members of the team are tasked with creating alternative proposals (point-counterpoint) or are designated critics of any proposals (watchdog). The process is repeated as proposals are revised to meet objections until all members reach a point of common agreement.

Whether it is the dreaded groupthink phenomenon that results from a particular context or any other choice that you see as a threat to your ideas or business, try to influence the setting or change the environment so you have a chance of influencing the outcome. ●

Mastering Organizational Politics

Organizational politics can be a constructive and positive aspect of a manager's career, if it's properly understood and practiced. Rather than engaging in behavior that undermines trust and seeks to gain personal advantage with oblique maneuvers, enlightened professionals influence organizational culture in a more principled way. They cultivate mutually productive relationships with key players; they recognize and negotiate existing power structures; and they purposefully seek buy-in for ideas with more than a peripheral understanding of people's individual agendas and personal values.

To refuse to acknowledge the value of constructive political behavior is to leave yourself unprotected and vulnerable to having your agenda blindsided and your best efforts derailed by prevailing forces. Cynicism, and resulting behavior that leads to defensive and possibly underhanded politics in return, is self-serving rather than in service of the organization, which leads to a culture-defining deterioration of trust, teamwork and the greater good. Likewise, capable and upstanding executives and managers who persistently view all politics with suspicion may routinely watch their more politically savvy colleagues pass them by for otherwise deserved recognition, rewards and increased responsibility.

Political Strategies and Tactics

There are a number of ways to strategically leverage your cultural influence.

Working off the insights of Andrew Durbin, Professor Rex Mitchell notes that there are three main types of strategies: those aimed at gaining power, those aimed at building relationships and those designed to avoid political errors. It is important to recognize what your goals are within your organization. Do you seek to move up or expand your range of responsibility? Or are you more interested in networking across the organization and throughout the hierarchy? Those tactics necessary to move up — displaying dramatic results early and often, mastering key information and controlling lines of communication — may not work as well if you seek a power base built on relationships. In the latter case, you want both to consult and to be consulted, as well as to develop a reputation as someone who's both knowledgeable and willing to help. There is overlap in these two types of strategy, particularly in the necessity of demonstrating your mastery over a knowledge base or skill set, but how you leverage that mastery may vary with your goal.

Executive presence and 360-degree influence is based on what you know about the needs, values and perceptions of others, and information is the first line of both offense and defense in that department. ●

Influencing Up

The objective of pleasing your boss is nothing new to the science of career advancement. But with everyone aiming for that goal, a keen understanding of the issues that keep senior management up at night and sequestered in daylong meetings becomes the context for performance excellence and project success, rather than something you learn about in sterilized form in weekly departmental assemblies in conference room C. Showing genuine interest in what senior executives are dealing with as they chart the course and navigate the treacherous waters of business competition in the battle for market share lets upper managers notice the performer as well as the performance.

Getting there isn't solely about giving management what they want. While it may seem a subtle difference at first, success comes from actually *wanting* what they want and making sure your aligned desire is visible so that it contributes to your career equity as much as any tangible results you deliver.

When you genuinely want what your leaders want, you have successfully adopted *their* agenda, not merely promoted yours. That's half the ball game when it comes to influencing the perceptions of upper management.

Be Yourself

Make no mistake, you are always being evaluated and judged. From your cool in front of the executive team as you justify quarterly results to your banter on the 10th tee. Your ability to influence is partially dependent on how socially intelligent you are perceived to be in the presence of another executive, regardless of the pressure or agenda.

Just as with any presentation opportunity, you need to be prepared for either a planned or a chance encounter with a manager or an executive who is on the short list of people who can impact your career for better or worse.

Above all, be yourself. The oldest Dale Carnegie technique in the popularity manual applies here: Show interest, ask questions, listen, engage, add value, be empathetic ... and, by all means, be yourself. ●

Influencing the Opposite Gender for Mutual Success

We may believe or want to believe that we see only individuals and are able to work with whoever can work, but our unexamined biases keep getting in our way. For example, one study found that mixed-gender mutual fund teams performed worse than either all-male or all-female teams. One commenter suggested that this was due to communication problems across all genders.

The first step to working together, then, is to recognize that we *all* have biases. We may each like to see ourselves as clear-thinking individuals guided only by evidence and reason, but alas, our biology and psychology conspire against such clarity. Clarity *is* possible, but you have to work for it.

The second step is to recognize that leadership skills are just that — skills. Assertiveness, verbal dexterity and problem solving are not exclusively encoded in our genes; they are behaviors that can be learned. There's no reason to believe that men are born leaders and women are not.

The willingness to develop and make use of our entire repertoire of skills is the third step. There are advantages to both the agentic and communal styles; cultivating our ability to make use of every tool in the kit allows us to adapt to each particular situation, taking charge when that's needed and inviting participation when that will lead to the best result. ●

Influencing the Public's Impressions of Your Organization

Andy Beal, co-author of *Radically Transparent: Monitoring and Managing Reputations Online*, declares that everyone has a reputation, online and off; every reputation has its weak spots and every reputation will come under attack.

Two of the more important aspects of reputation management are strategy and tactics. *Strategy* is the overall plan, usually encompassing a goal or purpose; *tactics* are the specific actions you take or tools you use to implement that plan. The distinction is important, as the strategy must guide the tactics, not the other way around. It also helps to think of strategies as long term and often behind the scenes, something developed over time and in sync with the products and ethos of the company, whereas tactics are more flexible and utilitarian, tools that can quickly be adapted to a changing environment.

Key Lessons on Influencing Perception

Trust, authority, innovation, admiration and the competitive advantage of their products all help to define the top-rated companies as the best.

What should you pay attention to? Different advisers generally agree on a few main themes:

- **Reputation matters.** Companies at the top integrate the concern for their reputation into the structure of their business rather than treat it as a public relations adjunct.
- **Reputation management is an activity, not a slogan.** You must actively monitor media coverage about your company and be in a position to adjust your message as needed.
- **Tell the story.** Recognize that if you don't tell the story of your company, someone else will.
- **Know your base.** The companies that succeed are those that know what business they're in.
- **Earn the trust of all stakeholders.** Aloof no longer cuts it in the wide-open, social media age.
- **Acknowledge errors.** Those employees who are in a position to fix the problem should be adequately trained and empowered to do so.
- **Fix the error.** Reward employees for doing so.
- **Recognize emergent concerns and respond to them.**
- **Never complain, do explain.** It's never good to get a reputation as a whiner. No excuses. ●

Using Your Words to Influence and Change Minds

As you look for ways to broaden, develop or start building your sphere of influence in all directions, the power of speech is part of the foundation you have to master. It's more than public speaking and giving presentations, which most people have learned to see as necessary evils and unpleasant spectacles best performed on autopilot with a navigator named PowerPoint in charge.

Speaking to influence and change minds takes more than a routine approach. While useful for anyone, it's most critical to those up-and-coming leaders and professionals who passionately care about making a difference, and who won't stop before they've succeeded in stirring the emotions and engaging the minds of those who can help make it all happen. It's not enough, however, simply to stir the emotions of your audience if you want to influence them; instead you have to *shape* their emotions to direct them to your preferred outcome.

That's where framing comes into play. The skill of framing is critical in the tool chest of anyone looking to influence others because people automatically look to assign meaning to the communication signals they perceive around them. And to frame strategically is to manage the meaning people take away.

When we attempt to frame an issue, we carefully choose our words in a way that focuses attention on a particular meaning — the one we want to convey — among several possible meanings. The facts are spiffed up, dressed up in partisan clothes and lined up as part of the consideration.

Considering the impact language can have in creating meaning in people's minds, and considering the ways language affects the way they perceive reality, we have to be aware of how this influence is exerted. Even in a free speech society, it becomes incumbent on the sender of words to understand and weigh how those words may be interpreted and acted on.

Managing the Influencing Power of Your Personal Brand

A quick online search of "personal branding" will quickly overwhelm you with more than 3.9 million related sites, many with advice on how to build your brand. Less apparent, however, is how to leverage that brand into real influence. This is key: Recognize that your brand is not simply a kind of label but also a *process*, one that you continually manage to expand your opportunities; a brand is not the end but the *means* to the end.

Creating an Influential Brand

So how do you create an influential brand for yourself? First, cover the basics. Many of us have been in situations where one guy talks about how hard he works, and one guy simply works hard — and we all know who we'd rather work with. Yes, when you want that promotion you do have to highlight your effort and results, but it will only resonate *if you have actually produced those results*. Shouting "I'm impressive!" is unlikely to impress your colleagues, at least not in the way you intend.

Which brings us to the first step: figuring out what you intend. How do you want others to perceive you? It helps to think in terms of narrative: What is your story and what character do you play in your story? Create a vision or big picture that has you as the protagonist, and use that as a guide for your behavior.

The second step is to get a sense of your environment. Find out what makes your associates tick — and what ticks them off — and adjust your behavior accordingly. Some firms frown on exuberant self-promotion, whereas others expect it; some have tight hierarchical structures, while others are more open; some assign new hires a mentor with whom they are expected to work closely, whereas others take a sink-or-swim approach. Figure out what's rewarded and what's punished, then do your best to cultivate the former and avoid the latter.

It helps to think in terms of "If you want to be perceived as ... you need to ...; in order to influence others, you need to ..." Here are some examples:

- If you want to be perceived as an expert, you need to demonstrate credibility; in order to influence others to accept your claim, you need to tailor your message with the audience's beliefs, values and predispositions in mind.
- If you want to be perceived as reliable, you need to show up to meetings prepared, meet deadlines and consistently produce good work; in order to influence others, you need to work with those others and be willing to share what you have learned.
- If you want to be perceived as a leader, you need to demonstrate a willingness to take charge, make difficult decisions and accept the additional obligations of leadership; in order to influence others, you need to take advantage of leadership opportunities that are presented to you, asking to head a team or volunteering to take the lead on solving a long-standing or emergent problem.

Whatever value you want others to associate with you, you must first demonstrate it in your behavior.

Summing It Up

Having influence in virtually every direction is more than a skill. It's a lifestyle and a mindset based on a foundation of critical principles that every modern professional needs to master in order to reach the top of his or her field and achieve personal and career goals, as well as larger objectives that can make a difference in the world.

RECOMMENDED READING LIST

If you liked *360 Degrees of Influence*, you'll also like:

1. ***Mojo: How to Get It, How to Keep It, How to Get It Back if You Lose It* by Marshall Goldsmith.** Best-selling author Marshall Goldsmith outlines the actions leaders must take to initiate multiple winning streaks.
2. ***Full Engagement!: Inspire, Motivate and Bring Out the Best in Your People* by Brian Tracy.** Motivational speaker and business coach Brian Tracy shows managers how they can supercharge their employees' efforts.
3. ***The 360 Degree Leader: Developing Your Influence from Anywhere in the Organization* by John C. Maxwell.** Best-selling author and leadership guru John C. Maxwell explains how you can have a significant impact on your organization from any position.

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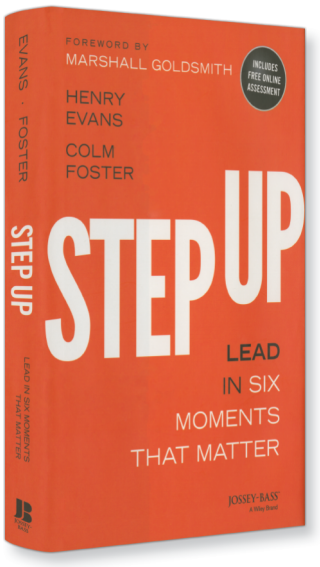
Leadership

Step Up

Lead in Six Moments That Matter



by Henry Evans and Colm Foster

THE SUMMARY IN BRIEF

No matter what your title or place on the organization chart, you have the potential to be a leader — or more precisely, the potential to exercise leadership in the moments that matter most. Leadership is not a job title or position, but rather an action. In certain moments and situations, anyone can rise to the occasion to act as a leader — gaining respect, confidence and ultimately greater success in the organization. But how can you recognize these moments where leadership is required and then know what to do?

Step Up explains six critical "leadership moments"— everyday instances when you have a choice to shine or let opportunity pass you by. Based on their own research and extensive client work, Henry Evans and Colm Foster identify six regularly occurring moments and help you understand how to act wisely and decisively when those moments arise.

Anyone can take advantage of opportunities to act as a leader when the time is right — and reap the rewards. *Step Up* is a guide to exercising leadership when it matters most, boosting your personal impact and effectiveness, and making a real difference.

IN THIS SUMMARY, YOU WILL LEARN:

- How to recognize and seize the six critical leadership moments and lead with, or without, the formal title.
- How to leverage negative emotions and become more decisive for better business results.
- How to create emotional safety and, as a result, be the most informed person you can be.

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THE COMPLETE SUMMARY: **STEP UP**

by Henry Evans and Colm Foster

The author: Henry Evans is founder and managing partner for Dynamic Results, LLC, specializing in strategy execution, executive development and emotionally intelligent leadership. His best-selling book, *Winning with Accountability*, was published in 2008. Colm Foster specializes in working with executives and their teams to improve individual and team effectiveness and conducted much of the research which was used in the book.

Step Up: Lead in Six Moments That Matter by Henry Evans and Colm Foster. Copyright © 2014 by Henry Evans and Colm Foster. Summarized by permission of the publisher, Jossey-Bass, a Wiley Brand. 224 pages, $28.00, ISBN 978-118-83828-0. To purchase this book go to www.amazon.com or www.bn.com. Summary copyright ©2014 by Soundview Executive Book Summaries www.summary.com, 1-800-SUMMARY. For more information on the authors, go www.dynamicresults.com.

Introduction: The Six Moments

We are going to share six critical leadership moments and what the highest-performing people — whatever their title — do when they are in one of those moments. Stepping up to exercise leadership in those moments will make the biggest difference to you in your own leadership journey.

1. **Using anger intelligently in the workplace.**
2. **Recognizing and dealing with "terminal politeness."**
3. **Making decisions when no one else is making them.**
4. **Taking ownership when others are externalizing a problem.**
5. **Identifying and leveraging pessimism.**
6. **Reversing the momentum of negative interactions.**

By adopting the ideas and tools that follow, you will be able to "step up" in leadership moments as they present themselves. Through practice and reflection, you will increase your skill in predicting when these opportunities will arise and improve your ability to exercise your leadership.

The six moments do not follow a strict sequence or pattern. Your ability to create change in one of these moments will actually cause positive effects in the others. You will gain maximum benefit if you can work on each of the moments consistently over a significant period of time. By using the tools presented here, you will cease being a bystander and become an active participant who can catalyze change in the moments that matter.

Get Angry, Not Stupid

Everyone has heard that people should suppress or even completely avoid feelings such as anger and frustration in the workplace. However, used intelligently, these feelings can actually build relationships. People can leverage their "afflictive emotions" — those that make them feel bad, such as anger, greed, hate, guilt or longing — to drive outstanding results.

The Anatomy of Anger

Anger is a good example of an afflictive emotion that is highly leverageable. Consider anger as a fuel that you can use to generate the energy required to move to productive action. A great example of this is the case of Reddit, a web search company that was sold to Conde Nast 18 months after it was founded. While trying to get Reddit off the ground, Alexis Ohanian and Steve Huffman were called to meet a Yahoo executive who was interested in their project. When the executive heard that Reddit had only a few thousand users, he scoffed, "You're a rounding error compared to Yahoo." Ohanian returned home and wrote on the wall beside his desk, "You are a rounding error." He used that comment to recall the anger he felt at being dismissed, causing two things to happen. First, he was convinced that he was not a rounding error and that his business was sound. Second, he used the energy his anger gave him to set out to prove the Yahoo guy wrong.

The problem for most people is not that they get angry; it's that they *become less intelligent* when they do. Our beef is with stupidity, not anger. So we don't want you to stop getting angry, as that would rob you of emotional fuel that you sometimes need to succeed. We simply want you to be *intelligent while angry.*

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The key to developing your ability to remain intelligent, even as your blood begins to boil, is to recognize that anger is not a binary, "either-or" emotion. There are many levels of anger. At the mildest, you are slightly irritated, and then you become frustrated. If the situation persists, you become angry; and if the emotion continues to build, you may become enraged. You must start small — that is, learn to retain your thinking ability when you are merely irritated, and then move on to frustration, and so on.

Respond … Don't React

Our goal is to have you *respond* rather than *react*. A reaction is a somewhat thoughtless and sudden event, usually involving you saying or doing something you will later regret. A response comprises the behaviors and actions you thoughtfully planned to demonstrate when and if you were ever in a particular situation.

The first step is to identify your "triggers": the types of people and situations that lead you into a highly charged emotional state. Ask yourself, "What type of behavior in others tends to make me feel upset?" and "What types of situations tend to make me feel upset?" After you have identified your triggers, you are equipped to do something about the anger that results.

The feelings you experience are preceded by physiological changes in your body. Becoming angry is your body giving you a sign that you are about to go primal. When you sense that this process is beginning, use the following techniques to help you stay intelligent.

Breathing. Deep, controlled breaths help restore blood flow and stop the production of the chemicals that cause you to react suddenly and with great force.

Questioning. When you ask your brain a question — any question — it forces blood back into the neocortex where intelligent thought occurs. Your body stops producing the "bad" chemicals and restores your ability to think and act more rationally.

Palms Up. You may notice that when you are triggered, you put your palms down or cross your arms. Uncross your arms, and focus on keeping your palms in an open and up position.

Time-Out. Sometimes all the techniques and leadership approaches in the world aren't going to help because you're simply too stressed. Admit your own feelings to yourself and, without blaming the other party, remove yourself until you can find balance.

Plan for the times that you expect to be irritated, and rehearse the responses suggested. Remember that your body will give you a heads up. If you are aware of what is happening in your body, you can interrupt the cycle, stay at the stage in which you are simply irritated and not let the emotion get out of hand.

In Position to Lead

Leadership moments often show up when you are working in a group — and you can take those opportunities whether you are the formal leader or simply a member. Sometimes you want people angry in order to drive the best business result. You may also wish to catalyze a spectrum of emotions, focusing on certain ones during particular stages of a process or project.

There is an optimal mood for every task that a group might undertake. Knowing this provides you with leadership opportunities, in that you can help create the mood. Doing so requires that you become sensitive to the moods of those around you and develop your own repertoire of things that you might do or say to affect those moods.

Armed with awareness of a group's mood and tasks, you are in position to lead in one of two ways. First, you can **leverage the existing mood** by introducing a task that meets that type of mood. If your group has worked for some months to retain a reluctant client who eventually left, this is a great time to diagnose why you lost the client.

Another approach is to **change the mood** so that it is appropriate to a required task. For a group that's in a down mood because of having lost a client, rather than leveraging that mood, you can use your own energy, enthusiasm and words to move the group into a high-energy and pleasant state.

Avoid Terminal Politeness

In many organizations, authentic, robust debate and challenge have been replaced by what we call *terminal politeness* — when people are being so polite that serious issues never come to the surface. People often avoid having the most important conversations, even when such avoidance can damage their organization or their careers. They usually do so for at least four possible reasons:

- They don't feel emotionally safe having such conversations because "messengers get shot."
- The organizational culture encourages people to be too nice.
- They aren't honest with themselves. They tell themselves things like, "I've been too busy to address the issue," instead of admitting, "I'm afraid to have that conversation."

- They think they're being considerate of someone else and "never find the right time" to have the discussion because the other person is "too busy" or "having a hard time right now."

Our clients often talk about igniting the "spark of innovation." But you need friction to ignite sparks. Without healthy and productive conflict, you can't generate friction. The challenge then is to ignite enough of the **right type of conflict** to bring the best out of people. Performance rises as conflict rises — up to a point. However, too little conflict and too much conflict *both* obstruct performance.

If you fail to understand the value of conflict and consistently slip into terminal politeness, your organization can't reap the benefits of a diverse workforce.

The best organizations are filled with a diverse group of people who leverage their diversity in a collaborative way. Diversity is supposed to incite friction and conflict. If your diverse workforce is not causing you headaches in terms of managing the different opinions and values that the various individuals hold, you may be suppressing some conflict and losing the potential innovation benefit that comes with dealing with that conflict in a constructive way.

The Need to Be Liked

People tend to avoid conflict because they're seeking to fulfill two fundamental needs: to be liked and to be right. Human beings are hardwired to make connections and to form an impression of what other people are thinking, especially about us. The need to be liked, to be included and accepted, is indeed one of our most powerful needs.

There is considerable evidence that we like others better — that is, resonate with them more easily — the closer they resemble us on important qualities. The similarity might be a matter of simple demographics, such as age, gender or race, but also operates at the level of attitudes, beliefs and personality. When people hold opinions similar to ours, we presume that they hold similar attitudes, beliefs and values, and we like them better for it.

When people agree with us, they are confirming that our opinions or decisions are accurate — and we all like being right. We are designed to seek out evidence that confirms our decisions and to ignore evidence that suggests we are wrong. The more people disagree with us, the more we associate them with dissonance, the less we like them, and the lower we rate their capabilities.

The heart of the problem lies in our failure to adequately distinguish between the person and the idea. All of us can become better at keeping conflict from becoming destructive by learning how to skillfully distinguish between conflict with a person and conflict about his or her idea. Once you do this, you can learn how to avoid terminal politeness and achieve the optimum conflict level that will bring about successful ideas and solutions. When your intentions are good and you are not launching personal attacks, you can be quite assertive in challenging or disagreeing with people and ultimately still be liked, even if people have to struggle with you in certain moments.

On our best day, we might begin to appreciate people who alert us to alternative points of view. When we keep an open mind, we can understand that they present us with learning opportunities that the people who always agree with us do not deliver.

Decide Already

We don't expect our leaders to be right all the time, as the only way to be right all the time is to constantly operate inside your comfort zone. We *do* expect them to be decisive and to be able to bring people along with them once they have made the call. And although they may seem completely confident and convinced of their position, many leaders face the same self-doubt and anxiety as those who don't consider themselves leaders.

Leaders do not have perfect information. What they do have is the ability to decide on a course of action, commit to it, and then communicate that decision confidently and convincingly. They exercise decision leadership, which is the ability to balance intuition with data and to proactively take intelligent risks. When others are "stuck" or "frozen" in a state of indecision, the person who steps up and declares a decision is the leader in that moment or interaction.

Great leaders truly commit to a decision, even though they are a little anxious, and honestly display an authentic commitment. Whatever your job title, nothing will undermine your leadership credibility more than the inability to make and *stick* to a decision that affects others.

The Why of Indecisiveness

A number of factors can undermine your ability to decide, communicate and execute in uncertain environments:

- You may not even realize how often you do fail to face problems: Human beings are notoriously inaccurate in our ability to self-assess. And few of us rarely, if ever, get quality feedback on our leadership behaviors.
- People want to both *be and be seen* as a nice person: You can often be tempted to sugarcoat or downplay difficult information. You probably feel anxiety about

your ability to make the point or intervention, and you worry about how people will receive the message.

- Many people simply doubt their ability, which can keep them from exercising leadership: This can become a self-fulfilling prophecy; after all, if you don't believe in your ideas, why would anyone else?

In order for you to effectively exercise leadership, you need to be able to see yourself as a leader. The U.S. Army has a much more succinct way of saying this: "You can't lead a cavalry charge if you think you look funny on the horse."

The most fundamental point is that there is no link between anxiety and accuracy. Just because you are nervous does not make your point or decision invalid. Just because the other people appear confident doesn't make their perspective valid. They may simply handle their anxiety better. You are less likely to offer your opinion or to tell it like it is when you are nervous or anxious. But anxiety can become the fuel that propels you to do better next time.

The more often you take action, the more confident you will become in doing so, and the easier it gets. With practice you will get better at exercising decision leadership, and as you get better, you will find it easier and easier to recognize these moments and step up.

Decide or Decide to Not Decide … Don't Procrastinate

Here are a few suggestions for improving your ability to be decisive when it matters.

Look back over decisions you've made in the last ten days. How timely were they? How clearly did you communicate them? How transparent and accountable are you for these decisions? Even just heightening your awareness of the habitual issues will make you focus on improving this aspect of your decision leadership.

Decide when to decide and when not to. The idea is not to turn yourself into an action junky, running around making decisions to demonstrate your decisiveness. There is a right time to hold off. We call this systematic waiting or masterful inactivity — purposefully deciding that you are not going to decide or act.

Know when to change your decision. Human beings tend to want to stick by their ideas and opinions. You should generally stick to your guns once you make a decision. But beware of becoming so emotionally attached to a decision that you're merely out to prove that you were right in the first place. If this is the case, it's time to make a different decision.

About Managing Anxiety

You can better manage your emotional reactions, such as anxiety, by understanding the connections between your physiology (how your body acts), your cognition (what and how you think) and your emotions (how you feel). Because all three elements are connected, you can intervene in any one of them in order to affect the other levels. Essentially, you can *act* your way into a new approach to thinking and feeling, *feel* your way into a new approach to acting and thinking, or *think* your way into a new approach to feeling and acting.

People who struggle with anxiety can usually deal with their nerves successfully when they can control their physical reactions. When you are nervous, the principal physical symptom has to do with your breathing. Concentrate on deliberately slowing down your breathing, and ensure that you are taking full, deep breaths. Use a rhythm: breathe in for a count of three; then hold your breath for a count of three, then breathe out for a count of three, followed again by a hold for a count of three. Do this at least three times.

In addition to managing your physiology, you can adopt either a cognitive or an emotional approach by seeing the situation from another perspective; thinking through the worst that could happen and identifying how you would handle that; and helping yourself feel differently about the situation.

Act When You Are the Problem

Moments of leadership arise when the people around you are stuck in old ways of thinking and behaving. However, catalyzing change in others requires that you are comfortable with changing yourself.

Unfortunately, history has shown that the more successful you are — both as an organization and as an individual — the more difficult the transition may be. The trap of success dictates that both companies and people start to believe in their success recipe. The more successful they become, the more they emotionally invest in their success recipe — especially those senior leaders who may have been responsible for crafting and codifying the recipe. This kind of thinking can render an organization learning disabled.

Remember that there are no best practices or success recipes. There are only *next* practices: your current best thinking, which is subject to continuous challenge and stretch. Genuine transformation and the ability to continually learn and adapt only come when people open up to

the possibility that they themselves will need to alter their attitudes, beliefs and behaviors.

Step Up

When you start to make changes in your own behavior, you will start to exercise real leadership in the moments that matter. Here are some suggestions for how to do that:

Get Assessed. Being genuinely curious about others' observations and feedback is the most crucial way to make personal change. Receiving 360-degree feedback is most useful in understanding others' perspectives. It includes direct feedback from subordinates, peers, supervisors and others. Most leaders rate themselves dramatically higher or lower than others rate them. Once you have solicited feedback, don't just ignore it; declare what you will work on.

Ask the "Magic Wand" Question. The magic wand question is, "If you could magically and permanently change one thing about me for the better, what would it be, and why?" You might also ask the magic wand question about your organization, by saying, "I know we've got a 30-year legacy of doing what we do really well. But what might our clients, suppliers and shareholders change about us permanently and instantly if they had the power — even if they were wrong?"

Understand Someone You Don't Understand. Find the smartest person you know who often disagrees with you, and seek understanding with that person. Clients often complain about people who frequently disagree with them and with their ideas. We usually advise them to appreciate those people even if only for the fact that they give them a developmental opportunity that like-minded people don't bring to the table. When you feel yourself shutting down to someone else, it's a signal for you to say, "Tell me more about that. Where does that idea come from? What has your experience been?" Such an approach will likely help you forge a connection that makes it easier to catalyze change.

Learn New Things. To keep up with the times and with ever-changing demands, you will need to learn new skills. Read subjects that you have not read before; play games you've never played. Go to see things you would not ordinarily see: an opera, an art exhibit, a sporting event. Go talk to your company's interns or entry-level employees about what they are experiencing and what they think your company could do differently.

Become Comfortable with Uncertainty. We must become comfortable with uncertainty in order to inspire and incite others to change and, perhaps more important, innovate our way through change. Accept your strengths, and work on developing new ones. This begins with a general openness to change and a willingness to be "comfortably uncomfortable."

Leverage Pessimism

The popular belief in the power of positive thinking has led many people to be suspicious of any form of negativity. People who point out risks or issues are described as Chicken Littles. But what if the sky really is falling? What if your group or organization is facing real challenges of which you are not aware? Worse still, what if some people in your group or organization are aware of issues — but you are not listening to them? Leveraging pessimism is like taking medicine; you don't have to like it, but you do have to do it.

Optimism expert Martin Seligman notes that when bad things happen, pessimists tend to think in terms of what he calls the Three Ps to explain negative events:

Permanent. A pessimist tends to see a problem as something that won't change, whereas an optimist can view it as a temporary setback.

Pervasive. A pessimist thinks globally; the issue has implications beyond this specific incident. In contrast, an optimist tends to see the problem as related only to the specific isolated event.

Personal. A pessimist assumes personal blame, whereas an optimist sees a broader picture.

Pessimists get a bad rap. Yes, they can be a true pain, but they also point out problems and shed light on tough issues that others may be avoiding. You may be undervaluing pessimists; they can actually serve a purpose and have a role to play in your organization. However, we don't think pessimists should be in leadership roles. No one wants to be on a team led by someone who is telling them they will lose the game before the game has even begun. Our experience has led us to conclude that the best leaders are optimists who have good reality testing. They say things like, "I am fully aware of the challenges we will face, but in spite of that, I am confident that this team can deliver."

Optimists and people with positive bias see a munificent and benign universe where good things generally happen. People with a negative bias tend to focus primarily on the bad experiences in life — and this perception of the world colors their reality. These people are not *inventing* issues and obstacles; rather, they tend to be sensitized to these issues and more likely to see problems than do people with a positive bias.

Empathy Is Critical

To leverage pessimism, you need to be able to empathize with those who hold pessimistic views. Empathy is about *feelings*, not facts. Being empathetic requires you to express understanding of how another person feels and to do so in a way that he or she recognizes. People respond to and interact with us based on what they think of us, not on what we think they should think of us. We must care about how they feel, express our understanding of that and — once we've acknowledged the other person's feelings — move on to the facts. Empathy is a powerful antidote to the kind of misunderstanding that destroys relationships.

How To Handle Objections

The objections that people raise to ideas, plans or processes are often openings to the Vortex; that is, they can lead a conversation down a negative path. We have developed a five-step process for responding to such objections:

1. Listen/inquire: Make sure you understand the objection thoroughly before moving on. Ask a question that gets the person to fully express her point of view.

2. Empathize: Speak to feelings before you speak to facts. Remember that empathy is about the expression of your understanding of how the other person feels.

3. Isolate and restate: The person making the objection may have mentioned five things going wrong with her day, but she probably came to you to discuss only one.

4. Answer: This is the step most people skip to as soon as they hear a problem: offering an immediate opinion or solution. Navigate the first three steps before taking this one — where you tell the person what you will or won't do for her.

5. Complete: Check in to see if you have resolved the situation to the best of your ability. If not, go right back to step one, and ask what else you can do.

Reverse Momentum

Pessimism isn't the only thing that gets you stuck. Anyone can get stuck in redundant discussions that seem to be plummeting into a spiral of negativity. Although these discussions are horrible time wasters, they provide the opportunity to step up and exercise leadership by being the one with the tools and skills to reverse the negative momentum.

Look for the following signs of redundant, negative conversations:

- People are repeating a point (particularly something they don't like or are worried about).
- You're having that déjà vu feeling: "We identified this problem last week and didn't do anything about it then."
- You recognize that the subject at hand is outside of your or your team's control or influence.

The actual cost of having you sitting in a redundant meeting is a hard fact that is pretty inescapable. We'll sometimes point to it and ask whether the discussion we are currently engaged in is a good use of everyone's time and also a good investment for the organization.

Groupshift

Groupshift is the propensity for the early ideas presented in a group to become disproportionately persuasive and carry more weight. Thus, when someone in a group offers a negative opinion early on, it can sway the whole discussion. It is at that point you can step up, exercise leadership, and reverse the conversation's direction before it gathers momentum.

Momentum is essential to making progress. However, it can lead to poor outcomes when it is destructive in tone. We all need to be thoughtful in our conclusions and remain wary of being carried along by a discussion's momentum. When groups start to agree on a topic and coalesce around the problem's diagnosis and potential solution, they begin to form closer bonds. They take comfort in the fact that they are agreeing and become convinced that their argument is a good one. They tend to speed up in their thinking and can make potentially fatal jumps in logic that are not soundly rooted in either evidence or robust inquiry.

Negative interactions can spiral out of control, and if you have engaged in groupshift early on, they can lead you and your team to places and conclusions that may not be appropriate or justifiable.

What would it take for you to be the one to stand up and interrupt this flow the next time it happens?

State It Once

Name a problem if a problem exists, and do so in a productive and constructive way. It is never a good idea to just leave it alone and not mention it. By stating it once, you call attention to the problem; you put it on the table where people can look at and acknowledge its existence.

After you state a problem once in a productive and constructive way, the best thing to do is change the conversation's momentum, shifting from a focus on the problem toward a focus on the solution.

The leaders in an organization are the people who *habitually move* from stating problems to finding solutions. When-

ever they sense that negative momentum is building, they immediately convert it to a solution-oriented dialogue.

Just as you can reverse negative momentum in one-on-one conversations and in the meetings you attend, you can also reverse your own negative momentum by choosing thoughts that start a positive cycle.

Create Emotional Safety

The higher you are on the organization chart, the more power you wield. You make higher-leverage and potentially riskier decisions. You receive an ever-growing quantity of information. Unless you make it safe for people to bring you bad news and to honestly discuss problems and failures, you'll get information that's distorted by people's fear of your reactions, especially if the news is about you. Bad news is suppressed until it *has* to be shared, and good news is overplayed. We believe that when someone high up who makes big decisions fails to create emotional safety, he or she is not only one of the most powerful people in the organization but also one of the most dangerous.

Emotional safety brings together the ideas we have already shared. You can now use negative emotion wisely, avoid terminal politeness, be more decisive, be more aware of your own need to change, leverage the wisdom of pessimists, and reverse the momentum of negative interactions. However, you won't be successful unless you can enact these in a way that is emotionally safe for others as well. You need to become your organization's Director of Emotional Safety.

In your role as Director of Emotional Safety, you'll be the person who is given a clean and accurate read of situations; the one who hears first, not last, when there is a problem; and the one who operates with good rather than bad intelligence. You will make people feel safe, appreciated and perhaps even rewarded for bringing you bad news.

The job of the Director of Emotional Safety is to create the context or environment that encourages others to produce excellent work. It requires a genuine focus on others and less of a focus on yourself. Creating emotional safety is a smart thing to do. There are three reasons why this works:

- The quality of your information deteriorates when people don't feel safe talking to you.
- Without emotional safety, your people may pursue goals beyond the point where the pursuit continues to make good sense.
- People do not grow in a fearful environment.

Two Keys

Being the Director of Emotional Safety is not always about making people feel good. There are two key principles to keep in mind as you assume the role.

First, you must get the balance right between supporting and challenging your people and between nurturing them and holding them to account for their mistakes and missteps. People perform best when they strike a balance between their competence to do their work and the level of challenge in that work.

When your people feel bad about making a mistake, you have to allow them to feel bad. Don't rush in to rescue them, and don't add your own anger to the mix. When people don't recognize their mistakes and need a judicious boot in their rear end, it is okay for them to experience a bit of your anger or frustration. Just make sure that you, not your anger, are in control.

The second principle is that making it safe for people to be honest with you frees them to be vulnerable around you. When they are, reciprocate. Being vulnerable to someone is crucial to building trust, and trust is the foundation of relationships. As a leader, you have to make the first move. The ability to be authentically yourself is critical to building a trust relationship with others.

Your ability to create emotional safety will prompt people to be open and honest with you about your ideas and suggestions and their own performance. Recognizing when you are at risk of creating an emotionally unsafe environment requires that you really tune in to what others are saying — and just as important, not saying — and reflect on how you've contributed to that environment.

A leadership moment is an instance when you must make a choice. Will you step up in those moments that might seem small but that significantly impact business results and relationships? Will you intervene, or will you let the chance pass you by?

RECOMMENDED READING LIST

If you liked *Step Up*, you'll also like:

1. ***How to Be Exceptional*** **by Robert H. Sherwin, Jr., Barbara A. Steel, John H. Zenger, Joseph R. Folkman.** The authors show that to be exceptional as a leader requires a revolutionary approach to leadership development.

2. ***The 5 Levels of Leadership*** **by John C. Maxwell.** Maxwell details each level of leadership and provides a clear path to reach the next.

3. ***The Truth About Leadership*** **by Barry Z. Posner, James Kouzes.** Leadership experts James Kouzes and Barry Posner share 10 time-tested fundamental truths about leadership and becoming an effective leader.

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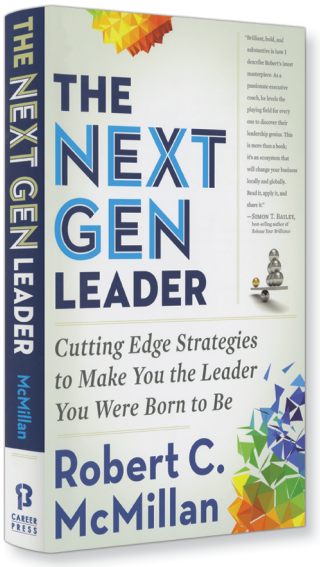

The Next Gen Leader

Cutting Edge Strategies to Make You the Leader You Were Born to Be

by Robert C. McMillan

THE SUMMARY IN BRIEF

What if we all realized we could reach our personal, career and organizational dreams by maximizing our potential and discovering the Genius Leader inside each of us? How would our lives, organization and teams be different?

While today's global economy is experiencing a significant cycle of outsourcing across industries, leadership cannot be outsourced; it must be organically transformed. The truth of the matter is that you control in your mind, heart and hands the ability to release your genius in leadership by maximizing your potential and releasing it to the world! *The Next Gen Leader* will show you how to discard outworn traditions and become the next-generation leader you were born to be!

Through his groundbreaking 6G Leadership System, leadership expert Robert McMillan provides the solution that integrates organizational and professional goal congruences, maximizing the leadership potential of every professional. Through leadership traits, features and profiles as well as secrets to increase performance, value and productivity, *The Next Gen Leader* offers a system designed to help maximize individual, team and organizational potential.

IN THIS SUMMARY, YOU WILL LEARN:

- Why everyone is a leader.
- The Seven Leadership House Rules of Engagement.
- How to use the Circle of Life Apps to foster balance in your life.
- The six networks and six applications of the 6G Leadership System.

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THE COMPLETE SUMMARY: **THE NEXT GEN LEADER**

by Robert C. McMillan

The author: Robert C. McMillan is one of the world's foremost experts on leadership transformational systems. Personally trained by leadership guru John C. Maxwell, McMillan's solutions are rooted in two decades of leadership experience in corporate America. His clients have included Motorola, BlueCross BlueShield and General Electric. McMillan is the founder of the Next Gen Leader Institute and is a speaker, consultant and coach to organizations and professionals around the world. From *The Next Gen Leader: Cutting Edge Strategies to Make You the Leader You Were Born to Be*.
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PART I: THE 6G LEADERSHIP SYSTEM

You Are a Leader!

In today's competitive world of doing more with less and becoming more effective and efficient, followers will not be the competitive force that innovates, breaks ground, or discovers more effective ways of doing business. This will come from leaders. Every person is born with the innate talent and gift of leadership, but we require constant maintenance and application upgrades in order to operate at our maximum leadership potential.

What Is the 6G Leadership System?

Leadership is a network of applications embedded in each of us, which I call the 6G Leadership System. In order to effectively lead, leaders must operate in a leadership network infrastructure designed to identify, cultivate and build leadership aptitudes within an existing network of leaders that allow behavioral replication and synchronization of the desired leadership state. For example, to be effective and meet market demands, cell phones have to be adaptable to operate on multiple cellphone carrier networks. Similarly, leaders must be able to operate on various leadership networks based on a specific scenario or situation.

Through time, people have morphed into different types of leaders. With so many different leadership models, styles and approaches — and the significant increase of external leadership recruiting — a clear leadership model is much needed in today's challenging times. The 6G Leadership System has been narrowed down to six networks that provide insight on the features, benefits and limitations of each network. The six networks are 1G-Genetic Leader, 2G-Generic Leader, 3G-Go-To Leader, 4G-Growth Leader, 5G-Gateway Leader and 6G-Genius Leader.

Professionals have different experiences, and many are in different places in their career journey. The 6G Leadership System provides a tracking system to identify exactly where you are, and it provides a pathway forward. The philosophy is that everyone is a leader and the difference between leaders is simply where they fall within the leadership network.

Overview of the 6G Leadership System

The leadership applications help us understand what truly makes us leaders and also provide solutions to help improve our ability to lead through the leadership apps that most often lay dormant in us all. Listed below are the six maximum potential leadership applications accompanied with descriptions of why others allow us to lead:

1. Awareness App: We are leaders because our actions demonstrate awareness of our innate ability to lead others.

2. Acceptance App: We are leaders because we are accepted as leaders by others based on actions.

3. Acknowledgement App: We are leaders because others acknowledge our actions.

4. Achievement App: We are leaders because our actions are recognized as business achievements.

5. Acceleration App: We are leaders because our actions accelerate business performance and results.

6. Agility App: We are leaders because our actions create agility to grow the business or organization and its people simultaneously.

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Rebecca Clement, Publisher; **Sarah Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Amanda Langen**, Graphic Designer; **Elizabeth Van Woert,** Contributing Editor

Leadership Network Styles

The six Leadership Networks, 1G to 6G, coincide with the applications described above. These Leadership Networks help us understand the various leadership networks, the type of leaders we are and the value of each:

1G-Genetic Leader Network: People value you because they see potential.

2G-Generic Leader Network: People value you because you accept leadership.

3G-Go-To Leader Network: People value you because they recognize your results.

4G-Growth Leader Network: People value you because of your consistent achievements in business performance and growth.

5G-Gateway Leader Network: People value you because you create opportunities and change for others.

6G-Genius Leader Network: People value you because they respect your leadership agility and ability to influence success.

Before discussing in detail how these networks and applications function, let's talk a little about leadership — the good, the bad and the ugly. It is important that you fully recognize and understand that you were born to lead.

PART II: YOU WERE BORN TO LEAD!

The Truth About Leadership

Leadership is a choice. Offices and cubicles are filled with both people who choose to lead and those who choose not to lead. True leadership does not start with the acquisition of power, position or pay. It starts with the conscious choice to be a leader.

Leaders have to be excited about leadership. No one wants to associate with leaders who are not excited about the journey they are leading. Leaders should see leadership as an opportunity to influence actions and outcomes, a gift of help and inspiration, and a reward to share with others, placing egos aside.

What does true leadership look like in action? Envision everybody in your organization leading and taking turns doing it.

More often than not, the leaders you find in the workplace are appointed. It is the appointed leaders who often have responsibility for the issues, challenges and complexities found in the operation of the business. Those issues, complexities and challenges exist primarily for two reasons: a lack of leaders and too many followers who watch, wait and debate before taking action.

If you have more followers than leaders, you are in an Organization of Followership. If you have more leaders than followers, you are in an Organization of Leadership.

The followership system, mindset and organizational design are outdated and invalid. Organizations and professionals must shift from a followership system to a pure leadership system due to the competitive economy, business complexities and industry challenges. It all starts with believing you are a leader and empowering others to become the same.

Here are the Seven Leadership House Rules of Engagement that you, your team and your organization can apply in your daily actions to build leadership behaviors and a system that maximizes potential.

1. Everybody is a leader!
2. Be a leader, not a follower!
3. Act first, then ask!
4. Choose to lead.
5. Seek growth opportunities.
6. Leadership is always greater than ownership.
7. Leadership is 3D = lead, leader, leaders.

Let's Talk Potential

Now that we have defined leadership, let's talk potential. Potential is something that every human being uses each day to survive and succeed. Some of us use a lot, and some use a little. The amount used determines our aptitude of success.

We all have a well of potential within us. I'm going to share with you a strategy to help you pump and prime your well so that you can reach your maximum potential. First, you must start pumping your mind with positive thoughts about your abilities. Second, you must prime your well of potential. Confidence, skill, information and positive proclamations will multiply potential. Fear, complacency, negative thoughts and non-productive environments will reduce potential. What you put into your well of potential is what you will get out of it. That is called "priming the well."

No one can release your potential but you. No one can grow your potential but you. I love the saying, "Anything worth doing poorly is worth doing until you can learn to do it well." That is how leadership potential works. You work at it until you learn how to do it well.

Here are several mindset potential affirmations and action strategies to help you realize and maximize your true leadership potential.

- I am a leader.
- There is greatness within me.
- Each day is an opportunity to become better than I was yesterday.
- Within every failure is a hidden opportunity.
- I have a well of potential that never runs dry.
- Leadership is action.
- I control my destiny.

Leadership Is All About Connecting

There are positives and negatives in leadership. The positive part of leadership can be found when you work with good people in a good culture producing a good connection. The negative part of leadership is when you are a good person who has to maneuver and navigate around bad people in a bad culture that, in turn, creates a bad connection.

Bad leadership connections are made up of leaders who use and leverage others to attain compensation, bonuses and recognition goals that are tied to their performance plan and the organizational scorecard. Good leadership connections are found in organizations that put people ahead of the achievement of organizational or personal goals. It's not that these goals are not important, but good leaders recognize that attaining goals cannot be achieved at the expense or detriment of others.

Good leaders engage employees to define goals, they promote and recognize their employees once the goal is obtained, they share in positive financial and social recognition, and they invest and retain resources to achieve future goals. Good leadership connecting organizations, teams and leaders takes considerable amounts of time and effort to ensure that employees are operating in the optimal work environment, have clear roles and goals, and are provided a work-life balance to limit attrition, morale erosion and talent depreciation.

Circle of Life Apps

Before you can truly maximize your leadership potential, you must have universal balance in your life. Life can be hectic, confusing, tempting, chaotic, painful and sometimes just downright boring. But maximizing your potential can change your life.

Maximizing your potential requires what I call the Life App System, which consists of six applications similar to those on iPhones and tablets. The secret is that we all have applications embedded in us, and we must master and maintain them in order to reach extraordinary success in our lives. Your destiny is contingent upon monitoring, evaluating and upgrading your life applications based on what you aspire to become.

Universal Faith App: The core of your potential is based on abundance, not on a limited view of life. Operating in a universal faith takes dedication, utilization and solidity of principles that connect your mind, heart and soul with the universe.

Moral Purpose App: It is not only essential to have a purpose-driven life; it is critical to align purpose with morality. Attaching yourself to a moral purpose that is bigger than you are will give you satisfaction and gratification in pursuing a mission, goal and objective.

Intellect App: What you feed the mind resembles what you will get out of it. All actions in the past, present and future will be based on data points, observations and information you allow into your mind. This is the most important application, because your thoughts determine your actions, and your actions determine your future.

Self-Awareness App: This boils down to your complete understanding of you: how you respond to conflict; how you react to personal challenges; and how others' behaviors, actions and agendas impact you both mentally and physically. It is up to you to become self-aware of your likes, dislikes, strengths and weaknesses. Once determined, strategically place yourself in a position to realize your purpose and maximize your potential.

Relationships App (Family, Friends and Associates): The key to setting relationship priority is in understanding how these relationships align with your purpose and potential. Those relationships that align, you continue to develop. Those that do not, you learn to let go.

Wealth App (Spiritual, Health and Financial): Wealth is contingent on spiritual, health and financial solvency. Having spiritual wealth is the ability to value others and to recognize their differences and beliefs without devaluing them. Your body is the vessel that stores your talents, gifts and skills — your potential. The fact is that health must be your top priority. Do you have at your fingertips the financial ability to make optional decisions based on circumstances? Or do your decisions become

actions as a result of your circumstances? What are you doing to increase your wealth? How are you investing in your and others' potential?

When you have all six of these Life Applications installed within you, you reach life optimization. You will be able to respond in stride to any life-challenge virus, system crash or attack.

PART III: THE SIX GENERATIONS OF LEADERSHIP

1G-Genetic Leader and the Awareness App

The first network on the 6G Leadership System is 1G-Genetic Leader. Being a 1G-Genetic Leader puts you in the company of those in the beginning stage of leadership who have high aspirations to be leaders of significance. In many ways, you are leading without a "badge." You have heart, desire and raw potential. You have broken the traditional mindset and philosophy that leadership is a position, and you have proven that leadership is awareness.

Every leader has spent time on this network at some point in their professional and personal lives. If you really think about where you are in your leadership journey, you might recognize a few leaders who started out like you did: Martin Luther King, Nelson Mandela, Mother Teresa and Mahatma Gandhi. How could you be compared to them, you may ask?

Each of these leaders started by simply being aware that they had the potential to lead. Each of them relied on their Genetic Leadership gifts to get started on their leadership journey. You have discovered the same potential in yourself. The only difference between you and those exceptional leaders are your unique results and outcomes.

Features of the Genetic Leader

Genetic Leaders believe they can lead others without titles. They do not allow the lack of formal title, position or appointment to limit their abilities to influence outcomes or demonstrate leadership behaviors. This is contrary to how most people view leadership. Most of the time, people display leadership behaviors only if appointed, authorized or given permission.

Genetic Leaders are individual contributors. Professionals who fall within this category are not in formal leadership positions. They are not in the spotlight, but they are on others' radar because they are valuable. They help achieve goals, objectives and initiatives that otherwise would be failures rather than successes.

Genetic Leaders are growth engines. They aspire to be the best leaders they can be. They have an extraordinary capacity to grow given the complexity and challenges of tasks and assignments. They have a growth engine that has to be fed with stretch goals and assignments. The more challenging the assignment, the more energy and excitement unleashed. Genetic leaders are self-empowered and self-motivated. They are the type of professionals who solve the problem first and report the solution later.

Limitations

Genetic Leaders have the natural gift of leadership, but many lack the awareness of their full potential. Genetic Leaders who are aware of their potential often become frustrated because of their inability to change the course of direction. For a Genetic Leader, a non-competitive environment introduces boredom and complacency. These leaders are innately competitive and are often misdiagnosed as being overly confident and aggressive.

The Awareness App

The Awareness App within the 1G-Genetic Leader is an upgradeable application that runs unconsciously in your mind, constantly fighting off internal and external negative beliefs that stunt your potential. Actions or words expressed by family, friends or coworkers can defuse your energy, confidence or belief in your potential. This App stores both positive and negative information — past, present and future — that can be overwritten based on what you code into your App. If you code negative thoughts into your App, you will have negative thoughts. If you code positive thoughts about your potential, then you will have positive thoughts. The bottom line is that you can control your awareness, or you can let others control it and pilot your course.

2G-Generic Leader and the Acceptance App

Acceptance is the key to accessing the 2G-Generic Leader Network. Leadership acceptance is different than leadership awareness. Leadership awareness is a result of recognizing one's ability to lead others. Leadership acceptance is embracing one's leadership potential and releasing it into action.

Features of the Generic Leader

Generic Leaders are accepted by others to lead. The 6G Leadership System is structured so that nobody is placed in a leadership position or role until several things occur: they demonstrate acceptance of their potential to lead others through action, they fully accept leadership responsibility, and they consistently demonstrate leadership behaviors. Generic Leaders have been observed by peers, supervisors and management as professionals with the ability to lead a task, assignment, function, process or project well before they are considered for a formal leadership position.

Generic Leaders lead while doing. They are consistent in delivering results by establishing predefined goals and using teams. When professionals are placed in leadership positions, whether in a formal management position or a position informally created for them, they are usually selected because they make sure things get done.

Generic Leaders are generalists and good communicators. They are generalists in the sense that they have broad general knowledge and skills in several areas, which is often why they are placed in leadership positions with responsibilities over tasks, functions, processes or projects. They have the ability to communicate in both visual and auditory mediums.

Limitations

Within organizations and, for that matter, in the 2G-Generic Leader Network, there exist leaders who have not necessarily accepted their leadership potential, have not taken the oath of responsibility, or have not been accepted by professionals as a leader. Generally, these events place the leader and the organization at a huge disadvantage because professionals are clueless about the leader's abilities, potential and capabilities, and often are resistant to that leader.

The Acceptance App

As a 2G-Generic Leader, you require a mindware application that will operate as virus protection software to protect your self-esteem and confidence, and, at the same time, help you process and accept the reality of your leadership situation in your professional and personal life. To maximize your potential as a 2G-Generic Leader, you must have an application that accepts the following leadership realities: Your leadership role will have its difficulties; you are a minority among many; and there are professional haters who will envy you. Accepting the environment you are operating in is critical to assessing your situation, defining your role and determining your approach. Generic Leaders accept what they can't change and accept what they can, and know the difference between them.

3G-Go-To Leader and the Acknowledgement App

One of the most gratifying feelings for a professional is when they are acknowledged for their actions. But what is even more gratifying is when a team acknowledges their leader for their results.

Go-To Leaders stand out among the crowd, and people are drawn to them because they do amazing things and achieve great results, all the while working with a team. They do things that Genetic and Generic Leaders just aren't at a level to achieve in terms of talent and skill. Go-To Leaders in Corporate America are game changers. When an organization or team is down or under the gun, they are the ones you go to.

Features of the Go-To Leader

Go-To Leaders lead from the middle. Not from a hierarchy standpoint but from a relational standpoint — relating to professionals and other leaders. Go-to Leaders have relationships with stakeholders, peers, teammates and colleagues who give them a keen sense of ability to get right in the middle of things and lead others to achieving extraordinary results.

Go-To Leaders cut through politics. They leave politics aside and go after business goals and objectives without affiliations, relationships or aiming for personal gratification. They forget about themselves and take care of the customer first. Everything else is secondary.

Go-To Leaders are franchise players who have developed a brand. They are acknowledged by others because they have developed a uniquely defined positive image, perception and brand of their ability to achieve extraordinary results. Professionals and leaders acknowledge them as those who are willing to take the last shot with one second left on the clock. They are risk-takers who worry about their careers last and place the company first.

Limitations

Go-To Leaders do what they love, not love what they do. They are consistently at their best when they choose to do what they love. When you do what you love, dedication, motivation, interest, energy and joy are omnipresent. A Go-To Leader's ability to deliver time and time again can sometimes be considered a dumping ground or solution center for all organizational issues. This can cause disinterest, demotivation and disengagement.

The Acknowledgement App

When leaders become Go-To Leaders, they come into complete acknowledgement of their potential relating to their strengths and weaknesses. Because Go-To Leadership is a choice, leaders must be able to fine-tune areas of development. It is that acknowledgement that allows them to take calculated risks to pursue the opportunities that others avoid. To maximize your potential as a 3G-Go-To Leader, you must have an application that routinely provides the following upgrades to your mindware: acknowledges your strength zone as a leader; acknowledges your weak zone as a leader; acknowledges your opportunity zone as a leader.

4G-Growth Leader and the Achievement App

Growth Leaders are highly influential leaders because they can grow the business by growing leaders. Growth leaders understand that leadership development is not transactional. It is transformational. They understand that development does not consist only of investment dollars but also in time committed to training, independent coaching, development of career opportunities and on-the-job experiences.

Features of the Growth Leader

Growth Leaders operate using the Leadership Law of Attraction. If you follow a growth leader back to their home network of leaders, you will find others who want to grow and develop. That is the Leadership Law of Attraction — "like leaders attract like leaders."

Growth Leaders go beyond business relationships; they truly know their leaders. Knowing a person is what makes Growth Leaders go above and beyond the call of duty for their team. It attributes to the business results — growth and outcomes that high-performing organizations realize — and it starts with knowing the person behind the leader.

Growth Leaders replace themselves rather than secure a position. They trust, hire and develop leaders, giving them full power and authority and the proper training and information to achieve desired results. They replace rather than secure themselves. Growth Leaders understand that in order to increase business results, lead teams and develop leaders, you need leaders who are smarter, brighter, faster and broader than one individual could ever be.

Limitations

Growth Leaders have pet peeves and quirks requiring leadership emotional intelligence. They are unique in that they do three things very well: they lead teams, develop leaders, and achieve extraordinary business results. However, they are human and are not perfect. The key is to recognize each person's uniqueness and effectively utilize emotional intelligence as much as possible to ward off competitiveness that negatively impacts emotions, actions and behaviors.

The Achievement App

Having a mindset to achieve your personal best is a significant distinction for leaders on this network. The Achievement App helps drive Growth Leaders to achieve extraordinary results by optimizing effective catalysts of change, attitudinal intelligence fluency, and goals and success sharing. If you as a leader can maintain attitudinal intelligence, establish goals, share success and operate as a change catalyst, you will achieve extraordinary results through leading teams and developing leaders.

5G-Gateway Leader and the Acceleration App

The 5G Gateway Network serves as an igniter of change, transformation and opportunities benefitting both business and its people. Gateway Leaders create accelerated growth opportunities for the business and their leaders — they, in essence, create jobs. Gateway Leaders break through barriers to create opportunities and, within their success, change the landscape. They are visionaries and accelerate outcomes that benefit the industry, organization and teams.

Features of the Gateway Leader

Gateway Leaders have 5G Vision (Hindsight, Nearsight and Farsight). They have the ability to see and reference those things in the past, present and future. Gateway Leaders have the ability to predict, envision and create vision for the organization on an accelerated timetable, creating opportunities for the organization and its leaders to capitalize on by using 5G Vision to work in the present.

Gateway Leaders set C.H.A.N.G.E. goals. Gateway Leaders transform vision into goals, and they develop C.H.A.N.G.E goals — goals that are Congruent, Healthy, Action-Based, Necessary, Growth-Oriented and Excel-

lence-Driven. They continuously strive for excellence and have specific goals for market position, cost position, service position and brand position.

Gateway Leaders don't typecast; they recast. They do not typecast themselves or other leaders by limiting them to a job description — doing things as they've always been done. They allow role creation and flexibility in assignments, initiatives and projects.

Limitations

Gateway Leaders act quickly but must remember to accelerate together. They have the ability to anticipate windows of opportunity. But because of their accelerated pace, their actions, decisions and influence can be out of step with the rest of the organization, leaders and teams.

The Acceleration App

The 5G Acceleration App is the mindware that motivates teams, leaders and organizations to accelerate change and business results by maximizing the potential of the organization through creativity and innovation. To maintain their motivation, Gateway Leaders require mindware that runs on their operating system and that helps them achieve extraordinary results by programming their mind with an attitude to overcome insurmountable odds, an unconscious ability to think of the team first, and the courage to turn personal failures into lessons for others.

6G-Genius Leader and the Agility App

Navigating on the 6G Leadership System and connecting to every leader regardless of pay, position or power is challenging. It requires a constant twisting and turning motion — like perfecting a golf swing. Size, age or strength doesn't matter in golf — just acceleration, precision and consistency. Size, age and strength don't matter in leadership either; but acceleration, precision and consistency are critical in leading others — that's called having "leadership agility."

Features of the Genius Leader

Genius Leaders lead from the back (Ubuntu). When Nelson Mandela was a young boy, he spent long hours herding cattle. He explained that if you want to move cattle in a certain direction, you stand in the back and send several of your smartest cattle to the front. You then move the back in the direction you want the cattle to go. The leading cattle will adjust, and the others will follow them. If you are leading from the front, that means many people are watching your every move. Genius Leaders understand that this can limit progress and, in some instances, become a distraction.

Genius Leaders are continuously coaching and learning leaders. They create a culture of knowledge-mining, transferring and sharing information throughout the organization for all leaders to learn and develop. Genius Leaders view every employee as a valuable asset and in a leadership position.

Limitations

Genius Leaders can become info-intoxicated. They have capacity constraints to transmit, receive and process information, just like every other human, but their success is limited to their ability to zero in on key points and make the right call to action. Also, because of their vision, approach and ability to connect things that perhaps others cannot understand, Genius Leaders are often criticized and questioned by peers. Unfortunately this is a major challenge in leadership and is one of the reasons why many leaders do not take bold, decisive action.

The Agility App

To be a Genius Leader requires an Agility App, mindware that unconsciously helps them navigate through all the different nuisances of leadership, creating relationships and engaging with people of different backgrounds, ideas, philosophies and cultures, in pursuit of redefining business and personal success.

Organizations and leaders of High Significance understand that "leadership is everything!" What transformational leader is lying silent in you, encompassing all of the talents and gifts that can enable you to become the "next generation" you? Search deep within your well of potential, and release that Genius Leader in you to the world!

RECOMMENDED READING LIST

If you liked *The Next Gen Leader* you'll also like:

1. ***Leadership 2030*** **by Georg Vielmetter, Yvonne Sell.** The authors use research and analyses to explain the transformative effects of six megatrends and what leaders will have to know.

2. ***Hacking Leadership*** **by Mike Myatt.** Myatt provides actionable leadership and management "hacks" to bridge gaps in order to create a culture of leadership and help leaders drive exceptional results.

3. ***Choosing Change*** **by Susan Goldsworthy, Walter McFarland.** The authors provide a framework called the Five Ds to compare key elements to be aware of during both individual and organizational change.

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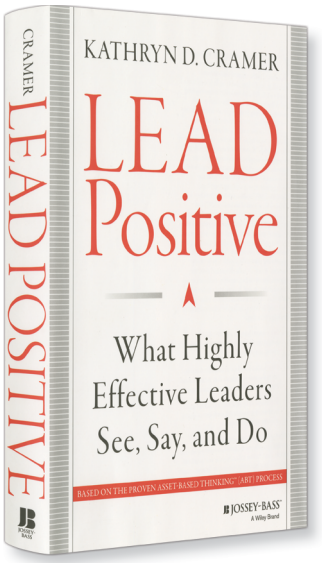

Lead Positive

What Highly Effective Leaders See, Say and Do

by Kathryn D. Cramer

THE SUMMARY IN BRIEF

Conventional wisdom points to industry expertise, strategic capability and operational savvy as the essential components to leadership, but the best leaders never lose sight of a simpler truth: Effective leadership means inspiring your followers to action, and the secret to truly powerful, inspiring leadership is not strategic know-how but rather a sense of self-confidence and optimism. Leaders at every level must learn to establish a foundation of positivity in everything they see, say and do.

In *Lead Positive*, author Kathryn Cramer weaves neuroscience and positive psychology to create effective leadership strategies. Cramer takes the fundamentals of her pioneering Asset-Based Thinking (ABT) system and turns them into a playbook for successful leadership. She shows leaders how to apply ABT to shift their attention away from what is negative and learn to intentionally shine the spotlight on the positive, beneficial facts of a situation.

As leaders make this mental shift from negative to positive aspects, they improve their optimism, empathy and confidence. When their mindset zooms in on what is strong, valuable and possible, what they say and do is far more likely to inspire others to action. In short, ABT helps leaders shift internally so they can excel externally.

IN THIS SUMMARY, YOU WILL LEARN:

- How to be aligned in all that you see, say and do.
- Why our brains are wired to imitate leaders' actions.
- How to become responsive rather than reactive.
- How to drive positive change.

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THE COMPLETE SUMMARY: **LEAD POSITIVE**

by Kathryn D. Cramer

The author: Kathryn D. Cramer, Ph.D., has dedicated her life to Asset-Based Thinking (ABT). As founder and managing partner of the Cramer Institute, she has worked with clients such as DuPont, Prudential Real Estate, Starbucks and Microsoft. She has written nine books and won an Emmy for her film Stress: A Personal Challenge.

Lead Positive: What Highly Effective Leaders See, Say and Do by Kathryn D. Cramer. Copyright © 2014 by Kathryn D. Cramer. Summarized by permission of the publisher, Jossey-Bass, a Wiley imprint. 288 pages, $27.99, ISBN 978-1-118-65808-6. To purchase this book, go to www.amazon.com or www.bn.com. Summary copyright © 2014 by Soundview Executive Book Summaries® www.summary.com, 1-800-SUMMARY. For additional information on the author, go to www.summary.com or www.drkathycramer.com.

Introduction

What if the leaders in our midst learned to *see* more possibilities than problems, *say* more about "why" and less about "what" and "how," and *do* the courageous thing instead of operating out of the comfort zone? How much more effective would they be?

When you Lead Positive, you offer a compelling vision of the future by reframing problems into possibilities and appealing to a higher sense of purpose — a noble and mighty cause. When you think, speak and act out of the positive side of the ledger, others feel more hopeful and confident about the future.

And when you articulate why your vision is so important to those you serve, they trust and respect who you are, not just your ideas. Then, when you take a stand that requires courage and sacrifice, you can rely on their support and determination as you walk together toward a new positive direction.

Conventional leadership emphasizes planning, organizing, setting a direction, developing strategies and then executing. Relying on these practices alone leaves out the most powerful act of leadership: inspiring followers to action. And in order to inspire, leaders must be self-confident and optimistic in all they see, say and do.

Research tells us that when people at every level feel they are part of creating the vision, their ownership and commitment to execution grow exponentially.

Asset-based thinking (ABT) means to look at yourself and the world through the eyes of what is working, what strengths are present, and what the potentials are. Conversely, deficit-based thinking means to look at yourself and the world in terms of what is not working, what is lacking, and the gaps between where you are and where you want to be.

While conventional leadership approaches focus on acquiring industry expertise, strategic capability and operational savvy, ABT is an internal development process that zeros in on transforming what the leader sees, says and does.

PART 1: WHAT HIGHLY EFFECTIVE LEADERS SEE

What You See Is What You Get

Have you ever noticed that you respond faster and more intensely to problems than you do to possibilities? Leaders and followers alike are much more likely to be playing defense than offense. One explanation for this bias toward the negative is that the neural circuitry in the "avoid harm" parts of our brain is triggered faster than the neural circuitry in the "pursue rewards" part is.

The negativity bias is set up to protect us from harm and provide for our survival. From the perspective of survival of the fittest, it offers a great evolutionary benefit. However, rarely in everyday life do we truly need these emergency, survival-oriented responses. In fact, the flight-flee-or-freeze reactions to situations often put us on the wrong path altogether.

When a leader is caught up in negativity bias and is blind to the assets and advantages inherent in a stressful situation, it can trigger a downward spiral. In contrast, every time you intentionally shine the spotlight on assets — what is positive, valuable and worthwhile — you change your brain for the better.

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Rebecca Clement, Publisher; **Sarah Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Amanda Langen**, Graphic Designer; **Carissa Bobenchik** Contributing Editor

The see-think-feel awareness tool is a way to set yourself up for generating the positive feelings you need to stay on the course to success. If you are *seeing* the downsides of a situation, then you might *think* "problem" and *feel* "overwhelmed." But if you see the upsides in that same situation, then you will think "possibility" and feel "exhilarated." This is a self-reinforcing process that can either create a virtuous cycle that spawns solutions or foster a downward spiral that only makes matters worse.

The ASA Shift

To create a more useful perceptual set, use the ASA shift, a "good-brain" exercise that helps you to shift your perspective just enough to begin triggering the positive feelings that set a virtuous cycle in motion. The ASA shift is a mental process with three steps:

Acknowledge: Use the see-think-feel awareness tool to identify your negative emotions and trace them back to the negative aspects of the situation that you are focused on. If you look more closely, you will be able to glimpse some beneficial aspects of the current situation that are also true.

Scan: Look for the positive side of the ledger. Ask yourself, "How can my team or I benefit from tackling this situation head on? Scan for one potential gain or upside. Think about the reward that comes with dealing effectively with the challenge.

Act: Take one step toward realizing the benefit you now see is possible. Act on that potential gain, and feel how it makes the negative thoughts and feelings recede.

The ASA shift is not about denying that bad things are happening. Rather, it is a tool to interrupt the negative downward spiral before it gets out of hand (acknowledge), reshape your awareness toward the positive (scan), and begin a virtuous upward spiral aimed at productive action (act). This exercise helps you discover the hidden assets in any stressful situation.

Focus on the Past

Looking at your professional experiences through the rearview mirror can run the gamut from inspiring to downright depressing — it all depends on the aspects of the past you choose to remember.

A positive focus on the past is an indispensable leadership tool. As a leader, you have a major responsibility to give yourself and those you want to influence a positive orientation to the past so that you can learn from it, move faster in the present, and move toward the future you want to create.

Here is a quick yet thorough process designed to help you and others dwell on the details of a collective success. First, work through it yourself; then share the exercise with your team:

- Ask your team to remember a time that they achieved something that at first seemed impossible.
- Ask members of the team to recall what actions they took. Ask them to describe their thoughts, the effort, the behaviors that drove success.
- Reflect on the positive impact those actions had on you, on others and on the situation.
- Reflect for a moment on how you and the team felt when you realized beyond a shadow of a doubt that what you were doing was going to work.
- Ask the team to identify thoughts and behaviors they want to repeat for future situations.

Leaders are much more likely to look for learnings in the wake of failures than they are in the aftermath of successful ventures. Do not overlook or take your successes for granted. Creating positive memories around collaborative efforts triggers your appreciation for your team, making it easier to recognize and reinforce the positive behaviors and attitudes of others.

Focus on the Present

We know that our frame of mind, decisions, and the actions that we take in the present moment set the stage for things to come — sometimes for the better, sometimes for the worse. The quality of our attention, concentration and creativity in the present dictates the quality of our future.

But so often our daily routines are brimming over with meetings, conference calls and last-minute urgent requests that we do not stop to engage in top-quality thinking in the moment.

Neuropsychologist Rick Hanson calls dwelling on the positive facts happening in the here and now "taking in the good." I recommend that you "take in the good" by intentionally focusing your attention on

- What makes you feel strong, safe and capable (focus on self).
- What provides you with deep, meaningful connections to other people (focus on others).
- What gives you a sense of progress or achievement (focus on situation).

Scan-Snap-Savor

Scan-Snap-Savor is a tried-and-true ABT exercise to help you take in the good of a given moment.

Step One: Scan. Look for the positive facts that are happening in the present or immediate past — something that just happened. You can direct your attention toward any one of the three focus areas: self, others or situation.

Step Two: Snap. Think of "snap" as aiming your mind's camera at a positive fact from your scan and then clicking the shutter to capture it and burn it into your memory. Zero in on just one of the positive facts from your scan in step one. Create a mind's-eye picture of that fact complete with sensory details of the setting and your state of mind.

Step Three: Savor. Dwell on that image, and relive your internal experience of the moment. Spend 30 to 60 seconds cherishing the positive emotions associated with that positive fact. Let the full measure of the experience sink deeply into your implicit memory.

Use Snap-Scan-Savor whenever you need a brief respite from the unrelenting hurry and pressure of time. By momentarily transcending the tyranny of chronological time, you are refreshed and energized — primed to see and seize the opportunities right in front of you.

Focus on the Future

When a leader can see beyond the present to a future worth marching into, it is like a beacon lighting the way and pulling everyone involved forward. A rewarding vision motivates both leaders and followers to perform to their full potential.

I often encourage leaders to apply the Self-Others-Situation framework to envision a rewarding future. You can conjure up your vision by entering any one of those three doors first. Many visions of a rewarding future start with the leader seeing a solution or opportunity (a situation) that will make a significant positive difference to his or her products, services, customers and organization. Alternately, a leader may start the visionary process by identifying a new or hidden team capability or desire (others). Your positive vision of the future could also begin with you (self).

When you start imagining a positive future for yourself, you can rest assured you will be personally committed to achieving the rewarding outcomes. But the main point is that no matter where you start, you will also need to consider the other two parts of the framework to empower and complete your vision.

As a leader, you need to take the pulse of what your team wants to happen before setting a vision. Once you have assessed their needs and wants, you can hook your vision to their aspirations.

Leadership by Lightning or Listening

Leading by listening is a leadership style that many would do well to develop. It is in contrast to leading by lightning. To lead well you need to master both.

When you lead by listening, you wait, watch and listen deeply, looking for patterns of ideas. Then, you speak up, inviting others to see what the future could be from their point of view. When this style works, people are grateful and inspired.

Leading by lightning relies on leader-driven ideas. When using this style, the leader has a big idea. He or she rides in on a white horse (metaphorically), announcing to the team: "How about THIS!" When this style works, people are also grateful and inspired. The leader has saved the day. The heavens have opened up, and lightning has struck to reveal a brand new future.

Leaders need to be flexible and competent at both approaches. Part of being effective as a leader is knowing which approach is appropriate for the situation and the audience - and for your own leadership style.

PART 2: WHAT HIGHLY EFFECTIVE LEADERS SAY

From See to Say

Your speech will always reveal what you see and, as a consequence, what you want, what you fear and what you value. No matter how hard you try to disguise or dress it up, what you say will uncover what you see.

If we are fearful and would rather come off to others as courageous, then we should shift how we are viewing the circumstance, changing what we see to match what we want to say.

Speaking with courage, hope and authenticity are the marks of effective leadership, and they are possible only if we focus more of our attention and effort on our assets than our deficits. This is the essence of the asset-based thinking (ABT) approach to leadership.

Say It with Substance, Sizzle and Soul

There are three assets you can leverage when you speak: substance, sizzle and soul. Each is important enough to call out as a separate element, but in reality, they overlap and reinforce each other.

Substance refers to the content of what you say. *Sizzle* is about using your words and your voice to evoke emotion in your listeners. It is a true, heartfelt expression of your feelings about your message. The *soul* of what you say refers to the why — why the message is so important to your listeners, your mission and you.

What You Say and How You Say It

What you say has high impact when listeners remember your message beyond the conversation or presentation; have a change of heart brought about by the message; take action as a result; and influence others to join forces with you.

For truly high-impact communication, you must take into consideration the substance, sizzle and soul not only of your words but also of your delivery. To be an effective leader, what you say and how you say it must be aligned.

What you say prepares you and the people you lead for what you need to do, for walking the talk. And ultimately what you do creates the results you seek.

Say It With Substance

As a leader you must be substantive and have substantive ideas. The result is that when you speak, people know that you have done your homework. Your wisdom shines through loud and clear.

In establishing their case for change, leaders need to say what they see as the assets of the past, present and future if they want listeners to fully appreciate their role and contribution. This positive context shows people how much their efforts truly matter to achieving the positive vision of the future.

Regardless of your leadership domain and innate talents, saying it with substance takes practice. You may have heard that it takes over 10,000 hours of practice to master a skill. It means that when it comes to saying it with substance, sizzle and soul, practice will get you there.

As a leader, you can use your own credibility as an asset to move your team forward. The strong substance of your words and your delivery can create a magnetic pull that draws listeners in. People want to achieve, they want their efforts to count toward something important, and they want to join forces with a leader who they believe in.

How to Say It with Substance

Use the ABT Self-Others-Situation framework to craft a substantive leadership message.

Self: Identify what you want to contribute to the substance of your message. As you craft your message, ensure that the substance reflects the goal of your speech act. Think of speech acts as clarifying your role in delivering your message. Substance-oriented speech acts give you a strong platform and frame your point of view.

Others: What do you want from those who are listening to your message? Always be sure you have a clear call to action — even if the action is a change of heart or shift in attitude rather than an actual step to be taken.

Situation: The situation framework helps you communicate the context, timing, urgency and feasibility of your message. Think of it as your case for change. You don't need to speak volumes to describe the situation. Say just enough to ensure your call to action and positive vision for the future make sense in the minds of your listeners.

Say It With Sizzle

While the substance of what you say may be your credibility card, it is the sizzle of your words that makes them stick. When you say it with sizzle, you are engaging the hearts and minds of your audience, inviting them to feel and invest in your message. In short, the sizzle is your leadership story.

A story well told transports listeners to a different time, place and plane. It captivates emotions and provides an exciting trajectory of experiences full of hope, struggle, uncertainty and surprise. Stories show us how to live life. Stories help us lead.

How to Say It with Sizzle

Using the ABT Self-Others-Situation framework, we'll explore how to incorporate yourself, others and the situation into a leadership message that sizzles.

Self: Identify what you want to be memorable and motivational in your message. Ask yourself, "What do I want to accomplish with this message?" Sizzle-oriented speech acts include invite, empathize, apologize, celebrate, encourage, empower, support, enroll and connect.

Others: What emotional response do you want from those listening to your message? When it comes to sizzle, be sure to have a clear invitation to feel. Sizzle-oriented invitations to feel include uplifted, enthusiastic, curious, decisive, courageous, safe, relieved, strong, honored, respected and worthwhile.

Situation: The situation framework helps you determine how best to engage your listeners at a particular moment in time. Knowing your audience's frame of mind — uncertain or clear, hesitant or ready, worried or excited,

or in the dark or knowledgeable — is essential to selecting the right stories and engagement strategies.

Say It With Soul

Saying it with soul is about meaning what you say — and saying something meaningful. We are socialized not to brag and to view ego as a turn-off. But authentic humility is about having the confidence and transparency to own and express the best of who we are as well as being able to admit our failures and shortcomings.

Leading with soul is not just a matter of what you do and say in the moment; it is what you do and say over many moments — the high points, the low points, and all the other points in between. When it comes to saying it with soul, you, not your words, are the message.

When it comes to soul (the why), we are talking about something highly subjective — the meaning, the value and the deeper purpose that underlie your commitment to the cause. People listening are scanning for how sincere, congruent and authentic you are. Your team is taking a good look at you to judge how much they can trust you.

It is important to remember that people will also tune into your body language and facial expressions to evaluate your authenticity. This underlines the power of the soul asset when it comes to building bonds of trust.

Self-Others-Situation Framework for Saying It with Soul

Self: Identify what you want to be meaningful and inspiring in your message. Use the pronoun "I" often — I pledge, I believe, I am committed — as you craft your messages. The soulful speech acts you claim with "I" help you signal to listeners your deepest purpose.

Others: How does the message you are about to deliver relate to your mighty cause? Why is this message meaningful to the group? With substance, you give others a clear call to action. With sizzle, you offer others an invitation to feel. And now with soul, you provide others meaning and purpose.

Situation: Timeliness can contribute substantially to the meaning and value of your message. You have heard the phrase, "timing is everything." This adage is especially true when it comes to communicating soulfully. Look through the situation lens to determine how best to capture why your message is so important at this moment in time.

Revealing your "why" — that is, saying it with soul — gives others a reason to trust you, trust the process, and believe in the meaning and importance of your message. Saying it with soul gives you a sound platform from which to lead and paves the way for taking action that is also meaningful and authentic.

PART 3: WHAT HIGHLY EFFECTIVE LEADERS DO

From Say to Do: It's a Very Short Trip

The brain, it seems, does not make much of a distinction between second- and firsthand experiences. Research shows that the same pattern of neurons, called mirror neurons, fires in the observer as in the person performing a task or telling a story.

When you perform an act of leadership, the same neurons that fire in your brain will fire in the brains of your team members. Thanks to mirror neurons, the *do* — and the feeling or tone behind that *do* — is highly contagious. These findings highlight the ABT principle that leaders must set the example for what they want their followers to see, say and do.

The See-Say-Do chain reaction starts with you as the leader. What you see influences your desires, intentions, goals and actions. What you say — through substance, sizzle and soul — lets others place themselves in your mental shoes. What you do leads others to imitate your actions and develop the complex skills that form the culture of your team.

It is also important to note that what your followers see, say and do can and should influence your leadership actions. Your job as leader includes being aware of and receptive to what others are seeing, saying and doing.

Reactive or Responsive: It's Up to You

In psychological terms, *responding* means to thoughtfully and intentionally adapt your behavior to the current circumstance. In contrast, *reacting* means to automatically go into high-alert stress mode.

Highly effective leaders tend to be highly responsive leaders. They take time to digest what is happening, step back and take stock, and exude high energy and excitement, not fear and stress. In a difficult situation, a deficit-based reactive mindset is natural at first. But if you can shift into responsive mode, you can choose to channel

your adrenaline to serve you. Respond or react: it's up to you. The goal is to learn how to respond effectively so that what you do as a leader takes you and the team further toward the goals you seek.

For decades, psychologists have known that by shifting your behavior, you can change your internal state, and vice versa. Like most other people, you exhibit distinct and unique patterns of behavior when you are in responsive and reactive modes. A keen awareness of what happens when you are angry, afraid, energized or engaged is the key to making that shift from responding to reacting when necessary.

Asset-Based Thinking Leadership Strategies for Responsiveness

Remember the lesson of mirror neurons: your behavior is contagious. The following asset-based stress management strategies will help you increase your ability to be responsive while supporting you in lowering your reactivity.

Strategy 1: Take Ten. "The only difference between fear and excitement is breathing." Adopt this phrase as a kind of mantra when you start to feel stress-induced anxiety coming on. Try taking ten deep breaths when you would rather be excited than fearful. This creates a break in your reactivity, clearing the way for your parasympathetic nervous system to kick in.

Strategy 2: Get Off the Field and into the Stands. In our day-to-day activity, we spend most of the time "on the field," intensely immersed in making the best plays to win the game. When the pressure gets too intense, you can reduce your anxiety and facilitate responsiveness by going "into the stands" to see the bigger picture. Going into the stands allows you to mentally extract yourself from your reactions and immediate demands of the moment. From that more elevated perspective, you can better interpret the behavior of others to find the assets of the situation and see new possibilities.

Strategy 3: Act, Observe, Reflect. Once leaders commit an act, they must stop to observe what happened and then reflect on what was done well (or poorly) and what lessons they can carry forward. Taking time to observe and reflect on your actions automatically puts you in the responsive mode.

Start Being Before You Start Doing

It is difficult, in fact nearly impossible, to see yourself as you are. As a leader, you must be rigorously introspective and at the same time open to feedback in order to develop a clear picture of who you are and how others experience you — what is called your signature presence. Just as we all have a unique way of signing our names, we all create a unique signature as leaders.

The Three Cs

Three qualities of being are vital to leading effectively in the three types of situations you are bound to face as a leader:

Confident in response to a crisis. A leader who is confident in times of crisis inspires hope and determination in others. The hope that equilibrium will be regained and that the organization will bounce back is essential when dealing with a crisis. The confidence you wear on your face and express through your body language, words and actions will be contagious.

To do this, here are a few key lessons:

- Keep focused on your ultimate goal and mighty cause.
- Surround yourself with people who believe in you.
- Do not blame the people who set up roadblocks.
- Move into action. Experiment until you find the right path.
- Play to your strengths to find the winning strategy that resolves the crisis.
- Believe in yourself. Remember how your confidence in past crises served you well.

Curious in response to conflict. Business leaders encounter pushback from all sides. Maybe there is someone who does not agree with your position on a key issue. The best ABT strategy in response to conflicting points of view is to be curious enough to find out why people oppose you. Curiosity sows the seeds of trust and creates opportunities to see value in somebody else's points. When conflicting parties trust and can see the value in each other's positions, the bar to finding a way out of the conflict altogether is significantly lowered.

Courageous in response to challenges. While the nature of the challenge may differ for those in different professions, the quality of being courageous is universally beneficial. Here are two sets of opposing qualities that apply to any set of challenging goals.

Being Courageous

- Making a tough decision and standing by it
- Admitting when things are not ok
- Asking others to do what's difficult
- Being able to stand alone
- Staying the course

Being Fearful

- Saying, "I'll think about it," when a decision has already been made
- Pretending everything is ok
- Hesitating to make difficult requests
- Seeking approval
- Changing direction too soon or too often

The point is to decide which qualities of being you most want to display, given your specific circumstances.

Driving Positive Change

Change — positive or negative — can be provoked by crisis, chance or choice. But, really, the source of change is irrelevant. It is what you do to lead your organization through the stages of change that makes the difference between success and failure and ensures that the change is positive and transformational. In the end, it all comes down to choice. Driving positive change is a matter of choosing to see whatever the provocation may be as a great opportunity to leap forward.

It is important for a leader to be intimately familiar with the stages of change that an organization undergoes in moving toward a vision. Each stage comes with a different emotional resonance and requires different leadership behaviors in order to progress to the next one.

The Seven Key Dos of Positive Change

Highly effective leaders behave in certain, specific ways as they move through the progressive stages of change. Here are the important "dos" — behaviors at each stage and what you want your followers to feel and do as a result.

Envision. Highly effective leaders must *respond*, not *react* to whatever has initiated the process of change. By reflecting on the prevailing winds of change, leaders can get a glimpse of what might be possible. As they step back and take stock, they can choose the response that creates energy and stimulates the curiosity of their followers so that they, too, can embrace the change.

Acting as if requires that you take actions that indicate the vision is already happening in small but important ways. For example, you might develop a business plan or hire a person with specific expertise. Such actions signal that you are serious and committed to creating a new and better future.

Explore. As optimism and ownership build, the leader's next task is to *shape the new path forward*. This requires giving yourself and your team the space and time to generate the robust strategies and the specific behaviors that will secure the desired future.

Invent. With new behaviors and strategies in hand and your enthusiasm building, you and your team will begin to *invent new ways of operating* that bring you closer to your vision. You may find that the organization is lacking necessary skills and competencies to achieve the vision. That may mean hiring the right expertise and restructuring roles and responsibilities. Leading such an effort requires *fierce resolve* and commitment to your vision.

Behaviors that show *fierce resolve* are cousins of behaviors that show your ability to *bounce back*. Bouncing back is about regaining your equilibrium and showing up with at least as much enthusiasm and energy after confronting a major setback or disappointment as you had in the very beginning.

Transform. This final stage is the one that yields results: the vision has been achieved. Most primary metrics of success are financial, operational, customer-centric and cultural. But highly effective leaders should not just let the metrics speak for themselves. Instead, they must find ways of drawing attention to the victories and leaps forward by *celebrating and learning.*

Driving positive change in all that you see, say and do is the true asset-based leadership advantage. ABT means you look at yourself and the world through the eyes of what is working, what strengths are present, and what the potentials are. This is what is required of leaders as they cascade positive change throughout an organization and inspire others toward achieving a shared vision.

"We don't see things as they are, we see them as we are." This famous quote, widely attributed to author Anais Nin, will forever be true. Through ABT, we all have the power to make the things we see and who we are as leaders more positive and, ultimately, more effective.

RECOMMENDED READING LIST

If you liked *Lead Positive*, you'll also like:

1. ***Unusually Excellent*** **by John Hamm.** Hamm demonstrates that any leader can excel by consistently putting into action the Necessary Nine skills.

2. ***Grounded*** **by Bob Rosen.** Rosen's Healthy Leader model highlights six personal dimensions that any leader can master: physical, emotional, intellectual, social, vocational and spiritual health.

3. ***The 360 Leader*** **by John C. Maxwell.** According to Maxwell, you can learn to develop your influence from wherever you are in the organization by becoming a 360-degree leader.

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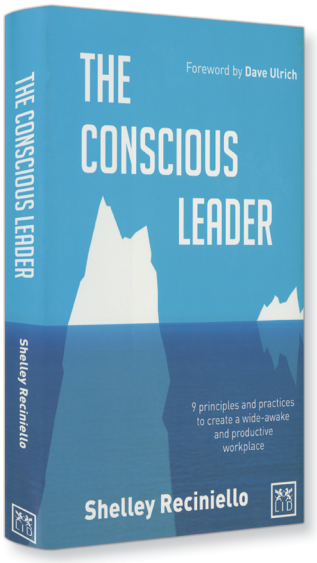
Leadership



The Conscious Leader

Nine Principles and Practices to Create a Wide-Awake and Productive Workplace

by Shelley Reciniello

THE SUMMARY IN BRIEF

Why do things go wrong in companies that shouldn't? The answer, according to Dr. Shelley Reciniello, often lies deep beneath the surface in the unconscious processes of leaders and their employees.

Working as a sort of psychological detective, Reciniello consults with organizations and individuals to figure out what the real problem is when a posed-for-success corporate initiative fails, when a promising individual or team can't perform, or when a well-conceived departmental project doesn't deliver. When what has gone wrong doesn't make sense, Reciniello looks for the unrecognized, underlying problem and often finds that what's going on unconsciously, out of awareness, is more important than what is happening on the surface.

How can you wake up and become conscious of secret motivations, unrecognized Achilles heels, and hidden agendas in yourself and your employees? *The Conscious Leader* describes the nine most fundamental but often neglected truths about human beings and their workplace behavior in jargon-free, accessible concepts and examples. With humor and inspiration, Reciniello provides the principles and practices necessary for conscious leadership that you can immediately apply in your organizations.

IN THIS SUMMARY, YOU WILL LEARN:

- Why success depends on making "the unconscious conscious."
- The nine psychological principles that undermine companies and leadership.
- How to overcome classic defense mechanisms and help organizations achieve positive growth.

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THE COMPLETE SUMMARY: **THE CONSCIOUS LEADER**

by Shelley Reciniello

The author: Dr. Shelley Reciniello has provided employee assistance programs, executive coaching and organizational consultation to leading corporations, including Avon, Credit Suisse First Boston, Deutsche Bank, Morgan Stanley and divisions of Exxon, Eastman Kodak and General Electric. She has appeared on television, radio and has been quoted in varied publications, including *The Wall Street Journal, The New York Times, Glamour, Elle* and the *Reuters* international publications network.

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Introduction

People don't leave their psychological selves, conscious or unconscious, at home when they come to the office, and there are many permutations of how work and self, and self and others, collide. You may know your business, have brilliant ideas and an eager workforce, but if you don't know what happens to people — and that includes you — when they enter the workplace, you will undoubtedly waste time and money and minimize your success.

Someone once asked Sigmund Freud, "What do we have to do in order to be mentally healthy?" He answered that we must be able to "love and work." He meant that we need to love and work with an awareness of *both* conscious and unconscious variables.

You're thinking, "Isn't running a business difficult enough without worrying about what I don't see?" But like it or not, doing business today also requires navigating the underground psychological terrain of people at work: egos that run amok putting personal success ahead of corporate achievement; palpable, underlying anger that surfaces in response to company policies, ill treatment by a manager, or even your own grandstanding.

In the incredible pressure cooker that is the modern workplace, how do you keep your eye on a ball that is increasingly invisible? By understanding the basic psychological principles of people at work and applying them daily. Corporations are *not* people, but they are made up of people, and to ignore the imperfect humanness of professional interactions is a foolish omission that will always undermine success and satisfaction. You can have no illusions about how that affects your bottom line.

There are nine important psychological phenomena that undermine companies and leadership every day. But there are also antidotes to these phenomena and practices necessary for conscious leadership that you can immediately begin to apply in your organizations.

From the boardroom to the mailroom, employees are often elated when they understand how these nine challenges and the accompanying insights operate in their lives. This information helps them to normalize their reactions so they can see themselves without judgment and become open to changing their opinions and behaviors.

Knowing ourselves, our complexities and our triggers, handling the quirks of others instead of letting them affect us, valuing and maximizing the challenge of diversity, understanding how to deal with anger coming at us or from us, learning how to increase our personal power and use it appropriately, and dealing with change positively are some of the ways we can enhance our personal and professional effectiveness.

All this becomes possible when we learn to look beneath the surface. The effort will be worth it. Beginning with yourself, you can create leadership and a culture that is conscious, wide-awake and productive.

Why Everything Goes Wrong When Everything Seemed Right

Psychological Principle #1: Human beings are not rational, and every day their illogical, unconscious minds are walking into offices with hidden agendas.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Amanda Langen**, Graphic Designer; **Corbin Collins**, Contributing Editor

Every day all over the world, people enter the workplace with their own personal preoccupations: work pressures, health concerns, money worries, family problems, relationship issues, political viewpoints and more. That's a lot of variables to consider. And these are the easy ones because they're the things that people are generally aware of — conscious of — although they can still impact their work and be difficult for others to cope with.

But the ones they haven't got a clue about — the ones that are unconscious — are the really tricky ones, like unresolved childhood and family issues, fears, anxieties, fantasies, drives, prejudices, obsessions and complicated emotions like anger and guilt. That's what is happening when you sabotage something you've been striving for, such as a promotion or a deal — or when someone gets angry with you for no obvious reason. You become upset and confused because the behavior is illogical. And that is indeed the problem.

According to psychoanalytic thinking, we act irrationally because we are motivated by unconscious forces that our conscious minds are constantly struggling to control. We keep them out of our conscious awareness because we feel that they are shameful or frightening or dangerous. Things like impulses, feelings, fears, motivations and desires that come from ourselves, our childhood experiences, life events and interactions with other people.

Why Being Conscious Matters

Your organization is shaped by the hidden feelings and fears, desires and needs, motivations and ambitions of each of your employees and, most definitely, your own. Secret motivations and hidden agendas are time bombs that threaten success. The only antidote is to make "what is unconscious conscious." That is how we strengthen our rational selves. By knowing the whole story about ourselves and the people we interact with.

Because we have become too focused on behavior in our approach to problems, we have also become more and more action-oriented, less reflective and, therefore, less insightful. As a leader you must be alert to the pull to act for action's sake — to shoot first and ask questions later. This kind of movement is the result of faulty logic and leads to bad decisions. The rational mind, both the individual one and the corporate one, can only be strengthened by dealing with unconscious issues, not pretending they don't exist.

Without reflection and introspection, irrationality stays underground where it grows more potent every day. Consciousness requires that you become wide awake and that you stay wide awake and alert to business practices that are not conscious.

Becoming comfortable with not knowing, with taking the time to understand the conscious and unconscious elements of a situation as well as the motivations of everyone concerned, including yourself, to ask appropriate questions of the right people, to reflect and to decide what, if any, action is warranted, is the work of the leader who strives to stay conscious.

When Leaders Don't Know Their Achilles Heels

Psychological Principle #2: Self-delusion is the single biggest trap for a leader.

In order to avoid fantasies and delusions, leaders must be open to self-knowledge and how they are actually perceived by others. How do you ensure this in yourself? You start by taking a deep dive into your history, your life and your work experiences — all of which are responsible for most of who you are — and answering a lot of questions about yourself honestly.

What Do You Carry?

We all carry things with us that no longer apply to our lives, yet we act like they do: memories of parents, schoolteachers, friends, classmates; words and incidents that hurt, embarrassed and frightened us. We suffer neurotically when we react to something that no longer pertains to our lives as though it were happening now. But without understanding that and without knowing what we are unconsciously clinging to, we have these unconscious needs and forces directing our present days.

What from your past are you still reacting to in the present? What pain, injustice or anger do you cling to? How might these unconscious memories influence your choices and behaviors? What unacknowledged attitudes, prejudices fears or resentments do not serve you well? What pretensions and possessions do you use to distance, define and protect yourself?

True self-knowledge without delusion is power; the lack of it is self-deception that will always leave you powerless and vulnerable to others.

Easy Wins 101

To be successful, it's important to score easy wins. Easy wins are the things you can do that will stand you in good stead so that you can succeed with the harder challenges. But if you get these wrong, you will annoy people, and they will not even consider you for the rest.

The first easy win is about being on time because time is an important way that we communicate with others. If you are always late, you are saying that your time is more important than theirs, and therefore, that you are more important. Become conscious of whether you ever use time to assert power and control over others.

The second easy win is similar and involves getting back to people and delivering what you say you will. Whether it is a promotion you promised, an initiative you pledged to support, or financial backing you allocated for a new business, people will hold you to your word.

The third and last easy win has two parts: watch being negative in your word and deed, and don't gossip, especially not about your people. The easy wins are a good place to begin because they really speak to cultivating accountability, professionalism, respect and consideration for others, and having a positive, nonjudgmental attitude. These are basic qualities upon which you can build your leadership.

The more you learn about the irrational in you, the unconscious issues, the conscious secrets, the more you can strengthen your rational self.

When Personalities Get in the Way of Business

Psychological Principle #3: Everyone can't be like me.

All human beings have traits which are really defense mechanisms. These traits are the methods by which we attempt to keep all those feelings and thoughts that we find objectionable or shameful away from our awareness and tucked into our unconscious minds. When we become open to an awareness of which defenses we tend to use and how and when we use them, we increase our self-knowledge a hundredfold.

What defense mechanisms are your personal favorites, and which ones do you recognize in the people you work with?

Denial. If you don't see it or hear it, then it doesn't exist.

Repression. Similar to denial, but it stops things before there is anything to deny. People "forget" what has happened to them, as is common with victims of trauma and abuse. In the office, repression is often the reason people may claim that they were not told something, because they didn't want to know it or do it. In most cases, they are not lying; repression has kicked in to save them from recalling the offending comment or task.

Projection. If someone has a trait or a desire or a fear that he finds deeply unflattering or bad, he needs to get rid of it. So he tosses someone else the hot potato, he no longer has it, and the problem is "solved."

Displacement. Redirected aggression. It is what is behind the classic example of the man who kicks his dog when he is angry at his boss.

Intellectualization. A way to focus on an idea in the abstract and in great detail in order to alleviate anxiety.

Remember, the use of a defense happens unconsciously — the undesirable trait is not consciously acknowledged nor is the antidote. The overall purpose is always to keep the image we have of ourselves consciously untainted by characteristics we find objectionable, which are rooted to what happened to us in our past. The main objective is that you start to think in an insightful way about how you and other people function psychologically.

When Organizations Repeat Family Dynamics: Who's Your Daddy?

Psychological Principle #4: Organizations repeat family dynamics.

The déjà vu of the workplace is a real phenomenon because corporations and other entities have structures like families. There are authority figures who become like parents, and our peers and co-workers become the siblings.

Transference doesn't only happen in therapy or in coaching. It happens at work. We project qualities from old relationships, or from relationships that live only in our fantasies, onto the people we work with. They, in turn, may experience a **counter-transference**, wherein they become or resist what we project upon them.

Like families, companies require that we belong to them; they demand loyalty and obedience, and for this we are rewarded. Like our familial homes, they are more or less welcoming, more or less safe, and we don't want to be chucked out until we are ready to go. Working with others inspires us to recreate relationship patterns we have known in the past or wanted in the past. These relationships can be positive or negative. They can be triggered by something that is actually occurring, but they are usually unrelated, in reality, to what is going on in the present interaction. The workplace can provide the opportunity, but we are the ones who create the roles and write the dialogue.

Leadership, Transference and Counter-Transference

Transference is built into leadership. People look to someone who is powerful to solve problems, make promises and create possibilities, someone who will deliver them out of the wilderness. But if the transference is excessive, if the need is too great, something dangerous can happen. That is when people follow leaders who encourage them to violate their previously held values.

We happen to be living in an age and in a culture where business leaders are the new heroes on the much-preferred battleground of fame and fortune. People fantasize about being a Steve Jobs, and he is held up along with Bezos, Buffett and others as the new ideal. The media stokes the fire that turns transference into hero-worship, and admirers are plunged into the infantile posture of dependence and compliance.

Think about your style and whether or not you encourage transference. What are your fantasies about the people who work for you? What is your counter-transference? How do you think of them? What do you call them? Are they your kids or your other kids? Are they your troops or your guys (in the generic sense)? Are they your people of your team? Folks? Minions? Girls and boys?

You want to be clear with your employees about the actual relationships you have with them so as not to feed their imaginations. It is easy to take advantage of people in the workplace, so keeping appropriate boundaries is essential, and you should encourage a culture that is alert to not giving mixed messages.

Your responsibility is to stay on target. Don't muddy the waters. When things seem off, ask for clarification and reinstate boundaries. You help people to remember why they are here, what their role is, and what they contribute to the organization. You root them in the present reality; no more and no less.

When People Regress in Groups: Teams or Gangs?

Psychological Principle #5: People regress in groups.

Group spirit is hard to resist, and people often act differently when they belong. Groups at their best can become teams wherein several individuals work together collaboratively to complete a task for a common goal. Or groups can become gangs wherein people lose their individual views and values and act in ways that they never would act on their own. That is because of Principle #5.

The most obvious characteristic of a group is that it can obscure individuals and, therefore, individual responsibility. Responsibility gets diffused. People can hide in groups and get away with bad behavior. If you are thinking that this sounds very childish, you are right. Regression is a defense mechanism that lets us return to an earlier time in our lives and a more primitive way of behaving.

Why do people regress? We do it in response to some feeling or situation that we want to avoid knowing. When people come to work, they want to feel protected, safe and accepted. Sometimes organizations are not very secure places, and this causes employees to regress. If the organization doesn't seem to be a safe place, people will seek safety in numbers, in their work group or teams. If employees are not appreciated for who they are and if the message they receive is to conform, blend in, agree with and support the company at all costs, the whole organization will be in a regressive state.

How to Create Progressive not Regressive Groups

Perhaps the easiest measure of the consciousness level of an organization is to observe how well its teams really function. If you lead groups and are a member of groups, think about what goes on. In the groups you lead, are you the designated leader, or did you assume the role? Do you create a climate where people can disagree? Who tends to dominate, and who is mostly silent? Are there running jokes? Are they at anyone's expense?

When you are a team member, do you feel free to express your viewpoints even if they run contrary to the leader's or to the group's at large? Do you feel safe with your colleagues? Do teams meet their deadlines and accomplish their goals?

Teams can get past issues when they are run by responsible, conscious leaders who insist on respectful and productive collaboration. If you want to have groups that are respectful of each other and a culture that puts people first, you need to figure out how the difficult calls should be made and make sure you model that behavior. Work with human resources to create consistent policies and practices, and give HR professionals the authority to make sure business partners work with them to get it right.

Start by putting in programs to bring back manners that include rules defining how people are expected to act. For example, if there is an email disagreement, employees must arrange a face-to-face meeting or phone call to discuss the

issue, rather than leave behind a trail of snarky emails that have been copied to everyone and his aunt Lillian.

We also need to establish some taboos in order for groups and individuals to resist regression. Your leadership must provide the structure and the sense that what goes on here does indeed matter in small ways and big ways. The taboos that restrain regression must come from you. You must let it be known that you will not accept bullying, scapegoating, rudeness, meanness and inappropriate, unethical behavior of any kind.

Making Diversity Real

Psychological Principle #6: Everyone has preconceived notions of others, and these are largely unconscious.

With a globalized economy comes the need for the capacity to relate to people who are from different worlds, who look and act in ways that are different from you. If you and your workforce can't match those differences with openness and curiosity and respect, your competitors will. And the best way to achieve that edge is to make sure that you have a workforce that understands, through its own experience, how to communicate and relate and negotiate across difference.

That means that you need to hire, train, mentor, sponsor and promote people who are not the same as you. It means that if you do not want to be caught in a talent vacuum, you accept that talent now comes in different packages. But the majority of diversity programs have not produced the kind of results hoped for or required. This is because of Principle #6.

You may feel yourself becoming uncomfortable with this and react with, "This doesn't apply to me. I am not a prejudiced person." Think about it this way: evolutionary instincts and primitive cognition still cause us to seek out faces that look like ours for comfort and safety. We are still hardwired to recognize features that are similar to our own. But we also get into trouble if we do the opposite.

We Look for Differences and Overlook Similarities

If we are not conscious of what our individual prejudices are or might be, we may not realize how much attention we direct toward the differences between ourselves and others. We may seek them out with a vengeance to assure ourselves that the "other" is not like us, so that we can remain safe. If we keep things black or white, so to speak, we will know where we stand, secure in our comfort zone of familiarity.

When we focus on what is different in others, we can stick to our preconceived notions of them, and the possibility of real connection is lost. When we recognize that we share the essentials of being human and all that entails, differences become opportunities for our enrichment rather than psychological barriers.

There is clearly a time to look for the meaningful similarities we share with others that will help us overlook unessential differences. In order to do this properly, we must be conscious of what it is that we carry that influences how we are looking at people and situations. Unless we do the work, we will get it wrong. The poet and professor Dr. Maya Angelou was asked how what she says and writes resonates so thoroughly with such a wide spectrum of people, and she said that it came from "seeing us as more alike than unalike."

When we become comfortable with our essential sameness, our basic humanness, then we can delight in our wonderful differentness. As leaders in the globalized economy, you must take the landscapes of your organizations out of the dreary blue and grey that meant success in years gone by and embrace the true colors of world citizenship.

Learn How to Wear the CAP

Psychological Principle #7: Conflict, anger and power are forces you must work to master, or they will master you.

Conflict makes most people uncomfortable, and yet it is a prevalent part of our lives because inevitably we will all have differing views, opinions, needs and desires that will cause us to be in conflict. What do we do, then, with the feelings created by conflict? We are going to choose to live in a state of conflict-anger-power so that we can learn Principle #7.

Conflict: Why do people avoid conflict? Because they are afraid someone is going to get angry — either themselves and/or someone else. If they become angry and say something in the heat of the moment, they risk losing a relationship or an opportunity. And if it's the other person who gets angry and that person has power over them, there could be an even more disastrous outcome. That is why as soon as there is a whisper of conflict, people know that they are on a slippery slope and avoid it at all costs.

Most of the time, people simply need direct, honest feedback and coaching on how to deliver what is required of them. If you resist doing that because it feels too conflictual, you must stop and examine what you are holding

onto in your unconscious. If you think, "I don't want to hurt this person," think again, because your reticence will surely hurt them. The only person you are helping is you, not to feel uncomfortable. You need to let go of that conflicted state and get your passport to the state of conflict where you can deal with reality and not your fantasy.

It has always been true and always will be true that people leave or stay because of their relationship with their immediate manager. The litmus test of a good relationship is the ability of both parties to communicate clearly and to consistently confront conflict. Conflict itself is not the problem. In fact, intellectual conflict often leads to creative ideas and inspired discoveries. It is people's reticence to engage the conflict in a constructive, respectful manner without anger that is the issue.

Anger: Anger — and we are not talking about aggression — is simply a basic human emotion that has had the evolutionary purpose of telling us that something is not right in our world. It is a natural way to feel when someone takes advantage of us, lies to us, breaks a bond of trust, leaves us, dies or in some way breaks our hearts. Consciously and unconsciously, our anger history is always with us.

We engage in many defensive acts to keep ourselves from becoming conscious of our anger, and these don't help us deal with the anger; they camouflage it while it continues to grow. These eight behaviors are passive attempts to keep from feeling anger and represent what we shouldn't do with anger: denial, displacement, indirect attack, blame yourself, depression, sickness, anxiety and self-sabotage.

The first thing to do with anger is to recognize that you are angry. Feel it and own it. Now that you feel it, ask yourself, what is not right in my world that my anger is telling me? Next, review your issues, and honestly think about what angers you. Look at the present and what you might be misinterpreting or over-reacting to, and look at your past and what unresolved anger issues may be playing a role.

What is it about this situation, then, that is really making you angry? Think about the problem and its potential consequences. Is immediate action warranted? If you decide that confrontation is the appropriate course of action, think about the times in your life when you handled your anger most positively and achieved the desired result. How can you get yourself to act like that again, where you are likely to be successful?

Power: With leadership comes the responsibility of understanding and being aware of your power and how it is seen by others, so that you use it wisely, without unconscious agendas, without anger and with compassion. When people in power deliberately use anger to control more vulnerable people, it usually works. It is not uncommon in the workplace, because people depend on having jobs.

Still, abusive bosses who create workplaces that function on fear will never be as powerful as they think they are nor as productive as they could be. Being aware of your power and your anger quotient is essential for conscious leadership. A workforce that walks on eggshells and is constantly fearful of your latest whim or tirade can never be a conscious one.

Having real power today is about being able to look clearly at the big picture and understand where and how you want to influence strategies and policies. It is about building formidable loyalty in your power base, starting with getting those easy wins right so that you are seen as a person of integrity who can be trusted. It is being comfortable with confronting conflict and being seen as a peacemaker rather than a war monger.

When Change Is a Constant

Psychological Principle #8: Change is a constant in every workplace.

Like conflict, most people will say that they dislike change. Yet, it is generally acknowledged that more change has occurred in the last decade, largely due to advances of technology, than at any other time in human history. And there appears to be no end in sight.

Our natural, evolutionary response as human beings is to fear change and resist it. It represents the unknown and unfamiliar and carries with it the possibility that we will suffer harm. The complete truth about change is that it is always hydra-headed; it is about both winning and losing.

Since change that you will instigate and change that will befall you is inevitable, it is essential to first understand yourself and how you feel about change, before you can do any justice to it for your employees. How do you, personally, deal with change? Do you try to run from the unknown and seek a solution by rushing to action?

To accept uncertainty is to also become open to the feelings of vulnerability that come with it. Leading from that place is authentic, courageous and inspiring. In order to do that, you need to create a psychological structure for people, a holding tank if you will, to contain the emotions that threaten to swallow them up. You must acknowledge that loss accompanies the change in question and not try to minimize what they feel and how their lives will be altered.

Getting to Growth and Opportunity

The plus side of change is always growth. If we allow ourselves to move through the initial resistance and accept and mourn the loss that comes with the change, then we can make the transition of the change into a transformation of ourselves and our lives.

Creativity depends on the logical, rational mind collaborating with the illogical, undefended thoughts, feelings and memories that the unconscious mind entertains and embellishes in dreams and fantasies. Change encourages our capacity to be creative, to have a vision in the emptiness, to see how different things could be. When we allow uninhibited brainstorming, we allow the unconscious content to surface and be used positively. In order for this to happen, you must show that creativity is valued. The next time you are tempted to reply, "We always do it this way," say instead, "Why do we do it this way? How could we do it differently?"

Leadership through change doesn't mean clairvoyance; it just means guidance. You can't promise people that everything will be all right; that infantilizes them, and these days no one will believe you anyway. You tell them what the plan is and help them stay the course.

The Mind Does Not Take Care of Itself

Psychological Principle #9: Bad mental hygiene destroys thinking, productivity, creativity, and your ability to own the other eight principles.

Left on its own, the human mind doesn't take very good care of itself. It develops some bad habits. Like having an unwashed body and a mouth full of unbrushed teeth, we may begin our days without the daily maintenance and preparation that our minds require to function properly to meet the day ahead.

Daily Maintenance

Every day you will need to remind yourself of who you are. It has become very popular of late to have people craft a story of themselves in leadership development workshops. But it is important to keep your story honest, so that it doesn't become a method for hiding from your own truth. It also needs to be current — with updates and new observations — and descriptive of who you are in the present moment.

If daily maintenance sounds onerous, understand that the more you do it, the less time it takes. When leaders and their employees do not prepare, they are constantly caught unawares, and so many unwanted problems ensue: misunderstandings, arguments, faulty judgments, bad decisions and stunted creativity. Preparation means that your focus is on getting ready to meet the challenges of the day ahead.

Slowing Down

Probably the biggest deterrent to good mental hygiene is the speed with which we live our lives. We have been consistently losing our ability to reflect and calm ourselves. All day long, we make technological efforts to be connected —we email, text, tweet, link, befriend, but is anyone really connecting and reaping the calm and comfort of true connection?

People need breaks, empty mental time without outside stimulation. We need time to center ourselves, to be introspective, to reflect. When you create empty space, you can have your own thoughts. You can connect to yourself free of the agendas of the world, the media, your office or your family. Only then will you know who you are and what you really want from life and from your work. If you don't make the time to have this kind of relationship with yourself, you may wake up one day only to find that you have been living someone else's life.

Human progress has always depended on strengthening our rational capacities. That is what "making the unconscious conscious" does. If you are a leader, if you want to be a leader, if you want to be a better leader, consciousness can be your guide to worthwhile achievement and contribution. It is the doorway you must pass through to lead in an awake and mindful state. It is the only way you can hope to embrace the responsibilities of morality, legacy and dignity that come with your great privilege of leadership.

The leadership that needs to be made for our times awaits you.

RECOMMENDED READING LIST

If you liked *The Conscious Leader*, you'll also like:

1. ***Tribal Leadership*** **by Dave Logan, Halee Fischer-Wright, John King.** The authors identify the five stages of employee tribal development and offer advice on how to manage these groups.

2. ***Change the Culture*** **by Roger Connors, Tom Smith.** The authors reveal how to transform your entire organization through each level of the Results Pyramid: Experiences, Beliefs, Actions and Results.

3. ***Tipping Sacred Cows*** **by Jake Breeden.** Learn what it takes to overcome the dangerous behaviors that masquerade as virtues at work and how you can lead with fewer self-imposed limitations and greater results.

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36V-TFS The YOU of Leadership

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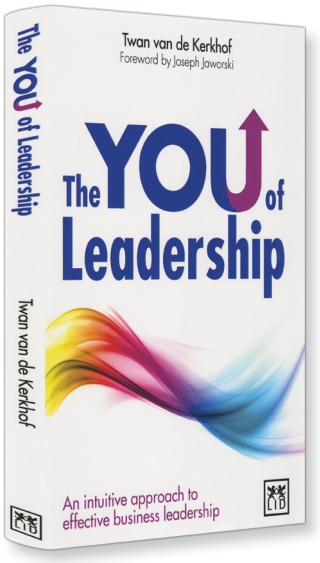
Leadership

The YOU of Leadership

An Intuitive Approach to Effective Business Leadership



by Twan van de Kerkhof

THE SUMMARY IN BRIEF

The YOU of Leadership describes the quality of leadership that is required in the face of the profound change and rising complexity our organizations are facing. The complexity is accelerating at a scale, intensity and speed never experienced before. To succeed in this new environment, author Twan van de Kerkhof argues that organization leaders must create new realities by connecting to both the world outside and the world inside.

Authentic and practical in style, van de Kerkhof takes the reader into complex scientific, psychological and spiritual territory with clarity and coherence. His emphasis is on a balanced approach to developing what Joseph Jaworski calls "Stage IV Leadership" — those with a healthy balance of power motive, achieve motive and service motive — all resting on a solid foundation of authenticity and core values.

The YOU of Leadership calls for the creation of a more advanced generation of organizations led by leaders who are willing to "start the journey inside." The success of an intervention is dependent on the inner state of the intervener. The way forward is the way inside. As van de Kerkhof puts it, "This may seem soft, but soft is the new tough."

IN THIS SUMMARY, YOU WILL LEARN:

- How to clear away the apparatus of the old industrial paradigm and begin to see everything with fresh eyes.
- How to take a journey inside to discover what drives you and access a source of wisdom.
- How to use your newfound inner wisdom to inspire others, help create the new paradigm, and transform the world around you.

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THE COMPLETE SUMMARY: **THE YOU OF LEADERSHIP**

by Twan van de Kerkhof

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The YOU of Leadership: An Intuitive Approach to Effective Business Leadership by Twan van de Kerkhof. Copyright © 2013 by Twan van de Kerkhof and LID Publishing. Summarized by permission of the publisher, LID Publishing. 208 pages, $24.99, ISBN 978-1-907794-38-4. To purchase this book, go to www.amazon.com or www.bn.com.

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Introduction

We are living in one of those rare moments in history in which we experience a shift of the organizational paradigm. We are going from the dominant industrial paradigm to a knowledge paradigm characterized by changes in how we lead, follow and organize.

The belief system of the old paradigm has outlived itself. The drivers of prosperity in the old system, like using our natural resources to the max, are blocking progress in the new system. In the emerging paradigm it is time for new assumptions, new language and new meaning. Leaders can help by fostering new ideas and showing new ways of behaving.

People want a leader who gives them space, who cares, who is trustworthy, respectful, compassionate and visionary. Leaders can only embody these qualities if they know who they are. To know who they are, leaders need to make a journey inside. They will not only become a better leader but also a better person from the journey. The journey inside is not easy. Self-awareness and showing your feelings are perceived as too touchy-feely and soft. Self-awareness is not soft but tough and a necessity for leaders in the new age.

The essence of leadership is perceiving the world as a place of opportunities, making an inner journey to discover deep personal drives, and, based on these perceptions and inner realizations, connecting with others in order to realize results. This practice of leadership involves a journey: In the first stage, you suspend your assumptions of current reality and see the world with fresh eyes. Next, you are invited to take a journey inside yourself. Finally, it is time for action. Based on your changed perceptions and your self-awareness, you will be ready to tackle the challenges that are facing you.

Many organizations can be more fun to work at and more effective than they currently are. Leaders have an enormous impact on that. Leadership improves when leaders start their journeys inside. If you are interested in your inner journey, you are in for a ride.

PART I: SEEING WITH FRESH EYES

Our current belief system is no longer capable of handling the challenges in today's world. Reality is shifting, and the shift invites us to look with fresh eyes on what we see before us. We don't need to break away from the old paradigm totally, but we do need a change in our belief system.

Leaders of large companies are best equipped to take the lead in this journey. First, because other actors in society, such as politicians, are letting us down. Second, because leaders have two important characteristics that qualify them for this job: courage and optimism. Courage is required to deviate from the security of the traditional collective belief system. Leaders are also much more optimistic than other people. They have a strong preference for what is possible and don't want to see or hear what cannot be done.

Society

The optimism and can-do mentality of leaders can be useful in answering the call of our time. Many challenges are currently facing the world and our societies. Who can

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and will play a part in their solution? Large corporations can make a difference, and their leaders in particular.

Why Nobody Is Answering the Call of Our Time

True leaders have the courage to go left, even if everybody else wants to go right. That's not what politicians do. When the herd wants to go left, they follow. There is a lack of direction and vision for the future. Many politicians also think of themselves as more important than the issues they should take care of. They often measure their success in terms of media coverage instead of what they have accomplished.

Do grassroots initiatives offer an opportunity? There are tremendous examples of citizen initiatives that have had huge impact, from people who fought for liberty in the Arab Spring to the Pakistani girl, Malala, who defended girls' rights for education. But Robert Reich concludes that we prefer our interests as consumers and investors over our interests as citizens. We abhor child labor, for instance, but we still want a cheap pair of jeans. As investors, we allow our pension funds to buy shares of Shell, while as citizens we can vote against Shell's explorations in the Arctic. Sometimes some individuals stand up and make a real difference, but not enough to put our trust in them as the drivers of change in society.

So, will large corporations be our saviors? I think they will, if only by default. Companies don't have democratic legitimacy and some have messed up in the past. Nonetheless, I do believe that they are the only credible force of change in current society.

Business leaders and other members of the elite have more opportunities than most of us to exert influence. They have a disproportionate decision-making impact. They appear in the media and set the tone of the public debate. Therefore, they can be held responsible to use their influence for the better.

From Old to New World

We are living in a new world. Since the end of the Cold War, the world has become multipolar. Supply chains have become global, enabled by ICT. A product may be designed in one country, assembled in another, use the knowledge of dozens of specialists from all over the world and source components globally. The Internet is making everything available to everyone everywhere at any time.

The Western model of capitalism and democracy hasn't become the universal model for the world that some expected it to be. The bulk of revenues of international companies still come from the American and European markets, but other markets have been emerging. Growth of revenues is coming mainly from fast-growing economies like China, Brazil, Russia, Indonesia and South Africa. Companies are reallocating their budgets from the West to these fast-growing economies for marketing, innovation and talent development.

Leaders see globalization as a fantastic opportunity, yet they also need to deal with the fears from blue-collar workers who see their jobs disappearing. Leaders must acknowledge and cope with these fears while embracing globalization. Leaders also need to be aware that the future rarely follows a linear path from the present. It rarely unfolds as we think it will.

The Organization

Service industries, especially the knowledge-intensive kind, have become the dominant and most vibrant part of our economy: IT services, apps, gaming, music, film, consulting, coaching, etc. These services are tightly connected with information and communication technologies. Industrial companies have become less dominant in the overall economy.

From Pyramids to Pancakes

The emerging knowledge paradigm has a few key differences from the industrial paradigm. The first difference is that control was key in the industrial paradigm, but it is nearly impossible in the new paradigm. The production process of most services cannot be planned ahead. To let go of control, leaders need trust in themselves and in their people. People flourish if you treat them as if they are already great.

A second important difference is the position of the leader. In the industrial paradigm, employees worked for their boss. In the new paradigm, the leader works for his people. He creates the conditions that enable professionals to give the best of themselves. The leader is more at the heart than at the head of the organization. As Josephine Green, a former trend-watcher at Philips, says, "We are going from pyramids to pancakes."

A third difference is in the attitude towards failure and learning. In the industrial paradigm, there was an intolerance of failure. In the new paradigm, continuous learning is key. Failures are unavoidable and are seen as something to learn from.

A fourth difference is the attitude towards motivation. In the industrial paradigm, people had to be motivated

to accomplish tasks they would rather not do. In the new paradigm, professionals are already motivated to engage in their work. Leaders just need to make sure that they don't demotivate them.

The Rise of the New Generation

Generation Y and even later generations are entering the labor force with different needs than the Baby Boomers. The new generations are going straight for the top level of Maslow's pyramid: self-realization. They are not in it for the money, but rather to contribute to a better world and to develop themselves.

Young people want freedom and a vision, autonomy and acknowledgment, commitment and work-life balance. They want to contribute to a worthy purpose. They want to see the human being in their boss, not the functionary. Many leaders like to be in contact with the younger generation. Through the eyes of young people, they can see the new reality emerging. But to further that process, they first need to look into themselves.

Individual Leaders

Leaders cannot lead from a position of power anymore, but only from who they are. Therefore, they need to know themselves. The problem is that there is often a gap between who leaders think they are and who they really are. To address this gap, leaders should develop their self-awareness. Self-awareness precedes a potential change in behavior.

There are three primary social motives that explain up to 80 percent of our social behavior. They are the Power motive, the Achievement motive and the Affiliation motive. Most of us have all these motives to a certain extent, but usually one is dominant.

The Power motive is the most important and most archetypal motive for leaders. People with a strong Power motive like to use their authority to influence people and events. Research differentiates between personalized and socialized power. Leaders with a personalized power motive attack, argue, hide information and use threats, fear and force to show others their strength. Socialized power means "power-to": to get things done and inspire others to accomplish what is needed. A leader who is driven by socialized power is more effective.

The Achievement motive is about improving your individual performance. Achievement-motivated people prefer independence, control and efficiency. They work hard and fast. They are often creative and innovative in the way they do their work. As leaders, they are more interested in results than in the needs of their staff. Achievement-driven leaders are most effective in small and medium-sized organizations.

People who are moved by Affiliation are driven by relationships. They have high levels of empathy and are sensitive to the feelings and needs of others. They give more attention to building relationships than to performance. They don't like competition or conflict. They are considered less effective than leaders who are driven by the other two motives.

Leaders need to score highly on the Power motive to be effective in large organizations. Yet, my hunch is that leaders will have a higher Affiliation motive in the new paradigm. Leaders will also continue to score highly on socialized Power, in order to get things done.

PART II: THE JOURNEY INSIDE

Leaders not only need their brains but also their hearts and souls. They need to be aware that they are more than heads on feet. When they know themselves better, they can connect more deeply with other people. Their inner core should be aligned to their outside behavior.

Leaders base their decisions on intuition and subsequently use logic and rationale to explain their decisions to themselves and others. Their intuition is often right. That is why they have come so far in their careers. According to Joseph Jaworski, it is not only about inner wisdom but also about connecting to a greater and deeper source of wisdom. If you as a leader are able to tap into that source, you can access a much greater wisdom than you have inside yourself individually.

Become Shockingly Effective

As a freshman at Baylor University in Waco, Texas, Joseph Jaworski experienced one of the deadliest tornadoes ever in the U.S. and afterwards found himself helping in the streets. With a small team, they searched for and dug out survivors and recovered bodies from the debris. Says Jaworski, "While we worked together, I experienced a palpable energy field surrounding us. My sense of awareness was acute. I possessed an uncanny clarity, a sort of panoramic knowing. Time slowed down. We were able to perform very difficult tasks with apparent ease... We operated as a 'single intelligence' — as one organism … I was struck by the deeper level of knowing that I embodied."

Joseph has been looking for the spirit and nature of this experience to be able "to harness this phenomenon in organizational settings for the benefit of all society." How can we repeat the miracle of the effectiveness he experienced in Waco in organizations, without having to experience a tornado or a crisis in general? His answer is that we can all access a "Source" and have similar experiences to his "shockingly effective" work in Waco. But to access this "Source," we have to first make our journey inside.

Astronaut in Inner Space

All spiritual traditions have their own ways for this journey inside. I have been influenced the most by the Diamond Approach and by tantra.

The Diamond Approach to Inner Realization says that we can experience our true nature as a transcendent eternal truth. This contemporary spiritual teaching takes everyday experiences as its starting point for deep reflection. Every experience can be inquired into and harbors lessons about who we really are, how we became who we are now and what we can still learn. This inquiry and subsequent awareness supports and cultivates each individual's uniqueness to his or her fullest potential.

Tantra is an ancient tradition from India. At the core of tantra, similar to the Diamond Approach, is the inner realization of the truth that the Divine can be experienced in everything we do or think.

Both the Diamond Approach and tantra work with the concepts of essence, ego and superego. Our essence is our essential being, that unchangeable core. Tantra says that we lost the natural contact with our core being at a very young age. Because it is too painful to experience the disconnect from our essence, we construct the layer of the ego to cover the holes we feel.

The ego is our winning formula in the world. It helps us get externally what we feel lacking internally. We collect lovers, cars, shoes or antiques to fill these holes. We become so good at this that we even forget about the holes and essence beneath them. The ego is basically a structure of lies, and we are addicted to it. It is hard to give up the addiction. Letting go of our winning formula creates fear, even if the formula doesn't make us happy anymore. Our ego is like a Band-Aid around our essential qualities, but we cannot just rip it off. Compassion is needed.

The superego is formed by all the voices that disqualify or reject our experiences. The superego's function is to keep our ego intact. The superego is our inner critic, constantly judging us. We have internalized many external voices, and most of them have become unnecessary baggage. It is difficult but very necessary to silence the superego, because it blocks the unfolding of our essence.

To know oneself is a lifelong journey, an unending open inquiry, a great ride into the unknown of the consciousness. It is being an astronaut in inner space.

The Journey Begins

It requires guts to stand apart from the marching crowd and look inside. Leaders are used to operating from their egos. For them it is even harder than for most people to let go of their winning formula.

Leaders need relaxation to let go of control. Relaxation starts by feeling in your body where you are holding contractions or tension, both physically and emotionally. You can't force it. If you try too hard, you will only contract more. Your body will open deeper and deeper in its own time. Relaxation is difficult for leaders, with their full schedules and their high adrenaline.

Once you have relaxed, the next step is to observe your feelings without changing them. If you follow the feeling deep inside, you might discover its roots. When you can observe your feelings, you can start to process them. You are not a hapless victim of your feelings but the driver of them. Taking responsibility for what you feel and what you'd rather not feel is part of this process.

Don't avoid any feelings or experiences, however unwelcome. Wherever you are in your self is completely fine. The art is to stay present without a preference for what you are experiencing. Presence opens up the power of acceptance; it allows us to be with whatever arises.

Being present is tapping into a deeper knowing, which Joseph Jaworski calls "Source." Presence is an eternal field from and in which all experiences develop and to which they return. Presence is always there, and you can always connect to it. If we are open to it, we will meet people with similar intentions or mindsets. We get help from hidden hands, and doors are suddenly opened.

The L-word

It is an act of love to support another individual to fully bloom without having any interest in the outcome yourself. In that sense, leadership can be perceived as an act of love. But the most important love is not the love for others, but the love for ourselves. You can only truly love someone else if you love yourself. Otherwise, what seems like love for the other person is probably your own inner need that you are trying to fulfill through someone else.

But love is not enough for leaders. Love is necessary for leadership, but so is power. Writer Adam Kahane defines

power as "the drive to achieve one's purpose, to get one's job done, to grow." Power is also the ability to be yourself in the world, to make yourself visible, to occupy your own space. Power embodies your singularity and independence.

Real power comes from Source; false power from your ego. False power looks robust and strong but is inflexible and stiff. It expresses itself in statements like, "I don't need anyone" and "I am not afraid of anything." False power places a barrier between the heart and the world. Real power, however, enables you to remain sensitive while expressing your power.

Kahane's central point is that power and love need each other. Love without power will reinforce the status quo instead of bringing about changes. This combination of power and love is also necessary for the journey inside. Power is needed in order to stay true to whatever you experience. But it is also an act of love to accept everything you discover in yourself as yours. Power is necessary to stay present if things get scary and if the superego attacks. You need compassion for yourself. Finally, power is needed to let go of your old assumptions, even if the future is not yet clear.

Power is never absent in life; it can only be concealed. Power is often concealed because it is confrontational. When nobody talks about power, it is much harder to deal with. But not only is power concealed, love is, too. In most corporations, love is not mentioned at all. It is practiced but concealed. Leaders have to reconcile power and love.

PART III: THE WAY FORWARD

Now it is time to show yourself to the world. Because of your journey inside, your inner state has been altered, thus changing the impact of your interventions. You will create a new reality by being who you are, not by doing. It is non-doing with the impact of getting things done.

In this step, we will ascend from the position of the individual leader to the organization and on to society.

The Individual Leader

"Learning is reflecting on doing," according to management professor Henry Mintzberg. The greatest pitfall for leaders is to immerse themselves in actions, in doing. They can forget about reflection and therefore miss opportunities to learn from their actions.

The process of setting a strategy and executing it is an ongoing combination of action and reflection. In a full life, harmony exists between action and reflection. It is a dance between the inner and outer world, doing and contemplating. You act, you experience the consequences, you reflect. Having become wiser, you then make your next move.

To access inner wisdom, spiritual traditions suggest that you start by finding the silence within yourself. Temporarily stop the noise of the activities in your body and mind and in the outer world. When the mind is silent, something beyond thought comes into operation. The bandwidth of our receiver becomes wider, which enables us to receive signals that were too weak to hear before. Our filters and barriers are temporarily out of operation. Our ego and superego might shut their big mouths for an instant.

From this deeper place of knowing, you can take decisions for situations for which analysis doesn't offer the solution. Access your inner wisdom, let go, and the answer will come. Your personal journey can take many forms, but accessing silence and working on your relaxation do need to be part of it. Some people access their creativity and silence while running, listening to classical music or sailing. Find the path that fits best with you at this stage in your life.

Creating Countervailing Powers

A leader needs to find the people who will speak up to her, who are not afraid, who are not attached to their positions too much. The more successful a leader is, the less contradiction she will encounter. The countervailing powers fade away, unless they are invited. Followers start to believe that the leader is always right. It is very important, then, that the leader finds a few people who have the courage to be honest and who she won't punish for their honesty.

Leaders have to face the fact that they can be wrong, that they don't always know the answer. Contradicting voices can be found within the organization or externally. Within the organization, contradicting voices usually come from people who have worked with the leader for a long time and who are not necessarily in a comparable position. Countervailing power can also be built into the top structure of an organization. Shell, for example, explicitly chose a model in which the CEO was not given sole decision power.

The Organization

"Who am I?" and "What am I here for?" are excellent questions for individuals but also for organizations. Leaders need a sense of direction for where they want to go with their organizations, based on who they are and what opportunities they see around them. It is important that this is not a detailed image. It is more about intent than content. It should offer employees, citizens and other stakeholders guidelines for what they should and shouldn't do. It provides them with a sense of purpose. The leader will navigate the organization in that general direction, facing all the complexities along the way, trusting in his deeper knowing as a compass that will tell him if the organization is still heading the right way.

A dream, or sense of purpose, is by definition about the long term. However, many leaders, especially in the West, are currently plagued by myopia. Leaders are caught up in the quarterly disease. When leaders navigate their organizations toward the future with a dream as their compass, they cannot measure success by earnings per share or total shareholder return. Totally different key performance indicators are needed, like employee engagement and customer satisfaction.

Leaders should consider limiting the use of bonuses. Research shows convincingly that bonuses are not an effective way to steer the behavior of managers. Bonuses lead to poor decision making: everything that is important yet hard to measure will be left out. Managers will only take into account what contributes to getting their bonus.

When leaders start to navigate their organizations in this way, they need followers to take their responsibilities seriously. The phrase "light leadership and heavy followership" describes this approach. The rise of knowledge work, the continuing professionalization of jobs on all levels, and the increasing emancipation of people from all backgrounds — these are examples of the trends that demand a lighter form of leadership than command and control.

Heavy followers take responsibilities; their following is active and engaged. They do not passively wait for their leader to lead. A professional with ample experience in a specific subject may lead a project team on one issue but may be a follower in a different setting. The key is empowering employees by letting go of command and control.

Leading Change

Change in the new paradigm is different from the industrial paradigm. To push through what leaders want regardless of the preferences and worries of others doesn't often work. The others will push back, stall necessary actions or even obstruct them.

The alternative is a much more organic practice, in which change is perceived as an open-ended journey. DSM, a Dutch international nutrition and life sciences company, focuses on the *why* of change, and only much later on the *what* and the *how*. Microsoft Netherlands decided to create an environment with much more freedom. Based on a joint sense of direction, every manager has the ability and responsibility to decide for himself or herself how to contribute to that joint purpose. Managers agree upon commitments, not results. People decide for themselves if they come to the office or work from home. Productivity and employee engagement have increased because of this new way of working. People feel they have their fate in their own hands.

Engaging in Dialogue

An overwhelming majority of meetings and conversations are conducted as discussions or debates. Complex issues are hushed. Debaters just omit the parts of reality they don't like and obscure their doubts.

In a world of increasing complexity, we need dialogue instead of debate. A dialogue gives leeway for searching, nuance and doubt. Having dialogues instead of debates is one of the most important contributions a leader can make to his organization. To talk honestly and to discuss what used to be undiscussable makes the organizational discourse much richer. If participants collectively inquire into their assumptions and values, unity will arise in the group.

Time and attention are key words for dialogue. Those are difficult words in the 21st century, in which speed is everything. Organizations are governed by speed. We expect leaders to make their decisions quickly. So who is taking the time to reflect and think about what really matters?

Every leader can start dialogues in his or her organization. Be ready to acknowledge that you don't know everything; be prepared to say what you find difficult, that you have been sad or angry. Don't avoid difficult issues, but deal with them. Listening is even more important than talking in a dialogue. Listening is also about being aware of your own thoughts, being sensitive to physical signals, observing the body language of other participants and reading between the lines. Sometimes a world lies hidden beneath the words that people use.

Dialogue requires that we each travel inside ourselves to see what's going on. Be personal, be vulnerable, be human.

Modernizing Governance

Theoretically, the Supervisory Board is the best countervailing power for top management, but currently they don't realize their potential. Boards are usually a collection of very large brains on feet, throwing analyses and testosterone around. They talk *to* rather than *with* each other. Dialogues are almost nonexistent in boardrooms.

There are four problems with Supervisory Boards:

1. **They avoid sensitive issues:** They focus on the company performance and don't deal with the "soft," underlying dynamics. They should ask penetrating questions without stopping if executives become defensive.
2. **They are not a team:** You don't get to know each other if you only discuss performance and strategy. You have to talk about who you are and what drives you.
3. **Their information is insufficient:** Nearly all the information they get is provided by the top management they are supervising. Don't ask for permission; go where you think you should go. Visit the accountant, the union, the investors, suppliers, customers, bankers or a subsidiary.
4. **They are too close to top management:** They empathize so much that executives and non-executives bathe together in a glow of mutual sympathy. They can be reluctant to do what might not be well received.

There is an irrevocable trend that non-executives will get more involved in the organization's daily business. The distinction between one- and two-tier boards will fade.

Protecting Ponytails

Diverse organizations deliver better performance. So organizations need diversity. This can be diversity in gender, culture, age or education, but above all diversity in mindset and perspective.

It requires a conscious effort to not only understand why others behave so differently but even appreciate the added value of these differences.

Diversity brings in free spirits. Free spirits are necessary to think outside of the box. They have the courage and curiosity to question and don't accept the status quo.

Diversity needs the active support of leaders. Every system tends to shut out unfamiliar elements. Systems don't like elements that are different from the majority. The stronger the culture of the organization, the more likely that it will oust whoever or whatever it considers alien.

Leaders should therefore protect the free spirits. At Heineken they used to call their free spirits "ponytails." Managers at the beer multinational are usually neatly groomed, and ponytails became the nickname for those who were different. Every system needs its own ponytails to enable innovation and renewal.

Society

Large corporations are the most important vehicle for change in society. Business leaders in particular have to step up to the plate as part of the global elite. Society needs them to develop a vision beyond the next quarter and beyond the interests of only their company.

Some leaders are completely rethinking the way our economies operate in order to prepare us for the future. Most leaders have stopped repeating the mantra that external effects are none of their business. They are taking their responsibilities seriously toward their employees, clients and the world at large. Surprising coalitions and initiatives are springing up that are beyond philanthropy or corporate responsibility. Change seems to be in the air.

Corporations have become suppliers of meaning. The traditional suppliers of meaning, like church and state, have become less relevant. Companies have stepped into the vacuum. They ask themselves what they add to the world. How can they deliver greater social benefits? How can they benefit the communities that they are part of?

The societal functions of the organization have both moral and economic dimensions. The business of business is more than business. Social problems create additional costs for business, and it is in their interest to solve these problems. Reducing the input of energy or raw materials not only helps the planet but also saves costs. Increasing safety not only saves lives but also reduces the cost of accidents.

Business leaders have to take the lead, but they need all the other stakeholders to answer the call of our time. They cannot tackle big issues like global warming by themselves. They need respected governments to change laws and robust communities of citizens to act more responsibly. It is complex, but that is what change is.

The way forward is the way inside.

RECOMMENDED READING LIST

If you liked *The YOU of Leadership*, you'll also like:

1. ***Hacking Leadership* by Mike Myatt.** Myatt provides actionable leadership and management "hacks" to bridge the gaps in order to create a culture of leadership within organizations and drive exceptional results.

2. ***Grounded* by Bob Rosen.** Rosen's Healthy Leader model highlights six personal dimensions that any leader can master: physical, emotional, intellectual, social, vocational and spiritual health.

3. ***Choosing Change* by Susan Goldsworthy, Walter McFarland.** The authors offer a proven model for not just facing inevitable change but also leveraging it as a tool for long-term success.

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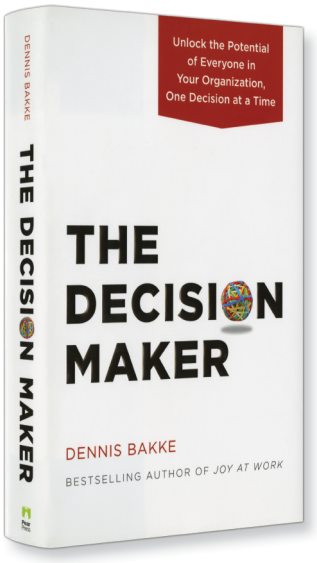

The Decision Maker

Unlock the Potential of Everyone in Your Organization, One Decision at a Time

by Dennis Bakke

THE SUMMARY IN BRIEF

Who makes the important decisions in your organization? Strategy, product development, budgeting, compensation — such key decisions are typically made by company leaders. That's what bosses are for, right? But maybe the boss isn't the best person to make the call.

The Decision Maker, a leadership fable loosely based on bestselling author Dennis Bakke's experience, shows us how giving decisions to the people closest to the action can transform any organization. As a student at Harvard Business School, Bakke made hundreds of decisions using the case-study method and realized two things: decision-making is the best way to develop people, and that shouldn't stop at business school. So Bakke spread decision-making throughout his organizations and has given thousands of people the freedom and responsibility to make decisions that matter. He used it to build AES into a Fortune 200 global power company with 27,000 people in 27 countries and to create Imagine Schools, one of the largest non-profit charter school networks in the U.S.

When leaders put real control into the hands of their people, they tap incalculable potential. *The Decision Maker*, destined to be a business classic, holds the key to unlocking the potential of every person in your organization. The idea is simple. The results are powerful.

IN THIS SUMMARY, YOU WILL LEARN:

- Why bosses aren't always the best people to make every decision.
- Key assumptions underlying a decision-making organization.
- How to create a decision-making culture in your organization.

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THE COMPLETE SUMMARY: **THE DECISION MAKER**

by Dennis Bakke

The author: Dennis Bakke is the co-founder of Imagine Schools. He is the author of the *New York Times* bestseller *Joy at Work: A Revolutionary Approach to Fun on the Job*. Bakke previously co-founded and served as the president and CEO of AES, a Fortune 200 global power company.

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Introduction

Nothing tells you more about an organization than the way it makes decisions. Do leaders trust team members? Do the people closest to the action get to make the call? Do team members have real responsibility and real control? All of these questions can be answered by one other one: who gets to make the decisions?

Nothing affects an organization more than the decisions the people in it make.

Decision-making is at the heart of all business education. Nearly a hundred years after the case-study method was invented at Harvard, it's still the foundation of the world's best business programs. Why? Because the case-study method puts top business students in the role of decision-maker. Decision-making is simply the best way in the world to develop people. And real life decisions are more important — and more fun — than any case study.

But outside of business school, few business leaders tap into the value created by putting important decisions in the hands of their people. Instead, "team players" are taught to do what they're told. This robs people of the chance to contribute in a meaningful way. Or, organizations will use a participatory style of decision-making in which recommendations are given to the boss, who then makes the final decision. These approaches fail to fully realize the value of the people in the organization.

In a decision-maker company,

- the leader chooses someone to make a key decision;
- the decision-maker seeks advice (including from the leader) to gather information;
- the final decision is made not by the leader, but by the chosen decision-maker.

The idea is simple: treat people like people, not machines. When leaders put control into the hands of their people, at all levels, they unlock incalculable potential.

The Decision Maker is a fable that shows how the ideas that transformed AES and Imagine Schools can transform any organization. The events are fiction, but the passion, purpose, moral questions and common sense are rooted in decades of the author's experience. These ideas can affect the bottom line, but it's not just about the numbers. It's about people: what makes them tick and what they can achieve when they're given real responsibility and real freedom.

All of us can make good decisions. This story is not just for people who currently lead organizations. It's for managers at any level who want to unlock the full potential of the people around them. No matter where you stand in your organization, change can start with you.

Bosses Are Less Informed Than People Closer to the Action

Tom Anderson could see the smoke rising from the manufacturing floor long before he reached the site of the explosion. When he arrived, the machine wasn't just broken. It seemed to have been obliterated.

His partner, Jim Travers, was there already. "This one's a total loss."

Columns of numbers began to run through Tom's head. He and Jim had taken over the medical device company only two weeks ago. They'd sunk everything they had into it. Their business plan was aggressive but lean. Tom knew it couldn't withstand a shutdown for long.

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"Are you kidding? Where was he?" Tom said, referring to Anton, the worker supervising the machine.

"Doing what he was told," Jim said. "He caught the indicators right away. He knew something was wrong. So he went to get his shift supervisor."

"He didn't know how to shut it down on his own?" Tom asked.

"Oh no," Jim said. "He probably knew better than anyone in the plant. He does it at the end of every shift. But he wasn't authorized. Only the manager could shut it down mid-shift."

Tom glanced around at the clusters of workers in the aisles. One man glanced back at him and then quickly averted his eyes, as if he was worried any contact with the boss might lead to trouble. Tom recognized the look.

As Tom followed Jim away from the broken machine, it wasn't the machine that stayed stuck in his mind. It was the faces of their people. They knew how to get a machine into good working order, but people weren't machines. They were a lot more complicated, and they didn't come with a simple handbook.

What about them? he wondered.

The Big Game

"Paid breaks," Tom said, listing the advantages of life at MedTec to his wife over the squeak of sneakers and slap of the basketball on the court where his son Jason played below.

Out on the court, the game had been hard fought. Now the score was tied. In the last scramble for a shot, one of the players on the opposing team fouled as the clock ran out. Jason was handed the ball and stepped to the free-throw line.

Everyone watched Jason anxiously — the coaches, the refs, his team members. When Tom looked at Jason's face, though, it was concentrated and confident. Jason was totally focused, in a world of his own. He looked, Tom realized, like the happiest guy in the place.

The ball arched through the air and dropped through the net with a barely audible swish. A roar of victory thundered through the court.

As they headed to the parking lot, Tom still couldn't get the look he'd seen on Jason's face out of his head. It should have been a hard spot to be in: serious pressure, with serious consequences. So why had Jason looked so happy?

The answer struck him as he opened the car door. Jason had been happy because he had the ball. For that one moment, he was the only person in the gymnasium who had control over what was about to happen.

"It's fun to have the ball at the crucial moment," Tom said to his wife. "And that doesn't happen for our people at MedTec. That's why Anton couldn't shut off the machine before it blew. Because we didn't let him have the ball. We need to let our people make decisions about the things that really affect them. They're the ones on the line. They're the ones who understand the research and the manufacturing. They know best, not us. We need to free their hands so they're able to make the shots that count, when they matter most."

Tom thought about it more. "We're the coaches, but we've been trying to play the game, too. You don't see the coaches dribbling up and down the basketball court. That's not what they're supposed to do. They choose the players to send in. And then they stand back and let the players play the game. You can't tell a player what to do every single play. It'd ruin the game."

That's Your Decision

"This isn't exactly a new pinball machine for the employee lounge," Jim said, looking up at Tom from behind his desk. His expression was clearly skeptical.

"Exactly," Tom said. "It's a whole new way of doing things."

"Right," Jim said, with the tone of forbearance he used when he was waiting for Tom to come back to earth again from one of his visionary flights. "But there's a reason not everyone in a company makes the big decisions. Not everyone has been trained and has the experience."

"They don't have it because we never give it to them," Tom countered.

"Look," Jim said. "Say this was the best idea in the world. We're still easing into our leadership roles here. We've got a fiduciary responsibility to our investors, and they signed on for MedTec as it stands, not for some grand experiment in changing the face of the way we do business. I don't think this is the time for a big change. Especially not one that could have a negative effect on profit."

"But these problems are costing us *now*," Tom insisted. "We're not going to hit the first-quarter numbers we could have because Anton wasn't allowed to make the decision to turn off his machine. This is good business sense."

Tom continued, "Money isn't the best motivator. People want all kinds of things money can't buy. They want time with their family. They want to enjoy what they do. They want to feel like they're part of something meaningful. They don't just want to get paid. They want to live a good life. And when we tap into that, we release all kinds of

productivity and efficiency — because our people care about what they're doing, and they're working for something they really want."

"It's just like a basketball game. A coach can't play all the positions at one time. He can't even tell each player how to play the game. He coaches the players and chooses who to send in. But he can't play the game for them."

Jim sighed and lifted his hands from the desk in a "you got me" gesture. "I'll tell you what. You go ahead and try this new idea. That's your job. I'll watch the bottom line. That's mine. And if what you do in your job starts to affect mine, we'll need to have another conversation."

"But you're willing to try," Tom prompted. "That's your decision."

"That's my decision," Jim said.

Basic Assumptions

About two hundred people gathered in the MedTec lounge for an all-company meeting. Tom and Jim had met with a handful of managers and team leaders to discuss Tom's ideas before rolling them out to the company.

"What are the basic assumptions of the modern workplace?" Tom asked the group. "We've got a lot of rules, because we assume people can't think on their own. We've got managers and consequences to keep us in line, because we assume people are going to break the rules we give them. We aren't supposed to color outside the lines. We're always supposed to ask for permission. We take grown people, and we treat them like kids. Not even good kids. Like kids we're pretty sure can't be trusted."

"What that means," he went on, "is that the bosses end up with all the decisions. It can be a lot of fun to be the guy who's got the ball on the line for a game-winning free throw. Not because there's no pressure or consequences. But because the decision is yours."

"We don't want you to be cogs in a big machine. We want you to have a say in what happens around here. Especially in your own areas and about your own jobs. Because you're the expert there. We aren't. Your boss isn't. We want to put you in a position to use your abilities. We want to put you in the game."

The applause as Tom stepped away from the podium wasn't exactly a standing ovation, but it was a shade less tepid than he'd heard in other business settings. His management team, on the other hand, looked even less enthusiastic now than when he started talking.

The People Closest to the Decision Know the Most and Feel the Most Ownership

"Ben," Tom said. "Great to see you. Please have a seat." Ben, a stocky, silver-haired man, was the area manager who oversaw the manufacturing shop, as well as Anton and the ill-fated machine.

"I thought it'd be good to talk," Ben said, "about some of these new ideas you're rolling out."

"I've got to tell you, sometimes there's an ugly ditch between what you'd like to see happen and what does. I'm not really sure the people we've got here in manufacturing are cut out for this kind of thinking," Ben said. "People who take these line jobs lead a bit more of a punch-the-clock life. These guys on the floor, they just want to get the job done and go home. These aren't the college-educated guys you've got over in research. These are line workers."

"I understand that," Tom said. "But it doesn't matter whether you have a degree or not. Nobody knows more about how to do your job than you do. And they've got years of experience actually doing the work."

"But what if they make a bad decision?" Ben objected.

"Have you ever made a bad decision?" Tom asked.

Ben studied Tom's face. "Everybody has," he said, his tone slightly defensive.

"I have too," Tom said. "Probably more bad ones than you have. Just because you've got 'manager' somewhere in your title doesn't mean you're immune from making bad decisions. And not being a manager doesn't mean you can't make good ones. Let's give someone else a chance to make decisions, too."

Watch the Numbers

"They look good," Tom said.

Jim sat in one of the chairs across from Tom's desk, gazing down at a copy of the monthly report.

Tom explained sales were up a significant amount because the sales people no longer needed an approval from a manager, which could take hours for review, giving customers time to cool down, renegotiate or change their minds.

"We've also got a slight dip in personal expenses on the sales team too," Tom said. "They took the limits off the expense accounts and told each salesperson how much had been allotted to them in this year's budget for expenses. And that if anything was left over, they could spend it at their own discretion to build the business."

"Interesting," Jim said.

"Hey," Tom said. "What's wrong? These numbers look good. Better than we expected."

"I know they're good," Jim said. "It just doesn't feel good. I used to know that you were on top of things. You had it all under control. You spent your time looking at the big picture. And now you're spending all your time giving these decisions to someone else. I guess I'm just not convinced they're going to be making the same caliber of decisions you would. I know the numbers look good this month. But I wonder what they're going to look like down the road, long term."

"I can't tell you what's going to happen down the road," said Tom. "Nobody can. But I'm sure we're going in the right direction. And the numbers are good this month. I don't know what else we could ask."

"I trust you," Jim said. "But I trust the numbers most of all. And if they start to turn south, I don't know if I can let this go on."

"That's fair," Tom said.

Advice

Off to the side of Tom's desk was the whiteboard where he'd been working out decision-making ideas over the past few months. In the upper left hand corner, he'd made a permanent list of his assumptions about their people:

- Unique
- Creative
- Trustworthy
- Capable of Learning
- Responsible
- Like a Challenge
- Desire to Contribute

"I think I've got another one for you," Jim said. At the bottom of the list he scrawled: *Fallible*.

Later, Tom added *fallible* to the bottom of the list he'd just scrawled on the whiteboard in the company lounge. When he turned back, the entire staff, assembled again, stared back at him, some with interest, some with familiar blank stares.

"We believe all these things are true," Tom said, pointing to the words he'd listed above it: Unique, Creative...Desire to Contribute. His finger stopped again at *fallible*.

"But we also have to face the fact that we all make mistakes. Me just as much as you. The most experienced person in the world can't make good decisions if they don't have the information they need. So we're going to add another piece."

Advice, he wrote on the board. "It's pretty simple. When you've got a decision to make, you get advice about it. From here on out, we want you to consider this part of your job. Not every decision has to be perfect. But absolutely every decision-maker needs to seek advice. To us, that's even more important than getting it right every single time. But I think we'll get it right a lot more often with this process than we would without it."

The Big Picture

Helen Harris, one of the savviest private-equity investors in their field, had financed a large part of MedTec when Tom and Jim took it over. Now, she swept into the room, her skepticism unmistakable. Learning about the company's plan to bring transparency to MedTec's finances, she demanded an immediate sit-down with Tom and Jim.

"And how has that gone so far?" Helen asked, with a slightly sardonic air. "Letting the teams set their own budgets?"

"Well," said Angela, the company's director of human resources, "in the short term, it's cut costs. I'd expected to see some efficiencies, but not this many."

"I would have expected that we would already be seeking efficiency in our budgeting," Helen said, with a meaningful glance at Jim.

Jim shifted in his chair. "Of course," he said. "But the reality is that the budget is created by hundreds of decisions at every level of the company. Until now, only owners and executives got to see the big picture. And benefit from any profit. Nobody else was able to see how their spending affects the rest of the company. And they didn't have much incentive to curb it, because we hadn't had a system of profit sharing or bonuses."

Angela said, "Coupled with the transparency, it's been powerful. It's not that we'd negotiated bad deals with our suppliers. But when we gave our people responsibility for their own budgets, we saw them go back and negotiate even better deals. Now they're using only what they really need. In some categories, spending has dropped drastically."

After reviewing more financial information, Helen said, "I can tell you one thing. I've been in business for 32 years, and I've never seen this degree of upheaval in a company before. You've taken on a lot all at once. New owners. New leadership style. I agree that you've got a handful of nice stories. I'm just not convinced you've got a healthy business."

"Well, I can tell you what we're seeing," Tom broke in. "When we started giving decisions to our people, they started making better ones, and faster ones, everywhere in the company. Costs have dropped. Sales are up. We're seeing fewer accidents, and less waste. And we're seeing

higher productivity on the manufacture of our original products, even as we're ramping up the new ones."

Jim took a deep breath. "I know it sounds crazy," he said to Helen. "Because it sounded just as crazy to me. But I'm actually glad you came in today. This is still a good business. You can see it right there in the numbers you've got on the page. But there's something going on here that you can't see from the numbers, no matter how good they are. There's something special about this company. We're doing something that matters here. It's a place people want to be."

"I make it a practice to trust my leadership," Helen said. "And I do trust you two. That's why I invested in MedTec. Because of you — not the company or the product. But I'm going to keep an even closer eye on things than I have been."

At the door, she turned and looked back. "And if I have to get involved," she said, "I don't think you'll like it."

People Are Often Treated Like Machines, Not Human Beings

"Hey," Tom said. "What's going on?"

Vanessa Dominguez, Tom's administrative assistant, crossed to the chairs opposite his desk and sat down. "I'm working on the section about manufacturing standards for the new product," she said, and stopped.

"Yes?" he said. "Is something wrong?"

"It's the advice process," Vanessa said. "As far as I can tell, there wasn't one."

That wasn't great, Tom reflected. But it wasn't a disaster by any stretch of the imagination. "Who was the decision-maker?" he asked.

"Ben Malkmus," Vanessa answered.

"Okay," Tom said, and frowned. It might not be a big deal but he wasn't looking forward to confronting Ben about the problem. They hadn't ever had a manager of Ben's stature totally ignore the advice process.

Tom forced a smile. "I'm glad you brought this to me," he said.

"So what do we do?" she asked.

Tom met her inquiring gaze. "I don't know," he said. "Yet."

Their Own Ideas

Tom found Ben on the manufacturing floor, deep in conversation with one of the line workers.

"Tom," he said. "Good to see you. What brings you down to manufacturing? You looking for a tour of the new tooling we're putting in place? We're running two weeks ahead as we speak."

"That's great," Tom said. "So tell me, what was it like to use the advice process to roll out the new product? What kind of input did you get?"

Ben's eyes suddenly became wary. "Ah, you know. Everyone has their own ideas."

Tom nodded. "Like what?" he pressed.

Ben's mouth pressed even tighter, and the color began to rise in his face. He glared down the line.

"You want the truth? I'm an expert in manufacturing. I've been working in it all my life. Nobody knows this shop better than I do. I didn't need anyone's advice. No offense to you and Jim, but you haven't even been here a year. What were you going to tell me that I don't already know?" Ben asked.

"So what you're telling me," Tom said, "is that you set the manufacturing standards for the new product without consulting anyone else?"

"I could have gone out and asked some questions, sure. But what would the point of that be?" Ben asked.

Tom's blood was boiling, but he managed to keep his voice even when he finally did speak. "The advice process isn't optional in this company. It's not just about the bottom line. It's not even just about the right decision. It's about the right way to do business."

"If your decision is as good as you think, the advice process will only bear you out. You're ahead of schedule, right? So it'll give you something to do with all the extra time. We'll work through it together, you and me. And once we've run the advice process, we'll need to talk about the fact that you ignored it."

"And then what?" Ben demanded, his voice rising in alarm.

"And then we'll make any decisions we need to about that, too," Tom said, and walked away.

Is That Your Decision?

"Wait," Jim said, "isn't this supposed to be one of the decisions we get to make?"

Angela glanced at Tom. He and Jim had just sat down in her office to get her advice on the situation with Ben.

"I'm afraid it's not quite that simple," Angela said. "One of the decisions we made is that decisions about hiring and firing should get made by individuals on teams," she said. "They're in the best position to know who they need and to identify hires who are a good fit with the team culture. Individuals on teams have held those decisions for the better part of a year. And it's working: turnover, especially for new hires, is way down."

"Here's an idea," Tom said. "It leaves the decision in the hands of the team. And it takes into account the fact that Ben's the team leader. Make Ben the decision-maker."

Angela and Jim started at him.

"Have him go through the advice process," Tom went on. "Be the one who gets the feedback from his team on what he did and what kind of leader he's been."

"You really think that would work?" Jim asked.

"I think it could work," Tom said. "If we walk through it with him."

A few days later, Ben settled heavily into the chair behind his desk as Tom took the seat across from him. Much of Ben's confidence and bluster were gone, but he looked strangely calm.

Over the past few days, Ben and Tom had worked their way across the whole manufacturing floor, asking questions about Ben's leadership: what it was like, how it had affected the people and the company.

Nobody came right out and said that they thought he should step down, but when they described what they'd look for in a boss, their description didn't line up with the portrait of Ben their stories drew.

"I have to tell you," Ben said. "If I were you, I would have fired me by now."

He stared down at the stack of papers on his desk. Then he looked up at Tom. "I don't think I should be leading this facility," he said.

"Is that your decision?" Tom asked.

"Look," Ben said. "I'm a manufacturing guy. Always have been. I love it. But running this facility isn't about working with machines. It's about leading people. And I've been trying to work my people like they're just another kind of machine.

"The thing is," Ben said, "you need my expertise in manufacturing. But I shouldn't be leading the floor. So here's what I'd suggest. If you're willing to keep me, I'd like to step back. Become the machine and logistics guru, and set up someone else to really lead our people. Someone who can do it better than I have."

He met Tom's gaze. "That's if you're willing to give me another chance," he said.

"That's your call," Tom said. "It's your decision."

This Place Is Special

All of MedTec's people, along with their family and friends, sprawled across the sunny lawns that surrounded the MedTec building, where a tent and barbecue pit had been set up for a company picnic.

As Tom was speaking with Vanessa, Anton came up beside them, hand in hand with a pretty woman in a blue dress. "Sorry to interrupt," he said.

"But his wife insisted he introduce her to the boss," the woman said, sticking out her hand. "I'm Ava. So nice to meet you."

"I've heard nothing but good things about your husband," Tom's wife Sophia told Ava. "He's the hero of a lot of stories Tom tells."

"Well, that's why I came over," Ava said. "I love my husband, and I always used to say, I'm lucky there are a lot of things to love about him, because try as I might, I could never get him to change. But let me tell you, now it's like living with a different man."

Anton gave her a wry smile. "Was I really that bad?"

"He's a smart man. Full of ideas," Ava went on. "Every night he'd come home and tell me about them. And I'd say 'Why don't you go in and tell your boss some of those ideas?' And he'd just say, 'No, no. they won't listen.' Until you and Jim started listening to him."

"I just wish we'd done it a lot sooner," Tom said.

Helen Harris stood a few steps away, waiting patiently.

"Helen," Tom said, shaking her hand. "Thanks so much for coming. And — for everything."

Helen nodded. "I wouldn't miss it," she said. "And I actually came over here to thank *you*. I know we've had our differences this year."

"But the numbers look good, don't they?" Tom said. "You got your first dividend check?"

"I did," Helen said. "But I was always sure you and Jim would at least be able to come up with that. What I didn't expect was that you'd do it by creating a business I'm proud to be a part of. I might not have shown it, but I always liked your ideas, even if I wasn't sure they were going to work. I've never been so glad to be wrong."

"I think we'll be throwing off some really impressive numbers when the new product comes out," Tom said.

"Yes," said Helen. "But that's not what's most impressive to me. I've never seen people this engaged or happy at a company before. And I'm glad you fought me for it."

Sitting down to lunch, Jim looked around the gathered crowd. "I've never been a part of anything like this," he said. "A company where people get treated like people. Not just the execs and the creative types. The guys on the line, and all the way up."

He met Tom's eyes.

"It's not just about the money for me," he said. "It never has been. I watch our bottom line because I believe in

what we're creating here, and I don't want to see it end. But doing something that matters. Creating a company where people know they're a part of something important. Treating them like people, not machines. Giving them a chance to contribute and learn. Seeing how they want to come in every day. Knowing that they're actually happy here — at work. That matters to me."

"That's the reason we went into business," said Tom.

"That's the bottom line," said Jim.

The Decision-Maker Process

The Decision Maker tells the story of a fictional company, but the principles were forged and tested in the real world.

Here is a summary of the basic assumptions of a decision-maker culture, what to look for in a decision-maker, and how the advice process works.

- In a decision-maker organization, the leader leads by choosing a decision-maker.
- The decision-maker must ask for advice.
- The advice process brings multiple perspectives together to guide a successful outcome.
- But the decision-maker makes the final call — and takes responsibility for it.

Choosing the Decision-Maker

The leader leads by choosing a decision-maker.

Proximity. Who's close to the issue? Are they well acquainted with the context, the day-to-day details and the big picture?

Perspective. Proximity matters, but so does perspective. Sometimes an outside perspective can be just as valuable.

Experience. Has this person had experience in making similar decisions? What were the consequences of those decisions?

Wisdom. What kinds of decisions has this person made in other areas? Were they good ones? Do you have confidence in this person?

The Advice Process

In a decision-maker culture, the decision-maker makes the final call but must ask for advice. Deciding who to get advice from can influence a successful outcome.

Get advice from people who have

Experience. Has this person had experience with this problem? There's no teacher like experience.

Position. People in different positions see different things. The decision-maker asks a leader, a peer, someone below them in the hierarchy — and even, if circumstances warrant, experts from outside the company.

Responsibility. Decisions have consequences — and decision-makers should be held accountable for theirs. At the same time, nobody is right all the time. The most important part of any decision is that the decision-maker fully engages with the advice process, not just that he or she gets it "right."

Ownership. When people are asked for advice, they start to feel ownership. Ideally, everyone who offers advice works for the success of the project as if it were their own. The advice process isn't just about getting the right answer. It's about building a strong team and creating a process of communication that will improve all decisions in a company.

Benefits of the Advice Process

Everyone Becomes More Engaged. People feel more ownership when their advice is sought.

On-the-job Education. No training can match real-time experience.

Better Decisions. When decisions involve more people who are fully engaged, an organization has a higher chance of a good outcome than it does with a conventional top-down approach.

Accountability

After the decision is made, the decision-maker follows through by communicating and measuring the results of the decision.

The principals are simple. Some might even say common sense. But building your business on these assumptions, using simple but powerful techniques, can transform a business — and people's lives.

RECOMMENDED READING LIST

If you liked *The Decision Maker* you'll also like:

1. ***The Fearless Front Line*** **by Ray Attiyah.** This a call to action for leaders to set a standard of fearlessness, where their frontline workers take pride in and take ownership of their critical roles.

2. ***Accountability*** **by Greg Bustin.** Bustin has developed a set of leadership tools that will increase accountability and drive success for any type of organization.

3. ***Engaged!*** **by Gregg Lederman**. Lederman demonstrates how to communicate expectations for living the brand, measure to establish visibility and accountability, and ultimately create customers for life.

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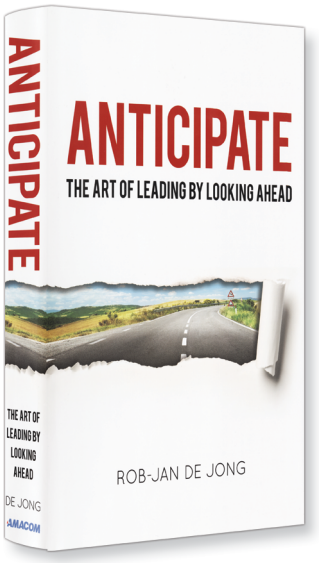
The Art of Leading by Looking Ahead



by Rob-Jan de Jong

THE SUMMARY IN BRIEF

Business schools, leadership gurus and strategy guides agree — leaders must have a vision. But the sad truth is that most don't...or at least not one that compels, inspires and energizes their people. How can something so essential be practiced so little in real life? Vision may sound like a rare quality, unattainable by all except a select few — but nothing could be further from the truth. Anyone can expand their visionary capacity. You just need to learn how.

In *Anticipate,* strategy and leadership expert Rob-Jan de Jong explains that to develop vision you must sharpen two key skills. The first is the ability to see things early — spotting the first hints of change on the horizon. The second is the power to connect the dots — turning those clues into a gripping story about the future of your organization and industry. Packed with stories and practices, *Anticipate* provides proven techniques for looking ahead and exploring many plausible futures, including the author's trademarked Future Priming process, which helps distinguish signal from noise.

You will discover how to tap into your imagination and open yourself to the unconventional, become better at seeing things early, frame the big-picture view that provides direction for the future, and communicate your vision in a way that engages others and provokes action. When you anticipate change before your competitors, you create enormous strategic advantage. That's what visionaries do ... and now so can you.

IN THIS SUMMARY, YOU WILL LEARN:

- The purposes and ingredients of a personal vision.
- How to see things early and connect the dots.
- How to find your core values to develop your vision.

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THE COMPLETE SUMMARY: **ANTICIPATE**

by Rob-Jan de Jong

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Anticipate: The Art of Leading by Looking Ahead by Rob-Jan de Jong. Copyright © 2015 by Rob-Jan de Jong. Summarized by permission of the publisher, AMACOM. 288 pages, $27.95, ISBN 978-081-4449073. To purchase this book go to www.amazon.com or www.bn.com.

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PART I: VISIONARY CONTENT

The Groundwork

Creating a vision requires ideas, ideally intriguing and refreshing ideas that trigger people's interest, curiosity and excitement. It requires engagement with your imagination and an ability to think outside the clichéd box.

The Vision Thing intrigues and frustrates at the same time. We look up to people and companies that seem to have mastered it, but feel thwarted in achieving similar results. Most people agree that, when understood and practiced well, vision can be an extraordinarily powerful concept; a tool, in fact, that significantly bolsters your ability to influence.

But when the idea of a vision isn't framed properly, it quickly becomes muddy and fuzzy, incomplete and unproductive, and loses the interest of those you wish to engage.

I want to make a clear distinction between the company vision and your personal vision. We will focus on your personal vision. The aim is to increase your personal visionary capacity and bring out what a powerful vision can do for your personal leadership — whether or not you are hierarchically in a senior position.

Your compelling story has everything to do with igniting excitement in those people who look to you for leadership. Your personal imagination and inspiration is what counts for them. It's your dedication and your authenticity that they are looking for; it's about the story that you bring to them, and much less about what is stated on the corporate website.

Vision 101

Powerful visions have at least four fundamental purposes:

A Vision Shows the Path Forward: A vision provides guidance and direction about where an organization is headed.

A Vision Stretches the Imagination. A potent vision takes us beyond the obvious into the unknown and stretches the boundaries of what we conventionally think up to that point in time.

A Vision Challenges the Status Quo and Breaks Through Existing Paradigms. A well-developed vision can provide new and previously "unseen" opportunities.

A Vision Energizes and Mobilizes. Finally, a powerful vision has the potential to galvanize those you lead. A vision inspires people to put their best effort into the cause. It unites them around a shared purpose, gives meaning to the day job and mobilizes them into action.

Core Ingredients

There are specific core ingredients that combine to create great results on the vision front. There are always elements of guidance and direction setting: A vision shows us a future ideal to strive for. But that's only the rational, cerebral part; it needs something else to make it compelling and powerful. Followers need to feel something in order to really spark their enthusiasm. They need to be touched emotionally; they need to feel motivated and energized.

How can you make your future-oriented story touch your followers emotionally and reach their hearts rather than their heads? Unconventionality triggers emotions such as curiosity, excitement, desire, optimism and empowerment. Connection to a noble cause sparks emotions

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such as pride, belonging, willingness, passion, nobility, warmth, empathy and trust.

Furthermore, according to Aristotle, in order to persuade followers, a leader needs (in reverse order) convincing arguments, the emotions they elicit, and credibility. Today we refer to his threefold description as Logos, Pathos, and Ethos — the cornerstones for creating engagement. Logos aligns with the setting direction part of a vision: Followers need to understand clearly and coherently why you are taking them in a particular direction.

Pathos is emotional engagement that makes followers part of something more meaningful and enduring, and ethos refers to the integrity or character of the speaker. Leaders need to exemplify the vision in everything they do, to connect it to personal values, motives and deeper emotions. It's this famous walk the talk criterion that makes us trust or mistrust leaders.

Tapping into Your Imagination

Without imagination, you are stating the obvious or holding on to the status quo; your vision falls flat. With it, however, your vision becomes intriguing, exciting, refreshing. Suddenly, it has the potential to energize and mobilize.

"But I'm not a very imaginative person," people quickly tell me. Think of it like this: The very fact that you can plan a vacation proves that you're imaginative. The ability to look ahead into the future and anticipate events that might unfold is an act of imagination. There's nothing artistic or eccentric about it. It's a unique ability that we, as human beings, have developed and that sets us apart from all other species.

Tapping into your imagination is about being open-minded: It's about having a fundamental willingness to challenge your assumptions about what you consider to be true, and reframing those assumptions when it's called for.

Lateral Thinking

Lateral thinking is a set of systemic, deliberate methods for challenging assumptions and opening up innovative ways of thinking and seeing. One of those methods is the Random Entry Idea Generation Tool. It involves arbitrarily selecting a noun from a list (or the dictionary) and associating it with the issue you are working on. As random as the association appears at first, there's a good chance you will find some connections.

If you're wondering how to improve the performance of your customer service department, for example, and you randomly select the word "pizza slicer," finding connections between the two could help you uncover new opportunities. Because your assumptive framework will try to deny any connections, your mind won't immediately be willing to entertain associations between something as serious as your customer service performance and something as irrelevant as a pizza slicer. But by forcing yourself not to give up too quickly, possibilities will spring to mind. Thoughts of food, cutting, knives and sharpness could lead to speedy delivery, frozen pizzas and specialized utensils. Those might trigger thoughts about the importance of follow-through, delivery of fully prepared spare parts, and the development of a special "utensil" to deal with a common customer complaint — one that could delight customers who report a problem. That which at first glance appears unhelpful and silly can trigger a useful thought you might never have considered if you had looked at the issue within the usual frames.

WWGD

The abbreviation stands for What Would Google Do, a name inspired by Jeff Jarvis's 2009 bestseller. To use this method, ask yourself (or preferably your team, because most of these techniques work much better when applied in a group) how Google — or some other remarkable organization — would solve the issue at hand.

Start by selecting a number of iconic companies that everyone has strong brand associations with: Think IKEA, McDonald's, Southwest Airlines, Zara, Nespresso, Singapore Airlines, Harley-Davidson, Toyota, Expedia, and Amazon. It's good to have a variety.

As you think about how one of these companies would tackle the problem at hand, you're reframing; you're reassessing your assumptions and moving from an intrinsic, static view of the situation to a more liberated, open-minded exploration of options.

PART II: VISIONARY PRACTICES

Developing Your Visionary Capacity

The potential to come up with — and hold on to and cultivate — a brilliant idea or a vision is within all of us. Visionary leadership isn't a personality trait, although it is sometimes confused with concepts like charismatic leadership. The big question is how. How do you go about developing this crucial leadership competence?

There are two critical developmental dimensions for growing your visionary capacity:

1. **Your ability to see things early.** The first signs of change often manifest as random noise or faint warning signals, often at the periphery of our attention and far less explicit in their game-changing nature than they are later. Growing your ability to notice these signals early, and recognize their potential impact, is an essential part of raising your visionary capacity.
2. **Your ability to connect the dots, to create coherence in the future you face and turn it into a "bigger picture" story.** This implies constructively and intelligently working through the complexity of the multifaceted and multidimensional future.

It's worthwhile to reflect on where you currently stand in terms of these skills. Consider these four different archetypes of visionary capacity:

Followers: This is someone neither very good at early noticing nor skilled in creating and communicating a coherent story from the various insights he or she has about what the future might bring. Healthy levels of carefulness, critical thinking and apprehension can work for every leader, including the visionary one. But if you're a Follower all the time, don't expect any of the great benefits to emerge. You won't stretch the boundaries of your people's imagination, reap the fruits of new ways of doing business, or be seen as a source of inspiration and energy to your followers.

Trend Hoppers: The person who has a well-developed ability to see things early, is very much in tune with what's on the edge, and is existentially willing to embrace changing realities. The Trend Hopper is often an early adopter of new technology and among the first to fantasize about how things can become different — most always radically different in their view — soon. But the Trend Hopper isn't very good at turning early-stage insights into a coherent story that justifies an active strategic pursuit.

Historians, or Cynics: The leaders adept at connecting the dots and spinning a story that makes sense. They like to cite patterns, facts, and figures — ideally in PowerPoint — and marvel at making the road traveled so far look very coherent and intentional. When you listen to them, it all makes sense. But they have their eye trained on the factually true past, not on the imaginative uncertain future. They're not very good at spotting where the early signals are coming from and how these could become potential game changers.

The Visionary: The Visionary would not overoptimistically jump on every fad that passes by, as our Trend Hopper risks. Nor would he become a naysayer and launch into the Historian mode. The visionary takes a mindful, future-oriented perspective, balancing the need for a compelling future with the awareness of the inherent dangers of becoming dogmatic and overoptimistic.

To become a visionary leader, you will need to develop both of these essential dimensions.

Seeing Things Early

We're not aiming to become accurate, or even good, predictors of the future. Instead, we're working to develop an increased awareness of changing realities, building antennas for the distant signals that might push the future in a different direction from the one we currently and conventionally foresee. We can then become better at recognizing those signals and their potential impact when they present themselves in some early form. Your ability to see things early is at the heart of what leadership expert Warren Bennis calls adaptive capacity.

Adaptive capacity is what allows leaders to respond quickly and intelligently to relentless change. Those with the highest levels of adaptive capacity are called first-class noticers: They're able to build and sustain a strong level of context intelligence. This sensitivity to context correlates closely with the development of seeing things early; both involve the ability to gather relevant insights that allow you to notice changes before others do. To put it in engineering terms, it strengthens your ability to distinguish the signal from the noise.

FuturePriming

I developed FuturePriming to help executives improve their ability to see things early. This "first-class noticing" process begins with awakening our imagination. Essentially, FuturePriming is about writing your own FutureFacts.

A FutureFact is a manifestation of a possible changing reality. Change is often described in generic, broad terms. For example, a typical strategy paper starts with a list of a whole lot of trends and developments. It speaks of "increased urbanization," "further proliferation of technology," "decreasing welfare support," "growing influence of emerging economies" and so on. The trend description doesn't really hit us in the face, so we tend to agree with it. Or disagree. But it doesn't update our thinking because we weren't provoked.

Now check out what happens to your mind if I describe the following changing reality, to possibly take place three years from now: "Candy industry banned from advertising." This is not an abstract description of a trend, such as

"increasing pressure on unhealthy food" or "tightening regulations to combat rising health care costs." The change has become manifest by imagining a concrete event that largely tells the story. Your mind has now created a tangible, memorable hook about a possible changing reality.

The more specific statement triggers you, intrigues you, and possibly worries or upsets you. It might even make you defensive and resistant; all these emotions are fine, as they show that your thinking has been activated, your brain has become really engaged in how the future might look quite different from today. Although the exact statement in the FutureFact might turn out to be incorrect, the mind is now much more concretely primed to those early indicators of change that we pick up in the news, even if they just closely or even remotely resemble it.

The Four Golden Rules

Four simple rules help you get the most from this practice.

Scope for Relevance and Time. Look for relevant changing realities in your business, industry and geography. FutureFacts are designed to sharpen your sensory capacity, so you want to consider your role, your organization, your industry. Your scope should be wide enough to capture any relevant signals, but not so wide that you have too much information to consider. Scope your timeline to a minimum of three and a maximum of seven years into the future.

Don't Make Your Own Company Part of Your FutureFact. Organizational developments, achievements, and direction are to a large extent affected by influences that are completely outside the company's control. Economic crises, changing customer preferences, the development of the oil price or the interest rate, the arrival of breakthrough technologies, the entrance of a rogue competitor, and new government policies. The point of FuturePriming is to be attuned with the outside world and what might be happening there.

Explore the Area Between the Conventional and the Absurd. It's quite common when you first start with FuturePriming that your thoughts and ideas about the future are pretty conventional. When people realize that their first ideas are too conventional, they typically veer toward the absurd. You should stretch what you — and those around you — currently already believe. Without going overboard. As a general principle, effective FutureFacts provoke, challenge, and play in the mental space where you think, "Hmmm, maybe . . ."

Describe an Event, Not a Trend. Write your FutureFact as an event you might read about in the newspaper. Just as good journalists do, create a memorable hook that highlights something significant about the event. Descriptions such as "ever-growing need for clean water" and "dwindling interest in politics" won't cut it. These are descriptions of trends, not events.

Connecting the Dots

In addition to strengthening the ability to see things early, we must equally improve our ability to create a coherent story going forward. This coherent story must consist of what we expect, foresee, envision, and anticipate. It needs to resonate, make sense, and be the guiding light into the future for our followers. I call this second developmental dimension of visionary capacity the ability to connect the dots.

Before we can become better at connecting the dots, we need to understand some of these psychological challenges we'll inevitably face as we build our vision. Two culprits play a particularly damaging role: frame blindness and overconfidence.

Frames are the mental constructs that help us make sense of a complex world. While processing the signals we receive from our senses, our minds quickly determine the most appropriate frame set to apply and then categorize or label the input accordingly. But as we rapidly, unconsciously select a frame, we rule out other possibilities and might ignore evidence that could lead us to different conclusions.

In addition, we have intrinsic overconfidence in what we think we know. Many psychological experiments have demonstrated the effects of overconfidence, including overestimating your knowledge and abilities, underestimating risks, and exaggerating your ability to control events.

The Mysterious Guru

In the late 1960s, Royal Dutch Shell was unable to accurately predict cash flows. Times with ample funds that gave the green light to drilling projects were followed by sudden periods of shortages, forcing activities to an immediate stop (only to resume once the cash position recovered). Several consultants were brought in to deal with the issue, but none of them succeeded.

That's when Pierre Wack came in. As the head of the business environment division of Shell's planning bureau, Wack had a reputation for being a little "out there," especially in such a cerebral, scientific, numbers-driven organization. He burned incense in his office, went on annual retreats to consult his Indian guru, and was

heavily influenced by a Russian spiritual teacher named Georges Gurdjieff.

Instead of trying to limit, minimize and drive out uncertainty from his view of the future, Wack embraced it, giving uncertainty a central place in his method. Acknowledging that uncertainties would not go away no matter how sophisticated the model was, he placed uncertainty at the heart of his approach.

By embracing uncertainty, we acknowledge the fact of our ignorance, which in turn implies that we need to engage with more than one view in order to enrich our perspective. In other words, this approach effectively deals with the pitfalls of both frame blindness and overconfidence.

Contemplating the future with uncertainties as an integral part of the package means we have to entertain multiple outcomes and work more responsibly on our ability to discover the coherences and the logic of how the future may play out. Wack called these potential outcomes scenarios, igniting a new discipline in strategic thinking: scenario planning.

Scenarios are imaginary yet logically consistent stories of plausible futures. The goal in scenario planning is to develop a rich set of noteworthy and equally plausible futures, including ones that don't conform to conventional wisdom and our current belief system.

Since scenario planning embraces uncertainty, it can be applied to any challenge that is ambiguous: You can develop scenarios for the future of health care to the future of China, the future of civilization to the future of futurists, the future of cycling to your own personal future. Each of these areas of interest has its own set of uncertainties and therefore allow you to follow the steps of scenario planning to arrive at multiple, relevant perspectives to contemplate.

Considering multiple plausible scenarios — including some that are different from your preferred view — and working your way through their implications is a smart thing to do when you are entering into a process of decision making under great uncertainty.

PART III: VISIONARY SELF

Your Visionary Self

Author Warren Bennis promotes an integrated perspective on leadership, consisting of four essential competencies: vision, adaptive capacity, voice, and integrity. Here we'll explore the relationship between your visionary capacity and Bennis' concepts of voice and integrity — the identity-oriented aspects.

Integrity, credibility and authenticity of the leader. This is what Aristotle meant by Ethos. This is where your personal character enters the equation. The importance of *you* in your vision cannot be underestimated. You play a critical role in making your vision powerful through the way you show up, the way you behave and the way you accept the consequences of your words.

IKEA's founder Ingvar Kamprad lives and breathes these values in everything he does (or used to do; he stopped his active involvement in the company in 2013, at the age of 89). Cost-consciousness is at the core of the IKEA model. Without this, it would be impossible to deliver on IKEA's enduring intent to make well-designed furniture easily accessible. One of the richest men in the world, Kamprad is known to fly economy class and to take the bus instead of a taxi from the airport to the hotel. His actions, in other words, are in alignment with the values he preaches. Which means IKEA has no need for coffee mugs or artistically designed gadgets to spread its core messages and beliefs.

Discovery Mode

How can you unleash your passion and let it ignite and inspire your followers? Gaining clarity about your beliefs and values is a critical step. How do you discover your deep-rooted values? Here are two practices that can help you in your process of discovery:

Obituary Exercise: Imagine your time has come, sadly, and you need to write your own obituary. What will it say? To help you reflect deeply on what is really important to you, contemplate and answer the following questions:

- What have been your main accomplishments in life?
- What has been your greatest achievement of all?
- Who are you leaving behind, and who will miss you the most?
- List the people you've helped in your life. How did you help them?
- What has been the main question that life has asked you? How did you respond?

Make a list of the values that come up in this exercise. Evaluate each value, asking yourself, In the one life you've been given on this planet (or so we think), is this value important enough to be remembered for? Your aim should be to limit yourself to a maximum of three to five val-

ues. The end result should be a set of values that you feel warmhearted about, that inspire you, that define what you truly care about and resonate with your character. The true core values of your life.

Stories: Ask a friend to interview you. Your role is to respond honestly to the questions; your friend's role is to identify the values in your responses. Describe three different situations in which you

- Were truly at your best. Think of moments or occasions when you were in a state of flow (as athletes call it), when things seemed to go effortlessly and your actions were spot on; that is, exactly what was needed.
- Learned something profound that has stayed with you ever since.
- Were caught in a conflicting dilemma between something that was expected from you and something you really believe(d) in.

Ask your friend to help you delve deeper into these stories by asking more probing questions, such as, Why did you feel that way? What made this situation so important to you? What were you experiencing? When you describe these situations, you will convey a lot about yourself, what motivates you and what is important to you. With your friend helping you to uncover the hidden layers of your stories, your personal values will be revealed.

Uncovering your most fundamental "whys" and "hows," your core values and beliefs, is key to understanding your authentic self. When your projects, initiatives, and actions are linked to you authentically, passion follows. People notice; your eyes start to shine, your tone of voice changes, your energy is virtually limitless, and your passion comes to life. Authenticity radiates.

Mindful Behavior

Leading with authenticity also means you must practice what you preach. The best evidence of your true feelings and beliefs comes less from your words than from your deeds. When your words are believably connected to what you do, when you behave in line with your vision, only then do you display integrity and build trust with your followers.

What behaviors are essential for growing your visionary leadership? What should you be conscious of, and which practices can help you in your journey toward mastery?

Mindfulness

Harvard psychologist Ellen Langer says mindfulness encompasses a mindset and attitude that leads to discovery and noticing new things. Growing your mindful state boils down to three behaviors, according to Langer: creating new categories, welcoming new information and adopting more than one view.

There are behaviors and practices that can help you. You can't simply tell yourself to start "recategorizing" from now on, or to be open to new information or to stop taking a single perspective. Here are some original, easy-to-integrate behavioral change practices that you can incorporate in your daily leadership to act yourself into a new way of thinking.

Recategorization Practice: Break the pattern. A deceptively simple practice to increase your chances of seeing things differently is to deliberately break your normal pattern of working, communicating, thinking, reacting and responding. For example, if you are normally the first to volunteer, hold back. If you always take the same route to work, choose a different one. Change where you sit. Raise or lower the height of your chair.

New Information Practice: Radical exposure. We are strongly influenced by the small group of people we have direct contact with — for better or worse. And since we tend to hang out with people who are fairly similar to ourselves, chances are we are limiting our perspectives and excluding information. The radical exposure practice promotes a deliberate effort to engage, with some frequency (e.g., once a month), with a subgroup that is profoundly different from the usual suspects you hang out with. Visit a conference of a very different profession, hang out with skaters, join an arts club, buy a magazine randomly off the shelf, things like that.

Multiple View Practice: Opinion swap. Choose someone at work who is least like you — not someone you dislike, just someone very different. Think of a subject you normally disagree on. It might be something simple, like a product, marketing message or television program that you avoid or find trivial and the other person really likes. Imagine adopting this person's opinion, like trying on an outfit. See things from this person's point of view and come up with some reasons why he or she loves what you hate, or vice versa. Once you are comfortable, do the same exercise — live. Have a real conversation with the person, and gradually let go of your opinion and take the other side. Just experiment — what do you have to lose?

PART IV: VISIONARY COMMUNICATION

Igniting Your Followers

You can have great ideas, make the powerful practices second nature, have clarity on your core purpose and values, and exercise the right behaviors for growth. But if you are unable to communicate your vision in a way that engages and energizes others, the Vision Thing still won't work for you. There are several specific visionary communication qualities that, when done right, will transform your story from something future-oriented but technical and uninspiring to something that invigorates your followers.

The Power of Language

Language really matters. Especially if you intend to bring people on board and persuade them to follow you and your ideas. It's not just the message that needs to resonate; the way it's translated into words also shapes its impact and the actions it inspires. If you want your vision to reframe people's mindsets and move them to act, you need to use productive, active language.

Workhorse Verbs. Verbs carry sentences, and the ones that do the heavy lifting, bringing energy to your message, are called "workhorse verbs" or "powerhouse verbs." Compare these two statements: "We discussed the opportunity to develop a new product" with "We explored boosting our offering." Workhorse verbs move your story forward, create powerful imagery and convey a confident tone. Create a list of verbs that attract you but are not yet part of your everyday vocabulary. Pick one a day, and set a target of using it at least three times that day. You'll find that over a short time many of these words will become part of your regular repertoire.

A Picture Is Worth a Thousand Words. When describing the future, you can't use facts and figures. You don't have statistics to prove your points. You must largely rely on your imagination. And to convincingly bring your audience into the future, you must unlock their imagination, helping them envision a different world. Images and visual language such as metaphors and analogies are of vital importance in bridging the gap between the cerebral and the imaginative. They help people "see" it.

Memorable Metaphors. Metaphors do more than just informing and making the message stick. They also add a layer of emotion to the content. By accessing your associative brain, a metaphor immediately hitches emotions to the message. Look around you right now and consider the objects you see as metaphors. Create a sentence for each: "Our future is like . . . a telephone," "Our future is like . . . a watercooler," "Our future is like . . . a vase of flowers," and so on.

Actionable Analogies. To see things in a different light, your audience must reframe their minds. This requires insight plus an acceptance of the fact that there is a different way to look at our future, and even at ourselves. For example, if you are responsible for a hospital, a hospital division or a medical team and you state that you want to be considered the Singapore Airlines of the health care industry, people will get it. They will immediately understand that quality of service matters to you.

Let Me Tell You a Story... Stories inspire; they're catchy and heighten our natural curiosity. Moreover, stories communicate values and make them accessible, understandable, and believable. Brené Brown, a research professor at the University of Houston, says, "Stories are data with a soul. Data wrapped in stories have the ability to move people, to inspire people to take action."

For your visionary communication to become authentic, you need to integrate a special type of story — the personal anecdote. Your personal anecdotes are much more than just insightful recollections; they communicate something about your character. In other words, they provide your story with a soul. Sharing a meaningful personal anecdote shifts your rhetoric from the head to the heart. When you share it, you'll relive the emotions and show what you truly care about. This kind of honesty automatically makes you and your story truly authentic.

A truly powerful vision provides direction and is emotionally engaging and authentic. It's an invaluable tool for (aspiring) leaders that allows you to do what leadership is all about: to ignite others.

RECOMMENDED READING LIST

If you liked *Anticipate*, you'll also like:

1. ***The Reciprocity Advantage* by Bob Johansen and Karl Ronn.** Johansen and Ronn share a model for creating new growth using the underutilized resources you already own that you can share with others.

2. ***Flash Foresight* by Daniel Burrus**. Burrus provides a blueprint for applying strategies in your business that will enable you to see the invisible and do the impossible.

3. ***Get There Early* by Bob Johansen.** Johansen and the Institute for the Future provide insights into the next decade, and show readers how to begin to navigate their road to the future.

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38-06 5 Gears

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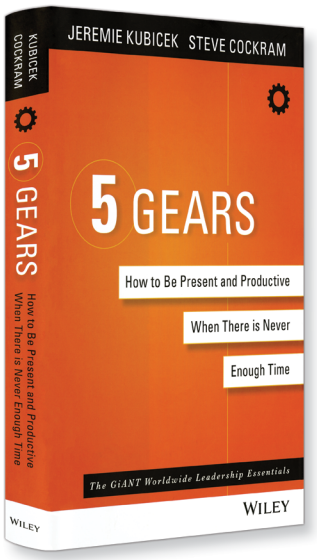
5 Gears

How to Be Present and Productive When There Is Never Enough Time



by Jeremie Kubicek and Steve Cockram

THE SUMMARY IN BRIEF

Would you like to be present and connect more effectively, all while being as productive as possible? *5 Gears: How to Be Present and Productive When There Is Never Enough Time* introduces you to the five different gears, or mindsets, that carry you through various facets of your day, and teaches you to shift into the right gear at the right time so that you can grow in your relational intelligence and increase your influence.

All too often people go through life without truly connecting and can, as a result, miss out on experiences and relationships that have the power to bring them great joy. By understanding how the five gears work, you can improve your ability to connect with the world around you; explore why some people stay disconnected from the people and events around them and why others always seem to have a deep connection to their friends, family and surroundings; learn how to set triggers and markers that help you shift into the right gears at the right time, which will increase your relational dynamics and make you more productive; create positive change in the dynamics of your relationships; and improve your respect and influence.

5 Gears: How to Be Present and Productive When There Is Never Enough Time is the perfect resource for anyone who wants to live and lead connected.

IN THIS SUMMARY, YOU WILL LEARN:

- The five gears and how to identify your dominant gears.
- How to shift gears and match them to the right time and place.
- To challenge yourself and create a plan to obtain greater connection and influence in your life and organization.

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5 Gears: How to Be Present and Productive When There Is Never Enough Time by Jeremie Kubicek and Steve Cockram. Copyright © 2015 by Jeremie Kubicek and Steve Cockram. Summarized by permission of the publisher, John Wiley & Sons, Inc. 240 pages, $25, ISBN: 978-1-11911-115-3. To purchase this book, go to www.amazon.com or www.bn.com.

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SECTION I: CONNECTIVITY

Driving Too Fast

It is not that we want to run people over, and yet we often do. We drive 50 mph in a 20 mph speed zone without being aware — consumed by schedules and agendas — and we run right over those we care about the most.

When someone feels the pressure of a deadline or fears the roar of a boss's voice, it is natural to shift focus to alleviating the immediate concern rather than focus on our long-term relationships. The urgent pressure trumps the important relationships most of the time, which tends to steal, kill and destroy our presence to those we are closest to most of the time.

People run over other people when they are not present or focused on the person or people they are with in the moment. This is where most influence is undermined as people get tired of getting run over. Eventually people move away from those who are not present to others who have more life and less drama.

People don't mean to run each other over, but the truth is that we can all have moments when we are in a different gear than the other person. Our minds can easily get stuck in work mode or kid stories or random thoughts, and we can, unknowingly, run others over with our chatter and self-absorption. Whether it is speaking at the wrong time, failing to listen to those speaking directly to us or ignoring the most obvious social hints, unawareness is pandemic.

It usually gets worse in the office environment. Some leaders become different people the moment they walk into an office setting. For some they shift into the "dominator" mode as they bark orders, forget about an employee's birthday or send emails that would make their mother blush.

Disconnections

This social behavior creates disconnections, which lead to the consequences of fighting, discord and an overall lack of harmony in relationships, both personally and professionally. All of these issues cost organizations and people as these disconnections breed drama and frustration.

Connectivity is about time, settings, people, places and motive. It is not as simple as being somewhere physically but is a combination of emotions, physical connection, spiritual cognizance and mental aptitude. This understanding is a practical view of improving the quality of our lives and leadership through the art and science of connectivity.

Connectivity is directly related to peace, productivity and personal happiness. When you connect deeply with someone, a peace of mind and sense of gratitude occurs. To have this type of connection, you must learn how to be still and present in the moment.

Reality Check

So, let's get to your reality. Do people really know you? Would they say that you are normally present with them or constantly in your own world? It is time to get real and honest with your ability, or lack thereof, to connect with others, to be present with them and to be able to balance work and life in a meaningful way.

Before we get started here on a solution to help you connect more vibrantly with others and to increase your

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influence and your leadership abilities, explore a few of these powerful questions:

- What are your priorities? What are they in order? And are they what they should be?
- When do you tend to run people over?
- Is there a character issue in your life that is causing you to disconnect or disengage?
- Is there one relationship that needs to be made right?
- Where has your influence declined?
- What are you afraid of losing?
- Do people want to follow you or simply have to follow you?
- When do you start working? Do you wake up and begin to check your email as the very first thing?
- Do you recharge well at home?
- Do you get quality time with others?
- Would others say that you know them?
- What is the reality of your meetings?
- What is your demeanor when you come home?

Write down your thoughts. Talk to someone who knows you well about some of your answers. The goal here is to help you get to your reality, see yourself in a mirror and begin to increase your influence on those you lead. By doing so you may have just started the process of reconciliation or personal peace, or you may see an uptick in productivity as you address the issues that make your realities unsustainable.

SECTION II: 5 GEARS FOR PRACTICAL CONNECTION

Getting in Gear

Driving is difficult, with all of the inputs and decisions that need to be made. The same goes with leadership. Communicating a vision, managing people, dealing with issues, all as you try to stay focused on your own personal tasks and goals can be quite difficult. Leading well is similar to driving well.

There are parallels with shifting gears in a car and the rhythms and routines of our lives: There is a right order and a right time for each gear. Conversely, there is also a wrong gear for the wrong time.

1st gear is meant to lead to 2nd and so forth. Each gear has a purpose, and if you understand that purpose and apply this driving analogy to the way you "drive" your life, aligning the right gear with the right speed and situation of your day will allow you to have a smooth journey.

With our metaphor, each gear represents a different mode of connecting through living, leading, working and resting. To lead yourself well and connect appropriately in your relationships, your day needs to begin in 1st gear, after which you shift up into other gears. You can go from 1st gear to 5th in life, but it is not recommended, and the consequences can be damaging, just like with your car. You can also go from 3rd gear to reverse, but just because you can does not mean you should, considering cause and downstream effect.

The best drivers understand when to shift and when not to. The same is true with the best leaders. They understand the gears:

- 1st gear represents being fully recharged.
- 2nd gear represents connecting with family, friends or colleagues.
- 3rd gear is the social gear.
- 4th gear is the task gear that allows us to work hard while also multitasking.
- 5th gear is focus mode that allows us to "get in the zone" without interruption.
- Reverse is the responsive gear. It is used when we need to back up and start again or apologize.

If you understand how to drive your life with these gears, you will unlock depths of connection and influence in your relationships that you never knew existed.

In our culture, most adults suffer from one or two of three connectivity problems:

- They rarely understand which gear they are operating in at any given moment.
- They rarely know what gear the other people in their life are operating in.
- They rarely take the time to practice shifting and operating in each gear.

This combined lack of awareness and practice explains why we have so many people suffering from the realities of workaholism, social awkwardness, rude commentary and a rash of disconnection within families, spousal relationships, boards and teams.

5th Gear — In the Zone

5th gear is focus mode. It is the gear where the ability to hyperfocus and experience the flow of your work becoming something productive is key. To someone watching you operate in 5th gear, you might appear to be in a trance, completely unaware of noises, voices and the normal distractions that might cause others less focused to

shift their attention. When people get into 5th gear, they tend to not need anything other than their work.

A car's engine will tell you when it's time to shift gears — so, too, does your work. It simply takes discipline to shut the door, turn off your email and let people know that you are shifting into 5th gear — going into overdrive. When you reach this gear, your productivity reaches the highest levels possible.

Here are some points that will help you understand the correlation of overdrive to your personal 5th gear.

- A healthy 5th gear makes it possible to cruise at a sustained speed for a period of time.
- Because 5th gear occurs mostly when we are either passionate about our work or simply competent at it, our engine speed is actually lower, while our sustained speed can be quite fast. Therefore, less energy is needed to produce quality or high speeds. Focus can lead to high levels of productivity.
- 5th gear can produce great results and high speeds for a period of time. However, people (similar to engines) are not meant to stay in 5th gear all day long.

For executive leaders, 5th gear can be seen as the strategy gear, when you are working on the business and thinking in the long-term strategic planning zone. This might include dreaming, vision casting, exploring ideas or thinking of major changes in life, work or business.

Stuck in 5th Gear

5th gear is helpful, but it can also be damaging. Certain personality types so love this gear that they begin to crave it, longing to escape into their own little world. The problem, though, is the disconnect that results from being in overdrive too much or for too long, Eventually, tensions arise for those relying on the 5th gear enthusiast — the team members who need their communication, the boss awaiting a report or even the family waiting at home.

5th gear can create tunnel vision for people, causing them to miss opportunities to connect with others, learn something new or simply encourage someone in their life.

4th Gear — Leading in a Task World

Eighty-five percent of the time, leaders are in 4th gear. It's no wonder. We live in a task-driven, task-dominated world. To-do lists, task sheets and productivity tools flood the market as adults are trying to get organized, stay organized and become as proficient as possible in their world.

This desire for productivity from individuals, bosses and organizations leads to a tendency to move from one task to the next, checking things off throughout the day without slowing down much, if at all. And so we move in a given day from phone calls to meetings to emails to meetings to calls to texts and maybe some project work before we head home. That is a normal day for the majority of people in the marketplace.

Task-mindedness can become a habit or, rather, a way of life. People can become so married to their to-do lists that the daily tasks begin to control our lives. Do you normally check your email when you first wake up? Do you catch yourself just needing to "catch up on the day" really fast before getting in the shower or getting dressed? Jumping directly into 4th gear is like trying to pull out of your garage and shifting from reverse directly to 4th — it is virtually impossible. We need to start our days in the right gear, and 4th gear is simply not it.

If you have ever left work feeling tired and wired at the same time, it may not be the coffee or the late afternoon chocolate making you jittery. Instead, it may be the overconsumption of 4th gear. When we train our minds to multitask for long periods of time, we receive a garbled mix of data, people and tasks. An example would be if we worked all day on our computers just opening files without closing any of them during the day. Our computer screens are full of information, and consequently it is hard to find what you need in a moment because of the mess that has been made. That is life when we are consumed by 4th gear.

Why Using All the Gears Makes 4th More Productive

If you will take the time to implement the other gears in your life, you will find that your everyday, multitasking 4th gear will become more productive.

- You will finish projects while in 5th gear, which will make 4th gear feel more productive.
- When you insert 3rd gear appropriately, you will become much more at ease with people and will watch your influence climb because you are not too distracted by the cloud of tasks hanging over your head.
- If you insert 1st gear recharge into your task world, you will have more energy and more peace about you.
- When 2nd gear is used correctly, the people most important will become prioritized above the urgent tasks, which will lead to healthy relationships and peace for you.

Practice getting better at 4th gear, and learn to insert the other gears for your best and the best of those you

lead and love. If you have a hard time getting into 4th gear, then find someone who is brilliant at it, and begin to mimic what you see.

3rd Gear — Why Being Social Matters

3rd gear is all about being social. For example, 3rd gear looks like lunch with colleagues, a weekend party, a round of golf, an after-work gathering, a game night or a meal with friends or family. It is a mindset. It is the space between task-driven, hyperfocused work and the no-work, relational connection of being with your family, spouse or close friend.

That in-between space can be onerous to manage. For some, work is comfortable. That is where your identity is and where you are confident in your competency. For others, work is tiring. Your identity lies in your social group, whether that's a club or a sports team or a special group of some sort.

Why Business Happens in 3rd Gear

There is a reason why companies spend resources doing social events. It is where business really happens — in the relationship. Gatherings like these represent 3rd gear time, and it is vital to the success of the organization. Why? Because when you spend time with people outside of the normal 4th and 5th gear time, you are focusing on the relationship — talking about family, history, sports and the like. This time of relationship building allows those you are with to know you better and vice versa. They are observing your character, going deeper than a one-hour meeting, and deciding whether or not they want to be around you for any length of time or do business together.

Shifting into 3rd gear is not as hard as you might think. What are you interested in doing? What are your hobbies? Do you know anyone else who is interested in those same things? Could you gather some people together to talk about or do those things? That is where most connections happen. Here are some questions to ask that help to connect with people and be present in 3rd gear space.

- "Where is your hometown?"
- "Who is the most famous person from your town, or what is something unique about where you live?"
- "What do you love to do outside of your work?"

When you do 3rd gear well, you will notice your influence increase dramatically over time. It is partly due to the respect that others give you because you respect them, but it is also due to the demeanor and confidence that naturally occurs inside you. People are attracted to confident people, and there is a direct correlation between confidence and respectful curiosity. This respect leads to increased influence, which leads to more opportunities.

Overdoing 3rd Gear

3rd gear can be just as dangerous as 4th and 5th gear if abused, especially if a person is insecure and is trying to get their identity from the social space. You know you have an unhealthy 3rd gear if you procrastinate and miss doing real 4th gear work; need a party at all times; have a lack of discipline and professionalism; never go deep enough and remain superficial; double-book relationships and miss the depth; your colleagues think you're lazy; feel like you have a mask and you never want to go deeper; try so hard not to miss out that you actually miss out.

2nd Gear — Connecting Deeply

When was the last time that you truly connected with someone in a meaningful way? How did that experience make you feel? When was the last time you went deep with someone and left the meeting fully recharged? This is what 2nd gear is truly about — the ability to shift into connect mode and become present with someone in your life who brings you joy. Whether work colleagues, family or friends, it is time geared toward relationship building without an agenda or pressure to be productive.

What are your 2nd gear opportunities? Make a list of all the people in your life and the moments where 2nd gear could take place. Are you spending purposeful time here, or are you skipping it?

In the same way that there is a logical flow into 3rd gear, there is a clear path to connect via 2nd gear as well. Here are some tips to incorporate into your life and leadership:

- **Take the time.** When you sense that there is an opportunity to connect, go for it.
- **Listen.** The way to connect comes through your ears, not your mouth.
- **Don't force it.** Be you, be present and be patient.
- **Give yourself away.** When you risk by going deep and giving yourself away to help the other person, you increase your chances to receive far more than you imagined.
- **Cut what binds.** Consider moving things to a different time of the day if they are having an adverse effect on your relationships.

It is amazing what happens psychologically and emotionally when you are at peace with those closest to you.

You work smarter and produce more results. Connecting is an art form. And it takes practice. When you begin to master 2nd gear, you will begin to experience a deeper level of respect and trust.

Warning Signs

You know you have an unhealthy 2nd gear if

- You obsess about the key relationships in your life and not the person you are talking to;
- The desire to go deep in conversation keeps you from 3rd gear connectivity;
- Talking too much and too long is your normal pattern;
- There is an inappropriate amount of time spent caring at work rather than working;
- You put unrealistic expectations on people to connect; make people feel bad and eventually isolate yourself;
- You constantly struggle with having the right conversation in the wrong context; you are so present-focused you struggle to see the big picture.

1st Gear — Learning to Recharge

Do you have an intentional recharge zone or a routine you have disciplined yourself to follow that helps you downshift to rest, refuel and renew your energy?

When you are not recharged or fully rested, it is almost impossible to be present with someone else, let alone add value to his or her life. When you are charged up and rested well, then you have the ability to impact those around you, which will simultaneously impact your influence.

Spending intentional time in 1st gear is the key to recharging. It is the gear needed at the start of the day and the end of the day. Starting in 1st helps you get into the day in a way that will not wreck your own internal transmission.

How We Recharge

Recharging does not happen the same way for everyone, though, and it is important to note that your natural personality and wiring will influence how you need to recharge. Introverts recharge internally, like a battery pack. They need to plug into an energy source directly and recharge on their own from within. Extroverts, on the other hand, are like solar panels: Their recharge happens from external power sources like ideas or people or experiences.

Some examples of typical battery pack-type recharge sources for introverts are sleeping — introverts usually need a bit more sleep than extroverts; reading — like novels or biographies; exercise — long runs or walks alone; devotions — introverts are normally more disciplined with their personal time; meditation — this normally becomes a place for peace; and time to yourself to pursue individual hobbies like art, gardening, cooking, woodworking, etc.

Some typical solar powered-type recharges for extroverts are time with a mentor; ideas — some extroverts are enamored with ideas, which can bring life to them; 2nd gear time — extroverts tend to get recharged with people; enlivened experiences — a concert or movie; speaking; reading; exercise. The method of recharge is not the issue; making sure you know how you need to recharge is.

Some of you are saying, "I rest a lot. I come home and binge on a TV series, lay on the couch, eat some food and zone out." Is that rest? A lot of you think it is because that is all we know. It may look like rest, but crashing is simply stalling out. You work 60-plus hours per week handling all types of issues. You then come home and deal with the family, teenage issues or a frustrated spouse. Your diet is full of heavy carbs and sugars, and you recharge with coffee and more work. Then you get sick, take a couple of days off and literally crash. Crashing is not resting; it is actually just crashing.

In reality, this is a horrible way to live. True rest allows you to come fully alive. Following the battery-recharging kind of rest, you smell the roses, notice the birds, feel the air and enjoy your relationships. True, healthy rest restores you so you can continue being the best you.

Reverse — Being Responsive in a Resistant World

Reverse is a great gear. Having it in your car gives you the ability to parallel park or to hook up a trailer or fit into a tight spot. Without reverse, a driver is severely impaired. To translate this into leadership language, reverse simply means to back up, pull back or apologize — to be responsive.

Do You Know How to Apologize?

Have you learned the etiquette of apologizing to others when you make a mistake? Did your parents and teachers embed this simple concept in your younger years? More importantly, do you mean it when you say it? To master this, you need a few skills in your back pocket.

There are two types of people — responsive and resistant. You hire responsive ones and fire the resistant. Responsive people are self-aware and have a consciousness that is not steeped in victim mentality but rather in responsibility. They understand that they are responsible

for their actions and will make amends when they have clearly overstepped their bounds. Responsive people are the best employees, spouses and children.

Resistant people, on the other hand, are exhausting. They hate to admit their mistakes and will more easily pass the blame than admit a fault. Resistance is basically pride, which shows itself as insecurity. These people do not want to appear weak, so they would rather exasperate others than get to the peace that comes from admission. Resistance will fight rather than resolve, blame rather than admit and run away rather than run toward reconciliation.

Admitting mistakes is a fundamental part of being responsive. When you find a responsive person, you will find someone with deep character and a person to build companies or initiatives around.

People respect people who admit their mistake and then hustle to do better next time. People do not respect others who refuse to own it when they mess up and continue to blame others. Respect, then, is gained or lost directly by the way we apologize or not.

To be authentic and transparent is to be real. If you want to increase your influence, become more transparent. To do that, you must learn how to apologize and use your reverse gear.

SECTION III: LIVING AND LEADING CONNECTED

Master Your Settings — Right Time, Right Place

By using the 5 Gears appropriately, you can minimize being in the wrong in relationships, conversations and situations if you understand time and space. Let's start with time.

There is an appropriate time for everything. To increase your ability to connect, then you must know what season or time you are in before you communicate. That knowledge leads you to knowing yourself, leading yourself and then shifting into the appropriate gear at the appropriate time.

Here is a version of a normal day for those going to an office job. The times will be different for each of us, but for the purpose of illustration, this example gives you an idea of how to tie the time of day with your gears.

6 A.M. — Wake Time — 1st Gear
7 A.M. — Drive Time — 1st or 4th Gear
8 A.M. — Work Time — 4th or 5th Gear
12 Noon — Lunchtime — 3rd or 1st Gear
1 P.M. — Work Time — 4th or 5th Gear
5 P.M. — Drive Time — 4th or 1st Gear
6 P.M. — Dinner Time — 2nd or 3rd Gear
8 P.M. — Social Time — 3rd or 2nd or 1st Gear
10 P.M. — Bedtime — 1st Gear

As you can see, there is a natural time for the gears. Morning time should not start in 4th gear, just like a car shouldn't begin there either. We need to warm up before we shift up to drive through our day.

The Right Place

Have you ever had an experience where someone enters a 3rd gear time, whether at a dinner or a fun social setting, and yet brings their 4th and 5th gear office world with them? Mr. Kill Joy! It feels odd. We shift in our seats and try to listen or speak to them about their topic for a bit. Over time people flee these types by moving seats or turning their heads away from the person who has not learned how to connect with people in the right time and in the right space.

Places and time are tied together. Breakfast restaurants are usually not open for dinner. Drive-in movies were built for nighttime. Places have a natural meaning for the type of connection around a specific time. What types of connection and which gears come to mind when you think of the following places: A Starbucks coffee shop? An office? The golf course? A concert? The romantic restaurant? A hotel? A playground or park? A church?

When a person enters these places in the wrong way, they immediately start in a negative position and often are not aware of it. If you start off a relationship in a negative position, it is always hard to get to a strong positive impression. If the person remains in the wrong gear in the wrong time in the wrong place, then they begin to quickly lose influence and connectivity.

Shifting Well — Learning How to Transition

All of our relationships require us to learn how to shift and shift well. Over time, as our relational shifting skills improve, what begins as a methodical, potentially awkward, step-by-step process evolves to feel automatic as we become unconsciously competent at connecting and being present with those in our lives.

When you begin to know what gear you should be in and what time or place you are in, you can begin to practice. Start by being aware — think. Where are you? Who are

you with? This is when you practice shifting in your mind. What gear should you be in at that moment? Practice!

Using Markers as Trigger Points

Trigger points are actually mind tricks to help shift into a different gear. These markers are vitally important to the success of the 5 Gears to achieve the desired changes you want. Here are some examples of using markers to trigger action to downshift.

- Picking a marker two to five miles from home as your trigger point to downshift into 2nd or 3rd gear. For example, a QuikTrip gas station sign two miles from home can be a trigger to connect with family.
- Using your neighborhood sign to put your phone in your purse or bag. When you reach your neighborhood, put your phone in a bag or purse and leave it in your car or by the front door so that your family gets you, not your phone.
- Using the :58s as a marker. If you have a meeting at 2:00 P.M., then use 1: 58 as your marker to shift from your 4th gear activity to 3rd gear. Think about whom you are meeting and what you are trying to accomplish. When you see that person, start with 3rd gear conversation, and then slide into 4th.
- 5th gear signs at work. A number of leaders have created signs on their office doors or desks to let people know that they are in 5th gear.

Making the U-Turn — Challenge and Plan

Now is the time to begin to work on the U-turn and to make the changes that actually bring new levels of influence and respect. It's time for you to experience the benefits of being present and connected.

If you are willing to accept the challenge of retooling your gears, practicing and implementing them into your life, then you will experience a deeper level of fulfillment that is rarely talked about in most leadership books or conversations. We call this applied leadership learning. And yet, before you can experience this, you need to challenge yourself. This challenge requires that you get to the core of who you are.

At GiANT Worldwide, they share a tool for self-awareness called the Core Process:

Call It — Be honest with the issue at hand. Get real and name it.

Own It — Admit it. Know yourself and admit that the issue is yours to own.

Respond — Lead yourself with a plan to respond to what you have owned.

Execute — Choose a time to implement your plan of response.

Calling it might sound something like, "I am constantly in 4th gear and I can't seem to get out of it. I wake up and check my email, talk to colleagues on the way to work and email until I climb into bed. I think I am addicted."

Owning it would then sound like this: "It is my fault. I have not put boundaries in place at my work to let them know when I can or can't talk. I think, too, that I like being needed and have really created a monster as I am completely out of balance in my life."

Responding to it might look like this: "So, I plan to reorder my gears. I realized that I need to add some real 1st gear into my life, which will help me become more organized in my mind and more healthy as I run. I am then planning to use the marker plan as a trigger to turn off. I have a sign about five miles from my house that is going to be the drop call zone. I plan on coming home connected, not distracted."

Executing would then look like this: "I am starting tomorrow. I know it will take a while for my family to feel the change, but I have already taught the 5 Gears to my team. I plan on teaching my wife and kids after I have done it for myself a couple of days. I am fired up to see the changes!"

The 5 Gears is a lifestyle. Do it well, and experience a life that is fulfilling and the influence that goes along with someone becoming a person that others want to emulate. It will take your self-awareness and intentional willpower to learn to shift well and lead others into their own personal breakthrough.

Give everyone a gift — you. Be present with those in your life and those that you lead. When you do, you will watch your influence thrive and your respect flourish.

RECOMMENDED READING LIST

If you liked *5 Gears*, you'll also like:

1. ***Extreme Productivity* by Robert C. Pozen.** Learn how to determine your highest priorities and match them with how you actually spend your time.

2. ***The 5 Choices* by Adam Merrill, Leena Rinne, Kory Kogon.** Insights from FranklinCovey to redefine time management in ways that will increase the productivity of individuals, teams and organizations.

3. ***Time Traps* by Todd Duncan.** Duncan explains all the traps that steal your time, and shows why you should abandon the pointless pursuit of time management and, instead, adopt a far more actionable approach: task management.

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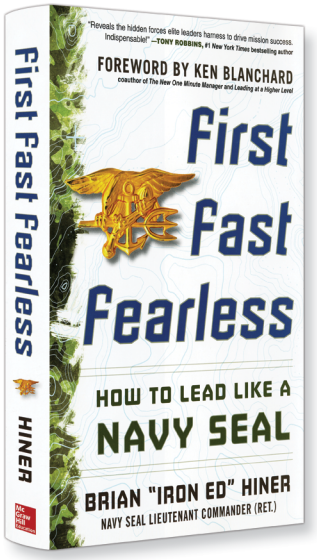
How to Lead Like a Navy SEAL



by Brian "Iron Ed" Hiner

THE SUMMARY IN BRIEF

Beyond extreme physical and combat achievements, SEALs are known for mental toughness, bias for action, decisiveness, creative thinking, adaptability and perseverance — all under extreme stress. They get things done through, by and with others. SEALs have a unique way of approaching every challenge and opportunity that enables them to do what others can't — or simply won't.

Competing in the global economy isn't unlike guerilla warfare. Your competitors come at you from unexpected places with surprising force, and the marketplace is constantly shifting. As a leader, what do you do to empower your business and your people not only to survive but to thrive — and win?

First, Fast, Fearless is a practical guide written by Brian "Iron-Ed" Hiner for the business leader who wants to learn from the best of the best how to build and lead effective teams in conditions of volatility, uncertainty, complexity, ambiguity and constant change.

You may not be facing jihadists in the mountains of Afghanistan and the streets of Iraq like Hiner did. But just as his SEALs depended on him to lead them on successful missions and safe passage home, your people are counting on you to empower them, defeat the competition and forge paths to greater success.

Be a First, Fast, Fearless leader!

IN THIS SUMMARY, YOU WILL LEARN:

- To develop your personal leadership brand.
- Rise to the call of leadership when it counts the most.
- Establish and communicate crystal-clear goals.
- Enhance team innovation and problem solving under pressure.

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THE COMPLETE SUMMARY: **FIRST, FAST, FEARLESS**

by Brian "Iron Ed" Hiner

The author: In his 20-year career as a Navy SEAL, Ed Hiner commanded hundreds of strategic combat missions and operations in Iraq, Afghanistan and across the globe, for which he earned two Bronze Stars with "V" for valor and combat leadership. In his role as a Navy Special Warfare Training Officer, he managed basic and advanced training for all Navy SEALs on the national level.

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Introduction

First, Fast, Fearless leadership, as practiced on the Navy SEAL Teams, is made up of three key elements: Brand, Brotherhood and Battle Rhythm. Whether or not SEALs have direct reports, they are all leaders, and as such, they all develop these three attributes from day one.

Brand refers to your own personal leadership style. The First, Fast, Fearless Brand includes a first strike mindset, an all-in commitment to ethos, a strong sense of humility and humanity, and an always-on nature, among other traits. Once Brand is established, the next critical element is Brotherhood. Among SEALs, little else comes through more clearly than the sense of sacrifice, teamwork and mutual commitment they have to each other. Brotherhood is more than teamwork. It is always on, and it is directed by deep inner values far beyond simply collaborating and leveraging each other's capabilities.

Finally, while Brand and Brotherhood are critically important, they aren't sufficient to accomplish an important mission or goal. A musician can play music individually, but the impact of the music greatly expands when musicians play together in rhythm. What they do in the SEAL Teams is more like jazz; they all have the rhythm in their heads to move forward as a team without the presence of a central commanding leader.

Such rhythm is the highest essence of how the SEAL Teams work. To the extent you can "play jazz" in the workplace, you'll get much further much faster, all with less fear and stress.

PART I: DO YOUR PART FIRST THE BRAND OF A TRUE LEADER

When SEALs load up equipment for a mission, it's done in steps. Loading what's closest to your body is the *first-line step.* These are the critical items — "must-haves," not "nice-to-haves" — that you don't discard even when on the run and discarding other pieces of equipment.

Leadership works the same way. A leader must gear up with certain first-line items before expecting anything of others. Leaders must live by the same principles and values that they expect from their teams and people. Leadership is about action: Leaders must do their part before asking others to do theirs. Walk the walk; don't just talk.

What Do I Mean by 'Leader'

A good leader gets it done — that is, he or she gets the team moving toward the strategic objective, whatever that might be. A good leader gets the team to follow, effortlessly and painlessly. The team members follow in rhythm, to get the right things done, without constant prodding or course correction.

When leadership is right, you don't see it anymore.

Five Pillars of Leadership

The five pillars of leadership are the leader as a moralist, jurist, teacher, steward and philosopher.

- **Leader as Moralist.** It is exponentially more difficult to fight an enemy uphill from you to whom you are exposed. This battle principle becomes a useful metaphor for moral substance. Upholding a strong

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sense of values and having respect requires leaders to fight for that moral high ground and to hold it at all cost. Trust is a two-way street: It is vital for leadership at all levels to set the conditions so that their subordinates *are able* to do the right thing. It's important to make the distinction between the rule of law and morality. What is legal isn't necessarily what is moral. Moral leadership is *doing the right thing*, not just "doing things right."

- **Leader as Jurist.** In a trial, the stakes are always high. But in the end, a jurist is compelled to act upon the information given and to render a verdict. The system relies on jurists who have no personal vested interest other than fairness — and ultimately justice. Similarly, leaders of all stripes often must make decisions that aren't black and white and that aren't based on complete information. Yet leaders must act and be decisive when it's time to do so. Their decisions affect the outcomes of their organizations and the lives of their people. Their decisions are personal. In fact, it's far from the truth when people say that "it's not personal" when referring to a hard decision they had to make. Of course it was personal.
- **Leader as Teacher.** In the SEAL Teams, every leader at all levels is expected to pass on knowledge and guide and mentor his subordinates. Good leaders train their subordinates (and others on adjacent teams) to take over when they're not there, whether they're gone for five minutes or permanently. Leaders as teachers have clearly defined goals with high expectations for their people, and they help guide them to attain those goals.
- **Leader as Steward.** A leader is a servant to his or her team. Servant leaders are also stewards of the mission, the people and the position that they hold. They protect what they are responsible for, and they do it with humility and generosity.
- **Leader as Philosopher.** A philosopher is a person who studies ideas about knowledge, truth, the nature and meaning of life and so on. Flexing this mental muscle helps leaders understand abstract and complicated ideas. Ultimately, practicing a philosophical mindset helps leaders find the right course of action during the most difficult times. As a leader, you should be patient, think things through, and assure yourself and others that your actions — or inactions — will be meaningful.

Owning Your State of Mind

SEALs are *first strike thinkers*. They want to be up front. Beyond all else, they are action oriented. They embrace adversity. They channel fear into courage and action. It's what is called the "first strike mindset." It's a central feature of the First, Fast, Fearless Leadership Brand.

In the military, during times of war and insurgencies, leadership has to deal with VUCA (volatility, uncertainty, complexity and ambiguity). Even in the most stressful and VUCA times, SEALs take action (First), move with purpose (Fast), and commit themselves and become fully engaged (Fearless). Leadership is, first and foremost, a choice and a state of mind. You can and must work to control your state of mind to be an elite leader in any organization.

How do you turn fear into courage and courage into action? It boils down to two main things: The first is creating a positive, look-forward environment called a *front sight focus*; and the second, and closely related to the first, is adopting a *first strike mindset*.

Front Sight Focus

As a leader, one of the most important tasks is simply to be there and to create a positive environment. Leaders present in times of stress are far more valued than those who stop by once in a while when things are going well.

Just being there, however, won't suffice. The next task is to keep the troops moving forward, letting them know you're there alongside them. Approach what lies ahead with positivity and ideas of how it can be changed for the better.

Creating a positive mindset also comes with a measure of preparation. Make sure you and the team are equipped with the right resources and knowledge of the situation, or else your positive energy can turn negative very quickly.

Adopting a First Strike Mindset

For SEALs, a first strike mindset means that at every moment, in every situation, you act first decisively and assertively to make the most of your time. You approach life and every task in a creative, energetic, positive way.

The fundamental advantage of the first strike mindset is that it puts you in control of every moment in your life. It means that you see every moment of your life — and every leadership moment — as an *opportunity*.

Power by Example

An *ethos* is the distinguishing character, sentiment, moral nature or guiding beliefs of a person, group or institution. The word ethos means "character" in Greek.

In fundamental ways, the SEAL Ethos and way of life are very similar to those of ancient warriors. True warriors

have always held similar fundamental beliefs in the virtues of life. They all believe in serving something greater than themselves, which gives them a clear purpose and meaning in life. They believe in protecting those who cannot protect themselves and in living a life of virtue, purpose and brotherhood.

The SEAL Ethos is a highly evolved statement of a shared set of core values, values that guide the thoughts, behaviors, morals, beliefs and sentiments of SEALs and SEAL Teams. Their ethos is the basis for all of their conduct on and off the battlefield. It's a philosophy on how to live life as SEALs, citizens and leaders. Their ethos is a guiding framework for life and a guiding framework for leadership. SEALs continuously grade and evaluate themselves — and are graded by others — within the framework of the values stated and implied in their ethos. It defines who they are.

Your ethos won't be exactly like the SEALs'. But the important part is to have one, think one, use one and allow it to not only guide your daily activities but also to inspire you to First, Fast and Fearless victories in your enterprise.

Always On

As members of a relatively small community, everyone in the SEAL Teams knows or has heard of everyone else. Your reputation is very valuable, but it can be detrimental as well. In the SEAL Teams, you can tell who the great leaders are by how many people request orders into their command.

Leadership is not one thing you do. It's *everything* you do. Leaders should understand that they are on stage all the time and that their people are watching and judging every aspect of their actions, in and out of the office. As a leader, you must not leave your reputation or their perceptions of you up to chance. Take the offensive mindset, and strike first. In short, you must market yourself. This is not advocating that leaders need to be schmoozers, social butterflies or ass-kissers. It means if you build a solid reputation, people will come running because great leaders develop fans and a following.

General George Patton was famous for his leadership style. He believed that general officers must be careful not to appear to be dressed more warmly than the troops. People loved and hated him at the same time, but General Patton knew, among other things, that perception mattered, especially the higher up you go.

When you are highly ranked, every contact, even for a moment, means something and adds to the perception of your leadership. Don't show off your power and prestige. Be one with your team. That said, it's also disingenuous to pretend you *are* them. It may be perceived as not genuine or even condescending. They know you are not one of them. Yet they can and will respect you if they feel their well-being is your concern and you have their backs.

Leadership Moments: When the Bugle Sounds

Leadership moments are shining opportunities to make the most of your leadership responsibility. The expression "when the bugle sounds" refers to the call to war in the days of the cavalry. It's used here to signify a moment when leadership truly matters. Your reputation will be defined by these precious moments. For your people, these moments are those of conflict, stress, fear and VUCA. Will you stand up and face that challenge?

Be in the moment during times of stress.

If this sounds like an impossible feat, it's not. It merely means that you must recognize these moments in time, understand your emotions, control them and your actions, and stand up. Great leaders understand the importance of not losing their composure during difficult times. They understand that it is at these times when their people rely on them the most. In stressful conditions, people are hypersensitive to leadership.

Getting it right during these leadership moments is not about being the most courageous, the toughest or even the most qualified. It's about choosing to accept the privilege and responsibility of leadership and to stand up to address problems head on, with a first strike mindset — with a First, Fast, Fearless mentality.

Look, Listen and Feel

The more you know about tactics and the environment you're in, the better chance you have for mission success. SEALs understand that they don't know everything about warfare or tactics, but they are learners willing to learn anything to become a better operator to succeed at the mission.

Leadership is subtle. Once you see leadership, you'll always see it. Once you're a leader and consistently exhibit leadership traits, you're always a leader. Your people will undergo the same transformation: Once they see you as a leader, they will always see you as a leader.

Communication is the thread that holds us all together in life and at work. The expression "look, listen and feel" comes from the idea that when you make an insertion into enemy territory, you need all of your senses to be working in a heightened state. You need to pay attention to everything.

From the moment the helicopter or boat inserts your team into the field, you take cover and concealment, forming a 360-degree perimeter. You completely stop moving and stay silent. You look for any signs of enemies; you listen not only to the sounds of people but also to the sounds of nature. When nature is disturbed, it leaves signs. At the moment of insertion, the wildlife and insects become quiet because the noise scares them. SEALS sit there motionless until the chorus of nature restarts, so they know they are not in an ambush. They use all of their senses to feel what is going on around them.

Good leaders evaluate what's going on with all six senses before they step in. Their sixth sense is their personal experience.

Great leaders are great listeners and can hear — or sense — people's fears. Anger, resentment and frustration are all symptoms of fear.

To effectively communicate and understand what people say and what they mean, we must pay attention and focus on their intent; that is, we must be aware. It's not just the words that are said. It's how they're said and what they really mean. Be aware; know what's going on; know what's going on behind what's going on.

When people see that you are paying attention to them, it improves the interaction because they know you are listening. Always look to find their intent, and then strike first to 1) make sure you know what they mean and 2) let your intent be known.

Give Honest Feedback

One of the most important — and most sensitive — tasks that leaders have, whether in the SEAL world or in the business world, is to give feedback to their troops and their teams. The leader who can't make the time or effort to do this, well, isn't a leader.

Feedback, of course, gets everyone better aligned on whatever is being discussed — the values, the mission or specific tasks undertaken by the team. People want to know how they're doing; they seek security in what they do and how they approach their responsibility.

Without that feedback or with feedback that is delivered in the wrong way, people struggle with self-doubt about their performance or their role in the team. Giving feedback the *right way* means being clear and being honest, telling people what they did right as well as what they did wrong.

Highly insecure leaders think their job is to "find the fault," and they spend most of their time doing that. When they find fault with their subordinates publicly, that is, in front of everyone else, look out below. Never disrespect people personally or publicly. If you do, apologize quickly.

When complimenting someone or approving something, don't use the words *but* or *however*. You're probably looking for perfection in things that don't matter.

Remember, be honest, balance the positive and the negative, be clear and take your own ego out of it. The people receiving the feedback will get more out of the process in the short term, and everyone will benefit in the long term.

'Ya Got What Ya Got'

In the military and any productive organization, accountability as a leader is critical and is enforced at all levels. When you accept command, when you are in charge, everything rests on you. SEAL leaders know and accept this when they join.

Dealing with limited resources — and getting things done anyway — is a sign of accountability. Some people confuse the terms responsibility and accountability. You can be responsible and also accountable, but the two are not one and the same. Responsibility is "pointing the finger," that is, finding the cause when something goes wrong; it's what most organizations do. It's identifying who made the mistake and blaming that person or people. Accountability is not about who is responsible and who is not. It's more than that. It's about "where the buck stops."

In the SEAL Teams, when you are in charge, you are accountable for everyone in your care, no matter who did what. You will stand on the carpet and "answer to the man." Accountability is a way of stopping the blame game when things go wrong. Making excuses is not tolerated at any level because it slows down the organization.

To hold people accountable, we must give people authority to act. We cannot separate the two; we cannot hold people accountable if they do not have authority to make decisions that guide their team's results. When authority is given, so is the trust in leaders to do the right thing as guided by their ethos. Accountability and authority must travel together.

Leaders should confront their bosses with the shortfalls they have prior to taking command of a situation, to give them a clear understanding of the risks associated with the lack of resources, manning, training or other deficiency.

When you know you're accountable, you accept your job in a holistic manner. You don't waste time or energy thinking about how you have been dealt a bad hand. First, Fast, Fearless leaders take the offensive mindset, bend the rules prudently and make it happen with what they have.

Ya got what ya got. Now do something with it!

PART II: RUNNING TO THE SOUND OF GUNFIRE THE ESSENCE OF BROTHERHOOD

Teamwork and brotherhood are similar but not the same. Brotherhood is much deeper and stronger than teamwork. Brotherhood is a full commitment and promise from each team member to look after each other and to put the well-being of others before themselves.

When navigating in the fog of war and in the world of VUCA, the SEALs' ethos is their compass. Their values, not the rules, define who they are. Of course they need *some* rules, but too many take discretion away from leaders. They also destroy the ability to change the situation in real time for the success of the mission.

Managing Versus Leading

What is the true difference between managing and leading? You manage things; you lead people. Managing people instead of leading them often results in the "nickel-and-dime effect."

The managers start to see — and look for — trivial faults and mistakes. They focus on things that don't matter to the successful outcome of the mission. Their people are worn out by the sense that these trivial negatives are now the main topic or currency of their relationship with their manager. People resent being managed, but they appreciate and respect being led.

Provide the motivation — and the means — to do something important. Don't micromanage.

If you guide and measure people according to values, the specific goals and metrics of the organization tend to take care of themselves. That is, if people on your team are acting according to their values and are guided by the big-picture elements of the mission, the specific measures and goals tend to fall in line naturally.

If you and your team members take care of your customers, treat others with respect, "own it and act passionately on it" and do what's right for the profitability of the business, you will likely come out ahead. Sales, costs, profits, customer retention rates — they will all take care of themselves. The values and mission guide the right behaviors. Being guided by your values is the essence of First, Fast, Fearless leadership.

Powering Teams Forward with TRUST

Without trust, there is no team, just a bunch of individuals looking out for themselves. A lack of trust leads to micromanagement, bureaucracy, paranoia, rules-based management, resentment, dishonesty and a host of other organizational ills.

How does an organization build the sort of trust upon which we would risk our lives? Great teams build trust in a variety of environments, from the battlefield to the boardroom. They share common themes and principles:

Time and attention: The ability to manage time is a critical part of leadership and of building team trust. Be timely, and respect the time of others.

Respect: Respect needs to be genuine and continuous; it is a perpetual state of mind and being. Gain respect the old-fashioned way. Earn it. Never resort to fear.

Unbreakable values: Every day our values are being tested, and often they are in competition with one another. That makes it more important than ever to live by an ethos instead of a set of rules. Without an ethos, the outcome of moral decisions can vary greatly. As a leader, you should expect mistakes with expertise, knowledge and experience, but values-based mistakes should be dealt with swiftly and not allowed.

Sacrifice. The willingness to sacrifice is one of the "secret sauces" of building trust. Sacrifice provokes a strong emotion, and people respond. Sacrifice as much as or more than you expect of your teams.

Technical proficiency. There are few honors higher to a SEAL than being referred to as a "great operator." It means that he has mastered the trade skills and leadership skills for his level. Be an operator and people will trust your performance.

The internal trust within your team, department or organization develops into a trustworthy brand. Consistent internal trust over time leads to trust with an organization's customers.

Two Is One, One Is None

Two people with complementary skills and abilities working together toward a common goal can be more than twice as effective as one man alone. They leverage each other's skills and presence; they cover each other; and they help each other deal more effectively with VUCA. In the SEAL world, they always approach difficult tasks with a *swim buddy*. Without a swim buddy, the individual not only has no help, but he is also more vulnerable.

"Two is one, one is none" is a mantra for every SEAL. The swim buddy concept accomplishes the larger goal of getting everybody across the finish line faster. But there is much more than combined strength to the swim buddy principle. Most of it is psychological, and every bit of it is

tested in the heat of combat during times of VUCA. You make better decisions when someone else is with you. You are braver and stronger, and when held accountable for each other, both of you tend to perform at a higher level.

In the civilian world, successful people recognize the swim buddy concept and use it, often without realizing what it is. They may call their swim buddy a "partner," an "associate" or a "teammate." They have a swim buddy to bounce ideas off of, mesh their strengths and weaknesses with and support them throughout.

If you have swim buddies on your team, hold them jointly accountable for their performance. Their accountability to each other will follow naturally and will strengthen their performance. It's a positive cycle.

Developing a Perimeter

It has been observed that conventional forces can listen to a firefight happening at a distance and quickly identify the force as being Navy SEALs. When a well-trained and coordinated force gets into a firefight, they can sound several times larger than they actually are. Why? Because they are all firing and fighting in unison, not as individuals.

Similar effects might be observed with teams in the business or enterprise world. A team that works in unison seems stronger and more effective — maybe even more so than it actually is. If you define a perimeter, strengthen what's inside and make sure it acts, communicates and moves forward as a team, it will have greater credibility and impact than a loosely guided and coordinated band of individuals. A good leader defines the perimeter and leads all that's inside of it. What's inside the perimeter and how it works together become part of the team brand.

Danger: The Enemy Within Is Worse

Particularly in combat, the enemy inside the perimeter is worse than the one outside. Infighting and conflict within the team can inflict more damage on a team than the enemy outside the perimeter. It is a leader's responsibility to resolve the pressures team members face and to maintain the resilience of the team during periods of high stress. Teams can endure great amounts of outside stress if they keep the enemy outside and their teammates close, and if they are led by competent leaders.

The inside of the perimeter represents the team and what you want to accomplish through, by and with them. The enemy and danger should remain outside. The core of the perimeter is composed of our actions to accomplish our mission, our ethos and the elements of TRUST. Within the perimeter lie mutual respect, fairness, recognition, meaningful work, loyalty, caring, friendship, flexibility, honesty, humility, working together and all the other positive actions and virtues of a brotherhood.

Some things you can't control — volatile markets, competitors and world events. But a strong team with a strong perimeter can deal with those dangers.

Leading From All Parts of the Line

Good leaders know how to follow others when the situation calls for it. It's called *followership*. It is an element of leadership just as important as leading from the top.

SEAL leaders and SEAL Chiefs don't see their followership role as submissive or passive; they pursue it aggressively when the time is right. Being able to humble yourself as a follower and commit to someone else's decision is critical for any mission success.

Being the right kind of leader is critical to getting committed and engaged followers. When possible, leaders should always listen to their people's ideas and reserve giving direct orders for when they have to. When leaders let their people decide, it gives their people a greater sense of control over their jobs and ultimately a better sense of ownership.

People won't question the orders if they trust the leader; they will know that he is protecting the perimeter and doing the best he can for the mission and the team, not himself. What's important is that when a decision is made, people accept and execute it.

The strength of any team comes from the ability of its followers to execute plans from decisions made. As a leader, you must remember that you are looking for results, and those results lie in the hands of your followers. If you stay married to your own ideas long enough, the team will stop being creative. They won't come to you with solutions. Instead, they will wait to be told, knowing that their ideas won't matter.

Following is just leading from a different direction.

PART III: BATTLE RHYTHM TURNING BRAND AND BROTHERHOOD INTO MUSIC

Every culture has its own music. The SEALs refer to theirs as their "Battle Rhythm." Battle Rhythm is an organizational condition, or context, that helps individuals confront the change and VUCA of high-stress organizations — and enables the highest levels of success.

Certain patterns and elements create a rhythm to lead SEAL Teams through VUCA and situations of dramatic change and adversity. These patterns operate almost subconsciously and tend to lead to better decision making, problem solving, innovation and results by pushing authority down the organization through a high degree of trust.

Leading at the Speed of War

Leading at the speed of war means making the *right* decisions at the *right time*. This doesn't mean the *fastest* decisions but ones made at the right time — *timely* decisions that consider what's important but don't impair progress. Leading at the speed of war means making decisions without perfect information.

Leading at the speed of war requires you to trust your teams, to reap the fruits of the seeds of teamwork and brotherhood that have been sown up to this point. It means joining your troops in war, to know more, learn the truth, gain trust and react faster. It means allowing yourself to move outside your comfort zone. Otherwise, you'll get bogged down, won't react or can't decide. It means focusing on what's right, not what's wrong — too much focus on what's wrong will slow you down.

Leading at the speed of war is a system based on well-orchestrated values, teamwork and timing. When it works, it creates music.

Thriving on the Rhythm

If the leaders set up the right conditions for the team to thrive, sometimes the harder the job, the better the rhythm. But don't make it so hard as to break their spirit or make it so easy as to be dull.

To lead at the speed of war, one must share information both up and down the chain of command. Furthermore, the intentions behind leaders' orders must be clear. In the world of VUCA, unanticipated situations and opportunities arise, requiring your subordinates to exercise their own initiative. If they are clear on what winning looks like, they can use their discretion and make decisions that support the mission.

An effective expression of the leader's intent usually has three parts: purpose, key tasks and end state; appropriate guidance; and priorities. It's a clear and concise statement of what subordinates must do to succeed and achieve the desired end state in the environment they're in. It gives subordinates enough context to exercise initiative when unanticipated opportunities or constraints arise or when the plan they are executing is no longer relevant.

The leader's intent is not a restatement of the mission. It provides a broader purpose, one that helps put things in a clearer context. It is written in your own words, not as it comes down from command. Present the big picture, so people get a better sense of why they are doing what they are doing.

Ultimately, the better the team understands the mission and intent, the better equipped and empowered it will be to execute. But it only works in an ethos-based organization where individuals can be trusted to do the right thing.

The Man in the Arena

"Front sight focus" is a SEAL expression that means focusing on the front sight of your weapon when you want to hit the target. The farther away the target, the more critical is front sight focus. The target itself is blurred because your eye can focus on only one distance at a time, much like a camera.

It's the same in business. If you focus too much on the bottom line — and lead accordingly — you may miss your target. Leaders should keep people focused on the front sight post to ultimately hit the target. The trick is to see and know the target but to focus on the key steps — the sight posts — to get there. Focusing on the front sight means focusing on the smaller, doable parts of the job, which ultimately reduces fear. Hitting the target is the result of great leadership.

When you accept the responsibility of — and the accountability that comes with — leadership, there will be hard times. But remember, it's not the critic who counts. It's the man who is actually in the arena. If you cultivate the brand of a true leader, build and love your brotherhood and set the conditions for your people to thrive, there will be great rewards.

RECOMMENDED READING LIST

If you liked *First, Fast, Fearless*, you'll also like:

1. ***No Substitute for Victory* by Donna Kinni, Theodore Kinni.** The authors reveal what General Douglas MacArthur knew about setting goals; building sleek, fast-response organizations; and inspiring subordinates.

2. ***It's Your Ship* by D. Michael Abrashoff.** Captain D. Michael Abrashoff shares his experiences commanding a guided missile destroyer.

3. ***Turn the Ship Around!* by L. David Marquet.** The author shares insights as the crew gains unprecedented decision-making authority, the risks of doing so and the reward of an exponentially more effective organization.

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38-09 Mastering Leadership

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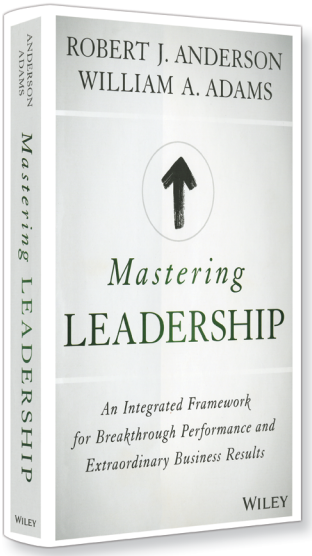

by Robert J. Anderson and William A. Adams

THE SUMMARY IN BRIEF

For most leaders today, complexity is outpacing their personal and collective development. Most leaders are in over their heads, whether they know it or not. The most successful organizations over time are the best led. While this has always been true, today escalating global complexity puts leadership effectiveness at a premium. Mastering Leadership involves developing the effectiveness of leaders — individually and collectively — and turning that leadership into a competitive advantage.

This comprehensive roadmap for optimal leadership features the first fully integrated Universal Model of Leadership — one that integrates the best theory and research in the fields of Leadership and Organizational Development over the last half century, the five stages in the evolution of leadership — Egocentric, Reactive, Creative, Integral and Unitive — along with the organizational structures and cultures that develop at each of these stages, six leadership practices for evolving your leadership capability at a faster pace and more.

Mastering Leadership provides a systemic approach for developing your senior leaders and the leadership system of your organization. By more meaningfully deploying all of who you are every day, individually and collectively, you will achieve a leadership legacy consistent with your highest aspirations.

IN THIS SUMMARY, YOU WILL LEARN:

- The four universal promises of leadership.
- Why mastery in leadership requires nurturing both your "inner" and "outer" games.
- The five levels of leadership and how they meet the challenges of today.
- Six key practices for developing your leadership.

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THE COMPLETE SUMMARY: **MASTERING LEADERSHIP**

by Robert J. Anderson and William A. Adams

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The Promise of Leadership

When we step into positions of leadership, we make a whole set of promises we may not know we are making. These promises are profound and come in the form of high, often unspoken expectations. Understanding, managing and living up to these promises defines our leadership. We all expect great things from our leaders, and these expectations constitute the Promise of Leadership. Leadership expectations come in two forms:

Explicit: Expressed expectations for certain outcomes that come with the role and that show up in the leader's job description (things like fiscal responsibility, accountability, strategy and execution).

Implicit: Unspoken expectations that stakeholders have of their leaders (things like competence, fair treatment, commitment, engagement, listening, acting on suggestions and providing inspiration, meaning and direction). Leaders rarely understand the impact these implicit expectations have on their perceived effectiveness.

Great leaders can be cultivated to meet and exceed our high expectations of them. In order to fulfill the Promise of Leadership, leaders must know what people expect of them, manage those expectations and develop into the person who can perform against them.

Based on research and field experience, there are *four universal promises of leadership*:

- Set the right direction, and create meaningful work.
- Engage all stakeholders, and hold them accountable for performance.
- Ensure that processes and systems facilitate focus and execution.
- Lead effectively — maintain relationships of trust to achieve and sustain desired results.

These four promises and the level of effectiveness (if not mastery) that they require — individually and collectively — constitute the Leadership Agenda for the organization. This agenda, mastering the art and practice of leadership, needs to be held by the Top Team and led as a key strategic priority and business imperative. The performance of the business — as well as the meaning and value creation of everyone associated with the business — depends on it.

Leadership Effectiveness and Business Performance

We will only seek a better model of leadership and make the Leadership Development Agenda a strategic priority if we believe that more effective leaders achieve higher performance and that we can develop effective leaders at a faster pace.

Leadership effectiveness is a primary contributor to business performance. In fact, data strongly suggests that if you can improve leadership effectiveness, you have a 38 percent probability of seeing that improvement translate into higher business performance. In other words, leadership effectiveness is a 38 percent lever, contributing heavily to the organization's overall performance. Since 38 percent is well beyond most companies' profit margin, developing effective leaders clearly deserves investment.

Collective Effectiveness

In business, *collective leadership effectiveness* is underutilized and rarely capitalized upon. Most development focuses on *individual* leaders, ignoring collective effectiveness and the leadership system — all leaders and managers in formal leadership positions.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Masiel Tejada**, Graphic Designer; **A. Imus**, Contributing Editor

The Extended Leadership Team (ELT) makes up the organization's Leadership System. Primarily the focus is on the top four levels of leadership — the CEO, their direct reports (C-Team and EVPs/SVPs, that level's direct reports (primarily VPs) and in some cases the next level down (primarily Senior Directors). The number of leaders on the ELT varies depending on a company's size. In large organizations, there are several hundred people within these ranks. In smaller enterprises, this group might be fewer than 20. Regardless of its size, the ELT is responsible for providing leadership to the entire organization. This group has more impact on how the organization performs than any other group.

Since the ELT determines the organization's direction and execution, collective leadership effectiveness is impacted by how well the ELT sets direction; aligns around vision and mission; agrees on key strategies and initiatives; develops a clear shared understanding of strategy; translates strategy into execution; understands each other's roles; collaborates together; makes decisions; creates an accountable, engaged, performance-based culture; focuses on achieving results; mobilizes and engages all stakeholders to achieve those results; and develops leadership that can do all the above.

The level and consistency of collective effectiveness of the leadership system makes the difference between organizations that perform optimally and those that do not. Individual effectiveness is necessary, but insufficient, for extraordinary business performance. Individual leadership effectiveness catalyzes collective effectiveness. The organization cannot perform at a level higher than the collective effectiveness of its leadership. Collective effectiveness is vital to fulfilling the Promise of Leadership.

The Leadership Development Agenda

We often confer the title of Master onto people who are highly effective at what they do. Mastery in anything — from sports, to the arts, to leadership — requires well-practiced capability mediated by a highly mature interiority: a well-honed "Outer Game" arising from a highly-evolved "Inner Game." Both are essential. Masterful leadership is Conscious Competence. The inner game runs the outer game. The maturity of the inner game is mediating and managing the outer game. Since this truth is largely ignored, most efforts to develop mastery in leadership focus on the outer game of competence with little focus on the inner game of consciousness.

The outer game of leadership consists of using all of our knowledge and experience, as well as our technical, managerial and leadership competence, to accomplish results. In high-pressure leadership roles, we might assume that the outer game is the only game; however, it is just the tip of the iceberg. What is happening beneath the surface is mediating and organizing the effectiveness of the outer game.

The inner game consists of our meaning-making system — what we use to make sense of the world; our decision-making system — how we analyze, decide and act; our values and spiritual beliefs; our level of self-awareness and emotional intelligence; the mental models that we use to understand reality, think, act and create; the internal beliefs and assumptions making up our personal identity — the system that we use to know who we are, and to define and deploy ourselves into circumstances. The more well-honed the outer game, the more effective we are. The more mature the inner game, the more effective we are. Mastery is a well-honed outer game arising from a very mature inner game.

Four Foundational Premises

There are four premises that underpin the Unified Model of Leadership.

Premise 1: Structure determines performance. This is a systems and design principle: the design of any system is the primary determinant of the performance of that system. Likewise, you are designed, individually and organizationally, for the performance you are getting.

Premise 2: You are a structure. You have an inner game and an outer game. The inner game is a complex system that includes your conscious and unconscious meaning and decision-making system, values, mental models, beliefs, assumptions, self-awareness, emotional intelligence and identity. This is our Internal Operating System (IOS). It functions like a computer's operating system, operating mostly below the surface, mediating and managing everything going on at the surface in the outer game. Each evolution in the operating system enables us to accomplish more with less — higher mastery amid greater complexity.

Premise 3: Consciousness is the operating system of performance. Consciousness (the inner game) is the deep structure of performance. The structure of our operating system focuses our attention, influences our choices, drives our behavior and determines the effectiveness of our actions (both short- and long-term). Performance, individually and collectively, is always consistent with our level of consciousness. We cannot perform at a higher

level of performance than is built into our operating system. Likewise, an organization cannot perform at a higher level of performance than the collective consciousness of its leadership.

Premise 4: To achieve higher performance, you must be restructured. Since structure determines performance and since you are a structure, if you want to break through to higher levels of performance, you must allow yourself to be restructured.

Escalating complexity requires that the creative, adaptive capacity of the leadership of the organization evolve at or beyond the rate at which complexity is increasing. The maturity of the outer game and the inner game of leadership, individually and collectively, must mature at a pace to stay relevant and competitive. The mastery or effectiveness of leadership depends on evolving the complexity of mind or consciousness of leadership to be more than a match for the complexity of market and business challenges.

Five Levels of Leadership: Structures of Mind and Performance

The Universal Model of Leadership is the first fully integrated model of leadership development. The premise at the heart of the Universal Model of Leadership is that consciousness can evolve into higher-order capacity to meet complexity — development proceeds from lower to higher-order Structures of Mind through a series of well-mapped stages. Personal transformation is the movement from one stage to the next.

The Universal Model of Leadership includes five stages: Egocentric, Reactive, Creative, Integral and Unitive.

Egocentric Leadership. This Stage begins at about 8 years of age and ends as the adolescent matures into early adulthood. Identity at the Egocentric level is "I am my needs." This identity does not notice others' (often competing) needs. The strength of egocentricity is the capacity to get our needs met and gain independence. Growth at this phase is taking others' needs and expectations into account. The Egocentric Mind in adolescence is normal. In adulthood, it is pathology. In leadership, it is oppressive and destructive.

Reactive Leadership. The developmental challenge of the Reactive Mind is to merge with society. As adolescents, we reluctantly give up our over-independence and learn that to get along we must go along. As we transition into the Reactive Mind, we learn societal rules and play by them in order to meet expectations. We construct a life that best fits and works within these expectations. Loyalty is not so much to the leader but to the organization and its objectives. Its political climate requires loyalty and obedience. Most change efforts seek to create structures and cultures that are flatter, leaner, more agile, more engaged, and require more ownership and creative involvement at lower levels than the Reactive Structure of Mind can tolerate. The Reactive Mind is outmatched by the complexities of organizational life today.

Creative Leadership. The transition to the Creative Structure of Mind is marked by two changes in the IOS: first, we shed some old assumptions that have been running us all our lives; and second, we initiate a more authentic version of ourselves as we shift from Reactive to Creative. The central questions of the independent, self-authoring, Creative Mind are, "Who am I? What do I care most about? What do I stand for? How can I make my life and my leadership a creative expression of what matters most?"

As the consciousness of leaders moves to Creative levels, they tend to design and create organizational structures and cultures that facilitate industry-leading business performance. Leaders begin to share power. It is no longer perceived as "letting go" of control but of gaining power by sharing it. The development of self and others is prized. People at every level (and there are fewer levels and broader spans of control) are deeply involved in decisions that affect them. There is a successful, quality culture that sometimes evolves into a self-managing organization.

Integral Leadership. The Integral Mind ushers in a level of leadership that is capable of leading amid complexity. We can now hold the whole complexity of our personality, good and bad, light and dark, hard and soft. We can see this inner complexity without flinching or needing to engage in some strenuous self-improvement regime. We see others this way — as complex multi-dimensional beings. We also see the world as a dynamic interplay of conflicting forces. Self-compassion for our incompleteness allows us to engage others and the larger system with the same acceptance. Integral leadership is best suited to lead the transformation of complex systems.

Leaders at this level become systemically and community oriented. The workplace becomes a self-renewing organization where members are true, engaged and participating partners. The organization is seen as a network of stakeholders nested within a larger system of networks. Vision often becomes global and oriented toward service to human welfare. Sustainability and long-term common good become salient values. This is servant leadership.

Unitive Leadership. At the Unitive stage, another major shift takes place. Up to this point, the self has seen itself as a separate self, as located within the body-mind. Now the self realizes that "I am not the body, nor the mind." In the early phases of the Unitive stage we identify with the "soul"—an essential self in communion with the Divine Reality. The Integral self is not discarded. That richly nuanced self is used to act in the world. It is highly functional and effective. It becomes a useful tool of the spirit.

Further into the Unitive Stage, the astonishing oneness underlying and just behind diversity becomes obvious. Leaders at this level function as global visionaries and enact world service for the universal good. From the perspective of Unity, we are all each other: one family.

Task and Relationship

If leaders effectively organize and execute to accomplish tasks and establish great relationships, they will be effective. If leaders are ineffective on either task execution or relationship capability, their leadership effectiveness diminishes.

A leader can manage people Creatively — in a way that engages, empowers and brings out the best in them. Or that leader can engage people Reactively — in a way that is people-oriented and heart-centered but gives up too much power in service of being liked and accepted. A leader can manage tasks Creatively — purpose-driven and vision-focused that translates into effective execution on results and systemic improvement. Or, a leader can manage tasks Reactively — over-controlling and driving the organization and people beyond sustainable limits.

Mastering leadership is long-term life work. As Warren Bennis said, the process of developing extraordinary leadership is the same process as becoming an extraordinary person. To fulfill the Leadership Imperative, we need to rethink how we develop leaders. Our efforts need to be long-term and systemic (not piecemeal and episodic), individual and collective, and integrative of the inner and outer game of leadership. Anything less is not likely to succeed.

The Leadership System: The Central Organizing System

Businesses are facing a Leadership Imperative that requires them to focus on and accelerate the development of effective leadership. This requires a transformative approach to the development of leaders, individually and collectively.

Six systems within organizations must be carefully developed and maintained for businesses to thrive and organizations to be changeable.

System 1: Leadership. First and foremost, the Leadership System ensures that organization identity is defined; this happens by providing direction and strategy and ensuring alignment. Overall, the leadership system is responsible for creating meaning, setting context and maintaining the conditions by which the organization can thrive.

System 2: Communication. Everything happens in or because of a conversation, and every exchange is a potential moment of truth — a point of failure or critical link in the chain of success. Effective communication creates organizational meaning. Organizational meaning produces the context in which the entire organization operates. What you say, the way you say it and where, when and under what circumstances it is said shape the performance culture.

System 3: Accountability. Leaders translate vision and strategic direction into goals and objectives, actions and accountabilities. Performance accountability systems clarify what is important and what is expected of people. They align consequences for efforts with actual performance. Leaders need to build discipline into their leadership process and management cycle to achieve accountability, predictability, learning, renewal and sustainability.

System 4: Delivery. The best organizations develop simple processes that are internally efficient, locally responsive and globally adaptable. Complexity is removed from the customer experience to enable them to engage you in ways that are both elegant and satisfying. Establishing and optimizing operational performance is an ongoing journey. Operations need to be focused on the priority work, using the most effective techniques: aligning initiatives and operations with strategy, continuously improving operations, pursuing performance breakthroughs in key areas, using advance change techniques in support of major initiatives, establishing a pattern of executive sponsorship for all initiatives, and building future capability and capacity.

System 5: Performance. The Human Performance System is designed to attract, develop and retain the most talented people. The idea is to hire the best people and help them develop their skills, talents and knowledge over time. Of course, it becomes critical, as they add abilities and know-how, that they are properly rewarded such that they feel good about their work and remain loyal, dedicated employees.

System 6: Measurement. A system of metrics, reviews and course corrections keeps the business on track. Organizations need concrete measures that facilitate quality control, consistent behaviors and predictable productivity and results. Within these parameters, *control* is instrumental to viability and profitability. Leaders establish and maintain the measurement system to ensure disciplined processes. They track progress against strategy and planning, review status on operational results through clear key metrics, update the strategy regularly, and ensure action is driven by insight based on relevant, current information focused on achieving the vision.

This Six Systems model helps us understand how everything within an organization is a system that, when fully integrated, optimizes overall performance.

Next, we'll dive into the progressively developing Structures of Mind (Reactive, Creative, Integral and Unitive).

Reactive Leadership

The evolution of the Egocentric Mind into the Reactive Mind is a triumph of development. The Reactive Mind is well suited for growing into adult life, but as life gets more complex — with competing demands of expanding leadership roles, growing families and mounting financial commitments — Reactive Structure likely meets its limits.

Reactive Structure is inadequate to lead effectively today because volatility and complexity put a premium on the ability to adapt and recreate the organization in new and innovative ways. Reactive Structure is designed to return to normal for six reasons.

First, the Reactive Mind forms in the transition out of adolescence when the challenge is to join with, to merge with, the prevailing cultural reality. Development succeeds to the extent that we take on the mental models, values, rules and ways of operating that are structured into the world of which we are members. We build our lives, roles, careers and identities such that we succeed within the current culture. The Reactive Mind is designed to fit into and to replicate what is, not change it.

Second, the Reactive Mind is problem focused — organized to remove the problem. At best, when we try to fix our way forward, we eliminate the problem, which returns us to homeostasis, not to a new future.

Third, the Reactive Structure of Mind is designed to reduce the inner conflict (fear, anxiety and self-doubt) created by the problem. As such, it orients on safety in a play-not-to-lose game. Since we get what we avoid, the Reactive Structure tends to re-establish what we do not want.

Fourth, if our Reactive strategy is successful, it attenuates the inner conflict that is motivating the very behavior we are using to make change. This sets up the likelihood that we will stop reacting as the inner conflict recedes, and thus, the problem returns.

Fifth, the inner conflict we feel is generated by beliefs and assumptions that run on autopilot. These beliefs are externally structured and were formed by taking on the dominant assumptions of the current cultural reality. Worth and safety are maintained through external validation. We live, therefore, reactively. We are motivated to live up to the expectations of others, which we mistake as our own. This dependency on external validation creates fear, keeps us habitually in a play-not-to-lose game, has us seeking safety over purpose, and thus sets up the oscillating/balancing loop structure that maintains current reality in a way that is consistent with our belief structures and consistent with current reality as it is.

Sixth, Reactive Structure orients toward safety. The choice to pursue a larger purpose and vision gets compromised. There is no risk-free path to creating the future we want. The safe paths all lead back from whence we came. To lead transformation is a risky business. It requires the biggest risk of all: that we change fundamentally. Reactive Structure, in its unconscious, play-not-to-lose, fear-attenuating, externally dependent structure, is simply not designed to lead into a more purposeful vision of the future.

Creative Leadership

The transition from the Reactive to the Creative Mind is arduous. Only about 20 percent of adults fully make it. It is the major transition in most adults' lives.

The core of the Creative IOS is a constant focus on a desired future vision, and amid the current reality (with all its mixed messages and hurdles) taking authentic, collaborative action to bring that vision into being over time. Creative Leadership is about creating an organization that we believe in, creating outcomes that matter most and enhancing our collective capacity to create a desired future. It is designed for change, to bring into being what is envisioned.

The energy that fuels the Creative Mind is passion. While fear is naturally present when creating what we want, fear is not running the show. The focus on purpose and vision generates a passion, love and commitment that is bigger than the fear. It is more powerful, and, thus,

Creative Structure supersedes the Reactive play-not-to-lose game. The focus on vision, fueled by passion, results in action, not reaction. In the Creative Mind, we act to bring into being what we most care about. It is called Creative because it is designed to create what matters most.

Creative Structure of Identity

In the transition to the Creative Self, we experience a shift from an externally based identity that is dependent on outside validation to an internally based identity. In this identity, we do not base our self-esteem, worth and security on how others see us. Our self-esteem, worth and security are in our own hands. We establish them not by living up to others' standards but by living up to our own. In this transition, people often refer to "finding themselves," discovering their "authentic self" and enjoying a new level of inner freedom and creative capacity.

As this perspective-taking and challenging process unfolds, we develop new assumptions that are structured from the inside out, not dependent on outside validation. The belief that "my future is in your hands" is replaced with "I am responsible for and capable of creating my own future."

Six Leadership Practices

Leadership is a set of practices. The notion of practice is simple: To master anything, you need to practice; to become more effective in your leadership, you must continually practice and improve both your outer game and your inner game.

Here are six essential leadership practices that, if approached as ongoing disciplines, reliably mature the inner game and develop outer-game capabilities. These practices, taken together, are a spiritual boot camp for leaders. They are spiritual because they call forth the highest and best in us. They are a boot camp because they change and restructure us, making us more fit to lead. They reliably transform the Reactive Mind into the Creative Mind and beyond.

Practice One: Discerning Purpose. A primary task of a life creatively led is to discern the purpose of our life. The Creative Mind orients itself on the purpose that seeks to come through us. Discerning purpose is a practice of attention, much like tracking a deer through woods. The deer leaves signs if we know how to read, track and stalk them. Discerning purpose requires attention to the trail, to the minute, subtle and detailed clues our life is leaving as we live it (or as it lives us). Life has been speaking to us for a long time about what matters most. It has been leaving a trail. It remains for us to have the courage and the discipline to pay attention. This practice is about learning to trust those moments of clarity when purpose is speaking.

Practice Two: Distilling Vision. The Creative Mind is focused on creating vision; thus, the discipline that most evolves the Creative Mind is the challenge of self-authoring a vision of greatness for ourselves and for the organization. There are five elements of vision: Vision is personal, specific, lofty, strategic and collective.

Practice Three: Knowing Your Doubts and Fears. We stalk our longing until it distills into vision. The vision then challenges us to transform ourselves into an effective and powerful vessel for realizing the vision. The new vision will challenge the status quo of who we are, how we live and lead, and how our organization is performing. Vision challenges and evolves the current state of things. We are never "done" with purpose or vision. If we are tracking it and stalking it, it keeps pulling us toward becoming the ever-larger person/leader that wants to emerge. It stretches us. When we are stretched by vision, when we choose to "step up," we meet our doubts and fears at the door.

Practice Four: Engage in Authentic, Courageous Dialogue. Courage is the willingness to be authentic, to speak and act in ways that express and embody our vision of greatness. The whole culture is going on in every meeting: the level of honesty or withholding, caution or courage, vision or compromise, integrity or manipulation, clarity or lack of clarity. To change the culture is to change the moment. The vision lives or dies in moments of courage. We either opt for purpose and take the risk of saying what we really think and feel, or we opt for safety. In this choice we either advance the vision or hold it back. The power to create the culture we want lies in authenticity.

Practice Five: Develop Intuition, Open to Inspiration. Finding leverage points within systems that are so complex they defy rationality requires that leaders trust a way of knowing that is beyond rationality and deductive logic. Leaders must learn to use data and rational analysis as far as it can go and then listen to their gut, their intuitive knowing about the best or right thing to do. Intuition is the gateway to the higher, more spiritual dimensions of ourselves. Creative Leadership is courageous, authentic, purpose-driven, visionary, strategic, emotionally intelligent and inspirational. All of this is informed by intuition.

Practice Six: Think Systemically. In the presence of a new and compelling vision, structures and systems must evolve. Structural forces are more powerful than individual commitment. Only when leaders courageously meet the challenge of structural change head-on can they make

their vision a reality. Systems have a powerful immune system that seeks homeostasis or equilibrium, and they push back hard when change is introduced. This tendency to resist change helps to ensure the survival of the system; it also makes systems difficult to change. Significant changes in individual and collective performance must first take place at the level of structural design.

If practiced regularly, these six practices do two things: 1) they transform consciousness from Reactive to Creative and from Creative to Integral, and 2) they create high performance individually, collectively, organizationally.

Integral Leadership

The Integral Mind is built for complexity, designed for leading change within complex systems amid volatile, ambiguous and rapidly changing environments. By the time leaders evolve to the Integral Stage, their leadership is likely to be extraordinarily effective, if not masterful.

The visionary leader becomes the Servant Leader. The focus is both on the success of the organization that we are leading (the hallmark of Creative Leadership) and on the interdependent welfare of that organization and its larger system. The visionary leader becomes the servant of the whole system and all of the interdependencies that, together, co-construct the welfare of all stakeholders. With this transition, both time horizons and organizational perspective expand. The strategist becomes the system architect.

Leading systemic change requires leaders to hold a high level of conflict, tension, ambiguity and unresolvedness. Integral Mind can hold huge opposites in tension over a sustained period of time, thus allowing the dialogue of key stakeholders to arrive at breakthrough, high-leverage solutions to complex problems. These leaders can do this with effectiveness, mastery and wisdom because the self has gone through yet another metamorphosis, another profound internal transformation in identity. Its inner game has gone from inside out to an ecology of opposites.

Fierce Compassion

The inner work of the Integral transformation is shadow work — work that integrates shadow elements into a larger, more inclusive construction of the self. This can only happen with searing honesty, self-compassion and forgiveness. It is just this honest compassion for the inner conflict and unresolvedness within oneself that enables the leader to hold the conflicted visions and redundant polarities in the outer world with equanimity, tolerance and compassionate forgiveness.

This fiercely embodied compassionate leadership is now mature enough to call forth conflicting stakeholders and hold them in a dialogue with the level of tolerance, urgency, acceptance, resolve, forgiveness, humility and courage that allows for higher-order systemic resolution to emerge.

When leaders reach this stage, they are capable of orchestrating a high level of collective effectiveness and intelligence. As a result, new, sustainable future visions, as well as the systemic design innovations required to realize them, naturally emerge. The Integral Mind is capable of navigating through the complex and interdependent issues we face in our global business environment as well as geopolitically.

Unity: Journey's End

Each progressive Structure of Mind is a more mature ego-identity structure. The movement into Unity is different. The ego is not matured into Unity — it is surrendered. You must forget yourself. Unity Consciousness is not a higher-order Structure of Mind, of ego or identity. Unity Consciousness is identity-less.

This creates a dilemma: developing the self that is no self. Development is still necessary, however. Most of us will not realize Unity Consciousness in this lifetime. So, we need something to do that helps. Why not develop? Why not become more effective? Furthermore, living as Unity will not necessarily make you a more effective leader. You still have to live, work and lead in the complexities of the current business environment. You still need a complex Structure of Mind through which to translate insight into action and results.

When the consciousness that animates us and our leadership is that of Unity, justice is our natural state: non-violence toward, acceptance of and tolerance of difference is effortless. We become servants of humanity. We see that all creatures are one in that Unity, and we become stewards of the planet. This is the Leadership Imperative.

RECOMMENDED READING LIST

If you liked *Mastering Leadership*, you'll also like:

1. ***Grounded* by Bob Rosen.** Rosen's Healthy Leader model highlights six personal dimensions that any leader can master: physical, emotional, intellectual, social, vocational and spiritual health.

2. ***Unusually Excellent* by John Hamm.** *Unusually Excellent* offers both seasoned and aspiring leaders a framework for understanding and applying the fundamentals of leadership at every stage in their careers.

3. ***The Truth About Leadership* by Barry Z. Posner, James Kouzes.** Leadership experts James Kouzes and Barry Posner share 10 time-tested fundamental truths about leadership and becoming an effective leader.

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Leadership

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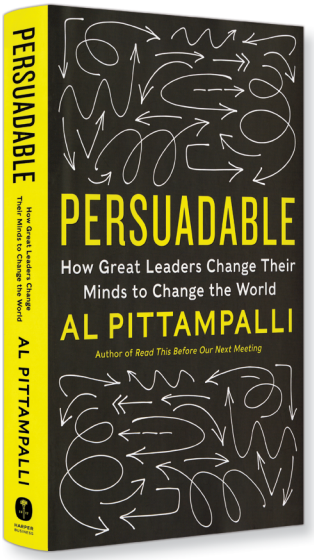
How Great Leaders Change Their Minds to Change the World



by Al Pittampalli

THE SUMMARY IN BRIEF

As a leader, changing your mind has always been perceived as a weakness. Not anymore. In a world that's changing fast, successful leaders realize that a genuine willingness to change their minds is the ultimate competitive advantage.

Drawing on evidence from social science, history, politics and more, business consultant Al Pittampalli reveals why confidence, consistency and conviction are increasingly becoming liabilities — while humility, inconsistency and radical open-mindedness are powerful leadership assets.

In *Persuadable*, you'll learn why being persuadable yields accuracy, agility and growth. But Pittampalli doesn't just explain why you should be persuadable. Distilling cutting edge research from cognitive and social psychology, he shows you precisely how by outlining seven key practices: consider the opposite, update your beliefs incrementally, kill your darlings, take the perspective of others, avoid being too persuadable, convert early and take on your own tribe.Through clear and compelling descriptions and stories, you'll learn exactly how to practice the art of persuadability.

Rife with actionable advice, *Persuadable* is an invaluable guide for today's data-driven, results-oriented leader.

IN THIS SUMMARY, YOU WILL LEARN:

- Why persuadability is especially suited for today's business environment.
- The seven practices of persuadability and strategies for using them.
- Why it's often better to persuade your own tribe before you try to convert others.

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THE COMPLETE SUMMARY: **PERSUADABLE**

by Al Pittampalli

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Persuadable: How Great Leaders Change Their Minds to Change the World by Al Pittampalli. Copyright © 2016 by Al Pittampalli. Summarized by permission of the publisher, HarperCollins Publishers. 256 pages, $29.99, ISBN 978-0-0623-3389-6.

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The Changing Face of Leadership

In every imaginable field, a stunning number of successful leaders are breaking away from the traditional leadership archetype. One after another, they're progressively moving toward a new, flexible way of thinking: persuadability.

Persuadability is the genuine willingness and ability to change your mind in the face of new evidence. Being persuadable requires rejecting absolute certainty, treating your beliefs as temporary, and acknowledging the possibility that no matter how confident you are about any particular opinion — you could be wrong. It involves actively seeking out criticism and counterarguments against even your most long-standing favored beliefs. Most important, persuadability entails evaluating those arguments as objectively as possible and updating your beliefs accordingly.

Globalization, hyperconnectedness and the rapid advancement of technology have all made the world more complex, dynamic and unpredictable. At the same time, we have access to more knowledge, data and analytics than ever before to help us make sense of this world. Smart leaders exploit this shift, viewing it as an opportunity to succeed. In a world that is unpredictable, ultracompetitive and fast-changing, being persuadable is the ultimate competitive advantage.

Actively open-minded leaders are in a hurry to find out the truth no matter what it is, good or bad. They understand that the quicker they know the truth, the faster they can deal with it. Highly successful leaders go out of their way to challenge and even kill off their most cherished beliefs. If they're successful, good riddance. The belief deserved to be discarded. If it survives, they, as well as the belief, will emerge stronger. It's this gutsy mindset that allows leaders to reap the most benefits of the Persuadable advantage.

PART I: THE PERSUADABLE ADVANTAGE

Get Smart: Accuracy, Agility and Growth

Being persuadable gives leaders three key advantages. The first is accuracy. Being persuadable enables a better, more precise understanding of the world. This improved understanding allows you to make smarter decisions and more accurate judgments.

Improved accuracy begets the two other advantages: agility and growth. Being persuadable improves your ability to recognize and swiftly respond to incoming threats and opportunities. And finally, being persuadable allows you to honestly evaluate your performance so that you can identify your own weaknesses as well as solicit feedback in order to improve.

You've probably seen a refractor before. Stationed in any optometrist's office, this mechanical device looks like something out of a science fiction film, a forbidding black-and-silver contraption studded with lenses of differing strengths. Eye doctors use a refractor to determine your eyeglass prescription.

The doctor begins by having you sit down at the refractor and look at an eye chart through a pair of lenses. In the beginning your vision is bound to be fuzzy. The doctor then adjusts the refractor so a new lens replaces the old one and asks you for feedback, specifically, "Which one is better: #1 or #2?" If you answer #2, the new lens replaces the old. Then the process repeats, with

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the doctor adding another lens and comparing them: "Which one is better: #1 or #2?" Each time, your vision improves slightly as the doctor continues to refine the lens. After many rounds of this, you end up with vision that is dramatically enhanced.

This is the power available to leaders who are willing to be persuadable. By progressively, incrementally evaluating and assessing the clarity of their vision to see if it could be improved on, persuadable leaders engage in an invaluable process that optimizes their ability to make decisions. As a result, they end up being more accurate.

Agility

Now more than ever, leaders are desperate for agility. A survey by McKinsey & Company found that "nine out of ten executives ranked organizational agility as both critical to business success and growing in importance over time." Yet despite being a stated priority for years, countless companies fail to adapt.

Unfortunately, humans are plagued by what psychologists call a status quo bias, meaning that we often have a strong preference for the current state of affairs over some alternative. In general, our status quo bias causes us to seek out information that supports the status quo with greater intensity than information that threatens the status quo.

In order to overcome the status quo bias, leaders need to pay close attention to information that threatens their current plans. In fact, leaders need to aggressively seek out the unpleasant facts. This mindset is the essence of agile leadership.

Growth

The tendency to overestimate our own skills, abilities and performance is called illusory superiority (or, in lay terms, the better-than-average effect) and plagues virtually all of us across a wide range of traits and behaviors. A litany of studies have shown that people think they're better than they actually are at everything, from personality traits, such as intelligence and honesty, to skills such as driving and academic performance, to how charitable they are.

But while illusory superiority can make us feel good about ourselves, it has severe disadvantages to anyone who is interested in growth. In order to improve, we need to know precisely what the gap is between where we are now and where we'd like to be. We must understand our weaknesses.

If we want to know how we're doing, we can seek out insights from others. Despite the proven value of feedback, however, most people don't seek it out nearly as often as they should. It forces you to confront the unpleasant reality that you're not as good as you want to believe, which can be damaging to your self-concept.

Persuadable leaders gain more accuracy, agility and growth than their peers because they have an intense willingness and desire to constantly update their understanding of the world in the face of new evidence. But one common theme among them is their realization that they can't do it alone. Persuadable leaders understand they are limited by their own biases and therefore frequently seek out the opinions of others.

The Truest Path to Self-Determination

The willingness to change your mind in response to evidence is a powerful character strength. Unfortunately, our culture doesn't always see it that way. While we may praise open-mindedness and humility in the abstract, in reality, when acted on by our leaders, these traits are often perceived as signs of weakness. People who change their opinions — even for intelligent reasons — risk being labeled flip-floppers or pushovers.

Sometimes resisting persuasion is the least self-determined thing a leader can do, and being persuaded is often the most self-determined thing a leader can do.

The truest path to self-determination is not knee-jerk defiance but autonomy. Autonomy may sound like resisting the influence of others, but it's a much more comprehensive and measured pursuit than that. Autonomy involves a conscious deliberation of all available evidence, along with reflecting on your own values and goals, and *then* making the decision. Sometimes this process results in resisting external pressures; other times it results in aligning with them. What determines if it's free will is whether you've made the choice that you truly think is the best *regardless of the external pressures.* Not just understanding but embracing this concept is essential for leaders to be persuadable.

A theory was developed in 1966 by a social psychologist named Jack Brehm who realized that all human beings consider freedom a critical need. So much so that when they perceive their behavioral freedoms are being threatened or eliminated, they enter a state of emotional arousal called reactance. It's essentially an inflamed attempt to reassert the very freedom that is being taken away. Reactance is often accompanied by overt displays of aggressiveness or anger.

Leaders are especially susceptible to reactance. As a general rule, the more power one has, the more one has the incentive to maintain an appearance of authority and command and therefore resist influence.

Any young child can resist persuasion, but no one would argue that children are the quintessential examples of self-determination. What happens with age and maturity is that we learn to control our reactance. We develop the ability to determine our own fate by making a truly free choice. Sometimes making a free choice results in our accepting persuasion. Sometimes accepting persuasion is the most self-determined action we can take. The lesson is this: making the choice that matches your interests and values at the highest level of reflection, regardless of external influence and norms, is the true mark of self-determination. This is what's known as autonomy.

TOMS

In 2006, while vacationing in Argentina, a college dropout named Blake Mycoskie met an American woman in a café collecting shoes for the poor. Blake was heartbroken to learn that so many children in the third world were in need of shoes. Soon inspiration struck: What if he created a shoe store where every time someone bought a pair of shoes, another pair — the same exact pair — would be donated to a child in need? Everyone around him said his one-for-one idea was impossible.

But Blake Mycoskie thought otherwise. And so TOMS shoes was born, and the rest is history. In less than a decade, TOMS has given away more than 35 million pairs of shoes to kids in need in over 60 different countries, one of the darlings of the social-good world.

But as TOMS grew, it began to draw criticism. Some people argued that TOMS was disrupting local markets by manufacturing shoes in Argentina, China and Ethiopia and then importing these shoes into poor countries, thereby undercutting local producers. Others insisted that donating shoes is vastly less efficient than just donating money to programs whose sole mission is to alleviate poverty.

At first Blake admittedly took it all personally. But then, he paused to carefully reflect on the critiques. After doing so, he came to realize that his critics had a point. There was much more that he could do to help. And so at the 2013 Clinton Global Initiative event, Blake made a big announcement. In early 2014, TOMS would build its first major plant in the country of Haiti, where it would hire at least 40 local employees to operate the plant. He went on to make a pledge, to be realized by the end of 2015, that one-third of TOMS shoes would be manufactured in the countries where the shoes are donated.

The Blake Mycoskie who defied the critics to begin his company is as self-determined as the Blake Mycoskie who followed his critics' advice to change the way he does business. The critical attribute here is autonomy, the willingness to reflect on different opinions, rather than to just reflexively dismiss them.

PART II: THE SEVEN PRACTICES OF PERSUADABLE LEADERS

Consider the Opposite

If being persuadable means changing our minds in the face of evidence, the first thing we have to be able to do is to spot evidence when it crosses our desk. Noticing evidence that supports our current beliefs is easy, but when it comes to counterevidence — information that cuts against our current hypothesis, theory or opinion — it can be devilishly difficult. When we look at counterevidence, it often appears to us as an anomaly (a one-off that should be dismissed completely) or else as information that, despite contradicting our current way of thinking, somehow strangely confirms it.

The force responsible for this distorted thinking is what's known as the confirmation bias. The confirmation bias is one of the most powerful and insidious forces in human behavior, and if we want to be persuadable, we're going to have to learn how to manage it.

There are two forms of confirmation bias, which we can refer to as "motivated" and "unmotivated." You're likely already familiar with the motivated form of the confirmation bias (MCB). This is where people seek out information that supports their preferred conclusion and ignore information that contradicts it. It's the other unmotivated kind of the confirmation bias (UCB) that's far more subtle and difficult to recognize. Confirmation bias doesn't only apply to people who have a horse in the race. Even without a stake in the matter, we are susceptible to this bias.

In order to understand why that is, we need to acknowledge one of the most fundamental priorities of the human brain: conservation of energy. When making sense of the world, we tend to follow a simple rule: use only as much energy as we can get away with. This is why, when called on to deliberate about something, we first tend toward a kind of thinking we can refer to as "intuitive reasoning," which requires little cognitive power. Intuitive reasoning is a slow and often careful form of thinking, but it's narrow in that it follows only one train of thought without

considering alternatives. Like motivated reasoning, intuitive reasoning begins with a conclusion and reasons backward.

The Key to Identifying Counterevidence

In order to recognize counterevidence, we need to tap into a cognitively expensive kind of reasoning called reflective thinking. Keith Stanovich, emeritus professor of applied psychology and human development at the University of Toronto, explains in his meticulous book *Rationality and the Reflective Mind* that reflective thinking consciously and deliberately considers competing scenarios that aren't immediately obvious. While this might sound intimidating, it's actually very straightforward and simple to do. The most direct and helpful way to access this kind of reasoning is just to "consider the opposite."

Considering the opposite really is a simple technique. Ask yourself questions like, "What are some reasons I may be wrong?" Or "What's an alternative explanation for this information?" All you need are a few direct questions that force you to consider alternative scenarios.

The hardest part of considering the opposite is knowing *when* to do it. That's because when we have a model of the world (and we all do), we don't relate to it as our model of the world; we relate to it as reality. It's like wearing a pair of contact lenses that change the way we see everything. At some point you forget you're even wearing contact lenses, and the world just *is*.

That's why we need to be on the lookout for clues. The first clue, which is a signal that you're being guided by the confirmation bias and might need to consider the opposite, is when, in response to some information, you experience intense emotions like anger or anxiety. That is the time to intentionally consider the opposite.

The second clue you should be on the lookout for is confusion. Imagine you find yourself in an argument with a friend with whom you had just canceled coffee plans. He is excoriating you for what he sees as a pattern of not following through on commitments with him. As you pride yourself on generally keeping commitments and honoring your word, you are deeply offended. What he is saying doesn't feel true at all.

As you are debating, he mentions two other times that you had failed to follow through on commitments. Your first reaction is to continue defending yourself, but at that moment, noticing your own confusion, you catch yourself instead. You stop reaching for an explanation and consider the opposite. In that moment, you recognize that the feedback your friend is offering is legitimate counterevidence. He is right. You had failed to follow through on those two other commitments. You apologize and tell him you will do better next time.

If you want to recognize counterevidence, you have to be actively engaged and willing to remain puzzled, and to consider alternative scenarios more often than most. It takes mental effort, but the payoff can be extraordinary.

Update Your Beliefs Incrementally

What good is counterevidence if it doesn't change anything? How do we actually change our minds? It's surprisingly not that simple.

In the face of common, nonoverwhelming evidence, we tend not to change our minds. A large part of the reason is that human beings are prone to dichotomous thinking. We like things to be true or false, black or white. When it comes to facts, this isn't necessarily problematic, but alas it also applies to our opinions. In order to be persuadable, we need to move from thinking in black and white to thinking in shades of gray.

Thomas Bayes

Thomas Bayes was a theologian who, sometime in the 1740s, took a keen interest in theories of probability. Bayes was interested in inverse probability — because unlike a deck of cards, the world is often highly uncertain. We don't always know exactly what the cause is. Instead, what often shows up in our observations about the world is the effect. For example, upon getting handed four aces, what's the probability the dealer is using a loaded deck?

Any Bayesian analysis begins with an initial belief. Then we encounter objective information. When you combine the two, it gives you an improved belief. By continually updating our belief with new evidence, we can continually improve the accuracy of a belief. If we continue over and over again, the process ultimately will get us progressively more accurate beliefs. If we learn to treat all our beliefs as initial guesses with particular probabilities associated with them, then we can welcome new evidence as an opportunity to get closer to seeing the world the way it actually is.

A practical way to think about Bayes is the "three strikes" rule. It's a simplifying assumption that means to change your mind and get rid of any particular belief that you have confidence in, it'll take three strikes. When you first face counterevidence that isn't overwhelming enough to change your mind, think of it as strike one. This allows you to learn from the information, without needlessly overreacting and getting rid of the belief altogether. If you then find another piece of counterevidence, this is strike

two. At this point you should have some serious doubts about your belief, but still it's okay to remain unconvinced. But once you're hit with a third piece of counterevidence, now you know it's time to change your mind.

Kill Your Darlings

In 2014, Jeff Bezos brought Steve Kessel, one of his most trusted executives, into his office. Kessel ran Amazon's book division, the company's bread-and-butter business category. Bezos wanted Kessel to focus on e-books. At the time, Bezos could see that digital books were poised to threaten physical books, just as digital music had threatened CDs. He was still reeling from Apple's takeover of online music with its iTunes store. His reluctance to enter the market had caused Amazon to miss out on a tremendous opportunity, and Bezos wasn't about to let it happen again. So Bezos told Kessel that his first priority was to build an electronic reading device — a piece of technology that would become the dominant hardware platform for e-books, something innovative and impressive enough to be at the forefront of the movement toward digital books.

It was an ambitious call to action, but Kessel was confused. A foray into digital would undermine Amazon's traditional business, cannibalizing his current division's physical book sales. Bezos was well aware of this conflict of interests. He had been highly influenced by Clayton Christensen's eye-opening book *The Innovator's Dilemma,* which attributes the downfall of great companies to their unwillingness — in the face of disruptive change — to actively go after new opportunities which, in the short term, undermine their core businesses.

Bezos assigned Kessel as the head of Amazon's new digital division and told him he wanted Amazon to own the e-book business.

Killing your darlings entails accelerating your journey to the truth by actively seeking out counterevidence — in an attempt to try to destroy your most favored beliefs.

What are favored beliefs? Put simply, they're ideas about the world that we want to be true. Some of our most favored beliefs take the form of "all is well." We want to believe that all is well with our health, that all is well with our business, that all is well with our marriage, our reputation, our prospects for getting a promotion.

For this reason, when faced with threatening information about our favored beliefs, remaining open-minded is a challenge. Even though the open-minded are open to the possibility that they might be wrong, they're in no hurry. Ordinary open-mindedness leads to ordinary growth and agility, but as Bezos proved, active open-mindedness leads to extraordinary growth and agility. In 2014 Amazon sold 65 percent of all digital titles in the U.S.

If you're committed to extraordinary growth, then you should be killing your darlings. Go out of your way and try to disprove your own favored belief. If you succeed, then you know that you can discard the belief. If you fail, then you can be more confident that your belief is the right one. If the exercise proves inconclusive, and it often will, you can wait for more evidence, knowing that you've done your duty for now.

Even when we're focused on the higher mission, the thought of killing your darlings will bring up tremendous anxiety — so much so that it can feel outright impossible. Why? It's because you're imagining the worst. Your unconscious mind is whirring with disastrous future scenarios, regardless of the likelihood of these ruinous details coming true. Ironically, imagining the worst can actually be one of the best strategies to dealing with anxiety. In many cases, visualizing the worst-case scenario in detail can lead you to come up with creative, winning solutions that never would have occurred to you otherwise.

Taking the Perspectives of Others

In order to lead effectively, we need to be understood. But in order to be understood, we need first to understand. People are complex creatures, and we can't communicate with and influence them effectively if we don't know their interests and positions. Often the way we think they see the world isn't the way they see the world.

In order for us to communicate effectively, especially when we're in leadership positions, we have to take into account the receiver's worldview. We need to take that person's perspective. Perspective taking is an exercise in reflective thinking. Reflective thinking is inherently difficult.

But for leaders there's an additional challenge. While being a follower increases your ability to take perspectives, leadership diminishes your ability. Adam Galinsky, professor of management and organizations at Columbia University, conducted experiments to understand how power affects people's ability to see someone else's point of view.

Galinsky's findings, that power diminishes perspective taking, shouldn't be surprising for two reasons: One, powerful people are the ones with the resources. Because they're less dependent on others, they simply are less incentivized to take other people's perspectives. This stands

in contrast to someone with low power, who often is very dependent on other people and therefore needs to understand what is going on inside their heads in order to fulfill their needs and get access to resources. Two, powerful people are busy. Because they have so many demands on their time and attention, they don't often stop to take others' perspectives.

Powerful people tend to anchor heavily to their own opinions, expecting that other people share their views. In order to be seen as fair, leaders need to communicate and explain policies in a way that takes into account others' interests and positions. But powerful people don't often take into account what others' needs and interests are.

Yet, even though powerful people are less likely to take perspectives, Galinsky found that when you combine the two, you get synergistic effects. Power galvanizes perspective taking. Powerful people become better at understanding the positions and interests of others, even when compared with low-power people.

All leaders, and people in power, have the ability to excel at understanding what the people around them are thinking, accurately identifying their positions and interests, if they're willing to make it a priority.

Avoid Being Too Persuadable

We have to realize that there is a tradeoff involved with being persuadable. Being persuadable enables accuracy, agility and growth — but it would be foolish to pretend that there are no costs to acquiring these benefits. We need to understand those costs so that we can recognize when being persuadable just isn't worth it and when we should, instead, be more decisive.

Being persuadable comes with both explicit and implicit costs. Explicit costs are visible and obvious. For example, let's say you run into some legal trouble. If you decide to pay a lawyer $300 an hour in order to hear her advice, that costs you real money ($300, to be exact). But that isn't the only cost. There are also implicit costs — for example, your time and attention. What if instead of paying for a lawyer you decided to research the topic online for free. Even though it doesn't cost you any money, it still costs you one hour of time and attention, scarce resources that also have value. Research shows that people who are persuadable, who care a lot about making the best decision, often forget to take into account these implicit costs.

The Danger of Diminishing Marginal Returns

When it comes to the quality of any decision, the incremental value of more information declines over time. In economics this is referred to as "diminishing marginal returns." When gathering advice for an upcoming decision you need to make, perhaps you begin by reaching out to a few people. They offer you valuable opinions and insights that you hadn't considered before. As a result, the quality of your decision is likely to go up. But at some point, for every new person you ask, the information is likely to be similar to a previous opinion. You're no longer receiving a lot of new insights. And so the quality of your decision probably won't go up by nearly as much. As you continue to solicit more opinions, the marginal returns for each new opinion begin to get smaller and smaller.

The failure to consider the costs of more analysis in relation to the diminishing marginal benefits is one of the traps that perfectionists tend to fall into.

How to Be Decisive Without Being Close-Minded

Remember two things when you want to be decisive: First, you are forgoing optimal accuracy. The benefits of decisiveness are speed, efficiency and action, but they're at the cost of accuracy. There's nothing necessarily wrong with that. The problem occurs when we believe that our decision is still, somehow, the most accurate one possible. Then we fall into overconfidence, dismissing a review of the decision later, in case we need to amend or correct something.

The second thing to remember is that we shouldn't maximize decisiveness any more than we should maximize persuadability. When we become too decisive, we also become close-minded and blind to new information. The world is just too fluctuating and unpredictable for this. Even something that you thought was settled may abruptly change or be overturned.

Convert Early

As a leader, if you want to change the world, the quickest and most powerful way is often not to persuade others — it's to be persuaded yourself.

The diffusion of innovations model is most often applied to products, but it works just as well with ideas and behaviors. The model predicts that any innovation progresses through predictable stages. Each stage marks the penetration of the idea into a different group: innovators, early adopters, early majority, late majority and laggards.

Although from the way the curve is normally drawn, it looks as though there should be a seamless transition between the groups, there isn't. In fact, the transition between the early adopters and the early majority is

notoriously the most problematic. According to the business expert Geoffrey Moore, between these two groups lies a chasm. The reason for this is that early adopters have very different needs than the early majority. Early adopters are visionaries who like taking risks, while early majority members are practical and dislike taking risks. And, perhaps most critically, the early majority make their decisions based on what their peer group is doing.

For any idea to be adopted by the majority of society, it must cross the chasm — meaning it needs to be embraced by the early majority. But in order for the early majority to adopt an idea, a few brave souls have to go first. They need to courageously change their minds, defying the current social norms. This punctures unanimity and allows for nonconformity within that critical early majority group. These early majority champions prove indispensable by serving as a legitimizing reference to their peers. In addition, now we know — thanks to researchers Nicholas Christakis and James Fowler — that this influence affects not only the people closest to them but others in their social network distant degrees away. Ultimately, this creates the possibility of accelerating social movements.

Leaders, of course, have an even greater ability to accelerate social movements by changing their minds. Because of their status, they are more likely than others to transmit social norms in an impactful way.

Take On Your Own Tribe

Since our earliest history, human beings have belonged to tribes. It's how we survived, through cooperation and solidarity. This tendency to be a part of tribes remains with us today.

You didn't consciously choose many of your beliefs and positions. You adopted the belief, not through analysis, but mainly because it was normal and acceptable within your tribe. Conformity toward shared beliefs leads to feelings of attachment and solidarity with fellow tribe members. It's like the glue that holds groups together.

Conformity is an undeniably strong and problematic force because it causes people to believe things without evaluating the reasons. But conformity isn't the only problem inside tribes; there's also polarization. When everyone in the tribe shares the same beliefs, discussions and debates tend to be one-sided, and an echo chamber is created. This type of self-reinforcing dialogue leads people to ever greater certainty about the tribe's ideas. As a result, people in tribes, when left unchecked, often develop extreme views and become wildly overconfident that these views are true.

We're more likely to listen to people whom we find very similar, preferably fellow members of our own tribes. This presents an opportunity. Instead of futilely badgering people outside of our tribes and telling them "you're wrong," what if we brought change to our *own* tribes by employing a much more persuasive statement, "*we're* wrong."

If ever there was a time to take on your own tribe, it's now. According to journalist Bill Bishop's landmark book, *The Big Sort*, over the past several decades a monumental shift has occurred in the American cultural landscape. We have been sorting ourselves into communities of closely like-minded people to a staggering degree. While in 1976, less than 25 percent of Americans lived in places where the presidential election was a landslide, Bishop points out "by 2004, nearly half of all voters lived in landslide counties."

With ever greater frequency, we're clustering into tightly knit groups of increasingly homogenous beliefs: churches, volunteer groups, civic organizations, clubs and businesses. The result is a vast buzzing echo chamber that has taken over so much of the national discourse.

In this epidemic of homophily, the most powerful thing you can do is to listen to those with whom you disagree, change your mind in the face of good reasons and then help change the minds of others similar to you. Right now, there is no shortage of unreasonable activists committed to pushing their own tribe's cause. What we're sorely in need of are reasonable individuals courageously willing to change their own minds and champion the cause of others. What we need now are persuadables.

Take pride in being persuadable. It's the highest human ideal to try to map our beliefs as closely as possible onto the actual structure of the world.

RECOMMENDED READING LIST

If you liked *Persuadable*, you'll also like:

1. ***360 Degrees of Influence*** **by Harrison Monarth**. Monarth provides advice on how to gain the trust and respect of those around you and how to expand your influence well beyond your immediate environment.

2. ***Persuasion Equation*** **by Mark Rodgers**. Rodgers reveals what drives decisions and introduces the persuasion equation — a powerful combination of factors proven to speed agreement..

3. ***The 360 Leader*** **by John C. Maxwell**. According to Maxwell, you can learn to develop your influence from wherever you are in the organization by becoming a 360-degree leader.

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38-14 Doing the Right Things Right

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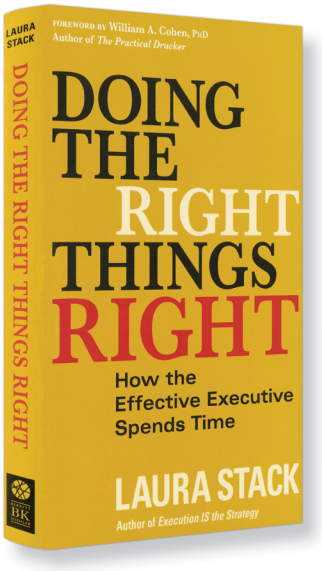
Doing the Right Things Right

How the Effective Executive Spends Time



by Laura Stack

THE SUMMARY IN BRIEF

Inspired by Peter Drucker's groundbreaking book *The Effective Executive*, Laura Stack details precisely how 21st-century leaders and managers can obtain profitable, productive results by managing the intersection of two critical values: effectiveness and efficiency.

Effectiveness, Stack says in *Doing the Right Things Right*, is identifying and achieving the best objectives for your organization — doing the right things. Efficiency is accomplishing them with the least amount of time, effort and cost — doing things right. If you're not clear on both, you're wasting your time. As Drucker put it, "There is nothing so useless as doing efficiently that which should not be done at all."

Stack's 3T Leadership offers 12 practices that will enable executives to be effective and efficient, grouped into three areas where leaders spend their time: Strategic Thinking, Teamwork and Tactics. With her expert advice, *Doing the Right Things Right* will give you scores of new ideas on how you, your team and your organization can boost productivity.

IN THIS SUMMARY, YOU WILL LEARN:

- The 12 practices to be both effective and efficient.
- The three activities that help you make sense of the 12 practices.
- Why executives have evolved from being bosses to team members in recent decades.
- Strategies to communicate better and motivate your team.
- How to use technology to make you more efficient, rather than letting it overwhelm you.

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THE COMPLETE SUMMARY: **DOING THE RIGHT THINGS RIGHT**

by Laura Stack

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Doing the Right Things Right: How the Effective Executive Spends Time by Laura Stack. Copyright © 2016 by Laura Stack. Summarized by permission of the publisher, Berrett-Koehler Publishers, Inc. 256 pages, $17.95, ISBN: 978-1-62656-566-1. To purchase this book, go to www.amazon.com or www.bn.com.

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Introduction

In *The Effective Executive*, Peter Drucker provides what he promises in the subtitle: a definitive guide to getting the right things done, complete with all the things an effective executive must do to help keep his or her organization afloat. He explains the "why" and the "what to do" in a superlative manner — as always. If the book has a flaw, however, it's in not examining the "how."

How does the modern executive — a somewhat different animal from the executive Drucker defined in 1967 — do the job both effectively and efficiently? How does the executive at any level mine that intersection of effectiveness and efficiency to get the right things done right?

In business, effectiveness is summed up by "doing the right things." Efficiency is summed up by "doing things right." When effectiveness lacks efficiency, it's often unproductive. A task that should take four months to complete can end up taking fourteen. Additionally, efficiency without effectiveness can go devastatingly wrong. It doesn't matter how well your team climbs Mount Everest if your intention was to climb the Matterhorn.

To be both effective and efficient, today's leaders should follow 12 practices: goals, change, communication, decision-making, environment, performance, motivation, growth, value, technology, agility and balance. These 12 practices, which supplement Drucker's work, describe how to do the right things the right way. They are up to speed for our modern times, where flexibility, agility and on-the-spot, in-the-moment execution rule.

In addition, what leaders actually "do" during the day and where they spend their time can be grouped into three leadership activities called the "3T Leadership" roles. These three activities (Strategic Thinking, Team Focus and Tactical Work) also describe the three parts below. As shorthand, these 3Ts are referred to as THINK, TEAM and TACTICS. The 3Ts are the chief time management roles for leaders:

- **Strategic Thinking:** Acting as the organizational strategist who focuses on business goals.
- **Team Focus:** Serving as the conscientious leader who focuses on employee productivity.
- **Tactical Work:** Being the productive performer who focuses on task completion.

Each of the 12 practices for doing the right things belongs to one of the 3T categories. In general, as an executive moves up the leadership ladder, the percentage of time spent in each category tends to shift, becoming less tactical and more strategic.

PART I: STRATEGIC THINKING

Strategic thinking boils down to one simple question: *What is the desired outcome?* The answer to that question helps an executive drive organizational strategy through various ways to maximize results in minimal time, maintain a bird's-eye view of the big picture and ensure the team aligns its goals with those of the organization.

Your goals tie together all the disparate members of a team as well as the strategies that apply both individually and collectively. By its very nature, strategic thinking requires you to learn to make the best decisions you can as quickly as possible, boosting innovation and flexibility, helping your team adapt to circumstances as they change. Just as importantly, you have to be able to communicate those adaptations to all involved. Like the captain of a ship, you should always consult with your officers before

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Masiel Tejada**, Graphic Designer; **A. Imus**, Contributing Editor

making a decision, taking their viewpoints and suggestions into account. But the decisions are ultimately yours, and you must make them. Once you've made a decision, you and your team have to execute immediately — on the spot if necessary.

Goals

Align Strategy and Objectives

Strategy tends to fall into place more easily when it's built on mission, vision and values — which, in turn, makes it easier to determine corresponding goals and tactics. Effective leaders hitch themselves to the organization's star and align team and personal goals with the organization's. Then they determine the most efficient ways to advance together.

Some of your team members will have a better understanding of goal-setting than others, so it's up to you to make sure they all stay on the same wavelength. Here's how:

1. **Start with individual team members.** You'll find it easier to establish team goals if individual members also have personal goals to reach for. As you learn your team members' personal and professional development goals, help them find ways to weave those goals into the general goal-fabric of both team and organization.
2. **Set reasonable goals.** Whether it involves finishing a particular project or improving overall performance, provide your team with reasonable goals that include time-based milestones and objectives.
3. **Ensure a supportive, productive working environment.** Invite open discussion and sharing of resources. Continually ask people how they think productivity can be improved.
4. **Clear the way to the target — and give your team something to shoot for.** As the leader, you're also a facilitator. You not only have to clarify what the goals are and how to get there, but you'll also need to help blaze a trail.
5. **Track your team's productivity, and provide meaningful feedback.** You can't manage what you can't measure. Keep an eye on your team deliverables and overall production using Key Performance Indicators (KPIs), timesheet software or scoreboard programs such as Kaptasystems.com or i-nexus.com.

Change

Embrace Innovation and Adaptability

Modern leadership involves more than just telling people what to do. Because you're responsible for helping the company stay profitable, you have no choice but to embrace change. Change has become essential to the continued growth and development of global business. It stirs things up, cross-fertilizing ideas and aerating the waters of creativity. You can't afford complacency, because some hungry young company will always be pushing the envelope and trying to steal part of your market share.

Innovation provokes changes that must occur for us to move forward. It can be tricky, but there are ways to handle innovation so you can advance your agenda without having the situation blow up in your face. For example, don't try to act on all your ideas at once. Don't let history hold you back, either. Just because something didn't work before doesn't mean it won't work now. Also, don't assume the experts are right. Even experts sometimes get it wrong.

Today's leaders should adopt these six change management methods:

1. **Employ enhanced flexibility.** Instead of trying to meet requirements that no longer match reality, be open to modifying the scope and direction of projects as you move forward.
2. **Aim for controlled growth.** As we move into a business landscape that has been decimated by recent economic troubles, we must take care not to expand too far, too fast. Take time when you need it so you can consolidate your gains.
3. **Consider calculated abandonment.** In the spirit of controlled growth, you may need to help your people adjust to changes that result when company leaders decide to cut losses by selling off or abandoning underperforming projects, markets or locations.
4. **Constantly upgrade your technology.** Given how fast technology advances, the stuff you were using last year might be given away in cereal boxes next year.
5. **Retune your team's activities regularly.** While you rarely want to micromanage, check in with your people regularly to make sure they're in tune — not only with the team but with the organization.
6. **Evolve with society.** No matter how much you love the product you make or service you provide,

it can become obsolete overnight as society changes. You may have to change just to stay relevant, so be willing to reconsider your branding and reinvent yourself occasionally.

Communication

Share Mission, Vision and Ideas

Effective communication sets profitable, productive organizations apart from the duds. It can take many forms, but the factors that work best are plain talk, honesty and cooperation. Your communication must be simple and straightforward, especially when conveying the organization's mission to employees.

To ensure your team members do their work correctly the first time, communicate your expectations clearly and concisely. Follow these three rules:

1. Repeatedly communicate your expectations.
2. Triple check for understanding.
3. Communicate in multiple ways.

Promoting Your Vision

Clear communication is important in all directions, upward and laterally as well as downward. People who rise to a management level are often competent and strong willed, so you might find yourself at odds with another peer leader or with your own superior. When you're at loggerheads with someone for any reason, you'll want to find the most efficient way to resolve the issue quickly. Here's how you can argue your point productively, so everyone can move quickly through the dispute phase and get back to work.

Get all your ducks in a row. Prepare your arguments, and have your facts straight. Probe them for weaknesses, so you can strengthen your position. Run your thoughts by neutral people, and ask them to shoot holes in your argument.

Disagree early, clearly and politely. Remain open to others' points, but make your position clear. Be simple, to the point and specific about your concerns. Don't dispute an argument in general terms; always use specific examples to refute it. Don't use sarcasm or name-calling.

Consider the opposing argument. Others in a dispute may have several good points, in which case you can integrate those points into your decision-making process and hammer out a compromise.

Keep the lines of communication open. You can't work something out if you won't talk to one another. Jump on the phone or meet face-to-face instead of sending a volley of email.

Decision-Making

Resolve and Execute Decisions Promptly

Too often, indecision rules in the workplace, because decision-makers fear making mistakes. Yet the occasional mistake is the price of effective decision-making. It's better to take a wrong turn than no turn at all. You can always change direction to correct an error or to meet a new threat or opportunity head-on.

Test your choices against these imperatives:

Core values, mission and vision. If you're in alignment with your organization's core values, some decisions will come surprisingly easily. Ditto for mission and vision.

Outcome. Follow the decision to its logical conclusion. Can you see danger lurking somewhere down that path? Does one possible outcome satisfy you more than the others? What contingency plans can you put into place?

Return on investment (ROI). This is crucial for most businesses. Will your decision make your company more money than it spends? Include all the factors you can think of, and remember, it's what happens in the long run that counts.

Opportunity cost. Every choice you make closes other doors. If you decide to do something, what will it keep you from doing in the future? Is what you skip worth missing out on? What other trade-offs will you face?

Efficient use of time and resources. Will this decision slow workflow and efficiency in your organization? If so, you'd better choose "tails," unless some other benefit offsets the wasted resources.

Execute Decisions and Move Forward

Once you've made the decision, execute! When it comes to productivity and success, execution trumps all. The ability to make ideas happen means the difference between success and failure, so sometimes you have to set a hard line and be the boss. That means, among other things, stop accepting excuses, set strict deadlines, don't overcomplicate things, hone the team's skills and help them structure their time.

PART II: TEAM FOCUS

Effective, efficient executives take responsibility for the return on investment (ROI) their teams generate,

because doing so benefits the entire organization. Getting discretionary effort from team members begins with genuine concern for them and their lives — an approach that previous generations of executives might have found a little too touchy-feely for their liking. Some still do. But during the past generation or so, something unusual has happened: executives have evolved from being bosses to being team members. Oh, they're still in charge, but smart leaders realize they get further by forming partnerships with their employees. Business has always been a collaborative endeavor, and today it must become even more so to facilitate efficient execution and greater productivity.

Environment

Build an Open Team Culture

Most of how your team culture develops boils down to what you do as a leader. The easier you make it for your team to excel, the more likely it will. Remove the obstacles to your team's success. Encourage teamwork, empower everyone and emphasize accountability. Root out any internal limitations.

Business is becoming more complicated, competitive and unpredictable by the day. Those in leadership positions must be constantly aware of this reality, because the decisions made affect the lives and careers of everyone on the team and sometimes influence the fate of the entire organization.

Organizations often grow top-heavy because leaders won't let go of old responsibilities when they take on new ones — even when the old ones are money pits. Aside from an unwillingness to abandon unworkable initiatives, leaders create unnecessary complexity when they

- Overthink business situations.
- Overengineer products and services.
- Lose focus on what truly matters.
- Avoid handling important issues.
- Repeatedly reinvent the process "wheel."
- Aimlessly chase unclear goals.
- Fear that simplifying means eliminating jobs.

Here are four tools to use to simplify your life.

1. **Streamline workflow processes.** Constantly tweak your workflow by trying new things, clearing your team's path, slashing bureaucracy, replacing broken and underperforming "parts" and occasionally overhauling the whole work engine if necessary.
2. **Apply simple rules to business situations.** Cleaning up your processes accelerates business wonderfully, resulting in greater simplicity and greater profits.
3. **Cut unnecessary positions.** Simplifying may mean you no longer need as many people to do the job as you once did. Decrease head count through transfers, attrition, retirement and lateral promotions.
4. **Include a sunset clause for all projects and initiatives.** Make the end of an endeavor part of its natural life cycle. Plan for that ending, and when it comes time to shut down, do so — unless there's an overriding reason to continue.

As you build and refine team culture, you'll consistently have trouble challenging your best and brightest enough to keep them engaged with their work.

What they really need is purpose: a chance to excel at something that matters. Give them the opportunity to prove they can excel. Here's how:

- Touch base regularly with your top employees, allowing them open access to you.
- Offer them tasks with a real chance of failure.
- Keep them busy. Pile your employee's plates full of a variety of tasks, so when one gets boring, they can jump to another.
- Help them fall in love with the process of marketing, coding, writing, speaking or whatever their job entails, and they'll never be bored.

Performance

Forge a Results-Oriented Team

In today's sped-up business environment, style is less likely than ever to triumph over substance. Results — not just staying busy — define productivity, while acting as a benchmark for new efforts. And producing results is at the heart of what it means to be efficient and effective. Move forward with positive energy, developing the talents of your team members so you'll inevitably enhance performance.

No matter how well you run your own team, you'll have weaknesses that can undermine your strengths if you're not careful. Maximize strengths rather than focusing on weaknesses, but at the same time, you should know your weaknesses so you can work around them — and root them out whenever possible. Follow this process:

Conduct a classic SWOT analysis. List your team's Strengths, Weaknesses, Opportunities and Threats. Dig deeper than the obvious, and consider your options thoroughly.

Consult your team. As a leader, you may have different ideas of what constitutes a weakness than your team does, so ask your people to contribute their ideas.

Audit the big picture. Don't ignore the big picture in favor of minor issues or get caught up in the daily minutiae, even briefly. Look around often. Make sure an unexpected change or threat doesn't run you down.

Respond well to feedback. Don't blow off criticisms, constructive or otherwise, especially when they come from within. Rather, invite them.

Look at *everything*. Weaknesses are not necessarily obvious; they might not even look like weaknesses at first.

Once you've conducted your SWOT exercise and examined team performance, you may find you have little or nothing to worry about. But that doesn't mean you can rest on your laurels. Note not only where you are and where you've been but where you want to be in the near future.

Motivation

Harness Creativity and Loyalty

What can you do to motivate your employees? Helping them help themselves by devoting themselves more fully to their careers is a win/win situation. There's no altruism here: fully engaged employees, who are passionate about their work, keep team and organizational performance trending steadily upward.

Truth is, you can't really motivate people to do anything; they have to motivate themselves. But you can provide incentives and an environment people find motivating, so they're inspired to contribute their discretionary efforts. It's as easy as ABC and DEF:

A = Analyze. Everyone's different, so determine what each person wants in return for extra discretionary effort. Give them all the opportunity to profit when the company does. For example, offer flexible scheduling, raises, bonuses, conference attendance, part-time telecommuting, certificates or pats on the back — whatever it takes.

B = Balance. Your team members need a good work/life balance to remain productive. Make sure everyone gets the rest and the breaks they need — from daily coffee to their annual vacations — and they'll take care of you.

C = Communicate. Explain what you need everyone to do and why — clearly, plainly and honestly. Keep the lines open for whenever a team member needs assistance.

D = Direction. You'll see better results when you strategically align individual and team goals with their organizational counterparts.

E = Expect. Let your people know what you expect from them as unambiguously as possible. But if someone discovers a better way of getting from here to there, let them take it — as long as it's ethical and legal.

F = Facilitate. When your team sees you out there fighting for them by providing the assistance they need to improve, they can't help but want to do their best for you.

Allowing your team to unleash their creativity on your collective business problems is also an excellent way to motivate them to donate their discretionary effort to the organization. To combine creativity with your work processes, set aside time for creativity, study other disciplines, listen to your team's ideas and advice, and don't punish failure.

Growth

Emphasize Continuous Improvement

Once you've built and shaped your team members into a vehicle for true productivity, focus on finding ways to optimize their performance through further growth. Effective, efficient execution is not a fixed destination; it is a moving target that can only be hit consistently if you and your team are seeking ways to constantly improve.

Growing together as a team and growing to become a team creates cohesion — with individual team members interlocking smoothly into one efficient entity. A mature team develops features that naturally boost productivity. You can facilitate this process and avoid problems by understanding not only how *you* think but also how your team members think.

Among other things, a quality leader accepts both credit and blame when it's due. Leaders act on constructive criticism without overreacting to the pain that accompanies it, because they know it can offer insight into where growth is needed.

Growth occurs on all levels in an organization — or at least it should. While you have to center growth on your team to best benefit the organization, individual growth at the leadership level and cross-team development also affect team growth.

No matter where you stand in an organization, you can always improve your game. Practice these tips for accepting and acting on constructive criticism: listen more and talk less, ask for specifics (an example or suggestions for what to do about it), take corrective action and follow up.

PART III: TACTICAL WORK

Truly successful executives are those who can thoroughly mine the intersection of efficiency and effectiveness to maximize their value and that of their team's whether that team is a small group or an entire division, department or organization. Recall that effectiveness is doing the right things; efficiency is doing things right. Doing the right things right are the tactics by which you get things done and achieve strategic execution at the right time in the right place.

Value

Focus on High-Impact Activities

We know that time management determines how well we manage not only our own operational, day-to-day responsibilities but that of our teams as well — and most of us do try to make sure we handle it in a manner that's both efficient and effective. Your best formula for both personal and team success is to make a serious effort to consistently value your time.

To do the best job possible, value your time both realistically and highly. Depending on your leadership position, your value to the organization may be thousands of dollars per hour. Once you've pinned down the value of your time, use these tips as you move forward:

Delegate your authority and tasks as widely as possible, to capable people who can do certain things better than you can. Retain the few high-priority, high-value tasks only you can do most profitably.

Avoid false economy. If what you're doing costs more in terms of the value of your time than it's worth, stop doing it.

Cracking the Whip on Time-Wasters

You've no doubt learned how to apply self-discipline, or you wouldn't have made it as far as you have in your career. Now apply that discipline to your team to ensure they aren't wasting valuable time either. Clarify goals and review them at regular intervals. Also clarify the organizational environment your team works in, explaining to team members precisely what you'll accept, what you won't and what's explicitly against the rules. Make it clear that, while you don't intend to be punitive (unless something goes badly wrong), you expect people to accept responsibility for everything they do, regardless of the outcome — yourself included. Act as a role model and follow company policy. Don't expect the team to do what you say rather than what you do; the real world doesn't work that way.

Technology

Master Data Handling and Workflow

How executives organize their personal work matters more now than it ever has. Things as simple as efficient time management, organization and email processing help you save time and sharpen the knife of effectiveness.

Technology has been a blessing in this regard, but it's a two-edged sword. On the one hand, it's helped make modern workers more productive. Conversely, technology can be tyrannical. Not only do you risk Schlimmbesserung (the effort to make something better that actually makes it worse), it sometimes makes it easier for others to steal proprietary information. You may also become trapped by your technology, unable to survive without it.

Reducing Your Information Intake

The only way to overcome "infobesity" is to triage mercilessly, then reduce the amount you take in forever. Keep these tips in mind as you work toward stemming the info-tide.

- Limit your exposure to external information at work.
- Check your email as little as possible.
- Employ the right means of communication. Carefully select the most efficient means of communication for each issue.
- Maximize reading time. Adopt a speed-reading system, or carry around material for downtime reading in your briefcase.

Pioneer New Technology

New technology can have its dangers. Improperly implemented, it can slow or stop productivity. Additionally, inexperienced or malicious users can leave backdoors open for hackers and identity thieves to waltz right in and steal or corrupt data. So before you dive in, dip a toe in the waters first. Before you take the plunge with new technology, study its impact. Will the new technology really upgrade productivity? Calculate the costs, and include an exit strategy. Test the new technology to make sure it does all it promises — and don't hesitate to roll back to your old tech if it doesn't.

Agility

Maximize Speed and Flexibility

Effective, efficient execution demands agility. Agility means responding to change of any kind with speed and flexibility, whether it's a new client demand or a paradigm shift. Handling new challenges on the fly, swerving onto a new course, stopping suddenly and reversing direction — it's all in a day's work for the modern business professional.

Given today's go-go-go approach to modern business, agility is applicable to most fields. A flexible model breaks a project into manageable pieces, all with independent milestones, due dates and testing phases that team members can handle independently if necessary. That way, when a delay occurs in one area, it doesn't stop the entire project dead in its tracks. Take these actions the next time you assign your team a new project:

Examine it carefully from all angles. Focus on the needs and requirements first. Think about where and how you can split the project into discrete pieces that particular team members or subteams can handle.

Cut the diamond. You can easily "part out" some projects, but you will have to deal with others more carefully, much like cutting a diamond. Once you've determined you can split the project into pieces, do so. Hand the pieces out to the people best suited for them, complete with their own specific milestones and deadlines.

Build in flexibility. A project built from many independent parts is naturally more flexible than a sequential project. It more easily absorbs the need for changes, additional testing and new features as they arise. You can also implement feedback more quickly.

Put it back together. As sections of the project come in, slide them in place, leaving space for the later bits to allow greater flexibility in terms of responding to customer and market needs. This requires careful planning and preparation, perhaps more so than traditional project management.

Also, if you want your team, division, department or company to truly improve, you have to hire for versatility, not indispensability. If someone is indispensable, then you can't replace them. If you can't replace them, the team can't advance without them. So if that person dies, leaves or even takes a vacation and forgets to leave the keys to the filing cabinet (metaphorically speaking), the team is unable to move forward. Instead, make sure your teammates are somewhat interchangeable, so you can maintain your productivity no matter what.

Balance

Sustain Your Physical and Mental Health

In order to be an effective, efficient leader, you have to take care of yourself at least as well as you take care of your team, by maintaining balance in your life. We certainly know we do better, more productive work when we feel well. And yet many of us get stuck in a vicious cycle. When we work long hours and run short on time, we cut into our precious free time — the time when we would do the things that keep us healthy: exercise, sleep, eat and drink properly and have fun.

Good health doesn't automatically produce productivity, but it prepares you for it. You can't control all the factors contributing to good health, but you can control most of them.

The Big Five (sleep, eating well, hydration, exercise and mental health) are inextricably interrelated: sleep impacts weight as well as mental health, as do exercise and good diet; too much weight from poor diet and lack of exercise can contribute to self-esteem issues; happiness can convince you to take better care of yourself … you get the picture. Strive to get each of these factors under control, and your productivity will scale upward.

Working hard and doing your job well are important. That said, you shouldn't live to work. Instead, you need to regain control of your productivity so you can get out of the office on time — not only to recharge and recapture your mental edge but also to devote time to the people you care about and who care about you.

These days, it's not enough for an executive to do the right things; he or she has to be superbly efficient, too. As executives, we must manage this intersection of efficiency and effectiveness carefully to ensure we do the right things right, wasting as little time as possible in the process.

RECOMMENDED READING LIST

If you liked *Doing the Right Things Right*, you'll also like:

1. ***5 Gears* by Steve Cockram, Jeremie Kubicek.** Kubicek and Cokram describe five gears that represent different modes of effectively connecting with others and balancing work and life in a productive way.

2. ***The 5 Choices* by Adam Merrill, Leena Rinne, Kory Kogon.** The authors present insights from FranklinCovey to redefine time management in ways that will increase the productivity of individuals, teams and organizations.

3. ***Brief* by Joseph McCormack.** McCormack offers a step-by-step approach to getting to the point quickly and delivering every message with maximum impact.

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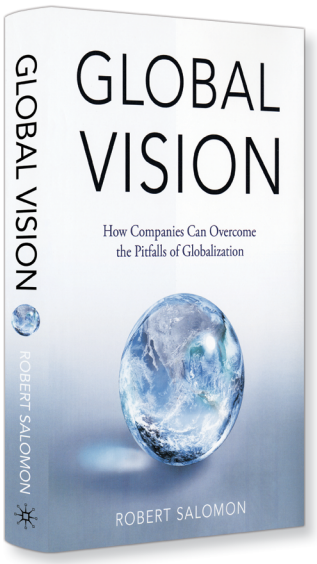
How Companies Can Overcome the Pitfalls of Globalization



by Robert Salomon

THE SUMMARY IN BRIEF

In an increasingly interconnected world, managers frequently turn to global markets as a means of achieving profitability and growth targets despite accumulating evidence that globalizing is fraught with risk. In the last 20 years alone, high-profile companies like Tesco, IKEA, AES and Walmart (among others) have been hobbled by globalization.

Global Vision offers a lens through which to view globalization in a new and compelling way, helping managers understand the risks associated with globalization while equipping them with the necessary tools to overcome those risks.

Author Robert Salomon defines country institutions across political, economic and cultural dimensions and demonstrates how to measure them so that managers can estimate the risks that institutional differences pose to global companies. *Global Vision* will help unlock the mysteries of globalization using a framework and a tool — Global Acumen — that managers can immediately apply to successfully navigate globalization's institutional hazards.

IN THIS SUMMARY, YOU WILL LEARN:

- How to assess institutional distance.
- How to make better-informed, smarter globalization decisions.
- How to select the appropriate mode of entry into foreign markets.
- How to optimally structure your global operations.

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Globalization: A Cautionary Tale

When it comes to globalization, managers are not just optimists; all too often, they are *unbridled* optimists. They habitually overestimate the benefits of globalization and underestimate its costs. In evaluating globalization opportunities, managers often forget the other side of the opportunity equation: risk. Risk goes hand in hand with opportunity, and managers fail to accurately account for the risks they face in global markets.

Managers often make dangerous assumptions about what it takes to succeed in global markets. They tend to assume that their current business model, one they successfully and profitably exploit in their home country, will translate simply and effectively to other countries, yielding similar levels of profitability. These same managers fail to account for real and alien differences between nations and to consider how those differences generate operational risks that may negatively impact their business. Unfortunately, they end up learning the hard way that the risk borne out of cross-country differences can overwhelm even the best-laid globalization plans.

Failure to Globalize Effectively

Globalizing companies habitually underperform in foreign markets, and more often than not, they fail to achieve desired performance targets in global markets. Globalizing companies take about three months longer and spend anywhere from 5 to 25 percent more than domestic companies just to get their businesses off the ground. Foreign companies pay higher wages, on average, than their domestic competitors. They are also more likely to get sued than domestic companies and more likely to lose local lawsuits. All of this translates into a higher general cost structure for foreign firms and significantly higher rates of failure for global business expansions compared to domestic business expansions.

Even those companies that are lucky enough to achieve profitability in global markets tend to earn lower returns in their foreign-market operations than in their domestic ones.

Starbucks, for example, which has been relatively successful in global markets, has operating margins in Japan — its second-largest market in terms of revenue — that are half those of its U.S. business. Similarly, Lincoln Electric, one of the world's largest and most profitable welding equipment manufacturers, has been making profits in Asia that are only one-third of those in the United States. Its profitability in South America is about half that in the United States.

Institutional Distance: A Key Factor

As you might expect, it is easier to conduct business in countries that share commonalities in institutional profile. Successful global expansion is more likely in a country that is institutionally similar to your own — where you not only speak the language but also understand the culture as well as the political and economic environments.

For example, institutional distance is relatively small between Canada and the United States, between Spain and Mexico, and between the United Kingdom and Australia. (There are obvious cultural, political and economic similarities that make this seem like common sense.) When institutions differ substantially between countries, institutional distance is great. For example, institutional distance is relatively great between China and the United States, between India and Brazil, and between Indonesia and Spain.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Masiel Tejada**, Graphic Designer; **S. Dayton**, Contributing Editor

Institutional proximity by no means guarantees success in global expansion. Globalizing to an institutionally similar country still requires overcoming numerous institutional obstacles.

The Globalization Process

The process of globalization generally starts with managers identifying an opportunity to increase profits. At some point, managers recognize that operating globally has the potential to generate additional revenues or lower costs.

Companies of all types can increase revenues and/or reduce costs via globalization. Logoplaste, for example, a relatively small Portuguese packaging company, has been able to lower its operating costs by manufacturing in Eastern Europe. Similarly, the Selkirk Group, a small, family-owned Australian building-materials company, has been able to effectively tap into the Japanese export market to increase its overall revenues by 10 percent.

The kinds of expansion where local customers pull a company into a foreign market are known as "follow-the-customer globalization strategies." They are fairly typical in the service sector, where retailers, banks, accounting firms, consulting companies and law firms follow clients from the home country into global markets to serve them there.

There are also cases in which opportunity arises on the cost side of business operations. Managers might not be looking specifically to globalize their supply chain to reduce costs, but sometimes foreign suppliers will approach a company with offers in hand.

Globalization strategies typically are devised by managers who are continually scanning the environment, looking for an opportunity to pounce. They often carry out or commission studies of foreign markets in advance, looking for opportunities to grow the business and streamline operations.

Regardless of how globalization opportunities arise — by chance or by design — global expansion requires careful analysis. Managers can build a business plan to justify their globalization efforts, comprehensively projecting revenues and costs to assess whether they can profitably globalize. They can express their business plan in financial terms reflecting

- the duration of the opportunity;
- the projected revenues and operating costs;
- the investment costs;
- the residual value of the business (should the company decide to sell the business);
- the exchange-rate considerations (should the company do business in a foreign currency);
- the tax implications (associated with tax policies in both the home country and the host country);
- the overall profitability associated with the opportunity.

The Impact of National Institutions on Globalization

The most egregious mistakes managers make in global markets are not a result of misreading opportunities to increase revenues or decrease costs, but of applying domestic financial models without repurposing them to account for globalization's institutional risks. Managers must examine the role of institutions, institutional differences and the institutional risks they generate to determine how all these are likely to influence financial projections.

National institutions can be formal or informal. Formal institutions are those that govern behavior in a society. Structural entities that make up the formal institutional environment include governments, political parties, legal bodies, law enforcement and military organizations, and regulatory agencies.

Informal institutions, in contrast, sanction activity through a series of unwritten, tacit rules that evolve in a society. Informal institutions impose order through social conventions — by condoning and even rewarding certain behaviors and discouraging or ostracizing those who engage in others. Academics typically refer to informal institutions of this sort as culture.

Whether members of a society create its institutions by design or they evolve historically without intention, they differ from country to country and sometimes markedly so. The United States and India, for example, have political institutions that resemble one another. Why? Because they share a common colonizer — England — that played a critical role in developing the institutions of both countries. And yet, although their political institutions are similar, their cultures are very different in religious makeup, philosophical leanings, familial structure and demographic composition.

Japan and China, by contrast, share cultural similarities that date back centuries because Japan imported a system of philosophical and cultural ideals from China.

However, culture is largely where the similarity ends; the two countries differ significantly in their political and economic institutions.

Foreign companies are generally unfamiliar with the local institutional environment; they don't know the laws, the rules or the customs; they cannot fully appreciate how the local economy works; they lack ties to powerful and well-connected local individuals and organizations that can act on their behalf; and they cannot rely on an established set of suppliers with which they have been working for years. Even the customers are new to foreign companies.

Typically, it takes foreign companies longer to set up their operations, and they often have a higher cost structure; they also generally experience more run-ins with the law. Ultimately, the profitability of global companies suffers. They perform worse and exhibit a higher rate of failure than similar domestic competitors. This disadvantage born out of institutional differences is known as the "liability of foreignness."

It Takes an Intangible (or Two or Three)

If foreign companies are generally at a disadvantage compared to domestic companies, then there must be specific factors that enable certain multinational companies to succeed where others fail. Research demonstrates that, indeed, successful global companies tend to have competitive advantages in the form of intangible assets: technological, marketing and managerial capabilities that domestic competitors cannot match or easily imitate. These capabilities allow companies to overcome the liability of foreignness and earn profits in global markets.

Coca-Cola, for example, relies on its marketing prowess to succeed in global markets, and companies such as Apple and Google rely on "killer" technologies that are far superior to those of their rivals.

The most successful global companies typically do not rely on only one valuable intangible asset — whether technology, marketing or management — but exhibit strength in several of these areas. For example, powerful brand names and strong marketing have helped to complement and reinforce the management intangibles of IKEA and Goldman Sachs. In addition, IKEA boasts technological capabilities in furniture design, and Goldman develops and exploits proprietary technologies that its rivals struggle to match.

Yet, even for companies that have painstakingly developed valuable technological, marketing and management intangibles to overcome disadvantages in global markets, there are limits. Strong technological, marketing and management intangibles neither guarantee a company's success in global markets nor imply that it will succeed in all countries. Success is not as simple as determining *if* a company possesses valuable intangibles; it is important to know *whether* those intangibles are appropriate to the host country.

As you might expect, the greater the institutional distance between countries, the more inhospitable the host country is likely to be, and the more difficult it will be for companies to extend their intangibles there.

Political Institutions and Globalization

The natural place to start to understand a country's political institutions — its structure, system, activities and entities — is with its constitution. Next, it is essential to dig deeper into the country's political and governmental bodies: the executive, legislative and judicial branches; the roles and responsibilities of each branch; the scope of power each one holds. Managers should consider the structure of each entity and the individuals who are empowered to lead them:

- how these leaders come to power (are they elected, appointed or chosen in another way?);
- the roles and responsibilities of those who hold political positions of authority;
- the frequency of elections — if any — that determine who holds those positions of authority; and
- how long individuals in positions of authority can serve in those positions.

It is also important to examine more practical considerations, such as

- the type and number of political parties;
- the extent to which the political system has built-in checks and balances (such as veto power);
- whether the judicial branch is independent of the executive and/or legislative branches;
- the relative balance of power within a country — whether the power lies with the central government or with the individual regions, provinces or states.

Beyond the political institutions themselves, understanding their stability is essential to understanding their viability. It is crucial to know the extent to which the populace views the government as legitimate and the

likelihood that the government is under threat from some sort of internal or external shock.

A common internal shock could be a protest intended to effect change or challenge the existing government. External shocks, by contrast, are extraterritorial; they involve other countries.

Managers need to have a basic familiarity with political institutions and understand the challenges that differences in political institutions can cause when conducting business overseas. Practically speaking, however, managers have neither time for, nor do they need deep, detailed insight into how a country's political, legal and regulatory institutions were designed, created and structured, or how they function on a day-to-day basis. It is wise to turn to specialists — scholars, consultants, lawyers and accountants — who have developed an expertise in dealing with political institutions.

Economic Institutions and Globalization

Managers intuitively recognize the importance of economic institutions to their bottom line, and yet they continue to make countless mistakes when they expand into global markets. Among these mistakes may be the following:

- overestimating a particular market's potential;
- misjudging the quality of local employees or local inputs;
- underestimating the likelihood that the market is vulnerable to a recession or other adverse developments;
- overlooking the impact of currency fluctuations;
- failing to realize how a country's physical and economic infrastructure will impact the company's business operations.

Economic institutions are the basic units of an economy — comprised of economic actors, systems and structures — and the essential building blocks to economic activity.

Think of economic actors as parties engaged in business activity. They can be individuals or organizations that own, allocate, use and direct factors of production and engage in transactions involving said factors in exchange for some consideration, either monetary or otherwise.

Economic systems and structures refer to a country's market orientation — the well-established sets of arrangements that govern economic activity as well as the behavior of economic actors. These include

- the allocation of resources among the various economic actors in society;
- the means of exchange of goods and services;
- the rules that govern ownership — who owns (or can legally own) the factors of production;
- the roles of economic actors that exchange economic inputs (i.e., the factors of production) or economic outputs (i.e., goods and services developed using the factors of production);
- the rules that govern interactions among economic actors.

There are two primary economic systems/structures that currently dominate the global landscape: capitalist and command.

Capitalist Economic Systems. These systems typically permit private economic actors to own factors of production, and they afford those actors wide latitude in deciding how to allocate those factors to productive ends. In a capitalist system, the market plays a central role in coordinating economic activity, and market-based considerations influence the allocation of resources and the decisions of economic actors. The United States, for example, is a country that likely comes to mind when one thinks of a capitalist economy.

Command Economic Systems. In command economic systems, the state (rather than private economic actors) typically owns the factors of production. The state generally acts as the economic coordinating mechanism, allocating and directing factors of production — determining how factors of production are put to use, by whom, and which goods and services are produced and in what quantities. As a result, the market plays a relatively small role. For example, to some extent China exhibits characteristics of a command economy.

Less common economic systems and structures include the feudal systems of medieval times, gift economies and barter economies. Most countries are a hybrid of capitalist and command economies.

Indirect Measures of Institutions

Although economic development indicators might not directly measure economic institutions, they are correlates of those institutions and are useful for gauging differences in economic institutions in different countries. Measures of economic development include the following:

- indicators of educational attainment (literacy rates and rates of tertiary education);

- indicators of infrastructure development for transportation, energy and for information and communications.
- indicators of knowledge development (e.g., research and development in science and technology, patents and intellectual property).

Understanding the economic institutions in those countries where managers plan to do business empowers them to better appraise and account for the risks they will face in those markets.

Cultural Institutions and Globalization

Culture is an important social institution in its own right, and research demonstrates quite convincingly that it has a great influence on business — especially global business.

Culture takes on heightened importance in global business settings, and business owners, managers, employees, customers and suppliers expect — and require — greater cultural sensitivity. Interpersonal interactions matter a great deal when managing employees with different cultural backgrounds and negotiating transactions with foreign businesspersons.

Culture affects not only the decisions a manager makes but, by extension, how the local market views a company. A seemingly minor cultural faux pas that a manager commits can hamstring a company and torpedo even the best-laid global business plans.

Offensive advertising campaigns that culturally misjudge local consumers, serious religious transgressions and failing to account for culture in negotiations with business partners: These can all negatively impact profitability and, in the extreme, destroy businesses.

When it comes to globalization and cross-border business dealings, national culture matters a great deal. Because culture is familiar and habitual to those from a particular country, it can be hard for members of a collective from one country to understand how others from another country could possibly not share their world view.

An appreciation for differing cultures enables us not only to understand the motivations behind certain behaviors but also — even more useful — to predict future behavior. Managers who understand the significance of culture are therefore well-positioned to devise strategies for effectively dealing with and managing the cultural complexities inherent in global business.

How Culture Relates to Other Institutions

We cannot consider any one institution — politics, economics or culture — in a vacuum, given that they are all interrelated. Researchers have discovered that certain cultural leanings tend to correlate with specific political and economic structures and vice versa.

However, they are not perfectly related. Research suggests that cultural institutions typically change at a much slower rate than political and economic institutions — over generations rather than in years. For example, in a coup d'état, political institutions change radically overnight, and yet a culture — with its shared systems of meanings, ideas, thought, values and socially acceptable behaviors — tends to endure, regardless of sudden political institutional changes.

Because cultural, political and economic institutions can and do change separately from one another, failing to measure one of them can lead to significant gaps in our understanding of all of them and to a flawed understanding of globalization.

Using Global Acumen to Account for Risk

Researchers have made great strides in identifying countries' key institutions, developing and validating measures of those institutions and using those measures to calculate institutional distances between countries. Studies show a positive correlation between institutional distance and the level of risk in doing business across countries: the larger the institutional distance between one country and another, the higher the risk.

Research links institutional distance not only to globalization and global performance but also to market-entry strategies in foreign markets (that is, the governance structures companies select in global markets) and global subsidiary management (how companies manage far-flung global operations). The greater the institutional distance, the more likely a company is to opt for shared forms of ownership and control, such as alliances and joint ventures. In addition, the greater the institutional distance, the more likely a company's product offerings are to vary from one country to another, and the less likely a company is to centralize decision making at its domestic headquarters.

In practice, this suggests that a U.S. company is (on average) more likely to own its own operations in the United Kingdom than in China and more likely to use a joint venture in China than in the United Kingdom.

Likewise, the company's product mix is likely to be more similar in the U.S. and the U.K. markets than in the U.S. and Chinese markets. Finally, U.S. companies are likely to allow managers in the Chinese market greater latitude in making decisions for the Chinese market than they allow managers in the U.K. market.

Most seasoned managers already recognize that global business is fraught with risk, but they have failed to develop the systematic tools — such as a detailed measure of institutional distance — to meaningfully express or account for that risk.

Managers from some of the largest and most sophisticated companies in the world recognize the importance of political, economic and cultural institutions to globalization. They are also highly aware of the incredible challenges inherent in managing the many differences in institutions across borders. However, despite this awareness, many managers openly admit that in their global operations they do not explicitly account for these differences.

For example, when reflecting on his business in India, a chief financial officer (CFO) at a Fortune 100 said, "We know India is different [from the United States]; we just don't know how to measure it." When a chief strategy officer (CSO) of a Fortune 500 company was asked, he acknowledged, "We do not approach global acquisitions any differently than domestic acquisitions... not because we do not want to but because we are unsure how to."

Global Acumen is a great place to start when it comes to assessing global risk, especially for the far too many companies that have no system in place to evaluate these risks. The beauty of this approach is that the raw materials needed to compute the Global Acumen algorithm are the same ones that would be used to calculate institutional distance between two countries.

Global Acumen generates globalization risk values between pairs of countries

- over a range that extends from 0 to 30;
- using mathematical distances to account for differences in cultural and political institutions across countries;
- using mathematical differences to account for differences in economic institutions across countries.

However, knowing the institutional risk spread between two countries is only half the battle; the real value is in knowing how to use risk spreads to improve decision making. Meaningful risk spreads can complement existing strategic and financial decision-making models — if they are applied effectively.

Global Acumen in Practice

Global Acumen generates risk spreads that indicate the additional political, economic and cultural risks that a company faces when it does business in another country. The Global Acumen tool reports risk spreads in a way that reflects the additional compensation — expressed in interest-rate terms — that a company ought to expect in exchange for bearing the political, economic and cultural risks of doing business in that country.

Generically, the process works as follows:

1. Add the Global Acumen risk spread to the domestic discount rate.
2. Generate a country-specific, risk-adjusted discount rate.
3. Replace the domestic discount rate with this new, country-specific, risk-adjusted discount rate.

Step 1 retains the domestic discount rate because risks in global markets are risks added to a company's existing operations — risks that a company takes on over and above those it already faces in the domestic market. The opportunity cost of capital reflected in a company's domestic discount rate serves as an important signal about a company's health and well-being: its underlying "quality" and risk characteristics. Typically a strong company that is managerially sound and operates in a less risky market has a lower discount rate and a lower opportunity cost of capital because it presents fewer risks to potential investors; there is a greater likelihood that the company will deliver results for investors.

Apple, Inc., for example, has an opportunity cost of capital around 6 percent, whereas Cisco Systems Inc. has an opportunity cost of capital of around 7 percent. Market participants currently view Apple as having lower levels of risk, better future prospects, better products and a better overall management team.

When companies such as Apple or Cisco expand abroad, their idiosyncratic features — management, product and industry characteristics — do not change. Investors still expect rates of return that are at least commensurate with the risk factors specific to the company. However, in addition, investors also expect compensation for the country-specific institutional risk companies will take on by operating abroad. And the greater the levels of risk that companies face in foreign markets, the greater those country-specific returns should be. This is why Global Acumen risk spreads were designed to be conjunctive with (rather than disjunctive to) the discount rate.

Using Global Acumen in Other Contexts

One advantage of the Global Acumen tool is that it is designed to be flexible. Managers can tailor the baseline risk spreads to an expansive set of global strategy problems and a wide variety of company-specific situations. With only slight adjustments, Global Acumen can help managers to do the following:

- assess different foreign market entry modes and ownership structures;
- accommodate for different industry characteristics;
- account for a company's prior international experience;
- benchmark the performance of existing foreign operations;
- monitor institutional developments in a particular country.

Irrespective of how a company decides to globalize, there is one constant: The level of institutional risk a company bears in a particular country varies with how it expands into that market. Export and import modes of globalization entail much less risk, for example, than subsidiary investments in which a company ties up capital in a long-term investment.

A company can export products from its home market with little change, whereby foreign customers purchase the product on an "as is" basis. Similarly, a company can import products from a foreign supplier without having to spend much time in the foreign market. Recent advances in information technology have made it possible to purchase foreign-made inputs or sell domestically made outputs directly over the Internet. So compared to foreign market entry modes that require a physical presence, export and import strategies can minimize the institutional disruption globalization can cause to a company's operations.

The End of the Beginning for Global Acumen

We should, of course, exercise caution in applying (or relying too much on) algorithmic procedures to solve complex globalization problems that, at their root, are a product of social interaction. Algorithmic approaches can certainly help us simplify and make sense of complex globalization problems, but we should always view them as a complement to managerial intuition and as a decision-making aid. With respect to Global Acumen, that means that there is no substitute for a deep qualitative and intuitive understanding of globalization's risks to help guide, inform and improve Global Acumen's quantitative, algorithmic nature.

A manager should temper any application of Global Acumen with a healthy dose of realism. Sometimes understanding *why* institutions change and anticipating *how* they are likely to change in the future is more important than knowing a specific number attached to that change.

Rather than merely taking output from Global Acumen and blindly plugging it into a financial model, a manager would be wise to carefully consider whether the output

- suits the intended application;
- makes sense given any recent or sudden changes to the institutional environment — either in the firm's home country or in the intended host country.

These considerations will only enhance the tool's value and utility.

Finally Bringing It All Together

Managers see unbridled opportunity the world over, making globalization an exciting proposition for businesses everywhere. And they are right; there are tremendous opportunities in global markets. Tapping into global markets, especially fast-growing and developing ones, not only promises riches beyond our wildest imagination but also empowers people the world over to work toward creating a better economic future.

But as we have seen, there can be trouble when two opposing forces collide: the optimistic nature of managers and the fact that global markets, especially developing ones, can be precarious. To play the complicated and high-stakes game of global strategy and reap the potentially high rewards, a manager needs to understand the risks and be empowered to accurately take them into account and outmaneuver them.

RECOMMENDED READING LIST

If you liked *Global Vision*, you'll also like:

1. ***Flex* by Jane Hyun and Audrey S. Lee**. Flex offers a proactive strategy for managers to navigate and leverage diversity effectively.

2. ***Leadership 2030* by Georg Vielmetter and Yvonne Sell**. The authors present six megatrends that will reshape businesses by the year 2030, including the forces of globalization 2.0.

3. ***Winning with Transglobal Leadership* by Nazneen Razi, Ph.D., Peter Barge, Robert A. Cooke, Ph.D., Linda D. Sharkey, Ph.D.** The authors draw on an impressive range of resources to deliver an easily implemented process for assessing your organization's global capability.

· Book 55 of 388 ·

38-21 Negotiating the Impossible

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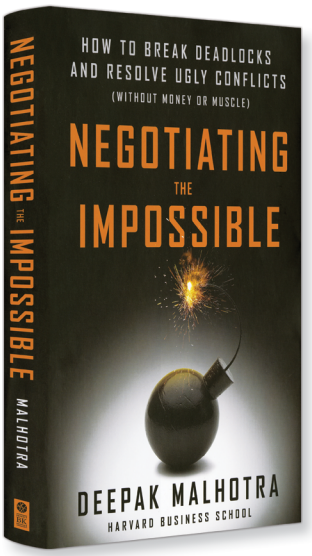
Negotiating the Impossible

How to Break Deadlocks and Resolve Ugly Conflicts (Without Money or Muscle)



by Deepak Malhotra

THE SUMMARY IN BRIEF

Some negotiations are easy. Others are more difficult. And then there are situations that seem completely hopeless. Conflict is escalating, people are getting aggressive and no one is willing to back down. And to top it off, you have little power or other resources to work with. Harvard professor and negotiation adviser Deepak Malhotra shows how to defuse even the most potentially explosive situations and to find success when things seem impossible.

Malhotra identifies three broad approaches for breaking deadlocks and resolving conflicts, and draws out scores of actionable lessons. He shows how his principles and tactics can be applied in everyday life, whether you are making corporate deals, negotiating job offers or resolving business disputes.

As Malhotra reminds us, regardless of the context or which issues are on the table, negotiation is always, fundamentally, about human interaction. No matter how high the stakes or how protracted the dispute, the object of negotiation is to engage with other human beings in a way that leads to better understandings and agreements. The principles and strategies in this book will help you do this more effectively in every situation.

IN THIS SUMMARY, YOU WILL LEARN:

- Three crucial levers for successful negotiation.
- Why and how to frame, or make sense of, negotiations early.
- Why the process of negotiations is just as important as the substance.
- How learning to empathize will increase your chances of success.

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THE COMPLETE SUMMARY: **NEGOTIATING THE IMPOSSIBLE**

by Deepak Malhotra

The author: Deepak Malhotra is the Eli Goldston Professor of Business Administration at the Harvard Business School, where he teaches negotiation courses in a wide variety of programs. His first book (with Max Bazerman), *Negotiation Genius*, was awarded the 2008 Outstanding Book Award by the International Institute for Conflict Prevention and Resolution. His second book, *I Moved Your Cheese*, was a *Wall Street Journal* best-seller.

Negotiating the Impossible: How to Break Deadlocks and Resolve Ugly Conflicts (Without Money or Muscle) by Deepak Malhotra. Copyright © 2016 by Deepak Malhotra, has been summarized with permission of the publisher, Berrett-Koehler. 224 pages, $27.95, ISBN: 978-1-626-56697-2.

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Introduction

Even seemingly impossible deadlocks and conflicts can be resolved if we shed the assumption that our only sources of leverage are money and muscle. This is especially important to keep in mind when you are dealing with a situation that seems hopeless. When even your most generous offers are being rejected, when your well-intentioned attempts at addressing the issues are being thwarted, and when you have little power with which to impose a solution, you need a different approach and other sources of leverage.

Too often, when people hear the word "negotiation," they equate it with haggling or debating, or imagine people in suits hammering out a deal. They think of negotiation as something we do once in a while — or worse, as a daunting or unpleasant task that should be avoided if possible. We would benefit from thinking differently.

Negotiation, regardless of the context or the issues involved, is fundamentally about human interaction. However simple or complex the issues, however well-intentioned or malicious the parties, however familiar or unprecedented the challenges, the question we are always trying to answer in negotiation is this: How might we engage with other human beings in a way that leads to better understandings and agreements?

Negotiation, then, is the process by which two or more parties who perceive a difference in interests or perspective attempt to reach agreement.

There are three crucial levers that negotiators often ignore, underestimate or mismanage, especially when they are accustomed to thinking of power in terms of money and muscle:

- **The Power of Framing.** Effective negotiators know that *how* you articulate or structure your proposals can be as important as *what* you are proposing.
- **The Power of Process.** Negotiating the process astutely can be more important than bargaining hard on the substance of the deal.
- **The Power of Empathy.** A dispassionate and methodical approach to understanding the real interests and perspective of all relevant players can help to resolve even the ugliest of conflicts.

Which one of these levers will be the key to solving your problem — or, whether you will need to use multiple levers — will depend on the situation. Alone, each of these is extremely effective. Together, they provide a comprehensive approach to negotiating the impossible.

PART I: THE POWER OF FRAMING

The "frame" of the negotiation is a psychological lens. It is a sense-making apparatus that influences how people perceive each other, the issues at hand and the options that exist. There is almost no limit to the number and types of frames that can emerge in a negotiation. For example, negotiators may look at a deal through a financial or a strategic lens, see it from a short-term or a long-term perspective, or regard it as a friendly or hostile engagement.

There are no "right" or "wrong" frames, but which frame takes hold has important implications for how the parties behave and what they will ultimately be willing to accept. Sometimes a low-stakes issue that neither side

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Masiel Tejada**, Graphic Designer; **A. Imus**, Contributing Editor

really cares much about becomes infused with so much political or symbolic significance that neither side is willing or able to back down.

Importantly, negotiators almost always have the power to influence the frame, and reframing can be a powerful tool for overcoming barriers to deal making. Regardless of the objective stakes, much of what determines how people approach a problem depends on how they (or their constituents) *subjectively* make sense of it. Deal makers are unwilling to make concessions to perceived adversaries but are more amenable to doing so when they perceive the task as a collaborative problem-solving effort. Negotiators who frame a conflict as "winner takes all" will have a harder time than negotiators who believe it is possible for everyone to "win." Negotiators will be more or less willing to accept certain proposals when they adopt a short-term versus a long-term lens, or when the offer appears better versus worse than what they initially expected.

Objectively identical proposals and options can be reframed to make them more attractive to the other side. Paying attention not just to the substance of what is being negotiated, but also the lens through which parties are evaluating their options, can sometimes help break seemingly impossible deadlocks.

Control the frame of the negotiation. The frame that takes hold will shape how negotiators make decisions, evaluate options and decide what is acceptable.

Leveraging the Power of Framing

Too often, negotiators incorrectly assume that if you get the substance of the deal right — that is, your proposal is sufficiently valuable to the other side — then you do not have to worry about "how it looks," also called *the optics of the deal.*

The role of optics is especially pronounced when there is an audience. The audience can be voters, the media, competitors, future negotiation partners, a boss, colleagues or even friends and family. We are usually aware of our own audience, but we pay insufficient attention to theirs. In fact, their audience is just as important to consider as ours, especially if we are asking them to back down or make hefty concessions. To think of their audience as "their problem" ignores a central tenet of most difficult negotiations: there is no such thing as their problem; what seems to be their problem, if left unsolved, eventually becomes your problem. You may have already given them an offer that is superior to their alternatives, one that they "should" accept, but if you have not paid sufficient attention to the other factors that influence their decisions, you may find that even your generous offers are being rejected.

In the 1991 book *Getting Past No,* William Ury tells us to "write their victory speech" for them. Carefully consider not just how much value you are providing to the other side, but also how they and their audience will view an offer. Think about how they can possibly say yes to what you are proposing and still declare victory.

It is not always obvious whether the other side truly needs a substantive concession or merely has a problem with how your offer will look to their audiences. As you might also suspect, the other side is often unwilling to clarify which of these is the case. Make it safe for the other side to ask for help on optics. Build a reputation for rewarding transparency and not exploiting their moments of weakness.

Avoid One-Issue Negotiations

A common problem in negotiations is getting stuck on one divisive issue. Counterintuitive as it may seem, negotiations are often easier when you have more than one thing to fight about. When there is only one issue on the table, and it is not easy to see how both sides can get what they want — or as much as they have promised to their audiences — you have a zero-sum problem in which at least one of you is going to feel or look like you lost. In these situations, it is useful to consider whether you can bring other issues to the table so that each side can walk away with something. If there is only one issue, try to split it into two or more separate issues.

The Logic of Appropriateness

How do people make decisions? We are all familiar with one way people choose: cost-benefit analysis. The basic idea is that people weigh the costs and benefits of all options and pick the one that seems to be best overall, perhaps with some adjustment based on risk preferences.

Social scientists James March and Johan Olsen have an alternative model for decision making, which they refer to as the logic of appropriateness. They suggest that, rather than engaging in a potentially complex or time-consuming cost-benefit analysis, people often make decisions by asking themselves a simple question: "What does a person like me do in a situation like this?"

If we take the logic of appropriateness seriously, it means that we should be mindful of whether people will perceive our offer or preferred option as "appropriate," and also of how we might boost the appropriateness of the proposals we make.

These principles are among the most powerful and broadly applicable means of boosting the appropriateness — and hence the attractiveness — of an idea or proposal.

Leverage social proof. The principle of "social proof," as articulated by social psychologist Robert Cialdini, says that when people are unsure about which way to go or what to choose, they look to the behavior of others, actual or implied. According to the logic of appropriateness, if we think most others are actually doing something, it must be appropriate. This is because when people look at the world, they think the world is supposed to make sense. And so when they see other people choosing a certain course of action, they say to themselves, "There must be a reason," and take it as a signal that it is the correct or normal or acceptable behavior. Not surprisingly, then, the most direct way to boost the appropriateness of an option is to demonstrate or signal that others are also choosing it.

Set the default option. When something is the presumptive or preset choice in a setting, it leads people to conclude "It must be the default for a reason"— that is, it must be what most others do, or it is normal or acceptable. You can boost an option's appropriateness by making it the default.

Shift the reference point. Is $10,000 a lot of money? It depends on what you are comparing it to or contemplating. If you are thinking about buying a watch, it is a lot of money and the amount will be very salient; if you're buying a house or discussing the national debt, then it is not particularly attention-worthy. The point is that people do not react to or evaluate data and options in a vacuum. Someone who is evaluating an offer, the suitability of a timetable or the level of success achieved on a performance metric always has some reference point in mind. If it is the "wrong" reference point, even the best data or the most meritorious argument will be evaluated as weak. Before presenting your information, then, it is wise to set an appropriate reference point.

Don't apologize for your offer. The moment you seem apologetic, you give the other side the license to start haggling. This does not mean you should be unwilling to negotiate price. Nor does it mean you shouldn't explain your price. But when you apologize for your offer, you are creating a frame that says your proposal is inappropriate and that even you do not think it is a reasonable starting point. If you are bringing more to the table than competing offers, you want to shift the frame to a discussion of value. For example, if the customer complains about the price being too high, the salesperson might say, "I think what you're wondering is, how is it that despite having this price we have so many people lining up to buy our product? What kind of value are we delivering that allows us to win so many deals over our competitors? I'm happy to have that conversation..."

First-Mover Advantage

In 1786, Thomas Jefferson and John Adams signed the "Moroccan–American Treaty of Friendship" that had been negotiated between the American representative, Thomas Barclay, and Mohammed III, Sultan of Morocco. The treaty, written in Arabic and then translated into English, had 25 articles, mostly pertaining to naval and commercial matters. The final article set the length of the treaty obligations: "This Treaty shall continue in full Force, with the help of God for Fifty Years." Almost 230 years later, it is still in effect.

But the signing of the Treaty of Friendship merely formalized a relationship that had already existed between the two countries for almost a decade. The first, and most consequential, step towards friendship was planted in 1777, when Morocco became the first sovereign country to recognize the independence of the fledgling United States of America. In December of that year, seeing the value of enhanced commercial relationships with America, the sultan announced that the ports of his country would be open to the United States. While it took a few years for the U.S. government to respond to this offer — they had more pressing concerns during the war with England — it planted the seed that would grow into a friendship and a commercial relationship for centuries.

There is a powerful first-mover advantage when it comes to framing. The sooner a frame takes hold, the more likely it is to stick and to shape subsequent negotiations. We saw this when discussing default options: It pays to start with your initial template for the negotiations, or with your draft of the agreement. In the case of the longstanding relationship between the United States and Morocco, the friendship frame was set early on, when there was no prior, dominant frame to contest it.

In business contexts, multiple frames are usually established very early in the deal-making process. These include, for example, who is perceived as strong or weak, whether it makes sense to be transparent or to be guarded, and which reference points or precedents are appropriate when evaluating offers, valuations and so on. Effective negotiators are mindful of the influence such frames will have as the negotiation unfolds, and seek to establish the preferred frame as early as possible.

PART II: THE POWER OF PROCESS

The substance of a negotiation is about what the parties are trying to achieve. Process is about how they will get from where they are today to where they want to be. Even the most brilliant strategy for the substance of negotiations can be undermined if there is insufficient attention to process. Here are just a few elements of process to consider and try to shape:

How long will negotiations last? Who will be involved and in what capacity? What will be on the agenda, and in what order will issues be discussed? Who will draft the initial proposal? Will negotiations be public or private? When and how will progress be reported outside of negotiations? Given multiple parties or issues, will there be one negotiation track or many? Will all the parties be in the same room at the same time? How will major deadlocks or other problems be managed? Will deadlines, if any, be binding or not? What milestones might help build momentum and keep the process on track? If the negotiations end in no deal, when and how might parties re-engage?

In most negotiations, some or many of these factors will be predetermined, or there may be a default process in place due to precedent or the actions of other parties. But defaults need not be blindly accepted — they can be reset to great advantage.

Have a process strategy: How will you get from where you are today to where you want to be? Consider the factors that influence whether, when and how substantive negotiations will occur.

Also, a process strategy for deal making is not enough — you also have to strategize the implementation process. What will be required for successful implementation? How will you garner sufficient support for the deal? How will you ensure ratification? While getting the substance right is essential, getting the process wrong can still be fatal. Moreover, it is not enough to give process elements due consideration: Process should be given precedent. Focusing on process early can sometimes help avoid deadlocks and ugly conflicts altogether.

Leveraging the Power of Process

Consider the following: You have been negotiating with your counterpart for weeks. After considerable effort, you seem close to reaching a deal. You decide to offer one final concession that you have so far resisted and agree to one of their more onerous demands — a move you hope will seal the deal. You make the concession, and the other party responds, "Thank you. This is extremely helpful. I appreciate your flexibility. Now, I'd just like to go over things with my boss to see what she thinks about it." And you are sitting there, stunned, thinking to yourself, "What? You have a boss? I thought this was going to be the end. I have nothing more to give." The mistake, in this somewhat stylized example, is one that is all too common. It is a failure to negotiate process before diving into substance.

Negotiating the process involves evaluating the default (or proposed) process and reshaping it if necessary and possible. It also entails asking questions, sharing assumptions and expectations, and reaching as close to a common understanding as possible on the path from where you are to the finish line. How will we get from here to there, and what are the factors that can influence the trajectory and speed?

A failure to negotiate process effectively can lead to mistakes on substance later on, including poorly timed concessions; ill-conceived proposals or demands; coordination failures across different tracks or channels in the negotiation; and the failure to anticipate barriers, such as deadlines, political or bureaucratic hurdles and the behavior of spoilers.

Even when there is clear agreement on process at the outset, parties can sometimes get misaligned regarding their views on where they are in the process. One party may feel that they are close to a deal and should forgo other options, while the other thinks it is still legitimate to be shopping around. Ensure — early and often — that there is agreement about what has been accomplished and what the path ahead looks like.

Even when you have no ability to shape the process, there is much to be gained by seeking clarity and commitment on the process. Greater clarity (an understanding of the process) and commitment (assurances that the process will be followed) can help negotiators navigate towards better outcomes and avoid strategic and tactical mistakes even when they do not have the leverage to change the process.

Of course, there is no guarantee that the other side will respond to your request for clarity or discuss potential problems that may arise, but even a refusal by the other side to answer certain questions can be informative. In the case of process, if the other party in the deal or dispute will not answer reasonable questions about process, it allows you to further explore whether this reflects bad intentions or a lack of preparation on their part, or that they are merely keeping their options open. At the very least, you can be more vigilant as you navigate the deal.

Preserve Forward Momentum

In protracted conflicts where finding a solution will take a long time — and in relationships where the parties will have to negotiate with each other again in the future — it is necessary to preserve forward momentum. Forward momentum is the deliberate, gradual progress towards eliminating obstacles and creating the conditions that might eventually lead to a successful outcome. Unfortunately, short-term temptations abound that create the risk of sacrificing forward momentum. The desire to "win" today can make it difficult to make even modest progress tomorrow.

There is nothing, per se, inappropriate about trying hard to get the best deal for one's constituents. The problem surfaces when this pursuit induces negotiators to break long-standing norms of behavior, to disrupt implied or explicit agreements, or to legitimize the use of "whatever it takes" tactics in an environment where cooperation and moderation might have otherwise taken root. Instead of doing whatever possible to make progress easier, negotiators who engage in such behaviors will motivate a desire for revenge and displace collaborative rules of engagement.

Before using tactics to gain advantage, consider: How will this affect our ability to negotiate productively in the future?

The Dark Side of Consensus

Consensus certainly has its merits. But the more people who have veto power, the fewer the degrees of freedom you have to structure a satisfactory deal, because there are too many demands on the limited resources available. The need to bring everyone on board creates a situation in which anything that isn't bolted down is subject to compromise, and the emergent agreement is likely to be strategically shortsighted — that is, designed to solve current problems at the cost of ignoring or exacerbating future problems.

Deal makers and diplomats will often try to adopt the principle of sufficient consensus. Instead of requiring that everyone at the table vote in favor of each proposal, the parties agree that negotiations can proceed as long as there is a "high enough" level of acceptance among and within the parties (e.g., 80 percent of all parties must agree in favor of the provision, and 60 percent of all individuals must agree).

Stay at the Table

Most negotiations, even successful ones, leave residual conflict in their wake. For example, some salespeople will disengage with customers after a deal is signed (or when it fails) and re-engage only when it is time to pitch the next deal.

A wiser strategy is to stay at the table, at least figuratively if not physically, even when there is no visible prospect for a deal or money to be made. Especially in the aftermath of "failed" negotiations, the natural tendency is for the relationship to further deteriorate, for trust to diminish and for perspectives to diverge further. Continued engagement is crucial to keep relationships intact, audit the potentially changing interests and constraints of all parties and explore the possibility of renewed negotiations.

Also, it is often easier to obtain information and build trust when substantive negotiations are not under way, because there is less anxiety that sharing information will give the other side an advantage in a deal. Stay engaged regardless of the outcome; there may come a time when the deal you reached can be improved, or the no deal you reached can be reversed.

Wise negotiators do what they can to get a seat at the table. If that is not possible, there are other ways to influence what happens in a negotiation. If you don't have a seat at the table, you might influence deal makers by creating value outside of the deal or by offering to help sell or implement the current deal.

PART III: THE POWER OF EMPATHY

The mistake people make is to think that empathy is what you use when you want to be nice, or that it is an instrument of the weak. This reflects a dangerous flaw in understanding. For negotiators, the reason to empathize with the enemy is not because it is somehow the "nice" or "liberal" or "enlightened" approach to dealing with nasty people. We need to empathize because it makes it more likely that we can achieve our own goals.

In negotiations of all kinds, the greater your capacity for empathy — the more carefully you try to understand all of the other party's motivations, interests and constraints — the more options you tend to have for potentially resolving the dispute or deadlock. Empathy does not guarantee success, but a lack of empathy usually guarantees failure.

Most of us see ourselves as being relatively understanding and empathetic, but we fail to act this way when we are dealing with people who have done things that we find abhorrent or inexplicable. Yet, these are precisely the situations where empathy is most needed. You already

understand your friends; the key to resolving conflicts lies in understanding your enemies.

It is important not to confuse empathy with sympathy. The goal is to understand what is causing someone to behave a certain way; it does not mean you have to approve of their goals or actions. There is a difference between explaining the other side's behavior and justifying it. When you are dealing with difficult negotiations and ugly conflicts, it is not necessary to agree with the other side, but it is crucial to understand them.

Leveraging the Power of Empathy

When the other side has a lot of power and seems willing to engage in unscrupulous behavior, your options seem limited. But a number of options might not be immediately apparent because inaccurate assumptions are being made about the underlying problem. It is crucial for deal makers to investigate what factors other than sheer incompetence or evil intentions might motivate the other party to behave in a manner that seems aggressive, unfair, unethical or irrational. Of course, you might conclude after an exhaustive examination that they really *are* out to get you, but it is best not to start with that assumption.

Not every negotiation should end with a deal. If the best you have to offer the other side is worse than their alternatives, not reaching a deal is the right outcome. Not reaching a deal is tragic only when you are the right partners for each other and value could be created for everyone, but something is standing in the way of getting it done.

Broadly speaking, there are three classes of barriers that negotiators ought to consider:

Psychological Barriers: These are barriers that exist in the minds of people, such as mistrust, ego, disliking the other party, emotions, biased perceptions of fairness and overconfidence.

Structural Barriers: These are barriers that are associated with the "rules of the game" as currently established — e.g., time pressure, having the wrong parties at the table, the use of agents whose incentives are misaligned with yours, too much media attention, insufficient availability of information, other deals or agreements that are constraining your options, etc.

Tactical Barriers: These barriers arise from behaviors and choices on either side, such as publicly committing to a position that is untenable, aggressive tactics that provoke retaliation, focusing too narrowly on one issue and failing to consider all of the interests of each party, choosing not to exchange information and so on.

The more carefully you evaluate all the challenges that you may face, and the more comprehensively you consider the various tools and tactics at your disposal for addressing them, the more likely that your deal-making efforts will succeed.

Ignore Ultimatums

Every so often, in big negotiations and small, ultimatums are given: statements such as "We will never… ," "Under no conditions can we… ," "You must…" or "That's impossible." But many of the ultimatums that get thrown about in negotiations do not reflect absolute "red lines" or deal breakers. Sometimes people are just angry or upset, and the words come out more aggressively than necessary. Sometimes the other side feels that they have been pushed around for too long and are now simply trying to assert some control.

Ignore ultimatums. The more attention you give to them, the harder it will be for the other side to back down if the situation changes. Remember: What is not negotiable today may be negotiable tomorrow. How the other side approaches a negotiation is not only likely to change over the weeks, months and years ahead; it can also be shaped by the actions you take.

Yielding

Sometimes neither controlling the frame nor reframing is an option. Sometimes there is already a dominant frame, a well-established lens through which one or more of the parties are viewing the situation. You may be walking into a protracted negotiation or conflict where the parties have a deeply rooted perspective on the issues and their options.

When all else fails, you can sometimes overcome resistance to your ideas and proposals by *yielding* — that is, understanding and co-opting the other side's frame or perspective to make it work for you. Yielding means "going with" and not "giving in." Doing so effectively requires a clear and unbiased understanding of how the other side views the situation and of the metrics they will use to evaluate ideas and options.

Sometimes there is not one dominant perspective but two equally strong philosophies competing for dominance. This can be the case when each side has strong views on the correct way to discuss or evaluate issues, and they have seemingly incompatible ways of looking at the problem. In such a case, one potential solution is *bridging:* finding a

way for one side to adopt the other's frame without losing leverage, or proposing a new frame that they can both safely adopt.

Competing perspectives can be bridged if one side can adopt the other's frame without sacrificing their ability to articulate key demands, or both sides can agree to a new frame that gives neither an advantage.

Map Out the Negotiation Space

A common mistake in negotiation is to think about relationships *bilaterally* — that is, to focus only on your relationship with the party across the table from you. The negotiation analysis changes when parties think *trilaterally:* evaluating not only the relationship that the parties have with each other but the relationships each has with other parties. The negotiation space consists of all parties that are relevant to the negotiation. "Relevant" means one of two things: (a) any party that can influence this deal and (b) any party that is influenced by the deal.

The more you "zoom out" to see the negotiation in the broader context, the more accurate will be your understanding of the other side's likely behavior, and the more likely you are to wisely revise your strategy when relevant events take place elsewhere in the negotiation space.

When it comes to understanding the other parties in the deal, what precisely are we to understand about them? Here is a framework (ICAP) to help organize your thinking around four critical factors: each party's interests, constraints, alternatives and perspective. Here are the kinds of questions that each of these raises:

Interests. What do the other parties value? What do they want and why? Why are they doing this deal? Why now rather than last month or next year?

Constraints. What are the things they can and cannot do? On which issues do they have more or less flexibility? What is causing them to be constrained? How might their constraints change over time?

Alternatives. What happens to them if there is no deal? Are their outside options strong or weak? Are their alternatives likely to improve or deteriorate over time?

Perspective. How are they seeing this deal? What is their mindset? Where does this negotiation fit into the portfolio of deals they are doing? Is this a high or low priority for them?

An ICAP analysis at the outset of negotiations, and updating the analysis as the deal progresses, can be crucial.

Partners, Not Opponents

It is always best to remember that the people you are dealing with are not competitors, allies, enemies or friends — they are just people who, like you, have interests, constraints, alternatives and perspectives. As a negotiator, your job is to understand these factors and to address the situation accordingly. It is useful to retain the label "partner" for everyone (whether they are acting like a "friend" or "foe"), because it reminds you to have empathy, to be open to the possibility of collaboration in even the most difficult relationships, and to shed assumptions about what is or is not possible.

In the world of business, negotiators often talk about "creating value." Negotiators should be in the business of creating value whether they are bargaining over deal terms, facing deadlock or addressing an ugly conflict.

In difficult situations, an effective way to clarify objectives and choose between options is to ask, What would be the value-maximizing solution? For example, creating a business relationship with the person who is suing you is not intuitive, unless you are dispassionately looking to create value in every situation. Here again, we see the value of regarding all other parties as partners, not opponents, in the process. When you see them as your partner, you are more likely to identify and implement value-creating solutions to the problem.

Every problem wants to be solved. This is especially true in negotiation. You may not solve it today — it may not even be solvable today — but you will solve it sooner when you remember that all problems of negotiation are, fundamentally, problems of human interaction. Therefore, humans have the capacity to solve them.

Our ability to find unique solutions to our problems is greatly enhanced when we are skilled in using all of our sources of leverage — not just money and muscle but also the powers of framing, process and empathy.

RECOMMENDED READING LIST

If you liked *Negotiating the Impossible*, you'll also like:

1. ***Persuasion Equation*** **by Mark Rodgers**. Rodgers reveals what drives decisions and introduces the persuasion equation — a powerful combination of factors proven to speed agreement.

2. ***Just Listen*** **by Mark Goulston**. A veteran psychiatrist and business coach, Goulston reveals the secret of how to get through to anyone, even when productive communication seems impossible.

3. ***Real Influence*** **by John Ullmen, Mark Goulston.** The authors provide a four-step method to examine your priorities, learn about the key players and what they need, earn their attention and motivate them to hear more, and add value with your questions and action.

· Book 56 of 388 ·

38-23 Matter

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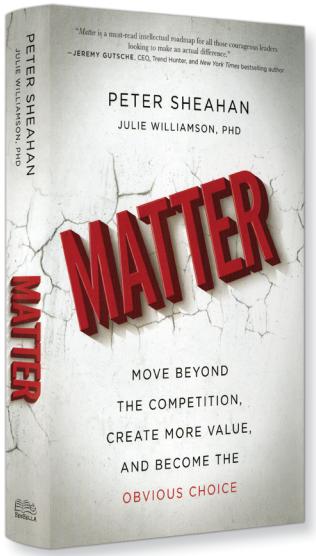
Matter

Move Beyond the Competition, Create More Value, and Become the Obvious Choice



by Peter Sheahan and Julie Williamson, Ph.D.

THE SUMMARY IN BRIEF

Companies and people that matter have successfully become the obvious choice in the hearts and minds of their customers, their employees and their communities. They elevate themselves by consistently finding ways to solve the most pressing needs their markets face. The result? They create more value year after year and build a sustainable, differentiated organization.

In *Matter*, Peter Sheahan and Julie Williamson show you how to identify the place where you can create the most value — your edge of disruption — at the intersection of old and new, where your existing profits, reach and reputation enable you to create the markets of the future. This is the place where the most important problems are solved and where the fewest people can solve them. Your edge of disruption is where your opportunity to matter is found.

Matter uses extensive case studies of real companies that have successfully become the obvious choice in their markets. Through their journeys, you will find the inspiration and courage to lean in to complexity and solve the higher value problems that matter most. Don't just read this book — use it to identify and act on opportunities to create the most value and accelerate your own journey to becoming a person and a company that matters.

IN THIS SUMMARY, YOU WILL LEARN:

- What it means to be a company that matters.
- The three-step process for becoming a company that matters.
- How to do the hard work of reinventing yourself, rather than working hard at what you've always done.
- How to make thought leadership a way of life.

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THE COMPLETE SUMMARY: **MATTER**

by Peter Sheahan and Julie Williamson, Ph.D.

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Introduction

People want to buy from companies that matter. People want to work for companies that matter. People want our communities to be filled with organizations and people that matter.

To become the obvious choice, to be a company that matters, you need to consistently create outcomes that are valued more than those of your competitors and that are not easily replicated. As the definition of value evolves in the marketplace over time, you also must sustain your ability to perpetually create new and valued outcomes that are beyond what your competition is capable of doing. Period.

How are some companies able to be the obvious choice in their markets year after year? The "what," "where" and "how" questions about providing value are riddles worth solving: *What* does it take to create more value? *Where* do you find the opportunities to create more value? *How* do you build the capability to deliver more value, year after year?

Here is a map for your journey to become the obvious choice.

- Establish your *elevated perspective* by defining your edge of disruption and learning and sharing as much as you can about it.
- Use your elevated perspective to build credibility and gain the access you need to develop *elevated relationships.*
- Go deep with your customers and connect the dots between disruption and opportunity, and you will have the understanding and influence required to have an *elevated impact*.
- Lean into the complexity required to solve higher-value problems, and answer the call to act in a way worthy of your leadership position.

Do these things and you will be able to create more value for your customers, move beyond your competition and, as a result, become the obvious choice in your market, year after year. You will matter more.

PART I: ELEVATED PERSPECTIVE

There are things that matter to buyers, and there are things that matter more. An elevated perspective that comes from the edge of disruption matters more. Your ability to have insight at that edge and to share it in a compelling and applicable way will matter in the most influential rooms of your most important clients. Clients can leverage that perspective to help differentiate their organization and solve their most complex problems.

DEFINE: Discover Your Edge of Disruption

Defining your edge of disruption should be driven by the question, "What are the problems we are uniquely positioned to solve with a scalable solution?"

Defining your edge of disruption is about looking toward the future, determining where your capabilities and credibility uniquely position you to take advantage of the wide array of changes you see there, and developing a unique perspective about the disruption these changes

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Masiel Tejada**, Graphic Designer; **A. Imus**, Contributing Editor

will bring. Then use that perspective to drive meaningful insight for the people you need to influence the most.

Wherever you go to find your edge of disruption, it should ultimately generate *market-facing* value. It must have an impact on your customers and, if appropriate, your customers' customers.

Companies that have succeeded on the edge of disruption, that are delivering the highest value possible to customers, bring three things to the journey. You need to find them for yourself if you wish to become the obvious choice in your market.

1. Have the courage to challenge assumptions. When you set out to define your edge of disruption, you absolutely, unequivocally must have the courage to challenge your assumptions and deeply held beliefs about your industry, including how you make money and provide value. You must step out of the container of your immediate environment and be willing to stretch your imagination and your understanding of possibilities.

Write down the five most irrevocable truths that you believe about how you do business. Truths that, when you are honest with yourself, may in fact be blinding you to opportunities that are right in front of you. Opportunities that the insular world of your industry and your organization are hiding in plain sight. Embedded in the results will be pointers to your edge of disruption — the ideas that are too precious to challenge are the very ones you must examine.

2. Take an optimistic stance. Finding your edge of disruption, and then thriving from what you learn there, is about asking more optimistic questions. Optimistic questions are growth questions for the future. Questions like "How can we use this to our advantage?" "What opportunities are hidden in this disruption?" and "How could we get ahead of this change and profit from an early-mover advantage?" If you are optimistic about the possibility that the future can be even better than today, you will keep pushing out of the box you are in, even if it is a box that is currently serving you reasonably well.

3. Explore the unanswered questions. Have an insatiable desire to explore the unanswered questions that face your industry, company, team and your customers, wherever you find them. This is fueled by a desire to know about what's going on around you, wondering what others are doing and what might be possible. That keeps you watching for the next opportunity, pushing to understand what's happening broadly and how you can create more value for your clients, and doing the work that matters most by solving complex problems with innovative solutions. Unanswered questions worth exploring are the "what if," the "where else," the "how might we" questions.

LEARN: Establish Your Point of View

Take intelligent risks in the real world. Think about your team, your region, your function or your company — wherever you have line of sight. What controlled risks could you take to learn how you could matter more to your internal or external customers?

Co-create with your customers and your market. Engaging your customers and your market in co-creating — both in defining *and* solving for your edge of disruption — creates tremendous respect for your ability to bring people together around interesting challenges. And you often fast-track the sales process later on, because people are primed to buy solutions they helped to build. Working together to solve systemic problems creates more value for everyone — you, your customers, their customers, your competitors and the industry as a whole.

As you work to learn about your edge of disruption, you may find you have more questions than answers. You may not even have the problem fully defined. You can co-create a problem definition and solutions with your customers and market; consider this approach as you work to learn about your edge.

Know what you know. Another approach is to make sure you "know what you know." You can often learn a tremendous amount about your edge of disruption when you look right in front of you: at your people, your suppliers, your contractors and your customers. They all have experiences that help you to better understand your edge of disruption. It takes courage and humility to ask about those experiences, learn from them and synthesize them to find and stay at your own edge. You can't learn from your expertise if you don't know what it is or where it exists inside your organization.

Muster up the courage, the optimism and the curiosity to ask the tough questions and fully understand the answers; then make a decision to take action. It takes hard work, but if you are committed, you can start to elevate your own perspective and that of those around you.

Move from ideas to insights. Ideas pop into your head in the middle of the night, or get doodled on whiteboards during meetings, and they are great to have. The work is in moving from ideas to insights. Insights are formed when an idea is tested in a real-world situation, and key distinctions are generated that test the underlying

assumptions of the idea itself. Companies that contribute from the edge of disruption are committed to generating insights. By testing their ideas, they flex them inside the market, using diverse viewpoints and taking intelligent risks. The companies that matter are able to develop an informed point of view about their edge of disruption and take it out into the world in effective ways. It is critical that this ability to define and learn about your edge of disruption be developed throughout the organization, not just in the marketing, R&D or product departments. It must be ingrained in your company's DNA.

Once you demonstrate to your clients that you don't just know yesterday's news but are discovering, defining and sharing tomorrow's news, they will want to engage and partner with you as they push toward their own edge of disruption. In the process, this will break you free from the commoditized positioning that plagues most industry players. To leverage an elevated perspective into elevated relationships, you need to develop a platform from which you share what you have learned. You must be known for what you know.

SHARE: Be Known for What You Know

Companies that matter go beyond the superficial to become true thought leaders in their industry. When it comes to their approach to thought leadership, content marketing, applying their perspective to the sales process, and the way they share and proliferate what they know, companies that matter believe in four things that set them apart from their competition:

Share abundantly. Elevated perspective isn't just about what you know and what you see. It is about how your perspective is put to work by your customers, your sales teams, your industry and even your competitors. It's about being known for what you know. To those who share much, more will be given.

If you don't find a way to be heard, your elevated perspective will not add the value that it should. Instead of opening new doors and building your credibility, it will hibernate inside your organization until it reaches its expiration date, without elevating you at all. That creates two risks. First, you can become so enamored with your ideas, you don't realize they've expired; and second, you can fail to contribute in a way that ultimately associates you with the maximum possible value. Creating more value happens at the edge of disruption. And if you share, the perspective you gain there can be leveraged to elevate your relationships and your impact.

Quality: Focus on value, not volume. Companies that matter have come to know that views and volume of consumption do not equal value. Value equals value. It's more important for the right people to access your perspective than for a lot of people to access it.

Companies that are the obvious choice in their markets put what they learn to work for them by developing and curating content platforms that make their insight, data and points of view available to their most important customers. Sometimes that is in the form of awesome content that gets a broad audience activated, and other times that is more surgical and precise, focused on buyers in particular verticals.

Now might be a good time for you to start to think about how you can position your point of view about your edge of disruption, and with whom. Then consider how you would build a platform that will position your elevated perspective in a way that reflexively drives value for you and your customers.

Be provocative. New ideas and new approaches, including those from the edge of disruption, are always met with criticism — they wouldn't be disruptive if they weren't. When the future threatens the status quo, people become defensive and start to think, talk and act out of fear. It is easier to reject a new elevated perspective than it is to consider it and embrace it. It's about having the courage to stand by your point of view and to shine a light on the edge of disruption itself.

Make thought leadership a way of life. Companies that matter don't just treat their thought leadership as a marketing strategy; they also grow their content out of a much broader mindset and way of operating. Thought leadership infuses everything these companies do, from product development to learning. Everyone on staff has an obligation to think about the future. As a result, the value of these companies' insights goes way beyond typical content marketing. Specifically, they differentiate their thought leadership in three key ways:

- They find and focus on the edge of disruption that is most impactful for them and for their customers, and that's where they spend time developing their most valuable insights.
- Their ideas are grounded in experience, data and collaboration.
- It is authentic. Companies that matter want to break free of the world as it currently exists, and move confidently toward the world as it is going to exist. As a result, they are bold and provocative, and they leave people questioning their most fundamental industry

assumptions. Thought leadership is not content marketing. It is a way of life.

PART II: ELEVATED RELATIONSHIPS

Elevated relationships happen in three different but interrelated dimensions. First, you have access to the key influencers in your marketplace — the people who can say yes and can make things happen inside their own organizations. They are typically your buyers. Having access to these key influencers is called *playing high*.

Second, you build partnerships with the people who ultimately use or interact with your products and services, relationships that continually keep you fresh in understanding their needs and focused on the most complex problems they face. This is called *engaging like you mean it*.

Third, you must make meaningful connections across *the whole board* — all the various internal and external influences that create disruptions in your world. These connections go beyond the direct buy/sell relationships, or internally beyond your immediate circles, and into the broader ecosystem.

INFLUENCE: Play High

There are five key challenges you will encounter when you decide to play high.

1. Invest your energy in the right people. Elevating your perspective is critical, but alone it does not create enough value to make you the obvious choice. Innovative thinking and deep insights might raise your reputation, but to truly create the most valued outcomes, you have to leverage your elevated perspective to elevate your customer relationships.

Companies often bemoan their inability to reach the "right" people to influence at the highest possible level. Consider whether you are doing all you can to go to where your ideal buyers are, rather than either expecting to meet them in their offices or expecting them to find you. Take a hard look at where you are spending your time. Are there opportunities to claim different space and to create different conversations? We are willing to bet there are, and your elevated perspective creates the opportunity to do so.

2. Align your go-to-market approach. Transforming sales and often marketing in any organization is not for the timid, that's for sure. But, it is completely necessary if you want to elevate relationships with your buyers and to put your elevated perspective to work for you. Time and again companies invest in building an elevated perspective only to have the sales organization reject it because "that's not how we sell," or because it can feel like a slower burn. Solving more complex problems is often a slower sales cycle than commodity-based categories. Companies that are working on the edges of disruption, that want to change how they matter to their customers, will push through that resistance, hold their nerve, and in the process often bring sales and marketing closer together.

3. Learn to say no. Imagine if you took all the energy you put toward pleasing customers who aren't profitable to you and likely never will be — clients who keep pushing you into commodity conversations and ruthless negotiations — and instead directed that energy toward clients who are your partners and who most need the work you do best? You'd become so valuable to those clients, you'd get the margins you need to do less (but more enjoyable) work and still thrive as a business. It takes clarity and courage to say no to work, but it is absolutely imperative if your goal is to become the obvious choice. Management guru Jim Collins suggests three questions a company should ask: Is this something we can do better than any other company? Are we passionate about it? Will it fuel our economic engine?

4. Set clear standards. The most successful companies don't just apply strict standards to say no when choosing customers and work. They apply equally tough standards once they've taken a job as well, both to their own conduct and to that of their customers. They don't chase jobs; they partner. A given job matters, but the relationship with the partner matters more. It takes real courage to demand something greater from your customers and to adhere to these standards long after they are first defined. But the results are worth it. They include not just lasting, loyal relationships but also more meaningful work.

5. Be true to your future self. You have to know who you want to be in business, and with whom you want to be in business, and stay completely focused on that goal, while remaining open to changes in your industry and continuing to synthesize and maintain perspective on the edges of disruption happening all around you. Influence isn't fundamentally about what a company has. It's about what a company does, and even more profoundly, what a company is — what it's made of, its character. Companies accelerate their journey to becoming the obvious choice by positioning themselves to conduct business with the right customers and doing the right work. They go head-on to meet the challenges

of gaining access, saying no to work, screening customers, revamping their go-to-market teams and processes, and being true to their future selves.

PARTNER: Engage Like You Mean It

The best companies invest in their relationships in such an authentic way that the returns they create are more than sufficient to justify further investments. They don't see relationships as a cost to be managed but, instead, view them as critical to their ability to create value. They know that to not only see the opportunities at the edge of disruption but also have the understanding required to execute solutions that make the most of such opportunities, they need to create a partnership with a consumer or client beyond the typical cordial and sometimes adversarial nature of professional relationships. The best companies create these kinds of partnerships in three ways.

Create intimacy and understanding. First, companies that matter establish programs or models for engaging in partnerships with the clients and prospects that create intimacy and understanding. They do not rely on any one transaction or the health and vitality of a relationship from the past. Being "in the traffic" means standing shoulder to shoulder with your clients, essentially meeting them on their ground — being in the room, in the hallway conversations, in the planning meetings, adding value long before there is an economic opportunity for you.

What are some ways you might engage more deeply with some of your customers, whether they are internal or external, big or small? Are there opportunities for you or your team to get to know more about the people you serve internally and the way your products are used?

Convert insights into application. If you really want to matter, you have to be able to add value in application, not just in theory. Doing that means having the ability to convert ideas into insights and insights into action for your customers. Companies that transform into the obvious choice take the insight that comes from their elevated perspectives to make better decisions, shining a light on challenges and opportunities and creating products and services customers didn't even know they wanted.

Turning insight into action means having both the perspective and the relationships needed to understand data in a different way. You need to know who your customers really are. How they live. What they hope to accomplish. What they fear. You have to study your customers, marrying sophisticated data analysis with an equally sophisticated interpretive, ethnographic perspective that leaves you with a rich and nuanced understanding that can't be found in the numbers.

Vest your interests and remove barriers. It is no longer enough to have really smart people; if you don't, why are you in consulting? What clients really want is something more. They look for high-value reciprocal relationships; they want a professional services firm's success to be their success; they want a deeper relationship, mutually vested. They want to discover and exploit new value-creation opportunities together. Vesting is all about finding ways to do business where everyone benefits. The goal is to do away with litigious, acrimonious organizational positioning and to unlock the value of the relationships while driving higher-value outcomes for all.

CONNECT: See the Whole Board

Sometimes called "board vision" in the world of chess, seeing the whole board is about not just seeing each piece in isolation, or a move in isolation. It is about seeing the spaces between the pieces — the relationships, if you will — and the impact of individual moves on the entire board. Players with board vision see their impact in the moment and the potential future impact of subsequent moves as they begin to build to the crescendo that is the tension of the game. The companies capable of solving the most complex and valued problems for their customers are able to do so in part because they can see the whole board.

Connecting is about creating relationships that go beyond the buy/sell relationship, outside your organizational and market boundaries. It is building a level of knowledge and insight capable of identifying the interconnectedness of the moving parts in your world. It is being able to not just understand but also exert influence on how those parts work together and relate to each other. It starts with you seeing the whole board and builds through connecting the dots between the variables that exist on the board.

Connect the dots. Many companies that make it past startup last about 40 to 50 years and then crumble from the inside out, or are taken out in a massive technology or social revolution. Companies on the S&P 500 have seen their average life span decrease from more than 50 years to 15. The rare companies that are able to survive over a century and remain relevant and growing are the ones with the ability to truly see the whole board — what's going on in the world — and constantly adjust by connecting the dots and making bold moves.

Connect broadly. LoyaltyOne is the obvious choice in Canada's loyalty-awards program industry. Its Air Miles Reward Program has achieved one of the highest per capita penetration levels of any national loyalty-awards program on earth. It did so because LoyaltyOne not only saw the whole board but also built the wide-ranging relationships required to capitalize on what it saw via this strategic view: massive opportunities in the white space between brands and retailers, between retailers and consumers and between retailers and other retailers. It suddenly became clear that there was an opportunity to connect the retailer programs with the consumer's decision to shop somewhere, to choose a specific brand or to use a specific credit card with something more meaningful than mere discounts. The power of Air Miles lay in the whole constellation of consumers, retailers and brands, and its success came from LoyaltyOne's ability to build relationships with all of them. Thanks to that breadth, the program knew more about what people bought and aspired to than any single discounting platform ever could have, and its results for brands and retailers were so remarkable that Air Miles created a bigger pie for everyone to share.

Influence the system. Having an elevated relationship is about having a more sophisticated and comprehensive view of your entire market. The best companies, the ones that really matter in their markets, understand that creating the most value requires that you know how to execute in real life. And execution is about politics. It's about influence. It's about behavior change. It's about relationships.

Specifically, it's about the dynamics of relationships. It's about knowing how the actions of Player A impact the results for Players B, C and D. You must understand so much more than the narrow transaction; you must grasp an entire interconnected system of different players bearing on the product's purchase and use. You need to see the whole board and connect the dots between these players. You need to build relationships with them so you can exert influence over the entire market in a way that is good for you, good for the industry and good for the customers downstream.

PART III: ELEVATED IMPACT

Elevated impact happens when companies are delivering the most valued solutions in diverse areas to a variety of stakeholders — and when higher-value outcomes are being created.

LEAP: Be the Disruptor

Just working hard at what you've always done tends to yield diminishing returns, but doing the hard work of reinventing yourself and finding ways to move beyond the competition is what it means to elevate your impact — that's why it is the hardest step, the biggest commitment on your journey to becoming the obvious choice.

There are three distinct patterns of hard work in companies that took the leap, became the disruptor and elevated their impact.

1. Orient around outcomes. Many leaders become blinded to opportunities by a less value-creating focus on building products or services instead of creating the right outcome for clients. What business are you really in? What outcomes do your customers ultimately seek? Knowing the answers to these questions, and then aligning your focus and investments behind them, will help you to avoid holding on to existing business models for longer than is healthy, and will allow you to leap and become the disruptor in such a way that you have the future-focused solutions to the higher-value outcomes you are ultimately seeking to create for your customers.

2. Lean into the complexity. Upon becoming Burberry's CEO in 2006, Angela Ahrendts was asked by an industry analyst to name Burberry's most threatening competitor. Was it Louis Vuitton? Gucci? "No," Ahrendts responded, "Burberry online." Ahrendts went on to observe that customers could now buy the same Burberry clothes or accessories online from e-tailers like Gilt Groupe and Net-a-Porter for up to 25 percent less than in a Burberry store; sometimes they could buy them on Burberry.com for less as well. Under Ahrendts' leadership, Burberry somehow had to figure out how to bring more paying customers into its brick-and-mortar stores.

Burberry's edge of disruption was to take the very best of online and integrate it into the in-store experience, completely shifting industry beliefs and assumptions in doing so. It started with reimagining the store. According to Christopher Bailey, Burberry's then–chief creative officer, now CEO, the store aimed to bring its "physical and digital worlds together to create amazing experiences that encompass everything from fashion, to heritage, to music." It did so by integrating an extreme focus on customer insight with advanced technology, a retrained sales staff, a commitment to new forms of engagement and a massive investment of time and money to recapture a once iconic brand. In 2012, after 300,000 person-hours were invested in its development, the new store was opened and a new age of digital experience was created. Ahrendts summed

it up by observing that "walking through the doors is just like walking into our website."

3. Create organizational alignment. Major transformations will fail every time if alignment doesn't exist among a broad group of stakeholders who can also ensure that processes and systems are organized in a way to deliver. Look at your own world and think about how you can do things differently. What elevated impact could you have on your part of the world? We're willing to bet there is a transformative opportunity in every group in every company, if you take the opportunity to think about how you might deliver more value and how you might matter more in whatever form that takes for you. Elevating your impact means confronting your edge of disruption head on and leaning into the complexity you find there. It requires an orientation around the high-value outcomes your customers most seek from you and a shift away from the inputs that have underpinned your offer and value proposition to date. And it means bringing others along with you — your employees, your customers and others in your ecosystem.

LIVE: Answer the Call

Your customers, your suppliers and your employees are all, at the end of the day, just people. People who crave purpose, people who want to leave a legacy and people who want to see meaning in what they do beyond just economic gain. This is referred to as answering the call, and it is really about making a decision not just to have an impact but to have a positive impact on your organization, your customers and your entire community.

The best companies take their elevated perspective, relationships and impact and they create a new world order that truly matters to them, their customers and the broader community within which they exist. They do work that matters, and they have an impact that makes them matter, too.

Take a stand. There may be no better example of a company that confronted disruption coming from social and cultural changes in recent years, and answered the call required to elevate its impact, than CVS Health. Its approach to tobacco sales in its stores cost the company money in the short term, but the longer-term benefit is paying off well. The leadership team made an incredibly bold decision, one that immediately lit up the news wires and the Twitterverse with speculation about "What were they thinking?"

The announcement was that as of September 2014, CVS stores across America would be free of all tobacco products. The store replaced the "real estate" with signage that read, "We quit tobacco. Ask a trained pharmacist or nurse practitioner to help you quit, too."

At the same time, CVS rolled out a series of products and services aimed to help people quit smoking. *USA Today* noted that "CVS was deluged with personal stories from customers who had quit smoking." Many called it "the hardest thing they had ever done," as CVS/pharmacy president Helena Foulkes said, but "the company is determined to make it easier for them."

Elevating your impact is not just about doing the hard work; it is also about doing the right work. Companies that truly matter view their industry and community issues as their responsibility. If not us, who? And if not now, when? These companies are willing to take ownership of the unique role they can play, and they are willing to put their time, money and energy into playing that role. They see themselves as social actors after all, but there is more to it for companies that matter.

They do not just throw money at social problems or give lip service to the issues. They confront the disruption caused by open social issues and develop programs worthy of their leadership positions. Such companies invest very intentionally in measurably impactful, strategically aligned and organizationally integrated programs.

Once you push through and elevate your impact, you will find you want to do it again and again. You will want to find your next edge of disruption, and you will have built the organizational fortitude to support taking the journey even further. It will become part of your culture to step out to that edge and leap over and over again as you learn, share and increase your impact. Your ability to elevate your perspective, relationships and impact will coalesce into a strength that will enable you to sustain your position as the obvious choice in your market. Being a company that matters will become your modus operandi, the most comfortable way for you to work, and you will join other companies that have enjoyed being the obvious choice year after year.

RECOMMENDED READING LIST

If you liked *Matter*, you'll also like:

1. ***Peers Inc* by Robin Chase**. A co-founder of Zipcar, Robin Chase introduces the collaborative economy that leverages expertise, assets and resources outside participating companies' sphere of control.

2. ***Game-Changer* by David McAdams**. McAdams uses game theory to design a radically new and easy-to-learn way to outstrategize your rivals.

3. ***Design to Grow* by Linda Tischler, David Butler**. David Butler and Linda Tischler share the successes and failures of Coca-Cola as this large, global company learned to use design to create both scale and agility.

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38-29 Great Teams

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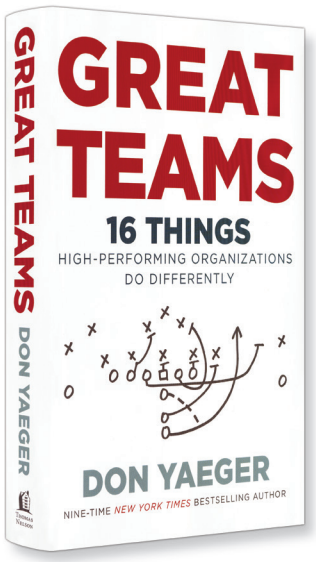
Great Teams

16 Things High Performing Organizations Do Differently



by Don Yaeger

THE SUMMARY IN BRIEF

What makes a team great? Not just good. Not just functional. But great?

Over the last six years, long-time *Sports Illustrated* associate editor Don Yaeger has been invited by some of the greatest companies in the world to speak about the habits of high-performing individuals. Yaeger was approached by his most consistent client, Microsoft, to develop a talk on what allowed some teams to play at a championship level year after year. What do some organizations do seemingly better than most all of their opponents?

Yaeger took the challenge. He has conducted more than 100 interviews with some of the most successful teams and organizations in the country. From those interviews, he has identified 16 habits that drive these high-performing teams.

Building on the stories, examples and first-hand accounts, each chapter in *Great Teams* comes with applicable examples on how to apply these characteristics in any organization. *Great Teams* is a powerful companion for thought leaders, teams, managers and organizations that seek to perform similarly.

The insight shared in this book is sure to enhance any team in its pursuit of excellence.

IN THIS SUMMARY, YOU WILL LEARN:

- The four essential pillars and 16 characteristics that set a Great Team apart.
- The synergistic leadership style of Great Teams.
- The importance of culture in Great Teams and organizations.
- How Great Teams embrace change and manage conflict.
- How Great Teams avoid the pitfalls of success.

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THE COMPLETE SUMMARY: **GREAT TEAMS**

by Don Yaeger

The author: As the author of more than two dozen books, nine of which have become *New York Times* best-sellers, Don Yaeger has developed a reputation as one of America's most provocative journalists. His award-winning writing career, including more than 10 years as associate editor of *Sports Illustrated*, has led to guest appearances on every major talk show in America — from Oprah to Nightline, from Fox News to Good Morning America.

Great Teams: 16 Things High Performing Organizations Do Differently by Don Yaeger. Copyright © 2016 by Don Yaeger. Summarized with permission of the publisher, Thomas Nelson. 272 pages, $24.99, ISBN: 978-0-718-07762-4.

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Introduction

There is something special about watching a Great Team at work. Whether it is on the gridiron, on the diamond, on the hardwood or in a corporate setting, when a group of people "click," the environment feels electric and the outcome is often extraordinary.

Great Teams are driven to create a culture of greatness. Trendy offenses, tricky defenses or "hot products" often get the credit for success, but the truly amazing organizations don't stay at the top of their marketplaces without building a team-first culture.

The effort to achieve that culture can be broken down to four essential pillars that set a truly Great Team apart from one that simply performs well:

- **T**argeting Purpose: The team is connected to a greater purpose. Members understand whom they are serving and why that matters.
- **E**ffective Management: The team is able to think creatively and act dynamically in order to stay fresh, effective and relevant.
- **A**ctivating Efficiency: Each member of the team brings a unique set of talents, experiences, perspectives, work ethic, personality traits and know-how that melds with and complements those of the other team members.
- **M**utual Direction: There is a strong sense of understanding, appreciation, shared responsibility and trust that unites and motivates the team to work together.

Moreover, there are 16 defining characteristics that special teams all share. These traits can be worked on independently by individual team members, but the truly outstanding teams use them to build on one another. Organizations that exhibit real greatness combine talent, relationships and innovation in a variety of ways for the sake of achieving a shared goal.

Pillar One: Targeting Purpose

1. Great Teams Understand Their "Why"

Every day, whether it's at practice or a game, an important meeting or an ordinary day at the office, the highest-performing teams show up with a sense of purpose; they understand the "why" of what they do and can clearly see how it matters. The better an organization understands whom it serves, the more effective it will be in weathering challenges along the way.

For this reason, a Great Team will constantly remind its players and employees that they are involved in something larger than themselves and their individual goals. Some team members will instinctively grasp this essential concept and will appreciate and respect the tradition of what they do or whom they work for. Others will need reminding, and leadership must intentionally create emotional moments that connect them to their greater purpose. But whatever the case, understanding the deeper motivation behind the effort is one of the most important elements of a truly Great Team.

Author and inspirational speaker Simon Sinek explained, "When an organization lays out its cause, how it does so matters. It's not an argument to be made, but a context to be provided. An organization's 'why' literally has to come first — before anything else." Companies that understand the purpose and philosophy behind the "why" are usually astute, high-performing organizations that tap directly into the pulse of those they benefit the most. When utilized correctly, this understanding can

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Masiel Tejada**, Graphic Designer; **A. Imus**, Contributing Editor

create a powerful sense of duty and purpose for business teams because the employees know exactly whom they are working for and to what end.

Pillar Two: Effective Management

2. Great Teams Have and Develop Great Leaders

There is no question that the key to any organization is leadership. From the CEO to frontline staff, strong leaders are critical to performance. Great Teams that sustain success place a high value on developing leadership. Promoting such a culture leads to consistent behaviors and better habits and ultimately increases that team's chances of winning.

Brad Black, CEO of HUMANeX Ventures, considers professional assessments a "foundation of development" and essential for any leader desiring to be great.

"Context matters," Black said. "If you were told that you were the Olympian of your chosen profession, then you'd have a context [on which] to base your strengths. And all leaders should have a strong sense of who they are before they attempt any developmental venture."

All leaders should know where they — and their teams — stand on skills, strengths, weaknesses and latent talents. Black said that understanding who you are as a leader is a "gift to yourself" and can create the road map for your own growth.

Here are the five most common leadership styles, along with the principles for developing an effective system of leadership that fits your team:

Command and control: Bobby Knight, George Patton, Martha Stewart and Al Dunlap are leaders who have employed Command and Control governance. This approach is autocratic in nature and does not involve their subordinates or followers in the decision-making process. They prefer to tell versus lead, and they are highly concerned with the details of what their teams do. Typically, these individuals micromanage aspects of their teams' strategies. Such individuals ensure that an organization's long-term vision remains intact.

Relational: For Relational leaders, people come first. These managers strive to keep their teams happy and in harmony. They are approachable and employ a "come with me" style of leadership. A Relational leader can be very good at building trust, respect and employee buy-in as a result of letting people have a say in the decisions of the company. In the business world, CEOs Sara Blakely of Spanx and Tony Hsieh of Zappos head wildly successful companies, but both are known for their even-keeled leadership and for engaging others in decision making.

Expert: Great Teams are often led by visionary leaders who are sponges for information and knowledge and who depend on their high levels of knowledge or specialized sets of skills to guide their teams. These are the Expert leaders. In the corporate world, Bill Gates was an absolute Expert as the chairman, CEO and chief software architect of Microsoft Corporation. Likewise, no one questioned the authority of Phil Jackson when he was head coach of the Chicago Bulls and Los Angeles Lakers. His knowledge of the game — from recruiting to the Xs and Os of play calling — was second to none.

Charismatic: Imagine a leader with a personality so engaging and inspiring that you hang on his or her every word. These are people who don't tell you what to do but create a vision of what you can do and light the fire to make you want to rush out and accomplish it all. Charismatic leaders tend to be incredibly skilled at reading an environment, scanning and processing the moods and concerns of both individuals and larger audiences, and honing their actions and words to suit any situation. And while the skills are often innate to the personalities of the leaders, they can also be practiced and honed to improve any organization. President John F. Kennedy possessed this kind of charisma. His charisma and authentic passion could be felt in every single word, which was why he was so good at connecting with the hearts of his audiences. Pete Carroll, head coach for the Seattle Seahawks and former head coach for the University of Southern California Trojans, is known across the sports world for his cool-headed temperament and engaging personality.

Synergistic: Synergistic leaders balance the best characteristics of the other four styles, so they have the best chance of establishing a Great Teams culture. These leaders have visions for their teams but also the ability to empower others to be innovative; they advance the needle of progress through all aspects of their teams, easily adapt to change and develop others in their ranks. John Wooden, the legendary head coach of the men's basketball team at the University of California, Los Angeles, was the epitome of a Synergistic leader. For Coach Wooden, building team culture involved a process, and he used elements from the other leadership styles to establish a culture based on integrity and accountability.

Every leader is capable of learning and adapting in order to build a Great Team. In particular, great leaders must

consider not just their own leadership styles but the styles their teams need in order to be very successful.

3. Great Teams Allow Culture to Shape Recruiting

Great Teams recruit players who fit — who will thrive within the established team culture and add value to it. The talent of the employee or teammate is important, but fit trumps all. These organizations understand that Great Team culture establishes an environment conducive to success, but that success ultimately depends on the right kind of personnel. A Great Team understands that fit is more important than credentials.

How do you distinguish A-caliber players from the rest of the talented field of recruits? The answer: Look for unique qualifiers that correspond to your team culture. CEO Tony Hsieh of Zappos uses "weirdness" as a unique differentiator to determine his A-caliber recruits. For Hsieh, his A-caliber players are people who see themselves as regularly moving outside of their comfort zones and being able to contribute strange, new ideas to the organization.

4. Great Teams Create and Maintain Depth

Once the leaders of a Great Team recruit A-caliber players who fit the culture, they continue the process by building depth in the organization. Depth provides suitable replacements for key players and a sense of calm in moments that can be perceived as tumultuous by members of the team.

The top-performing sports and business organizations all operate on the principles that 1) no team player is irreplaceable and 2) talent must be shaped in order to build a deep bench at all levels of the organization. One of the best ways for leaders to do this is to create healthy internal competition. The right kind of competition within an organization can bring out the best performance and growth of A-caliber recruits and high-potential employees.

Additionally, Great Team cultures develop strategies for improving the quality of depth at various positions within the organization. Implementing intense practices or creating a learning environment can enhance both the skill level of individual players or employees and the depth of the team positions.

The concept that one person's presence or absence can make or break a team is antithetical to how a team should operate. An organization that lacks depth places immense responsibility on the shoulders of a few.

This can be a crucial mistake, as the Indianapolis Colts learned during their 2011-2012 season. When their superstar quarterback, Peyton Manning sustained a neck injury and missed the entire season, the team suffered. They won only two games that season because they did not have a backup plan in the even of Manning's absence. By contrast, when St. Louis Rams quarterback Trent Green was injured in 1999, backup quarterback Kurt Warner took over. This deep-bench substitution led to the Rams' first Super Bowl win and sparked a three-season run that is famously known as the "Greatest Show on Turf."

Just as a good coach has a plan to replace a starting player, a business leader must have a plan to replace a key employee. This is one of the most helpful and necessary parts of creating depth in a company. Even when it's not feasible to hire from outside to fill a vacancy, it makes sense to plan for a replacement from within the organization and prepare that person for the new responsibilities.

5. Great Teams Have a Road Map

Every Great Team lays out its plan for finding success in a clear and concise road map. To help navigate that vision, a successful organization has an active, well-designed training program with end goals in mind. This plan is the fabric of an organization's culture, and all involved in it understand the importance of following the road map to reach their desired success — even if the journey is a long one.

A road map guides a team in its pursuit of greatness and forms a culture in which individuals can identify their long-term roles. No team can achieve long-term success without one. Whether in the world of sports or business, a road map is vital to reaching a team's full potential.

Bill Snyder, head coach of the Kansas State University Wildcats football team, installed a road map for his organization that transformed the struggling football program into a national powerhouse. One of the first things he did to turn the team around was to post his "16 Goals for Success" as a motivator to inspire program change. These goals — gathered succinctly on a single page — were leadership terms with clearly spelled out definitions — and expectations — for his players to follow daily. The Wildcats used Snyder's clear vision as a driver, winning 193 victories in his 24 years of coaching.

A Great Team outlines expectations for all members of an organization and for the organization as a whole. This clear-cut set of objectives — a road map — enables the organization to set benchmarks and goals and ultimately to lay the foundation for its own success.

Take, for example, Nestlé Global and its 4x4x4 Roadmap. In this one-page document, Nestlé describes its vision for the brand across all departments and subsidiary products. This road map outlines Nestlé's four

"competitive advantages," four "growth drivers" and four "operational pillars." Combined, these 12 principles form a clear outline of the company's plan for the future.

The Nestlé Strategic Roadmap differs from a typical business mission statement in the same way the plan of a successful sports organization differs from that of a mediocre one. Nestlé clearly states its goal to be "the leader in Nutrition, Health and Wellness, and the industry reference for financial performance, trusted by stakeholders." Its road map spells out how it will achieve this goal as a company.

6. Great Teams Promote Camaraderie and a Sense of Collective Direction

Team building requires camaraderie — fellowship among members of the team.

Camaraderie doesn't happen by accident; developing a strong sense of trust, accountability and togetherness around team goals requires intentional effort. When an organization comes to a collective understanding of its objective, the individuals develop a sense of responsibility to each other. They know the direction the team is heading and trust that their teammates are willing to work hard to accomplish their respective goals.

Sylvia Hatchell, head coach of the women's basketball team at the University of North Carolina at Chapel Hill, is the third-winningest head coach in NCAA women's basketball history. She has built a strong team culture by creating a family system and promoting a mentality of respect and winning — especially in regards to developing camaraderie. Hatchell said. "Out there by yourself, you can be broken. With your team, you can't. That's how you win championships."

Building mental and emotional bridges among team members can increase employee engagement, productivity and innovation. Camaraderie is often overlooked, but it can be the greatest asset in unifying a team.

Pillar Three: Activating Efficiency

7. Great Teams Manage Dysfunction, Friction and Strong Personalities

While 100 percent camaraderie is the dream scenario for team culture, some degree of dysfunction is likely in even the best situations. When a team has strong personalities and talented people, there will inevitably be friction. The roles of persecutor, victim and rescuer are played out in disagreements in sports and business each and every day. Such a clash of personalities can heavily disrupt the productivity of a team — or can even destroy it. But if the situation is handled wisely, the fireworks can be defused and a productive working relationship can move forward on a positive note.

The common perception is that conflict should be avoided at all costs. But not all conflict is negative or deconstructive. It can be a source of tremendous energy and innovation when managed well.

According to the Thomas-Kilmann Conflict Mode Instrument, leaders commonly manage — or mismanage — conflict in one of five ways:

Some rely on their rank and title, debating fiercely if necessary, to force their way through workplace friction. That's **competing.** Others try to "play nice," giving in to even unreasonable demands to keep the peace. Their strategy is **accommodating.** Some fail at addressing conflict because they'd rather pretend it isn't happening and hope it will settle itself. They are masters at **avoiding** the issues. Still others prefer **compromising** and try for a middle ground.

Each of these four strategies for dealing with conflict can have some success. But Great Teams set a standard above the rest by choosing the fifth option — **collaborating.** This means they do their best to listen actively, consider all points of view, and stress the common purpose and shared values of the organization.

Great Teams don't falter in the face of friction but grow stronger when addressing it directly.

8. Great Teams Build a Mentoring Culture

The most successful and high-performing teams strategically embed professional guidance within their cultures to inspire teaching and learning at every opportunity. Great Teams understand how powerful the synergy can be between veterans and recruits, especially when both mentors and mentees have clearly defined responsibilities to make the relationship successful.

Like the most successful teams in sports, many of the high-performing organizations in business make mentoring a priority. Technology manufacturer Intel, for example, has created a process that connects individuals on the basis of high-demand skills. The mentees — whom Intel calls "partners" — choose topics that interest them, and an Intel questionnaire and extensive employee database match the recruits with mentors who are subject-matter experts in those areas. Intel has three rules for its mentoring relationships: 1) partners govern the relationship, create meeting dates and ultimately decide what they would like to work on; 2) mentors and partners draw up a contract

that contains the details of the mentoring relationship; and 3) terms and limitations are left to be discussed and decided upon by the mentor and partner, *not* Intel. The fact that employees can access Intel's innovative mentoring system through email and company intranet expands the mentoring reach across the company's international employee pool. The result is a diverse, open stream of information sharing that ultimately fuels growth by shaping the company culture. As Intel has shown, when a corporate culture includes mentorship, the end result is a dynamic learning environment with leaders constantly shaping leaders.

9. Great Teams Adjust Quickly to Leadership Transitions

In sports and business, transition is inevitable. Any organization will be uniquely challenged when responding to employee retirement, resignation or termination — but Great Teams adjust more quickly than their opponents and do not allow leadership change to derail their missions. Instead of losing momentum and letting change become an excuse for failure, the leaders of these organizations allow moments of change to accelerate their teams' success.

In 2005, Symantec acquired Veritas Software in order to gain a competitive edge; however, the move more than doubled Symantec's staff — to 14,000 — and created engagement problems with far-flung employees. Communication suffered, cooperation dwindled and disengagement grew. Silicon Valley watchdogs, keenly observing the merger, even recruited and hired away Symantec employees.

Former vice president Jennifer Reimert and her team sought to correct these failures with a more effective way to reward outstanding members of their huge employee base for good service. Later that year, the company introduced Applause, an employee recognition program that rewarded high performers. Applause not only recognized the top 15 percent of the company's employees, but also served as a driver for refreshing Symantec's corporate culture and reinforcing the company's values of innovation, trust and customer-driven action.

Employees were empowered to congratulate and celebrate the accomplishments of colleagues who did outstanding work or provided innovative ideas. Job satisfaction and cooperation soared as people rewarded one another enthusiastically. Production rose as employees strove for recognition themselves. And by centralizing the process, Symantec reached more employees than ever and strengthened its corporate culture.

10. Great Teams Adapt and Embrace Change

Being resistant — or even oblivious — to change is a common mistake. Great Teams keep their eyes open to what is going on and tweak their methods to ensure an ability to thrive in changing circumstances. At the same time, their leaders remain mentally tough and understand the importance of focusing on the task at hand in the midst of changing circumstances.

Bill McDermott of SAP said, "Always be who you said you would be to your customer and do things for them that others perhaps wouldn't do." The ability to adapt style of play to current conditions is crucial in business, particularly in a digital world where consumer demands change quickly.

The first step in embracing change is recognizing the internal and environmental factors that made you successful in the first place. Understanding how these components have changed over time will help identify what the company needs to do to stay ahead of the competition.

Achieving success is an evolving process that becomes more challenging with each passing year. But if an organization can acknowledge the reality that past success does not necessarily predict future success, then change becomes an unlikely ally rather than an adversary.

Any team desiring to be great must develop the mental edge required to master change. Ultimately, that's what makes the most innovative and undeniably successful teams great.

11. Great Teams Run Successful Huddles

A common frustration among organizations is company meetings, which can trigger negative emotions throughout the levels of any team. Lateness, inattention, overdrawn objectives and unclear directives are enough to give even the most seasoned professionals a dislike for meetings. But Great Teams use these gatherings to inspire confidence, encourage productivity and create a competitive advantage. They understand the value of getting together in person or via technology to share opinions, coordinate plans and solidify team culture.

A Great Team will be intentional about how meetings are conducted. Here are 10 ways Great Teams can ensure equally great meetings:

- Begin and end meetings on time. Consider instituting consequences for team members who are chronically late.
- Schedule meetings wisely. Great meetings and huddles are planned when all participants can attend.

- Begin with a shared or pre-read agenda — and stick to it.
- Engage employees with strong, emotion-driving content.
- Make the meeting's objective clear from the beginning.
- Don't waste time with off-topic discussion.
- Allot enough time for necessary discussion points.
- Calculate the cost of all in the meeting, and make the appointment count.
- Tailor the meetings for all participants.
- End the meeting by reviewing objectives met or decisions made.

Pillar Four: Mutual Direction

12. Great Teams Improve Through Scouting

Great Teams scout their competition in order to gain competitive advantage. Having a clear understanding of how competitors do things can set up a company to do the same things better. This is key for immediate and long-term success.

In sports an appropriate strategy or game plan cannot be formulated without a detailed scouting report. Scouts provide both firsthand and video evaluation of the opponents' tendencies or styles of play. Additionally, the staff completes a computer analysis of the opposing team — both current and long-term — for the coaches to study and break down.

When leaders of a professional team perform a scan, they examine the trends dominating their customer demographics, education, government policy and especially their competition. Great Teams analyze every perspective and option and position themselves to take full advantage of any knowledge gained about an opponent.

In the corporate world, the SWOT analysis is a user-friendly, widely accepted tool that helps an organization evaluate itself internally. Leaders who utilize the SWOT understand that they can directly manage their internal strengths and weaknesses and capitalize on favorable conditions in the marketplace, but must anticipate — and react appropriately to — outside threats.

Benchmarking, like the SWOT analysis, is one of a leader's strongest resources in identifying how the company's products, practices and services measure up against competitors. The goal of benchmarking is to evaluate whether internal processes are above or below external industry standards. This works by examining company-to-company comparisons of day-to-day functions and overall performance.

Scouting — both internal and external — is a consistent learning tool that all teams should adopt and reinforce. Good scouting keeps a team continually aware of its potential, the capabilities of its opponents and the need to develop aggressive championship strategies.

13. Great Teams See Value Others Miss

Great teams never answer the "why" question with, "Because we've always done it this way." Instead, they regularly evaluate each situation and seek unique opportunities for improvement. In today's fast-paced world, many of those opportunities can be found in the world of analytics — defined as "the method of logical analysis."

Big data is a hot topic in the worlds of sports and business because the collection of metrics, analytics and information can reveal a potential advantage or disadvantage. The Great Teams collect that data and analyze it to recognize trends others might miss.

Sometimes a team needs a fresh look at what everyone has decided the "rules" for success look like. At the Pulaski Academy, the Bruins varsity football team is led by Coach Kevin Kelley. In 2003, Coach Kelly watched a taped lecture by a Harvard professor on the value of the fourth-down punt. The professor analyzed 2,000 football games and came to the conclusion that teams should *never* punt.

Armed with new perspective and valuable stats, Kelley broke down the numbers behind his own team's fourth-down decisions. The data he found backed up the concept that going for it on fourth down was the correct call, even though most football coaches adamantly insisted on punting the ball to the other team. And for that reason, the Pulaski Academy Bruins made an unorthodox decision they would never punt the football again. Coach Kelley's unconventional football philosophy has been effective for his team, which has five state championships under his leadership.

With metrics now considered a best practice in today's marketplace, several key lessons have emerged from the leading voices in statistical analysis: Big data drives accurate decision making. Statisticians understand the importance of informed business decisions, and data analysis can help encourage an organization toward — or dissuade it from — taking a course of action.

14. Great Teams Win in Critical Situations

Every player or employee wants to be a part of a team that can achieve victory in the most critical of situations. A Great Team wins in those moments because it has figured out effective ways to finish strong. And with the game

on the line, a team accustomed to pressure can execute its strategy without hesitation and not fall apart in the process. The culture of a fourth-quarter team requires countless hours of team preparation so that its members learn to trust in themselves and each other when the stakes are high. This type of approach can help a team get through a season, series or game even when the scoreboard tilts the wrong way.

A high-performing team does not remove its foot from the accelerator even in critical moments but instead focuses on ongoing strategy and goal completion. In critical times, a team should always do what it does best. Intense moments should never be the stage for trying something rarely practiced.

15. Great Teams Speak a Different Language

Through success or failure, great leaders always know what to say to bring out the best in their organizations. Many teams undervalue the art of properly framing communication, especially in times of struggle. Successful leaders do not berate or chide team members but seek ways to positively articulate objectives and expectations. They have better coaching conversations, ask better questions and drive results. Positive communication is not only a habit for high-performance teams but also a tool used to reinforce and enhance the values of organizations.

Great Teams create cultures with solid foundations in positive reinforcement. Walt Disney World and Disneyland acknowledges superstar employees — which the company refers to as "Cast Members" — on the spot with its Guest Service Fanatic cards. Whenever Disney management (or any fellow employee) notices a Cast Member truly living and expressing the company's service values of safety, courtesy, show and efficiency, the actions of the employee are recognized on the spot by handing out the cards. Card recipients are eligible for drawings, and copies of the cards are kept in the recipients' personnel files.

The cards have been beneficial to Disney because 1) leaders are expected to be on alert for employees who are living the values and 2) Cast Members are recognized for doing their jobs well and reinforcing culture. Additionally, the cards serve as fantastic leadership indicators when the company is seeking dedicated employees for promotions. It's always easier for team leaders to criticize performance, but Great Teams create cultures that have solid foundations in positive reinforcement.

16. Great Teams Avoid the Pitfalls of Success

As difficult as winning is, winning repeatedly is more challenging by a factor of ten. Even after defeating all competitors, some organizations are truly unprepared for victory. A team that does not know how to navigate success will ultimately be thrown off track in its attempts to succeed further. The Great Teams maintain success by not falling victim to the pitfalls of human nature; they overcome common temptations, resist complacency and nurture a culture that wins consistently. Winners capitalize on new opportunities, adjust game plans and do not settle for what worked last season or year.

The Great Teams are led by culturally intelligent leaders. These individuals understand the impact that a strong workplace culture can have on goal completion and focus-driven work. And a culturally perceptive team can be especially valuable during challenging times.

The most successful brands of our time — such as Nike, McDonald's, Google and Apple — tend to transcend the marketplace, ultimately becoming something much greater than a brand: a *meaning*. A brand becomes symbolic by keeping cultural promises in an ever-changing society; its relevance is embedded in its desire to remain significant. Likewise, risk-taking organizations outperform companies that play it safe during periods of change. These teams seek and create new possibilities with an innovative spirit.

It's never too early for a team to discuss the temptations of victory and new goals worth fighting for. Successful teams should ask themselves, "How do we respond after a record year? In what ways can we defy the natural human tendency to coast?"

For a Great Team, repeat success is often a byproduct of a high-performing culture. Maintaining championship or industry-leading momentum requires experienced leadership, cultural drivers and clear communication of the end goal and how to get there. People want to feel excited about the future and the potential of progress.

Progressive leaders understand these truths and connect their teams to a culture that motivates, challenges and empowers them to start and to keep winning. Always strive to remember the pitfalls of success — and don't let them derail your Great Team!

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39-02 Learning Leadership

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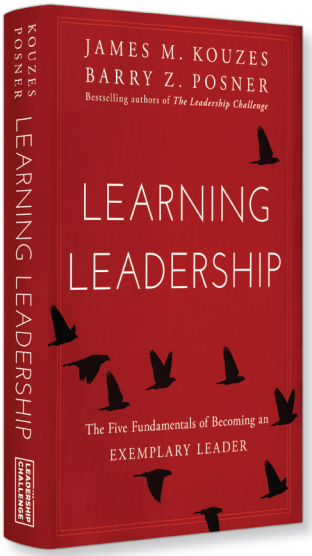
Learning Leadership

The Five Fundamentals of Becoming an Exemplary Leader



by James M. Kouzes and Barry Z. Posner

THE SUMMARY IN BRIEF

Leadership is a set of abilities, and like any other skill set it can be learned and improved. Becoming an exemplary leader isn't easy. It takes self-belief, aspiration, grit, support and deliberate practice. *Learning Leadership* delivers the concrete framework and practical steps for building exemplary leaders for today's and tomorrow's challenges.

Whether you're an experienced leader or someone new to the role, this comprehensive guide offers evidenced-based strategies for taking charge of your own leadership development and unleashing the leader within. Based on more than 30 years of research, with data from more than 70 countries, this insightful treatment on learning explores the fundamentals of becoming an exemplary leader and presents a solid foundation on which to strengthen and expand leadership skills.

For those in roles of mentoring and coaching people, the practical and proven framework in this resource enables you to develop leadership potential in the emerging leaders with whom you work.

An exemplary leader must master many skills, but one of the most important is the ability to learn. *Learning Leadership* challenges you to do the meaningful and disciplined work necessary to becoming the best you can be.

IN THIS SUMMARY, YOU WILL LEARN:

- Authoritative explanations on what's inhibiting leadership development.
- To take initiative for your own leadership development.
- The most critical leadership skill is the ability to learn.
- The first thing you need to learn in leadership is who you are.

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Learning Leadership: The Five Fundamentals of Becoming an Exemplary Leader by James M. Kouzes and Barry Z. Posner. © 2016 by James M. Kouzes and Barry Z. Posner, has been summarized with permission of the publisher, The Leadership Challenge: A Wiley Brand. 248 pages, $25.00, ISBN 978-1-119-14428-1. To purchase this book, go to amazon.com.

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Learning Leadership Fundamentals

A universal set of leadership practices is associated with exemplary leadership, and these practices are within the capacity of everyone to follow. The challenge is to increase the frequency with which you engage in these leadership practices and become more comfortable and confident in their use.

Leaders Are Born and So Are You

Every one of us has the necessary material to become a leader. The question you should be asking yourself is not "Will I make a difference?" In becoming a better leader, the most demanding and significant question you should be asking is "How will I make the difference I want?"

Five myths inhibit learning to lead and contribute most to the misunderstandings about what leadership is and isn't.

The Talent Myth. The belief that leadership is available only to a talented few is a far more powerful deterrent to development than anything else. It prevents too many people from even trying, let alone excelling. To become a better leader than you are right now, the first fundamental thing you have to do is *believe you can* be a better leader and that you can learn to improve your leadership skills and abilities.

The Position Myth. This myth assumes that leadership is a title and that if you don't have a title of authority, you aren't a leader. Leadership is not a rank, a title or a place. Leadership is about going places and guiding others. Leading is about the actions you take. It's about the values that guide your decisions and actions. It's about the visions you have for yourself and others. To become an exemplary leader, the second fundamental is that you have to *aspire to excel*. You have to aim for something greater, dream of something better and strive for something nobler than what exists right now.

The Strengths Myth. The strengths approach has been misapplied to mean that you should take on *only* tasks in which you are strong, not waste your time attending to your weaknesses, and in areas where you aren't strong and don't have natural talent, you or the organization should assign those tasks to other people. The emphasis on strengths has fundamentally discouraged people from challenging themselves to become better leaders. The third fundamental of becoming an exemplary leader is *challenge yourself.* If people built only on strengths, they would likely not challenge themselves or their organizations. You simply can't do your best without searching for new experiences, doing things you've never done, making mistakes and learning from them. Challenge is an important stimulus for leadership and for learning.

The Self-Reliance Myth. Leaders cannot possibly design breakthrough innovations, produce high-quality products, provide awesome service, attract raving fans and build great places to work without the trust, teamwork, strength and capabilities of everyone in the organization. Although there is certainly great benefit to being confident in your abilities to handle challenging situations, the best leaders know they can't do it alone. They know they need the support, engagement and commitment of others. Just as leaders can't make extraordinary things happen all by themselves, they can't become exemplary leaders by

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themselves either. That's why the fourth fundamental is to *engage support* in your learning and growth.

The It-Comes-Naturally Myth. A corollary to the myths of talent and strengths is that leadership comes naturally to those who are the best at leading. People admire those who make it seem so easy and attribute that ease to natural ability. The truth is that the best leaders become the best because they work hard at it and put in the hours of practice. Therefore, the fifth fundamental of becoming an exemplary leader is to *practice deliberately.* You have to put considerable effort into learning to lead to make leadership look effortless. No surprise that the more you practice, the easier it gets.

You Are Already Leading — Just Not Frequently Enough

From an analysis of thousands of personal-best leadership case studies and interviews, it was discovered that ordinary people who guide others along pioneering journeys follow rather similar paths. Though each experience was unique in expression, every case followed remarkably parallel patterns of action.

These common practices create a leadership framework called The Five Practices of Exemplary Leadership. Leadership is not about personality; it's about behavior. Hundreds of scholars have used this framework in their own studies of leadership, investigating the central role leadership plays in personal well-being and organizational productivity and effectiveness.

Here are The Five Practices along with the two key essential leadership commitments connected with each one:

Model the Way

- Clarify values by finding your voice and affirming shared values.
- Set the example by aligning actions with shared values.

Inspire a Shared Vision

- Envision the future by imagining exciting and ennobling possibilities.
- Enlist others in a common vision by appealing to shared aspirations.

Challenge the Process

- Search for opportunities by seizing the initiative and by looking outward for innovative ways to improve.
- Experiment and take risks by constantly generating small wins and learning from experience.

Enable Others to Act

- Foster collaboration by building trust and facilitating relationships.
- Strengthen others by increasing self-determination and developing competence.

Encourage the Heart

- Recognize contributions by showing appreciation for individual excellence.
- Celebrate the values and victories by creating a spirit of community.

Hundreds of studies by independent researchers have found that the extent to which people engage in these five leadership practices is consistently associated with important aspects of managerial and organizational effectiveness, such as work-group performance, team cohesiveness, commitment, satisfaction, motivation and productivity.

How frequently people report that their leaders engage in The Five Practices of Exemplary Leadership relates directly to their level of engagement. Demographic factors about direct reports do not illuminate why they are or are not engaged in the workplace, but knowing how they see their leaders behaving provides a substantial explanation for their levels of engagement.

Fundamental One: Believe You Can

Believing that you can lead is essential to developing your leadership skills and abilities. No one can put leadership into you. You have to bring it out of yourself. Authentic leadership flows from the inside out. You have to liberate that capacity you already have, and that begins by taking an inner journey to discover who you are. You already have it in you to lead.

You Have to Believe in Yourself

Learning to lead all starts with what you think of yourself and the assumptions you feed. Learning to lead is about discovering what *you* value, what inspires *you*, what challenges *you*, what gives *you* energy and what encourages *you*. When you discover these things about yourself, you'll also know more about what it takes to lead those qualities out of others.

Sure, every leader has to learn the fundamentals and the discipline, and there are periods during which you're trying out many things you know nothing about and you have no idea what will work and what won't. There are times when you copy others and absorb a lot of information from the outside. These are necessary stages in your development as a leader. The point is that you can't begin to do any of these things until you *truly decide that inside of you is a person who can make a difference and provide leadership.*

Learning Is the Master Skill

Although there are many different ways to learn — for example, by taking action (e.g., preferring to learn by trial and error); by thinking (e.g. reading articles or books or going online to gain knowledge and background); by feeling (e.g., confronting themselves on what areas they are worrying about); and by accessing others (e.g., bouncing hopes and fears off someone they trust) — people can be differentiated by the range and depth of learning tactics they use when facing a new or unfamiliar experience.

Learning to lead is not dependent on any particular learning style. It doesn't matter how you learn. What matters is that you do more of whatever learning tactic works best for you. Clearly linked to becoming a better leader is becoming a better learner. The best leaders are the best learners.

Leadership Emerges From Within

You can't expect to accomplish anything grand until you are aware of who you are and comfortable with being able to share yourself with others. If you're going to lead, then you have to wrestle with questions about what shaped you into the person you are now and what gives meaning to your leadership, your life and your work. Through the process of self-examination, you find the awareness needed to lead yourself and others.

In terms of how leaders learn and grow, there are three developmental stages.

Looking Out. When first learning to lead, you want to learn everything you can from others and you often try to copy their style. You do this to learn the fundamentals and to acquire the tools and techniques others have learned from their experience.

Looking In. Somewhere along the way, you'll notice that your talks sound mechanical and rote, that your meetings are boring, and that your interactions feel terribly routine and empty. You'll awaken to the frightening thought that the words aren't yours, that the vocabulary is someone else's, and that the technique is right out of the textbook but not straight from the heart. For aspiring leaders, this awakening initiates a period of intense exploration, a period of testing and a period of invention. You go beyond technique, training, imitating the masters and taking the advice of others. You go through a period of exhausting experimentation, second-guessing, and anxious and even painful moments, to emerge from all those abstract strokes on the canvas to an expression of self that is truly your own.

Finding Your True Voice. The turning point in your development as a leader comes when you're able to merge the lessons from your outer and inner journeys. You awaken to the fact that you don't have to copy someone else, and you don't have to wear someone else's clothes. Because unless it's your words and your style, then it's not really you; it's just an act: you pretending to be you. You cannot lead out of someone else's experience. You can only lead out of your own.

Fundamental Two: Aspire to Excel

To become the very best leader you can be, you need to be clear about the core values and beliefs that guide your decisions and actions. You have to determine what you care most about and why it's important. Your motivation needs to be intrinsic and not instrumental. Top-performing leaders want to lead because they care deeply about the mission and people they are serving. Your success as a leader is inextricably linked to how successful you can make others.

You Have to Know What's Important to You

Your fundamental values and beliefs represent the core of who you are. They influence every aspect of your life: your moral judgments, the people you trust, the appeals you respond to, and the way you invest your time and your money. Values help you determine what to do and not to do. The leaders people admire the most, whether public figures or personal acquaintances, are those who have strong beliefs about matters of principle, an unwavering commitment to a clear set of values and passion about their causes.

You have to know in your gut that when you are making a decision, you are being true to who you are and what you stand for.

Who You Are Isn't Who You Will Be

Becoming an exemplary leader fundamentally changes who you are. It changes your relationship with yourself. You're no longer just an individual contributor. You're now someone who takes people on journeys to places they've never been.

It changes how you see the future. You are expected to be able to imagine exciting future possibilities and communicate them to others. It changes how you respond to challenges. You are expected to be comfortable with uncertainty, champion experimentation and learn from experiences.

People expect their leaders to be forward-looking. To look toward the future, you start by being mindful of the present. Stop, look and listen to what is happening around you. That way you'll be better attuned to your own and

others' aspirations. The ability to draw people forward requires you to be able to imagine what the future will look, sound and feel like. One place to start is envisioning the kind of leader you'd like to be in five, 10 or 20 years. This ideal image of self greatness generates the necessary emotional energy to pull you forward.

It's Not Just About You

If you are marching forward toward a future destination and you turn around and notice that no one is there, then you're just out for a stroll. Leadership is fundamentally a relationship between those who aspire to lead and those who would choose to follow, and if no one is following you, then there's no relationship there. There's nothing that connects what you see to what they want.

Although you need to be clear about your vision and values, you must also be attentive to those around you. If you can't find alignment between what you care about and what others care about, then you won't find a common purpose or achieve much success.

This means that to become the best leader you can be, you have to know deep down what *others* want and need. You have to understand their hopes, their dreams, their needs and their interests. You have to know your constituents, and you have to relate to them in ways they will find engaging.

Finding common ground is what enables you to have something upon which to build. It creates the platform for constructing a better future.

Connecting deeply with others enables leaders to appreciate what drives the people around them and what unites them. Leadership becomes a dialogue and not a monologue. It becomes a conversation and not a recitation.

People want to follow a meaningful purpose, not simply do some work in exchange for cash. If you want to lead others, you have to put principles and purpose ahead of everything else. The larger mission is what calls everyone, leader and constituent alike, forward. It's what gives significance to the hard work required to do anything extraordinary.

Fundamental Three: Challenge Yourself

To develop as a leader and do your best, you have to step outside your comfort zone. It takes courage to learn. When you challenge yourself, it's likely that you'll be doing things that scare you. There will be fear and uncertainty, so you need to see yourself making a choice about how to move forward, finding meaning and purpose in setting off in a new direction.

Challenge Is Your Leadership Training Ground

Challenging yourself doesn't mean you need to go out and start something entirely new, launch a new company, begin a social movement or change history to be considered a leader. But you do have to be involved in exploring, investigating and experimenting with how things could be better than they are now.

Research shows that

- Opportunities to challenge the status quo and introduce change open the door to doing one's best. Challenge is the motivating environment for excellence.
- Challenging opportunities often bring forth skills and abilities that people don't know they have. Given opportunity and support, time and again ordinary people can get extraordinary things done in organizations.
- People who become leaders don't always seek the challenges they face. Challenges also seek leaders.

It's clear that if you want to develop your leadership capabilities, you need to take the initiative and volunteer for assignments that stretch you beyond your current comfort zone. You need to make them part of your personal leadership development curriculum.

Remember that a learning curve is not a straight line. When you engage in learning, instead of getting better, your performance at the beginning typically declines. That's why it's called a learning *curve.* When learning something new, performance always goes down before it goes up — and if it doesn't go down, then you are only doing something you already know how to do.

You're not growing until you feel you're pushing the edges.

Get Curious and Go Kick the Ball Around

Questions send people on journeys in their minds. Knowing what to ask and how to ask it are critical skills for leaders and learners. Preparing to ask questions forces you to think about what you'd like to learn.

When you are curious about things that are outside of your regular affairs, and when you start asking questions, what you learn often becomes the catalyst for change and opens up new possibilities. This is all part of having a growth mindset. Because they believe that they are capable of always learning and developing and that their abilities aren't fixed, individuals with a growth mindset

seek opportunities to learn. Gathering information about how they are doing and what they could do better is part of that process.

With a learning mindset, you can act like a scientist. Make your life a laboratory, and use it to conduct as many experiments as possible. Try something new, fail, learn and repeat. This should be one of your leadership mantras. Realize, as well, that you will learn that every so often you should try something entirely different, pursue another approach or change pathways.

Get Gritty and Stay Hardy

Knowing what you want and wanting it intensely are two essential elements in the formula for success in learning, in leadership and in life. There's yet another vital component, and that's persistence. Together these ingredients make up what University of Pennsylvania psychology professor Angela Duckworth calls *grit*.

"Grit," Angela says, "is passion and perseverance for very long-term goals ... Grit is living life like it's a marathon, not a sprint."

Hardiness is a pattern of attitudes and skills that enables people to respond adaptively under high-stress conditions. There are three fundamental beliefs to being hardy: commitment, control and challenge. To turn adversity into advantage, first you need to commit yourself to what's happening. You have to get involved, engaged and curious. You also have to take control of your life. You need to make an effort to influence what is going on. Finally, if you are going to be psychologically hardy, you need to view challenge as an opportunity to learn from both negative and positive experiences.

Together, grit and hardiness make you resilient. They enable you to recover quickly from difficult circumstances. From a learning perspective, instead of just returning to the state you were in before the setback occurred, you move ahead and are in better shape than you were previously.

Courage Gives You the Strength to Grow

Courage is not about being fearless so much as it is about being able to control your fear. When you remind yourself why you are doing something challenging — when you can find the meaning in the hard work and energy to make a change — your brain will see the situation more as a motivator than as a source of stress.

As theologian Mary Daly puts it, "Courage is a habit, a virtue. You get it by courageous acts. It's like learning to swim by swimming. You learn courage by couraging." The reward for doing so is, at a minimum, learning — learning about yourself and learning about what might be possible.

Courage gives you the energy to move forward. Courage makes it possible for you to raise your hand and offer an alternative, speak out and express an opinion, stand up and be counted, and step forward and move in a new direction. Courage makes it possible for you to learn to be your best.

Fundamental Four: Engage Support

In learning to become an exemplary leader, you need to get connected. You need those connections to be strong and close. You need them to be personal, not just transactional. Often you're going to have to take the initiative to create and sustain these relationships.

You will also have to rely on the people around you to let you know the impact your actions and behaviors have on them. Getting open and honest feedback happens only when there is a foundation of mutual trust. You have to go first in creating a climate in which people trust one another enough to provide valid and useful information that will help you grow.

I Couldn't Have Done It Without You

The best performers in all fields know that they can't make extraordinary things happen alone. You can't lead alone, and you can't learn alone. You need to involve others to become the best leader you can be.

Learning to lead requires getting help from others. Social support is a necessary condition for growth and development, particularly when that learning is challenging. "The single most important thing you can do to help ensure your future success," according to a Gallup study of more than 27 million employees worldwide, is to find someone who has an interest in your development.

Research across a broad range of disciplines consistently demonstrates that social support enhances learning, productivity, psychological well-being and even physical health. In fact, George Vaillant, Harvard professor of psychiatry, who directed the world's longest continuous study of physical and mental health, said, "The only thing that really matters in life are your relationships to other people."

Of course, you have to find a balance between trying to learn something on your own and sucking it up, swallowing your pride, and admitting that you are stuck and need help.

When seeking help from others, the point is not to get someone else to do your work. The point is to get help to learn. Be prepared to describe what you've already tried and what you've learned. Come armed with a few action possibilities of your own so that it doesn't appear that you're asking for a handout. But when you're stuck, don't delay asking for help for too long. Often, the longer you wait, the worse problems can become and the more limited the options are.

Don't assume you know what others know, and don't discount their willingness to help. Until you ask, you can't be sure of either.

Finally, don't worry about other people thinking less of you if you seek advice. In fact, just the opposite is true. Reaching out to others for advice on tough challenges on which you need help not only builds your competence but also increases the sense in others that they can have confidence in your leadership.

Get Connected

To become an exemplary leader, you have to connect to others. You have to invite people into your life. You have to be willing to get close to people and open up with them. You need to plug into the resources others have, find opportunities to observe leaders in action, and learn the social skills that will facilitate social interaction. You don't have to be a fiery extrovert to do all this; you can be a quiet introvert and still make lots of connections.

Research shows very clearly that when social connections are numerous and strong, there's more trust, reciprocity, information flow, collective action, happiness and wealth.

Recent longitudinal research has found that when people are in their twenties, the number of social interactions predicts greater well-being. As people move into their thirties and beyond, however, the quality of relationships becomes more important. Your ability to cultivate intimacy with others increasingly become a significant factor in your personal and professional development.

Without Feedback You Cannot Grow

Valid and useful feedback is essential to learning. Learning cannot happen without knowing how you are doing and without identifying what you need to change to improve. Research shows that the best leaders are active learners, never believing that they know it all.

When it comes to leadership, feedback has to come from the people you are attempting to influence. They're the only ones who can reliably tell you the impact your actions have on them. Asking for feedback is a habit you need to develop.

How do you get more comfortable giving and receiving feedback? The first thing you have to do is view feedback through the frame of a growth mindset instead of a fixed mindset. With a growth mindset, you assume that you can learn from criticism, that your capabilities are always evolving, that you can overcome obstacles and deficiencies if you put in the effort, and that even the most painful information can motivate you to improve. This may initially be difficult to do, but if you practice reframing feedback as an opportunity to get better at what you do, then it'll get easier over time.

Getting open and honest feedback can happen only when there is a foundation of mutual trust. As a leader, you have to go first in creating a climate in which people trust one another enough to provide valid and useful information that will help you grow.

Fundamental Five: Practice Deliberately

You can't get any better at leading without practice. Moreover, the time spent practicing won't amount to much unless you adhere to some discipline.

Leadership Takes Practice and Practice Takes Time

Raw talent is not sufficient to achieve greatness. You need a particular kind of practice — *deliberate practice* — to develop expertise. Deep learning just doesn't happen without intentionality and intensity. The time required needs to fit with the skill you're practicing. Moreover, during repetition you need to pay as much attention to the methodology as to the goal.

CrossFit training in the gym, working out with weights, with specified repetitions and varied fitness stations, is a whole lot different from running around your neighborhood while talking with a friend on your mobile. Sloppy execution is not acceptable to top performers.

What keeps the top performers going during the often-grueling practice sessions is not the enjoyment that they are having but the knowledge that they are improving and getting closer to their dream of superior performance.

Mastery is about how you use your time to maximize your potential and learn your craft. If you want to be the best leader you can be, you will have to attend to your weaknesses. You can't delegate or assign to others those

leadership behaviors you aren't comfortable doing. If you do, you'll get to be only as good as your weakest skill.

Although you may never get as good as someone else at everything you do, by continuously practicing, practicing and practicing, you can improve. You will also gain an appreciation for why persistence is another one of those attributes that differentiate the best from the wannabees.

The mantra for the 21st century learner is this: "No matter how good I am, I can always get better."

Context Matters

Context matters. When applied to the workplace, context is often talked about as the organizational culture.

According to Edgar Schein, emeritus professor at MIT's Sloan School of Management, organizational culture can be best understood as having three levels.

First are artifacts, and these are the things you can see: structures, processes and observed behavior. You see them in dress, interior design, furniture, formal management systems, organization charts, employee perks, company publications and the like.

The second level is espoused beliefs and values. These are the ideals, aspirations, visions and ideologies the organization and its leaders champion. You hear and see these beliefs in speeches, employee orientations, training programs and posters on the wall.

The third level of organizational culture is "underlying, taken-for-granted beliefs and values" that are not expressed overtly in speech or text. They're implicit rather than explicit, but they are often the most influential factors in how people think, feel and act.

In growth-mindset organizations there is a "culture of development." If you want to become the best leader you can be, you will benefit immensely from working in an organization with a culture of leadership — a culture in which the artifacts, espoused beliefs and values, and underlying assumptions are supportive of leadership development.

What are the attributes of a culture in which leaders are most likely to thrive and be productive? Four major clusters of cultural attributes are trust, opportunities for learning, support for risk and failure, and models of exemplary leadership.

Commit to Becoming the Best

Leadership is not just in making the decisions to act; it's about acting on the decisions you make. The best way to take those actions is to do little things every day that make meaningful progress on your work as a leader. Small acts accumulate and provide momentum. You have to freely choose the actions you take, go public with your choices and then make sure it's hard to reverse course.

It's Not How You Start; It's How You Finish

Becoming an exemplary leader requires your behavioral commitment. It's not something you do now and then when you feel like it. The people around you expect you to be the best leader you can be every day. They expect, and so should you, that when you commit to lead you are also committing yourself to doing it well.

Leadership is hard work. It's challenging work. There will be conflicts and struggles. There will be resistance to the changes you want to make. There will be times when you want to give up. As rewarding as it is, leadership can be exhausting. That's just the reality of leading. That's why you have to keep your hope alive.

People expect their leaders to be inspiring, upbeat and energetic. No one wants to follow a negative, downbeat and lethargic person. You have to sustain hope. Hope has three essential ingredients. First you have to have a goal — something you want to attain or obtain. Then you have to have the willpower, the "reservoir of determination," and third, the waypower, the "mental plans or road maps that guide hopeful thought" to get you to your goals whatever the obstacles that you might face.

People with high hope are not Pollyannas. They are not blind to the realities of the present. If something isn't working or if the current methods aren't effective, they don't ignore it, cross their fingers or just redouble their efforts. They assess the situation and find new ways to reach the goals. And if the goals begin to recede rather than appear closer, people with hope reset their goals.

You can learn to be full of hope, just as you can learn to lead.

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39-03 Small Acts of Leadership

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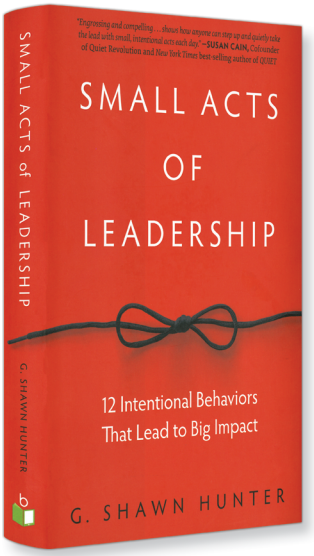
Small Acts of Leadership

12 Intentional Behaviors That Lead to Big Impact



by G. Shawn Hunter

THE SUMMARY IN BRIEF

In business today, there is no offline and there is no downtime. Professionals are both exhausted and depleted. Being constantly tethered to our work through technology makes us overwhelmed and shortsighted, and deprives us of time for meaningful reflection or thoughtful connection to our professional communities, and often even to our own families.

For us to thrive — not simply survive — in this accelerating economy, we need to adopt small, intentional behaviors and practice them each day. From simply taking care of our rest and exercise to building our self-confidence and embracing challenges, author Shawn Hunter's latest book, *Small Acts of Leadership,* will guide you through a series of incremental steps you can take to build a stronger version of yourself and make a broader impact in the world.

Combining research and meaningful interviews with business leaders around the world, Hunter presents the reader with 12 critical competencies that are consistently present in the daily behaviors of today's most successful leaders.

IN THIS SUMMARY, YOU WILL LEARN:

- Strategies to build confidence and believe in yourself.
- The key link between meaningful work and gratitude.
- The importance of autonomy and authenticity in organizations.
- The essential qualities of inspiring leaders.
- How "positive deviance" can distinguish the best organizations.

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THE COMPLETE SUMMARY: **SMALL ACTS OF LEADERSHIP**

by G. Shawn Hunter

The author: Shawn Hunter is an entrepreneur, best-selling author, and currently founder and president of Mindscaling, a company creating online learning courses based on the works of best-selling authors. Until July 2015, he was executive producer and vice president for Leadership Solutions at Skillsoft. For more than a decade, he has interviewed, collaborated with and filmed hundreds of leading business authors, executives and business-school faculty.

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Introduction

Small Acts of Leadership is about doing little things that can lead to big impact. Small, consistent efforts, practiced over time, can yield big results for you and the people around you.

The reason New Year's resolutions fail is not because the goal is too great or the intention is misguided. It's because the discrepancy between where we are today and the envisioned future often appears so great that we cannot bridge the gap. If we resolve to spend five days a week at the gym and we currently spend zero, then the gap is so great that we cannot immediately and easily cross it.

Small Acts of Leadership is about small steps and tiny tweaks in how we treat ourselves, how we carry ourselves and how we think about other people and the world, that can change the way we think and behave.

1. Believe in Yourself

The respect and regard we have for ourselves is our self-esteem. The strength of our belief in our abilities to accomplish our goals and achieve our potential is our self-efficacy. These are two different things, and without self-efficacy, we are likely to fail in leading others. When we have a strong sense of self-efficacy, we take deeper interest in and make a greater commitment to our activities, we view challenges to be mastered, and we recover quickly from setbacks and pitfalls.

And while we often think we're lucky or unlucky, we can choose to make our own luck by facing challenges head on, trusting our own intuition and expecting the best outcomes. And when we believe in ourselves, we find it easier to be true to our values and live authentically instead of trying to be who we think others want us to be.

Believing We Are Imposters

Have you ever thought someone else could do your job better, or thought you got that bonus or promotion by luck? Have you ever been in a hurry to leave before someone finds out you don't know what the hell you're talking about?

The feeling that we are frauds when we succeed is known as "impostor syndrome." It can be defined, according to the Caltech Counseling Center, as "a collection of feelings of inadequacy that persist even in the face of information that indicates that the opposite is true. It is experienced internally as chronic self-doubt, and feelings of intellectual fraudulence."

The interesting thing about impostor syndrome is that the more successful we become, the greater the likelihood we will encounter more bouts of self-doubt. The reason is that, as we enjoy greater and greater success, we encounter increasingly successful people with whom to compare ourselves. Here's the secret: they don't know what they are doing, either; they're just winging it, too.

We should try to remember these truths: You do deserve to be here. It wasn't luck. It was your tenacity and hard work. Ambition is a good thing. Strive for more. It's okay to ask. And stop comparing — it's self-defeating. Instead, start by trying to be the person you would like to work for. It's kind of like trying to live up to, and become, the person your dog already thinks you are.

Living True to Ourselves

In her book *The Top Five Regrets of the Dying,* Bronnie Ware describes her years of experience working with

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Masiel Tejada**, Graphic Designer; **A. Imus**, Contributing Editor

patients in their final days. The number-one regret her patients expressed was not being authentic and true to themselves — not daring to take on their dreams and challenges — and instead trying to live the life others expected of them.

It's not laziness and indolence that holds us back. It's an inability to overcome the fear of trying. Courage is not blindly facing the unknown and stampeding ahead anyway. Courage is instead carefully considering and recognizing the risks, obstacles and opportunities before us, and proceeding in measured steps despite these risks. By carefully considering, and preparing for, each forward move, we mitigate risk and become stronger and mentally sharper with each step. But the stepping is critical. The starting means everything. When initiating an endeavor we have never attempted before, it's important to overcome fear and paralysis by making forward progress, however small. *Action creates clarity.*

Consider the acrobats in a Cirque du Soleil show. Their tremendous feats of flying high above the arena are the result of hours and hours of careful and methodical training. But there was still a first time they leapt without a net. And there was still a first time that an Olympic skiing long jumper launched off a 90-meter jump. And there was also a first time you gave a presentation in front of 50 people, or gave a formal report to your executive team.

Courage can be learned, and courage can be practiced. The more we practice risk, the more we are able to take risks.

2. Build Confidence

Confidence. Like art, we know it when we see it, and we know it when we feel it. The thing is, confidence isn't summoned on demand from the heavens. Confidence isn't brought on by clenching our fists. So how do we achieve and sustain it?

Building and maintaining confidence often requires individual acts of courage. And while assuming the best in others is important to the process, obstacles — including stress-inducing bosses — can present challenges. But, if we are persistent, we can overcome many of these.

Sources of True Confidence

True and profound confidence comes from a lot of factors. Here are a few.

Preparation. Being prepared ranks as one of the strongest confidence measures among professional athletes and can give any of us confidence, whether on the sports field, on the stage or at a workplace meeting. Preparation leads to competence, which in turn begets confidence.

Visualization. Recollecting positive performances in the past can give us a confidence advantage. When we take a moment to recall a time in which we were previously successful, we fuel a sense of confidence that we can repeat that success.

Great Coaching. Good coaches can instill confidence in many ways, but the greatest coaches are honest, specific and positive, all at the same time. They don't ignore the behavioral or performance weaknesses of the people they coach but instead address those weaknesses head on and provide correctional advice that is both specific and positive.

Social Support. No matter what we think, none of us is unique, and we can bet someone else is going through the same issue. Asking for help is the first sign of strength.

Self-Control. Studies have shown that practicing small, consistent acts of self-control can bolster confidence and self-esteem. Through small acts of self-control in any activity, we can gain self-control in all we do. It's a self-reinforcing, positive feedback loop.

Building confidence sometimes comes down to personal acts of courage.

"Seek small improvement one day at a time," UCLA Bruins Coach John Wooden famously said. "That's the only way it happens. And when it happens, it lasts."

There is a simple truth about people who become great leaders: They step up. It doesn't start at the top. We have to make it happen. It starts with each of us and our own personal attitudes and behaviors.

Bolstering confidence takes constant, incremental and intentional effort. Creating confidence is the result of applied effort and work.

3. Introduce Challenge

Our next small act is to introduce ourselves, and others, to challenging circumstances and projects to build and maintain high-performing teams. By having the confidence to overcome small challenges in our daily lives, we are more ready to meet the larger challenges we face at work and in the rest of our lives. And if we can do that, we can influence those around us to also accept challenges that will lead to learning and growth.

Often, the difference between teams that are successful and those that are not is in the way we measure success. Focusing on performance, rather than learning, is common, but that emphasis is misplaced. What is important is not how many sales we make or how many innovations

we come up with but what we learn and how we embrace that process that keeps us on the path to innovation and success.

To maintain a challenging environment, we, as leaders, have to be on guard against complacency, an innovation killer. We also need to keep the fire lit under our team, reaching out to all members to make them feel they belong — that they are valued and we trust them to move us forward to success.

Shifting Goals from Performance to Learning

A performance goal is an aspiration to perform well. A learning goal, in contrast, is an aspiration to learn something new or improve at a particular skill or task. Learning something new requires experimentation, hard work, long study or new ways of collaborating.

Sometimes a learning goal involves staring intently at someone else who is more skilled in order to visualize, and then develop, a particular skill. And sometimes a learning goal involves spectacular failure while attempting something new.

Carol Dweck, the author of *Mindset,* found in her research that choosing difficult tasks for the sake of continuous improvement is something to be sought after.

When we see excellence, we should praise the effort, grit, patience and hard work it must have taken to get there. We'll not only be rewarding excellence but also reinforcing the idea that continuous growth and learning is a good thing, and that challenges are to be embraced, not feared. Constant growth and learning is one of the key ingredients to building resiliency and overcoming difficult situations and setbacks.

While we, as leaders, should always work to build up our teams by offering them challenges, we also should be on the lookout for the best talent we can add to those teams. Our secret sauce is our people. But attracting and keeping the best people means continually offering them challenge and the right environment in which to meet it.

4. Express Gratitude

While meeting challenges is valuable in building character, we also need to reward that effort. Expressing gratitude for good work is critical for trust and well-being in ourselves and in our teams. Gratitude doesn't mean just saying "thanks." To show gratitude in a meaningful way, we must understand what drives our need for it, what drives us in our work and the rest of our lives.

Organizations have to get all the factors right. Without fair pay, there is a deep sense of inequity and loyalty erosion. Without clear goals, people feel adrift and without purposeful direction. Without praise, people feel neglected. But one factor outweighs the rest — making meaningful progress. That quarterly bonus is nice, but we're not going to stay if that's all we're getting out of a job.

While praise, incentives, equitable pay, interpersonal support and clear goals are all important, they are also all *extrinsic* motivators — they come from the outside, from someone else. A sense of satisfaction in making progress doing meaningful work is an *intrinsic* motivator. It's a sense of joy and satisfaction that comes from within.

Here are a few ways to stoke your sense of meaningful progress:

- **Express creativity.** We should go ahead and add a flourish — put our signature on it, make it our own. When we do this, we take personal pride and ownership of our work. It becomes meaningful to us personally.
- **Revitalize dormant relationships.** Nothing is as marvelous as gaining new insights from old friends to fuel our efforts.
- **Assume leadership.** We should take responsibility, step up. Assuming leadership can be terrifying, making us feel scrutinized, uncertain and out of our element. And that's a good thing. Pushing ourselves to the edges of our capacity in leading meetings, projects and interactions will help us grow as leaders.
- **Be of service.** Our most powerful motivator comes from within. The real question we should be asking is not "What can I get?" but "What can I give?"

Looking Outside the Box

"It's easy to feel grateful for the good things," writes Robert Emmons, codirector of the Expanding the Science and Practice of Gratitude project at the University of California, Berkley, "No one 'feels' grateful that he or she has lost a job or a home or has taken a devastating hit on his or her retirement portfolio."

If we can summon the strength to reframe a negative experience into a positive one, we can grow in our own self-development. If a relationship really was toxic and we have the strength to see through the emotional pain of being dumped to be grateful that the other person was willing to confront it and end the relationship, then we can grow and move on.

When we summon gratitude in the face of adversity, we turn meaningless cruelty into growth and strength.

5. Fuel Curiosity

You can spot a real expert versus a phony. Look for three little words: "I don't know." The phony will have all the answers, while the expert will admit what they don't know. Real experts are relentlessly curious, even *assertively curious* — that is, they will demand explanations for things that many others simply accept as rules.

Creativity consistently ranks among the most sought-after and valued characteristics of workers today. Executives know that the next killer app, product, service or innovation is going to come from relentlessly curious and creative people.

The most desirable professionals today are happy, collaborative and have hustle, but, above all, they are relentlessly curious and creative.

These people are also assertive. Curious people are decision makers. They are influencers. In interviews, they often say they have direct influence over the outcome of decisions and change. If you think of the people in your company and community who consistently drive change, you will likely be thinking of inquisitive people — people willing to ask the hard questions.

These two behaviors — deeply questioning and then taking action — reinforce levels of creative engagement. This is because highly creative people also tend to be fearlessly persistent. They often describe themselves as "adventurous" and "risk taking." They tend to follow their values, even when their path runs counter to what the group is doing.

Cultivating Curiosity by Shifting Perspective

There is good evidence to suggest that our own success can stifle the curiosity of those around us, so it's important not to get too inebriated by our own sense of power and prestige. A powerful antidote to power poisoning is learning to take the perspective of someone else, to set aside our own agenda for a moment and consciously attempt to understand another's point of view.

One way to fuel the creativity of those around us is simply to work on understanding and communicating back to them their own perspective. Perspective taking is the exercise of intentionally shifting from trying to convince others of an idea to trying to understand the ideas and perspectives of others.

The exercise of conscientiously taking another's perspective tends to elevate communication and openness to new ideas, because other team members feel a greater sense of empathetic interest.

The small, intentional act of seeking to understand another's perspective has a direct and powerful effect on accelerating collaboration and innovation.

6. Grant Autonomy

While it's good to help our teams build their confidence and meet challenges, it's also important to let them loose to explore and try their ideas on their own.

When we feel like we own much of what we do, we tend to take responsibility and really love our work. And when we love our work, we learn faster.

In 2014, a team of researchers examined 88 different studies on the effects of practice over time. Practice certainly matters, they found, but other factors were equally important, such as how much the participants enjoyed the activity.

That may come as no surprise, but we should keep that in mind when making project and task assignments in our professional work. Task invitations that are a stretch but that people might enjoy are invitations for excellence. But we are far more likely to get mediocre results when we offer project and task invitations for activities people detest. And research seems to suggest that no amount of arguing for pluck, grit and perseverance will improve results when the task presented is against the skill set of those assigned it.

Letting Others Fail On Their Own

Too often, hiring managers and recruiters brag about only hiring the best and the brightest from the top schools but then won't give them the latitude to make even the most mundane decisions on their own.

In a November 23, 2015 interview, Bashar Nejdawi, executive VP of Ingram Micro, said that sometimes he knows a project or initiative of a junior team will fail. He has the experience and the insight to recognize that it's likely to bomb, but he lets it unfold anyway. He believes that, as long as it's not a mission-critical failure, it's more important to let people go through that learning experience themselves. They need to have the experience of understanding firsthand that a particular process or initiative won't work.

At some point we have to let go of those we manage and understand that the benefits of granting autonomy can yield big results in terms of company success.

7. Strive for Authenticity

It's quite common for people to conceal parts of their identity for fear of being stigmatized. At work people often hide their religion, political values, sexual orientation and health conditions. People even conceal what might seem to be quite benign things, such as parental obligations to fetch a sick child from school or take them to a dentist appointment — all out of fear of being branded as not professional, not dedicated or, most important, not like everyone else at work. It's an effort to get along, to be part of the group, to fit in.

Once we start to conceal personal identity traits, it also becomes harder to honestly and genuinely connect with others. The result is that we lose a sense of belonging, which is at the very core of one of today's buzzwords: engagement.

To bring out the best in people, we need a culture that not only allows but actively encourages expression of who we are. And the very best bosses and leaders understand this by creating an environment of inclusiveness and acceptance, because those basic fundamentals of inclusiveness, social acceptance and assuming the best in others are the building blocks for accelerating innovation.

Paying the Cost of Conformity

When we perform tasks or engage in activities because, as part of an organization, we go along with the idea that "we've always done it that way," or because the person with the greatest seniority in the room suggested it, we're acting out of conformity.

Conformity can be a great thing — it can enable teams to soar and military groups to function seamlessly and efficiently, and allows decisions to be made faster. It means acting in accordance with social standards and conventions, which can offer safety, convenience, efficiency and harmony within a society.

But it is not conformity but rather positive and creative deviance that drives change. On December 1, 1955, in Montgomery, Alabama, Rosa Parks, at age 42, refused to obey bus driver James Blake's order that she give up her seat to make room for a white passenger. In her own words, she was "tired of giving in."

We are all vulnerable to conformity and, to stay on the creative edge while truly participating in group decision making, we need to be aware of our vulnerability to it. We need to cultivate healthy skepticism toward our own group, and to be willing to disappoint or surprise people in the name of being true to ourselves and for the sake of innovation. It's the difference between belonging to a group and simply fitting in. When we feel a strong sense of belonging, we feel enabled to be ourselves, wholly and authentically. That sense of belonging gives us better confidence to think and act authentically.

8. Be Fully Present

While leadership sometimes requires action, it sometimes means simply showing up and being fully present. Let's explore the concept of being fully present and, closely associated, the state of mindfulness, and how being fully present and mindful affects the quality of our relationships with others.

The definition of "mindfulness," a concept with Buddhist roots, varies depending on the source. The *Merriam-Webster Dictionary* defines it as "the practice of maintaining a nonjudgmental state of heightened or complete awareness of one's thoughts, emotions or experiences on a moment-to-moment basis."

Mindfulness is also about relationships. In fact, Dr. Richard Chambers and Margie Ulbrick write in their book *Mindful Relationships: Creating Genuine Connection with Ourselves and Others,* "mindfulness *is* relationship" — with ourselves and the world around us, our environments and the people we interact with. It's about how we experience our bodies and our emotions, and each other.

Sitting with a loved one, or alone, watching and enjoying a sunset is a mindful moment. Walking our dog in the park, or preparing a meal or listening to music can all be mindful experiences if we are fully present, focused and undistracted. At work, we can be mindful, sitting quietly in a meeting and listening thoughtfully to the ideas and opinions of a colleague if we are undistracted and listening with unbiased openness.

For decades people have attempted to do everything faster, even reading faster in vain attempts to absorb information faster. But a growing body of new evidence suggests that the path to heightened comprehension and immersive learning is by reading *slower,* not faster.

The fact that greater comprehension and content cognition comes from slowing down makes perfect sense when we understand that, at a fundamental level, mindfulness is — in the words of Ellen Langer, one of the world's foremost scholars on mindfulness — "the process of actively noticing new things." It makes sense because to notice new things we must be present, open and aware.

Mindfulness teaches us to understand our lives as one integrated whole.

Showing up each day with mindfulness and presence, and modeling the behavior you believe in, is a small act of leadership.

9. Inspire Others

One of the greatest predictors of effectiveness, happiness and success in work is our capacity to inspire others. Inspiration is rooted in passion, in curiosity and in our desire to live our lives to the fullest. To inspire, we must be inspired, and to be inspired, we have to take time to notice the small acts of leadership readily available in any situation.

Slydial is the app that lets you go straight to voice mail, safe from the possibility that someone might actually answer your call. Slydial exists in part because of the energy vampires in the world — those people you dread talking to because they leave you depleted, bummed out, frustrated or annoyed with every conversation. However hopeful you remain, they will figure out how to suck the energy from the conversation.

To avoid being an energy vampire, we should ask ourselves, "When people leave an interaction with me, do they leave feeling more or less energized?"

According to Rob Cross, associate professor at the University of Virginia's McIntire School of Commerce, our ability to create energy in the workplace, with our colleagues around us, is a more powerful predictor of our success than other criteria, including function, title, department, expertise, seniority, knowledge and intelligence. These are all descriptors. Creating energy is a behavior, and it can be learned. The ability to generate energy in those around us is so important that many successful executives and leaders place it at the top of the list as the most important attribute in team members.

Inspiring others by energizing them doesn't have to do with backslapping or pumping people up with platitudes or grandiose conference-room speeches. We can all become energizers by developing the characteristics energizers have in common:

- They are fully present.
- They open up possibilities.
- They follow through.
- They add value instead of trying to top others.
- They use supportive questions.
- They share their vitality.

10. Clarify Roles

History is littered with disasters that came about because the wrong person was in charge at the wrong time or because who should be in charge was unclear. Sometimes these disasters occurred through miscommunication and sometimes because leaders neglected their roles.

The key to a beautifully crafted machine is that every part works and is in the right place — in the role it fits. The same is true of teams in the workplace.

Next time you're standing at the gate waiting to get on a flight, watch when the crew shows up. Watch how they interact with one another. Do they laugh? Do they ask questions they don't know the answer to? Does it sound like they are listening well to one another? Or do they ask questions out loud — to no one in particular — and answer themselves?

They are all pros and they work at the same airline, but there's a very good chance they have never met one another. Yet, it turns out that how these professionals interact in the first few minutes will tell you a lot about how effective they are going to be shortly as a team up in the sky.

Mary Waller, a researcher at York University in Toronto, has been studying something she and her colleagues call "swift-starting expert teams." These teams are everywhere — TV news crews, emergency-response teams, event organizers. They are composed of highly specialized professionals who assemble for a specific job or task and often have little or no previous interaction with one another but do share the following characteristics: They are competent and familiar with complex work environments; work quickly under situations of time pressure; have a stable role on the team but ad hoc team membership; and have complex, interdependent tasks that rely on interactions with teammates.

It turns out that how members interact with one another during just the first 15-20 minutes is highly predictive of how they will perform as a team for the entire duration of the job. The reason is that interaction patterns established early in these relationships usually persist throughout them, on any operation in which they serve together.

The communications within well-performing teams have the following characteristics:

- They are simple, consistent and balance with one another.
- The most effective teams keep their communication short, precise and targeted to a specific task or job sequence.
- They are balanced. Team members rely on one another and balance participation in communication.

If we keep our team communications consistent, targeted and balanced, our teams will soar. Team rituals — however small or humble — will help us better define who is doing what on our teams.

11. Defy Convention

Positive deviance refers to actions that, although outside and even disruptive of the norm, have honorable intentions and positive outcomes.

On Monday, August 29, 2005, Hurricane Katrina made its third and most devastating landfall, with sustained winds of more than 125 mph. Inside the headquarters of Hancock Bank in Gulfport, Mississippi, Katrina's 30-foot storm surge had driven four feet of water throughout the ground floor and destroyed the elevator system. A tornado had ripped out 13,000 windows on the face of the building and blown glass, furniture and debris throughout the interior. The bank had a one-inch-thick steel roof that had been peeled off by the gale-force winds, and in the basement, the central data center was flooded and blasted with falling sheetrock as the interior walls crumbled and fell.

The following morning, the bank executives huddled over the hood of a car in the parking lot. Serving customers from Texas to Florida, Hancock Bank was one of the primary banking providers in the region. But without power at its branches or ATM facilities, there was no way the bank's customers could access their funds to buy basic needs. The executives then did something remarkable: Reminded of the original charter of the bank to serve communities first, profits second, they asked their branch managers to open no matter what.

Without power or lights, and some without doors or windows, that afternoon 10 locations opened for business. Several of those locations served customers from card tables in front of the shattered bank. In exchange for an IOU on a Post-it note, with only a name and an address if they had no identification, each makeshift bank provided $200 in cash to anyone who asked for it. That's right — in the critical week following Katrina, without requiring either proof of identification or verification of account information, Hancock Bank pulled cash from destroyed ATM machines, dried it out and put $42 million into the local economy.

According to bank CEO George Schloegel, less than $200,000 was not returned. And in the five months following the disaster, 13,000 new accounts were opened, and bank deposits grew by $1.5 billion. Yes, billion. Hancock Bank had definitively become the bank of the community.

That's the power of knowing the right thing to do and actually doing it, no matter how far it deviates from business as usual. It's what happens when leaders are courageous enough to disrupt the status quo, deviate from the norm in a positive way and live their values.

12. Take a Break

In our work to commit constantly to small acts of intentional and incremental leadership behavior, we may overlook a seemingly small act that can reap huge benefits — taking a break. Hitting the pause button can help us gain a new perspective, refresh our creative energy, relate better to our team members, and spur innovation.

Ryan Sanders cofounded a staffing company, BambooHR, about five years ago. Tired (literally) of the go-go workaholic mentality he saw in the 1990s, he now enforces a 40-hour workweek at his company, which has specific policies to keep its employees from working overtime. If you are a BambooHR employee at your desk at 5:30 p.m., Sanders will probably visit you and ask what's up. But if your work problem persists, you could be fired. One of his software developers nearly lost her job after putting in a few 60- to 70-hour weeks.

BambooHR understands what should be clear to all companies: When we are exhausted, our work quality deteriorates and our decision-making ability falls off a cliff. There's a reason that sleep deprivation is used as a form of torture.

We can create more positive futures for ourselves and for those around us through small, incremental steps taken each day. You may think to yourself, "But I don't live in that world. I live in the world of rushing to meetings and oceans of emails and stress!" We can all move into a calmer, more fulfilling and more impactful life. And the path to getting there is filled with small but highly intentional choices made consistently over time.

It is not intermittent, extraordinary actions that separate great leaders from everyone else; rather mindful leaders consistently do the simple things — like knowing when to take a break — extraordinarily well. When we start by doing the small things well, big things can happen.

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· Book 60 of 388 ·

39-06 Simplify

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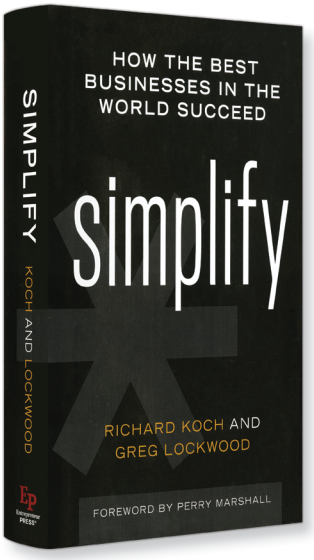
How the Best Businesses in the World Succeed



by Richard Koch and Greg Lockwood

THE SUMMARY IN BRIEF

Are you ready to become the next market leader?

Over the last 40 years, investor and successful entrepreneur Richard Koch has worked to uncover the simple principles and strategies behind every successful business. With the help of venture capitalist Greg Lockwood and supported by research from OC&C Strategy Consultants, Koch has uncovered the one uniting principle behind successful companies such as IKEA, Apple, Uber and Airbnb. The answer is simple: They simplify.

Through common-sense principles, careful research and engaging stories, Koch and Lockwood show how the best businesses in the world achieve amazing success by simplifying in one of two ways: via price or proposition. Presenting detailed, step-by-step plans for how to simplify using these two main strategies, they also outline the traps that lead managers to avoid simplifying, and explain how to recognize whether a business might be at risk of disruption from simplifying challengers.

By following Koch and Lockwood's simplifying strategies, businesses can achieve phenomenal success and help society in the process. Don't chase success by making things more complicated. Instead, let *Simplify* show you how to win by doing the opposite. Start simplifying today.

IN THIS SUMMARY, YOU WILL LEARN:

- Why simplifying a business or market is the key to exponential growth.
- The key differences between simplifying price and simplifying proposition.
- What it means to make a "virtuous trade-off."
- How companies like IKEA and Uber have simplified to crush the competition.
- To recognize warning signs from simplifying competitors.

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THE COMPLETE SUMMARY: **SIMPLIFY**

by Richard Koch and Greg Lockwood

The authors: Richard Koch is the best-selling author of *The 80/20 Principle*. He is also a highly successful entrepreneur and investor whose businesses have included Filofax, Plymouth Gin, Belgo Restaurants, Betfair, FanDuel and Auto1. Greg Lockwood is a founder of Piton Capital, a London-based venture capital firm that invests in businesses with network effects. He is the co-author of *Superconnect* with Richard Koch.

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The Secret Is Out!

Simplifying is the secret of creating a very large market and of generating a very profitable business. In hard economic terms, simplifying has two great benefits:

- It can lead to high growth in a business and market; and
- It can do so at high margins, because simplifying can lead to low costs of production and high prices at the same time.

Nearly all of the great success stories of the 20th century are stories of simplifying.

Simplifying is *the* key to the kind of product and business innovation that creates incredibly high value for customers, society and shareholders alike. Simplifying has been an invisible red thread running through business history in our lifetime and that of our parents and grandparents.

But now the secret is out! And this should enable tens of thousands of new innovators to create extraordinary value for themselves and others. The process of intelligent innovation can be speeded up!

How to Simplify

If you want to simplify, you must choose one of two simplifying strategies that is best suited to your venture, aspirations and market opportunity. You must then be uncompromising in executing the chosen strategy.

The first is called *price-simplifying*. This requires cutting the price of a product or service in half or more. The way to cut prices by 50–90 percent is usually *not* to provide an inferior product but rather to organize the delivery of the product in a different way that allows much higher volume and greater efficiency . . . and often to co-opt the customers into doing some of the work! Price-simplifying works because markets usually respond to dramatic price cuts by multiplying their size exponentially.

The second strategy is *proposition-simplifying*. This involves creating a product that is useful, appealing and very easy to use, such as the iPad (or any other Apple device of the last decade), the Vespa scooter, the Google search engine or the Uber taxi app. Proposition-simplified products are also usually aesthetically pleasing.

Proposition-simplifying creates a large market that did not previously exist in the same form or at all. For instance, there was no market for tablet computers before the iPad. Unlike price-simplifying, products that proposition-simplify do not involve a radical reduction in price; they may even command a price premium. Proposition-simplifying works when the product becomes a *joy to use*.

Let's start by looking at some of the best examples of simplifying that research has uncovered.

PART I: GREAT SIMPLIFIERS

The Man Who Democratized Travel

When he was 45, and a moderately successful industrialist, Henry Ford took a brave stand that shook the world. He decided to simplify and democratize the automobile. His great insight was that the key was price. If he could make a car cheap enough, it would, he believed, sell in vast quantities.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Masiel Tejada**, Graphic Designer; **A. Imus**, Contributing Editor

He had some supporting evidence: In 1905-6, Ford made two models, one priced at $1,000 and the other at $2,000. The company sold 1599 cars that year. The following year he simplified both models and slashed the prices: "The big thing was that [my] cheapest car sold for $600 and the most expensive for only $750, and right there came the complete demonstration of what price meant. We sold 8,423 cars, nearly five times as many as in our previous biggest year."

How did Ford manage to keep his prices sufficiently low to create a new mass market? His first idea was to redesign the product and make just one standardized, simple model. By making a single product — for more than a decade, with few variations and options permitted — Ford could reduce his costs considerably.

He also paid great attention to the materials that went into his cars. For example, he pioneered the use of vanadium steel, a French invention that was both very light and very strong. The vanadium steel disposed of most of the weight in Ford's car — decreasing fuel consumption — yet actually cost less than the traditional alternative.

The other plank of Ford's low-price car was a new production system, geared to make vehicles at high scale and low cost. He built the world's largest factory on a 60-acre site at Highland Park, near Detroit. The average number of employees rose from 1,908 to 4,110 and the cars built from a little over 6,000 to nearly 35,000.

The real breakthrough came with a proprietary innovation, designed by his production managers: the move from batch production to a continuously moving assembly line. This didn't happen until 1913, and it was then that Ford famously insisted that all of his cars would be painted black, because only Japanese black paint could dry quickly enough to keep up with the speed of the line.

Ford's case perfectly illustrates how cost and price reduction is not a one-off affair but a gradual, continual process fueled by a few big innovations.

Prices don't have to be slashed in half immediately. Instead, a virtuous circle can be created, where the first cost reductions create a larger market and greater market share, with the benefits of greater scale subsequently lowering costs and prices and raising demand further. What is essential, however, is a dogged commitment to achieve the lowest possible cost and price.

Though Ford's main objective in simplifying was always to cut costs, he also simplified to achieve two other objectives — a more useful car (higher utility) and one that was easier to drive and maintain (greater ease of use).

Ford foreshadowed some of the other great simplifiers, because they built on his methods.

The Billionaire Who Travels by Bus

Ingvar Kamprad was only 17 when he founded IKEA as a mail-order company. Five years later he started selling furniture. The story goes that one day he couldn't fit a table into his car, and a friend suggested removing the legs. Kamprad immediately had the idea of flat-packed furniture. He realized that half the sale price of a table was in the cost of transporting it. So if he could persuade the customer to do the final assembly — by engineering parts that fitted together easily and providing unambiguous instructions — he could cut his costs in half.

IKEA is founded on the idea that its goods should cost no more than half — and preferably a third — the price of equivalent furniture and furnishings. The obsession with target prices and economy comes directly from IKEA's founder. Employees still talk about the time Kamprad attended a glittering event to collect a Businessman of the Year award. The security guards saw him arrive by bus and refused to let him in.

How can IKEA be so much cheaper? Much of the answer lies in transportation costs. A table or a bookcase sold through a shop has to be transported at least twice and often three times — from the factory to a warehouse, from there to the store, then from the store to the customer's home. IKEA eliminates most of this cost. Typically, its goods travel only once at IKEA's expense — from the manufacturer to the store. And because the goods are in flat packs, they are much easier and cheaper to transport and to store than preassembled furniture.

IKEA would not make so much money without getting its customers to lend a hand. So how does it manage to convince those customers to do so much hard work? A very low price — less than half the price under the traditional system — is the obvious answer. But IKEA increases the *usefulness* of its products and its shopping experience by offering a one-stop solution. A visit to the store can be a day out for the whole family — there are play areas for children and inexpensive restaurants. Then there is the *art* embodied in the products. IKEA's products are well designed and stylish. IKEA also increases *ease of use* for its customers. The stores are easy to find — with their colossal yellow-and-blue signs — and have ample, free parking. There is a more extensive range of stock sitting within the store than elsewhere. And the vast majority of items can be taken away immediately — no waiting for delivery.

Like Ford, Kamprad was a price-simplifier. A common tactic in price-simplifying is to cut back certain expensive services and to compensate for this by lavishly providing

low-cost (or, ideally, profit-making) services. That is exactly what IKEA does.

The overriding objective is to cut prices yet offer "cheap" or "free" benefits to draw in more customers. These benefits can be categorized as ease of use, greater usefulness and art. These provide a template for any simplifier to dream up cheap or free advantages for their customers.

The big test of any new system for a simplifying firm over the long term is whether it can be imitated or improved by a rival. If the new business system is bold enough, if it eliminates traditional benefits that the customer is willing to forgo in exchange for large price cuts, and if it provides other benefits that are both cheap and unique, then the risk of imitation or supersession falls dramatically.

Market share provides the final bulwark against this risk. If, like IKEA, you can win more than half of the relevant market (self-assembly furniture in IKEA's case) and be 10 times larger than any rival, you are likely to be secure unless a rival spots a different way to discount prices again. In IKEA's case, this seems highly unlikely.

Steve Jobs is an example of a second breed of simplifier — *proposition-simplifiers* — because the overwhelming innovation and advantage lie in the proposition of the product or service, not in its price. In Jobs' own phrase, the product has to be "insanely great." The product must be a joy to use; it must have a palpable "wow factor."

With proposition-simplifiers, their absolute priority is to make the product or service not just a little better but a whole order of magnitude better, so that it is recognizably different from anything else on the market. The Macintosh, the iPod, the iPad, and the Apple watch all met this criterion: The proposition was either a great improvement on an existing product or else a totally new, unique creation. It had to be insanely great, a joy to use.

At least one of the dimensions specified as optional extras for price-simplifiers — ease of use, usefulness or art — must be present in a proposition-simplifier's new product or service. In fact, usually two or three of these benefits must be present; but whether it is one, two or all three of these advantages, they must transform the proposition.

Taxi! The Brave New World of Apps

The big advantage of Uber is the proposition, not the price. It provides all three of the customer benefits from simplicity:

Ease of use: Simplifies the ordering process: no hailing, no phoning, no searching; reduces uncertainty of when the car will arrive and the type of vehicle; simplifies the payment process — the system is entirely cashless; makes the price transparent with an accurate fare estimate for your trip.

Usefulness: Security and peace of mind through tracking; better quality through rating driver and passenger on every trip; universality — a single app works in most major cities around the world; saves time through seamless on-demand dependability; automatic electronic receipts; choice of services, from everyday to luxury cars.

Art: The experience is a revelation when compared with traditional taxis. In sum, it is a joy to ride in an Uber cab.

The system itself is extremely simple, not least for the company itself. It owns no cars. It is just an intermediary that uses technology to connect riders with drivers, then takes a slice of each transaction. Uber was founded in San Francisco in 2009 by CEO Travis Kalanick and Garrett Camp. They devised the software app that enables the system to work, recruited drivers in San Francisco and launched the site in 2010. Since then, Uber has spread to 250 cities throughout the world. Although it was started with very little money, on May 15, 2014 the *Financial Times* reported that Uber had raised $1 billion of funding at a $10 billion valuation. Seven months later, the firm raised a further $1.2 billion, but now the reported valuation was more than four times higher — $41 billion. And in May 2015 the company was reported to be raising a further $1.5-2 billion. By then, the valuation had increased to $50 billion, and in November 2015 is said to be up to $70 billion.

The Two Strategies and Their Trade-Offs

The two simplifying strategies are very different — in what you have to do to make them happen, in what your objectives are and in the way you are rewarded for success. But at the heart of the two strategies is the imaginative use of trade-offs, baked into a unique business system, to outfox competitors and deliver a product that the target market will buy in droves.

Price-simplifying: Create a mass market — simplify to make a product or service dramatically cheaper. Simplicity results in the product being easier to make, so simplicity for the producer matters most. The producer operates on low margins but enjoys massive growth in revenues.

Proposition-simplifying: Create a premium market — simplify to make the product or service dramatically better and a joy to use. Simplicity results in the product or service being easier to use and usually more useful and/

or aesthetically appealing, so simplicity for the user matters most. The producer enjoys high margins and growth in both revenues and profits. The premium part of the market will normally be a smaller part of the total market than with price-simplifying, although in some cases proposition-simplifying can create a new mass market, as with smartphones.

Three precepts for the price-simplifier: 1) Use simplicity to make something much cheaper both to make and to supply. This must always be the primary objective. 2) In making the product cheaper, simplify to eliminate "expensive utility" — anything the customer can do without.

Two precepts for the proposition-simplifier: 1) The primary objective is to use simplicity to make something a joy to use — to add utility through greater ease of use in the first place; then greater usefulness and/or art. More than half of the battle is knowing what the end result should be. To get there, you either have to make a huge leap in imagining what would make life simpler for the customer or see an early prototype and realize where it is heading and how it might be improved. 2) A secondary objective is to use simplicity to make the product cheaper to make; or at least to ensure that the extra utility far outweighs the extra cost.

Making Clever Trade-Offs

When developing new products and business systems, designers always have to make trade-offs — that is, they have to decide between two positive attributes since they can't have both together to a great degree. For the price-simplifier, the central objective is always to reach a very low price — which the customer will value enormously — by trading off attributes that your customers think are less important. Yet, cunning price-simplifiers always substitute cheap benefits for the expensive ones they eliminate.

Proposition-simplifiers make deals with their more affluent customers, with the latter persuaded to pay a little more for something that they believe is much better. The way to square this circle is to go through the complex process of simplifying what is bought. Think of the speed and intuitive nature of a Macintosh; the ease of use and peace of mind in taking an Uber cab.

But the highest form of making a trade-off comes when the trade-off is not really a trade-off at all — a "virtuous trade-off." Instead of choosing between two good things, if you are very lucky or very creative, you may be able to trade off something bad against something that is good. This is really creative simplifying — ingenuity that trumps iron laws. Many "giving back" attributes of price-simplified products are really virtuous trade-offs in disguise. IKEA's free entertainment and play areas boost revenues and profits. The stuff for kids is a genuine benefit, but its cost is illusory. Both customers and the company win.

PART II: HOW TO SIMPLIFY

How to Proposition-Simplify

Product design is nearly everything in proposition-simplifying. The objective is to make the product a joy to use: first and foremost, easier to use; then, if possible, more useful and more aesthetically pleasing.

Step one: easier to use. The essential first step — make the user experience easy and simple — is more than the sum of its parts. It requires empathy with the user and a genuine simplifying mission. There are five major themes for making things easier to use: eliminate; make intuitive and easier; make faster; make smaller/lighter/more portable; and make easier to obtain.

Step two: more useful. There are also five ways to make a product or service more useful: vary performance — make more (or less) powerful; improve quality; add new capabilities without adversely affecting ease of use; provide a wider range of products; and personalize.

Some propositions are more useful across all five of these dimensions. Facebook offers a "social operating system" for the internet, aiming to sit at the center of users' online social lives. You could argue that it ticks all the boxes above when compared with how people traditionally kept in touch and interacted, and that it offers a wide range of activities on the site while ensuring that it remains easy to use.

Step three: more aesthetically pleasing. "Art" can be defined as anything that enhances the appeal of a product that cannot be reduced to hard usefulness or ease of use. Art is to do with the appearance and texture of a product or service, how it makes the customer feel and how it turns consumption into a great experience. Steve Jobs understood this better than anyone. When making the Apple II, he took inspiration from Cuisinart's revolutionary food processor, introduced five years earlier. With its rounded, transparent shapes, the Cuisinart is very useful but also a beautiful artefact in itself. Jobs repeatedly told his people to make Apple computers "look friendly." Hardly anyone understood what he meant, but that was part of the advantage he had over his rivals. Jobs

explained, "We're really shooting for Museum of Modern Art quality."

How to Price-Simplify

With price-simplifying, you are on the side of target customers who want to buy the product or service but simply cannot afford it. Put yourself in their shoes and provide your product for a fraction of the current price.

If you are contemplating cutting prices in half, three fundamental changes must take place: the product must be redesigned to make it simpler and cheaper; the business system must be redesigned to make the product simpler and cheaper to produce and deliver, and to provide protection for your firm against imitators; the business must be scaled — that is, its sales must multiply and continue to multiply — as quickly and extensively as possible.

Part I: Product Redesign

Step one: Subtract features/performance and return to the product's core function. To launch a price revolution you need to work out the core, primary function that the product serves. Most likely the products that are currently available, before your price revolution, have strayed beyond the original purpose and now serve more than one function. Subtract everything that is not absolutely essential for a product's usefulness. Doing so will leave you with nothing but the core function. For a physical product, subtraction should also be pursued in two other dimensions — weight and size.

Step two: Reduce variety — invent a universal product. Successful simplifiers slash the variety of what is offered to customers in order to cut costs and prices. Ideally, a single "universal product" emerges, one that is both cheaper to produce and achieves high fame and scale: the Model T Ford; the Big Mac; IKEA's light-colored pine furniture; Penguin books; the Honda Supercub; single-class travel on Southwest Airlines. Consolidating many different products into a few — or just one — has really strong economic advantages: large reduction in stock-keeping units; higher stock turns; lower purchasing costs with greater volume per product; lower marketing and selling costs; and lower production costs.

Step three: Add cheap benefits. The third step is to provide benefits that cost the price-simplifier little but have substantial value for target customers. Often these benefits can cost the simplifying firm nothing whatsoever — or even less than nothing when the additional volume of customers and their spending are taken into account.

Part II: Business System Redesign and Scale Up

Once the product has been simplified, a business must set about rejigging their entire business system and creating a new mass market. There are five steps you can take to redesign your business system.

Step four: Automate. Automate means that you should standardize a product or service so that it can be repeated more automatically, with the result that it demands fewer resources and/or less managerial intervention and enables you to operate at much greater scale while maintaining consistent quality. The common theme is a dramatic reduction in cost. If air travel and restaurants can be automated and a mass market created by offering very low prices, the same must be true for any other sector.

Step five: Orchestrate. Orchestration means pulling the strings in an industry by seizing the high ground — the customers — and then co-opting independent players into your new system. They benefit, but you benefit even more. Walmart and Amazon ruthlessly exploit the benefits of scale, brand and, most importantly, a strong customer relationship with a significant proportion of the U.S. population. Because these two orchestrators enjoy such enormous customer volumes, they are able to force their suppliers to cut their prices to the bone; and because their prices are so low, they are able to maintain enormous customer volumes.

Step six: Co-opt customers. The customers take on some of the functions that used to be performed by the firm, and in exchange the firm cuts prices down to levels that the customers can afford.

Step seven: Sell direct. Price-simplifying through direct selling kicks in when at least two of the following three conditions apply: an expensive middleman is eliminated; new technology is used in some shape or form; there is a clever simplifying idea at the root of the new business.

Step eight: Use simpler technology. If there is a new, inferior but much cheaper technology that has not yet been seriously adopted in your industry, and if it has the potential to cut costs in half, you would be wise to jump in before anyone else does. Construct a business system around it so that you can become — and remain — the low-price player.

Step nine: Scale up and roll out internationally. If the price cut is significant, if the design is good and you have developed a universal product, and if the business system is unique, simple and elegant, you will win . . .

unless another firm copies your approach and builds volume faster than you do. If that happens, you will almost certainly lose. Scaling up quickly is therefore vital. Maximize sales and take an early lead, even if that means operating at zero or negative margins for a few years. If cash is a constraint, seek venture capital. As volumes build, your costs will decline, and you will be able to take a small margin on high revenues. Once the concept is proven in one place, take it nationwide, then international and global as quickly as possible.

PART III: SAVE THE DINOSAURS?

Do They Need Saving?

A long and impressive roll-call of blue-chip firms have seen their market value and profits collapse almost overnight when challenged by simplifying insurgents. In the 1960s, IBM lost a large portion of its market when DEC introduced "minicomputers," which, as the name suggests, were much smaller and simpler than mainframes. Pan-Am, TWA and American Airlines all filed for bankruptcy after losing U.S. market leadership to Southwest Airlines. Kodak lost out to Sony when the latter introduced digital cameras.

Certainly, dominant firms cannot afford to be complacent. The sensible approach is to watch out for the wrecking ball and take steps to avoid it before it is too late.

Warning Signals from Price-Simplifiers

- A much cheaper product emerges. It does not matter if the new product's performance is inferior. If it is good enough for the market, it is a serious threat.
- The firms making the new product are recently established. This means that their impact cannot be determined as yet and that they may not be constrained by traditional ways of operating.
- The new entrants are playing the game differently. Their product may be smaller, lighter, faster or all three. It may be based on new technology.
- At least one simplifying firm is growing fast.
- The new firm has lower margins than yours. Its business may seem to be unprofitable or only marginally profitable. This is a warning because it may discourage you from making the new product yourself.
- The new product has the potential to cost much less to make than your rival product.

Warning Signals from Proposition-Simplifiers

- The product or service is designed differently. It is radically simpler, using a new method or technology, or it is based on different assumptions about what is important to the customer.
- The new product is a joy to use.
- The product is priced at a premium to yours, yet it is eating into your market share.
- The challenger is playing the game differently.
- The firm or firms are recent entrants to the market. At least one of the new entrants is growing fast.
- Your firm either can't make the new product or chooses not to.

The Weakness of Strong Firms: Five Bad Reasons Why Managers Don't Simplify

There is plenty of anecdotal evidence that managers in large, successful firms consistently tend to use to make their businesses more complex rather than simpler. But why do they do that?

It turns out that there are five reasons why managers in market leaders don't simplify, and they are all traps.

The Overhead Trap: Organizations like to go upmarket, towards higher gross-margin products and customers. Yet making overhead commitments well beyond the norm in an organization can be just as problematic as accepting margins that are much lower.

The Cannibalization Trap: The cannibalization paradox is the decision to provide a stripped-down, simpler and much cheaper product. It is valid if your customers will use that product. If you think they will, you might as well cannibalize yourself before some other firm does it for you. If you think they will never use the cheaper product, it might seem to make no sense to introduce it. And yet, if you truly believe that your customers will never switch, there is no danger of cannibalization, so you might as well make the cheaper product anyway and use the profits to top up those from your existing business. So, with the important exceptions of luxury and niche markets — where customers are not price-sensitive — it logically follows that there is no circumstance in which it makes sense not to introduce a simpler and cheaper

product! The fear of cannibalization paralyzes successful management, delaying action until it is too late.

The Customer Trap: This is when you assume that your customers aren't interested in the new business model. The trap here is that the market leader believes its customers and so ignores the threat from the new product. The typical pattern can be summarized as follows: The performance of the new product gradually improves, and after a while it meets the requirements of all but the most demanding customers. With increased learning and volume, the simpler product becomes ever cheaper, which makes the price difference between it and the premium product increasingly hard to ignore. As this happens, a typical response of the market leader — such as Harley-Davidson — is "segment retreat," a move to even more complex and expensive products. This is usually explained as a natural response to short-term earnings pressure from the simpler product.

The Complexity Trap: At the start of its life cycle, the only way to improve a product is to add more resources and energy. After a while, though, this ceases to be true. It becomes possible to simplify — to make lighter, smaller products that have fewer features, are easier to use, cheaper to buy and operate, and less costly to produce and deliver. Yet managers who are used to progressing only by adding complexity often see simpler products not as a step forward but as a step backwards.

The Skills Trap: The firm may not have the right skills for simpler products, but it also fails to appreciate that these can be acquired, often quite cheaply.

PART IV: THE REWARDS OF SIMPLIFYING

Does Price-Simplifying Pay?

How good are the returns from price-simplifying? To shed some light on the financial rewards of simplifying, OC&C Strategy Consultants examined 12 case studies — six price-simplifiers and six proposition-simplifiers — that they considered the most significant simplifiers since 1900.

In every price-simplifier case

- halving prices multiplied the market size;
- the revenues of the price-simplifier rose by several thousand times;
- the value of the company rose sharply, with increases measured in the tens, hundreds, thousands, tens of thousands or (in one case) hundreds of thousands;
- the compound annual growth rate of value increased impressively, ranging from 10 percent a year over more than a century to 40 percent a year over four decades.
- outperformance relative to a comparable non-simplifying company or the stock market was also striking, varying from 11 times to over 9000 times;
- the value increase continued over several decades, even when the company stopped innovating or cutting prices.

Does Proposition-Simplifying Pay?

Does proposition-simplifying pay as impressively as price-simplifying? All 12 simplifiers have enjoyed high growth, and there is no evidence that price-simplifying is better than proposition-simplifying or vice versa. While 12 cases is a very small sample, one may surmise that, for the highest returns, it does not matter which type of simplifying is employed. Either approach can lead to stunning increases.

Simplifying is not the only viable strategy or the only way to make a fortune. Yet the gods of economics and customer psychology favor the simplifier. A small and relatively new firm that commits to following one of the two simplifying strategies and adapts it to suit its own industry can hit the jackpot. Simplifiers, in addition to benefiting themselves, will surely help society and everyone in it to a much greater degree than non-simplifiers. Finally, although there are limits to the genius of simplifying, there is no limit to the number of simple universal products than can be imagined and created.

Go forth and simplify!

MORE SV CONTENT ON SIMPLIFYING

Access these and more in your Soundview Online Library:

Summary: *The Complexity Crisis* by John Mariotti. Executives face a crisis of complexity. As you seek to expand profits, a number of new products, procedures and systems are created that, unexpectedly, stifle your bottom line. To this problem, Mariotti has the solution: Simplify.

Webinar: *Making a Bigger Impact By Saying Less* by Joseph McCormack. McCormack tackles the challenges of inattention, interruptions and impatience that every professional faces. His proven B.R.I.E.F. approach, which stands for Background, Relevance, Information, Ending and Follow up, helps simplify and clarify complex communication.

· Book 61 of 388 ·

39-10 Speed

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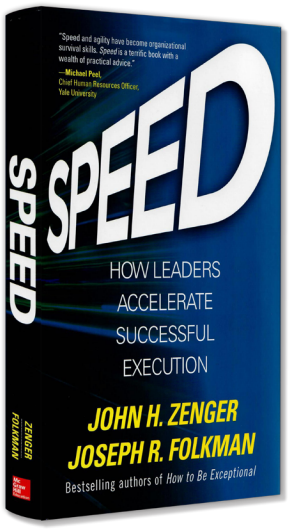
Speed

How Leaders Accelerate Successful Execution



by John H. Zenger
and Joseph R. Folkman

THE SUMMARY IN BRIEF

During the last few decades, speed has increased dramatically in daily business activity. Speed in business is partly a reflection of the increase in speed in every area of modern life. In order to stay competitive and profitable, companies must improve the speed at which they operate and make crucial decisions. Today, competition is fiercer than ever as companies all over the world vie to be the first to market new products and services. The first-to-market advantage nearly always results in a dominant share of that market. But, can an organization move quickly if its leaders and professionals move slowly?

Drawn from extensive data and field research, *Speed* reveals eight essential behaviors that anyone can adopt to improve speed and drive organizational effectiveness. Leadership experts Jack Zenger and Joe Folkman share valuable insights gleaned from one million 360-degree feedback assessments of more than 75,000 leaders. Repeatedly, speed was shown to be a powerful predictor of a leader's effectiveness.

As the authors demonstrate, speed is produced not by frantic activity but by skillful execution of several key behaviors. Step by step, they show how to increase your own speed, anticipate trends and be more productive. Speed gives you a much-needed competitive advantage in business and in life.

IN THIS SUMMARY, YOU WILL LEARN:

- How to overcome "speed bumps," challenges and obstacles.
- Tactics and strategies for speeding up critical elements of your day.
- Quicker, more effective communication.
- Behaviors that increase speed and spark innovation in yourself and others.

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THE COMPLETE SUMMARY: **SPEED**

by John H. Zenger and Joseph R. Folkman

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Speed Matters

Speed in business is partly a reflection of the overall increase in speed in every area of life. Speed is not an end goal, but speed creates real value rapidly. It appears to be a powerful predictor of a leader's effectiveness as well as the organization's success.

What produces speed is not one unique competency but a combination of behaviors, including a leader's tendency to think about the future and to "see around the corner" before most others see the trend emerging. The speed syndrome also incorporates an ability and willingness to identify a problem and respond to it without delay. Finally, the syndrome encompasses the tendency to make changes in processes and procedures quickly so that problems are resolved on a permanent basis.

Researchers created a "speed index" that measures a leader's ability to:

- Spot problems or trends early.
- Quickly respond to problems.
- Quickly make needed changes.

Those leaders who were rated in the top quartile on this speed index, compared to other leaders, were rated substantially higher in their overall leadership skills. Speed was a powerful predictor of overall leadership effectiveness.

Correlation does not imply causation. Is speed a vital sign or a root cause of leadership effectiveness? Speed is an indicator of a pattern of behavior, attitudes, energy and focus that combine to produce good results for any given manager. Also, the speed with which a leader acts is a clear force unto itself that produces good results and causes that person to be seen as highly effective. The correlation between speed and perceived overall effectiveness comes from the fact that those who operate with greater speed accomplish more in a given period of time than others would have. It is this absolute level of productivity in comparison to others that accounts for the way they are perceived.

PART I: NEED FOR SPEED

Speed Laws

Studies on working hours have shown that for highly educated and well-paid workers, the number of working hours has increased. One study found that executives in the 1970s had to deal with roughly 1,000 messages per year. In the 1980s, the number of communications quadrupled. Email started to be utilized in the 1990s and the first mobile phones were introduced. With this new technology in the 2000s, the number of communications went up to 25,000 per year. Currently, executives are receiving about 30,000 messages per year.

Speed Is a Source of Competitive Advantage

Most organizations in the world can see and recognize the advantage of speed. Software developers have embraced processes such as Agile development, in which increased collaboration and compressed development schedules have substantially reduced the development

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Masiel Tejada**, Graphic Designer; **Michael Casp**, Contributing Editor

time for major applications. In the manufacturing world, many organizations have embraced Lean manufacturing and production. Lean is a systematic method for the elimination of waste and non-value-added processes. Lean processes shorten the cycle time by eliminating inefficient processes and allowing organizations to deliver faster. Top managers at a telecommunication company in the midst of an Agile implementation realized that their company would not be able to become more Agile as an organization until its leaders increased their speed. In their view, "Agile organizations are full of speedy leaders."

Organizations can only move as fast as their employees. The pace of employees will impact the pace of the organization. Even more important is the pace of the leader. As Lee Iacocca observed, "The pace of the leader becomes the pace of the overall organization." Leaders who resist a brisk pace can be a major source of a company's problems—and, ultimately, its failure.

Speed Traps

Doing Things Fast Versus Doing Things Right

Leadership speed means having the ability to execute quickly and correctly so that the time to value is decreased. Speed alone is of little advantage. Work must be accurate. But for the majority of jobs, accuracy alone is insufficient. You must have speed and accuracy.

Leaders who are able to execute, respond to and make decisions quickly and correctly will be perceived as much more effective leaders.

The Illusory Trap of Burnout

Does a faster pace increase stress? Andrew Bernstein, author of *The Myth of Stress*, makes the point that it's not the activities or the environment that creates stress, but rather it is our emotional reactions to those situations. If two people perform the same activity, one might find the activity stressful and anxiety producing, but the other person may well find the activity interesting and challenging.

It turns out that there is a significant correlation between pace and the level of stress people experience. This makes a lot of sense when you consider that those who have a quicker pace are often able to accomplish tasks quicker. David Allen, the productivity guru, observed, "Much of the stress people feel does not come from having too much to do. It comes from not finishing what they have started."

Several studies on stress conclude that it is not the work itself but primarily people's responses to their work and perceptions of it that cause a small percentage of people to feel overwhelmed and drained. And that percentage is more than cut in half when these people pick up their pace.

Leadership speed is reducing the time to value by doing things fast and doing them right. Frantic activity does not make organizations more successful, but strategic speed or delivering value is the key to more successful organizations.

Organizational Benefits from Leadership Speed

Impact of Leadership Speed on Employee Engagement

Employee engagement is an excellent way of determining the level of commitment and satisfaction of direct reports. When a leader has employees with high levels of engagement, not only is the attitude of the employees much better, but numerous studies show that they have increased willingness to take on challenging projects, and their commitment to work hard escalates.

To test the effect of leadership speed on engagement, the authors looked at data from leaders who had been assessed based on their leadership speed. All of the direct reports were also assessed based on their level of employee engagement. Leaders who were rated in the bottom 10 percent regarding their speed had engagement levels in the 27th percentile. Leaders who were in the top 10 percent regarding speed had direct reports whose engagement was in the top quartile. This one leadership capability seemed to have an extremely positive impact on engagement.

Using the same data set, the authors examined the relationship between leadership speed and discretionary effort. Discretionary effort measures the extent to which direct reports are willing to go above and beyond basic expectations. They found that leaders who are in the bottom 10 percent regarding leadership speed only have 16 percent of their direct reports who say that they are willing to "go the extra mile." Those in the top 10 percent have 63 percent of their direct reports willing to go above and beyond.

Is There a Downside to Leadership Speed?

The research shows that, in fact, there appears to be no negative side effects to leadership speed. The better leaders

are at speed, the higher the engagement of their direct reports. Statistically, the more leadership speed, the better.

In their article, "Need Speed? Slow Down," Davis and Atkinson submit that while speed is a huge advantage for most organizations, the best are not reluctant to pause along the way to ensure that they are truly focused on building value for the long term. They observe that companies are better off periodically slowing down to make certain that they are on the optimum course. They write that "higher-performing companies with strategic speed made alignment a priority."

PART II: TACTICS TO INCREASE SPEED

Speeding Up Your Day

Being a good boss means that people must have access to you. Your influence is directly proportional to the quality and frequency of the connections you make throughout the day. So, what can you do?

Set the pace when you initiate the conversation. These conversations don't have to be long, and you can make them happen at a relatively brisk pace.

Softly guide others' conversations. Help others get to the heart of the matter, and let them know you respect their time and you want them to respect yours.

Set expectations with your workforce. Employees appreciate consistency. Whatever way you consistently choose to push conversations forward will help them to be better prepared.

Use very short, scheduled meetings. Work expands so as to fill the time available for its completion. Try scheduling shorter meetings, and see how much can be achieved. Even a five-minute meeting can be effective when people come prepared.

Change your attitude. Cultivating certain beliefs can increase speed. Examples are: "I do my best work and rise to the occasion when performing under a deadline," and, "When things get bogged down in a meeting, I do what I can to move things along."

Stop multitasking. By now, most people have heard that multitasking really doesn't save time or make you more efficient. The bottom line is: Our brains work most efficiently when they focus on one thing at a time.

Delegate. It's a "win-win." The leader is freed up to focus on activities that only the leader can perform and subordinates are given additional activities that expand the scope of their jobs and usually increase their level of job satisfaction.

Learn to use the latest technology. Software programs, such as Microsoft Office, can be an enormous boon to productivity. For those who write lengthy documents, voice recognition software can save time and relieve the physical exertion of typing long documents.

Don't let your busy day decrease the number of interactions you have. These conversations can be beneficial if kept positive and short. Emotions are contagious, so make your interactions and meetings generally positive.

Accelerate Meetings

A leader with accelerated speed and pace greatly increases the likelihood of a productive meeting. Research on productivity improvement shows a high correlation between improved productivity and the efficiency and effectiveness of meetings.

There are several simple steps every leader can take to accelerate meetings:

- **Have an agenda.** Solicit agenda items from everyone. Circulate draft agendas, and seek comments on whether these are the really important issues the group needs to address. Put the most important agenda items first.
- **Make the purpose of each topic clear.** Is the item there to collect opinions? If it requires a decision, make this known. Nothing makes participants feel better than to see every meeting produce a group of clear decisions.
- **Suggest times for each topic.** It helps to set a general expectation. It is best for the leader to have an estimated time and to keep the pace brisk.
- **Lead the process.** Are we on topic? Have we heard from all the people who possess important information? Have all sides been heard? Is the meeting moving at a good pace? The leader needs to manage both content and process. A helpful technique is for the leader to periodically summarize where the group is on a topic. The success of the meeting is the leader's responsibility, and the leader cannot delegate that to anyone else.
- **Use idea-building processes.** Use group processes to encourage the flow of ideas. Techniques ranging from traditional brainstorming to asking participants for the strategy they would use if they chose to be a new competitor in your industry can be helpful in opening the valve of new ideas.

- **Determine decision-making processes.** Sometimes, the leader is seeking opinions but will personally make the decision. Other times, a decision may warrant a democratic vote. It helps when people understand the ground rules.
- **Resolve conflicts.** Differing viewpoints in meetings can produce conflicts. Left unchecked, they can move from being largely substantive to being emotional and personal. The effective leader encourages everyone to practice inquiry and minimizes advocacy. Probing for the assumptions that undergird a person's point of view usually helps to resolve conflicting viewpoints.
- **Maintain energy.** The element in shortest supply in most organizations is the energy of the CEO. Nowhere is this level of energy more visible than in the meetings that the CEO conducts.
- **Keep action minutes.** Record decisions that were made and specific actions that need to be taken. These notes should indicate who needs to take the action and when it is targeted for completion. Circulate minutes quickly after the meeting is completed while the meeting is fresh in everyone's minds.
- Evaluate the meetings. At the end of every meeting, ask the group what could have been done to make the meeting more productive and efficient.

PART III: COMPANION BEHAVIORS FOR LEADERSHIP SPEED

After analyzing 360-degree feedback data pertaining to approximately 52,000 leaders, the authors determined there were eight companion behaviors that helped leaders increase their speed.

Innovating

The No. 1 companion behavior that leverages speed is innovation. Change takes energy, discipline and often a willingness to do something we have never done before. The people most likely to be innovative are those who are not satisfied with good performance but are constantly looking for superior performance and time-saving, efficient methods.

Using Pull, Not Push

Two possible methods to yield innovation are pushing harder and pulling harder. Leaders who push harder set deadlines for innovations to be created, hold individuals accountable for improvements, regularly follow up with individuals and push people hard to deliver on their commitments.

Leaders who pull harder generate excitement and interest about what innovations could do for the organizations; they find ways to energize colleagues to innovate more and celebrate any success in innovation.

While pull is most helpful at generating innovation, leaders who also held others accountable, set deadlines and pushed hard were able to achieve even better results.

What leaders who pull do to generate innovation in their teams is:

- Set "stretch goals" that require people to do the impossible. Stretch goals force team members to rethink the entire process and begin to imagine innovative approaches to accomplish objectives.
- Provide a clear sense of direction and purpose. Communicate often about the desired direction, and help people connect their individual responsibilities to the overall business objectives.
- Paint the long-term vision for where the organization needs to go. The long view of an aspirational goal and objective keeps people on track and provides them with a sense of destination about where they need to go.
- Turn on a dime. The road to innovation is full of potholes and wrong turns. Learn from mistakes, and move forward. Provide support for people who make mistakes.
- Keep the focus on the customer. Exceptional leaders understand the current and future needs of the customers and look for opportunities to have team members interface with customers to increase their understanding and commitment.
- Sell the new idea to others. Too often, people believe that the value of a new innovative approach will be so obvious that it does not need to be sold. Often, this is where innovation fails because others in the organization do not see the value.
- Be willing to take risks. Those who are more willing to take risks are rated substantially higher on their ability to innovate.

Exhibiting Strategic Perspective

The complexity of today's organizations requires that many people in a variety of functions make decisions. Outlined below is a set of key behaviors that describe how these leaders sharpen their strategic perspective to leverage speed.

Communicate powerfully. It is absolutely critical that leaders continually reinforce and remind others of the strategy and direction of the company. When people lack clarity, they slow down. In meetings, one CEO studied makes a habit of connecting every topic back to the strategy and vision of the company. Excellent performance by the company year after year made evident that the amazing execution of the company was partly due to the clarity every person had about the company's strategy.

Be willing to challenge suboptimal standard approaches. A clear strategy will inevitably hit barriers. Leaders who were willing to challenge the standard approaches were viewed as much more effective at strategic perspective. One group of innovative leaders often came up against government regulations that most leaders were not willing to challenge. These innovative leaders said that if they presented a good case for change, one that provided value for the government, they would get an exception. Too often, people encounter longstanding rules or policies and stop pushing the boundary.

Use push and pull to implement strategy. It's clear that many people need some push. They need strong direction, decisive action, standards and deadlines. Push alone, however, never achieves great results. Leaders who also know how to pull get team members excited and passionate about the strategy. Team members start to view the strategy as a noble cause that is important, and they are more likely to be willing to go the extra mile.

Market ideas and perspectives to others. Too often, we don't realize the importance of selling our ideas to others. To market your ideas, become a champion and a cheerleader, and point out the advantages of your idea versus another. Have the courage to speak up and take a stand. Be enthusiastic. And don't wait for the perfect time—because there is no perfect time. Do it now!

Displaying Courage

Courage is one of the key characteristics of leaders who exhibit high levels of speed. People we label as "courageous" exhibit a particular set of behaviors.

For instance, people who are willing to volunteer are viewed as more courageous. Volunteers are viewed as being willing to take initiative, possessing greater commitment and being better team members.

- Find something you are passionate about, and become a champion of it.
- Quickly recognize the need to change. It takes courage to change. Resisting change gives others the impression of lacking courage. Change puts people in a situation where they will likely make some mistakes, but if they ask for help and try hard to learn, they will be successful.
- Challenge stupidity. People with courage are willing to challenge standard approaches when they see a better way. To challenge standard approaches, a person can be bold or simply ask good questions.
- Look beyond the trees. Having a clear line of sight upon specific goals and objectives gives people much greater insight into the distance to the goal and the difficulty of achieving a desired vision. Having that future vision helps people move faster, and then they are viewed as more courageous.
- Sell yourself. Many people resist marketing or selling their ideas to others. Often, people justify this behavior by inferring that it is somehow beneath them to sell their ideas to others. It takes courage to sell your ideas.
- Be the first to identify a trend. People who notice trends and warn others of eventual consequences are viewed as having more courage. Take some time to see new trends and identify the consequences.

Setting "Stretch Goals"

When people embrace a stretch goal, it moves them forward faster. Leaders who were the most effective at getting others to embrace a stretch goal did more than simply set the goal. They set focused goals, they inspired others and they pushed. They found approaches that fit individuals. They made the stretch goal developmental by requiring learning new skills. And they consistently followed up with people on their progress.

To encourage others to achieve stretch goals, focus on utilizing the approach that works for the individual. Individuals respond differently to the same stimuli. Some people are motivated and inspired by one approach while others are disinterested or annoyed. Figuring this out for your team members is a critical way to get improved performances.

Many leaders find it relatively easy to set goals for others. Then, they expect them to perform and become angry when people fail to accomplish their goals. Consistent follow-up makes a profound difference.

A word of caution on stretch goals: Setting stretch goals in the absence of strong values, and leaders who are role models of those values, is a recipe for significant problems. Encouraging team members to simply do whatever they

can, regardless of ethical considerations, can lead to team members using any available means to achieve goals, ethical or unethical. Leaders who set stretch goals need to have high levels of integrity. They need to be aware if they are pushing team members to do things that violate ethics or company values.

Communicating Powerfully

Great communicators share information in a way that others remember and appreciate. The information not only informs others, but it influences them to take action. Suggestions are: Connect information you are presenting to the individual needs of others; present information in a way that demonstrates a win-win for all parties; ensure you have cooperation on your proposals from other required parties; and make your message inspiring and energizing. If you are asking others to change, be a role model for that change. Take the time to explain the rationale for decisions and actions. Find an innovative way to present and share the information.

Ask the kinds of questions that get people to really think and reach deep for an answer. Involving others is a powerful way to influence them. For example, ask questions like: "What has caused you to have the opinion you hold about this subject we've been discussing? Who has had the most influence on the way you think about this subject? What are the important assumptions that are the basis for the point of view that you hold?"

If others do not feel that you understand and appreciate their issues, they will rarely accept or change their point of view. Too often, leaders do a poor job of listening to others, their primary excuse being, "I don't have enough time!" However, people who have conversations in which the boss really listened and had a desire to understand their points of view report the average time of those conversations is 15 to 20 minutes.

What Should Be Communicated

Your manager is looking for different information than your peers or direct reports. Most managers do not want to be swamped with every detail, but most want to be informed about successes you experience as well as potential problems.

Your manager wants to understand the action steps you will take to achieve your goals. As you communicate your plans, connect what you are planning to do with the overall direction and purpose of the organization. Also, demonstrate that you have considered all the options and evaluated the risks, pros, cons and trade-offs.

Your ability to communicate with your direct reports will have a dramatic impact on their productivity and engagement. Connect the dots. Translate how their assignments can have an impact on the strategy and direction of the business. Appreciate and value your employees. Give employees feedback, and help them develop. Have conversations about their career possibilities and development opportunities. And as direct reports develop, delegate additional responsibilities to them, and explain what decisions they can make personally.

Bringing External Focus

A strong internal focus can hide reality. We believe what we see and experience, and if we limit our vision and our experience, then our world is very small.

The big problem with a narrow view and internal focus is that we live in a global marketplace. We are in a competitive struggle. It's only by understanding our competition that we stay competitive.

Beyond the competitive issue, consider the value of finding a way to accomplish your work more efficiently, increase the value that you provide or find ways to have substantially more impact. Having a strong external perspective provides a window to a much larger world. A strong external perspective gives you the opportunity to comparison shop and find the highest value or the most features at the lowest cost for an improved, more efficient organization.

Here's how to improve external perspective:

- Become a great networker.
- Broaden your reading and listening.
- Study other organizations.
- Travel.
- Participate in industry and alumni associations.
- Develop international colleagues.
- Become close to customers.
- Embrace technology.

Taking Initiative

Those who initiate action can be counted on to follow through on commitments. They are willing to go above

and beyond, and they are energized to take on challenging goals. In their research, the authors discovered that women were significantly more effective at initiating action. The authors discovered there were key behaviors that helped women be better at initiating action. They believe that these behaviors are the key to improvement in both men and women.

Rock-solid integrity. Beyond honesty and accuracy in what you say, the integrity measured here is an accumulation of little things that add up to form an impression when people are asked, "Does this person honor commitments and keep his or her promises?" Be careful and accurate about what you agree to do. Keep track of your commitments, and most importantly, honor those commitments.

Deliver results. Start with a plan, anticipate problems, connect to the strategy and vision, provide feedback, act quickly and support the team with resources.

Cooperate rather than compete. When leaders encourage groups to work together and cooperate, they get more accomplished in less time.

Set high standards of excellence. Those with high standards are constantly striving to do top-quality work that makes a significant difference. By setting standards higher, people work harder to achieve their goals.

Continual improvement. Having the attitude of "We can always improve" creates an atmosphere in which people continually up their game. Those who desire continual improvement are constantly looking for feedback from others on their performance.

Inspire others to high performance. Inspirational leaders create a sense of excitement about the work and an urgency to get that work done.

Be willing to be the champion. When people are willing to be the champion for a program, they are much more likely to be perceived as initiating action. It takes a good deal of courage and self-confidence. When you are a champion, the spotlight is on you, and that provides motivation to move forward.

Move forward despite ambiguity. The key to overcoming ambiguity is to find a way to move forward. While there is confusion about some things, there is not confusion about everything. Find a way to move forward knowing it is possible that you may need to backtrack.

Possessing Knowledge and Expertise

Having deep technical knowledge and expertise invariably increases speed. Analysis of assessment data revealed that leaders with the highest speed rating (the top 10 percent) were rated much higher on knowledge and expertise than leaders with the lowest level of speed (the bottom 10 percent). Further, only 9 percent of those in the top 10 percent in speed rating gave themselves a higher rating on their technical expertise than other respondents had given them. It seems that those with a higher speed rating were more humble about their level of knowledge and expertise.

The following are suggestions for acquiring greater technical expertise and knowledge. Leaders need to do a baseline assessment to identify areas of strength and areas that need improvement. Make a habit of reading and studying the materials that are difficult to digest but need to be understood. Recruit mentors to help you learn. Seek job assignments that force learning. Surround yourself with experts, and gather their input and ideas every day.

Leaders in the top quartile on both speed and knowledge and expertise had higher employee engagement. They also had higher ratings on making good decisions on complex, high-risk issues; acting with a sense of urgency; following through on objectives, marketing projects, programs and products; and seeing patterns in data that others miss.

We live in a world in which the pace is escalating. The survival of organizations depends on their ability to move quickly. Leadership speed reduces time to value. There is an urgent need for and huge benefit to attaining true leadership speed.

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Summary: *Hacking Leadership* by Mike Myatt. Mike Myatt identifies 11 leadership gaps that can be holding leaders back and affecting their performance. The gaps are found in areas of leadership, purpose, future, mediocrity, culture, talent, knowledge, innovation, expectation, complexity and failure. Myatt provides actionable leadership and management "hacks" to bridge the gaps in order to create a culture of leadership within organizations and help leaders drive exceptional results.

Webinar: *The Four Disciplines of Execution* by Sean Covey, Chris McChesney. Chris McChesney and Sean Covey explain a simple, repeatable and proven formula for executing on your most important strategic priorities in the midst of the whirlwind of the daily grind. By following The Four Disciplines, leaders can produce breakthrough results even when executing this strategy requires a significant change.

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39-12 Fit for Growth

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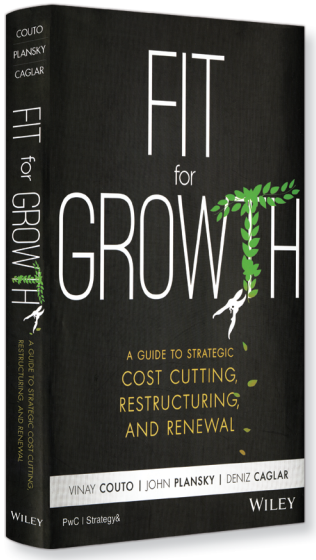
Fit for Growth

A Guide to Strategic Cost Cutting, Restructuring and Renewal



by Vinay Couto, John Plansky and Deniz Caglar

THE SUMMARY IN BRIEF

Very few organizations manage their expenses for sustainable success. And when the time inevitably comes to cut their costs, many companies cut in a way that makes them weaker, not stronger.

The experienced consultants with PwC's Strategy& team reveal the hidden problems of conventional cost management — and how your company can do better. Drawing on decades of research, observation and experience helping clients, these experts have developed a unique approach to help CEOs and senior executives cut costs constructively.

The Fit for Growth concept redirects an organization's resources and investments toward its few differentiating capabilities — the strengths that set it apart from competitors. When a company manages costs this way, it becomes fit for growth. Its cost structure, organization and culture are aligned with its strategy.

Total business transformation requires total buy-in, and it entails a series of decisions that must not be made lightly. *Fit for Growth* offers a definitive game plan to cut costs and grow stronger.

IN THIS SUMMARY, YOU WILL LEARN:

- The three essential actions for becoming Fit to Grow.
- Why growth requires cuts and how to achieve both.
- Smart levers to restructure costs.
- Strategies to help leaders, managers and employees embrace large-scale organizational transformation.

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THE COMPLETE SUMMARY: **FIT FOR GROWTH**

by Vinay Couto, John Plansky and Deniz Caglar

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PART I: FIT FOR GROWTH OVERVIEW

Do You Need to Cut to Grow?

Whether they're trying to jump-start flattening revenues or facing imminent bankruptcy, companies across industries and geographies are realizing that the only way to unleash growth — profitable growth — is to cut costs, often dramatically. In the globally interconnected, digitally disintermediated market in which all enterprises operate today, there is no safe harbor when it comes to the bottom line. To protect and bolster it, companies need to focus on managing costs as rigorously as they concentrate on growing revenues. There is no profitable growth without equally robust pruning.

Are you fit to weather this tough competitive environment and come out ahead? Are you Fit for Growth? To be *fit* in this way means to have your resources, and thus your cost structure, aligned to your company's overall strategy — deployed toward the right businesses, initiatives and capabilities to execute your growth agenda effectively. Companies become Fit for Growth by doing three things consistently and continuously:

1. They focus on a few differentiating *capabilities.*
2. They align their *cost structure* to these capabilities.
3. They *organize* for growth.

In the current business and economic context, company leaders need to accept the facts: They need to cut to grow. And that is hard. It requires difficult choices and wrenching trade-offs. Not everything you do is a differentiating capability, which means that you are probably overinvesting in the rest of your processes, systems and organization if you haven't made conscious choices on how to allocate costs.

It's easy to play Monday morning quarterback, but when you are a senior manager in the midst of stalled growth and declining growth, it is anything but easy to clear a way up and out. It's not hard to be Fit for Growth, in theory, but in practice, for many companies it's next to impossible. For those companies that align their costs and organization with their distinctive and differentiating capabilities, however, the results are impressive and enduring.

Becoming Fit for Growth

The Restructuring and Renewal Journey

How do you know if your company is fit or unfit for growth? The diagnostic is deceptively simple: Have you identified the differentiating capabilities that drive your growth strategy? Are your resources — which determine your costs — deployed toward those capabilities? Is your organization set up to enable and reinforce those capabilities? A successful Fit for Growth agenda will be embedded in a company's overall strategy and culture and addresses each of the three pillars.

1. Focus on differentiating capabilities. Achieving true cost fitness requires a more strategic perspective on what "cost" is. Costs are an outcome of the choices

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Masiel Tejada**, Graphic Designer; **A. Imus**, Contributing Editor

you make about where to invest your resources. The right way to think about costs is to align them with the strategic growth priorities of your business — those few capabilities that distinguish your company and contribute disproportionately to its success. Those capabilities should be fully funded, whereas other costs — those that are purely discretionary or may be necessary but are not differentiating — should be subject to stricter scrutiny and more intensive pruning. Also, it's not enough to have a single capability. Success derives from having mastered and institutionalized three to six capabilities, which come together in a distinctive, powerful and mutually reinforcing way that is almost impossible to replicate. This is what is called a *capabilities system*.

2. Align the cost structure. Fit for Growth companies evaluate their costs in light of three questions:

- What do we do? Start by analyzing everything you do. If an activity, process or person furthers a differentiating capability, make sure it is adequately resourced and set up for success. Determine what non-priority capabilities and business segments can be eliminated or scaled back dramatically.
- Where do we do it? Review where your operations and people are located, and explore opportunities to consolidate and gain scale efficiencies or scope economies. Relocate work and people to lower-cost locations. Take advantage of shared services models, and consider outsourcing or offshoring.
- How (and how well) do we do it? Streamline inefficiencies in company execution. Review and reengineer business processes to eliminate waste. Exploit and improve automation. Implement strategic sourcing to reduce direct and indirect material expense. Delayer the organization, optimize management spans of control and ensure pay scales match the complexity of the job performed.

3. Reorganize for growth. In the context of a Fit for Growth transformation, a well-designed organization model enables fitness and growth in two ways: by enabling and sustaining cost reductions (which can then be redeployed as investments in differentiating capabilities) and by creating the right conditions for managers to drive growth. In the first way, the well-designed organization model unleashes a number of cost-reduction levers. In the second way, a well-designed organization model can fuel dramatic growth by empowering managers to act like owners of the business.

The Leader's Role

Aligning Costs with Strategy

Certain consistent leadership lessons emerge on how to achieve the promise of a large-scale restructuring while avoiding the pitfalls. CEOs and other top leaders have three core questions: How do I energize my organization for transformation? How do I achieve cost fitness while also enabling growth? How do I actually manage the transformation and make it enduring?

A set of 10 leadership principles provides answers to these questions. These combine the first principles of strategic cost reduction and reallocation with the "new normal" mandate dictated by increasingly activist investors and shareholders demanding accelerated value creation.

How do I energize my organization for transformation?

Principle 1: Make the case for change. The CEO must personally make the case, starting with a compelling and candid analysis of the business climate and the company's (faltering) position within it. He or she needs to make bracingly clear why the organization must make major changes.

Principle 2: Align the top. The senior management team must invest in the case for change first. They must be unified, aligned and committed to taking the steps necessary to achieve the targets articulated.

Principle 3: Declare a "new day" and grant amnesty for the past. You have to anchor the disruptive change you are launching in a positive, strategic vision of the future and your company's prospects for growth in it — a vision that will actually inspire and attract people to commit.

Principle 4: Showcase quick wins. To build confidence and accelerate momentum, identify and showcase quick wins early in the transformation process. These are cuts that generate significant savings rapidly with relatively minor transition costs.

How do I achieve cost fitness while enabling growth?

Principle 5: Put everything on the table. To be credible, you have to put absolutely everything on the table, even seemingly "sacred cow" expenses. This sends a powerful signal to the organization that "we're all in this together."

Principle 6: Challenge the what, how and how well. You need to address the root causes of high costs rather than just the symptoms. Don't just look at *how* or *how well* you do something but also *what* you do in the first place — that determines your cost structure.

Principle 7: Balance cost cuts with capabilities investments. Efforts to significantly change the cost

structure of an organization must always be framed within the positive context of building unique, distinctive and powerful capabilities.

How do I manage the transformation and make it enduring?

Principle 8: Set up a parallel organization to change the business. Establish a dedicated PMO (program management office) to oversee implementation of a single, cohesive transformation program — rather than a collection of separate and decentralized expense-reduction projects.

Principle 9: Communicate before, during and after. Communicating early and often is an article of faith in these massive change campaigns. Skillful internal and external communication tied to a strong strategic vision is a must.

Principle 10: Keep the weight off. During the course of any major change effort, new practices for achieving accountability, distributing benefits, allocating incentives and tracking results are introduced. These should remain in place even after financial targets are met.

In essence, the Fit for Growth approach differs from conventional cost reduction in its perspective. It starts with strategy — with a focus on what to keep rather than what to cut. All spending is investment. Every cost is a choice. The secret to unlocking growth through cost reduction is to make deliberate choices not only about what to cut but also about where to invest. The right choices are those that close the gap between strategy and execution.

PART II HOW TO CUT COSTS AND GROW STRONGER: A MANAGER'S GUIDE

Levers of Cost Reduction

What, Where and How

Any well-run Fit for Growth transformation initiative has three major elements:

1. Setting the objective — a target for overall financial savings and a timeframe for achieving it.
2. Identifying differentiating capabilities that define your company — these will highlight areas that must be preserved and, if possible, strengthened while you are cutting elsewhere.
3. Selecting the levers you will use to transform the cost structure and free up funds — either to take them straight to the bottom line or reinvest them in your differentiating capabilities.

Selecting the Cost-Reduction Levers

The Fit for Growth Cost-Reduction framework organizes various cost reduction levers and challenges companies to reevaluate basic tenets of their business by asking three questions:

What do we do? These are the investments and costs that are most fundamental to what a company has chosen to do: what products and services the company sells, to which customers, in what markets and through which channels. The two levers that can be applied to the "What do we do?" question are portfolio rationalization and zero-basing.

Portfolio rationalization: Evaluates the net margin contribution and strategic coherence of products, customers, geographies and entire business units, and decides which ones are central to the company's strategy and way to play.

Zero-basing: Evaluates the existing set of capabilities and makes choices on what to dial down or simply eliminate. Zero-basing is predicated on the concept of a blank sheet and the idea that it's what one is keeping, not what one is cutting, that needs to be justified.

Where do we do it? Decisions involving the operating model define how a company organizes its operations and support, how it delivers those services and where it locates them. The three levers in this category are business operating model, outsourcing and footprint optimization.

Business operating model: Redefines how roles, responsibilities and decision rights are distributed between headquarters, business units and shared service organizations. These decisions will influence the level of centralization and standardization in the organization.

Outsourcing: Evaluates whether some internal capabilities are better performed by a vendor. Outsourcing can cover the vast majority of a company's value chain, including manufacturing, supply chain, R&D and support services such as IT or finance.

Footprint optimization: Restructures the physical footprint of a company's manufacturing plants, distribution centers and R&D and administrative offices. The sites can be consolidated or moved to low-cost locations to reduce costs and improve effectiveness.

How and how well do we do it? Operational excellence levers make it possible to execute existing work more efficiently. These levers include optimizing processes, delayering the organization and increasing management spans of control, deriving benefits from strategic sourcing and digitizing processes. Operational excellence levers include process excellence, spans and layers, strategic supply management and digitization.

Process excellence: Optimizes processes for greater efficiency and effectiveness by using Lean, Six Sigma and other approaches.

Spans and layers: Increases direct reports and reduces management layers to decrease management overhead and flatten the organization.

Strategic supply management: Improves the efficacy of an organization's direct and indirect material spend.

Digitization: Evaluates existing processes, customer channels and partner interactions for opportunities to use technology to automate manual work and replace manual interactions with digital ones.

Selecting which levers will be used and how is a pivotal moment in any transformation program. These decisions will determine how much savings you produce, the degree of change your organization needs to manage and how well you are positioned for future growth.

Considerable synergies can be achieved by applying multiple levers concurrently across multiple functions and business units. For example, business-portfolio decisions frequently give rise to footprint and operating model questions. Process excellence is much more powerful when combined with digitization. And zero-basing is inherent in levers such as process excellence, strategic supply management and outsourcing, all of which are about discontinuing low-value work and making lights-on capabilities more efficient.

Portfolio Rationalization

Decide What Business You Should Be In

Portfolio rationalization systematically analyzes the profitability of categories, products, customers, channels and geographies to identify where complexity is driving high costs, understand the root causes, and take out both the costs and the underlying drivers of complexity. The goal is to reduce complexity that is not differentiated or adding value, while building a capability to manage the "good complexity" that is driving profits.

Not all complexity is bad, of course. Complexity is good when the balance between added value and added costs is right — when managers are able to limit the rate at which costs go up. A company can create competitive advantage when it knows how to add complexity in the pursuit of growth that's based on its differentiating capabilities — creating offerings that competitors can't match without being overwhelmed by operational chaos or organizational gridlock.

Many companies recognize that portfolio complexity is an issue; many others, however, fail to see an underlying portfolio complexity problem. Some companies may even mistake the problem for a virtue. They may see their diverse set of product and service categories as proof that they're diversifying market risks, or feel their sprawling and diverse catalogue of products and large numbers of customers is evidence they're serving their customers well — all the while ignoring the growing complexity that's undermining their bottom line. Many others find they have created a portfolio complexity problem as they try to react to changes in their marketplace.

Rationalizing the portfolio follows a three-step process.

Step 1: Understand portfolio complexity. The first step in portfolio rationalization is to analyze the true, integral profitability of categories, products, markets, channels and customers. Performance analyses often provide revealing insights and instantly show where money is being lost. They also enable you to see the underlying problem clearly.

Step 2: Manage the trade-offs. The next step is to determine how to solve the problem. If low-volume products or SKUs are unprofitable, for example, the questions become, What happens if I stop producing or selling these products? Can I migrate the customer to another product? Will I lose a customer who also buys other, profitable SKUs, once the unprofitable SKUs are no longer available?

To answer these questions, you need to link the customers who are buying the products and consider how much of your total revenue the unprofitable product represents. Since the goal of rationalization is to reduce complexity across the company's overall portfolio, leaders must understand and accept trade-offs that are hard for any one department to make. Unite the key departments to make these decisions in light of "what's best for the enterprise."

Step 3: Take out associated costs. The organization has built up significant costs to support the complexity. Only by taking out these associated costs will portfolio rationalization truly pay off.

Zero-Basing

Justify What to Keep, Not What to Kill

Zero-basing is a repeatable process for rigorously scrutinizing every dollar in a company's budget and instilling a culture of cost management across the organization. A well-executed zero-basing program yields sustainable cost reduction, fosters a mindset of

questioning the need for every activity and releases funds to invest in differentiating capabilities.

Zero-basing demands that a strong case be made for every expenditure. A decision-tree analysis based on five questions separates costs that support differentiating capabilities from those that support table-stakes and lights-on capabilities.

- What do we need to absolutely keep this business or function going?
- Which non-lights-on capabilities drive true competitive differentiation and support our right to win?
- Of the capabilities that are not differentiating or lights-on, which ones do we think we can cut altogether?
- Of the capabilities we want to preserve, is there a more economical way of deploying them?
- What risks would the business run if it made the cuts and changes we're considering?

Answering these questions enables a company to realign spending priorities to reflect the importance of each capability to competitive differentiation, and to channel resources to critical capabilities while cutting back elsewhere. After assigning each activity to the three capability categories — differentiating, table stakes and lights on — a company can realign its cost structure to reflect its strategic priorities.

Aligning the Operating Model

Redefine Where Critical Work Gets Done

A company's operating model defines where critical work is done in the organization and how resources should be organized to deliver that work. A key step in a Fit for Growth cost transformation is to ensure the operating model aligns with the company's strategy and supports its differentiating capabilities — and if that is not the case, acting quickly to adjust the operating model.

At most companies, the primary building blocks of the operating model are the corporate core, the business units and a shared services organization that provides company-wide support services.

Operating models take many different forms across the corporate landscape. Each company must follow its own path to the optimal design, based on its strategic priorities, business and asset portfolio, geographic footprint and other unique characteristics. But the design process always requires fundamental decisions about the roles and structure of the three major organizational units. First, however, you'll need to answer four basic questions:

- Where are my resources and costs, and are they in the right places?
- What approaches will yield the greatest savings?
- What corporate operating model will best enable cost savings and capture growth opportunities?
- How do we rewire the organization to support the new operating model?

Based on your answers to these questions, define your major organizational units — the business units, corporate core and shared services. While every operating model redesign process is different, most move through four major phases: understanding value creation levers, framing options to accelerate value creation, developing a new organizational architecture and implementing the new design.

Companies with effective operating models do more than draw new organizational structures and order people to change their ways. They explain how the new system will work, outlining clear roles, responsibilities and accountabilities throughout the organization. They spell out how decisions will be made, how decision makers will get the information they need and how the organization will motivate people to adopt new behaviors.

Outsourcing

Let External Providers Generate Value for You

Outsourcing is a contractual relationship in which a company pays an external service provider to perform activities it would otherwise handle in house. The provider could be anywhere — a remote offshore locale, a neighboring country or even right next door. The power of outsourcing stems in part from its broad scope. You can outsource just about any link in the corporate value chain, from research and development to manufacturing, supply chain, sales and back-office activities.

Outsourcing creates value in three primary ways: turning fixed labor costs into variable expenses that rise and fall with fluctuating business volumes; driving efficiencies through the provider's highly competitive labor costs, expertise, scale and platforms; and transforming processes through the provider's investments in automation and other technologies that spur continuous improvement and year-over-year productivity gains.

A well-developed sourcing strategy is the cornerstone of smart outsourcing. It lays out screening criteria and other

guidelines for critical decisions about which processes to outsource and how. Your strategy should articulate the specifics of what you are trying to accomplish, the geographies, functions and processes to be sourced, insource-outsource scenarios, associated economics, and risks and transition strategies. From this you can find the best partners, know what market pricing and terms are required to implement the solution, and define a plan for execution against the business case.

Process Excellence

Simplify Work and Minimize Bureaucracy

Process excellence advances a Fit for Growth transformation by optimizing processes to achieve sustainable efficiency and effectiveness while supporting differentiating capabilities. Process excellence applies a market-driven perspective to create a blueprint of the four macro business processes found in every company — innovation, sales and marketing, delivery and support — and how they interact to deliver the targeted customer-value proposition.

The goal is not simply to reduce costs but instead to reshape processes to fulfill customer needs at cost and service levels that meet organizational objectives. By doing that, it offers a solution to how to do more for the customer, for less.

Building best-in-class processes involves five key steps. Start by defining your core processes; then use a customer-back analysis to identify your challenges. Gather the data you need to fully understand the current performance and the root causes of performance gaps. Use this information to develop and pilot a solution. Last, evaluate results of the pilot against your expectations, and then formalize your new processes.

Spans and Layers

Flatten and Empower the Organization

Restructuring the spans and layers of management control within a company is one of the most effective tools for addressing organizational bloat. This lever reduces organizational layers and management overhead, which not only cuts costs but also simplifies decision making, improves flexibility, enhances responsiveness and unleashes innovation — positioning the company for better growth.

Restructuring spans and layers optimizes two critical aspects of organizational structure: the spans of control (the number of direct reports for each managerial position) and management layers (the number of hierarchical levels that distance the front line from the CEO).

Even the best-run companies tend to lose focus on their organizational structure over time, at least in some businesses or functions, and end up with too many layers and too much management overhead. Excess management layers with narrow spans of control slow down decision making, delay the flow of information from the top to the front lines (and vice versa), stifle creativity and frustrate employees subjected to micromanagement by supervisors who don't have enough management work to do.

The "right" span of control for any managerial position depends on factors including complexity of the role — the scope and complexity of work overseen, the degree of judgment involved in day-to-day activities, the stability of work processes and the amount of interaction with others within and outside the organization. Managers overseeing highly complex activities should have fewer direct reports, while those responsible for simpler functions can manage more employees without undue risk.

Wider spans of control force managers to focus on guiding, coaching and managing, and empower individual contributors to make decisions and truly "own" their work. Wide spans also enable companies to reduce managerial ranks and eliminate layers of management.

Reducing layers brings senior management one or two steps closer to customers and front-line operations. With fewer midlevel managers, accountability and transparency increase. Eliminating layers also pulls talented managers up from lower ranks and improves career opportunities for others stuck in the middle.

As management structures become more efficient, employee engagement increases when decision-making authority devolves to front-line employees, micromanagement subsides and opportunities for development and advancement increase.

PART III COPING WITH COST RESTRUCTURING: HOW TO MANAGE AND SUSTAIN THE CHANGE

Running a Cost Transformation

Mobilizing, Scaling and Sustaining

Let's discuss the process needed to transition your organization to be Fit for Growth. When a true transformation is needed — when the company is setting out to dramatically reshape its cost structure and organization — the

typical business-as-usual approaches are insufficient. Given their level of complexity, such transformations require a *programmatic* approach.

Transformations following the Fit for Growth approach typically begin by conducting a diagnostic exercise and building the case for change (Phase 1). Next, they build a detailed design of the transformation (Phase 2); last, they are executed (Phase 3).

Phase 1: Diagnostic and case for change. The purpose of Phase 1 is to set the direction for the program, prioritize opportunities to pursue and create the case for change. While cost reduction is top of mind in Phase 1, investments in differentiating capabilities are equally important — a Fit for Growth transformation always seeks to strengthen the company's capabilities system as a simultaneous objective. Phase 1 is the time to detail why a change is needed, the vision for the future, the benefits of the transformation and the outlines of the transformation road map.

Phase 2: Detailed design. Phase 2 takes the directional findings of Phase 1, translates them into a detailed design of the future processes, organization and systems, and develops a detailed plan for moving from the current to the future state. Phase 2 also jump-starts the change management process by identifying what will change, describing who change will impact and how, and developing a detailed plan to enable the organization to change.

Phase 3: Execution. In Phase 3 of the transformation, the focus turns to execution. The transformation is no longer an esoteric exercise; it is the new normal for everyone in the company. No more is the success of the transformation in the hands of the sponsors or working teams. Workstream leaders turn their meticulously developed plans over to line managers to execute.

The Human Element

Getting People Ready, Willing and Able to Change

All the elegant plans to transform the organization will come to naught if the employees do not get on board with the transformation. Its ultimate success will hinge on how successfully employees adapt new ways of working. For that to happen, employees need to understand why such a big change is necessary in the first place, agree that this change is best for the company and for them personally, and be inspired by what the future promises.

The basic change-management building blocks include leadership alignment, change impact assessment, stakeholder engagement, employee communications, training, and measurement and tracking.

These basic building blocks of change management are absolutely necessary during a Fit for Growth transformation, but they are not sufficient to ensure that change is adopted. For large-scale change to succeed, the leadership team needs to work with and within their company's culture to motivate and mobilize the employees.

Those on the front lines have to embrace the change, and to get them on board and keep them on board, you have to enlist your organization's culture and leverage what works within your culture. The Fit for Growth journey will require employees to change not only what they *do* but how they *behave* on a day-to-day basis. That is a considerable ask, and it will go unanswered unless you are able to put your culture to work. Thus, the Fit for Growth transformation approach emphasizes culture-led and behavior-based change.

The transformation needs to build on the company's existing organizational and cultural strength. It's not about *changing* the culture; instead, it's about harnessing the positive aspects (which every culture does have) and emotional forces in the existing culture to motivate and mobilize people around the task at hand — the business of transforming the company for the good of all.

Ultimately, your fortunes rise and fall based on the decisions and trade-offs that individual employees make every day. Will those decisions benefit the firm as a whole or maximize the self-interest of the person making them? It's only when you reinforce a capabilities-driven strategy with both organizational design and cultural prompts that you succeed in becoming and remaining Fit for Growth.

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Webinar: *How to Capture New Markets* by Stephen Wunker. Business strategist Stephen Wunker guides you through the process of creating counter-intuitive strategies that will lead to success in capturing new markets, such as treating competitors as collaborators, timing market entry, and targeting narrow niches before big customer segments.

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39-13 Leading the Unleadable

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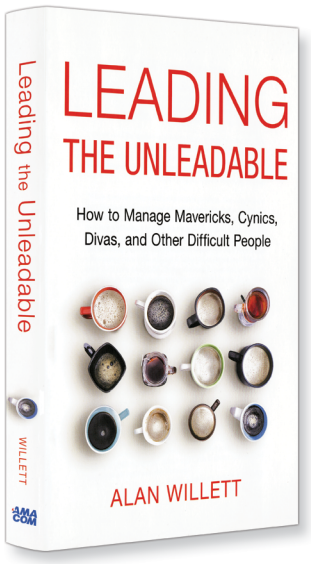
Leading the Unleadable

How to Manage Mavericks, Cynics, Divas and Other Difficult People



by Alan Willett

THE SUMMARY IN BRIEF

The control-freak, the narcissist, the slacker, the cynic... Difficult people are the worst part of a manager's job. Whether it comes from direct reports or people above, outbursts, irrational demands, griping and other disruptions need to be dealt with — and it's your responsibility to do it. *Leading the Unleadable* turns this dreaded chore into a straightforward process that gently yet effectively improves behaviors. Written by an insider in the tech industry, where personality issues routinely wreck projects, Alan Willett reveals a core truth: Most people actually want to contribute results, not cause headaches.

Once you realize the potential for change, the Willett's simple steps and examples explain how to right even the most hopeless situations. You'll learn how to master the necessary mindset; explain the problem calmly in a short feedback session; get a commitment to change and follow up; coach others to replicate the process; and develop the situational awareness required to spot trouble even earlier in the future.

Every manager has "problem people." What sets great managers apart is how they turn them into productive team players. Prepare to transform the troublesome into the tremendous.

IN THIS SUMMARY, YOU WILL LEARN:

- What it means to accept the call of exceptional leadership.
- How to take action and follow through with troublesome employees.
- Key criteria for deciding whether to remove or improve an employee.
- How to prevent problems by setting the bar high.

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THE COMPLETE SUMMARY: **LEADING THE UNLEADABLE**

by Alan Willett

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Leading the Unleadable: How to Manage Mavericks, Cynics, Divas and Other Difficult People by Alan Willett. Copyright © 2016 by Alan Willett. Summarized by permission of the publisher, AMACOM, a division of American Management Association, Int'l. 240 pages, $17.95, ISBN 978-0-8144-3760-5. To purchase this book, go to www.amazon.com. Summary copyright © 2017 by Soundview Executive Book Summaries ® www.summary.com, 1-800-SUMMARY.

Preface

Exceptional leaders have one obligation above all. Whether they are managing an entire company or a team, a division, a single project or simply a meeting, they must focus on the group, not the individual, and if an individual is hurting the group, that person must be brought back into the fold or cut out altogether.

PART I: THE CALL TO EXCEPTIONAL LEADERSHIP

The Leadership Crisis Point

The greater the responsibilities of leadership, the greater the amount of trouble you must deal with. Recently, a division manager responsible for $100 million in revenue and 500 employees distilled the situation perfectly to a roomful of colleagues. He held his hands a few inches apart. "This," he said, "is how much good news I get to share with the upper management of this company." He then stretched his arms the full distance. "This," he said, "is how much bad news I get to share with upper management." The other leaders in the room nodded their heads in agreement.

This is why leaders often reach the point at which they wake up one morning and simply think, "I don't want to do this anymore." They have reached a leadership crisis point. There is a way forward, though.

Leadership isn't just making a series of decisions (choices) on a daily basis. The very essence of being a leader and how you lead is itself a choice.

Choose not just the call to leadership; choose the call to exceptional leadership. This is a call to embrace the tremendous personal growth opportunity in learning about yourself, in growing your own career and in contributing good to the world.

Before we can listen to the call, we first must understand and *accept* the following facts about leadership: the call to leadership is a choice; whatever you lead, leadership is about leading people; leadership comes with a taxonomy of trouble; and the trouble is your fault, even when it is not. When we accept these facts, we are ready to learn how to lead the unleadable, including our own troublesome selves.

Difficult challenges that leaders are likely to encounter include

Troublesome Project Teams. The problem occurs when the project's troubles start negatively impacting the whole organization: teams that are always late and have quality issues; teams that are constantly battling fires; the stress on any team striving for excellence that often leads to conflict.

Troublesome Individuals. People issues that leaders commonly must address include the cynic, the slacker, the diva and the pebble in the shoe (teammates who provide persistent annoyance to other teammates).

Troublesome Leaders. These include a clash of the titans, when a leadership group is composed of people actively trying to make each other fail; the maverick, who is ready to throw away all of the status quo; and leaders who are facing their own leadership crises.

Troublesome Stakeholders. These include too many bosses with conflicting priorities, the wrong level of

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Masiel Tejada**, Graphic Designer; **A. Imus**, Contributing Editor

involvement from your stakeholders and irrational pressure from above.

Remember that blame has nothing to do with troublesome situations. If you are the leader responsible for making sure the mission is accomplished, if it is not accomplished, it is still your responsibility.

Accept the Call of Exceptional Leadership

Successful leaders get things done. Their businesses are successful. They deliver. They make a profit. And these leaders do this in spite of all the troubles that plague them. Many managers are successful in this way, but the call to exceptional leadership can take them to a higher level of achievement.

The first difference with exceptional leaders is that they have a very personal, passionate mission that goes beyond those simple (and, yes, important) results. Thus, their measures of success also have a much higher bar.

Exceptional leaders also measure the positive difference for their customers, track the attrition rates of top talent, measure whether constructive conflict occurs much more often than destructive conflict, watch the trend lines of unacceptable behaviors or results and watch their protégés excel.

Accepting the call to exceptional leadership does come with new challenges and new responsibilities. Here are five things to do to help meet the challenges:

1. **Be fearless.** When you start saying "no" to things you used to say "yes" to, the reactions can vary and even include anger. Nonetheless, saying "no" will often be the right choice. Be fearless and confident in your choice.
2. **Build your own community of exceptional leaders.** Leaders who choose this path notice that there are not many people who have chosen this path, but they can immediately identify the leaders who have. Talk to them, work with them and learn from them.
3. **Stop whining.** That is obvious and still worth saying. It is fine to take the occasional whine break, but make it short.
4. **Learn to love the challenge of transforming the troublesome to the tremendous.** This is the opposite of the whining that perhaps you used to do! When you have a difficult employee who is challenging you, learn to relish this as an opportunity to grow others and yourself in the process.
5. **Know that learning will have setbacks.** Taking on brand new learning opens up pathways in your mind and is very exciting. There will be moments, though, where it is a more difficult path than the familiar one. Take your time and learn the new road. It is worth the effort.

The Mindset to Lead the Unleadable

When we change our mindsets, that changes how we act in response to the events that occur around us. How we act changes the outcomes. To be able to best manage the mavericks, cynics, divas and other difficult people and situations, we have to first change our frames of reference in how we think about them.

Here are the key elements of the mindset for leading the unleadable:

Key 1: Appreciate the diversity of every leaf. If you inspect the leaves on a single tree, you will find differences among the leaves. As in nature, the diversity of culture is a rich, textured tapestry of where we have all come from with our unique backgrounds. Exceptional leaders more than understand this diversity; they love it!

Exceptional leaders know that when encountering some behavior or action that appears unacceptable, their first thought should be to wonder what they don't understand about the person and the communication process. Having multiple ways of thinking about things can lead to arguments, but with great leadership this results in great innovation.

Key 2: Start with the belief that everyone has good intentions. The exceptional leader believes that when someone is causing problems, it is not the person's intention to cause problems. Almost certainly the troublesome person is trying to do his or her best to further the overall good of the initiative. The calm leader has the mindset that when trouble arises, it is not of evil intent, it is because something is missing.

Key 3: Accept reality but do not let reality define you. Exceptional leaders do push to set a high bar and to define what that high bar should be. This takes an important mindset, which is summed up in the threefold relentless pursuit of seeing reality, accepting reality and,

based on this, dealing with reality in a way that sets a high standard of achievement.

Key 4: Set the high bar for excellence that people desire. The leaders of the high-quality results organization know that people crave the high bar of doing excellent work. They also know that in spite of any whining that may occur initially, in the end people are proud of producing great products and great results.

Key 5: Understand the power of gelled teams. The exceptional leader is always looking for ways to create teams of people in which the team can figure out how to address the trouble without management involvement. As you grow as a leader, the troubles you and your organization encounter will not diminish, but as your skills grow at creating the desired culture, the number of times you must personally get involved will greatly diminish.

Key 6: Treat trouble as information-rich data. If there is trouble occurring in any of the things you lead, it is important information — not just about the actual incident or the actual trouble; it also contains information on the process, the people involved, the culture you are creating through your leadership and you.

Key 7: Own your leadership power. The meaning of this is simply that you understand and own all the keys of the mindset of leading the unleadable. It means that when you have setbacks in making those mindsets your first response (and there will be setbacks), you don't let the setback become a norm; you forgive yourself and get back on track. It means that you don't let the trouble you have to deal with define your response; you take ownership of your response. You take ownership of your leadership process and the results.

PART II: THE LEADER IN ACTION SPOTTING TROUBLE, DEALING WITH TROUBLE

Fine-Tune Your Radar for Trouble

To deal with issues you first must be aware that they exist. And, as in all things, the earlier you are aware of issues emerging the more likely you will prevent damage and achieve the excellence desired.

How good is your radar for trouble? For those who have now objectively determined that their own radars are flawless, scan these areas and see if you find anything new to help make them even better. If you have found that your radar can be improved, consider the following three methods:

Method 1: Talk to people. More importantly, listen to people. The most obvious way to be able to spot trouble is to be there when the situation is beginning or at least right when it happens. And since you cannot always be there, the next most obvious way is to hear about troublesome situations soon after they happen. One way to do this is by the classic "management by walking around" or, in this very connected world filled with distributed teams, leadership by calling around and checking in. You have two goals with this. The first goal is to find out if there are any situations that need your help to ensure the achievement of the project goals. The second goal is to build trust in a way that people will come to you without fear about difficult situations.

Method 2: Pay attention to differences. Often, the first indicator that something is wrong is a feeling that something is different from previous experiences. The key is to pay attention to that feeling and investigate whether your feeling is meaningful or not. Is there something that needs your attention? Notice the differences. Ask about them. The answers could be very interesting.

Method 3: Look beyond the first level of data. People often have a story that goes with data, especially if that data doesn't indicate good news about the project. And although the story gives a great context to the data, the data is still important. It is important to go deeper when the story and the data do not match. When looking at the data, ask, Is the data providing a compelling answer to useful questions? Was the data collected accurately and consistently? Based on the data, what actions can and should be taken based on trigger points?

Take Action: Transforming the Troublesome

Once you spot trouble, how will you deal with it? There is a choice to be made by the leader. If action is not taken, it is possible that things just might get better. However, it is more likely that if action is not taken, things will get worse and often in unpredictable ways.

It is best to take proper action. To take proper action, proper preparation is required. Four steps are needed to prepare for proper action: understand what emotions you are feeling and why; move past negative judgments and assumptions; prepare your clear, short (two minutes or less), judgment-free message; and set aside time with the individual to focus on this one topic.

Follow these steps when taking proper action:

Meet in a private space: This can be via videoconference or telephone, however do not use email or other written correspondence, as the most likely outcome is to make the circumstance worse.

Deliver your key message. Do not start with small talk. Deliver your key concern with respect and empathy toward the other person. Do so concisely and without judgment.

Wait patiently and quietly for a response. Wait for the individual to talk. If you have to, wait longer; the response is often an unexpected set of events you did not know about.

Be in the moment. The best way to prepare for the response is not to anticipate what it will be. Sometimes the response is a complete surprise. Given that you really do not know the response you will get, just be in the moment and listen.

Listen to understand. Stay focused on what the speaker is saying and how he is saying it. If there are parts you don't understand, just keep listening until the person is done speaking.

Reflect. Tell the person what you heard to make sure you did understand. Reflect both on the facts and the emotions. This is not a place to argue.

Discuss. It is fine to ask questions. It is fine to bring up things you are wondering about. The discussion part should not be long. It is just for you to make sure you understand the situation and the other person understands the impact his behavior is having.

Set expectations. The meeting must provide clarity on what your expectations are. This is the part of the meeting for the other person to listen and understand.

Ask for action steps. It is best if you set up a second meeting for the person to be able to take time to internalize what he heard. He will also have time to build a proper set of actions for moving forward.

Summarize. Conclude the meeting with a summary.

There are a variety of responses that you would expect when delivering the difficult message that a person is falling short of expectations. You might expect to see anger or rationalizations or many forms of excuses. If you are centered and in the moment, you should focus on listening and also keeping clear in your own mind your expectations of excellence. The concern you started the meeting with was based on those expectations. The meeting should conclude with that clarity.

Follow Through: A Bridge to Enduring Improvement

Leaders must always be prepared for follow through. In many situations, the conversation is the start, and the leader's next step is to help the person to build a bridge to successful improvement. To create a bridge for successful improvement, you must start with the following three clear expectations.

The first expectation is to have the intention for successful improvement through collaboration. The second expectation is that you as the leader are accountable for the success of the initiative you are undertaking. The third critical expectation is that you start with the belief that success is probable.

A plan for follow through should always focus on a clear vision of where you, the individual, the team and the organization want to end up.

Follow-up actions should include periodic check-ins. These do not have to be long. The most important thing to do in these cases is to focus your check-ins on the new behaviors you are expecting to see. Surround people with support, and provide space for learning new behaviors.

Finally, it is important to set the bar of excellence high. It is a leadership mistake to recognize just effort. It is more important to recognize when success is achieved.

Decision Time: Remove or Improve?

Your leadership obligation is to the group as a whole. The primary purpose that guides your action should have the overall mission of the group in mind.

There are circumstances where it is clear that it will not be possible for an individual to improve to the performance level required in the time required. For example, there are situations where only a scant few weeks remain before the launch of a product. If someone is being especially disruptive, it is unlikely there is time to properly remedy the situation when everyone is already under stress. However, even in this situation, you may think that saving the individual is critical for future organization improvement. Unless the troublesome behavior is outright illegal, these decisions are rarely clear and easy to make. Is it the right time to remove or the right time to improve?

All decisions this important must be made in the context of the situation the leader is facing. A number of factors come into consideration. The following are the most important.

- Has the individual shown the willingness and ability to take critical input and use it for self-improvement? If the person has issues and always indicates that the problem is not with her but with others, then the leader will have a significant challenge.
- How well liked is the individual by the rest of the organization?
- Is the individual able to raise the ability of others through collaboration? Individuals who can bring together a diverse set of abilities and personalities are important assets to organizations.
- Do the technical skills and experience of the individual fit the needs of the project today? Are those skills exemplary or ordinary? The big question is how much impact the removal of this individual will have on the project.
- Do the skills and experience of the individual fit the needs of future projects? It is important for the exceptional leader to always keep an eye on the horizon.
- How likely will you be able to acquire the skills this individual has from outside the organization in a timely manner? This is a critical factor.

Using these criteria-based questions will help raise the leader above an emotional response to difficult situations, and enable him or her to begin to think clearly about the situation.

PART III: THE LEADER IN ACTION PREVENTING TROUBLE

The Need for Mountains

In 1914, Sir Ernest Shackleton's Antarctic expedition became shipwrecked. It took 500 days for the commander and his crew to reach safety while living in the harshest conditions our planet has to offer. Years later, though, Shackleton returned to the Antarctic on another expedition, and most of his crew joined him. They went back because they recalled the freezing, starving, dangerous journey as one of the happiest times of their lives. It wasn't just that they relished the challenge, it was that they remembered overcoming the challenge as a team.

There is a need for challenges as high as mountains. There is a need for people to gather together and work toward a great goal. There is a need for quests.

If you see people having the same arguments over and over and again, it is almost always a battle about what the next steps should be or what the overall solution should be. The root cause of this repetitive argument is *not* about being deadlocked on which solution is superior. If those people battling took time out of the battle to dig deeper, they would often find that the individuals deadlocked have different goals in mind. They are headed to different destinations.

Even organizations in the midst of the survival journey are better off if they set compelling goals.

If your organization is successful and survival is a given, the need for compelling goals is even more critical. But how do you set a compelling goal when the obvious one of survival is no longer there?

Start with the "big why." Why is your goal important to you? Even more important, why is it important to your clients? Why is it important to your employees? You can set goals for a period of time, for a project or to set the stage for creating a new organization.

Make your goals about going somewhere inspiring. Too often, managers put forth goals about "not doing" something. We are going to "stop providing bad service" is not nearly as compelling as "customers will call other people to tell them about the service we provided them."

Work on language that will create visceral emotion. How can you state your goal so that it will evoke an emotion that people understand, care about and will remember?

Leave room for people to take their own meaning and ownership. If you provide too much detail, it leaves no room for the imagination to take hold. It doesn't leave room for a dialogue.

Set Expectations of Excellence

Exceptional leaders are fearless in setting their expectations of excellence in clear language before and during a project, as well as in the way they handle deviations from the expectations they have set forth.

Whether you desire to reset expectations or you are forming a new organization or simply a new team, the creation of your expectations of excellence should be done in a thoughtful manner. The following are considerations in forming your expectations of excellence:

Consider the context of your organization. What is the organization's vision and mission? Are you leading a group in a risky new enterprise, or is this a critical project building on existing technologies?

Take a view from the outside looking in. What attributes would you like your organization to be known for? Consider what it may be known for right now.

Engage key opinion leaders in the conversation. Inside your organization, you want to engage in a conversation that helps form and develop your ideas. Also, by engaging in the conversation, you are setting the stage for your key internal opinion leaders to make your expectations of excellence be part of the fabric of how they think as well. Engage in conversations with people external to the organization. How do they view your organization now? Do they see you the way you see yourself?

Make your expectations concise and memorable, and provide detail. The slogan "Quality is Job #1" is concise, and in many ways it is memorable. But you must provide examples of what *good* is when you say quality is job #1. Leaders should be ready with examples of what they mean by *quality,* especially for the most important aspects of their organizations. They also should have examples of ways that quality can be measured.

Expecting Excellence Every Day

What happens in the halls and in meetings and many other interactions in the organization define the true expectations of excellence. If those interactions are not congruent with what is written on the walls, the hallways will win. As a result, people will become cynical, and leaders will have a more difficult time managing trouble. It is much harder to point to what *good* is with inconsistent reinforcement of the organizational expectations of excellence.

When the formal expectations of excellence match the daily interactions, a powerful foundation is formed that enables the whole organization to rise to expectations of excellence. What is happening is that the leaders are not just creating expectations of excellence, they are consciously forming a culture of excellence that makes the desired behaviors of leaders and team members a natural experience of how they do work. This is the key to preventing trouble from occurring in the first place.

Like it or not, meetings set the tone for an organization. If meetings pulse with energy, the potential for greatness grows. Take ownership of the meetings you own or run. Vary the rhythm. Many weekly meetings are the same every week. Rotate agenda items. Consider different styles for the weeks. Find out what people really think. Work to become a master facilitator.

Use skill gaps as opportunities to grow the culture you need. There are times when you put up the high bar of your expectations of excellence, and people simply cannot reach it. The way to keep the bar high is to give people the skills they need to reach it through training, coaching, mentoring and clear role modeling. Do not reward the sweat. Reward the results.

Exceptional Starts Lead to Exceptional Results

Starting a project poorly leads to having to do significant rework later and being constantly behind expectations of schedule and quality. In addition to resulting in constant stress for the project team, projects that start poorly very seldom fully "win" by delivering all expectations on time or early and delighting both team members and customers.

How do projects start right? Start by thinking about what you should do:

Have a clear purpose for the project with clear priorities. Why is this project important to the organization? Even if the project is an exploration of a possible new marketplace, the project must have a clear purpose defined for the beginning as well as an end result of success in mind.

Understand how important this new project is in respect to the current portfolio of projects. Is this a tactical urgent response to a current problem? Is this more or less important than current projects?

Start with a small team. Typically, starting a project exceptionally means establishing a strong foundation to add other people to later. Starting with a small team with the attitude to start the project correctly will make the project go faster and faster as the right team members are added.

Start with the right leadership sweet spot for the type of project. If your project is exploring brand new technology and marketplaces, you want a leader who is fearless about being wrong and learning quickly from taking those risks. You want a leader who will ensure that the current technologies continue to work well for your customer base. Look for the right type of leader for the project context.

PART IV: LEADING LEADERS

Lead Leaders: Growing Proven Ability

The most fundamental problem of leading leaders is that they can be unleadable too and in whole new ways. As

one CEO is quoted as saying, "The higher up a manager is in the organization, the more fog there is around that manager's performance. It is very hard to judge how well they are doing." The problem with the fog is it takes longer to see if the leader is the root cause of the problem.

As a leader of leaders,

- There is an increased distance between you and much of the work. Thus, you will often be one or more levels removed from where the trouble is and even distant from the indicators of trouble.
- You do not know the details of how the work should be done.
- Your breadth of responsibility increases, and with great power comes great pressure.
- There is increased need for autonomy among the people whom you are leading. People need the space and capacity to make their own decisions, to make their own mistakes and to complete excellent work.

In the organizations where there is a significant issue in the ranks of leadership, the most common root cause is that the leader of the leaders has not clearly thought about the expectations for how the leaders working for them should lead. The key is to make your expectations of leadership known. This is the most important preventive measure in ensuring that the leaders you lead will more likely be tremendous than trouble.

As a leader of leaders, you must have a longer view than any of the leaders working for you. The CEOs of larger organizations must be focused on creating next year's business while other leaders focus on delivering today's products, services and promises. Each leader must be able to articulate the direction the company is going in and how the success of today contributes to longer-term potential.

It is your job to provide each person you lead with inspiration, guidance, discipline, correction, training and, most of all, the opportunity to make mistakes and to excel.

If you are making decisions about direction that others disagree with, expect them to challenge you.

Get things done while growing the talent of teams and collaborating with peers. It is a high bar of excellence. Expect nothing less.

Leader, Lead Thyself: Exceptional Self-Leadership

If you truly want to be an exceptional leader who can consistently provide great value, to have positive impact and even to transform troublesome situations to tremendous, then the focus must start with your inner game of leadership.

Find your leadership sweet spot. On a tennis racquet there is a miraculous zone known as the sweet spot. It is where multiple forces are designed to come together to create a harmonic response.

The same is true for leadership. When you do work that misses your leadership sweet spot, it is jarring and more quickly drains your energy. When you do work from your sweet spot, it provides more energy to you than you put into it. This is also an intersection of three forces that you can control to come together to create a great harmonic response.

Passion is the type of work that energizes you. You like this style of work and like doing the work in this area. This is the work that puts a smile on your face.

Competence is simply having the skills needed to make the work successful. When you have passion and competence, the work done will provide you with great pleasure and pride.

To do work that truly energizes you in the long run, the work that intersects with your passion and competence must also be work that provides **value** to others.

Exceptional leaders work to create ways to grow their sweet spots.

As managers, as leaders, your obligation is to the group as a whole. Every time that there is a troublesome person or situation, it is an opportunity to help someone grow — and perhaps even yourselves. It is an opportunity to transform the troublesome to the tremendous.

MORE SV CONTENT ON LEADING DIFFICULT PEOPLE

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Summary: *Enchantment* by Guy Kawasaki. Enchantment, as defined by best-selling business guru Guy Kawasaki, is not about manipulating people. It transforms situations and relationships, converts hostility into civility and changes skeptics into believers. Kawasaki explains all the tactics you need to prepare and launch an enchantment campaign.

Webinar: *How to Deal with People Who Drive You Crazy* by Mark Goulston. Dr. Mark Goulston brings his communication magic to the most difficult group of all: the downright irrational. The key to handling irrational people is to learn to lean into the crazy — to empathize with it.

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39-17 MOVE

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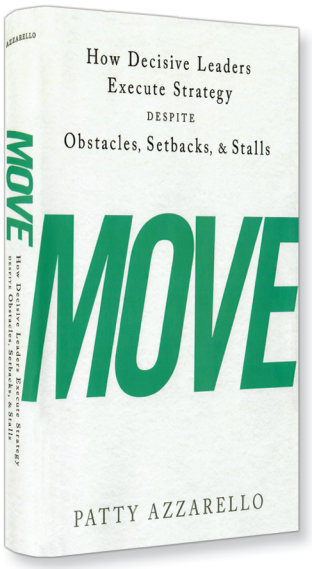
MOVE

How Decisive Leaders Execute Strategy Despite Obstacles Setbacks, & Stalls



by Patty Azzarello

THE SUMMARY IN BRIEF

Too many new initiatives lose drive and direction before they finish. At the beginning, when a team first commits to implementing a new strategy, there is a great energy and enthusiasm — driven by the allure of the end goal. But then comes the long, dangerous part in "The Middle," where everything needs to get done, obstacles inevitably spring up, and people feel a strong temptation to revert to the old ways. *MOVE* explains how to keep your team focused, motivated and resilient enough to push through the unavoidable, chronic challenges that derail most change initiatives.

Some of the most recognizable brands in the world use the *MOVE* methodology to ensure their change strategies don't stall. Business transformation expert Patty Azzarello explains the four components of a prosperous business transformation and exactly what it takes to keep everyone moving the new strategy forward. The MOVE Model will help you make sure that everyone stays engaged, maintains momentum, and that your initiatives succeed.

IN THIS SUMMARY, YOU WILL LEARN:

- The key elements in an execution plan that guarantee accountability and momentum.
- Empowering tools for transforming the team you have into the team you need.
- A powerful new way to think about leading and communicating to genuinely engage people throughout the implementation.
- Using communication to produce results and build trust.

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THE COMPLETE SUMMARY: **MOVE**

by Patty Azzarello

The author: Patty Azzarello is the CEO and founder of Azzarello Group, Inc. Sought after for her practical, experienced-based style and approach, she has more than twenty-five years of experience uncovering what makes organizations tick and enabling them to create more value. She is the bestselling author of *Rise: 3 Practical Steps for Advancing Your Career, Standing Out as a Leader, and Liking Your Life.*

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Introduction

At the heart of every execution problem is the fact that there are not enough people doing what the business needs to move forward. As leaders, we need to figure out how to keep our strategic change alive and moving forward without constant management intervention. How do we make the whole organization not only own the change, but have the ability and the motivation to keep it going?

The MOVE model defines the four steps for how you get and keep your whole organization moving forward and not asking, "Are we still doing this?" It is the useful shorthand for the four key elements of a successful business transformation: M is for the Middle; O is for Organization; V is for Valor; and E is for Everyone.

M = The Middle: Where Transformations Either Happen or Get Stuck

The Middle is where the transformation will happen — or not. One of the undeniable realities of the Middle is that it's the long part — and the simple, human fact is that it's really hard for anyone, not to mention a whole organization, to stay focused and motivated on doing new and difficult things for a long time. The *beginning* is really clear and strong, with lots of investment, excitement and great intentions. And the *end* is really well defined. But the problem most strategies face is that there is no real plan for the Middle — which is where everything needs to happen!

A big reason for the stalls that too often occur in the Middle is that many organizations mistake listing end goals as a strategy. You become excited about the wonderful achievement at the end, but there is nothing in the definition of that end goal that tells you specifically what to do, which way to go about it, what problems you need to solve, or what you need to fix, change, stop or invent to get there — these are all things that need to happen in the Middle. These are all things that describe what you will do.

Your job in making the strategy come true does not stop after you announce it. One of the hardest things to do is to get an organization to stop doing what it is currently doing and start doing the different thing that it needs to be doing.

As a leader, you need to get involved enough in defining outcomes and measures and holding people accountable to specific things to make sure that the strategy is taking hold and is moving forward through the Middle.

Leaders struggle with two things when it comes to managing execution:

1. **They feel like it's low-level work.** They act as though it's not worth their brilliant, strategic time to focus on what people are actually doing. They view execution as a low-level job for other, less important, less strategic people to deal with.
2. **It's hard and boring.** Measuring, tracking and communicating something that has already been defined is not nearly as exciting as pursuing a big, strategic deal or creating something new.

What strong, personal leadership looks like at the beginning of the Middle is keeping yourself educated

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Masiel Tejada**, Graphic Designer; **Meaghan Kelly,** Contributing Editor

on the business drivers that are causing the need for this change in the first place. This knowledge will give you the insight and power to lead your own piece of this transformation and to never be caught off guard by changes you didn't anticipate.

Concrete Outcomes

A company can be really clear about what it wants to accomplish yet struggle to articulate the specific tasks that will make those goals come true. A strategy must describe what you will do, including how you will measure and resource it. Strategy must clarify specific actions. An end goal, no matter how inspiring it is, is not enough to mobilize an organization. By insisting that your strategy describes what you will *do,* you will, by definition, be making it clear what things need to happen in the Middle.

It's vitally important as a leader to recognize when your team is falling into the pattern of accepting smart-sounding ideas and inputs instead of measurable forward progress. Situation conversations are the easiest conversations to have because there is no risk. You are simply stating facts. The fact of the matter is that there is no forward progress because you are simply describing what is happening.

The way to break through this type of stall is to train your team members to catch themselves having a situation discussion and then say, "Let's stop talking about the *situation,* and let's try to define an *outcome* that we want to achieve."

By focusing on describing what it would look like if it were working, you are able to define outcomes that are concrete enough to suggest the specific necessary actions. When you get concrete in your language about outcomes, the action plan just falls out in a very clear way.

Once you get a group of people talking about concrete desired outcomes instead of situations or vague high-level goals, a few wonderful and remarkable things happen.

- **More information comes out.**
- **The action plan builds itself.**
- **People can figure out how to contribute.**

Getting your team to define concrete outcomes unlocks a lot more of the power of your team.

Timing and Momentum

When people focus only on the long-term end goal, the first step in their long-term journey is a delay. It's important to create a framing of the initiative in a way that avoids this early sense of complacency. The next tool to keep everyone on track through the Middle is timing. Once you have defined concrete outcomes that will enable your long-term goal, you need to get your team to define smaller, midterm checkpoints and deliverables that are necessary at *specific mid-points all the way through the Middle, to achieve your desired outcomes.*

By placing these clear, midterm checkpoints on a timeline, you will create the lightposts that the organization needs in order to see where they are going through the long Middle — and to keep going. These become not only your midterm checkpoints but also your enablers of urgency — if you place them on a timeline so they occur at an aggressive pace, you will be creating the urgency you desire.

Control Points

The right measures are so important. But just like there are end goals masquerading as good strategy, there are often bad measures standing in for truly meaningful ones. Good measures predict actual desired outcomes and enable you to move the business forward. Bad measures measure only activities or steps in the process, not outcomes.

Control points, by definition, are a more broadly defined outcome than a detail or process step. One of the reasons why we have so many bad measures is that details and process steps are so much easier to measure. If you've got a good control point defined, ask yourself what the genuine measure of success would be. If it turns out to be a description of how something is working, that's OK. Go with it.

Resource Reality

Another harsh reality during the Middle is that resources will never self-optimize to support a new initiative, strategy or transformation. You need to make sure that you have specifically resourced the activities necessary to achieve the outcomes you have put on your timeline. If you want to know what your strategy actually is, just look at your budget. Your budget describes what you will be doing specifically throughout the Middle.

Don't Sign Up for the Impossible

The most pivotal decisions you can make in the business are based on this: What are your revenue and expense targets? When companies try to support an artificially high, unsupportable expense target, they can't do anything well. Cut the expenses to a level that the actual revenue plan will support.

O = Organization: Are You Leading the Team You Have or the Team You Need

There is no more important thing you can do as a business leader than to build the right team. With the right team, you can take on any challenge, and more of your energy is focused on actually moving forward. Below are some questions you can ask yourself to see if your team has the fundamental ingredients to be successful:

1. **Are all your team members facing forward?** They may be facing sideways (confused about where you are going) or backwards (in disagreement with where you are going).
2. **Is everyone on your team truly in alignment about what the course is and what their role is?** If people's roles aren't clear, or if you have competing, conflicting or duplicate efforts within your organization, the team can't move forward.
3. **Is each person capable and up to the task required of their role?** When there is a team member who cannot pull their share of the weight, the manager and other team members are forced to compensate.
4. **Are they all motivated to go where they need to go?** Do all the members of your team personally care about where you need to go? Are they engaged? Are they invested?

Are all of your managers good managers? Many organizations settle for having people in managerial roles, who quite simply are not good managers. It will serve you well to make sure that you select, support, train and set expectations about what is required of a good manager in your organization. You need your managers to be engaging, motivating, supportive and facilitating the right work, not preventing it.

Organize for Outcomes

Often, leaders make the mistake of thinking about organizational changes in terms of moving the existing people around. A better approach when you are at these crossroads and need to make a change is to first focus on the business outcome, and then decide what the ideal organization would be to achieve that business outcome. Your job as a leader is to develop and, if necessary, change the people to build a highly capable team that can do what the business needs in the future.

Start with a blank sheet of paper and focus on the business outcome. Here is a suggested process used for developing an ideal, blank-sheet org chart:

1. **Start with the desired outcome for the business.** Really understand and articulate the specific work, strategic problem solving, concrete outcomes and control points that your team needs to drive.
2. **Next, draw your ideal blank-sheet org chart.** Draw a picture of what the ideal team would be. Think through what the specific roles (roles, not people) on your new team would need to be to drive the key business outcomes — not just now but in the future.
3. **Now, clearly define each specific new role.** Really work to articulate the new stuff that is different. This is the key. Once you define the new org and the new roles, you have just created a clear and actionable picture of your goal.
4. **Get input.** The added benefit here is that if you bring some team members into the design of the new organization, they will be much more ready to support the new structure moving forward.

The People

The best way to find stars and other high-caliber, talented people that you need on your team is to never stop looking for them. Don't wait for a position to open up. Keep your eyes open for them and build relationships with them. Then recruit whenever you get the chance.

Hire for creative problem solving. You need smart people who can solve problems and figure out what to do without you needing to do all the important thinking for them. It's important to look for creative problem-solving skills in your interview process, so that you can find those people who you can send off to fix, solve, create or improve things on their own.

Hire a star. For stardom, you need to prioritize potential over experience. When assessing if you see a star, here are some of the important clues to look for:

- Fast or weird advancement. Stars have a track record of advancing and doing things that were bigger than their jobs and doing more than their peers. Stars don't stay in the same role for years and years.
- Ambition. Stars are motivated to achieve great things for you. Enjoy it while you can, and then support them to move up and onward.
- Really smart. Stars are motivated by learning and have a track record of learning on the job (fast) and advancing beyond peers.

The right team will get you there. Expect that leading change and getting an organization to stick to it through the long Middle will be exhausting — because it is. If you can get even just one or two truly remarkable people on your team, your chance of success (not to mention your own health and sanity) over the long term will rise exponentially.

Building Capacity

The vast majority of people in corporations think that high performance equals doing their jobs well. Many do not realize that high performance is found outside the boundaries of one's job description. High performers realize that they have to break through the limits of their job descriptions and do things over and above it to meet evolving business needs and to develop themselves.

A critical factor in both building capability and ensuring your transformation keeps moving forward is how you do performance management. Effective performance management is as important to stimulate the development and positive performance of your team and the individuals, as it is to deal with poor performers.

Performance management can and should be about tuning performance so that your organization is clear about what behaviors are expected and rewarded and which ones are not tolerated. Lack of clarity about performance expectations related to the transformation create opportunities every day to ignore the important new work that needs to get done during the Middle.

Unstructured Conversation

The most valuable moments in leadership come from the informal conversations where people let their guard down and say what they really think. Unstructured conversation has an enormous ability to unlock higher productivity, not to mention to greatly reduce execution risk.

People need unstructured conversation in order to establish their own ways of believing in the strategy. They need to get their own opinions, thoughts, and beliefs in line before they will be ready to move.

Without unstructured conversation, you risk the team not truly engaging on a personal level, and you also risk ongoing misunderstandings, disagreements and sabotage.

Stop Having Status Meetings

Status meetings are almost a form of anti-communication. They do not foster a healthy sharing of knowledge, ideas and risks. There are three key problems that status/review meetings cause:

1. You don't gain necessary insights about risks and opportunities.
2. You keep people from doing real work and waste a lot of time.
3. You fail to discuss the things that would give you insights about risks and opportunities because you spend all your time and energy reviewing project details.

There are two things that you need to rework once you decide to stop having status meetings: You need an alternative, effective plan to track status, and you need to decide what else to do at your staff meetings if you are not reviewing status.

Virtual and Remote Teams

Many companies provide work-from-home options. Employees love it. But many managers struggle with it. Individuals can be more productive working at home, but teams can't. So, your goals for your work-at-home policies should be to create a way of working that optimizes individual productivity by letting people work at home sometimes and optimizes team productivity by having people together in the office sometimes.

If you want your work-from-home policy to work, get very clear about your desired outcome for both individuals and teams. Establish clear desired outcomes, schedules and priorities both for the individuals and the team.

Getting People to Actually Care

When you are thinking about what it will take to get and keep people moving, it's important to remember that money is not the strongest motivator — meaning is. If you don't create meaning for people on an individual level, they will not have any personal motivation to move your strategy forward, which is more powerful than money. If you want your team to be motivated, it starts with you as a leader showing your own excitement and commitment.

Employee motivation is not a task you can accomplish with a problem; it is an outcome of making genuine connections with people. If you make an effort to share with people how their work fits into the bigger picture, their work will take on a bigger meaning and they will be more motivated and more effective.

V = Valor: Facing the Hardest Stuff with Courage and Persistence

If you are a leader, you will be attacked and challenged sometimes. The bigger the job, the harder it gets because as you move higher, there is less clarity of expectations, less

support from your direct manager, less feedback and higher stakes. You need valor to progress through the long Middle.

Think of valor this way: Once you embrace the fact that your job equals your job description plus all the crap that gets in the way of delivering on your job description ... you will feel (and be) in a lot more control.

Mission Impossible

Four things will help you feel less crazy and stressed:

1. **It's OK to be scared.** Everyone has moments in their careers when they feel like a fraud or an imposter. It's not just you. If you feel scared, it's because you are challenging yourself and progressing, not because you are not good enough.
2. **Do what is true for you.** People can see authenticity — and it is a powerful thing. You are always your most powerful when you are being authentic.
3. **Use mentors and experts.** Mentors are so necessary, not only to ask for help you need it, but also to point out your blind spots. Asking for help from experts even when you don't feel like you need it can make the difference between simply getting something done and creating huge success.
4. **The parallel universe exercise.** Next time you feel thoroughly discouraged and stuck, ask yourself, *In a parallel universe, that is exactly the same as this, but has a better version of me: What would that better version of me do?*

Too Busy to Scale

It might sound a little counter intuitive, but the companies that scale are the ones that do fewer things. It works because they can do those few things really well. By comparison, the companies who get stuck often get stuck because they keep trying to do too many things. You can't do too many things well. This is another area that requires extreme valor because it's really hard to say no to opportunities and give up potential or actual revenue streams in order to focus on becoming great at the few things you choose to win at.

There are three problems related to doing too many things that will keep you in chaos and stall your forward progress:

Problem #1: Addicted to busy. New initiatives require new work. If people are just too busy and distracted to get traction on the new thing, it doesn't get done simply because there is no time to do it.

Problem #2: Doing too many things. Valor is very much about having the guts to make the choice of doing fewer things. You need to make choices and tradeoffs. You need to decide where you are going to place your bets and then need to stop doing some other stuff.

Problem #3: Being too reactive. When there is a customer emergency, everyone drops everything and it's all hands on deck until the customer is satisfied. Strategic work stalls. Without an intentional change to choose strategic over reactive, this situation will never resolve itself.

Detail

The idea that your value as a leader is only highly regarded if you understand a deep level of detail is a false one. To insist that all of your managers must also stay versed in all the details kills organizational effectiveness, is hugely expensive and introduces more risk than it averts. Reviewing detail at every level wastes a huge amount of time (everyone's time) — time that is then not spent on moving the business forward.

A useful rule of thumb is that you should never move details up in the organization: Insights move up. Details stay down.

Create systems and processes that feed you the insights and information about how the work is going that make you feel completely comfortable, without your needing to review all the details personally. Your system should have triggers that measure and report progress, and communicate problems and risks along the way.

Clarity and Conflict

As a leader, one of your biggest responsibilities is to remove uncertainty. You need to make the big decisions. Uncertainty is a huge, hidden expense and a generator of stress and low productivity in your team. When people are confused, there's the obvious expense of work not getting done — as uncertainty causes people to wait for decisions instead of working.

Unresolved strategic issues don't just stay in the boardroom until you finally get them answered. Every unanswered strategic question leaves legions of people in your organization deciding for themselves as they go along. Everyone is less productive and busier than they would be with clear direction. The problem is the inconsistent outcomes that are created by everyone taking their best guesses while waiting for the strategy from above. Be right or wrong, but never unclear.

Creating real clarity about resources is where the biggest source of conflict starts. Here are some ideas for how to create clarity and work through necessary conflict with your team:

- **Clarify the desired outcome.** Define what, specifically, is expected.
- **Don't give people the chance to passively agree.** Ensure the level of discussion produces a plan with concrete tasks, owners, measures and communications about it.

Decision Stall

With any amount of data, making a decision is hard — because a decision is a commitment to do something specific. There are two surprising reasons why you might have trouble deciding. In addition to the fear of making a bad choice or of the risk that comes with a choice, one of two other, very interesting things often happens:

1. **The leader does not want to force it through:** The study is seen as an opportunity to get the participation and buy-in of the team, so the leader is not seen as dictating the decision top-down.
2. **The team thinks the leader requires more information:** The study is seen as an opportunity for the team to satisfy the leader that their recommendation is valid because the choices have been fully studied and justified.

Study only gives you theoretical knowledge. Putting something out in the world gives you real knowledge. A decision always feels more risky than further study or conversation, but decision and action will always yield valuable results.

If you fail, fail quickly. Recognize it was a bad idea and move on. Learn, then try something else if necessary. The most successful companies are the ones that can fund their mistakes.

Another decision-blocking behavior is too much emphasis on consensus. Consensus breaks down when the discussion never moves past the input and discussion phase. It breaks down because leaders wait for everyone to agree before moving forward. Command breaks down when you make a clear, fast decision and just give orders without letting anyone speak their minds and share their opinions and knowledge.

If you have time to get input, you are always better off to have the discussion, encourage the debate — and then make a decision.

Tracking and Consequences

If you need to make strategic progress, you can't let any deadline come and go and leave the failure totally unacknowledged and unexamined. Not addressing a miss sends all the wrong messages and sets a very low standard of execution.

Without measures and consequences, anything else you do for motivation becomes hollow and pointless. The work has to matter. If failing to get it done on time doesn't matter, by definition, the work doesn't matter.

Many managers get uncomfortable with enforcing consequences because they don't know what the appropriate "punishment" should be. You don't need to fire the person, but you do need to confront the poor behavior. Acknowledge it. Have the conversation. You can be kind to people and tough on results.

E = Everyone: You Can Lead a Transformation from the Top, but You Can't Do a Transformation from the Top

Transformation cannot happen as a top-down process created and driven by executive effort alone. You need active involvement from everyone.

You should never assume that just because you have told everyone your strategy, they were listening carefully and they internalized it — that they know what they need to do personally to act on it and how to optimize it with regard to their current work, and that they will actively do the right things to implement their piece of it. The right measure is never about how clearly you think you have communicated. The only right measure is about how much your audience has internalized. You have communicated successfully when the people in your organization are talking about it amongst themselves.

For your transformation to work, the change must be a part of the social fabric of the whole organization in a very real way — and that happens through conversation. Conversation that creates action happens when you enable the people whom you need to implement the transformation to start talking about the transformation among themselves in an ongoing manner.

The best way to make people feel safe and to motivate them to move forward is to make sure they see that all their peers are also doing it. This will happen only if peers are talking about it.

Decorate the Change

The most effective organizations take forward progress a step further and intentionally create rituals, artifacts and even modifications to their physical workspaces to make

the change highly visible throughout the whole Middle. This is referred to as "decorating the change."

It's important to think about how you will decorate your change. After you communicate your strategy, you then need to create a conversation (the conversation is a primary decoration in itself) and then find other ways to decorate your change so that people can notice it in their environment and want to join in.

Top-Down Communications

Top-down communication is not enough on its own, but it's very important as a leader to show up consistently and make your presences and your personal commitment to the transformation felt. Your communications make your own personal engagement tangible and visible throughout the long Middle — it's another one of the things that decorate the change.

Make it a point to share the context. What made you choose to change something or do something in the first place? Take the time to explain it. You need to communicate the big picture and sell the business reasons why your strategy is important and why the new things must be done. Make it vividly clear that the new way is vastly better than the current way — and why.

Your consistent, repetitive communications along with rich conversations among the people doing the work will ensure that confidence in you as the leader remains high, and that progress does not stall.

Listen on Purpose

As a leader, you can use the critical insight you gain from talking to individuals about what's really happening to improve the business and to keep things on track throughout the Middle. You will be surprised how useful the information is and how much more effective of a leader you will become once you know this information.

Another reason to always be listening on purpose is to make sure that you are putting yourself in the stream of the very best ideas. Highly successful people are always ready to learn from anyone. They seek out good ideas everywhere, all the time.

Sharing Information

Keeping momentum through the Middle requires a constant sharing of information across your organization, so people can feel safe that what they are doing makes sense in the context of what everyone else is doing.

People tend to forget to communicate with people outside their own groups. Make a list of all the people and groups you should be sharing information with, and all of the people and groups you should be seeking information from. By first making these lists, you are reminded that there are others who exist out there in the organization who would benefit from knowing what you know.

The benefit of shared knowledge in a business is incredibly valuable, and the risk of not having it is incredibly high and very costly. But, communication in the form of sharing knowledge is so often viewed by managers and employers as an extra, nonvital thing. It's outside the job description, and therefore optional. Why not make sharing information part of everyone's performance objectives?

Power and Trust

If you acknowledge that you have a big responsibility — because you are in a powerful role — but you share power and respect with others, you will build a loyal and powerful team that supports you. And this is so critical in transformation!

"Shared power" leaders win people over by building an environment of trust and respect. To truly motivate your organization and build loyalty and trust, it's important to treat people like people. A key factor in treating people like people is to invest in learning what they truly care about, both at work and outside of work. When you start treating a person like a whole person instead of a cog in a work machine, you build the foundation for a huge amount of trust. And that trust drives motivation and momentum.

The reality is that when people feel trusted, and they trust you, they will work harder and faster, be more innovative, get more done, and treat customers better. They will trust you when they are in the Middle and can't yet see the light at the end of the tunnel. They will keep going. They will MOVE.

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39-19 The High-Potential Leader

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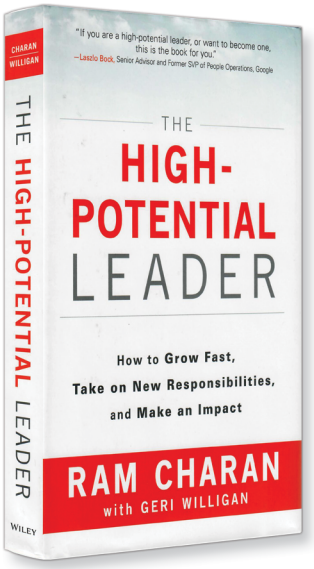
The High-Potential Leader

How to Grow Fast, Take on New Responsibilities, and Make an Impact



by Ram Charan
with Geri Willigan

THE SUMMARY IN BRIEF

Companies need a new kind of leader to meet the enormous challenges of today's fast-moving business world. Whether you have potential to step up and lead or are charged with finding those who can, *The High-Potential Leader* is your authoritative guide.

Known for his coaching work with many of the world's leading CEOs, bestselling author Ram Charan explains how "hipos" can know who they are, create their individual path and accelerate their growth. The book also helps top management and human resource professionals cultivate in their hipos the skills, judgment and mental capacity needed at the highest levels.

This hands-on guidebook contains practical advice for making daily progress toward running a large team, business unit or company, a framework for deciding when and how to make job changes that speed up development and firsthand examples and lessons learned from top leaders around the world in a variety of industries.

IN THIS SUMMARY, YOU WILL LEARN:

- To build the skills and capabilities you need to be a high-potential leader.
- When to make big moves that will get you ready and battle test you.
- How to redefine leadership potential.
- How to rethink your role in supporting high-potential leaders.

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High-Potential Leaders Are Crucial to Helping Businesses Adapt and Thrive in the Digital Age

Companies big and small are coming to realize that it will take leaders with a different way of thinking and different skills to reinvent the business. They are having to redefine the very notion of what a successful leader looks like. Now, the race is on to find those with high potential to lead their companies onto new paths in a world of constant change. This is a time for leaders who can thrive in the face of relentless change, complexity and uncertainty.

What "High Potential" Means Now

Amid everything that is new and different, today's high-potential leaders, or "hipos," must be able to identify the untapped opportunities their companies will pursue and mobilize the organization. This is a weakness in many older business leaders. It's now clear that businesses might need to be transformed more than once in a leader's tenure, and today's hipos must be prepared for that. They should exhibit three characteristics that the previous generation of leaders did not always need:

- They imagine on a large scale.
- They seek what they need to make it happen.
- They understand the concept of the ecosystem. Hipos have the ability to see the total picture, to conjure a mental image of the web of interrelationships and to think imaginatively about how to redesign it.

Hipos will come primarily from the 53 million millennials in the work force now. They adapt quickly to the new, have diverse social networks and have a change-the-world mentality. Without the qualities and abilities the fast-changing world now demands, a leader is not likely to succeed in a high-level leadership job, at least not for very long.

Some people are high-potential individuals. High-potential individuals would be losing ground if they set their sights on a job where they have to deal with all sorts of people and relationship issues and do the kind of strategic thinking they have little interest in. High-potential leaders, on the other hand, multiply the energy and skills of others.

Getting Hipos There Faster

Hipos reach their leadership potential through the disciplined, routine practice of essential skills combined with periodic leaps. Status quo leadership-development programs leave companies at serious risk of coming up short when it comes time to fill the most important leadership jobs. Even as hipos take greater control of their own growth, companies have an urgent need to change their approaches to finding and growing them.

Let's assume you meet the criteria for a hipo leader. Here, you will learn to continually expand, to keep building your skills and to define your next step or leap. Senior leaders, HR departments, learning experts and bosses will have to face the dangerous reality that today's hipos will leave unless they can progress into the kinds of jobs they are capable of handling. That will require breaking conventions about job promotions and, at times, shaking up existing jobs to make room for the most promising hipos.

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PART I: FIVE ESSENTIAL SKILLS FOR HIGH-POTENTIAL LEADERS

Increase the Return on Your Time (ROYT)

If you're like most hipos, your biggest complaint is that you don't have enough time to do everything you need to do, especially as you rise in an organization and face larger and more complex projects and challenges. But just as you can raise the return on your money with smart investing, you can learn techniques to raise the return on your time. Leveraging your multipliers — those things that allow you to accomplish more — will free your time and mental space to focus on bigger things, including your own learning and self-improvement, while delivering excellent results.

Get Comfortable with People Better Than You

Your highest leverage is not process, organization or money. It's people. It takes a deep personal commitment to devote the time and energy to ensuring that you have the very best person in each of the jobs you oversee. The better you are at it, the more you expand your own capacity and ability. Do not be afraid to hire people better than you; hipos succeed because they do precisely that.

Most hipos want to be comprehensive — to do everything that's important, and do it well — but their time and concentration soon get diluted. You will be far more effective if you narrow your priorities to the few that will have the greatest impact on your business. Determining these priorities is the result of having clear goals, knowing the realities of your business and making a judgment about what matters most. Ultimately, you will want a set of three to five laser-sharp dominant priorities. Arriving at these, keeping intense focus on them and driving them relentlessly is key to execution. It's important to periodically look for tasks and projects that have become less relevant and can be dropped. Of those that remain, ask yourself what only you can do now and what might be passed to someone else.

Available information grows exponentially year after year with no end in sight. The internet is an increasingly useful filter for information as more and more sites and search engines enable you to customize alerts, briefings and condensed news items. They can help ensure that you are aware of all the top stories related to your company, competitors, marketplace and industry while saving you hours of reading. You no doubt need a lot of data to do your job, but there is an overabundance of it today in virtually every organization — more than an individual can possibly review. You might want to create your own version of a dashboard. Given that your skill as a leader lies in being able to extract insights from data, shaping the kinds of information you receive and how it is presented will be tremendously beneficial. The flow of information via email must also be managed: Don't open your email until you've devoted the first hour of your day solely to your top priority, create email-free time zones during your day and use automatic sorting.

You should be spending your time on things only you need to do and delegating the rest. Learn to delegate well. As a general rule, you should delegate tasks to the lowest possible organizational level and to a particular person, and you must be sure that person has the necessary expertise and information to complete the job. Many leaders feel their work is done once they've assigned the person and clearly laid out the expectations, but that's hardly the case. It's your job to discover any problems and make sure they are resolved promptly.

Efforts to improve the return on your time will not amount to much if you have trouble making decisions. If you feel stuck, reflect on what blocks your decisiveness. Overcoming these blockages will expand your potential. Take some well-calculated risks when you have between 40 percent and 70 percent of the information, and learn from your successes and failures.

Multiply the Energy and Skills of Those Around You

The quality of the people you hire, how well they fit their jobs and how well they work together determines much of your success and that of your organization. Think of it as a formula when you build your teams: People Quality + Job Fit + Collaboration = Team Performance. You have to invest considerable time in order to know and grow people and integrate their work. You also have to face up to tough decisions about people, including removing those who drain energy from others.

The best way to power up your organization and your leadership is to improve your skill in judging and developing other people's talents. Your aim should be to see people in their entirety and accurately judge what they do really well — their "god's gift" if you will — so you can put them in jobs where they will flourish. You'll see a person's god's gift more accurately if you do two things: Carefully observe the person's decisions and behaviors, and cross-check your observations with others.

Build Other People's Strengths

Having identified where a person's natural abilities lie, think of creative ways to build on those abilities. This should be an ongoing, everyday activity for you. Expanding the talent of other hipos by finding jobs or tasks in which they can make a leap is one of the greatest things you can do. Another way to help multiply people's energy and skill is through constructive feedback. Don't take it personally if your hipos decide to take a job elsewhere. By nature, they are seeking new opportunities.

Nonperformers — the people who are repeatedly unable to do what they agreed to do — are anathema to high performance. If they don't improve, you have to move them as soon as possible. Think of it as a poor fit rather than failure.

Think of yourself as an integrator — a leader who is particularly good at getting diverse groups to coalesce. Integrators get people to see beyond the narrow view of their organizational silo or expertise by focusing on the bigger picture of what is best for the unit or company as a whole. Leaders who understand this role and play it skillfully will unleash tremendous energy. The energy is contagious. Applied to the organization's most critical intersections — for example, among the CFO, CHRO and chief strategy officer — skillful integration can energize the entire company.

The essence of group work is in the dialogue. It's where behaviors are modeled, corrected and reinforced. One reason people hate meetings is because of the dialogue that takes place. The conversation wanders, it's boring and there's no conclusion to anything. If you learn the skill of conducting dialogue, you will find it to be a powerful leadership tool.

As the scope of your responsibilities expands, you will have an opportunity to be the "social architect" who identifies and defines critical intersections. The organization will perform faster and better if you understand where people need to come together to make important decisions, design the organization accordingly and diagnose how well those intersections are working. When people are working well together at critical intersections, decisions are made, work gets done and results materialize.

Be a Master of Big Ideas and Execution

The ability to satisfy your curiosity 24 hours a day with total access to information is a great spur to creativity, but your ideas must be actionable. True hipos can do both: Come up with big ideas and get them executed.

Make Your Big Ideas Better

The transparency and democratization that are creeping into the workplace are a gift to hipos who have big ideas and want to be heard. You should feel encouraged to put your ideas out there, but they are more likely to gain traction if you develop your skill in shaping and reshaping them first. The best way to clarify your ideas — whether they have to do with a new product, a new way of competing, a new way of working with ecosystem partners or a new technology platform — is by talking with others.

How to Assess Your Good Ideas

Most millennials understand the value of creating a minimum viable product that is tested, rejiggered and tested again. For many products, the toughest issue is not whether the idea can be made practical but whether it can be scaled up, brought to market properly and deliver financial results. Above all else, the idea must be mentally tested.

Executing Big Ideas

Understanding the ins and outs of execution will help you turn ideas into reality and ensure that your ideas are grounded in the first place. Don't be afraid to toss out the bad ideas. Better ones will come. The heart of getting things executed well lies in how you work within three core processes that every company has in one form or another: Managing people, strategy and operations. You have to be involved in all three areas, get information and real dialogue going in them and recognize the connections between them. Good leaders seek input from people close to the ground and adjust for those realities as they define the specific actions that need to be taken and their timing. Then, they assign specific goals, and follow through to make sure the work gets done and results materialize. Leaders who are good at execution do that through three particular actions: Set clear goals and priorities, stay informed about how things are going and follow through and follow up.

Asking the right questions will help you gauge other people's performance and unearth problems in execution. You learn this art by watching others who are good at it, as you would by watching an artist or craftsman. The best questions are brief and cut through the clutter to a pivotal assumption or bigger point. The tone is respectful, not insulting or fear inducing. Good questions create order out of a jumble of information and condition your mind.

Get to Know Customers, Competitors and the Macro Environment

You may be so busy dealing with the immediacies of your job and the many demands on your time and attention from others in the company that you lose sight of the world beyond your four walls. Increase the return on your time and use the freed up mental space to expand your horizon. If you maintain an external orientation and turn your casual scanning into a discipline, you'll be better prepared to see where the opportunities lie and what might upend your business.

In the internet age, power has passed to the consumer. People use search engines, social media and apps to research products and compare prices; the point being that the consumer has easy and cheap access to information, and shopping habits are changing fast. You're not just buying a product, you're engaging in an end-to-end experience that includes everything from the time the idea of buying a product or service is stimulated in your mind by an advertisement or word of mouth to the actual purchase, use and servicing. All of this combines to create an integral experience. Despite the value of big data and analytics, you should cultivate an intuitive feel for the consumer, in part by direct observation. Such observations can have enormous business implications.

Know the Competition

You may already be focused on how to differentiate your company and increase the distance between you and the most relevant competitor. Be sure you are looking at that differentiation through the eyes of the consumer. In today's world, a lot of information about competitors is publicly available. Customers will tell you something about competitors, such as why they are buying more from them than from you. And, of course, social media may be an early indicator of how well a company is tracking with investors or society in general. Firsthand observation is as useful for understanding the competition as it is for understanding the consumer, and the two are often intertwined. That's why so many successful innovators and retailers walk the stores.

Dissect Ecosystems

Competition today is among ecosystems, not just among direct rivals, and every company must be part of at least one. An ecosystem is a system of partners who are joined by a common platform. They can trade among themselves, with customers and with suppliers. The platform they hook into is governed by the platform designer, which also governs the behavior of ecosystem partners. Previous generations of leaders tried to control the value chain, from suppliers to the consumer, but the new game requires new attitudes. For example, you have to accept that your ecosystem could include competitors and that it is dynamic.

See your business from the outside in. The conventional logic used to be to focus on how your company was different from competitors and build on those core strengths. That type of career history can cause people to see the world from the inside out, as if their company were at the center of the world. Even young leaders of digital-born companies can miss external changes, but astute leaders anticipate them. That allows time to react defensively and, more to the point, take advantage of emerging trends to go on the offense — or a combination of both. Anticipating change and finding opportunities in it begins with the discipline of scanning the environment broadly and spotting the unstoppable trends and change makers. Scanning the environment as a routine, being receptive to different perspectives and searching for what is new and different will help you spot opportunities or bends in the road.

Technological innovation lies at the heart of the world's rising standard of living. Every time there is a technological advancement, you should ruminate on it. Who will ride the entrepreneurial wave and build a big business out of it, and what are the implications for other kinds of companies? You don't have to be a technologist, but you should develop a routine to stay informed about what new relevant technologies are emerging and how they are changing the competitive landscape, bearing in mind that one new development can accelerate others.

Build Your Mental Capacity

We all know that mental capacity can grow in a nanosecond if there's a will, discipline and practice. It might be a question or comment someone makes that causes you to see things differently or have a breakthrough thought. With practice, you can build your mental capacity just as athletes build their physical capacities.

The more broadly you see the world, the bigger your vision is likely to be. A wide lens helps you define the opportunity and fires up the imagination. The ability to see the big picture is a common trait among successful entrepreneurs but is equally useful in existing businesses. Top leaders are looking for those who have this ability.

You can widen your lens (or bandwidth) by reading and visualizing things on your own or by interacting with other people. In any case, diversity is key.

All of your forward momentum depends on the things you learn and how well you learn them. Have the humility to realize that there is always something more to know, and that many other people know more than you do. Think of learning broadly, so you're not just accumulating factual information but also deriving insights and meaning from it. Learn about your business, about yourself — your behaviors, how your mind works, what you're good at — and about other people.

Hipos keep extending their networks and don't hesitate to reach out to so-called big shots. Networking is nothing more than building human relationships. Lots of them. Keep in mind that networks are becoming increasingly important to everyday work as companies foster collaboration among various departments, partners and individuals in the so-called gig economy. You should also feel free to reach out to people in other parts of your company, if only to learn what they do and how they see the business.

Information stimulates learning. Diversity of information stimulates creativity. Reading, conversations and learning events are great sources of information, so be sure to include regular infusions of them in your day, week and month.

- **Reading:** Investing a half hour in reading each day, seven days a week, 365 days a year is a habit that will bring more value to your leadership strength than any other investment of your time. Use the time to keep up with the trends and topics that are making the headlines as well as the ones that relate to you and your runway.
- **Conversations:** Take time to arrange conversations that expand your mental potential. Short, targeted conversations with a wide range of individuals gives breadth to your knowledge.
- **Learning events:** Attend a conference. Attending a learning event in person can bring you in contact with some of the most innovative business thinkers in the world. Or, take a class from a leading business school — it's easy and free through Coursera or other massive open online courses (MOOCs).

As you feed on information, try to become aware of how you process it. Habits of thinking can limit you or open new lanes of creativity and make you more adaptable to change. Here are things to watch for and practice to increase your mental flexibility:

- **Reframing:** Looking at things from a completely different perspective can increase your range of options and provide insight into how to overcome problems.
- **Band height:** By expanding your band height — the ability to shift your thinking from high-level strategy to the specifics of how to make it happen — you enhance your own mental abilities as well as your value to your company. As a hipo, you may love the realm of big ideas, but to connect vision and execution, you have to be able to make a sharp descent.
- **Qualitative logic:** Interpretations are qualitative, and some will be more predictive or more precisely diagnostic than others. Strive to make your thinking and judgments more precise.

PART II: TAKING CHARGE OF YOUR GROWTH AND CHOOSING YOUR NEXT BIG CAREER MOVE

How, When and Why to Make a Leap

You can expand your range of capabilities and deepen your knowledge and judgment faster by putting yourself in new and increasingly complex and ambiguous situations. You'll benefit more from each move if you know what you need to develop next, how to maximize the learning in each new situation and how to build the support you need.

Venturing into unknown, ambiguous new situations (versus doing an expanded version of the same job) is the best preparation for the challenges you'll face at the highest organizational levels, where you'll suddenly have to integrate many functional areas, balance conflicting interests and sort through a large number of variables.

Making Leaps Without Leaving Your Company

You'll know when it's time to make a leap. The key here is hunger for a new challenge yet excellent performance in what you're doing. Seek out jobs and tasks that will challenge you and demonstrate your readiness in meetings, where your bosses, peers and subordinates see how you think and lead. Don't play it safe by choosing projects where you can expect sure success. Instead, seek the ones that involve complexity or ambiguity. Take heart in knowing that top leaders are seeking talent and that databases are being constructed that will whittle down the bureaucracy and opacity around job promotions and leadership development.

Whether the relationship is by luck or by design, great mentors can accelerate a leader's growth. There's no need to wait for recognition; you can and should actively pursue people who can help you grow. Decide what mentoring you need based on a precise definition of what you need to build. As you reach out to experienced pros, you will likely get some backlash from peers, customers or bosses who feel you are going around them. Understand that such "people problems" are rooted in fear and must be handled with sensitivity.

Leaps Outside the Company

Sometimes, you have to leave the company to make a leap. If you are no longer growing in that environment, your immediate boss is not stretching you, you've run out of opportunities to broaden your thinking skills and you're not succeeding at getting things changed, face it: It's time to seek your next opportunity somewhere else. There's no better way of finding opportunities in the larger world than tapping into a broad network of friends and acquaintances starting with those already in your social networks. Once you've found an interesting opportunity, start a set of notes where you bring together company information and your reactions to their brand, strategy, culture and customer focus.

"How do I know if this is the right move?" That's a question almost everyone asks when facing a potential fork in their road. Whether the job opportunity came from your own search or from a headhunter out of the blue, you should weigh the new opportunity from multiple angles. Above all, does it hold the promise of letting you live your purpose and achieve the accomplishments and fulfillment that are important to you?

The way you end your assignment in your current job can live on in the company's internal lore for years, even decades. Here are a few guidelines to keep in mind as you prepare your exit plan: Be respectful, smooth the transition and stay in contact after you leave.

As you enter a new role, nothing trumps humility. Listen more than you speak, reach out to solicit ideas and insights from others and avoid judgments at all costs. Focus on connecting with people, listening, learning and asking questions.

Track Your Mental Health and Work/Life Balance

For a life that's truly fulfilling, plan your growth trajectory from two perspectives: your business achievement and your life satisfaction. You need to include both in your ongoing priorities and revisit the balance between them at each new decision point along your runway. You also need to mind your mental health — the anxiety, stress and disappointment that can creep in along the way and undermine the best-laid plans for success in your life.

Business Achievement

Your business achievement has to do with the external gains you seek. You wouldn't be a hipo if you didn't care about these things because they form part of your motivation to excel and achieve. But take time to identify the specific goals that you want, and ask yourself *why* you want them. Knowing the outcome and knowing where you want your increasing power to take you will help you plan a runway that will get you there more directly.

Life Satisfaction

What you're doing now may be a calculated point in your long-run plan or a job delivered by circumstance. You need to be sure that what you're doing (and how you're doing it) gives you intrinsic rewards. A few simple benchmarks will give you a good idea of whether or not what you're doing will be ultimately satisfying: You are true to yourself, your work means something, you regularly experience "flow," you regularly use your unique strengths, most of the stress in your life is positive rather than negative and people enjoy being around you.

Most hipos have a driving ambition to achieve or create something big. The hipos who turn out to be gamechangers don't have to ask themselves about their focus — they already have a big idea or a driving vision. They are looking far beyond their immediate runway, and their focus never wavers as they relentlessly push through obstacles that would stymie other people. Many successful startups are built on the founder's sense of purpose, which gives the whole organization a clear focus. Your passion may actually be more important than you think. Passion is a key ingredient of grit, which is why it's so important to tap into your underlying passion as you map your future. Keep your focus — one that relates to both your personal and professional values — in mind and continuously look for ideas and opportunities that support it.

Most of us live with some degree of anxiety about work. While anxiety helps drive you, it can take a much more malevolent form, creating a sense of apprehension or fear. When anxiety crosses the line, you're not the only one affected. Your bad habits and even your mood can create anxiety in others. It's your job as a leader to create a healthy work environment and relieve other people's

anxiety when it escalates. To do that, you must first know how to manage your own stress. Watch for symptoms in your physical condition and behavior. Seek support from your mentors, friends, family or professionals.

PART III: THE CARE AND FEEDING OF HIGH POTENTIALS: EVERY ORGANIZATION'S PRECIOUS RESOURCE

Identifying, Recruiting and Retaining Hipos

At most companies, the journey to transform the company into a digital one has begun. Your role in that journey is to find, recruit, develop and deploy leaders with high potential to drive the transformation and deftly steer the organization in the emerging context. Take the initiative to give your company's approach to high-potential leaders a total rethink starting with four basic principles: Hipos are a resource for the company, not for an individual boss; development paths are customized for each individual hipo; the onus is on the individual; and growth must be accelerated. Identifying hipos, helping them find and create opportunities to grow exponentially and continually refreshing the pool should be the central focus of your work.

You won't get the leaders you need at high levels if you focus on developing the wrong people. Make the important distinction between hipo leaders and hipo individuals. HR needs to hold the line to ensure that those identified as hipo *leaders* are chosen because of their *leadership* skills, and not just because they are the smartest or most knowledgeable among their peers. Identify hipos by creating a set of minimum criteria they must meet; the skills presented here, for example, are universally important. Then, allow for differences because no two leaders are exactly alike, and no leader is perfect.

Hand in hand with rethinking what high-potential leadership looks like, rethink what a hipo's next step ought to be. While encouraging hipos to take the initiative to define their own paths, you should be helping find or create opportunities for them. If the right openings don't regularly arise, you might have to get creative. Think about horizontal moves, where the hipo can apply skills at a similar organizational level but in an entirely new geography, function or business unit. Remember that hipos will leave if they don't see the chance to progress quickly.

When it comes to selecting people for jobs, HR should be sure that people have the right kind of information about and perspective on hipo candidates. Be assertive in working with management to create an environment that is conducive to identifying and growing hipos. Be prepared to address head-on the common issues that arise around accelerating the development of hipos: The boss doesn't want to give them up, the person doesn't want to move on or the recipient boss feels he is taking a risk.

HR should take ownership of tracking the progress that each hipo is making and ensuring the accuracy of assessments of how she performed and what has been learned in each new position. The company should have a rhythmic process with a set frequency for high-level people to discuss individual hipos and the hipo gene pool more generally. This kind of qualitative assessment is not for HR in isolation. Business leaders have to be in the discussion; the best insights emerge when four or more people share their specific observations simultaneously.

You should assume that your hipos will be poached, so you'll need to build a recruiting machine to bring in new talent. A reputation for accelerating growth helps attract top leadership talent, but gone are the days when you can coast on a big brand name. Many hipos today want to know that they will be contributing to something meaningful. Every company should clarify its higher purpose, just as hipos clarify their own.

How to Use These Principles to Develop Your Organization's Hipos

Working with the hipos you've identified should be an ongoing, active process, not a bureaucratic one. Remind the hipo that skill building is ongoing, and leaps are periodic. Ask the hipo to decide what capability they want to build and to start thinking about what developmental leaps they might want to make next. Meet with the hipo at regular intervals and with his or her boss to discuss progress. Use digital tools to track progress, and keep the dialogue going so hipos know they're on your radar. Remember to keep your own risk aversion in check when hipos reach for bigger opportunities, and let the hipo drive the learning process.

MORE SV CONTENT ON LEADERSHIP DEVELOPMENT

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Summary: *Small Acts of Leadership* by G. Shawn Hunter. G. Shawn Hunter presents 12 routine, critical competencies of today's successful leaders. Hunter guides you through a series of steps to build self-confidence and to build a stronger version of yourself.

Webinar: *How to Bridge the 11 Leadership Gaps* by Mike Myatt. Mike Myatt equips leaders at every level with a framework to identify blind spots and close leadership gaps that can be holding them back and affecting their performance. Myatt provides actionable leadership and management "hacks" to bridge the gaps to create a culture of leadership.

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39-24 The Leading Brain

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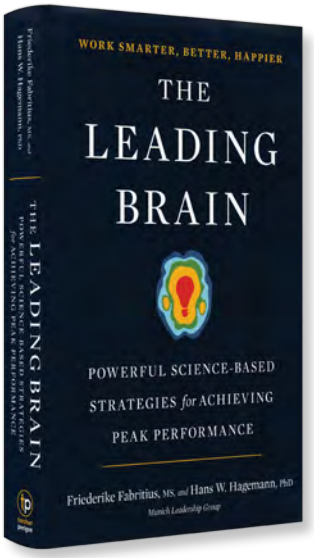
The Leading Brain

Powerful Science-Based Strategies *for* Achieving Peak Performance



By Friederike Fabritius, MS and Hans W. Hagemann, PhD

THE SUMMARY IN BRIEF

Our understanding of how the brain works has radically shifted, exploding long-held myths and fundamentally changing the way we interact and succeed in the workplace. In *The Leading Brain*, neuropsychologist Friederike Fabritius and leadership expert Dr. Hans W. Hagemann present simple yet powerful strategies for sharpening focus, learning and retaining information more efficiently, improving complex decision-making, cultivating trust and building strong teams.

Based on the authors' popular leadership programs, which have been delivered to tens of thousands of leaders all over the word, this clear, insightful and informed guide will help both individuals and teams perform at their maximum potential, delivering extraordinary results.

Effective leadership is a science, which shouldn't be dependent on buzzwords or slogans. It should be based on a bedrock foundation of our understanding of the brain. Thanks to breakthroughs in neuroscience, we no longer have to merely speculate on the behavior of our brains. What we've learned from rigorous scientific studies has the potential to radically change the way we lead and succeed.

IN THIS SUMMARY, YOU WILL LEARN:

- How understanding neurochemistry can help you achieve peak performance.
- How to retrain your brain to sharpen your focus and regulate your emotions.
- How to develop new and better habits.
- How to harness the power of unconscious decision-making.
- How to improve the learning process for yourself and your team.

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THE COMPLETE SUMMARY: **THE LEADING BRAIN**

by Friederike Fabritius, MS, and Hans W. Hagemann, PhD

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The Leading Brain: Powerful Science-Based Strategies for Achieving Peak Performance by Friederike Fabritius, MS, and Hans W. Hagemann, PhD, copyright © 2017 by Friederike Fabritius and Hans W. Hagemann, has been summarized with permission of the publisher, TarcherPerigee, an imprint of Penguin Random House LLC. 324 pages, $26, ISBN 9780143129356.

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PART I: REACHING YOUR PEAK

Find Your Sweet Spot

All of us strive to find our sweet spot of performance, that zone where we're at our most productive and most effective. Peak performance comes at the spot where the level of arousal is sufficient to provide optimal focus and attention. Without knowledge about the brain and the ability to use this knowledge, opportunities to perform our best are squandered, and the potential for great achievements remains unfulfilled. The good news: The skills it takes to improve one's mental game in business and in life can be learned, trained and improved.

The wiring in your brain isn't really wiring at all but a series of signals that hop from one cell to another. Working together, these microscopic messengers are responsible for every action, reaction and emotion that you experience, including what psychologists Robert Yerkes and John Dillingham Dodson called *arousal* in 1908, referring to the mild electric shocks they subjected rats to in order to improve their performance in navigating a maze. Yerkes and Dodson determined that peak performance happens when the level of arousal is sufficient to provide optimal focus and attention. Without it, we're likely to feel bored or apathetic. When arousal's too high, our focus deteriorates into a situation of stress — or even worse, panic.

The DNA of Peak Performance

Although more than 100 neurotransmitters have been identified, from the standpoint of peak performance, only three are truly important: dopamine, noradrenaline and acetylcholine. These are the "DNA of Peak Performance."

Dopamine is involved in your ability to update information in memory, and it also affects your ability to focus on the task at hand. Dopamine is known as a novelty neurotransmitter because its effects are strongest when the stimulus that generates it is new. This explains in part the enthusiasm you may feel when you start a new project and why the thrill isn't usually as strong after you've been working on it for a while.

Noradrenaline was evolutionarily designed to help you respond quickly to any threat, real or perceived. It does so by regulating your attention and alertness. Noradrenaline is at an optimal level when you feel slightly overchallenged. It is also released when you push yourself to perform a difficult task better, faster or with fewer resources.

Acetylcholine is the chemical driving the mechanism you use to achieve the extraordinary focus required for peak performance. Babies release acetylcholine without even trying, but adults are not so lucky. The automatic mechanism for extraordinary focus shuts down when we're still quite young. As adults, there are only a handful of ways we can flip the switch that turns on acetylcholine: when we make a conscious effort to pay attention, when we get physical exercise or when we are exposed to something important, surprising or novel — in other words, when our brain releases dopamine.

Finding Your Home on the Range

When it comes to achieving peak performance, the same stimulation that invigorates one person may be overwhelming for another. Seen as a normal distribution curve, some of us are "right-side performers" — those who find it easier to access a state of peak performance

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under pressure but may lag or become bored with too little stimulation — while others are "left-side performers" — those who perform highly without requiring a lot of external stimulation but may fall apart under pressure. Still others lie somewhere in between. One type of peak performer isn't better or worse than an other, they just require different conditions to reach their peak.

When it comes to peak performance, self-awareness is essential. Pinpointing your position on the curve from time to time and from task to task can be critical to your success. Once you're aware of the situations in which you're at your best, you can adjust to your environment to play to your strengths and then fine tune conditions so you can reach your peak when you need to.

Although achieving peak performance should be your goal, staying at the top of the curve for an extended period is neither desirable nor beneficial. You should rise to the occasion when it's needed most. Attempting to maintain the optimum mix of dopamine, noradrenaline and acetylcholine for a prolonged period would likely overtax the system and deplete the neurotransmitters, resulting in burnout and exhaustion.

Find a daily, weekly and monthly rhythm that leads to optimal energy management. If you're a leader, try to adapt the workplace environment to allow people to operate more in line with their individual performance profiles. Aim for enough flexibility in working conditions so that everyone can more readily reach his or her peak.

Regulate Your Emotions

As humans, we are capable of displaying a remarkable array of emotions. Yet, most of them grow out of just two very basic and very primitive networks in our brains: the threat circuit and the reward circuit.

The Threat Circuit: When we see something that we perceive as putting our survival in danger, we react quickly and often unconsciously.

The ability to instantly avoid dangers, such as an oncoming car, can literally save our lives. In contrast, our response to a social snub is rarely lifesaving. That's not because it isn't as quick as our reaction to a car. It's just that our lives were probably never in jeopardy when a colleague questioned our performance. Our executive brain almost certainly realizes this, but by the time it does, our threat circuit has already kicked in, responding to the co-worker almost exactly the same way it would if he or she were an oncoming car.

These days, most stress no longer protects you as it was originally designed to do. Ironically, it is more likely to put you at risk. When our threat response reacts to sudden and genuine danger, it can literally be a lifesaver. But this fight-or-flight reaction was designed to be acute, not chronic. If your body remains on constant alert, it leads to a physiological and neurological state that is damaging to your health and cognitive performance.

The Reward Circuit: Luckily, the fight-or-flight response isn't the only primitive system that we inherited from an older version of our brains. A second set of circuitry, the reward response, plays a role that's nearly as important — although not quite — as our threat mechanism. Unlike fight-or-flight, which operates according to fear, the reward response deals in gratification. When the brain is in the reward state, dopamine, so important to peak performance, is released, which leads to positive sensations.

Train Your Brain

In a sense, the story of the brain is the story of warring brains. The midbrain and the cerebral cortex are often at odds, and this dynamic is at the crux of emotional regulation. Protect yourself by strengthening your ability to handle stress, and train your brain by teaching its weaker but more sophisticated conscious regions how to outsmart the stronger but more primitive unconscious parts.

You can bolster your resistance to emotional imbalance by creating overall life conditions that promote balance. The tried-and-true recommendations of exercising, eating well and getting plenty of sleep may sound like tired clichés, but they are cited again and again for good reason: They work. Few things can better build your resilience in facing oncoming stress than this trio.

There's nothing inevitable about the way your brain responds to a particular situation. Your brain may be smart and powerful, but it's also surprisingly naïve and impressionable.

Lead with Your Body: Changing your body can change your brain. Hundreds of peer-reviewed studies support this powerful conclusion: By consciously focusing on relaxing your body or by directing your attention to a simple sound or object, you can cause your brain to switch off its stress response. By assuming the expression and posture of a happy and successful person, you can often trick your brain into believing you are one. Let your body lead the way, and your brain will usually follow.

Use Cognitive Jiu-Jitsu: Strictly speaking, stress is not the enemy. What matters is the way in which you respond to that stress. It is possible to take what would normally be

considered negative, corrosive stress and transform it into something positive and energizing.

Rather than operating as one continuous response, stress plays out in two discrete phases, each handled by a different brain function. Although our powerful and primitive limbic system is automatically activated in response to an arousal, it is the more civilized part of our brain that has the job of analyzing the data. Making use of the delay between when our instinctive subconscious responds and when the more deliberate region of our brain interprets that response may hold the key to effective emotional regulation and taking the sting out of stress.

The two secret weapons of cognitive jiu-jitsu are *labeling* and *reappraisal*.

Labeling involves giving a name or explanation to your emotional response. When you're feeling stressed or emotional, you're allowing your primitive brain to run the show. Labeling helps you to regain control. Research has shown that labeling the source of your stress actually lessens the activation of the amygdala, the primary source of your fight-or-flight reaction.

Your limbic system responds instinctively, unconsciously and remarkably quickly to anything that it perceives as a potential threat. By the time this threat response is activated, there is nothing you can do about it — at least not directly. What you *can* do is influence how you *interpret* that response. That's the essence of cognitive reappraisal.

Sharpen Your Focus

The prefrontal cortex (PFC) is responsible for rational processing. It handles what are often referred to as the brain's "executive functions," such as reasoning, strategizing and problem solving. It's also home to the working memory, the staging area where new information rests while you decide what to do with it. The PFC is responsible for higher-order thinking like planning and decision-making as well as focus, or what psychologists commonly call *attention*.

Attention occurs when the PFC has the right mix of neurotransmitters, hormones and other chemicals released by the body. The DNA of Peak Performance, not coincidentally, is also the recipe for attention. Noradrenaline is constantly on the lookout for any unusual activities. When something catches your attention, acetylcholine zeros in on its location and identity, and finally, dopamine helps you determine what to do about it. Unfortunately, dopamine and noradrenaline can both strengthen and sabotage your attention.

When your dopamine levels rise, the reward feeling drives you to keep doing more of what you're doing in order to get even more dopamine. The result is often focus. But as your attention flags, your fickle brain starts seeking out new experiences that will trigger another burst of the neurochemical.

Noradrenaline suffers from a similar capriciousness. You can count on it to attract your attention, but you can't rely on it to maintain your focus. Unless you take action, both dopamine and noradrenaline will keep you searching for the next distraction.

The best ways to avoid succumbing to distractions are pretty straightforward:

- **Eliminate potential distractions at the outset:** Don't waste thinking power by stacking the deck against yourself. It's easier and more energy efficient to simply clear distractions out of the way.
- **Establish concentration time:** Make time during the course of the day when your door is closed, your phone is turned off and everyone who works with you is aware that you are unavailable.
- **Try to find some fun and interest in what you're doing:** If your task is novel and fun, you're less likely to look elsewhere for stimulation.
- **Work in manageable blocks of time:** Rather than rapidly switching back and forth between multiple tasks, devote 20 minutes exclusively to one before shifting to another. The satisfaction of completing each time block should give you a dose of dopamine, as will the prospect of facing the next "new" task.

The single most tenacious source of distraction is your own wandering mind. Mind wandering not only occupies roughly half our waking life, but it's also associated with lower levels of happiness.

A wandering mind is the domain of neuronal circuitry known as the default mode network. It is associated with planning, pondering and daydreaming. It's active when you think about yourself as well as about other people. But it falls short in focusing on the here and now, which can be a bit of a problem if you're supposed to be paying attention. Two things can help you keep your mind from straying: happiness and cognitive control.

In a study by Harvard University psychologists, subjects were found to be happier when they focused on what they were doing instead of on extraneous thoughts. Actually, whether or not their minds wandered was a greater predictor of overall happiness than the activity itself. And when we're happy, our brains release a number of neurochemicals, including dopamine, which greatly increases our ability to learn and remember. What's more, when

the mind ceases to wander, we tend to feel better because we're no longer on high alert for the next potential threat.

Make Mindfulness a Habit

Mindfulness is the antidote for a wandering mind. It involves observing your thoughts and feelings from moment to moment nonjudgmentally. By doing so, you learn to become an outside observer of your own thinking process, a skill that gives you greater control over those times when your thoughts are focused and prevents you from constantly heading down the path of each new distraction.

What's truly astounding about mindfulness is that it not only changes your thoughts, but it also physically changes your brain. Mindfulness has been shown to physically change several regions of the brain in as little as eight weeks. Overall, mindfulness enhances the brain's capability to dynamically rewire itself, a phenomenon commonly known as neuroplasticity.

The best way to employ mindfulness over the long term is to dedicate some time every day to mindfulness practice. Periodically during your day, just call a quick time out and take a deep breath. Observe what you were doing at that moment, and think about how it makes you feel as well as how it might make others feel. This basic act of reflection — psychologists call it "metacognitive awareness" — can lead to potent, positive and often permanent changes in your thinking patterns and physical responses.

From Focus to Flow

The most satisfying and productive form of focus is called "flow." Flow is a subjective state in which you are completely involved in something to the exclusion of everything else. To achieve flow, you need a well-defined goal, an optimal challenge and clear, immediate feedback. The goal supplies acetylcholine to help maintain your focus, the challenge triggers noradrenaline and the feedback provides you with a rewarding burst of dopamine.

PART II: CHANGING YOUR BRAIN

Manage Habits

Habits of one sort or another account for roughly 45 percent of daily life. During these times, rather than relying on reason or motivation, we shift into automatic pilot and depend instead on context, automated actions, time pressure and yes, even low self-control to provide the engine for our behavior.

There's a good reason for this: Our brains would quickly become overloaded if everything we did had to be done consciously. Good habits make life easier by using our brains more efficiently. Bad habits make life harder and in some cases can be harmful or even deadly. The automatic nature of habits is what makes them hard to control or change.

The basal ganglia region is the part of the brain that handles the things we've committed to long-term memory and can engage in with relative ease. Our brains may be smart, but they're also kind of lazy. Each habit in our basal ganglia functions like a labor-saving device.

A typical habit has three components: a cue, a routine and a reward. The cue is a specific stimulus or combination of stimuli that triggers the routine. The routine is the habit itself. Initially, it is the anticipation of a reward that drives the routine and ensures its storage in the basal ganglia.

Establishing good habits or getting rid of bad ones involves the same basic skills:

- **Goal setting and motivation:** Most successful goals share two key qualities: (1) there is an emotional basis for the motivation, and (2) the goal setter is able to visualize not only reaching that goal but also, and more importantly, the process involved in achieving it.
- **Getting started:** Getting started is one of the most difficult parts of changing. Procrastination is the principal impediment to initiating a habit change. Large goals can seem intimidating unless broken into manageable steps. From the standpoint of your brain, threats aren't simply things that put your life in danger. They can be anything that the brain perceives as a misallocation of resources. Changing almost any routine requires additional conscious effort and, with it, additional energy. Aroused from its comfortable complacency, your brain sounds the alarm by awakening the watchdog of your limbic system, the amygdala, which triggers your threat response. Focus on small steps to avoid the threat response that frequently drives procrastination.
- **Staying on track:** Habits can rarely be stopped — or started — with brute force. A more successful long-term strategy is working *with* your unconscious instead of against it. In this case, it involves consciously manipulating the cue, routine and reward that provide the habitual framework.

A strategy called "implementation intentions" can help you stay on track by artificially reproducing the three elements of most habits. Change an old habit by attaching a new routine to an existing cue, or create a new habit by linking some sort of cue to a desired routine. When commitments of personal change are supported by concrete implementation intentions, the probability of achieving specific objectives doubles.

There are three simple but powerful processes that can aid in kicking deeply ingrained habits:

- **Describe**: Recognize and acknowledge a trigger when it occurs. Like labeling, describing your habit trigger leads to *metacognition*, or "thinking about thinking." This takes a normally unconscious process and shifts it into the realm of your conscious.
- **Distract**: Develop a competing ritual that will momentarily divert your attention from your original compulsion. The most effective distractions are pleasant ones. They put you in a reward state, triggering a burst of dopamine, which makes your brain more receptive to change. Distracting has a lot in common with cognitive reappraisal.
- **Delay**: Once you've found an effective alternative to your old bad habit behavior, the key is to sustain it. The longer you can last without "giving in," the more ingrained the new neuronal pathway will become.

Unleash Your Unconscious

Our unconscious accounts for a major part of our decision-making activity. Unlike the working memory, which typically has room for just four pieces of information at a time, the capacity of the unconscious is practically limitless. In fact, it's next to impossible to make a complex conscious decision using just your working memory; it simply doesn't have enough room or resources to accommodate all the variables.

While beginners benefit from thinking more, experts can actually be hampered by it. Thinking about what you're doing can actually become disruptive. Reduce the burden on your PFC whenever possible by relying more heavily on the brain's secret weapon, unconscious intuition.

What is meant by "intuition" here is, in fact, "expert intuition," a speedier way of analyzing information using accumulated expertise. But, the expertise needs to be there, or intuition won't work. Intuitive decisions are often the product of years of experience and thousands of hours of practice. Expert intuition isn't an exclusively unconscious affair. It draws heavily from your bank of experience. It begins with consciously assembling all the data you'll need to make your decision and then keeping your conscious mind distracted while your unconscious rolls up its sleeves and gets to work.

Why We Don't Trust Intuition

One of the chief characteristics of intuition is that we can't always articulate what led us to make a particular decision. Our gut reaction and subsequent decision are the only elements of a complicated process that come into the consciousness. You can imagine why this would create problems for our conscious brain, which, rather than being about feeling, is more about explaining.

While it's true that lightning-fast, intuitive decision making is occasionally susceptible to manipulation, it's equally true that time-consuming (and often budget-busting), rational decision-making can be prone to massive misjudgment as well.

The optimum way to use your brain in many decision-making scenarios is to delegate the lion's share of the work to your unconscious brain and rely on your conscious primarily to monitor and vet the unconscious decision-making process. The unconscious excels at getting the job done quickly and efficiently. The conscious is best at double-checking to make sure that it has been done right. There's a reason why the key activities inside the PFC are commonly called executive functions!

Foster Learning

Studies show that we can continue to acquire new skills well into adulthood. Long-lasting neuroplasticity depends on noradrenaline to keep you alert while the rewards that come from learning lead to secretion of dopamine and acetylcholine, which help to ensure that any rewiring endures.

Learn with Your Heart, Not with Your Head

The key to learning is that it is a fundamentally emotional process driven by the threat and reward circuits that reside in the limbic system. It's no surprise that an unpleasant experience, such as burning your hand on a hot stove, leads to immediate learning.

Teaching that triggers the threat response can be highly effective — when used sparingly and responsibly. Negative learning is good at inhibiting behavior, but it's terrible at teaching you to find creative solutions. That's because it activates a threat state, which means your PFC is temporarily shut down and with it your executive functions. Your reaction may be speedy and instinctive, but it isn't nuanced and thoughtful.

Although they aren't as powerful as threat responses, reward responses are the more common and much-preferred driver to successful learning. In general, when information moves us, scares us, pleases us or otherwise makes a powerful impression, we are more likely to remember it. But even this rule has its pitfalls and limitations.

Don't confuse emotional relevance with sheer novelty. Because the size of working memory is limited and the stimuli that bombard your brain are practically relentless, your PFC is often forced to make some pretty tough choices. Dopamine is a primary decider. It asks, "Is it

new?" And if the answer is yes, there's a good chance that your PFC will zero in on the information, and your working memory will begin the process of retaining it. But, if the information that is merely new is at odds with the information that is truly important, the latter is likely to get crowded out, leaving you with little or no recollection of the stuff that really matters.

The lesson for leaders is clear: If you seek to increase the interest in the information you convey, be sure that the embellishments you add to liven up your lesson support your core message instead of competing with it.

Learn with a friend: It pays to learn in groups instead of individually. The social interaction that comes from learning with someone else releases oxytocin, which enhances neuroplasticity and the possibility for change.

Use multimodal learning: The capacity of your working memory is surprisingly small, but it can handle words and pictures simultaneously. What's more, other senses, like our sense of smell, bypass the working memory entirely and yet can serve as an additional trigger for recall. The more parts of the brain that are involved when you learn something new, the more likely you are to remember it.

Sleep on it: Getting sufficient sleep not only aids in emotional regulation, but it also improves your ability to learn. It reduces the levels of stress hormones, such as cortisol, in your bloodstream while encouraging the growth of new nerve cells that are necessary for learning and memory. And finally, it assists the hippocampus in determining which information you've recently learned will be stored in long-term memory for future use and which will be discarded.

PART III: BUILDING DREAM TEAMS

Thrive on Diversity

The most useful, neuroscientifically based insights into differing personality traits come from the work of Rutgers University biological anthropologist Helen Fisher. Dr. Fisher identified four basic personality styles.

The Explorer: Explorers are sensation seekers. Thanks to greater activity of the dopamine system in the brain and an extra burst of noradrenaline, Explorers require a higher level of arousal to achieve peak performance. Explorers tend to get bored easily. Since they always need a new challenge, you shouldn't weigh them down with run-of-the-mill activities. They can be highly creative and quick thinkers, so give them a chance to engage in these kinds of activities.

The Builder: The personality of a Builder is largely defined by the stabilizing influence of serotonin. The serotonin that Builders express makes them the inverse of high-risk Explorers. You can always count on them to follow through with their tasks and responsibilities. Builders are very structured, loyal and future focused but can be thrown by unanticipated changes in their schedules and agreements.

The Negotiator: Influence from the hormone estrogen is what differentiates Negotiators from their colleagues. Negotiators are very empathetic and see the big picture. They are highly sensitive to unresolved conflicts, and their performance will suffer if you don't create a trust-based, appreciative climate. Negotiators' strengths are their talent in handling people, their verbal fluency and their ability to draw connections between seemingly unconnected topics.

The Director: With the Director, the defining hormone is testosterone. Directors are tough minded and highly analytical. They thrive in competitive environments where they can excel at their skills in problem solving and structuring. Due to their high testosterone levels, Directors can be pretty rough and undiplomatic in their communication. They work well only when the hierarchy is clearly defined; otherwise, the risk for openly displayed conflict is high.

Each of the personality styles can contribute certain skill sets that are complementary to each other. As an example, the fast-paced, curious Explorer will enhance the team with creativity and drive and make working together fun. The Negotiator will be very sensitive to the human touch of collaboration and be particularly skilled at anything that has to do with verbal expression and communication. The Builder will add stability and the persistence to follow through with a task until the end. The Builder is the one who will make sure the timeline is respected and commitments are taken seriously. The Director, on the other hand, will reduce complexity and use logical skills to cut through any seemingly confusing problems, keeping the team up to speed and on track.

Cultivate Trust

As humans, we are fundamentally social creatures. Most of the behavior that constitutes group dynamics hinges on our assessment of the people around us as either enemies or friends. Reward and threat, the two key circuits in our limbic system, largely dictate our behavior around others.

For the sake of our survival, our default response is to treat the people around us as threats until we learn otherwise. This prompts what psychologists call "avoidance

behavior." The flip side of avoidance behavior is approach behavior, an equally primitive response that places people in the "us" camp and is based on a feeling of trust.

SCARF is a model for social interaction that reflects the latest findings in social cognitive neurosciences. This acronym represents the five major factors that determine whether groups are characterized by approach or avoidance behavior.

Status: Status refers to how people feel after they've interacted with you. Treat the members of your team in a way that makes them truly feel valued; it will lead them to believe they can make a genuine difference.

Certainty: Uncertainty makes us uneasy and can lead to a threat response while the perception of certainty is likely to trigger a sense of reward. You can't always take the mystery out of situations, but what you can do is try to shed some reassuring light on the process.

Autonomy: When people have a sense that they are masters of their own fate, their moods improve and their stress levels go down. Provide your teams with a greater sense of autonomy by granting them the freedom to work according to their own style as long as they are willing and able to meet agreed-upon goals.

Relatedness: People perform better when they feel connected. Devote some time to building good relations between you and your group by fostering an environment of caring and inclusiveness.

Fairness: Our brains don't maximize profit, they maximize relationships and fairness. Our brains can even trigger a reward response when we see others being treated fairly. However, any perception that we're getting a raw deal could set off the threat alarm. If you work to foster a climate of fairness, everyone and everything will likely benefit — including your bottom line.

Develop the Team of the Future

Fielding a Strength-Based Team

When it comes to building top-performing teams, hiring always trumps training. Although training is important, it has its limitations. It makes far more sense to invest time and money into spotting talented people and hiring them than it does to spend it on training to cultivate talent that may not even exist.

We all have strengths and weaknesses. Doing something we're good at focuses our attention, triggers a burst of dopamine and often puts us into a rewarding state of flow. Working on something we're not so good at tends to lead to discouragement, frustration and a dissipation of energy.

Instead of building on the unique strengths of their employees, far too many companies are trying to iron out their weaknesses. The valleys may get shallower, but the peaks get lower in the process as well. Employees neglect the skills they're good at in order to improve the areas where they've never done well.

Obviously, if an employee is failing to meet certain standards, then something definitely needs to be done about it. If any of an employee's skills are ranked as "not acceptable," we definitely need to improve those specific areas. The goal is not to transform an area where the employee is struggling into one of his greatest strengths but simply to lift that skill out of the hole of "not acceptable" and onto the firmer footing of "acceptable standard."

Once we've raised any unacceptable skills up to an acceptable standard, we can focus the majority of the time on improving the employee's strengths. And unlike reviews that put weakness under a microscope, strength-based appraisals capitalize on the pride and motivation that most employees already feel for areas they are good at and inspire them to aim for the stars.

The lesson for teams and team building is simple: Not everyone needs to do everything. Strive to find a mix of people with each excelling in a different area. In the event that the highest team ranking in a particular area is "acceptable standard," seek out and add someone to the team who is "best in class" in that area.

Keeping the Brain in Mind

We now know about the neurochemistry of reaching our personal best, we've learned about how neuronal pathways can be wired and rewired to our advantage throughout our lives, and we've gained revolutionary insights into what really matters in building a happy and successful team. Far from being a leadership fad, this knowledge is supported by a mountain of data.

Combining these principles provides us with an opportunity to thrive both in our businesses and in our personal lives and to truly become leading brains!

MORE SV CONTENT ON ACHIEVING PEAK PERFORMANCE

Access these and more in your Soundview Online Library:

Summary: *Leading the Unleadable* by Alan Willett. *Leading the Unleadable* reveals a core truth: Most people actually want to contribute results, not cause headaches. Every manager has "problem people." What sets great managers apart is how they turn them into productive team players.

Webinar: *The 7 Key Behaviors of an Extraordinary Leader* by Courtney Lynch. Leaders can be found at any level of an organization. Courtney Lynch identifies these as the Sparks — the doers, thinkers, innovators and key influencers who are catalysts for personal and organizational change. With this Spark blueprint, anyone can become a catalyst for change, and any organization can identify and develop Sparks.

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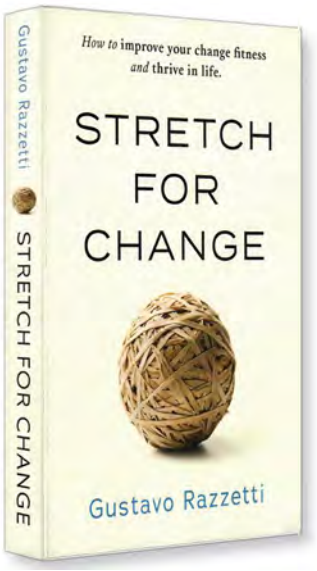
How to Improve Your Change Fitness and Thrive in Life



by Gustavo Razzetti

THE SUMMARY IN BRIEF

We all admire daring innovators. In our own lives, however, it often seems safer to stick with the status quo. Change can be frightening, but embracing it can lead to phenomenal growth. Choose change, and free yourself to improve your adaptability and problem-solving skills.

A sought-after expert on innovation and change leadership, author Gustavo Razzetti challenges traditional change management theories with a down-to-earth and human-centered approach, providing a pathway to help you achieve your dreams and join the world of innovators.

Stretch for Change offers you a new framework to guide you in creating a flexible mindset that is more open to new ideas. Discover how to thrive in our unpredictable world, re-engage with your passions and improve leadership skills by stretching your mindset.

Mentally preparing for change is like stretching your muscles before exercise. It leaves you ready and limber for whatever comes next. Change is a natural force, and welcoming it will put you and your team ahead of the game!

IN THIS SUMMARY, YOU WILL LEARN:

- How to stop fighting change and embrace it as a natural force.
- To create change and solve the problems that really matter.
- To build a culture of experimentation within your organization.
- How to become "change-fit" to boost your ability to lead change.

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THE COMPLETE SUMMARY: **STRETCH FOR CHANGE**

by Gustavo Razzetti

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Purchase *Stretch for Change: How to Improve Your Change Fitness and Thrive in Life* by Gustavo Razzetti through Amazon.com to benefit from the full Quick Stretches, Stretch Exercises and examples in the book that show how the framework introduced in this summary can be applied to the real world.

Visit www.stretchforchange.com to meet other changemakers, learn from their experiences, discover new exercises and tools, and share your own journey.

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Introduction

Stretching Beyond Your Comfort Zone

Don't wait for the right moment to show up. Create the right moment instead. What you must be willing to do is challenge yourself. Let go of excuses and become comfortable with being uncomfortable: prepare for and embrace change.

We are *all* presented with opportunities to live our dreams. But only a few of us choose to follow them.

Change hurts. But, it hurts less if you are prepared to deal with it. That's the purpose here: *To help you become "change-fit."*

Unfortunately for many of us, change can be threatening. But with the right mindset, it can also be a tremendous source of inspiration. There's one clear lesson: Adaptability can become a competitive advantage, professionally and personally. And that requires preparation and courage to stretch beyond your comfort zone.

PART I: MINDSET STRETCH, HOW TO DEVELOP A "CHANGE" MINDSET

UNSTUCK — Shake Up Your Current Mindset!

Our mindset is the lens through which we perceive reality. To embrace a new mindset, we first need to let go of older ones. That includes, fundamentally, letting go of two of the most harmful emotions: apathy and fear.

Most people live in the "Stuck" mindset without realizing it. While regular folks normally complain about what's not working, changemakers jump into action. When you fully embrace a "Change" mindset, you cease being apathetic.

Fear is a chain reaction in the brain that starts with a stressful stimulus — the fear of what we don't know. The critical question is, how do we deal with that reality? If you get stuck, overwhelmed by your emotions, you lose your ability to act with agency. And if you wish to overcome a setback, your pain cannot become an excuse or an impediment to your long-term goals.

When we try to avoid getting hurt, we become paralyzed. We all need to learn to live with and become masters of fear: Tame the beast. Avoid anticipation — worrying about what might happen. Avoid generalizations — thinking that because one thing went wrong, everything will go wrong. Avoid labels — putting ourselves in a box that we can't get out of. Avoid obsession about others' acceptance — limiting our potential to be unique, to be who we want to become. In short, stop being paralyzed. Taming the beast of fear will help you to build a "Change" Mindset.

The Importance of Building a Strong Foundation

It's not just your mindset that needs to stretch for change. You need to build a strong foundation: to thrive

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in changing environs, you need to build endurance and the capacity for resilience. When your resilience is put to the test, your body and mind will thank you.

Those who tend to overwork also tend to overdisconnect during breaks and holidays. Instead of jumping from one extreme to the other, remember that life is not a sprint but a marathon. Stamina is good for reaching intermediary benchmarks, but endurance is what counts the most in the long run.

Like regular exercise, good sleep and continuous learning are critical to refuel our bodies and minds. But most importantly, they are indispensable for building a strong performance foundation. Being conscious of your cadence is critical if you want to be a successful changemaker.

Sleep is one of the most important activities you can do. Powerful research shows how we might be at our most creative when we are emerging from the realm of sleep. If you want to be energized, sleep well. And the rule that counts most is sticking to your wake-up time.

Be mindful and aim for balance. Giving our mind a complete break can have a devastating effect. Taking a well-chosen pause is indispensable to refresh your mind and body. However, completely disconnecting from everything and becoming stagnant can corrode your overall performance.

OPEN-UP — From a "Stuck" to a "Change" Mindset

Are we obsessed with change? As a society, we idolize changemakers. People love change but don't want *to change.* Most people think of change as something external, something that happens to them, a potential threat. *That's when we see change as a noun.*

Think of change as something that you can make happen by playing an active role. This simple trick will help put you in a "Change" mindset. When you see change as a verb, your relationship with "change" changes. You feel in control: you start playing an active role in your life rather than being a passive victim.

Reframe Your Mindset: From "Stuck" to "Change"

When we stop complaining and take ownership of our destiny, it's easier to move into action. Instead of playing the martyr, we stop reacting and start adapting. When you learn to not only accept your internal and external constraints but also use them to your advantage, that's when constraints can become a superpower.

Embracing a "Change" mindset requires you to realize that you cannot control every event. Be more experimental; put your perfectionist mind aside. Do new things, do things in a new way or launch something even before it's perfect. Be more improvisational: have a plan but be open to hit any ball, especially those that come from unexpected places.

We all need to rethink our relationship with being busy. Busyness is a state of mind. Either we control it or it takes over our lives. Start by challenging your attitude. Next time you feel busy, ask yourself: Am I really busy, or am I using busyness as an excuse?

The Overrated Fear of Making Decisions

The choices we make determine our chances of success. But success requires full commitment. The willingness behind a decision matters more than the decision itself. Also, equally important is our ability to adapt to the outcome; nothing is definite. Think of making decisions/outcomes/decisions as a constant work in progress.

Every time we're about to make a decision, the outcome feels uncertain, and that's simply because we don't control the future. So why stress out about something that doesn't depend on us? What you can control are your emotions. Being a changemaker is a game of courage. To move things forward, you need support. Getting (some) support is critical for a successful implementation. There will be resistance most of the time, so don't panic.

It's impossible to have everyone on board at the same time. Consensus is a trap you should avoid. Look for alignment. Listen to the objections. But, you need to move on and make the call at some point. That's when everyone needs to align behind the decision even if there are still objections. If you let go of the obsession of making the right decision, you'll be more flexible and more open to experiment. Those who embrace a "Change" Mindset know that nothing is definite. Changemakers learn to change their minds, to adapt from time to time, but not too often. It's all about finding the right balance.

Getting lost, on purpose or not, wandering around without a clear objective is a perfect way to give room to your experimental mind. Getting lost helps you let go of anticipation. Check out these seven ways to get lost with a purpose: wander aimlessly, change the physical setting, try new routes, become ignorant, let others take the steering wheel, create a routine of disrupting your routines, and stop anticipating.

THRIVE — Turn Constraints into a Superpower

When you stop fighting obstacles and start thinking of them as inspiration, you can actually turn those constraints into a superpower.

Life is not fair. Get used to it. If you truly embrace a "Change" mindset, improvising and experimenting will help you move forward. Don't allow people to put you in a box. Boxes are external; not only should they not limit your confidence and potential, but you should outsmart those who attempt to put you in any box.

Over time, and especially in the workplace, we've been wired to believe that having more (resources, money, time, etc.) is what matters. It's natural, and completely human, that every time we lack something we — supposedly — need to do our jobs, we get stuck.

Don't Confuse Constraints with Being Constrained

The path of becoming a changemaker is not an easy one. The journey will be full of challenges or constraints. You can choose to see them as obstacles that get in your way or simply embrace them. Purposefully eliminating something that you need to do ordinary tasks is a nice way for constraints to become your best friend. Not only will you feel less afraid of facing future limitations, but you might actually enjoy it. The main realization is that constraints are simply external: It's on us to let them become obstacles or not.

Our mindset is critical to turning a limitation in our favor rather than surrendering to it. Moving from being a victim to behaving like a superhero is not easy. But, the more you become aware and the more you avoid letting your emotions take over, the easier it will be.

Reframing the challenge is half of the solution. If we want to turn the problem into something exciting, let's start by asking more interesting questions.

Once you've reframed your constraint, the next step is to find solutions. When everyone else is asking the same old question, use constraints as an inspiration.

Our emotions are one of the most powerful constraints. Like with any constraint, if you learn how to deal with emotions, like frustration, you can turn them into a powerful tool. Frustration is the gap between our expectations and our reality. To minimize it, we can choose to either reframe our expectations or change our reality.

Prioritization doesn't mean that there is only one thing that matters. Prioritization requires making choices. Once you are clear on your priorities, commit time to working on what matters to you. Don't wait; start right now. Committing to what you want is critical. But, it means nothing if you don't have a method to turn it into action.

Refuse to Be Defined by Failure

If you are not failing, it's because you are not stretching out of your comfort zone. Most successful people — like Hemingway — have experienced a similar path. Though we tend to remember the nice success stories, they had to overcome failure many times.

Take matters into your own hands. Put into practice what you believe in with conviction. Find like-minded revolutionaries who want to join your cause.

PART II: CHANGE-MAKING, SOLVE PROBLEMS THAT MATTER BY AMPLIFYING YOUR PERSPECTIVE

RE-ENGAGE — From Detachment to Human-Centered

Embracing a problem-solving mentality comes with the "Change" Mindset. The only caution is to make sure that you are solving the right problem. It's not a matter of big versus small problems but of making sure we spend our time on something that will create a positive impact.

Let's re-engage people at work; let's create a place where they want to reconnect and bring their passions. Bringing our souls to work is about connecting our personal and professional sides.

The notion of designing for people is not something new. The most effective problem-solving method emphasizes that the best way to find solutions is with a better understanding of who you are solving for. The importance of applying a Human-Centered Design approach is to bring people to the core of what an organization does.

The Bridge to Solve Meaningful Problems

One approach to problem-solving (and innovation) is a bridge that starts with an "Undefined Problem" and helps you find a "Meaningful Solution" on the other end. The human aspect, though present during the whole process, is critical for the initial and end phases, when we have to talk to people.

Empathy Research is about finding human stories. That's the raw material we'll need to reframe the problem. We want to catch personal and meaningful stories to better understand problems. By reframing an Undefined Problem

via Empathy Research, we want to identify what's a Meaningful Problem for the people we are designing for.

Empathy is about letting people define what they want to talk about. We want to connect to people's desires and motives, what really drives their behavior. And we want to go as deep as possible.

Some people are more empathetic than others, but anyone can master empathy. It's not an intellectual journey but an emotional one. The most critical part is to become aware of when your own biased perspective is filtering what people are saying.

From Extreme Users to Multiple Perspectives

When it comes to having empathy sessions, the Design Thinking approach is to find "Extreme Users" — those whose feelings and behaviors are amplified. The idea is that their insights will provide an interesting perspective on the larger population. If you talk to the usual suspects, don't expect to find *anything* unexpected.

Innovation is much more than coming up with an innovative solution. It's about creating real impact from going against established norms, to driving adoption or scaling up. And moving the organization behind a new solution is where most innovation teams struggle.

To move innovation forward, developing internal capabilities is critical. But, driving solo can limit an organization's ability to drive real innovation. If you want to win the innovation championship, your approach needs to be balanced. Focus your energy on how to get the best of both worlds. Or, better said, the best innovation team.

The stronger your innovation team, the better. Change is messy and not easy. It requires you to develop an experimental mindset, build internal capabilities and complement those with external help when needed.

AMPLIFY — From Detachment to Human-Centered

Outsiders, misfits and outliers see things differently. Not just because they are different but because their relationship with the problem is different too. They don't just see, they observe.

Our experience has taught us that the biggest challenge in solving a problem might be you or rather your perspective — the biased way in which you see the world — which might hinder the discovery of fresh solutions.

Challenging your perspective is the first step in amplifying how you see the world. Allow people to contribute beyond their disciplines to challenge the team to develop more Meaningful Solutions. If you want to be a changemaker, you might just want to try and borrow a fresh pair of eyes.

A Social Media Approach to Amplify Your Perspectives

Some people are Action/Control-driven while others are People/Emotion-driven. Some people like to Command/Tell and others are more into Connecting/Asking. The intersection of these two axes determines four types of "Social Media" personalities:

- Twitter — Wants to achieve a huge success/build a reputation
- Facebook — Wants to be part of a successful team
- Yelp — Wants to get a lot done with minimal risk
- Instagram — Wants to be respected and admired

This social media approach doesn't just tell you who you are but helps you be more open to other people who are different and behave differently than you do.

The Importance of Multiple Perspectives

The same way an extreme user sheds light on an extreme behavior, Multiple Perspectives will provide a collective view on extreme behaviors. People see the problem with different eyes depending on their backgrounds, education, knowledge and proximity to the problem, to name a few characteristics.

Knowing too much in a specific field can become a barrier; it can cloud your eyes, but if you combine that expertise with an outsider, that's when the magic of Multiple Perspectives happens. It's about balancing one with another versus establishing a hierarchy. The first thing to do is challenge the problems by talking to people who will help amplify your perspective.

The first thing to consider is to avoid using a right-or-wrong approach. None of the perspectives is better than any of the others. We are simply trying to see the problem from different angles. The nature of the problem dictates the type of perspective you might want to tap into.

REFRAME — The Importance of Multiple Perspectives

The symptom is *not* the problem. But, there's a problem behind the symptom. We get caught in the trap of solving short-term symptoms instead of fixing the real problem. Solving Meaningful Problems, not just symptoms, will not only excite your team but also those who will benefit from the solution.

Reframing the challenge into a more interesting one will get you halfway to the solution. If you want to turn the problem into something exciting, start by asking more interesting questions.

So, how do we reframe problems into meaningful ones? Well, it all starts with finding the right inspiration: stories.

Once you've been able to capture interesting stories, the next step is to use them to reframe the initial problem.

Using Insights to Reframe Problems

A lot of inferring and interpretation is needed at this stage. Understanding what drives people's behavior is not pure logic. Conducting a deep analysis of tensions, contradictions and surprises is very helpful. The problem is that most people expect a direct conclusion out of these, and it is not that straightforward. Both learning how to facilitate great Empathy Research and distilling insights to reframe a problem are practices that are perfected over time.

SOLVE — Solutions That Matter

Good solutions should be good for everyone. The notion of bringing Multiple Perspectives is to see the problem through various lenses and find solutions that will be meaningful to the whole.

Being more conscious of the larger impact of our solutions is a big challenge. As changemakers, by considering other sectors' needs we can minimize the impact or aim for holistic solutions. Instead of seeing players as opponents, spur collaboration. A Meaningful Solution is one that takes into consideration the interest of the people, the society or community, not just the organization.

Analogous Inspiration

Another way to amplify perspectives and lessons is to use analogous inspiration. This builds on the notion that the farther you look, the more interesting the perspective and inspiration will be.

The idea is to learn from how other people or industries solve problems and then apply the approach or thinking behind it — not their solutions — to your specific needs.

Why You Should Create Your Own Enemy

Stretching for change means preparing our mindsets and behaviors and providing a toolkit so we can deal with change in a more effective way. Change is no longer optional. You can wait for things to happen, or you can get ready for them. Creating your own enemy is a strong tool to do exactly that.

Organizations and teams need to spend time and resources on creating their own enemy. Exploring different scenarios, potential threats and how to anticipate those must be a priority. Do you want to be the missile or the target?

PART III: CHANGE-FITNESS, THE COURAGEOUS PATH TO BECOME A CHANGE LEADER

TRY — Building a Change-Fit Culture

The path toward building a change-fit culture starts by increasing openness, becoming more experimental and, in the end, building a culture that thrives on change. Let's start by understanding the key elements of this journey: transparency, experimentation, cadence, resilience and mindful leadership.

How to Create a Culture of Transparency

Trust can bring a culture together or tear it apart. It's almost impossible to encourage people to experiment and take more risks when they worry about the consequences. Transparency is critical when dealing with change. Here are some insights to inspire your own experiments:

1. If they know, they will care
2. Curate, don't filter
3. To show you're serious, take risks
4. Open dialogue minimizes gossip
5. A culture of transparency is infectious
6. Building transparency takes time

Transparency, like change, requires a strong commitment. But it pays off. When participation and curiosity increase among your team — including challenging you as a leader — it's a sign that transparency is turning into a virtuous cycle.

A Culture of Experimentation: Lessons from the Start-ups

What makes some companies more successful than others is not their start-up status but having a start-up behavior. To be hungry for continuous growth, quick to move from planning to action, fearless in experimenting and genuine enough to want to change the world.

Here are some lessons in how start-up behavior can be applied to teams and organizations alike: Make uncertainty your best friend; rejection is not the end but a new beginning; fall in love with solving a problem, not with a solution; and balance purpose with profit (and vice versa).

Promoting transparency and experimentation is very important but not enough on its own. In order to build

a culture of change, team members need to have the ability to make more decisions, improvise, test their own hypotheses and learn through that process. Decentralizing decision-making and removing internal barriers — such as hierarchies — allow the team to take ownership and feel they are in control of their own destiny.

Providing teams with learning experiences should be at the core of every organization. Members gain a new skill and mindset, not just motivation. In that same direction, new rituals and behaviors can help the culture thrive in the workplace.

Culture eats innovation for breakfast. Leaders cannot create real change without organizational support. This requires encouraging the culture to be more open and more adaptive, to be change-fit.

FORTIFY — Dealing with Resistance

Resistance has a bad reputation. Instead of fighting it, we should use that energy in our favor. There are several types of resistance. The most important and critical is human and happens within your own organization. Each organization has its own specific neurosis that affects its particular relationship with change. Behind the neurosis lies an established perspective and behavior that promotes resistance. You need to tackle the root cause, not just the "stuck" symptom.

Let's review the characteristics of each of the five organizational culture neuroses: Dramatic Organizations filter reality (both internally and externally) through the eyes of emotions, so it's very hard to create alignment as subjectivity plays a critical role; Political Organizations are driven by the need to gain power and lack of trust; Ritualist Organizations tend to show repetitive behaviors; Doubtful Organizations are always comparing themselves to others, especially larger and more successful ones; and Control-freak Organizations are driven by power, hierarchy and the need for supervision.

What's driving these neuroses? What are the key symptoms? Kick-off an experiment to neutralize that specific symptom. Don't expect to eradicate it overnight. It's about starting to erase a particular behavior.

Failure to Launch: How to Stop Being Paralyzed

Are organizations failing to launch, or are they simply afraid to launch? Don't let limitations become an excuse. You can get caught blaming others for what's not happening, or you can simply move forward. It's your call. How bad do you want what you want? Stop waiting for answers, make the answers happen instead.

Once you launch, be prepared for resistance, as launching isn't the finale but just the beginning of the journey.

Driving change is a dangerous mission. You are against the odds. Disguised as a warm, caring boss or a smart client that wants to get the best out of you, the enemies of innovation just want to slow you down.

Be more aware of the enemies that want to wear you down. Anticipate their moves. Develop specific tactics. Join them, but don't become one of them. Enemies test your endurance. Enemies make your ideas better. Enemies keep you on your toes.

LIBERATE — Leading Meaningful Change

The role of leaders is overrated. Self-Organization is not about eliminating leaders but rethinking their role in a more balanced way. Worry less about who makes the decision and focus more on having the right perspectives in the room when a decision is made.

People want to see the human side of leaders. Vulnerability doesn't mean being weak but that you accept and acknowledge your weaknesses. Vulnerability means that you trust yourself. Conviction and courage, despite showing vulnerability, are what inspires people.

In an era when rigid, obsolete structures are being questioned, a new kind of leadership is required. Organizations are looking to become more flexible and adaptive to survive in an uncertain world. Shouldn't their leaders stretch their mindsets too?

A vulnerable leader generates the trust required for a team to feel safe to experiment by developing a culture in which people don't need to worry about the consequences if their experiment goes wrong. Rather than controlling information flow and avoiding tensions, the vulnerable leader promotes a culture of transparency. Addressing tensions not only helps unblock the work but also drives change.

How to Drive the Adoption of Anything New

Driving adoption of new behaviors or tools is a mysterious thing. Contextualizing the why behind a new tool or process is critical. Any new behavior you try to introduce to a team normally implies replacing an older one. Understanding the behaviors or practices that need to be replaced helps the team better understand the why behind the new initiative.

If you present something new as optional, it will always be an option. When rolling out new "things," organizations need to convey conviction.

How can we separate the illusion of change from real change? We all trick ourselves when it comes to change. Many organizations spend more time and energy selling their new strategy or celebrating self-serving headlines than making things happen. Turning words into action is what matters.

Driving innovation is a dangerous mission. You need to bring together a bunch of individuals who are passionate about proving everyone wrong. Those crazy enough to take on a risky mission. What you need is a team of misfits.

Why misfits are your best choice: Misfits love being against the odds, misfits respect crazy leaders, misfits will take missions no one else will, and misfits are brought together by passion, not by choice.

Misfits will always finish the mission, no matter how dangerous.

Hire for Cultural Fitness, not Just Cultural Fit

Culture is something dynamic rather than static. The notion that people can or can't fit into a specific culture goes against the mandate of fluid organizations. It limits its ability to grow.

Hire for cultural fitness. Stretch your culture by hiring people who will make it more adaptive, experimental and resilient.

The real problem behind diversity is that teams are not trained to deal with differences of opinion. One of the key issues in bringing "diverse" people to a team is that they see things differently. Organizations need to discuss things more openly. Creating a culture of transparency can help re-position diversity as learning.

BE — Leading a Meaningful Life

Stretch for change. Start leading a meaningful life.

Should you first find your passion and pursue it? Or should you work hard until your passion finds you? That's the perennial dilemma. Don't confuse what you are good at with your real passion. Doing things for the first time, real self-experimentation, that's stretching for change.

Don't expect your journey to be linear. Trust your instinct, trust yourself. When you feel lost, keep going. The most important thing is to learn to explore. Test and try but also enjoy the ride.

Going beyond your own limits might feel uncomfortable — and even hurt — at the beginning. Yet, it's critical to build resilience: that rewarding experience of achieving something that, at first, you thought you couldn't. Productivity is a habit that needs to be built up. Productivity is not about to-do lists but to-enjoy lists. It's up to you to create your own path and rituals toward enjoyment.

The biggest challenge you'll always face as a person is to be authentic. Being true to who you are is part of stretching for change. And that requires a thick skin, especially when other people's feedback might be anything but encouraging. The best feedback happens unexpectedly. When you stop convincing yourself that others are wrong, that's when feedback becomes a valuable gift.

Labeling things as good or bad never helps. And that's even truer with feedback. It's how we react to it and what we do with it that can turn it into a positive or negative. Feedback is just feedback. Learn to receive it as a surprise gift.

The same way feedback helps us stretch for change, rehashing memories can only get us stuck. Not letting go of bad experiences makes our mindset stiff. Ruminating is an ineffective coping behavior. Forgetting a bad experience is truly liberating. Reflecting on a bad experience is important, but being stuck in the past doesn't leave room for new experiences.

Don't confuse information abundance with knowledge. In trying to make everything simpler, we face a risk: the danger of oversimplification. The hacking mentality is good but can easily turn into a deceiving mentality. Stretching for change requires taking the long route, rather than shortcuts.

The era of information abundance needs to leave room for an era of wisdom. Wisdom is reciprocal learning: an equal relationship between apprentices and mentors in which learning experiences are created together rather than teachers dictating their learning plans to their students. Aim for wisdom, not just knowledge.

Lead a meaningful life, one worth stretching out of your comfort zone.

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Webinar: *How to Drive Disruption and Accelerate Transformation* by Josh Linkner. Josh Linker lays out a systematic approach for continually challenging and reinventing yourself and your business. He identifies six elements in any business that are ripe for reinvention and shares examples, methods, and step-by-step techniques for creating deliberate, productive disruption.

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39-29 The New Leadership Literacies

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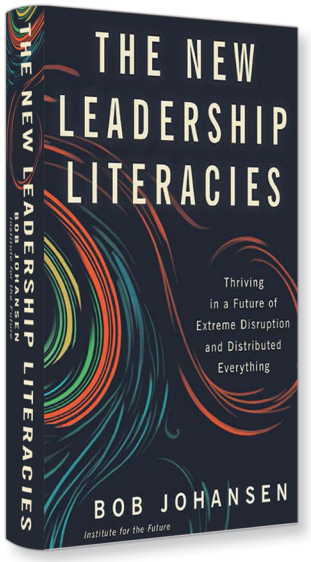
The New Leadership Literacies

Thriving in a Future of Extreme Disruption and Distributed Everything



by Bob Johansen

THE SUMMARY IN BRIEF

Over the next decade, today's connected world will be explosively more connected. Anything that can be distributed will be distributed: workforces, organizations, supply webs and more. The tired practices of centralized organizations will become brittle in a future where authority is radically decentralized. Rigid hierarchies will give way to liquid structures. Most leaders — and most organizations — aren't ready for this future. Are you?

Noted futurist Bob Johansen goes beyond skills and competencies to propose five new leadership literacies — combinations of disciplines, practices and worldviews — that will be needed to thrive in a VUCA world of increasing volatility, uncertainty, complexity and ambiguity. This summary shows how to (1) forecast likely futures so you can "look back" and make sure you're prepared now for the changes to come, (2) use low-risk gaming spaces to work through your concerns about the future and hone your leadership skills, (3) lead shape-shifting organizations where you can't just tell people what to do, (4) be a dynamic presence even when you're not there in person, and (5) keep your personal energy high and transmit that energy throughout your organization.

IN THIS SUMMARY, YOU WILL LEARN:

- To succeed despite being faced with waves of disruptions and extreme dilemmas by looking backward from the future.
- To play through fear and develop effective and efficient responses to conflict and change.
- To adapt traditional gaming behavior, such as gameful achievement, grit and gameful engagement, to strengthen your leadership abilities.

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Twisting Toward Distributed Everything

The shift from centralized to distributed organizations has already begun, but the current leadership literacy — inherited from large, centralized organizations — isn't ready for a future when anything that can be distributed will be distributed.

Centralized and decentralized organizations will give way to truly distributed organizations that have no center, grow from the edges and cannot be controlled. Hierarchies will come and go in shape-shifting forms resembling a swirl. Rock-star leaders will be rare; networked leadership with strength and humility will work best. As centralized organizations become increasingly distributed, expect a cloudburst of disruption. In this future, leaders will see things they have never seen before.

In simpler times, perhaps being action oriented was enough to make a great leader. In the past, consultants and business books preached *action* as the defining characteristic of great leaders. But, even thousands of hours of action experience won't be enough for this future. Action without foresight and insight will be dumb, dangerous or both. Leaders will need to combine the practices of foresight, insight and action in an ongoing cycle of learning.

The next decade will be extremely complex, messy and threatening. Future leaders will be facing a VUCA world: Volatile, Uncertain, Complex and Ambiguous.

Disruptions

In a future loaded with dilemmas, disruption will be rampant, and clarity will be scarce. Leaders will need to provide enough clarity to make disruption tolerable and even motivational.

Trends are gradual, relatively predictable and almost-comfortable changes. Disruption is extreme and unpredictable change. Disruption is uncomfortable for most people.

Here, we focus on *disruptions,* which are *breaks* in the patterns of change. Disruptions tend to take a long time to play out and are often characterized by waves of innovation.

Disruptions often start as responses to particular problems but almost always spark unexpected changes. Despite its sense of immediacy, disruption is often a process that takes a long time to play out — disruption doesn't just suddenly pop up and then disappear.

When disruption first breaks out, it is hard to tell just what the core disruption will be. Early waves of disruption may look much different from what happens later.

Dilemmas

Dilemmas are problems you can't solve, problems that won't go away — yet, somehow leaders must learn how to succeed anyway. Future dilemmas will be embedded with both hope and fear — but the fear will be biting and the hope elusive.

If a leader characterizes a dilemma as a problem that can be solved, the failure to solve it is likely to be remembered and probably will be punished. When dealing with extreme dilemmas, leaders will need to learn how to thrive in the space between judging too soon (the classic mistake of the problem solver) and deciding too late (the classic mistake of the academic).

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The *New Literacy* of Looking Backward From the Future

Foresight inevitably links in some way to hindsight. Think of hindsight as our banks of prior knowledge. Hindsight includes experience, which can be both a source of insight and a burden. Hindsight can be a cognitive anchoring in the past, and it can be a stimulus for innovation. Hindsight can keep us from seeing futures we cannot imagine.

Thinking systematically about the future helps us to loosen up, keep an open mind, and question our own assumptions.

Traditionally, innovative companies often miss the biggest potential impacts of a new technology or innovation once it finally occurs. Innovation often involves timing. A failed technology in one period can become a giant success later on. Those early innovators often watch in frustration as later (often less innovative) companies get the benefit of a delayed innovation. Hindsight — even accurate hindsight — can limit foresight. It is dangerous to assume that what didn't work before doesn't work now. Often, what didn't work before does work now. Leaders need to keep their minds open.

Insight is an "Aha!" moment that creates a new pattern of connections in your brain. Creating insight is a lot harder than generating ideas. Ideas bubble out, but insight is rare. Ideas are wonderful, but they are easy compared to insight. Insight is often hard, uncomfortable work.

The goal of futures thinking is to use foresight to induce the kind of head-jerking turn that happens as you read a great story or play a great game: an abrupt shift in your thinking. Once you have had an insight, you can't go back to your old way of thinking. Insight changes you. Ultimately, foresight is about making sense in a future world where sense is in short supply.

Collective moments of insight — when people come to the same realization together at the same time — are often the most powerful. Foresight is a wonderful way to provoke insight even if you don't agree with the forecast. You can argue with any forecast, but it is best to resist the temptation. Some of the best forecasts will be those you don't like. The most useful approach is to assume that foresight is plausible, internally consistent, and provocative.

Clarity and Dilemma Flipping

Looking backward from the future will require many skills. Two of these skills — clarity and dilemma flipping — will be particularly important for looking backward from the future.

Looking backward from the future will help you find your *clarity.* Clarity is the ability to see through messes and contradictions to a future that others cannot yet see.

Looking backward from the future will increase your ability to do the kind of dilemma flipping that will become increasingly necessary in the VUCA world. Dilemma flipping is the ability to turn dilemmas — which, unlike problems, cannot be solved — into advantages and opportunities.

To do dilemma flipping, you must like the space between judging too soon and deciding too late. If you're not sure if it's a problem or a dilemma when you're facing a challenge, it is better to assume it's a dilemma. If it turns out to be a problem you can solve, that's great. But if you think it's a problem, and it turns out to be a dilemma, you're in trouble because you have set expectations as if you're going to solve it, but you won't be able to.

Moving Toward a Future That Rewards Clarity — but Punishes Certainty

Looking backward from the future will seem unnatural for many leaders today — they are so present focused — but the tools for thinking about the future systematically are improving rapidly, and the need for looking backward from the future is growing.

The more complex the future, the farther ahead leaders will need to look. Given the external, future forces of the next decade, leaders will need to expand their leadership literacy by looking really far. Fortunately, the next generation of leaders will be gamefully prepared for this to happen.

Leaders will face an increasingly uncertain future, even while many of those they lead will crave certainty. Looking long and working backward from the future can help sift out the shards of certainty from which leaders can create clarity.

How Far Ahead Should You Look?

We want the forecast to go beyond the planning horizon for current strategy but still close enough in to be believable. The future starts to become clear only at about 10 years out. Sometimes, looking beyond 10 years will provide a view that is even clearer.

Sometimes, focusing on the future can help people move beyond the polarities of the present. The best forecasts will begin with a conversation involving foresight to insight to action, so it is very important to go far enough out to begin a great conversation and not get stuck in the polarities of the present.

Clarity Versus Certainty

In a highly uncertain world, it will be very easy for leaders to confuse clarity with certainty. Many people — including many leaders — just aren't prepared for the speed and scale of disruption they will be facing over the next decade. In this future world, simple will be good, but simplistic will be dangerous.

What is the difference between clarity and certainty? Clarity is usually expressed in stories while certainty is usually expressed in rules. Rigid rules can get leaders in a lot of trouble in the VUCA world while stories encourage people to engage. Clarity is lucid and coherent; certainty is definite and brittle.

What this means for leaders is that if you *feel* certain you are reaching a rational conclusion, your feelings may not be accurately reflecting the reality of the situation at all. What looks and feels to you for all the world like a sure thing may be anything but.

Leaders will have to develop their clarity but moderate their certainty. This will be very difficult in a highly disruptive world where people long for certainty. Seek out clarity in leaders, but beware of certainty.

The *New Literacy* of Voluntary Fear Engagement

Gaming, grit and guilds are three very old concepts that will be reimagined over the next decade to help leaders prepare for the VUCA world.

Games can be defined as "obstacles that we volunteer to overcome." Gameful engagement with the future can safely immerse you in a world of fear so you can practice ways to lead. The best response to fear is to engage with it directly rather than avoid it. Games can give leaders a way to do just that in realistic but low-risk ways.

Guilds allow people to play and learn together. They are all about connection, but it is about connection in the context of the game and the skills that are necessary to succeed in the game. Guild members have always had a shared purpose and a nurtured kinship for mutual benefit. Like the guilds of old, modern guilds allow craftspeople to share their craft, and learn from each other.

Guilds are about learning, community and power. They are not necessarily focused on winning the game, being the best or being the largest. Some might aspire to those things, but the fundamental purpose of a guild is to make a network that enables players to have a positive experience through social connections. Similarly, in the real world of the future, guilds — or whatever they come to be called — will allow people to learn from each other and learn together.

Playing Through Fear Positively

If you don't have some fear about the future, you're not paying attention. Fear is not a bad thing. It's what you *do* with your fear that can be bad. Leaders must learn to play through their fear and develop effective and efficient responses by turning fear into something positive. Leaders will need guilds because the world is becoming an increasingly scary place. Being a good guild member in the real world will require leaders to go through voluntary fear exposure in order to be a stronger link in the chain. Guilds build grit.

In a world of disruptive opportunity, leaders will need to learn how to practice voluntary fear exposure. They will need safe zones to practice their leadership skills and develop their capacities, knowledge, discipline, practices, perspective and worldview.

The big insight here is that safe zones allow leaders a chance to practice very difficult circumstances with little risk. The combination of a vividly realistic safe zone, voluntary fear exposure by leaders, and red teaming that challenges you at every stage creates powerful learning.

Managing Fear

The whole point of gameful engagement is to immerse yourself in a realistic but mock fearful environment and learn how to thrive, or at least push through it. Gameful engagement can be great learning, if you're playing the right games.

Gaming something means trying it out in a low-risk environment before doing it for real. You have to do that with a spirit that allows you to fail early, often and cheaply.

The new leadership literacy of voluntary fear will require two leadership skills in particular: immersive learning ability and rapid prototyping. Voluntary fear exposure will require leaders to develop and exercise their own immersive learning abilities. Immersive learning ability is the ability to immerse yourself in unfamiliar environments, and learn from them in a first-person way.

Voluntary fear exposure will allow leaders to create low-risk spaces where they can practice rapid prototyping for innovation. Rapid prototyping is creating quick, early versions of innovations, with the expectation that later success will require early failures.

Moving Toward a Future of Gaming for Grit

We are moving toward a world where young people will bring their gaming experience to work, and it will be a competitive advantage for them. Learning communities of gamers will emerge as powerful guilds to learn together, share experiences, and amplify their impact.

Leading through gaming and guilds will make much more sense as young people join the workforce because they grew up with often very sophisticated video games and very organized and creative guilds.

Gameful engagement will be basic to the next generation of learning, marketing, advertising, and commercials. In 10 years, most rising star leaders will be gamers, with a gameful mindset. Digital natives are going to expect a much higher level of engagement as they go to work. If companies give them an experience as rich as what they've grown up with in the world of gaming and guilds, they're likely to be very productive.

Resilience will be necessary but insufficient for the leadership demands of the future. Grit will be required to lead with hope in a world of constant disruption. What ultimately ties grittiness and games together is the ability not just to recover from failure but to find value and even enjoyment in it.

Game Achievements

The concept of *game achievements* in the video-gaming world will become more relevant to leadership development. Game achievements recognize players' abilities and long-term exploits. Achievements carry over and can hold value across games. These achievements are part of every player's profile: They unlock bonuses, award new abilities, or simply add to the pride of playing well. The importance of achievements in games cannot be understated since they represent a player's inherited knowledge, a player's worth in virtual worlds.

This notion of game achievements will carry forth into the world of work through guilds or communities of practice. In a VUCA world, leadership development will be increasingly gameful, and shared learning across games — and into real life — will become part of getting ready for work or battle, just like it is already in video games, in the military, in police work, and in firefighting.

The *New Literacy* of Leadership for Shape-Shifting Organizations

The literacy of leading shape-shifting organizations will require many skills, but the two most important ones are constructive depolarization and commons creation.

Leading shape-shifting organizations will amplify the need for constructive depolarization. Constructive depolarization is the ability to calm tense situations in which differences dominate and communication has broken down and bring people from divergent cultures toward constructive engagement.

When conflict arises at the edges of organizations, leadership can become very difficult. Shape-shifting organizations can go tribal. Mutual-benefit partnering can give way to tribal warfare. In the VUCA world, the potential for extreme disruption at the edges of distributed organizations is always possible.

Tribes can bring people together (guilds are also a kind of tribe), but tribes get dangerous when the strength of an in-group comes at the expense of others on the outside.

Over the next decade, as shape-shifting organizations become more popular, the tensions will rise, and the new digital capabilities will create weird twists that will challenge the imaginations of even the best leaders.

The literacy of leading shape-shifting organizations will require commons creating, which allows assets to be shared and provides mutual-benefit partnering models for innovation. Commons creation is the ability to seed, nurture, and grow shared assets that can benefit all players — and allow competition at a higher level.

Commons creation allows leaders to share new assets that benefit more than themselves, which is required for mutual-benefit partnering. Clearly, the long-term direction is shifting from more closed to more open, which is not to say that open sourcing will prevail. Rather, in a world where everything that can be distributed will be distributed, it will be difficult to control intellectual property in traditional ways. Mutual-benefit partnering will allow companies to share risk and rewards.

Moving Toward a Future of Distributed Authority

In the near future, many traditional, hierarchical structures will bend and break. Lots of diverse partners will come together in new ways to create new kinds of organizational structures that will be more fluid and less rigid.

The job of leaders is to have the perspective necessary to recognize true innovation and when it is ready to take off. The capability to connect distributed organizations was made possible by the invention of packet switching. Over the next decade, these capabilities will finally be able to spread on a global scale.

Over the next decade, shape-shifting organizations will become much more common, and distributed leadership will become mandatory — even though the literacy of distributed leadership is still very much a work in progress. Shape-shifting organizations will disrupt traditional organizations and, in some cases, blend with them.

Economies of structure — organizational structure — will be required to thrive in the world of the increasingly VUCA future. Shape-shifting organizations will be more messy but more productive than traditional organizations.

What's Next: The Blockchain Disruption

Shape-shifting organizations and new economies of organization will be created using blockchain or similar platforms for distributed computing.

Think of blockchain as distributed computing that can track the status of autonomous virtual objects and provide security *without central authority.* It is being used to prototype new infrastructure for organizing ourselves in a global society.

In the future, blockchain will be:

- A way to provide high-trust interactions in low-trust environments.
- A way of documenting and verifying integrity.
- A new kind of coordination being built on top of the internet.
- A distributed, unchangeable ledger or log of information that tells an immutable story of provenance.

Blockchain will provide the advantages of a single platform without the disadvantages of a single provider, such as Google, Facebook or Twitter. It will be to value what today's internet is to information.

It is a big step toward distributed everything. Although it will surely be a confusing process of creation, blockchain will make it possible for shape-shifting organizations and economies of organizations to thrive. Also, blockchain will challenge traditional organizations in profound ways.

The *New Literacy* of Being There When You Are Not There

Leaders will need to find new points of contact in the distributed organizations within which they will be working. Leaders will need a new leadership presence, through a wide mix of media and in-person meetings in varied combinations. Leaders will need to create organizational cultures that are amplified by the increasingly rich mix of media options that will emerge over the next decade.

Even when leaders are not present in person, they will need to have their presence felt. This has always been true, but it will be increasingly important in shape-shifting organizations. The good news is that the tools for culture seeding and nurturing will be so much better than what we have today. Augmented reality, mixed reality and virtual reality are the current buzzwords for a new blended-reality world of work that will take shape over the next decade.

Meeting in person will be crucial but in the context of a blended-reality and increasingly distributed world. We should all be focused on creating great conversations in a multimedia world.

Great leaders will not only be trained in a wide range of media, but they will also have their own signature flair within each medium. At this stage, the media options are improving rapidly, and the styles of use are still taking shape. Media-mix options for leaders will break down into roughly into five categories:

Same Time/Same Place: Best for getting to know others, developing trust, and understanding context and cultural background of others.

Different Time/Different Place: Best for the coordination of tasks and working fast — all of which work much better if workers have a shared orientation and sense of trust in advance.

Same Time/Different Place: Best when coordination and quick feedback are needed and it is important to get a "sense of the meeting" but it is not possible to get together in person for some reason.

Same Place/Different Time: Best when a central location or physical space is required for the work tasks, but being at the space simultaneously is either not possible or not required.

Any Time/Any Place: Best for continuous communication and staying in touch.

Each leader needs his or her own personal strategy for each media option as well as a personal skills development plan.

Moving Toward a Future That Is BEYOND Being There

The great news is that the blended-reality world of leadership in the future will be media rich, with lots of exciting choices for communicating. The challenging news for leaders is that they will have to have experience with how to lead in the expanding array of media-rich worlds, and most importantly — they will have to get very good at deciding which medium is good for what. However, richer media mixes may not be better than simpler forms.

For leaders at a distance, audio will be the primary medium. If your audio channel is weak or scratchy, you will have a weak or scratchy leadership voice — literally and symbolically. Leadership voice will be critical, and audio will be the most important channel for bringing your voice to life.

The Uncanny Valley

Blended-reality media will provide new opportunities to communicate more effectively, productively and persuasively than ever before. These same vivid media will also create new forms of remote presence that will have the potential to be off-putting, alienating and even inhuman. The term *uncanny valley* is used to describe how humans react to humanoid robots.

In climbing toward the goal of leaders being there without being there, our affinity for those leaders will increase until we reach an uncanny valley, where leaders will be perceived as being weirdly present.

The challenge for the future of distributed leadership is we don't yet know what could be on the other side of the uncanny valley for leadership at a distance. Most likely, it is a leadership experience that will not be the same as if the leader were there in person. Rather, it will need to be a hybrid of human presence and machine support. And it will need to be better than if the leader were there in person.

As we move into a world of ambient communications media, many will fall into the uncanny valley of leadership at a distance. In climbing toward the goal of leaders being there without being there, our affinity for those leaders will increase as their virtual connection increases — until they reach an uncanny valley, where leaders are perceived as being weirdly or inappropriately present. Do we really want our leaders to appear virtually as if they were there in person, or can we do better and at the same time avoid the uncanny valley?

Shared Presence

This will be a world where co-presence is possible, even when people are not present physically together at the same place and same time. Mixed-reality experiences will be able to be shared across distances. The best leaders will have vivid shared work and life experiences with the people they lead. Physically distant leaders will want to feel close — but not too close.

This will be a world where sensors are ubiquitous, many of them are connected, and some of them will be in our bodies. Moreover, leaders (and everyone else) will have the ability to make sense out of all that sensory data. These embodied systems will be able to link workers with leaders through biomarkers.

The best leaders will be able to literally embody and sense the moods of the people they are leading without intruding on their privacy.

This will be a world where we can finally put to rest the old notion that the only productive workers are those who are physically present and able to be seen by their leaders.

Leaders will need to develop their own sophistication in the art and science of being there without being there. There are some general directions of change. For instance, leaders will have to shift from thinking about physical proximity to attentional proximity and come to see scheduling as a much more dynamic and ad hoc process. But, on the whole, communications strategies will have to become much more situational.

The *New Literacy* of Creating and Sustaining Positive Energy

Certainly, there are many ways to express positive energy, and each of us has to express our own energy in a way that is authentic for us.

If leaders are going to thrive in a future of extreme disruption, they must not only manage their own energy, they must encourage, model, and reward positive energy in others. Fitness will be a price of entry for top leadership roles. Extreme fitness — physical, mental and even spiritual (though not necessarily religious) — will be required for most leadership roles.

Physical Well-being: While there is much debate on almost every healthy-living practice, everyone seems to agree on the importance of exercise. Former Chief Medical Officer of Google Kelly Traver says, "Exercise physically changes your brain. It helps you learn and remember better. It promotes alertness and enhances creative thinking. It elevates mood and lowers stress. In short, exercise is your biggest ally in achieving and maintaining good health."

Mindful Well-being: The good news is that neuroscience will get very practical over the next decade. Leaders will have a wide range of new resources to help them develop brain-smart ways of leading. Mindful well-being includes the popular interest in mindfulness, but it emphasizes applying the principles of neuroscience to leadership and daily living.

Interpersonal Well-being: By interpersonal, we mean family, friends, neighbors and those with whom you have direct communications on a frequent basis. In order to experience interpersonal well-being, you must have a community of individuals with whom you are so close that you could call them at 3 a.m. when you are crying.

Societal Well-being: This refers to how well linked are you to the culture, the society and the planet around you.

Financial Well-being: For many people, making a living means having a job. In the future, however, there will be fewer traditional jobs and lower job security for those who do have them. On the other hand, the new ways of working will allow much greater flexibility and many more ways to make a living.

In-Work Well-being: A career calling is much more than a casual choice of what you want to do with your life. Leaders, particularly in a work-oriented country such as the United States, are at their best if they truly believe in what they are doing at work.

Spiritual Well-being: Spiritual does not necessarily mean participation in any organized religion. The key is a sense of grounding, a sense of meaning that allows a leader to maintain a center in spite of being encircled by disruption.

Creating positive energy will require many skills, especially bio-empathy and quiet transparency. The literacy of creating and sustaining positive energy will require nurturing bio-empathy with yourself. Bio-empathy is the ability to see things from nature's point of view, to understand, respect and learn from nature's patterns. Nature has its own clarity, if only we humans can understand and learn from it.

Bio-empathy involves learning the principles of nature and applying them to yourself in order to develop your own body and mind as well as your own leadership style.

The literacy of creating and sustaining positive energy will require quiet transparency with strength, humility and empathy. Quiet transparency is the ability to be open and transparent about what matters to you without advertising yourself.

Moving Toward a Future Where Leaders Are Body Hackers

Over the next decade, sensors will be everywhere, and neuroscience will get practical. And if they pay attention with personal rigor and grit, leaders will benefit dramatically. Using body hacking, leaders will be able to monitor and enhance their own energy levels, as well as engage with people who work with them through body sensitivities and metrics.

Hacking means to start with something as it is but make it better. In the future, we will all have a tremendous ability to hack our own bodies, to zoom in and zoom out with high-resolution views in a way that only a few people can today. High-resolution body hacking will allow leaders to make and remake their own bodies, enhance personal energy levels and performance, and help them be more prepared for the leadership challenges they will face.

The people who will succeed in shape-shifting organizations will be full of grit, hope and optimism. It will be up to leaders to keep people hopeful and optimistic; in turn, they will be rewarded with gritty people who will see adversity and change as opportunities rather than challenges.

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39BS02 How Great Leaders Think

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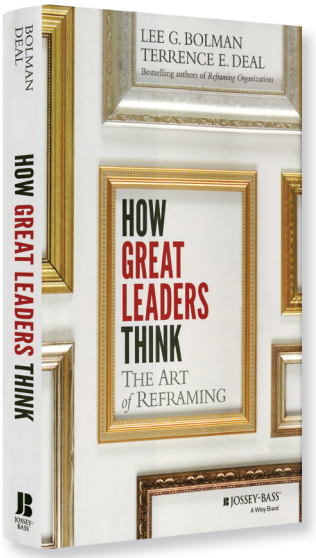
The Art of Reframing



by Lee G. Bolman
Terrence E. Deal

THE SUMMARY IN BRIEF

Why do some leaders succeed where others fail? What did Steve Jobs have that his predecessor lacked when Apple's board brought him back to save the company in 1997? What magic did Howard Schultz bring when he returned after an eight-year hiatus to get Starbucks out of a funk? Why was an airplane guy, Alan Mulally, able to pull Ford Motor Company out of a death spiral after Henry Ford's great-grandson tried and failed?

How Great Leaders Think: The Art of Reframing uses compelling, contemporary examples to show how better thinking is the key to better leadership. Leaders who can reframe capture a sharper image of what's going on around them and understand what they need to do to achieve the results they want. Lee G. Bolman and Terrence E. Deal's influential four-frame model of leadership and organizations offers leaders an accessible template for understanding four major dimensions of organizational life: structure, people, politics and culture.

IN THIS SUMMARY, YOU WILL LEARN:

- How to use structural tools to organize teams and organizations for better results.
- Techniques to build morale by aligning organizations and people.
- Strategies to map the political terrain and build a power base to navigate the partisan struggles in organizations.
- How to develop a leadership story that shapes culture, provides meaning and inspires people toward a shared purpose.

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THE COMPLETE SUMMARY: **HOW GREAT LEADERS THINK**

by Lee G. Bolman and Terrence E. Deal

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PART I: LEADERSHIP IN FOUR DIMENSIONS

Introduction: The Power of Reframing

Intelligence, talent and experience are all vital qualities for leadership, but they're not enough. They don't make the difference between success and failure. It's commonplace for business, once successful, to go into a funk. Then they need a turnaround because the smart, experienced people in charge who know the place better than anyone else have failed. The usual solution is to bring in an outsider with a stellar track record, but that approach doesn't always work. It all depends on how a leader thinks.

Framing

Neuroscientists now tell us that believing is seeing rather than the reverse. The human brain constructs its own images of reality and then projects them onto the external world. Reality is what each of us believes it to be: Beliefs come first; explanations for beliefs follow. Our mental models — rich or impoverished — determine the breadth and depth of our personal reality. How you think determines what you see and how you respond to situations.

There are many labels for such mental models: maps, paradigms, mindsets, worldviews and cognitive lenses, to name a few. We call them frames. A frame is a set of beliefs and assumptions that you carry in your head to help you understand and negotiate some part of your world.

Four Leadership Frames

There are four major frames — structural, human resource, political and symbolic. Books, articles and training programs typically present one frame or another, isolated from the others. Such single-lens views are exactly what get people in trouble and frustrate other leaders.

Each of the frames has its own image of reality. Multiframe thinking requires moving beyond narrow, mechanical approaches for understanding organizations.

PART II: STRUCTURAL LEADERSHIP

Getting Organized

Some leaders pay little attention to structure, either because they don't understand it or because they don't see it as very interesting or important. Social architecture has been a fundamental underpinning for many successful leaders. Leaders savvy about structure reason that even in the smallest work situation, people need to know what they're supposed to do, how to work with one another and who is in charge of what. Otherwise, confusion, finger-pointing and conflict undermine even the noblest of intentions.

As a leader, you continually choose how to decode the circumstances you face. You can choose to emphasize or ignore structure, to make it central or unimportant.

Elements of Social Architecture

Every structure is designed and crafted using a particular configuration of basic elements. One is the hierarchy

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Masiel Tejada**, Graphic Designer; **Andrew B. Clancy**, Executive Editor

of authority, or chain of command, typically with three levels: executive, managerial and operational. Authority for making decisions can be concentrated at any of the three levels. A second element is the division of labor.

Managers also have to decide how to group individuals into work units. Once authority is established and roles and responsibilities defined, structural design needs to provide ways to link the parts together. The challenge is to develop an appropriate mix of vertical and lateral coordination:

Those at higher levels provide vertical coordination by exercising authority, setting policy and strategy, and establishing planning and control systems.

Lateral coordination happens through a variety of formal and informal roles, meetings and groups. Individuals in coordinating roles have diplomatic license to span boundaries across specialized groups and areas. Matrix structures cross business and product lines.

Contextual Factors

Tinkering with structural arrangements requires a clear understanding of your situation. In developing the right social architecture to fit specific conditions, every organization needs to respond to basic contextual factors:

Size and age. Organizations become more complex and formal as they get bigger and older.

Core process. Simple, top-down structures work for stable and predictable tasks but not for more complex and turbulent ones.

Environment. Stable environments reward simpler structures; uncertain, chaotic conditions require a more complex, flexible structure.

Strategy and goals. Top-down structures work better with consistent, well-defined goals; more ambiguous goals and strategies usually work better with more flexible, decentralized structures.

Information technology. Information technology permits flatter, more flexible and more decentralized structures.

Nature of the workforce. More educated and professional workers need and want greater autonomy and discretion.

Applying the Structural Frames

Managers often try to fix problems by fixing the people, but miss structural solutions that are more effective and easier to implement. Three simple questions can help guide a structural analysis:

1. What's going on? What's working and not working?
2. What's changing (in your organization, your technology or your environment) that creates an opportunity, a threat or both.
3. What problem do you need to solve? What options should you consider?

Understanding the complexity and variety of design possibilities can help you create patterns and prototypes that work for rather than against both your people and your purposes.

Organizing Groups and Teams

Organizations depend on groups and teams to do much of their work, but teams often founder on structural flaws. A team's structure may come from the top initially but often needs to evolve locally to meet the challenges of the game, the work at hand.

In developing a team structure, a basic consideration is the nature of the work to be accomplished. Tasks vary in clarity, predictability and stability. Simple tasks align well with basic structures. More complicated projects generally require more complex structure. But when a situation becomes exceptionally ambiguous and fast-paced, particularly when time pressure is high, reverting to more centralized authority often works best. Without a structure aligned to the work, performance and morale suffer, and troubles multiply.

Leadership becomes even more critical in self-managing teams, which many see as the structure of the future. Such teams plan, assign tasks and roles, schedule, make decisions and solve problems on their own. Self-managing teams usually need help getting started, and work best when they have a clear sense of what game they're playing and how success is defined.

PART III: HUMAN RESOURCE LEADERSHIP

Leading People

For most of management history, standard practice has been to treat employees like pawns to be moved where needed and sacrificed when necessary.

That attitude explains why so much of the public thinks of bosses as selfish, heartless tyrants. In an era of high unemployment and economic distress, elites in every sector are suspect, and the idea of sacrificing people for profits persists as a popular view of the workplace. The human resource frame offers a much more positive and productive way to think about people.

Hiring the right people. At Brazilian manufacturing company Semco, Ricardo Semler studied managers who

failed. He realized they often were technically capable but lacking in leadership talent. In response, he developed a system in which subordinates rated their bosses on both technical ability and leadership.

Keeping them. To attract the right people, progressive companies reward generously and share the business profits. To retain loyal and hardworking employees, they protect jobs and promote from within.

Investing in people. Semco understands that undertrained workers cause harm by delivering shoddy quality, poor service and costly mistakes.

Sustaining power to the people. Semco took democratic decision making to a level few companies have ever contemplated. Workers began to design production processes and products, approve or veto new businesses, set production quotas and set their own hours and pay.

All would be well if leaders understood themselves and others. Unfortunately, that's not always the case.

Seeing Ourselves as Others See Us

One of the most basic and pervasive causes of leadership failure is interpersonal blindness. Many leaders simply don't know their impact on other people. Even worse, they don't know that they don't know. They assume that other people see them pretty much the way they see themselves; then they blame others when things go wrong.

Self-Awareness

Leaders develop self-awareness through ongoing learning about their actions and their impact on others. It's hard to know how others see you unless they tell you.

If you understand a few basic principles of interpersonal feedback, you can accelerate your own learning and perhaps improve others' as well.

1. **Ask and you shall receive.** People are reluctant to tell us more than we want to know. Persistence and specificity make your requests clear and credible.
2. **Say thank you.** Be sure to thank anyone who tries to help. If you respond to a gift by rejecting it, criticizing it or inducing guilt, the flow of future offerings will dry up fast.
3. **Ask before giving.** When someone doesn't want feedback, catching him or her off guard will usually breed suspicion and defensiveness rather than listening.
4. **When asked, give your best.** Resist the temptation to offer reassuring platitudes, but don't jump to the opposite extreme of brutal confrontation.
5. **Tell the truth.** This is familiar advice that almost everyone endorses and almost everyone violates. The primary barrier is fear. We'd say what we think — if we weren't afraid of the consequences.

Leadership Skills: Advocacy and Inquiry

It's easy to see that leaders need to communicate clearly and persuasively to advocate effectively on behalf of their mission and constituents. But many leaders fail to recognize that they also need to be good at inquiry. Probing with questions and observation enables them to learn from experience and to acquire information they need if they are to understand what's going on.

PART IV: POLITICAL LEADERSHIP

The Leader as Politician

Every group and organization is political, for two reasons: (1) individuals and groups have divergent interests and values, and (2) they live in a world of scarce resources. It is impossible for everybody to get everything they want.

Political Skills

The leader as politician needs to master at least four key skills: agenda setting, mapping the political terrain, networking and forming coalitions, and bargaining and negotiating.

Setting agendas. You need to understand how key constituents think and what they care about to ensure that your agenda meshes with their concerns.

Mapping the political terrain. A simple way to develop a political map for any situation is to create a two-dimensional diagram showing players (who is in the game), power (how much clout each player is likely to wield) and interests (what each player wants).

Networking and building coalitions. The first task in building networks and coalitions is to figure out whose help you need. The second is to develop relationships so that people will be there when you need them. The political map helps pinpoint the key constituents. Once you cultivate allies, you can move to "horse trading": promising rewards in exchange for resources and support.

Bargaining and negotiation. From a political perspective, bargaining is central to decision making. How does a leader decide how to balance win-win and win-lose approaches to bargaining? At least two questions are important: How much opportunity is there for a win-win solution, and will I have to work with these people again?

Conflict plays a key role in political dealings. This makes it very difficult for leaders who prefer calm waters to

stormy seas. Unfortunately, conflict is an integral part of life in organizations.

The Leader as Warrior and Peacemaker

There are two stances leaders can adopt in handling conflict: warrior and peacemaker. These can be symbolized by Apple's Steve Jobs epitomizing the warrior and Walt Disney's Bob Iger serving as peacemaker.

Steve Jobs was an aggressive pugilist ready to slug it out for any project or cause he championed. His combat style relied more on persistence and brute force than compromise and subtlety.

Described as a leader who does more listening than talking, Iger was as sensible and solid as those around him were volatile and had a disciplined calm, which helped him deal with large egos. Iger observed, "Every negotiation needs to be resolved by compromises."

Iger and Jobs embody two basic approaches to conflict. Organizations need both. Warriors are resolute fighters who raise the heat and intensify the conflict. Peacemakers work to lower the temperature and defuse conflict in the hope of minimizing destructive, lose-lose dynamics.

The Peacemaker: Cooling the Flame

Leadership often has to challenge existing beliefs and emotional investments, asking others to review where they stand and what they know or value.

Several guidelines can help peacemakers do their work well.

Be patient. Skilled peacemakers understand that conflict resolution takes time, effort and learning.

Listen and inquire: Understand parties' interests, thinking and feelings. Inquiry and listening are critical for two reasons. One is to ensure that you understand the political map. Listening is also critical because parties who feel they have been heard and understood are better able to put emotions aside and focus on solving the problem.

Engage the parties: Put people to work. Leaders need to create arenas with rules, roles and referees and be prepared to tightly manage the exchange. When these tasks are done well, they increase the chances that participants can learn from the dialogue and find a way out of the impasse.

The Warrior: Turning Up the Heat

Leaders often need to confront conflict head-on rather than fear it and back away. Both modern research on leadership and ancient wisdom on strategy teach that successful warriors combine four basic ingredients: spirit, mind, skill and power. Four guidelines can help leaders achieve victory in combat:

Fight with passion and persistence — or avoid combat. Passion energizes, sustains courage and fuels persistence.

Out-think opponents — win with a better game plan. It is foolish to go into combat without knowing what you are fighting for and what price you are willing to pay. Once your purpose is clear, you need a game plan.

Recruit and rally your team. Knowing the group psyche is vital: rallying constituents involves making an offer so attractive that they are eager to sign up.

Build and leverage a power base. The modern warrior needs social and institutional power. Four power assets are paramount: position, allies, organization and resources.

Conflict is intrinsic to leadership and can be a barrier that prevents leaders from achieving their dreams, particularly when they fear it or handle it badly. But in the hands of gifted leaders, conflict can also be a powerful lever for change.

PART V: SYMBOLIC LEADERSHIP

The Leader as Magician

As he sat at his kitchen table early one morning in February 2007, Starbucks chairman and former CEO Howard Schultz was enveloped in the gloom of the Seattle weather outside his window. When he visited individual stores, Schultz felt that something intrinsic to the Starbucks brand was missing.

Schultz began to organize his thoughts on a yellow legal pad in a handwritten memo titled "The Commoditization of the Starbucks Experience." In it, he noted recent technical advances that were undercutting key cultural values and ways.

Schultz ended the memo with a heartfelt statement: "We desperately need to get back to the core and make the changes necessary to evoke the heritage, the tradition and the passion that we all have for the true Starbucks Experience."

Schultz intended the memo as confidential food for thought for key executives, but, to his chagrin, someone leaked it. Schultz was stunned by the leak and felt pressure to do damage control. By the end of 2007, same-store sales started to show double-digit declines. Schultz and the Starbucks board agreed that he needed to return as CEO.

Barista Boot Camp

One of Schultz's first initiatives was to close all 7,100 U.S. stores for an afternoon of barista re-education. Back at headquarters, Schultz worked on renewing roots with a playful brainstorming session for key executives. A week after the stores closed for barista training, Schultz convened the top 200 Starbucks execs from around the world for a hands-on, interactive three-day leadership summit.

Schultz's package of symbolic initiatives helped to refocus Starbucks' strategy and re-energize its people. From losses in late 2008, Starbucks rebounded to record revenues ($10.7 billion) and profits ($1.4 billion) two years later, while retaining its place on Fortune's list of the 100 best companies to work for and expanding its efforts to become greener and provide more support to coffee growers.

The Ways of Magic: How Symbolic Leaders Work

Leaders like Howard Schultz lead through both actions and words; they interpret experience to impart meaning and purposes through phrases of beauty and passion.

Symbolic leaders respect and use history. If leaders assume that history starts with their arrival, they typically misread their circumstances and alienate their constituents. Wise leaders attend to history and link their initiatives to the values, stories and heroes of the past.

Symbolic leaders interpret experience. In a world of uncertainty and ambiguity, a key function of symbolic leadership is to offer plausible and hopeful interpretations of experience.

Symbolic leaders develop and communicate a hopeful vision. One powerful way in which a leader can interpret experience is by distilling and disseminating a persuasive and hopeful image of the future. A vision needs to address both the challenges of the present and hopes and values of followers.

Symbolic leaders convene rituals and ceremonies. Rituals and ceremonies are special times in the life of a group or organization. During such occasions, people swap stories, renew ties to one another and recommit to cultural values.

Seeking Soul in Teams

Teams often fall short because they come together rationally but not spiritually. Uncommon spirit — or soul — is often the key ingredient of wildly successful teams or "hot groups."

Leadership is often viewed as the work of extraordinary individuals, but in great groups, leadership is almost always shared and fluid. Leadership initially focuses on assembling individuals with the right stuff and building powerful cultural bonds that inspire and sustain team members through the ups and downs of challenging work.

The Eagle Group: Reasons for Success

The Soul of a New Machine is Tracy Kidder's dazzling yearlong account of a small group of engineers at Data General who, in the 1970s, created a new computer in record time. Despite scant resources and limited support, the Eagle Group outperformed all other Data General divisions to produce a new state-of-the-art machine. The technology is now antiquated, but lessons from how the team pulled it off are as current and useful as ever.

Signing up. Joining a team involves more than a rational decision. It is a mutual choice marked by some form of ritual.

Leadership diversity as a competitive advantage. Leadership diversity among the Eagle Group's top engineers was channeled into specialized functions. Understandably, there was tension among these leadership roles and subgroups. Harnessing the resulting energy pulled the parts into a cohesive team.

Example, not command. The group itself had some rules but paid little attention to them. Subtle and implicit signals rather than concrete and explicit guidelines or decisions held the group together and directed it toward a common purpose.

Specialized language. Every unified group develops words, phrases and metaphors unique to its circumstances. A specialized language both reflects and shapes a group's culture. Shared language allows team members to communicate easily with minimal misunderstanding. A shared language binds a group together and is a visible sign of membership.

Building a Soulful Team

After extensive research on high-performing groups, Peter Vaill concluded that spirit was at the core of every group he studied. Members of such groups consistently "felt the spirit," a feeling essential to the meaning and value of their work.

PART VI: IMPROVING LEADERSHIP PRACTICE

Reframing in Action

Most leadership challenges can be framed in more than one way, and every turn of the kaleidoscope offers a different image of the problems and possibilities.

The frames are powerful because of their ability to spur imagination and generate new insights and options. But each frame has limits as well as strengths, and each can be applied well or poorly.

Benefits and Risks of Reframing

The essence of reframing is examining the same situation from multiple vantage points. Each lens offers distinctive advantages, but each has its blind spots and shortcomings.

The structural frame risks ignoring everything that falls outside the rational scope of tasks, procedures, policies and organization charts. Structural thinking can overestimate the power of authority and underestimate the authority of power.

Adherents of the human resource frame sometimes cling to a romanticized view of human nature in which everyone hungers for growth and collaboration. Human resource enthusiasts can be overly optimistic about integrating individual and organizational needs while neglecting structure and the stubborn realities of conflict and scarcity.

The political frame captures dynamics that other frames miss, but has its own limits. Political action is too often interpreted as amoral scheming.

The symbolic frame offers powerful insight into fundamental issues of meaning and belief as well as possibilities for shaping people into a cohesive group with a shared mission. But its concepts are also elusive; effectiveness depends on the artistry of the user.

Leaders can harness frames as scenarios, or scripts, to generate unique approaches to challenging circumstances. In planning for a high-stakes meeting or a tense encounter, they can imagine and experiment with novel ways to play their roles.

Leadership and Change

You're better off seeing quicksand before you're mired in it. Likewise, your chances of success are enhanced when you use the frames to help you see pitfalls and roadblocks in the road ahead. It rarely works to retrain people without revising roles or to revamp roles without retraining. Planning without broad-based participation that gives voice to political opposition is likely to provoke stiff resistance. Change alters power relationships and undermines existing agreements and pacts. Even more profoundly, it intrudes on deeply rooted symbolic forms, traditional ways and rituals.

Resurrection at Ford Motor

As Ford Motor Company was chalking up a $13 billion loss in 2006, chairman William Ford III reluctantly concluded that, hard as he had tried, he was failing in his efforts to save the company his great-grandfather had founded. He went in search of a seasoned leader smart enough to figure out where Ford needed to go and tough enough to take on the infighting and entrenched mindsets among executives and divisions that had defeated Bill Ford's best efforts. Eventually, he set his sights on Alan Mulally, the number-two executive at Boeing.

Mulally quickly concluded that Ford needed a major overhaul of a "convoluted management structure riddled with overlapping responsibilities and tangled chains of command."

To reach the thousands of employees beyond Detroit, Mulally traveled to locations around the world, asking questions and reinforcing the message that Ford was coming back. He issued every employee a wallet card that carried the essence of the plan going forward: "One Ford. One Team. One Plan. One Goal."

"One Ford" may sound simple, even simplistic, but for Mulally it was a powerful mantra and polestar. It meant replacing chaos, parochialism and political infighting with simplicity, teamwork and unity — worldwide.

Mulally's efforts worked, though more slowly than he had initially hoped. Just as Ford began to turn the corner, the recession of 2008 devastated the auto industry worldwide. But two years later, the economic crisis forced both General Motors and Chrysler to beg for U.S. government bailouts to stay in business. Ford had the cushion it needed to avoid taking taxpayers' money. That became a huge marketing edge. After losing market share for 13 straight years, Ford gained share in 2009, turned a profit in 2010, and achieved its highest profits in more than a decade in 2011.

Searching for Soul: Leadership Ethics

The frames or leadership lenses help leaders think better and make better decisions. But many of the decisions they face require choosing among imperfect options. What ethical ideals will inform your leadership tasks of thinking and doing? What ethical ideals will inform your leadership? Every leader and organization needs to choose and commit to personal and collective ethical principles. Each frame implies both a central value and a leadership "gift" that can help breathe soul into an organization's daily life.

The Factory: Excellence and Authorship. The structural frame, with its emphasis on finding the right design for the task at hand, implies a value of excellence. Critical for creating and maintaining excellence is the gift of authorship. Authorship turns the classic organizational pyramid on its side and provides space within boundaries.

The Family: Caring and Love. Caring begins with knowing; it requires listening, understanding and accepting. It progresses through a deepening sense of appreciation, respect and ultimately love.

The Jungle: Justice and Power. Justice is often hard to define, and disagreement about its application is inevitable. The key gift that leaders can offer in pursuit of justice is power — the capacity for constituents to make a difference in things they care about.

The Temple: Faith and Significance. Leaders can build and sustain meaning by fostering faith in an organization and its work. Significance is partly about the work itself but even more about how the work is embraced.

Ethics ultimately must be rooted in soul: an organization's commitment to its deeply rooted identity, beliefs and values. Each leadership lens offers a perspective on the ethical responsibilities of organizations and the moral authority of leaders. The frames offer spiritual guidelines for the quest.

Great Leaders, Great Stories

As you think, so shall you lead. Much of the literature on leadership focuses on the style, attributes or actions of leaders. But thinking needs to precede action. Otherwise, action is a shot in the dark by mindless leaders who haven't thought enough about why they are choosing one path or another. The quality of leaders' thinking depends ultimately on the stories they tell. Leaders live within the stories they have created and invite others to join them on the adventure.

Worldviews, Frames and Stories

A leader appears, bringing a worldview and a personal story to a particular time and place. The setting provides a context with its own organizational story. The leader's worldview and personal story influence how she responds to the organization's story. However she makes sense of the organization's story and circumstances, she constructs a narrative to guide her and the organization going forward. Then she asks constituents to become participants in a shared story.

We can think of a leader's worldview as containing four key elements that influence how he or she makes sense of the world:

1. **Concepts and categories.** What's out there? What are the ideas and things I might notice and pay attention to?
2. **Beliefs.** How do things work? What actions lead to what outcomes?
3. **Values.** What's good or bad? What's important or not?
4. **Self-image.** Who am I? What do I care about? What are my leadership strengths and weaknesses?

The Leader's Story

Consciously or not, leaders create a personal leadership story to guide their work, a story built over the course of a lifetime's experience. Organizations also fabricate a story gleaned from their past and adapted to present circumstances. Some organizations maintain connections to their roots; others lose contact and become rootless.

As new leaders assume their roles, a dialogue opens, an interplay between the leader's story and that of the organization. New questions come to the surface:

1. **Where have we been?**
2. **Where are we now?**
3. **Where should we go from here?**
4. **How will we get there?**

Great leaders use multiple frames so as to see what they need to see and craft a story about what will work. Meanwhile, organizations have evolved their own narratives. The interplay of leaders' and organizations' stories gives rise to an emerging script that, at its best, provides a compelling image of where a group or organization is, where it needs to go and how it will get there. Bad stories often lead to disaster, but good ones conjure magic.

RECOMMENDED READING LIST

If you liked *How Great Leaders Think*, you'll also like:

1. ***The Attacker's Advantage*** **by Ram Charan**. Charan provides proven tools to help leaders embrace uncertainty and develop the skills to lead.

2. ***Leadership Blindspots*** **by Robert Bruce Shaw**. Learn how to identify your weaknesses, threats and other vulnerabilities that can impair effectiveness, results and even your career.

3. ***Becoming Your Best*** **by Steven Shallenberger**. Discover the 12 principles you need to follow in order to reach your highest potential and drive the kind of innovation that turns good companies into industry leaders.

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39BS10 Bankable Leadership

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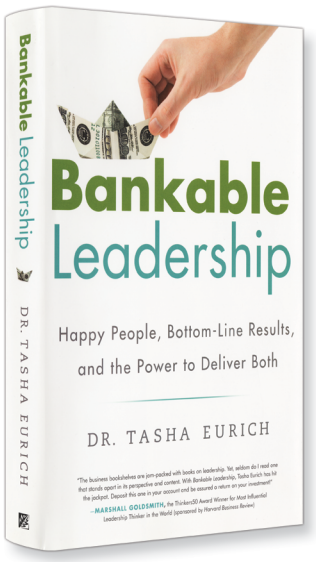
Bankable Leadership

Happy People, Bottom-Line Results, and the Power to Deliver Both



by Dr. Tasha Eurich

THE SUMMARY IN BRIEF

As a leader, you've likely felt the tension between driving results and developing positive relationships with your people. Despite all the research telling us that effective leaders do both, most of us struggle to balance the happiness of our teams and the health of the bottom line. We are more comfortable focusing on one or the other, and we feel overwhelmed and drained by the challenges we face when we try to accomplish both.

In *Bankable Leadership,* psychologist, executive coach and proud leadership geek Dr. Tasha Eurich solves this dilemma and reveals how to make leadership exhilarating, fun and fulfilling. Built on decades of research and the transformation of real leaders, her fresh, practical model can help anyone become bankable — producing results while fostering a healthy work environment that ensures sustainable success. Discover how to be human and drive performance, be helpful and drive responsibility, be thankful and drive improvement, and be happy and drive productivity.

Whether you're struggling to build a more productive team, increase confidence in your leadership skills, or consistently deliver results, *Bankable Leadership* is the resource you've been waiting for!

IN THIS SUMMARY, YOU WILL LEARN:

- How to navigate the four tensions between taking care of people and driving results.
- How to build trust with and among your team.
- What Theory Y is and how to use it to be helpful and drive responsibility in your employees.
- How to deliver balanced feedback to team members.

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THE COMPLETE SUMMARY: **BANKABLE LEADERSHIP**

by Dr. Tasha Eurich

The author: Dr. Tasha Eurich is a workplace psychologist, speaker, author and principal of The Eurich Group. Her life's work is to help organizations succeed by improving the effectiveness of their leaders and teams. Dr. Eurich regularly works with executives in large, Fortune 500 organizations and serves on the faculty of the Center for Creative Leadership. Her expertise has been highlighted in outlets like the *New York Times* and *Forbes.*

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Introduction

Two outcomes often feel like they are mutually exclusive. "I can drive my people to perform," you think," OR I can be their friend." But the belief that leaders can't learn to do both is the biggest leadership myth in the business.

You've probably heard that employee engagement is strongly linked to financial success. One famous study conducted at Sears found that for every five-point increase in employee engagement, customer satisfaction rose 1.3 percent, which then increased revenue by 0.5 percent. In a company with $50 million in revenue, that means a $250,000 increase to the bottom line!

What creates employee engagement? Leadership! And how do leaders become bankable? By displaying behaviors that balance four basic tensions between taking care of people and driving results:

- Be Human and Drive Performance: Bankable leaders balance caring for and understanding team members as people with the need to drive their individual performance.
- Be Helpful and Drive Responsibility: They balance helping team members succeed with ensuring that they feel responsibility for the results they produce, rather than abdicating or making excuses.
- Be Thankful and Drive Improvement: They balance showing appreciation for what team members contribute with driving a continuous improvement mindset that things can always be better.
- Be Happy and Drive Productivity: They balance enjoying (and not being overwhelmed by) work with ensuring that each team member is maximally contributing.

PART I: BE HUMAN and DRIVE PERFORMANCE

Bankable leaders connect with their teams as human beings and drive them to top performance. It's a rare leader who can do both naturally without careful thought and development. Two common types of leaders are the Pushover and the Tyrant. The Pushover is overly focused on the happiness of her staff, so rather than being direct and upfront, she'll tell her team what she thinks they want to hear. The Tyrant is focused on performance at all costs. This type of leader can often create results; however, research shows that they aren't sustainable and will come at a cost.

You probably lean more toward one pole than the other, but you need to do both to do either one well. To get great results, you have to connect with your team on a human level. To connect with your team, you have to give them something to be a part of that's worth their best efforts.

Trust and Be Trusted

Although most of us know trust when we see it, it isn't commonplace in most organizations. Sometimes it's easiest to identify situations where trust isn't present because FEAR — the opposite of trust — prevails. But when FEAR is gone and trust is present, employees feel valued and are willing to go the extra mile. The best coaches and leaders build two types of trust: trust based on competence and trust based on motive.

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Building Competence-Based Trust

When you earn competence-based trust, others see you as competent and reliable — the first step towards being bankable. Whatever your role, your team must believe that you have the necessary skills for your position.

How do you develop your competence, both actual and perceived? Make it a point to attend conferences to keep up to date on the latest in your profession. If you don't have a mentor, get one. Create a key personal indicators dashboard. Pick four or five key measures you want to keep track of and review them monthly.

Competence-based trust is also an accumulation of satisfied promises. If you are not seen as someone who makes good on your word, you won't be seen as competent. Here are two approaches that work best when it comes to keeping commitments:

In whatever manner best fits you (Outlook tasks, Post-its, etc.), keep a record of every commitment you make to others as well as the time frame you promised. Don't cross off any item off the list until it's complete. If you can't keep a commitment, let the person know as soon as possible, apologize, and renegotiate the deadline.

Second, commit to fewer things. Don't say you'll do something unless you believe you can and should accomplish the task. Finally, you should be not only demonstrating competence-based trust yourself but also fostering it in your team. If your team members trust each other to be reliable and competent, the whole team's performance improves.

Building Motive-Based Trust

When you earn motive-based trust, people believe you have positive intentions. There are three ways to improve your team's motive-based trust in you: self-disclosure, demonstrating fairness, and acting with integrity.

Self-disclosure: The more your team understands your motives, thought processes and personal history, the more they will give you the benefit of the doubt. If you're honest about what you don't know, your team will trust your motives: They'll see it's more important for you to get it right than to look good.

Fairness: If your team trusts you to be fair, they'll be more likely to accept the decision and give you the benefit of the doubt. To be seen as fair, practice outcome fairness, when employees perceive that rewards are given proportionately to what recipients put in; process fairness, or applying procedures consistently, making the processes clear, and giving employees a chance to ask questions; and interpersonal fairness, or treating your employees with kindness, respect and consideration.

Acting with Integrity: If your team can't predict how you'll behave with relative accuracy, they will feel uneasy. Take time to consider your leadership principles, which then help you build your leadership credo. Aim for a list of three to five principles that drive you and are essential to who you are as a leader.

Be Unmistakably Transparent

Bankable Leaders create two kinds of transparency. Transparency of intent builds on our discussion of self-disclosure and fairness by telling our employees why you're making decisions. Transparency of information means sharing your department and company's strategy, financials and operations.

These five actions will help you be unmistakably transparent with information and your intent:

1. **Make sure you, your manager and your peers are aligned.** If each of you is interpreting things differently, you could each be telling your team different things, and chaos will ensue.
2. **Be transparent about transparency.** When you know something and can say it, say it. When you know something but can't say it, tell them why. And if you don't know something, tell them when you'll know and how you'll follow up.
3. **Build structure around transparency.** Create forums to regularly share information.
4. **Be a detective who ruthlessly ferrets out rumors.** When you unearth a rumor, the best approach is to address it directly without attacking employees. It takes courage for an employee to share the rumors they've heard. Thank them; then set the record straight.
5. **Know when not to be transparent.** Sometimes sharing information can do more harm than good. Instead of sharing in-progress items, explain the process that is being used and give a timeframe for when you will be able to announce the change.

Set Crystal Clear Expectations

Leaders who set clear expectations drive not only results but confidence within the team as well. It is necessary for bankable leaders to create clarity of the "what" and the "how."

The What: Set high expectations for the team, which leads to better relationships, more difficult goals, more learning and more employee engagement. Create and communicate a vision of the future to guide your team's work and thinking about their roles. Clearly define each team member's role, asking questions and defining specific contributions. Create clear expectations with your employees regarding the results you expect.

The How: Tell team members exactly what you expect from them individually, outlining acceptable and unacceptable behaviors for how to get their work done. Give the team as a group clear direction on how you want them to engage with you for meetings, issue resolution, reports and written documents, etc. Help your team clarify how they will work together, including how meetings will run, preferred methods of communication, team operating principles and decision making.

Be a Lightning Rod of Compassion

When you don't understand and support your team members, they will feel like cogs in a machine. This feeling almost always prevents employees from forging a connection to you or their jobs.

Few would disagree that compassion is essential for leadership success. But for many reasons, it's surprisingly difficult to demonstrate on an ongoing basis.

Compassion = Empathy + Supportive Action. The three essential elements of empathy are taking their perspective, understanding the impact of your title, and realizing that names go a long way. When your team knows that you understand what they're going through, they will cut you a lot more slack and will be able to better manage difficult situations.

The title you hold will almost always impact how your team sees you. As a leader, your actions become magnified, good or bad. Bankable Leaders understand the power of simply noticing and appreciating others. Commit to learning the names of your employees, their spouse or partner, their kids and even their pets.

The supportive action part of the equation is about lending a hand to help your team. Three ways to lend your support to the team include standing with them in the line of fire, giving them your full attention, and reaching out when the going gets tough. Stand beside your employees, especially at critical points. Put in a late night with them before a big proposal is due. Visit the construction site. The important thing is for you to physically (or virtually) be there and to be one of them.

PART II: BE HELPFUL and DRIVE RESPONSIBILITY

Bankable leaders help their employees succeed even as they drive responsibility for the employee's actions and decisions. Doing both can feel difficult, with the two ends of the spectrum being the "Enabler," who is too helpful, and the "Dictator," who is so focused on employees taking ownership of their work that he doesn't help them by creating the right conditions for success. Both types of leaders treat employees like children, but for different reasons. Enablers don't give them the responsibility adults are entitled to, and dictators don't allow them to make their own decisions.

It helps to understand the Theory X and Theory Y paradigms of leadership as coined by management professor Douglas McGregor in his 1960 book, *The Human Side of Enterprise:*

Theory X: Leaders assume that workers are lazy by nature and they must be pushed to get work done; micromanagement at its finest.

Theory Y: Leaders assume that workers are naturally motivated and interested in their success as well as the company's and that leaders should focus on helping them succeed rather than control them.

Leaders who use a Theory Y approach help their employees succeed, and they drive responsibility.

Treat Adults Like Adults

Overzealous policies reward terrible leadership and often don't deal with poor performers directly. The clear solution is to treat your employees like adults, letting go of tightly controlled work practice and giving employees true ownership of their behavior. You can help them perform simply by believing in their competence, and you can engineer ownership by empowering your team.

Believe in their competence. The simple leadership lesson is this: What we believe about others comes true.

When you "act as if," you are treating your employees as if they were the most talented, motivated and capable people around. To "act as if," you have to delve into the fundamental assumptions you're making about your team. And remember, you choose these assumptions.

Engineering ownership is the second approach to treating your people like adults. When you do this successfully, you can give up a certain level of control to your team members, making them — and your customers — happier in the process. When empowering your employees, set

clear expectations for what you want accomplished, but give them leeway with the how. Regularly give your employees a voice in the decisions that affect them, and listen to their input. Also, give them flexibility in how they schedule their work and nonwork time.

Support, Don't Hand-Hold

Two tactics for supporting and encouraging your employees even as you give them increased responsibility are to give them meaningful work and to make sure they feel supported and included.

Meaningful Work: Show employees their work matters to you personally. Regularly thank them for their contribution, and tell them how much it means to you — as their leader and as a person — that they are working so hard and producing so much. Help them see the impact of their work on the department, the organization, etc., and don't assume they already know this.

Manager Inclusion and Support: Carve out one-on-one time with each employee to talk about their successes, challenges and goals and to show them your support. Create a sense of camaraderie within the team by spending time together and creating opportunities to be supportive of one another.

Bring Out Their Best

Bankable leaders help their employees take responsibility for their own growth, find their strengths, and create a vision for their learning and development. And when issues arise, they coach them rather than solve the problems for them.

Bankable Leaders commit to finding something good within every employee. Employees who are given feedback on their strengths are more likely to feel engaged and productive than when they get feedback on their weaknesses. Once you discover the individual strengths of your employees, you'll set them on the course to develop their true potential. But getting work done is rarely that simple, and people are bound to hit a roadblock or two on their journey. That's where coaching comes in.

Coaching boils down to three basic behaviors: listening, asking questions, and ensuring that the employee follows through on the coaching. Remember that coaching is about helping employees solve their own problems. Center the conversation around the employee, intently listening with an open mind. Assume that employees have the right answer and that it's your job to ask the right questions to surface it.

PART III: BE THANKFUL and DRIVE IMPROVEMENT

Leaders will never have happy, engaged employees without showing gratitude, and they'll never drive sustainable results without constantly asking employees to improve — it's a difficult balancing act. The two ends of the spectrum range from the "Everything Is Great" leader, who lavishes too much praise and can cause employees to become complacent or entitled, to the "Nothing's Good Enough" leader, who is never satisfied.

Bankable Leaders can successfully drive change by walking the tightrope between thankfulness and improvement.

The Science of Entitlement-Free Appreciation

One of the most common leadership mistakes is neglecting gratitude and overemphasizing continuous improvement. According to the Society for Resource Management, 79 percent of employees cite lack of recognition and praise as their top reason for leaving an organization.

So what is the right way to thank your team members and acknowledge their efforts? Appreciation is a science, and the first concept we must understand is self-efficacy — your own belief that you can perform effectively.

When employees believe they can do something, they usually prove themselves right. What's more, leaders can really improve employees' self-efficacy by providing encouragement and appreciation. However, the opposite is also true: Researchers have shown that when leaders are stingy with appreciation — or worse, criticize them in the spirit of improvement — their team actually performs worse.

Banish Entitlement

But just as it is important to show gratitude, you must banish entitlement. To prevent entitlement, you must differentiate recognition and/or make it unpredictable. If the same amount of appreciation is given for mediocre performance as exceptional performance, people will start to become not just mediocre, but entitled. Make sure that you differentiate recognition between average and top performers. Consider establishing prestigious and selective rewards that only the highest performers win.

The perception of scarcity will drive improvement. Finally, make team-level recognition creative and unpredictable so your employees don't start expecting to be rewarded every time they do something.

No-Fear Feedback

People deserve honest feedback — the good, bad and ugly. For a leader, giving feedback can cause you to feel tension between being thankful for the work your employees do and being honest about how they can improve their performance. It's hard to tell your employees what you want them to keep doing and ask them to step up their game.

Because most of us dread being called out for mistakes or weaknesses, leaders who hope to give honest feedback run the risk of angering employees and decreasing productivity if it isn't delivered correctly. Some leaders feel like they're "damned if they do and damned if they don't." If they don't give honest feedback, it might not upset their employees, but certainly it won't make them better. If they do give feedback, it might communicate what they need to change but upset them.

But the value of appropriately delivered improvement feedback is irreplaceable. The goal is to give "no-fear" feedback: There should be no fear for employees in receiving it and no fear for you delivering it. If you can help employees know what they're doing well and have the courage to help them be more successful, they'll pay you back in performance.

2D Feedback: A Foolproof Technique

There are two types of feedback: behaviors employees should Duplicate in the future and behaviors employees should Deviate from in the future. This is the 2D Feedback Model.

To give effective duplicate feedback, start by thanking the employee, then describe what they did and its effect. Ask for more in the future (reinforcing the need to duplicate their performance), and be on the lookout for the behavior, and reinforce it with gratitude. While duplicate feedback may be easier for a leader to share with an employee, it doesn't mean that deviate feedback should be difficult. Here are five pointers to help you deliver nonthreatening "Deviate" feedback:

1. Be direct but supportive. State what you're giving feedback on and that you want them to succeed — this feedback is a tool for them to use for improvement.
2. Describe the behavior that needs to be different and why in an even, calm tone, almost as if you're reporting the weather.
3. Agree on the behavior they'll try instead. First ask for the employee's perspective on the situation. Then, ask for their ideas with the goal of agreeing on the best approach to use in the future. State the benefit of changing the behavior.
4. Determine next steps, such as following up in a month.
5. Offer your support, and end on a positive note. When you see improvements, give "Duplicate" feedback.

If deviate feedback isn't working, be honest with yourself, and take the appropriate action when you've exhausted all other options. You have to take poor performance seriously.

The Change Blueprint

Our proclivity to become set in our ways presents a problem for leaders, whose task is often to introduce change to their department or organization. And when leaders don't successfully navigate change, people become anxious, hopeless and angry — and that's just the beginning. On the results side, poorly managed change efforts will fail, often with negative consequences for profit, stock price and even the company's reputation.

Anytime you're asked to drive change, you must adopt the right mindset. First, you must distinguish between the things you can control or influence and the things that are out of your control. If a change needs to be made and you can control or influence it, charge ahead with your team, and make it happen. However, if a change needs to be made but it is out of your control, don't waste energy. Rather, support your team, and help them manage their anxiety.

Once you've adopted the change mindset, you're ready to apply the change blueprint. Help your team understand the change by explaining why it is taking place, how it will impact employees, what the process will be, what alternatives were considered, and what the cost will be if the change isn't adopted.

Make sure your team believes in the change by involving them in the process, expressing your support for their sacrifices, and showing gratitude for their willingness to leave the old way behind.

Finally, clearly communicate what employees should do to support the change. Equip them to demonstrate the behaviors the change requires. Be generous with appreciation when they demonstrate these behaviors.

PART IV: BE HAPPY and DRIVE PRODUCTIVITY

Viewing happiness and productivity as mutually exclusive is one of the most common mistakes in modern organizations. As a leader, you can't take care of people without letting them enjoy themselves, and you can't drive results in the long term without helping your team produce in a smart way. Not only can these two outcomes exist at the same time; in fact, they are interdependent. You need one to optimally produce the other.

So what stops leaders from doing both? Much of the time, it's the belief that we experience happiness at the expense of productivity. Or we think that if we're being productive, we can't be having fun at the same time. The spectrum ranges from the "Only Fun Matters" leader, who creates a positive and enjoyable environment without expecting hard work in return, to the "Only Productivity Matters" leader, who is so overly focused on productivity that they exterminate fun. But Bankable Leaders can create a fun environment where stuff actually gets done.

Why No One Can Work 80 Hours a Week — for Long

Working too many hours drains and depresses us, leaving little extra energy for being productive. One of the most effective antidotes to burnout is time off. But according to the Center for Economic Policy and Research, 25 percent of Americans don't take any vacation, either because they have it but don't use it or because their employer doesn't provide it.

Why would anyone choose not to take a vacation they rightfully earned? For many employees, fear is a factor — fear of missing out on that promotion, fear of topping the layoff list, fear of being judged by their boss or coworkers. But bankable leaders realize that employees are fighting against this current and actively help them balance time off with hard work.

If long vacations are difficult, help your team take a few short breaks during the year at a minimum. The benefits will actually be greater if they take more frequent breaks rather than one long one. Also, don't bother your employees while they are out of the office. Instead, make sure everything is covered before they leave. Working during time off will diminish the benefits of the break.

And remember, even a bankable leader needs to take time off to prevent your own burnout. What applies to your employees also applies to you, and if they see you unplug, they'll be more likely to do the same. In addition, consider your time off as an opportunity to groom your high-potential employees and give them more responsibility while you're gone.

The Power of Power Breaks

Now that you know the brilliance of time away from the office, here's how you can make the most of your team members' energy while they're in the office.

Suggest your team take a short break every hour — even if it's just a minute — especially when they're working on projects that require focus, such as writing a proposal or preparing a budget. Encourage them to get up and stretch, look out a window, or even (Heaven forbid) check their Facebook feed.

In addition to taking power breaks throughout the day, consider evenings and weekends as great power-break opportunities. iPhones, BlackBerrys, laptops, web conferencing — they were all designed to help us be more efficient, but they've turned into a tether. By responding to emails at 11:00 p.m., you create the expectation that you will do the same thing in the future, and expecting employees to be constantly available can be dangerous.

Instead, make your expectations clear to your team: Outline what types of emergencies or urgent issues you expect them to respond to and which can wait until the next business day.

The OLT (One Less Thing) Principle

Constantly having new projects or tasks added to our already packed schedules is the new normal. In modern organizations, most people have way too much on their plates. When was the last time you received an order from your boss telling you to stop doing anything? And just like you, your team is bombarded with goals, initiatives and corporate fire drills. Realizing when to stop investing time and energy in your team's projects might be just as important as knowing when to start.

The OLT principle ensures that your team is focused on the right things and spending no more time than necessary to produce the results you need. Here's how it works: For every activity your team is performing, you (and they) should ask:

- **Can this activity be focused so less time is spent completing it?** You should have no more than three to five goals to guide the efforts of your team, and use these goals as a daily barometer to

focus its activity and energy. Also, constantly assess whether "good enough" is enough, balancing the time required for perfection with the diminishing improvement you will probably see. This will allow you the energy to make your most important tasks or projects perfect because you won't be wasting energy elsewhere.

- **Can this activity be delegated to another person or group?** If your team members are stressed or overloaded, delegating tasks to other people or groups capable of accomplishing them is crucial. Coach your employees to provide clear instructions about the end result, to hand over projects in their entirety to capable employees, and to help the person who got the project to stay on track as it progresses.
- **Can this activity be stopped?** Stay aware of changing priorities, and be vigilant about what tasks or projects your team could stop doing entirely so they can focus their energy on what's most important. Also, have the courage to challenge assumptions about how your team should spend its time as business conditions change.

Remember, even if you feel powerless against the magnitude of your team's workload, there is almost always an opportunity to streamline or focus. Taking the time to ask the three questions of the OLT principle will make life better for your team and help them spend time on what's most important. As Stephen Covey says, "First things first."

Loosen Up!

When employees are having fun, they are happier and more productive. According to David Abramis, fun guru and Cal State-Long Beach professor, fun improves communication and enhances team spirit. It also reduces boredom, conflict and absenteeism.

Regardless of company size or industry, organizations who take fun seriously almost always reap the rewards. Every year the Great Places to Work Institute surveys more than 10 million employees around the world about what it's like to work at their companies. The result is the highly coveted "100 Best Companies to Work For" list. An average of 81 percent of employees at these companies report working in a fun environment. Only 61 percent of employees in other companies say the same.

Most leaders have difficulty fostering fun at work. For some, it can feel like the last thing they have time for given their stresses and demands. For others, it feels fluffy or frivolous. But bankable leaders take fun seriously.

Be a Catalyst for Fun

Here are four things that bankable leaders can do to be a catalyst for fun:

1. Realize that your team will need to goof off from time to time. If you walk by and see this happening, don't jump to the conclusion that the employee is lazy or unproductive. Ask questions and learn the pattern first.
2. Blur the line between work and fun by making day-to-day tasks or meetings more enjoyable. Order in lunch for your team. Bring in doughnuts. Carve out meeting time for games or contests.
3. Turn otherwise average tasks into games. For example, if your sales team makes its quota, take everyone on a field trip outside the office — say, to a baseball game.
4. Understand that carving out "unproductive" fun time (where you're not directly working on your team's tasks) will help drive productivity and improve morale. Think like a camp counselor, and bring out your (and their) inner child.

Bankable Leadership Happens Day by Day

The journey to Bankable Leadership is like learning a violin concerto. You first have to learn the concepts (like reading music) and behaviors (like playing the violin). Then you practice over and over to turn that knowledge into a beautiful piece of music. Bankable Leaders must acquire the concepts (the tension between people and results) and behaviors (trust, transparency, etc.). To be successful, you must first make a plan for what you want to improve. Second, you have to engage in deliberate practice. The German poet Johann Wolfgang von Goethe said, "Whatever you can do, or dream you can, begin it. Boldness has genius, power and magic in it." So begin it, and go get 'em! Here's to your professional prosperity.

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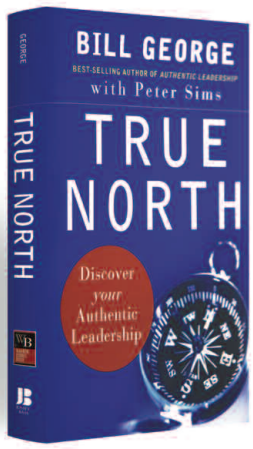

by Bill George with Peter Sims

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Discover Your Authentic Leadership

TRUE NORTH

THE SUMMARY IN BRIEF

According to Warren Bennis, as the world becomes more dangerous and our problems become more complex and dire, we long for truly distinguished leaders, men and women who deserve our respect and loyalty. *True North* is about this kind of leader.

True North is the internal compass that guides you successfully through life. It represents who you are as a human being at your deepest level and is based on what is most important to you.

Author Bill George shows how anyone who follows his or her internal compass can become an authentic leader. This leadership examination is based on research and first-person interviews with 125 of today's top leaders — with some surprising results.

The leaders interviewed for *True North* ranged in age from 23 to 93 and were chosen based on their reputations for being authentic and successful. They make up a diverse group of women and men from an array of racial, religious and socioeconomic backgrounds and nationalities. Among them are Howard Schultz of Starbucks, Andrea Jung of Avon and Chuck Schwab, founder of Charles Schwab & Co. Half of the group are CEOs, and the other half includes a broad range of nonprofit leaders just starting on their journey.

Discovering your True North takes a lifetime of commitment and learning. But as long as you are true to who you are, you can cope with the most difficult circumstances that life presents. When you are aligned with who you are, you find coherence between your life story and your leadership. Can you recall the time when you felt most intensely alive and could say with confidence, "This is the real me"? When you can, you are aligned with your True North and are prepared to lead others authentically.

IN THIS SUMMARY, YOU WILL LEARN:

- The five dimensions that make up an authentic leader.
- How to identify the five types of leaders who have derailed.
- How to build your support team.
- How to empower people to lead.
- How to optimize your leadership effectiveness.
- How to link your leadership style with your sense of power.

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Learning From Authentic Leaders

It is understandable why academic studies have not produced a profile of an ideal leader. Leaders are highly complex human beings, people who have distinctive qualities that cannot be sufficiently described by lists of traits or characteristics.

Authentic leaders not only inspire those around them, they empower people to step up and lead. Thus, there is a new definition of leadership: *The authentic leader brings people together around a shared purpose and empowers them to step up and lead authentically in order to create value for all stakeholders.*

There are five dimensions that make up an authentic leader:

• **Pursuing purpose with passion.** Without a real sense of purpose, leaders are at the mercy of their egos and narcissistic vulnerabilities.

• **Practicing solid values.** Leaders are defined by their values, and values are personal — they cannot be determined by anyone else.

• **Leading with heart.** Authentic leaders lead with their hearts as well as their heads.

• **Establishing enduring relationships.** The ability to develop enduring relationships is an essential mark of authentic leaders.

• **Demonstrating self-discipline.** Authentic leaders know competing successfully takes a consistently high level of self-discipline in order to produce results.

There are two key steps to becoming an authentic leader. First, you have to understand yourself, because the person you will always find hardest to lead is yourself. Second, you must take responsibility for your own development. You must devote yourself to a lifetime of development in order to become a great leader. ■

The Journey to Authentic Leadership

Authentic leaders consistently say they find their motivation through understanding their own stories. What makes leaders' stories different from everyone else's? Many people with painful stories see themselves as victims, feeling the world has dealt them a bad hand. Or they lack the introspection to see the connection between their life experiences and the goals they are pursuing. The difference with authentic leaders lies in the way they *frame* their stories. Their life stories provide the context for their lives.

Many learn the hard way that leadership is not a simple destination of becoming CEO. Rather, it is a marathon journey that progresses through many stages until you reach your peak leadership. Of all the leaders over 40 who were interviewed, none wound up where they thought they would.

Phase I: Preparing for Leadership. The first 30 years is the time to prepare for leadership, when character is formed and people become individual contributors or lead teams for the first time.

Phase II: Leading. The second phase of your leadership journey begins with a rapid accumulation of leadership experiences and culminates in the 50s, when leaders typically reach their peak leadership.

Phase III: Giving Back. Many leaders are bypassing retirement to share their experience with multiple organizations. They serve on for-profit or nonprofit boards,

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The Journey to Authentic Leadership

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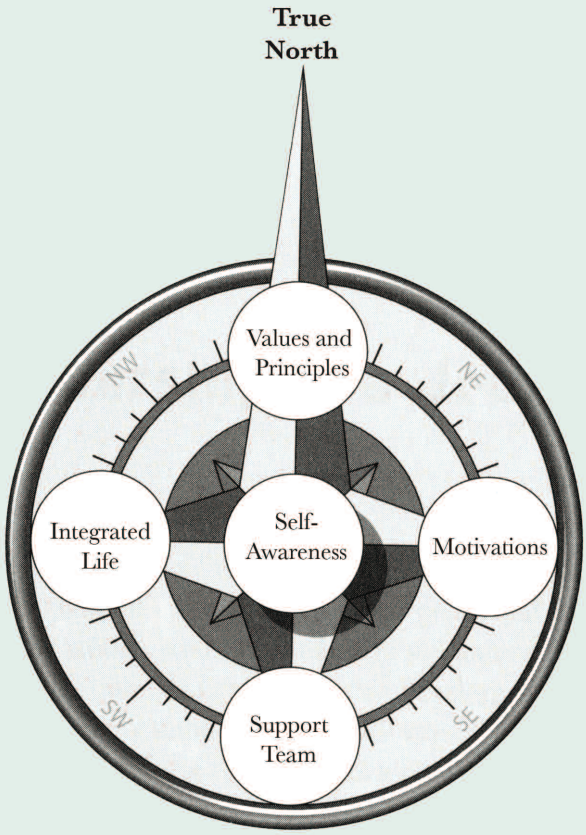
The Authentic Leadership Compass



mentor young leaders, take up teaching or coach newly appointed CEOs.

Lord John Browne, who led BP to new heights in his 11 years at the helm, supports the idea of giving back. In announcing he would step down as CEO, Browne said, "I don't believe in retirement. The idea seems a touch out of date." He suggested he would be looking for an interesting new position with a purpose. ■

Why Leaders Lose Their Way

Why do people with excellent potential get derailed just as they appear to be hitting the peak of their leadership? People who lose their way are not necessarily bad leaders. They have the potential to become good leaders, but somewhere along the way they get pulled off course.

Before people take on leadership roles, they should first ask themselves two fundamental questions: "What motivates me to lead?" and "What is the purpose of my leadership?" If honest answers to the first question are simply power, prestige and money, leaders risk being trapped by external gratification as the source of their fulfillment. There is nothing wrong with desiring these outward symbols as long as they are combined with a deeper desire to serve something greater than oneself.

While many leaders have a deep-seated fear of failure, the irony is that they learn the most from their failures. Some rising leaders have such a fear of failing that they avoid risks. When they reach the top, they are not prepared to cope with the greater challenges they face.

Derailment: Losing Sight of Your True North

In observing leaders who have derailed, five types who lose sight of their True North have been identified.

Impostors rise through the organizational ranks with a combination of cunning and aggression. They understand the politics of getting ahead and let no one stand in their way. They have little appetite for self-reflection or for developing self-awareness.

To people outside their organizations, **Rationalizers** always appear on top of the issues. When things don't go their way, they blame external forces or subordinates or offer facile answers to their problems. They rarely step up and take responsibility themselves.

Glory Seekers define themselves by acclaim of the external world. Money, fame, glory and power are their goals as they pursue visible signs of success. Often it seems more important to them to appear on lists of the most powerful business leaders than it does to build organizations of lasting value.

Loners avoid forming close relationships, seeking out mentors or creating support networks. They believe they can and must make it on their own. Not to be confused with introverts, loners often have a myriad of superficial relationships and acolytes, but they do not listen to them.

The lives of **Shooting Stars** center entirely on their careers. To observers, they are perpetual motion machines, always on the go, traveling incessantly to get ahead. They rarely make time for family, friends, communities or even themselves. As they run ever faster, their stress mounts. They move up so rapidly in their careers that they never have time to learn from their mistakes. ■

Transformation From 'I' to 'We'

To become authentic leaders, we must discard the myth that leadership means having legions of supporters following our direction as we ascend to the pinnacles of power. Only then can we realize that authentic leadership is about empowering others on their journeys.

(continued on page 4)

Transformation From 'I' to 'We'

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This shift is the transformation from "I" to "We." It is the most important process leaders go through in becoming authentic. How else can they unleash the power of their organizations except by motivating people to reach their full potential? Only when leaders stop focusing on their personal ego needs are they able to develop other leaders.

Jaime Irick on Transforming

Jaime Irick, a West Point graduate and rising star at General Electric, offered insight into the process of transforming from "I" to "We." "You have to realize that it's not about you," he explained.

"We spend our early years trying to be the best. To get into West Point or General Electric, you have to be the best. That is defined by what you can do on your own — your ability to be a phenomenal analyst or do well on a standardized test. When you become a leader, your challenge is to inspire others, develop them and create change through them. If you want to be a leader, you've got to flip that switch and understand that it's about serving folks on your team. This is a very simple concept, but one many people overlook. The sooner they realize it, the faster they will become leaders." ■

Knowing Your Authentic Self

In their interviews, leaders said that gaining self-awareness was central to becoming authentic leaders. For this reason it is at the center of your compass. When you know yourself, you can find the passion that motivates you and the purpose of your leadership.

Your Emotional Intelligence

Self-awareness is the first element of emotional intelligence, or EQ. While intellectual intelligence, or IQ, has long been thought of as an essential characteristic for managers, EQ may be more important for authentic leaders. Leaders with an exceptionally high IQ get too intellectually involved and have trouble being tolerant of others. You have to have a certain level of intelligence at the top. Above that level, you need leadership skills, interpersonal skills and teamwork.

Dirk Jager, the former CEO of Procter & Gamble, is an example of a failed leader because he imposed his intellect on others. Jager was a brilliant strategist who had excellent ideas about the strategic and cultural changes needed at P&G, but his style was so abrasive that he threatened the essence of P&G's culture. As a result, his management team rebelled, and the board asked him to step down in less than two years as A.G. Lafley, a longtime P&G executive, took his place. Using a combination of wisdom, humility and personal engagement with employees, Lafley is transforming P&G into one of the great success stories of the 21st century.

Why Knowing Yourself Is So Important

The better you know yourself, the more likely you are to choose the right role. When leaders know themselves well, they become comfortable in their own skins, act consistently in different situations and gain the trust of others. Most leaders see the process of gaining self-awareness as crucial to their ability to build strong relationships. Those who are comfortable with themselves tend to be more open and transparent. Leaders who know their strengths and weaknesses can fill their skill gaps with colleagues who complement them.

Becoming Self-Aware

Without self-awareness, it is easy to get caught up in chasing external symbols of success rather than becoming the person you want to be. It is difficult to regulate your emotions, control your fears and avoid impulsive outbursts when you feel threatened or rejected. Without being aware of your vulnerabilities, fears and longings, it is hard to empathize with others who are experiencing similar feelings.

One of the most difficult things in becoming self-aware is seeing ourselves as others see us. Although it can be difficult to hear, leaders need accurate feedback to identify their blind spots. When you can do that and be open to new ways of doing things, the change you can accomplish is almost unlimited.

Accepting Yourself

Self-awareness is only half the challenge. You still have to accept yourself. But with self-awareness, accepting your authentic self becomes much easier. You see yourself clearly and accurately, and you know what you truly believe. The key to self-acceptance is to love yourself unconditionally. This level of self-compassion enables you to get to the source of your True North and to accept yourself as you are. ■

For additional information on self-awareness, go to: http://my.summary.com

Practicing Your Values and Principles

In gaining a clear awareness of who you are, you must understand your values and the principles that

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Practicing Your Values and Principles

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guide your leadership. Staying centered on your values is not easy. You can easily drift off course as the temptations and pressures of the outside world pull you away. But if you are centered by a high level of self-awareness, your compass can help you get back on track.

Values, Leadership Principles and Ethical Boundaries

The values that form the basis for your True North are derived from your beliefs and convictions. In defining your values, you must decide what is most important in your life. When you have a clear understanding of your values and their relative importance, you can establish the principles by which you intend to lead. *Leadership principles are values translated into action.*

Your ethical boundaries set clear limits on what you will do when you are tempted or are under pressure or when you start rationalizing a series of marginal decisions. One way leaders understand their ethical boundaries is to use the *New York Times* test. Before proceeding with any action, ask yourself, "How would I feel if this entire situation, including transcripts of discussions, were printed on the first page of the *New York Times*?" If your answers are negative, then it is time to rethink your actions; if they are positive, you should feel comfortable proceeding. ■

What Motivates You to Be a Leader?

Chuck Schwab's strengths, talents and motivations all came together when he founded Charles Schwab & Co. He combined his investment research skills with the persistence and resilience learned from years of suffering with dyslexia and an upbringing that instilled an enormous respect for individuals who want to achieve financial independence.

Building a company with a cause in which he passionately believes, he has helped millions become more confident while achieving financial independence himself. Schwab's company is an American icon, with 14,000 employees and market capitalization of $20 billion.

Like Chuck Schwab, you need to know what motivates you and have a realistic understanding of your strengths and weaknesses so you can put your best capabilities to work.

Intrinsic and Extrinsic Motivations

There are two types of motivation — extrinsic and intrinsic. *Extrinsic motivations*, such as getting good grades, winning athletic competitions or making money, are measured by the external world.

Intrinsic motivations, on the other hand, are derived from your sense of the meaning of your life — your True North. They are closely linked to your life story and the way you frame it. Examples include personal growth, helping other people develop and making a difference in the world. Schwab's passion for helping Americans achieve financial independence is an intrinsic motivation, even if the end result made him wealthy.

Avoiding Traps

Moving away from external validation of personal achievement is not easy. Achievement-oriented leaders grow so accustomed to successive accomplishments throughout their early years that it takes courage to pursue their intrinsic motivations.

But at some point, most leaders recognize that they need to address more difficult questions in order to pursue their true motivations. As a star consultant for global management firm McKinsey & Company, Alice Woodwark had achieved success at every stage of her life by age 29. She noted: "My version of achievement was pretty naive, born of things I learned early in life about praise and being valued. But if you're just chasing the rabbit around the course, you're not running toward anything meaningful." Many leaders turned down higher-paying jobs in early career decisions in order to pursue roles they would enjoy. They came out ahead in the end — in both satisfaction and compensation — because they were successful in doing what they loved.

However, many young leaders are tempted to take high-salaried jobs to pay off loans or build their savings, even if they have no interest in the work and do not intend to stay. Some become so dependent on maintaining a certain lifestyle that they get trapped in jobs where they are unmotivated and unhappy. Locked into the high-income/high-expense life, they cannot afford to do work they are passionate about. Ironically, not one of the leaders interviewed wound up taking a position predicated upon establishing wealth early. This course enabled them to later pursue roles they would enjoy. ■

Building Your Support Team

Your support team is a key element of your personal development plan. Members of your team help you stay focused on your True North, keep you grounded in reality and provide the support you need as you venture on your leadership journey. Leaders do not succeed on their

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Building Your Support Team

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own; they must give as much to their relationships as they get from them.

The Most Important Person to Your Leadership

Your support team starts with having at least one person in your life with whom you can be completely vulnerable and open. Often that person is the only one who can tell you the honest truth. Most leaders have their closest relationships with their spouses, although some develop these bonds with other family members, a close friend or a trusted mentor.

Mentors

Many authentic leaders have had a mentor who has changed their lives by helping them develop the skills to become better leaders and the confidence to lead authentically. But what some people, especially aspiring leaders, fail to recognize is the importance of the two-way relationship with their mentors. *Lasting relationships must flow both ways*. The best mentoring interactions spark mutual learning, exploration of similar values and shared enjoyment.

Current chairman and former CEO of Intuit Bill Campbell is the dean of mentoring in Silicon Valley. Many venture capitalists and board members in northern California will not hire a new CEO without first checking with Campbell. Although he keeps a low public profile, "Coach Campbell" is one of Silicon Valley's most respected executives.

Campbell has mentored dozens of entrepreneurs and business leaders. People are drawn to him because they consider him a great mentor and leader who has helped them unleash their own leadership potential. His selfless spirit, cultivated on the football fields of his youth, has enabled him to develop a loyal network of mentees, supporters and friends.

The best mentors put the interests of those they are mentoring above their own. These relationships can grow into strong personal friendships, especially when the participants are no longer in the same professional context. The cycle then continues when those who benefited from strong mentoring mentor others.

Creating a Professional Support Network

Many leaders develop professional peer networks both within and outside their organizations to consult with about important issues and to provide counsel and guidance. Having a peer support structure within your organization can be invaluable, because colleagues may be facing comparable experiences, have insights about things you do not see or be in a position to offer you real-time feedback on your leadership. ■

Staying Grounded: Integrating Your Life

Integrating their lives is one of the greatest challenges leaders face. To lead an *integrated life*, you need to bring together the major elements of your personal life and professional life, including work, family, community and friends, so that you can be the same person in each environment.

Authentic leaders are constantly aware of the importance of staying grounded. In doing so, they avoid getting too arrogant during the high points and forgetting who they are during the low points. Spending time with their families and close friends, getting physical exercise, practicing spirituality, doing community service and returning to places where they grew up are all ways they stay grounded. This grounding is essential to their effectiveness as leaders because it enables them to preserve their authenticity.

Measuring Success

Have you defined what success means for you and for your life? Unless you have thought through the answer to that question, you are at risk of letting others define success for you. Only when you can define what is most important in your life can you set the right priorities and become an integrated leader. ■

Leadership With Purpose and Passion

In 1998, Andrea Jung was facing the most difficult decision of her long and successful career. Four years after joining Avon Products, she had been passed over for promotion to CEO in favor of one of the company's outside board members. "I had an offer to become CEO at another company, but Ann Moore, CEO of Time Inc. and an Avon board member, advised me to stay," she recalled. "She told me, 'Follow your compass and not your clock.'"

Jung decided to stay, becoming president of Avon and a board member. The decision changed her life. Just 20 months later, the new CEO retired, and Jung was named his successor in November 1999, becoming Avon's first female CEO.

What is the purpose of *your* leadership? Are you fol-

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Leadership With Purpose and Passion

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lowing the True North of your compass or the timetable of your clock? If you examine your True North again, you will find that it points the way to the purpose of your leadership. When you understand your purpose, you are ready to find an organization — or create one — where you can fulfill that purpose.

Discerning Your Passions

How do you discern your passions? For most leaders passion comes from their life stories. By understanding the meaning of key events in your life story and reframing them, you can discern your passions. Following your passions will enable you to discover the purpose of your leadership. Leaders can sustain their effectiveness only if they empower employees around a shared purpose. As a leader, you must convey passion for the business every day while maintaining clarity about the mission of your organization. ■

Empowering People to Lead

If mutual respect provides the foundation for bringing out the best in people, what are the steps needed to empower them? Effective leaders use the following approaches at different times, depending on the capabilities of the people involved and the situation they are facing:

- Showing up
- Engaging people
- Helping teammates
- Challenging leaders
- Stretching people
- Aligning everyone around a mission.

Woody Allen once remarked, "Eighty percent of success is showing up." Surprisingly, many leaders get so busy they don't take the time to be there for people. Showing up at important events or at unexpected times means a great deal to people and enables them to take their leaders off their proverbial pedestal and see them as real people.

The most empowering leaders are those who engage a wide range of people. That means being with them face-to-face; inquiring about their work, their families, their personal lives and their careers; and being open and vulnerable with them. Authentic leaders help their teammates, whether it is with a personal problem or a career problem, by counseling them, offering suggestions or assisting them in making vital contacts.

Most people want to be stretched in assignments that enable them to develop. The leader's key is to sense when people are ready for such challenging experiences. Yet it is important for your team to know that you will be there to support them if necessary.

The most empowering condition of all is when the entire organization is aligned with its mission and people's passions and purpose are in sync with each other. Individuals usually have their own passions. If the organization's leaders can demonstrate how they can fulfill their purpose while achieving the organization's mission, then alignment can occur. ■

For additional information on helping teammates and challenging leaders, go to: http://my.summary.com

Honing Your Leadership Effectiveness

Once you empower people to lead around a shared purpose, you are well positioned to achieve superior results through your organization. The final step in maximizing your effectiveness as an authentic leader is to hone your leadership style and make authentic use of your power. The process produces a virtuous circle that will encourage others to join you and sustain your effectiveness on an ongoing basis.

Optimizing Your Leadership Effectiveness

The style of an effective leader must come from an authentic place. That will only happen when you have a high level of self-awareness, are clear about your values and understand your leadership purpose. Without this clarity, your style will be shaped by the expectations of your organization or the outside world, and will not be seen as authentic.

Yet your use of style and power must fit the situation you are facing, and you have to be versatile to maximize your effectiveness in *that situation*. In the aftermath of the attack of 9/11, New York Mayor Rudy Giuliani acted decisively to get urgently needed resources in place. He had no time to build consensus. In situations like these, people need decisive leaders to guide them efficiently and calmly to solutions. In other instances, such as when trying to create a future vision for their organizations, leaders need to use a more participative style that involves a wide range of people and gets them engaged and committed to that vision.

As you think about your leadership style and power, ask yourself these questions:

- Is your leadership style consistent with your leader-

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Honing Your Leadership Effectiveness

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ship principles and values? Is it ever inconsistent?

• How do you adapt your style to the circumstances facing you and to the capabilities of your teammates?

• How do you optimize the use of your power in leading others?

• In situations in which you used your power over others inappropriately, how did they respond?

• How do you respond to powerful people who use their power over you?

Your Leadership Style

How do you know what leadership style fits you best? Many organizations work hard to get young leaders to embrace the company's normative leadership style, sending them to training programs to bring their styles into line. If you simply adopt an organization's normative style or try to emulate someone else's style, your lack of authenticity will show through. That's why you should find a leadership style that is authentic to you and continue to refine it.

Using Power Wisely

The effective use of power in relationships is essential to achieving one's goals. Many leaders in high-level organizational roles use their positional power to dominate others. They do not realize that their intimidating style and excessive use of power shuts down the contributions of others.

The irony is that the more power one accumulates, the less it should be used. By exerting your power, you are taking away the power of others. Authentic leaders understand they need power to get things done, but they learn to use it in subtle ways. They prefer to persuade others to adopt their point of view or to build a consensus rather than force subordinates to go along with them.

Adapting to the Situation and to Your Teammates

As leaders mature through multiple experiences, they develop an authentic primary leadership style that works well for them. That style is effective as long as their situation or context stays the same. But what happens when the context changes?

In leading, you must always understand the situation in which you are operating, as well as the performance imperative. Once you understand the context, you can adjust your leadership style to get results.

In determining the style and power you want to use in a given situation, you should consider the readiness of your teammates to accept greater power and authority. For example, teammates who are used to taking clear direction may not be ready to adapt to a leader with a consensus style; conversely, followers who are highly creative and independent will not respond positively to a directive style. You should also think carefully about the kind of relationship you want to have with your teammates and what type of relationship will enable your team or organization to achieve its business imperatives. These relationships generally fit one of three types: dependent, independent or interdependent.

In creating *dependent relationships*, leaders must recognize that their teammates will rely entirely on their direction and their decisions. *Independent relationships* give teammates the autonomy and freedom to act on their own, but there is little bonding or group support. In creating *interdependent relationships*, expert, coaching, consensus and affiliative leaders share power with teammates and bring out their best qualities. They believe interdependence creates better decisions and greater commitment to ensuring success.

The bottom line for all leaders is to optimize their effectiveness to achieve superior long-term results. Authentic leaders are more effective at doing this because they have a clear sense of their moral compass and are explicitly committed to building their organizations over time. By developing an authentic leadership style, they get the best from their teammates and their organizations. ■

Linking Leadership Style and Power

Your style conveys your sense of power, just as your use of power reflects your leadership style.

- **Directive leaders** create dependent relationships with their subordinates, who obediently carry out their orders and respond to their demands.
- **Coaching leaders** create interdependent relationships.
- **Consensus leaders** use power in subtle ways to reach agreement without hurting others' feelings or isolating people with different points of view.
- **Affiliative leaders** are embraced by others for their highly empathic relationships.
- **Expert leaders** believe knowledge is power and being right and efficient is more important than relationships.

Soundview Recommended Reading List

If you liked *True North*, you'll also like:

1. ***How Full Is Your Bucket?* by Tom Rath and Donald O. Clifton.** An exploration of how positive psychology used in everyday interactions can dramatically change lives.
2. ***A Leader's Legacy* by James M. Kouzes and Barry Z. Posner.** The authors show how a legacy is more than a link to a position or place in an organization.
3. ***The 360° Leader* by John C. Maxwell.** You can learn to develop your influence from wherever you are in an organization by becoming a 360-degree leader.

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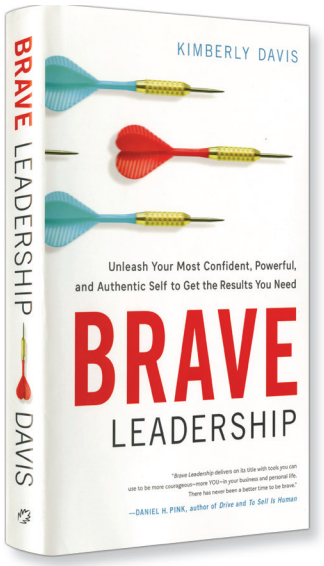

Brave Leadership

Unleash Your Most Confident, Powerful and Authentic Self to Get the Results You Need

by Kimberly Davis

THE SUMMARY IN BRIEF

While we may think that we need to follow some kind of prescription to get results, the most amazing leaders are those who dare to be their true selves, powerfully. People *want* to give them their best. But in a business world that's so competitive and uncertain, how do you connect with others more authentically to tap into their elusive want?

Brave Leadership is the essential guide for leaders in today's ever-shifting world. Professional-actress-turned-leadership-educator Kimberly Davis shares the transformative tools she uses in her workshops to help thousands of leaders worldwide. Drawing from years of working with leaders of all experience levels and industries and the latest research in psychology, sociology, business and the arts, Davis bridges traditional business how-to with a personal-development approach to demystify what it takes to be the brave leader you were born to be.

Wherever you are in your leadership journey, if you aspire to be the best leader you can be, then *Brave Leadership* is for you.

IN THIS SUMMARY, YOU WILL LEARN:

- Why focus, vulnerability, presence and connection are the keys to brave leadership.
- Tools to perform powerfully in a high-stakes environment.
- The difference between a goal and a Super Objective.
- To own your power and cultivate bravery.

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THE COMPLETE SUMMARY: **BRAVE LEADERSHIP**

by Kimberly Davis

The author: Kimberly Davis shares her inspirational message of personal power, responsibility and impact with organizations across the country and teaches leadership programs worldwide. She also teaches Authentic Influence and Executive Presence for Southern Methodist University's Cox School of Business's Executive Education Program, and partners with SMU in teaching for the Bush Institute's Women's Initiative Fellowship program.

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What Is Brave?

Leadership is not about title, position or power. A leader is someone people *want* to follow, not *have* to follow. They want to be there. They want to give their best. They choose it. They choose you. To be a brave leader, it's critical to ask yourself, "Do the people I need to follow me want to follow me?"

Brave is being your most confident, powerful and authentic self. Brave leadership is not reserved for a privileged few. You can be a great leader — a brave leader — if you choose to be.

Whether you're the CEO of your company or a team leader at work, school, family or community, you can lead bravely and have an impact.

Your unique path has set the foundation for who you are as a leader. It's how you leverage what you've learned from your past, how you act in the present, and how you shape your future that will determine your outcome.

Whatever leadership role you may hold, now or in the future, you are a person first. Who you are as a leader and how you behave as a leader is influenced by who you are and how you behave in life.

Everything you need to be a brave leader is already there. You simply need to get real about what you're doing that's working and what's not, learn how to make powerful and often minimal adjustments, and put them into action.

That is the work — to identify and leverage the unique qualities about you that make you special, while minimizing the ones that get in your way of being and bringing your most confident, powerful and authentic self to the world. It's something worth fighting for.

A Whole New World

The leadership game has changed tremendously over the past 10 to 15 years, but few people talk about it and even fewer model the way. It's hard to find good role models at the precipice of a new era.

The rules of the past no longer apply. No longer can we compartmentalize who we are at work and who we are outside of work, because "who we are" — for real — shines through. And if who we really are doesn't connect with the people we lead, we can't get anything done.

In the past, work was much more predictable. There were clear systems in place — job descriptions and reporting structures — that made a leader's job fairly routine. A manager's job was to make sure that people did what they were told to do by the time they were told to get it done. Until recently, this command-and-control leadership would have given you the results you were after.

Industry experts believe that the average worker now changes jobs between 10 and 15 times in a lifetime. The workplace is more complex, uncertain and ambiguous than ever, the speed of business has increased exponentially and information channels have multiplied. Jobs require cognitive thinking and critical decision-making skills.

Command-and-control leadership is no longer effective in today's work environment as it repels top talent and retains the least confident, creative, productive and effective workers. If you want to be a brave leader, it's critical that you recognize that the kind of leadership that worked in the past is no longer effective with today's workforce.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Masiel Tejada**, Graphic Designer; **A. Imus**, Contributing Editor

Dealing with Real

Brave leaders deal with what's real at work, which means that they must deal with the real emotions in the workplace.

When people feel insecure and vulnerable, how are they showing up at your meetings? If half of the company has been laid off, are they going to speak out when they see a problem or disagree with someone?

When people feel afraid or worried about messing up or losing their job or looking foolish, are they going to risk more of themselves, or are they going to play it safe?

In today's business environment, what's really going on with the human beings inside our organizations?

People are tired of playing the game. Like an actor getting into costume, they put on their protective mask, emotional armor and cloak of perfection and head into the office each day with their hearts anesthetized, ready to survive.

The problem is, everything that can make our companies great is hidden behind those masks and that armor and those cloaks. Creativity, engagement, passion, commitment, excitement, loyalty, joy and trust are all activities of the heart. They come from caring and connection and are accessed through vulnerability. That's what's real. A brave leader is someone people want to follow, not have to follow. Want comes from the heart, not the head. You must be willing to deal with the real human emotions of the people you lead and connect to their hearts if you want results in today's work environment.

Unlocking the Want

What can you do to ensure that everyone you lead wants to be led by you and will bring their best? There is no formula. To want is a personal choice. Every time, in every situation, what it's going to take to ensure someone wants to be led and be a part of what you're up to is going to be a little different — because every time you're going to have a different human being in front of you.

You can't fake want. Want is the center of commitment, loyalty, engagement, satisfaction, creativity, passion and joy. Want transforms deadlines into achievement, obstacles into adventures and colleagues into collaborators. Want unlocks the best that people have to give and fuels the results organizations need to deliver.

There's a lot of conversation out there about authenticity and the need for authenticity in the workplace. A useful definition of authenticity comes from Harvard Business School Professor and authentic leadership guru Bill George. His definition of authenticity is "genuine, worthy of trust, reliable and believable."

Who gets to decide if you're worthy of trust or if you're genuine? In the framework of leadership and influence, the people around you get to decide — your direct reports, your team, the people you lead, your boss, your colleagues and your suppliers. They get to decide if you're authentic. You do not. It requires that you pay attention to the fact that everyone around you has different needs. Whether or not someone wants is anchored in those individual needs.

To be the kind of leader that people *want* to follow instead of *have* to follow, it's critical to ask yourself, "What do they need from me to experience me as genuine, worthy of trust, reliance and belief?"

Barriers to Brave

Disappearing Genius

Back in the 1960s, two educators named Dr. George Land and Dr. Beth Jarvis did some interesting research. NASA had come to them requesting a test that they could give to potential hires to measure creativity. Since no such test existed, Land and Jarvis successfully developed one. But when that project was completed, they wanted to learn more about where creativity came from, so they gave the same test that they developed for NASA to a group of 1,600 3-to-5-year-olds. The results were astonishing, as 98 percent of the children tested as having a genius level of creativity.

Fast-forward five years, and the good doctors once again gave the same test to the same group of kids, who were then 8 to 10 years old. The second time, only 30 percent of the children tested at the genius level for creativity.

Fast-forward again another five years. The kids were now 13 to 15 years old. The final time the kids were tested, how many do you think tested at the genius level? Only 12 percent.

Since the findings were so shocking, they decided to give the same test to more than a million grown-ups (over the age of 24; the average age was 31). Only 2 percent of grownups tested as creative geniuses.

Creativity is simply a form of unique expression in the world. If we want to be and bring our most confident, powerful and authentic selves to our leadership, we've got to figure out what's getting in the way of our ability to express our unique selves in the world.

We all learn to follow rules and master the expected ways of behavior to fit into the system that is society. No

matter who we are, part of growing up is learning how to play the game. From the time we're young, our lives are filled with a cast of characters, all delivering their lines: "Sit still." "Keep your hands to yourself." "It's not talking time, it's listening time." "Inside voice, please."

The lines almost become boundaries for self-expression. We, unconsciously, shrink ourselves back to live within the lines, exchanging the desire to express our unique selves for comfort. But comfort zones can be lethal to leaders. When we live our lives within the walls we've constructed to keep perceived risk out, there is no room for creativity or powerful self-expression.

The problem isn't the lines. We all have lines. Some are real, and some are imagined. The problem is the focus of attention we give the lines that define our lives. It is impossible to be and bring our best if we are focused on the lines.

If you want to be a brave leader, it's critical to challenge your focus.

Vulnerable You

If you look up the word "vulnerability," you can understand why we're not psyched to embrace it. The dictionary defines vulnerability as "capable or susceptible to being emotionally or physically wounded or open to attack or damage." Vulnerability expert Brené Brown defines it as "uncertainty, risk and emotional exposure." However you define it, vulnerability is scary stuff.

Yet vulnerability is both our biggest obstacle as human beings and our greatest source of power. It is the gateway to brave leadership.

We are physiologically designed to avoid vulnerability at all costs. As we take in the world around us with our five senses, the frontal cortex of our brain hastens to sort through the incoming information, maps it to our past experiences, our memories and the meanings we've made (both real and imagined), and kicks out data in the form of body sensations. These are clues. They're telling you that something's up — you've bumped into one of your lines.

When feeling vulnerable, we all have our own unique go-to strategies to protect ourselves. Whether you're in a high-stakes conversation with a recruiter, you're in a stressful situation with your boss or you're speaking in front of a group of a thousand people, when you feel vulnerable, you protect yourself.

Some of us do it by trying to hide and stay off the radar. Maybe you evade eye contact, slouch your shoulders, tilt your head downward or make your voice small — whispery or breathy. Maybe you stumble over your words, ummming and aaaahhhhhing your way through a conversation or presentation. Maybe you use cynicism or sarcasm to keep people at a distance. Maybe you fold your arms in front of you like a shield. You might clasp your hands or put them in your pocket.

Some us do it by overcompensating. Maybe you pace or talk fast or try to make everything perfect. Or maybe you use lots of amazing, extraordinary superlatives or talk louder or become more animated. Maybe you overcompensate by being forceful.

But vulnerability doesn't have to hold you back from being a confident and powerful leader. If you know how it affects you and take the right actions, it can be used to your advantage. If you want to be a brave leader, you must understand how vulnerability affects you physically, emotionally and mentally; examine your coping strategies; and ensure you navigate vulnerability constructively.

Where Are You Really?

Whether you like it or not, if you're not present, you don't have presence. Being present seems nearly impossible. Our minds constantly tick off mile-long to-do lists while we put out fires, juggle work with family and do more with less. It's hard to take the time when it feels like there's no time. Yet, what is the price that we pay for not taking the time?

Employees say that if their leaders aren't present, they start to check out. They stop bringing their ideas. They stop sharing their challenges and their wins. They stop turning to their leaders for support. They stop caring — at least about their leader. When people sense that we're not invested in them, that they're not important enough, they stop investing in us. They take their want elsewhere, or worse, they stay. As a leader, can you afford that?

If we need people to experience us as genuine, worthy of trust, reliable and believable — to want to follow — then we have to cut through the noise in our lives and be present with the people around us.

Pushing Through to Brave

A Matter of Focus

In Moscow, at the turn of the century, a young man who was an actor, director and theater administrator became curious. As the son of one of the richest families in Russia, he had a keen sense for business that caused him to take notice. Why, he wondered, did some actors

consistently attract huge audiences, while others did not? What were they doing differently?

With the heart of an actor, the eye of a detective and the mind of a businessman, he studied and questioned the Moscow Art Theatre performers he most admired, and married his observations with his personal experiences on stage, until slowly certain themes started to emerge.

Constantin Stanislavski discovered that the most powerful performances — the ones that drew the biggest crowds, the loudest applause, that kept the audience at the edge of their seats with bated breath — were by actors who did something different than all the others. Instead of being worried about what others thought about them, about trying to impress others or prove themselves, they instinctively understood how to focus their attention outside themselves to impact someone or something on the stage. No longer plagued by the vulnerability most people feel in such a high-stakes environment, these actors were free to perform powerfully. The by-product was thunderous applause and increased revenue for the theatre.

When you're at work, like an actor you are also on stage. People are always paying attention to your performance. You are in a vulnerable, high-stakes environment. Like actors, if you focus on yourself — how you're feeling, trying to prove and impress — your results will suffer.

What Stanislavski learned is that a powerful performance stems from connecting to the impact you want to have outside yourself, or what he calls your "Super Objective."

Unlike a goal, Stanislavski's concept of the Super Objective is tied to what drives you as an individual at your very core. It is your purposeful center. It is the birthplace for confidence, powerful action and extraordinary results. It is why you care in action. What is the impact you want to have on your employees, your team, your culture, your organization?

We think that focusing on goals is the answer to results, but goals are not enough. In our zeal to get the biggest reward quickly, we often sacrifice our values, relationships, health and best selves in the process. If you want to be a brave leader, it's critical to ensure that your goals are anchored in your Super Objective — the impact you want to have outside yourself — to ensure your actions are constructive and your achievements don't come at the sacrifice of your relationships, health, values and best self.

Action From the Inside Out

Unlike a leadership philosophy, or the way many people think of principles, purpose and values, a Super Objective lives in *action*. You cannot achieve a Super Objective without *doing something*.

Tom is a conscientious young manager. He works in an industry that has a great deal of diversity and has not only seen people being treated poorly for being different but has experienced it himself. He has done a great deal of self-reflection about his beliefs and values, and he's crafted his leadership philosophy to help guide him toward being the kind of leader he wants to be for his new team. "I believe in respect and dignity for all people," Tom writes.

This is a great philosophy. The only problem is that Tom can believe and believe and believe until the end of time, and it won't change anything.

In contrast, a Super Objective forces action. If we were to transfer Tom's philosophy into Super Objective language, it might read something like this: "I champion respect and dignity for all people." Tom can't champion from the sidelines.

If he's truly a champion for respect and dignity, it's going to require more from him. It's going to take looking for something to respect in people he doesn't like. It's going to take standing up to people who aren't treating others with respect. It's going to take bridging differences and listening and dialogue. To champion requires *action*.

A Super Objective puts you on an active path to be your most confident, powerful and authentic self. It doesn't make life easier; it makes you and your results better.

For the Sake of What?

In 2008 Starbucks' stock was falling, and fast. CEO Howard Schultz had just returned after an eight-year absence and was under enormous pressure from the shareholders to turn things around.

Starbucks' comprehensive health coverage was under fire by one of their biggest investors, and he insisted that the timing was ideal to cut the $250 million program. Other companies were doing it, so why shouldn't they? Surely it was justified.

Schultz responded with clarity. The essence of their brand, he explained, is humanity. Their culture was built around two primary benefits: providing health coverage and giving stock options to anyone who works over 20 hours a week. And Schultz held so firmly to those beliefs that he went so far as to say, "If you believe the financial crisis should change our principles and core purpose, perhaps you should sell your stock. I'm not building a stock. I'm trying to build an enduring company. We are a performance-driven organization, but we have to lead the company through the lens of humanity."

To build an enduring company steeped in humanity. Some might call that a pretty powerful Super Objective. Howard Schultz brought unwavering clarity around what Starbucks stands for as an organization, and they've courageously held on to that pillar of truth in the face of some mighty winds. What if you were to bring clarity about what you stand for as an individual, and let that inform your actions? Do you know what you stand for?

What's Your Intention?

If your Super Objective is the compass that directs you toward your best self, then Intentions are the road markers that keep you on your true path during all the crazy twists and turns you encounter on your journey. Your Super Objective is your strategic big picture — what you stand for as a leader — and your Intention is tactical. It's what you're going to do to achieve your Super Objective in the situations you face. Like the language we use for a Super Objective, Intentions are also active verbs — forcing deliberate, purposeful action.

Intentions keep us in check. They force us to think before we act. It can be incredibly difficult to stay mindful of what you stand for and how you'd like to show up in the world in the complex landscape that is our life at work.

Imagine you're a newly promoted director of sales who stands for "inspiring your people to greatness." What Intention (or action) should you take to inspire them to greatness when someone's not hitting their numbers? Do you threaten repercussions? Do you call them out during a team meeting? Would that inspire them to greatness? Probably not.

What actions could you take in the face of them not hitting their numbers, if you were truly about inspiring your people to greatness? Perhaps you could bridge their self-confidence by reminding them of past obstacles they've overcome. Or maybe you could share a personal story about a time when you weren't achieving your best and how you overcame that obstacle to succeed. Or is it possible that they don't have the resources they need to be successful? It's all about taking mindful constructive action that is in alignment with who you are as a leader.

Brave leaders choose their actions rather than operating on autopilot or reacting to the world around them.

The Magic If

There's an acting technique called the Magic If. When creating a character for the stage, you have to consider everything that makes a person who they are and why they do what they do. You consider the given circumstances. You do what is called a character analysis and explore the character's history, values, beliefs and physical characteristics. And you do all of this to come to a single basic question: Given everything you know about your character and the world they live in, what would you do if you were in these circumstances?

If, as an actor, you approach this critical question with any judgment at all, your performance is guaranteed to ring false, and all presence goes out the window. Without a doubt, the audience will find you phony and uninteresting. Instead, you simply have to relinquish any preconceived ideas you might have about anything or anyone, look at the given circumstances, put yourself in their shoes and move forward.

What if you could step into your boss's shoes and better understand the pressure she is experiencing and the fears that she has? What if you could step into the shoes of your direct report? What might he be balancing in his life? How does he feel about himself when you're around?

The definition of empathy is to understand and share another person's experiences and emotion. A leader who shows empathy makes it possible for people to feel safe to take risks and to challenge themselves to grow and improve. Empathy is the key that unlocks what others need from you to experience you as genuine, worthy of trust, reliable and believable. The Magic If is empathy in action.

Own Your Power

The word power means many different things to people: strength, control, authority, title, fame, wealth, position and leader, to name a few.

A useful definition of power is "influence over others, the source of which resides in the person, instead of being vested by the position they hold." True power is your inherent ability to influence others.

Traditionally, most of us have thought of power as something outside ourselves to be gained — a title, a position, money or control — things requiring someone else's participation or permission. Looking outside ourselves for power only limits our ability to see how we're getting in our own way and thus the possibility of being as powerful as we can truly be. To be powerful in the world, we must first be powerful in ourselves.

This means we must know ourselves, which is easier said than done. You need to know yourself well enough to identify what you might be doing, consciously and unconsciously, to dissipate your own power.

- When we're in a stressful situation, we start to hold our breath and cut off oxygen to our brains. When

you find yourself in a stressful situation, take low, slow breaths, and allow your brain to fully participate in the situation at hand.

- Tension blocks authentic expression. Identify where you carry tension in your body before you enter a situation, so you can first release it.
- How you physically carry yourself will impact how you feel. Be sure to carry yourself in an open, expansive posture, with your shoulders back, spine lengthened and head held high.
- Many of us hide our feelings and our true selves at work by putting on a mask. To be authentic, powerful and brave, you must be willing to take down your mask to give others permission to do the same. Only then can true connection occur.

Connection Is the Game

Leadership is about connection. Either you actively connect to the hearts and minds of the people you lead so they want to follow, or you don't and they don't (follow, that is). Presence is irrelevant if you don't connect. Your results are simply a by-product of your ability to truly connect with the hearts and minds of others.

We work so hard to get it right. We agonize over our slides and polish our pitch. Points can be hit and arguments can be refuted, but the truth is, it doesn't matter how close to perfect we may come if we don't truly connect with the human beings in the room.

To lead, to have presence, to influence and to present powerfully, we've got to find a way to move past our need to be perfect and aim for something far more elusive yet critical. We must risk being *seen*. We must be vulnerable enough to be real. We must risk connection.

So what steps can you take to feel more connected to people at work?

Take initiative. If we're all waiting for someone else to go first, nobody is ever going to go.

Be curious. Learn to ask great questions and listen to answers, and your relationships will soar.

Be present. Even though you've got a million things going on, be willing to set your phone aside and bring your full attention to the conversation, even if it's for a brief amount of time.

Listen for commonalities. Commonalities give us a jumping-off point for richer conversations. We often have more in common than we think; we just need to be willing to stay curious long enough.

Remove the mask. Have the courage to take your mask off first to give the other person permission to do the same, so real connection is possible.

Share personal stories. Our personal stories are the investment we make to gain access to the hearts and minds of others — where connection lives.

Connect like your life depends on it. When someone takes the time to have a real conversation with you, don't take it for granted.

We can choose to connect. We just have to be brave enough to go first.

A Brave New World

Own Your Mess

Guess what? You're human. You say and do stupid things at times — we all do. Mistakes in and of themselves aren't the issue. Yes, we hope that as we grow and learn and evolve that we'll become more mindful, make fewer mistakes, and that when we make them they're not as ugly.

But the key to being and bringing your best isn't only about making fewer mistakes, it's also about how you deal with what happens after you blow it. People are amazing creatures. They have an enormous capacity for forgiveness when someone has the courage to own their mess.

But if that same person leaves the mess for someone else to clean up, their memory is long. They may not tell you what you've done that fractured their trust and belief in you, but they have filed it away as evidence of who you really are. They'll hold back and play it safe or get the heck out of Dodge. If you care about results, you need a different outcome.

Know your triggers. Certain things cause us to become emotionally hijacked. Something happens that triggers us, and the feelings ignited are much bigger than the situation merits, typically causing a strong reaction that we regret.

But we don't have to be victims of our emotions. Find a way to stay curious about how you're feeling, and let that lead you to understanding instead of reaction.

Part of owning your mess is to see where you haven't acknowledged the hard work that people are investing all around you to make your life and your organization better. Pay attention to the amazing things going on — the days people come in early or leave late to finish big projects, the extra care and attention people bring to their work, the obstacles they have to overcome to help you. Say thank you to your direct reports, your boss, your contractors, your colleagues, your clients, your vendors, your family, your kid's teacher and your friends.

People need to know that they're seen and that they matter. That is the greatest gift we can give each other, and it's one that will pay dividends for years to come.

Cultivating Brave

Maya Angelou once said, "Do the best you can until you know better. Then when you know better, do better."

A commitment to mastery is critical to cultivate brave. You will never hit your bull's-eye every time. In order to achieve what you stand for as a leader, in all the crazy situations you find yourself, you will need an arsenal of Intentions. To be your best self, you'll have to take one mindful action after another, working diligently to get closer to your target every time, course correcting along the way and cleaning up your messes.

Set healthy boundaries. There are so many negative influences out in the world — negative, snarky posts and negative, snarky people. We cannot be and bring our most confident, powerful and authentic selves if we're focused on the negative. Set boundaries around what you watch, with whom you share your time and what influences you allow. Fiercely protect your mindset.

Surround yourself with brave. Brave doesn't happen in a vacuum. If you actively work on growing your brave, it's like a magnet to others who are working toward being their most confident, powerful and authentic self. Relationships begin with true connection. Instead of thinking about them in terms of what you can get, consider looking at them with the mindset of what you can give. Make genuine friendships rather than contacts. Be curious about people, listen as if the stakes are high and stay fully present. Create for yourself a brave community.

Create your own process. There is no single answer or system to be brave, as every person is unique. Learn and absorb as much as you can from a wide variety of teachers, leaders, writers, philosophers, psychologists, artists, scientists and other insightful people who share your day. Observe and test what works best for you.

Take baby steps. Huge accomplishments are simply a series of small steps. Focus on the single next step in front of you.

Nurture and grow your whole self. Exercise, eat healthy, sleep, take breaks — you are a person, not a machine. Machines are not brave.

Make a positive impact. Do something to make a positive impact. It will force you to get out of your head, to look beyond your own nose and to connect to other people. It is the key to cultivating brave.

If you dare to be your most confident, powerful and authentic self, anything is possible. And that kind of commitment makes you a special person. A leader in a world that so desperately needs people to step up and make a difference.

Some might even call you . . . Brave.

The Brave Leadership Manifesto

We believe that our best lies in being more of who we really are, not less.

We believe that everyone has the ability to make a positive impact.

We believe that we are all far more powerful than we know and that true "power" comes from within, not from title or position.

We believe that being anchored in purpose gives us the presence we need to influence and helps us bring the courage to take risks.

We believe that mindful, constructive action is a worthy pursuit.

We believe that compassion and empathy matter — that embracing our humanity is crucial.

We believe that there is power in vulnerability.

We believe that we can always be better — that there is always something to learn and ways to grow.

We believe that real connection — as a leader, a presenter, a colleague, as a human being — is key to success.

And **we believe** that extraordinary results are simply a by-product of us showing up as authentically and powerfully as we can.

This is our definition of "Brave Leadership."

It's something worth fighting for.

Want to join the fight?

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Summary: *The Inspiration Code* by Kristi Hedges. Executive coach Kristi Hedges has used quantitative research and responses from leaders at all levels to discover what inspiring leaders do differently. She reveals that those who motivate us most do a few things routinely, consistently and intentionally.

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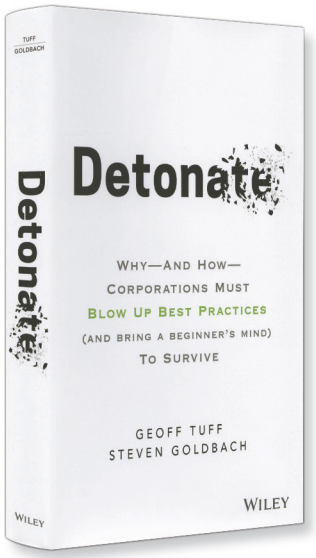
Why — and How — Corporations Must Blow Up Best Practices (and Bring a Beginner's Mind) to Survive



by Geoff Tuff and Steven Goldbach

THE SUMMARY IN BRIEF

Without meaning to, and often with the best of intentions, most organizations continually waste precious time and money on processes and activities that don't create value and no longer make sense in today's business environment. Until now, the relatively slow speed of marketplace evolution has allowed wasteful habits to continue without consequence. This reality is ending.

Detonate explains how organizations build up bad habits, identifies which ones masquerade as "best practices" and suggests alternatives that can contribute to winning in the marketplace. With a focus on optimism and empowerment, it presents an approach and mindset that are critical to successfully compete in an era characterized by profound technological advances and uncertainty.

If you want to compete differently in today's marketplace and to challenge the things your company does that you have a nagging feeling are actually just a waste of time — and maybe value-destroying — *Detonate* gives you what you need to ignite change.

IN THIS SUMMARY, YOU WILL LEARN:

- How "best practices" create a vicious cycle of organizational behavior.
- Seven conventional playbooks to target for demolition.
- Four key principles that underlie new, better practices.
- How leaders can accelerate progress by asking better questions.

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THE COMPLETE SUMMARY: **DETONATE**

by Geoff Tuff and Steven Goldbach

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Detonate: Why — and How — Corporations Must Blow Up Best Practices (and Bring a Beginner's Mind) to Survive by Geoff Tuff and Steven Goldbach. Copyright © 2018 by John Wiley & Sons, Inc. has been summarized by permission of the publisher, John Wiley & Sons, Inc. 224 pages, $29, ISBN 978-1-1194-7615-3.

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PART I: LIGHT THE FUSE

Tinderbox

Hazardous Unwritten Rules

When you hear someone say, "This is what we've always done," you know that you're dealing with conventional wisdom — the thinking that governs a habitual decision or choice. People fail to question the logic for this behavior. It simply is the automatic choice — the safe choice.

But the problem with actions that take on conventional wisdom arises as you become further and further removed from the original reason for the action. The people who make the decision stop treating that action as a choice and instead treat it as a rule.

Rules are the governing body for how you pursue your objective. In many industries, regulations and laws broadly define what you can and cannot do, but for the most part businesses have a relatively broad mandate. Still, conventional wisdom gets in the way of creativity. Conventional wisdom is what we see as the right thing to do, often without deeply thinking about why we do it.

Organizations spend countless hours debating how (not whether) they should implement best practices, and they then convince themselves that they can somehow win with their customers because they will have implemented all of them.

Actually, the entire concept of best practices, by definition, means that you're doing the same thing as your competition.

There are some best practices that were smart given the context, but when context changes (as it is now for many businesses), we need to abandon the practices because they've turned into a waste of time and money. We need to move from a world where best practices are the rule to one where best practices are one of several possible tools for solving a problem.

As consumers of others' goods and services, we naturally wonder why things are the way they are. Why do grocery stores force shoppers with the largest baskets — and therefore of the most value — to stand in the longest lines? Why do hotels force tired business travelers to wait until the middle of their workday to check in? Some of these experiences likely have a reasonable root cause, but not all do.

Every time you identify a particular orthodoxy, you should research its existence. Ask why you do things this way, and try to dig into where each practice might have started. Imagine life without this orthodoxy; what would be the impact on your company's activities and/or success model?

You'll need to do more, however, to create the confidence to go and do something about this orthodoxy at scale. The key is to get out and try — at a "minimally viable" scale — to challenge the orthodoxy.

Spark

Acceleration of the Vicious Cycle

Let's consider why unknowingly pursuing conventional wisdom has become a path to almost assured failure. For the vast majority of business history, companies have

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Kylie O'Connor**, Graphic Designer; **A. Imus**, Contributing Editor

simply needed to "evolve" to compete effectively. The pace of change has been such that we have only needed gradual adaptation in order to survive; we haven't *really* needed to consider existential threat.

The advancement of technology is making possible the breaking down of long-standing barriers or allowing companies to replicate customer value propositions at fractions of the costs, or creating goods or services that couldn't have existed not so long ago, and the clock speed of this transition is happening fast because of computing power.

Consider the case of a typical retail business. A prototypical business model was to try to create substantial presence within a given footprint to create the likelihood that customers would notice and ultimately visit and purchase from your store.

However, advances in technology and forward thinking have given the consumer what they appear to really want — the ability to have nearly endless selection, the convenience of not leaving their house and good-enough delivery times. What was once an advantage has been turned into an Achilles' heel — too much cost deployed against something the consumer no longer values.

It's not a question of *if* something is going to happen. It's a question of *when*. To put it even more bluntly: Uber ate the global taxi industry. And you're hoping it won't happen to your business. But it will, and soon.

Urgency and the Vicious Cycle

Yet there's more to it than just "technological disruption is coming for you." In today's world, best practices create a vicious cycle of behavior that can prove deadly in a rapidly changing environment.

It goes something like this: You plan for a long career, embrace orthodoxy, follow the playbooks, make the safe bets on marginal calls and enjoy a long career. The vicious cycle happens when organizational and individual instinct kick in to try to protect the old model in the face of undeniable digital change.

Now it goes something like this: You plan for a long career, embrace orthodoxy, follow the playbooks and make the safe bets on marginal calls. But a new digital reality (new competitors and business models) throws off results from "safe bets," and they turn out to be bad calls. Bad outcomes result, leading to the need for increased burden of proof, so you rely on playbooks and orthodoxy and get more bad outcomes.

Corporations have become devastatingly inward-focused, structuring and optimizing for process adherence and execution rather than for making good choices. This vicious cycle is now accelerating given the increasing clock speed of technological advances that ripple through business systems and the nature of opportunity that they create.

Coordinates

Targeting the Blast

Our psyches typically relate explosions with a bad event: a bomb being dropped during wartime, a terrorist deploying a suicide vest, an accident at a plant. But detonations have also played a critical role in enabling progress. When history and memory are anchors to progress, we may need to tear down monuments to allow the collective to move forward. How we do this to avoid collateral damage is critically important and requires deep expertise.

Four principles create the basis for transformation. Anchored in philosophy and work approach rather than processes and playbooks, these core principles to compete effectively in a time of accelerating change are

1. Focus your activities on understanding and driving human behavior. Most companies have lost sight of the fundamental subatomic element of business — changing human behavior. If the objective is to grow revenue or profit, or create new capabilities to transform an organization, then as you peel back the layers of what that will take, you always find yourself requiring a human being to *do something different than what they're doing today*.

2. Bring a "beginner's mind" to all that you do. The people best at spotting orthodoxy are often those newest to a company or industry and those most often found asking, "Huh! I wonder why they do it that way?"

3. Embrace impermanence. We have to be prepared to create structures, processes and systems that aren't expected to last forever.

4. Build minimally viable moves to test and learn. The single best way to avoid failure is to make sure that every time you make a move in a space governed by uncertainty, that move is open to course correction immediately if it turns out to be a bad one. Ideally, you will learn just a little every time you make a move so that not only do you avoid failing outright, but you begin to build a base of knowledge that allows you to operate even more effectively in analogous situations in the future.

Let's now discuss seven different kinds of playbooks and how you can target them for demolition. The four principles will be used to show you how to do it.

PART II: BLOW UP YOUR PLAYBOOKS

Dismantle Your P&L

Why Revenue Should Be the Last Thing You Worry About

When organizations ask what they think they'll earn next year in terms of revenue, it's usually some function of looking at what they've done in the past, comparing it to "expert forecasts" of what the industry will do next year, thinking about how they'll increase their share and then landing on a revenue goal. Once they have that revenue goal set pretty much in stone, they ask what profit they want to make.

The typical financial forecast process is predicated on several faulty bits of conventional wisdom. The core assumption is that the future will be the same as the past. It assumes that companies have an inalienable right to have revenue continue in a predictable fashion into the future. The fact that most forecasts *start* with revenue effectively makes the assumption that *our customers will keep coming back if we just keep it up*.

By not asking "why" revenue ought to behave consistent with the past, you're missing the underlying cause of your revenue — your customers' behavior. Also, if you tend to presume that the past trend line will continue, you minimize opportunities to do more with less.

There is a better way to plan that would give organizations much greater insight into what really matters, one that helps create something both valid and reliable while learning about their customers. The core principle that we want to apply is to focus on the subatomic element of business — behavior.

Develop business plans around the customer behavior that you want to cause, and have financial plans inexorably linked. In other words, financials become — as they are in the real world — the outcome of customer behavior. A simple way to put this in practice is to ask the question, "What broad customer behavior objective would most help me achieve the business results I want to achieve?"

For example, broad behavior objectives for existing customers might include "keep buying my product or service in the same way you are buying it today and potentially pay more for it," "buy more of my product or service for the same reason you are purchasing it today" or "buy more of my product or service for a different reason than you are purchasing it today."

Once you set a behavior objective, you then need to further specify the series of customer behaviors that will lead to the behavior objective. An effective tool to aid businesses in focusing on behavioral outcomes is having a customer journey map. This is the story of how the customer arrives at performing the behavior that is advantageous to your business.

By having a clear picture of the different ways customers can arrive at the advantaged behavior, businesses can decide on tactics they can use to influence behavior (and determine how much they cost), which would have the end result of achieving revenue. In this way, businesses can ground their financials in real-world customer behavior.

Trash the Calendar

A Strategic Planning Schedule Is Largely a Waste of Time

Most organizations do strategic planning in the following way: There is a season for planning. There are typically templates and/or a set process. Strategic planning is deeply oriented around meeting a financial objective, or the outcome is a financial objective that is not usually accompanied by a logic for why the objective makes sense or under what conditions it might change. There is a predetermined time orientation to the plan — be it an annual plan, a three-year plan or a five-year plan.

The core Detonate principle to apply here is looking at the subatomic element of behavior. You should plan around behavior change, not the calendar. Let's examine it in two buckets: customer behavior and employee behavior.

For customer behavior, your planning period should reflect the minimum amount of time you need to test whether your actions are having the desired impact. If you're a chain of gyms targeted at women 40 years and older, and the behavior you want to drive is for women who aren't exercising regularly at any gym to join your facility because you offer an entirely different regimen, then your planning periods should be flexible enough to test several variables. You might want one longer planning period to determine whether undertaking this is viable overall, and a few shorter planning periods to refine various ways to change the behavior.

Like customer behavior, changing employee behavior can take considerable time (especially in the context of a broad-scale transformation); therefore, companies might think about evaluating over a longer period of time the ability to actually create the capabilities and management

systems for which the strategy calls. In shorter periods, they might evaluate the ability to make progress against milestones toward the development of those capabilities.

The planning cycle is really never-ending; once you finish, you have to cycle back to the beginning and re-evaluate your assumptions. This is another way to start testing other behaviors that can help you grow. Your planning horizon should center on the time it will take to understand whether you can do the things necessary to change customer and employee behavior to achieve your goals in the marketplace.

Businesses must treat their planning processes as a thinking exercise, not a template exercise. The pace of change is increasing, and this should only increase the importance of not falling prey to conventional ways of undertaking planning.

Defy Expertise

Syndicated Data Create Zero Advantage

Companies still largely behave the way they did 20 years ago, using external information as the most important factor when making important business choices.

Syndicated data are a typical best practice with a double-edged sword. On one hand, you can't ignore information that could have potential value in understanding the world. On the other, it is dangerous to rely on syndicated data as your only weapon against the competition.

Companies repeatedly look at syndicated data and don't probe for deeper insights or see choice in what the data reveal. Why is that so bad? Your competition has all of these data and insights, too. So, you and your competitors all figure out that a customer segment is really attractive, and you all focus your resources on doing pretty much exactly the same thing.

Because all of your competition offers the same thing, customers shop around for where they can get the best price. The fastest-growing, most profitable segment quickly becomes the most heavily competed, and profits come down. The best thing you can say about this is that the customer wins.

Knowing that your competition has the data, too, should frame how you use it. The Detonate principle that applies here is the beginner's mind. A beginner might say something as simple as, "We should measure what you're trying to do" — and not necessarily measure what is easily available.

Instead of using only syndicated data and risk falling into lazy thinking, companies should seek ways to create proprietary data and insights. Done properly, this allows you to make moves your competition can't see or wouldn't have made based on the data they have.

Have proprietary data be an outcome of your business model. Customers come into a store — that's data. They visit and browse a website — that's data. Do you know who those customers are? Which customers came to a website, and who browsed what? How long did they visit? What did they buy, if anything? From where did they do this? What device? What location? What promotional material did they see in advance?

By definition, your business must do something that others cannot — and that applies to your data strategies as much as it does to any other part of your business.

Upend Insight

Customers Can't Tell You What They Believe

If we trust customers to tell us what they want, they will — invariably and unknowingly— lie to us. It's not their fault. They don't really know themselves. Yet, most businesses act as though they can.

It's not that customers aren't well intentioned; they are. But social scientists have shown time and time again the size of the gap between expressed preferences (what customers say) and revealed preferences (what they actually do).

It's not that taking data from the market as a source of inspiration is a bad idea. It's that companies should stop investing in certain types of market research. Specifically, companies should stop trusting insights generated from quantitative surveys that broadly ask the customer to answer the question "What do you want?"; qualitative focus groups and group interviews; and a miscellaneous bucket called "Sales said so" (information from sales reports and anecdotes from sales visits).

Instead, companies should stop asking and start observing, simulating and inferring. And we can do that by going to the principle of focusing on behavior.

Start observing and inferring is the domain of cultural anthropology, and it holds the key to how companies must interact with and understand the markets they serve if they are going to thrive in an era of constant change and "unknowable" opportunities. At its heart is the ability to get as unfiltered a view on what humans are trying to accomplish in their lives as possible and to use expert

insight — or observers — to understand what is actually happening in any given circumstance.

Anthropology and observing processes to generate insights entered the corporate world several decades ago. In 1979, Xerox hired Lucy Suchman, for instance, to observe everyday life with Xerox's products such as copy machine usage in the workplace. Her findings helped drive understandings regarding human-machine interaction that informed product design.

These methods give us a leg up in bringing a beginner's mind to the question of exploring what customers are trying to achieve. Because they're not filtering data through the assumptions of research designers or statisticians, they're as close as we can get to being "inside" the motivations of the people for whom we are trying to create value.

This starting place of blissful ignorance will ideally allow companies to work from first principles as they imagine how to build that value and how to take it in minimally viable increments to the market.

Lose Control

Discard Opportunity Management Systems

The economist Frank Knight first popularized the differentiation between risk and uncertainty almost a century ago. You can measure risk, but not uncertainty. In that sense, risk can be "managed" by taking steps to mitigate the impact of the variability while still meeting your objective. Uncertainty can also be managed, but usually the cost to effectively manage uncertainty is considerably higher relative to the objective.

We need to manage risks and uncertainties differently. The behavior to detonate here is a one-size-fits-all approach to risk management.

Stage-Gate is such an approach. It perfectly embodies what happens when a system is mindlessly applied without consideration as to whether the task fits its original intent. Rooted in chemical and engineering labs of nearly 80 years ago, it aims to bring data and reason to investment decisions in the product development process.

Stage-Gate's premise is straightforward and — on the surface — sensible. Instead of committing at the outset to invest heavily in developing a new product, plan to run the project through a series of linear, predictable development stages, each one punctuated by a "gate review." At this meeting, key decision makers review progress against goals and decide to continue the project if it's hitting predefined hurdle rates on key metrics — and kill it if not.

What's the issue here? By presuming that Stage-Gate will do its job, companies trigger an orthodoxy: All you need for a steady stream of innovations is to feed the beast. Focus on "filling the front end" of the funnel, and Stage-Gate will sort the winners from the losers. Clogging the pipeline with relatively low-quality ideas, however, leads to hours wasted on subsequent evaluation.

Even if Stage-Gate takes all the waste out of the system and optimizes the burden of proof brought to the table, it still only works for problems that are knowable. When you run truly new challenges and opportunities — things that are unknowable unless you try them — through a process that rewards "knowability," you can easily kill great ideas.

The core principle to apply here is — once again — bringing a beginner's mind. By asking "why" they are undertaking certain kinds of evaluation, companies can better match the work done to mitigate risk and manage uncertainty to the kind of problem they face.

Stomp Out Platitudes

Celebrating Failure Is an Excuse for Mediocrity

More and more these days, it seems as if business leaders are celebrating their spectacular failures and suggesting that failure is the only path to organizational learning. Inspirational posters adorn some corporate walls touting close cousins of the idea: "Embrace Failure!" "Failure Is Just the Opportunity to Begin Again!" "No Idea Is a Bad Idea!"

Let's please stop the madness.

Thomas Watson, Sr., one of IBM's founding fathers, famously said that "the fastest way to succeed is to double your failure rate." Watson's quote embodies an important truth that creating business innovations requires an element of risk taking and learning from potential (if not inevitable) mistakes.

But of late, companies seem to have taken this to an extreme. The idea has been applied so sloppily and with such abandon over time that it must be held responsible for a whole lot of wasted time and some truly awful ideas introduced into what is meant to be serious consideration of business opportunity.

An absence of success actually can hurt when there is real economic or reputational exposure: Stock prices take a hit, and boards tighten the screws on management to improve short-term performance.

A better system could be built entirely on the concept of Minimally Viable Moves. Organizations in the future will increasingly succeed or fail based on their ability to learn. But you can't learn if you aren't clear on your hypotheses regarding cause and effect in the world (i.e., if we make this move, we will cause this outcome).

In addition, you won't learn if you don't test your hypotheses in ways that don't consistently bet the company. And you need to make sure that the organization complies with this mode, so you need to punish those who don't behave consistently with the direction. Therefore, the key components of such a playbook would be,

- **Demand transparency and open logic from your organization**. The organization demands, assesses and rewards the logic behind all decisions rather than simply the result itself. The dynamic at play here is one of openness: If you are able to make your logic clear and open to challenge at every step along the way, then the collective system should be able to prevent failure by catching flawed logic.
- **Create a never-ending series of experiments**. Nothing really beats real-world tests for the ability to predict success in the real world. Yes, some things can be analyzed well, but in a world that is moving and changing quickly, increasingly the past doesn't predict the future. So the only way to know is to move.
- **Punish failure to comply**. In this world, failure will still exist, but big, unthinking failures will ideally not be tolerated except in very small doses and very occasionally. If we have created an ability to operate effectively with a system in which failure has been designed away, then it should in fact be punished when it occurs.

The good news is that increasingly — even exponentially — we will have tools at our disposal to monitor behavioral outcomes and to speed up the cycle time for course correction.

Embrace Impermanence

Org Charts and Career Paths Are Past Their Sell-By Date

The general pattern of organizational silos dictating work that gets done is not new, nor is it a secret. The problem is the presumption of permanence in organizations. If we create a role, we presume it will exist forever. Because the people in those roles benefit in some way from being in it, their natural inclination is to protect such roles. We may need a massively invasive restructuring to take groups of people out of roles that don't make sense anymore, which has the potential to be helpful but also creates new silos over time.

There's a better way. Organizations must embrace impermanence in how they design their organizations and undertake work. Focus on prevention rather than on a cure. Here are several ways to embrace impermanence:

Periodically shake up your organization. This could mean moving people around in leadership roles, creating new roles or undertaking a wholesale restructure. With frequent organizational shake-ups, no silo ever takes hold, so the underlying problem in the marketplace easily rises to the surface.

Resist career paths. Today, career paths are at best a false sense of security. Reorient your people around the concept that "great work is rewarded" with more responsibility. "And we don't know precisely what you'll be doing in 5 to 10 years, but if we're successful in delighting our customers, and you are successful in delighting your organizational customers, you'll have ample opportunity to be doing really cool stuff down the road."

Limit the size and scope of your internal organization. No organization is best at everything. Therefore, there is a limit to what you can ask of your organization without it becoming increasingly unwieldy with size. Think carefully about not letting yourself get too large. Undertake only those actions that are central to delighting your end customers. Assign adjacent actions to someone else outside the organization. This will allow your business to run efficiently and enable you to focus your precious team time on the things that matter.

PART III: BUILD SOMETHING BETTER

Where to Start

Pick Your Site to Apply the Detonate Mindset

We need to start blowing up some of our most sacred playbooks — but we don't need to challenge orthodoxy from corporate rooftops, declaring to all who will listen that the company is in dire danger. Such Chicken Little behavior, even when warranted, rarely gets the attention it deserves and often just breeds resentment that someone is disturbing the peace.

Instead, focus on a minimally viable move to get going, trusting that something good will come of it even though

you may not have the end game in mind. The questions are what, where and with whom.

Where: Focus on the core. Detonate is all about directly shifting the core from the inside; you can't blow up playbooks effectively and permanently from the periphery. Focus on a limited set of fundamental principles that — as demonstrated via small successes — gradually attract more adherents. Eventually, there will be enough momentum behind the movement to make it unstoppable.

What: Start with behavior. The most direct way to catalyze the Detonate journey is to start thinking about, talking about, planning around and taking action on human behavior in everything you do as an organization. Examples abound of companies that applied behavioral economics in the course of driving growth and change. Amazon Prime is perhaps one of the best known: A suite of features, from one-click ordering to guaranteed delivery and free media, radically reduced barriers to action and led to impressive results. The proportion of first-year Prime members who spend over $800 annually on Amazon is currently double those who are not subscribed.

With whom: It depends. The most important characteristic is someone who is willing to embrace change and is curious. This person might be young or old, a digital native or immigrant, but as long as they are willing to learn, they can be effective.

Implications for Leadership

Accelerate By Asking Better Questions

Jonathan Goodman, the Global Managing Partner of Monitor Deloitte, is fond of saying, "The most powerful tool executives have to drive change is their questions." Change the question, change the outcome.

Consider these especially egregious questions and how you can ask them better or ask different questions altogether.

What's the ROI on this? When people hear this question, their immediate stance becomes one of defending the investment rather than considering it. Hear this question enough, and you'll learn to come in armed with all the facts and data you can imagine to prove your position. A better way to capture the imprecision of forecasts and inherent volatility of possible outcomes is to ask, "What's a reasonable range of outcomes of our investment?" This explicitly acknowledges the fact that you can't know the precise outcome and gives the space for the responder to share detail that drives the investment.

Has anyone else in our industry done this before? This question is really asking, "Am I going to look crazy for doing this?" or "How hard is this going to be to get through the organization?" Those are legitimate concerns that the organization can address through company dynamics and culture, not through asking this question, which creates unnecessary and wasteful work. A better way to ask the question is, "Has this type of problem been solved anywhere else in the world?" You can create value in your industry by taking something that has been meaningfully proved elsewhere and figuring out a way to apply it to your problem.

How can we prove this will work? When you ask this question, your team invariably scrambles to create the illusion of proof, so you end up with mountains of slides filled with analysis, none of which really offer definitive proof. If you're looking for more information, simply ask, "How could we learn more about this?" This clarifies that you, too, are in exploratory mode, and it positions you as part of that journey. You're not throwing responsibility on team members to figure everything out.

You also acknowledge uncertainty and are placing the value on the information that informs the decision, not the decision just yet.

See beyond the constraints of best practices and start a conversation in your organization. If you're not the executive in charge, consider asking some probing questions of your executives.

If you are an executive, look around your organization for all the signs of ossification. And when you hear answers that sound like "this is the way we've always done it," zero in on those issues and demand better from your organization.

Let's light the fuse.

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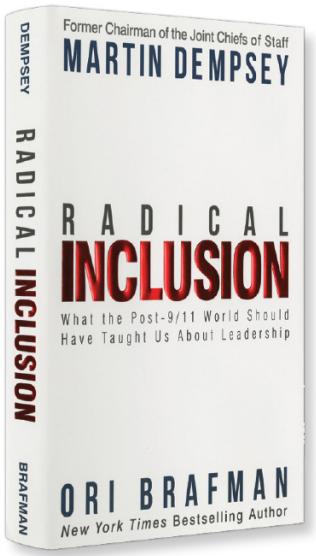
Leadership

Radical Inclusion

What the Post-9/11 World Should Have Taught Us About Leadership



by Martin Dempsey and Ori Brafman

THE SUMMARY IN BRIEF

In *Radical Inclusion,* authors Martin Dempsey and Ori Brafman show that today's leaders are competing for the trust and confidence of those they lead more than ever before. The nature of power is changing and should not be measured simply by degree of control.

In today's environment, the speed and accessibility of information create "digital echoes" that make facts vulnerable, eroding trust between leaders and followers. Fear of losing control in our fast-paced, complex, highly scrutinized environment is pushing us toward exclusion — exactly the wrong direction. Leaders should instead develop an instinct for inclusion. The word "radical" emphasizes the urgency of doing so.

Power and control once went hand in hand, but no longer. Control is seductive but unlikely to produce optimum, affordable, sustainable solutions. *Radical Inclusion* demonstrates that leaders must relinquish and share control to build and preserve power. Through examples from business, the government and the military, the authors bring to life key principles for adapting to the new leadership landscape.

IN THIS SUMMARY, YOU WILL LEARN:

- To understand "the digital echo."
- Why narratives are so influential in today's leadership environment.
- The six key leadership principles of radical inclusion.
- Three essential leadership instincts for those who practice radical inclusion.

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THE COMPLETE SUMMARY: **RADICAL INCLUSION**

by Martin Dempsey and Ori Brafman

The author: Martin Dempsey served for 41 years in the U.S. Army, including as the Chief of Staff of the U.S. Army and the Chairman of the Joint Chiefs of Staff. In 2015, he was named one of the most influential leaders in the world by *Time* magazine. Ori Brafman is a researcher, entrepreneur and author of three *New York Times* best-sellers. Brafman's ideas on leadership have been implemented by the U.S. government, Google, Microsoft, Cisco and Intel, among others.

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PART I: THE OPERATING ENVIRONMENT

The Digital Echo

People who have been to battle know that the most dangerous attacks don't announce their arrival. The most lethal attack is the one that catches us by surprise.

The military describes such blindness to impending attack as the "fog of war": the myriad things you may not know about your adversary — their location, numbers, capabilities and goals.

But think about this: What if the fog not only denied you access to the facts but actually convinced you of the validity of erroneous data? From a business perspective, imagine not merely being unsure about the num ber of your customers but being certain of an incorrect number. It's under this condition — of believing wrong information — that the most difficult issues emerge and take us by surprise.

There is always some fog present, and organizations try to diffuse it as best they can. Businesses analyze market trends to identify and outmaneuver the competition. But what if the information you see deceives rather than informs you?

Consider a recent hoax in which, with the aid of bots, the Twitterverse was convinced that a Louisiana chemical plant had gone up in flames — local news even reported on the fire. They eventually got the facts right when they sent a reporter to the scene, but what happens when local news gets replaced by distributed networks? In other words, what will happen when anyone can produce a news story? In a case like this false fire, social media might have two versions of the same story. One would say there was no fire — showing a video of the unburned site — and then there would be another narrative, with photos purporting to show the explosion and its victims.

It's not always accurate to call instances like these "fake news." They can occur without any intentional deception. An inaccurate news story — even an accidentally inaccurate one — creates a "digital echo," and though the original source may be corrected, the echo — reverberating across distributed networks — endures forever.

In a world where verifying facts is becoming increasingly difficult, inclusion is imperative. It gives us sources as close to the ground or the action as possible, providing our best chance of getting at the truth. When we are forced to compete in a battle of narratives, inclusion is still our best weapon: Only by leveraging a diversity of voices can we create a winning narrative.

The Power of Narrative

How many times during your personal or professional life have you been on the right side of an argument but been unable to convince others around you? How many teams have you been a part of that felt excluded from the overall organization?

Narratives are having greater and greater impact in industries and on the world political stage alike. The world is moving from debates about facts to battles of narratives.

Facts are by definition grounded in logic. Narratives, however, are based on emotions. Facts need to be verified in order to have utility. But narratives gain power merely by spreading. Unlike facts, no one expects narratives to be exacting. They are derivatives of the truth, not pure versions of it. Thus, they're allowed to be more flexible and agile, because they spread by being

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interesting, not necessarily by being accurate. They don't have to be scientifically on point; they just need to have a compelling plot.

This brings us to the core of the issue. Facts depend on expert validation to persist, while narratives simply need to be retold. That means that you can't win a narrative battle by simply proving that the opposing narrative is in some way inaccurate. *A narrative battle is won by drowning out the countermessage.*

The Boston Marathon Bombings

Exactly two years after the Boston Marathon bombings, a meeting was held at Harvard Business School where senior White House officials, entrepreneurs, members of the Islamic community, media strategists and policy experts were invited to discuss how we might prevent an attack like the one in Boston from happening again.

The group began by trying to understand how the Tsarnaev brothers were recruited to commit the terror acts in the first place. They weren't part of a formal organization that gave them commands, nor were they even members of an underground network that hatched a September 11–style attack. The terror networks had turned to technology and to narratives to stay alive.

Terror group members were posting their content online and hoping for the best. In the past several years, more and more videos had been posted. And remember: top-ranked videos are by definition compelling and easy to mutate or regenerate. The narrative continued to mutate until the Tsarnaev brothers learned from that content and committed their act of terror. In a very real way, the narrative had *become* the organization.

The Harvard group recognized that you couldn't contain the narratives through conventional means. Eliminating them from one social media site was like playing Whack-a-Mole, as videos would pop up on another site almost instantaneously. Trying to debunk the message (and win the debate) only gave the videos more attention.

We now need to start considering videos and other narrative-building content as their own entities. Online videos make it easy to belong, to feel an affiliation with a story, especially a memorable one. Lacking resources, the weaker player will often resort to fighting a narrative battle because — unlike court cases or massive protests — producing a story is cheap and easy. Instead of relying on centralized distribution channels, video stories are easily disseminated among members of a network and beyond.

The realization that narratives have become a new type of organization sheds light on how governments and businesses alike can react to a market force that demands inclusion. For companies wanting to effectively engage in a battle of narratives, inclusion is becoming the new way of being heard.

PART II: HARNESSING THE POWER OF INCLUSION

The Economics of Inclusion

Participation, Personalization and Purpose

If you're able to give a marginalized community (be it a group of voters, the employees of a company or a segment of social media users) a chance to participate, to personalize content and to do so toward a common purpose, you can tap into an underutilized resource that can be harnessed very effectively using fewer resources.

Consider these three central points: First, not including — exerting control — comes at an economic cost, one that is increasingly difficult to bear and harder still to justify.

Second, the way to thrive in the age of the digital echo is to bring a cause to a preexisting community. That is, rather than trying to build a community around a specific idea or belief, identify existing communities with whom the cause will likely resonate.

Third, and most important, although much has been written about diversity and the importance of inviting more people — and more voices — to the table, many have been viewing inclusion through the wrong lens. Inclusion isn't necessarily the opposite of exclusion. Real inclusion isn't about letting just anyone in; it's about understanding the pillars of participation, personalization and purpose.

Participation. We often think of inclusion as simply the act of not excluding, of not barring anyone. We thus associate inclusion with, basically, letting anyone in the door. The kind of inclusion referred to here isn't necessarily about admission; it's about participation. The people in your organization need not be a part of every meeting, but are you enabling them to participate in furthering the organization's overall goals?

Personalization: Humanizing the How. Whether you're communicating with customers or managing employees, you can rely on inclusion to humanize your message and deliver it more effectively. Inclusion is about concentrating the *what* (i.e., the directive, the goal) and distributing the *how*.

Purpose: Bringing the Cause to the Community. Traditional efforts to mobilize groups of people follow the assumption that once you've identified a worthy cause

(whatever it may be), you must then build a community around it. The problem with this approach is that it's hugely time consuming, and every new cause requires a new supporting community to be built from the ground up.

But what if we flip this notion and bring a cause to a preexisting community? Then the cause becomes the *what* and the community, already vibrant and thriving, rallies around to determine the *how.*

The Power of Belonging

Since the 1940s, a sense of belonging has been recognized as a human psychological need and one of the major sources for human motivation. It's important to us; whether we're conscious of it or not, a sense of belonging keeps us healthy and happy.

Belongingness developed to serve an evolutionary need: those who formed mutual attachments to others enjoyed the safety of numbers and were less likely to wander off alone into danger. As social beings, we protected one another, shared resources and collaborated to gain advantages over other species.

Though deeply rooted in basic survival in a very different world, the need to belong hasn't faded over time. Today and millennia ago, belongingness consists of the combination of a sense of identity (how we distinguish ourselves from others), a sense of security (the opposite of powerlessness) and a sense of order (structure and predictability).

In the past, our sense of belonging was rigidly defined in terms of traditional markers of social identity: our families, close friendships, lifestyle choices, nationalities, professional identities and hobbies.

Today, for the first time in human history, via the Internet, people are able to create their own geographically dispersed belonging categories. We can seek and find groups whose members could be anywhere across the globe. Simply by participating in a social media network, an individual has the ability to start a movement, become a leader and gain a following.

Studies have demonstrated that the Internet environment is very supportive of friendships, romances, volunteerism, fund-raising and every variety of support group an individual might seek out. Yet research has shown that compared with traditional group behavior, people engage in aversive social behavior in the digital world extremely easily.

Research also suggests that in online groups, individuals feel stronger attachment to the group's identity than to their own personal identities; in fact, personal identity is all but erased due to the lack of nonverbal cues highlighting individual differences. This makes for an extremely cohesive in-group: one that suppresses individuality and magnifies the differences between the in-group and outsiders. There are obvious implications for online communities espousing extremist views of any stripe.

The human desire to belong holds a key to understanding how to lead in our current environment. In a world where people are not readily feeling as if they belong to a positive cause, and where everyone has the ability to belong to something, we need to help our team members make good decisions regarding the efforts with which they choose to identify. We as leaders must create real and authentic ways for our subordinates to feel that they are a part of something meaningful.

PART III: THE INCLUSIVE LEADER

Belonging Isn't Optional

Leadership Principle #1: Give Them Memories

If people don't feel like they belong to your group, department, company or corporation, they easily can and probably will find something else to believe in and belong to. The most important responsibility of leaders — no matter how busy they are and how many other priorities demand their attention — is to make their people feel like they belong.

Opportunities to make our followers feel they belong are all around us, opportunities to "give them memories" so that they know we care about them by investing in them our scarcest resource: time. Leaders have to develop an instinct for communicating a sense of belonging to their followers and then be alert for opportunities to do so. A private word in the hallway. A compliment at a meeting. The willingness to listen for just a few minutes beyond our usual attention span. Producing memories of success, memories of failure, reinforcing a feeling of commitment and belonging. Give them memories, or someone else will.

"Give them memories" is the ongoing practice of providing your subordinates with meaningful experiences from which they will learn and that they will carry with them into the future.

The kinds of experiences a leader should provide include the following:

Successes: Every team member should have memories of what success looks like. How the team

accomplished its goal. How the individual himself contributed to that goal. And what it felt like to contribute to the success of the organization.

Failures: Everyone should also have memories of what failure looks like. What the team did wrong or what it could have done better to achieve the goal. What effect the failure had on the overall goals of the organization. And the feelings one must manage in the face of failure.

Being cared for: At the core of belonging are a sense of purpose and a sense of safety. When we show our followers that we care about them as individuals and as contributors to our teams, we reinforce the strength of their sense of belonging to the organization.

What right looks like: Leaders need to provide their team members with opportunities to learn how to decide what is the right thing to do and carry out those actions, even when doing so is the more difficult route.

What wrong looks like: Mistakes are bound to happen, and these are often the best learning opportunities.

Memories help to inspire and nurture in each individual a genuine commitment to follow the leader in his or her mission to serve the purpose of the organization.

Connect Effort With Meaning

Leadership Principle #2: Make It Matter

The movie *Saving Private Ryan* takes place during the initial days of the Normandy invasion in June 1944. It is a tale of unimaginable courage and leadership under the harshest of conditions.

A schoolteacher before being drafted, Captain John Miller and nine of his men survive the horrors of the landing on Omaha Beach and are sent to find Private Ryan, a soldier who has landed behind enemy lines with the 101st Air Assault Division and the sole surviving son of a mother who has just lost her other three sons in combat within days of each other.

There is a powerful scene at the end of *Saving Private Ryan* in which Captain John Miller, dying of his wounds and having lost eight of his nine men on the mission to find Private Ryan, whispers to Private Ryan, "Earn this!" Captain Miller is telling Private Ryan to make their sacrifices matter.

We all want to believe that what we do matters. That's true whether we're reflecting on our personal life or on our life in the workplace. One of a leader's responsibilities is to make sense of things for their followers. As "sense makers," leaders help those around them understand how their contributions fit into the organization's accomplishments. They help them appreciate how they matter. The best leaders do this deliberately and the very best do it often.

The ways leaders can "make it matter" include

Define and allow others to understand who you are. Leaders at every level must understand who they are individually and within the larger vision of the organization. The knowledge of where you fit in the organization gives you strength, aligns your values and encourages you to lead. The drive, passion and energy you feel should be worn on your sleeve each day to model desirable behavior and as evidence of how one's individual purpose can coexist with the overall vision of the organization.

Make each individual feel that they have the potential to be a better person. By allowing your subordinates room to grow and fostering collaboration among team members, you encourage the entire team to use their work as a vehicle to the benefit of themselves and the organization.

Make sense of things for the team. It is the leader's responsibility to instruct, to coach, to hold accountable and, importantly, to "make sense" of what's going on around the team as it seeks to accomplish its goals. Only when the leader shares knowledge can individuals within the organization understand where they fit.

Think About What You're Not Thinking About

Leadership Principle #3: Learn to Imagine

In team sports, what most often sets elite athletes apart is the ability to use their imagination in creating opportunities for themselves and for their teammates. Legendary hockey player Wayne Gretzky once attributed his great success to "skating to where the puck is going, not to where it has been."

Imagination is a learned attribute. It's some combination of training, experience and eventually instinct that produces creativity in complex environments at the speed of teamwork.

Leaders can learn to imagine if they place the emphasis on "learn."

- If they learn to listen and to seek to know what the most junior member of their team knows.
- If they learn to be alert for weak signals and to avoid becoming complacent, satisfied with information affirming their beliefs.
- If they learn to find advisers who will challenge them, encourage them, surprise them.

- If they learn to connect disparate thoughts and to become uncommonly articulate.
- If they learn to challenge assumptions and to ask the right questions.
- If they learn to become comfortable with complexity and wary of simplicity.

If you're a leader, you will need to exercise your imagination on behalf of your team. But learn first, and then you'll be able to imagine. Just like an elite athlete.

We as leaders must accept and understand that the environment in which we find ourselves leading today is constantly and rapidly changing, and the information we receive is affected by the digital echo. And this has a number of implications for how we run our organizations.

It means that what worked for us before may not work for us now, that the procedures manual on which we relied in the past cannot possibly cover all the issues we will face in the new environment. Our roles as leaders are continually increasing in complexity as the challenges we face become vaster and more diverse.

Instead of executing tasks as experts in our fields, we will be asked to solve problems that we may feel only somewhat able to handle. We will be responsible for carrying out tasks and completing missions for which we have no experience whatsoever, and with a lot at stake.

The solution is that when faced with any task, whether routine or extreme crisis, we must first imagine the possibilities, or "learn to imagine," in order to determine exactly what our team's goal should be in order to solve the problem.

As leaders we must avoid assuming that the first answer is the best answer. We cannot blindly follow existing procedures simply because they have worked in the past. Our environment is changing too quickly, and our challenges are becoming too complex.

Prevent Decision Paralysis

Leadership Principle #4: Develop a Bias for Action

As a leader in today's environment, you may not find yourself responsible for the outcome of an ongoing evolutionary contest, but you will find yourself responsible for the outcome of a contest for the success, the trust and the confidence of those who follow you in an ever-evolving, ever-changing environment.

And to prevail in that contest, you need to develop a bias for action. A bias for action is a leadership instinct based on the belief that in order to decide, you must learn, and in order to learn, you must alter the status quo.

A bias for action is a leadership instinct that mitigates decision paralysis and helps you avoid the endless pursuit of that one exquisite piece of information that seems to be all that stands between you and clarity.

A bias for action is the recognition that, in our complex world, learning is active and iterative. We act, we assess and we act again. A bias for action is the recognition that facts are vulnerable and that speed matters in the era of digital echoes. A bias for action won't solve all of your leadership challenges, but it will energize your organization, keep you alert to both vulnerabilities and opportunities, and illuminate the often-hidden cost of inaction.

The military has a saying: "Lead, follow or get out of the way." That's a bias for action.

In a well-known anecdote about Albert Einstein, he is quoted as saying that if he had 60 minutes to save the world, he would spend 55 of those minutes understanding the problem and five minutes fixing it. Many past leadership theories have echoed Einstein, encouraging leaders to carefully analyze problems before taking action.

Contemporary leadership theories, however, must understand the changing nature of time and how it affects us as leaders and the decisions we make in our organizations. Leaders cannot allow themselves to become paralyzed by a search for the perfect answer while information flows and technology updates at ever-increasing speeds.

Leaders are now facing scenarios that require action in the moment, before significant changes can occur in the environment and before we can possibly fully analyze the problem. The longer we take to respond to catalysts, the more our environment adapts, and the less we understand about the issue and how to solve it. So we must act quickly but intelligently.

To interact with the new environment, we need to change and evolve along with it. We need to act based on the information we have, not remain immobile waiting for "better" options to emerge.

Actively engaging with issues to influence their outcomes early, before they evolve in ways that may prove even more counter to our interests, is paramount. We need a bias for action not only to be decisive in our reactions to catalysts but also as part of our overall strategy in building and sustaining our power. Without it, companies and countries alike will simply be outpaced.

Collaborate at Every Level of the Organization

Leadership Principle #5: Co-Create Context

Decisions are always made in some context. As a result, they produce second- and sometimes even third-order effects that inevitably affect future decisions. So gaining the best possible understanding of context before making decisions produces better decisions.

For example, military commanders in Iraq and Afghanistan quickly learned that destroying infrastructure used by enemy forces might make perfect sense militarily, but in that environment and in that kind of conflict the adverse effect on local civilians could be detrimental to the long-term objective of gaining their support and ending the campaign. The decision to destroy buildings, bridges and markets or leave them intact depended on an appreciation of context.

An understanding of context is best achieved when there is collaboration at every level of the organization. This is called the "co-creation of context," to make the point that it is everyone's responsibility and to highlight — again — that speed matters in the era of digital echoes.

Typically, senior leaders gain an understanding of context by "pulling" it from within their organizations. In the military, senior leaders publish "priority information requirements" (PIR), which tell subordinates what these leaders want to know.

But we would be more effective as leaders if individuals within the organization were organized and encouraged to tell us not just what we say we want to know but also what they think we need to know.

In discovering options, the best ideas do not always come from the top of the organization; in fact, it is often the team members on the front line who have the most creative solutions — which may turn out to be the ones that save us. Our challenge as leaders is to empower the entire organization to take part in understanding the problem the team is facing and to encourage individuals at all levels to suggest potential ways to reach our desired outcomes.

Expand the Circle

Leadership Principle #6: Relinquish Control to Build and Sustain Power

The era of digital echoes requires leaders to develop an instinct for inclusion, an uncommon commitment to reach beyond collaboration all the way to trust, and a willingness to purposefully relinquish control to preserve power.

In these times, we can choose to see the world as a perpetually competitive arena where interactions result in winner-take-all outcomes, or we can see the world as an increasingly and inevitably collaborative space where common benefits accrue through common costs.

Rather than attempting to dominate, leaders instead should learn to relinquish control. Instead of grasping at the control we may feel slipping through our fingers, we should embrace the changing nature of power. We should allow control to flow out of our hands and into the capable, trained hands of the members of our organizations.

Without power, we cannot expect to lead. But leaders often exert control when it is not needed and at a cost that is not justified. In this new environment, concentrations of power cannot endure. While power remains necessary for effective leadership, the path to sustainable power is no longer through control. Real power is measured not in degree of control but rather in the ability to find optimum, affordable, enduring solutions to complex problems. In these times of complexity, speed and scrutiny, the best solutions, the most affordable solutions, the most enduring solutions will be the product of inclusion.

The energy sector provides a good example. For most of the last century, the energy sector has enjoyed a relative monopoly. However, that monopoly is rapidly eroding. Nineteen states have adopted competitive energy markets, and the other 31 are in various stages of reforming their regulatory structures.

Jim Rogers, former CEO and president of America's largest energy company, Duke Energy, describes the changing energy environment as "the democratization of electricity." Customers are increasingly going off the gas and electric grid in favor of renewable energy.

Jim also describes an industry where there have been few positive interactions with customers. "Everyone," he says, "knows the cost of a gallon of gas. No one knows the cost of a kilowatt-hour of electricity." The result is suspicion, mistrust and an adversarial relationship with customers, who have felt imprisoned by a lack of choice in energy providers.

Together these factors have made the cost of maintaining control of the traditional natural gas and electric utilities prohibitively high. Jim's answer: Utilities need to take on the task of designing customer experience with energy. To preserve their power — their market share and influence — they must relinquish some control to renewables and to their customers.

In his vision statement for National Grid, titled "The Democratization of Energy," president Dean Seavers reflects on the tremendous change facing his industry and outlines three imperatives for managing that change: "First, we must put customers in charge. Second, we must embrace our technology partners. Last, yet most important, we must change how we regulate and finance the industry."

What do Jim, Dean and most in the energy sector understand? That they must act now, that they must co-create the context in which energy decisions will be made with numerous — and even some unlikely — partners, and that they must relinquish control to create an optimum, enduring and sustainable outcome.

The Leadership Instincts: Listen, Amplify, Include

There are three attributes that are essential in a leader. They interact in this way:

Listen to learn. Listen to make it clear to those who follow that you value their insights, their judgments and their advice. Listen to understand the organization and to become mindful of opportunities and vulnerabilities. Listen because it is most often "weak signals" that portend success or failure.

Amplify to establish expectations. Amplify the best ideas, the best recommendations, the best practices, and do so in a manner that encourages teamwork at every level of the organization. Amplify the organization's values to strengthen the inner voice that reminds us what's right, a voice that can sometimes be drowned out by digital echoes. Amplify because the best leaders establish a drumbeat of emphasis on values within their organization. Amplify because everyone benefits when there is a common vocabulary about what's expected of them.

Include to empower. Go wide and deep in including members of the organization to share knowledge, to create a common understanding of problems and to encourage ownership of solutions. Include to inspire loyalty. Include as the first step in developing a climate of trust. Include because if you don't, who will?

Leaders must understand that the instinct to listen is an art, a skill and a system that must be employed in order to build a team ethos, embrace a bias for action and relinquish control.

Opportunities to listen are all around us: personal interactions, structured and unstructured meetings, walking the halls, social media, town hall meetings, conversations in the elevator. Everywhere and anywhere are opportunities to listen.

By amplifying the successful ideas and solutions created by members of our teams, leaders show how relinquishing control, empowering the team and listening benefit the organization as a whole. They advance the mission of the organization by making positive examples of the kinds of ideas and actions that achieve results necessary for optimum, enduring and sustainable success.

When a leader amplifies the successes of the members of his organization at all levels of responsibility, it is not only a "pat on the back" for the individual whose success is amplified. It's a memory, and it's one that matters. It has helped to reinforce a sense of belonging and demonstrate the leader's willingness to relinquish control.

All of these principles and instincts are what this new leadership theory deems necessary for companies and countries to thrive in the new environment. Through constant reinforcement of these principles and ongoing development of these instincts, leaders can develop teams and organizations that will build and sustain their power not through control but by radical inclusion.

For those who aspire to lead, the future is rich with opportunity. Issues will continue to become more complex, mutate more rapidly and draw more scrutiny. Technology will provide more data and more accessibility. Leading will be exciting, and it will be dynamic.

It will also be harder: harder in an environment that can produce paralyzing choices, ubiquitous distractions and dramatic polarization. Inclusion is harder and can be slower, but it is a necessary precondition for achieving effective, efficient and enduring solutions to complex problems.

It's about persistent learning, shared ownership of decisions and deeper commitment to the implementation of those decisions. It's about developing trust by listening, amplifying and including.

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40-05 The Regenerative Business

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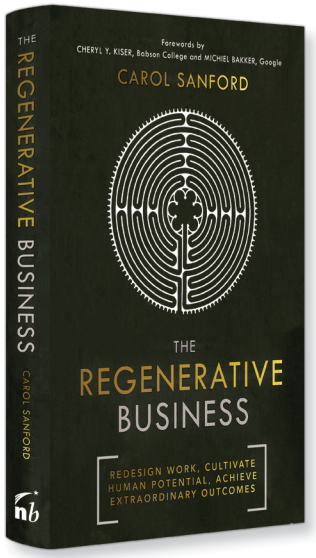
The Regenerative Business

Redesign Work, Cultivate Human Potential, Achieve Extraordinary Outcomes



by Carol Sanford

THE SUMMARY IN BRIEF

Through a profoundly contrarian paradigm, Carol Sanford shows leaders why today's so-called business "best practices" undermine success — and then, how to transform a business into something so flexible, so innovative, so developmental, it becomes virtually nondisplaceable in the market.

A regenerative business is one that connects every one of its people to its "essential core" — its unique foundation for innovation and market power. This provides the fulcrum for an organizational culture that embraces the internal destabilization and discomfort that comes with responding creatively to the unfamiliar. The payoff is a motivated and innovative workforce that is prepared to take a business to the top of its industry — and stay there.

Sanford's work focuses on what fundamentally fuels an organization: the capacity and capabilities of the people within it and the design of work to empower them. By implementing this all-encompassing way of working, businesses are able to have a positive impact beyond the bottom line to the broader marketplace and the communities in which they operate.

IN THIS SUMMARY, YOU WILL LEARN:

- How to make your business flexible, innovative and developmental.
- How to build a motivated and innovative workforce.
- How to take your business to the top of its industry.
- How to design new and better ways of working.

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THE COMPLETE SUMMARY: **THE REGENERATIVE BUSINESS**

by Carol Sanford

The author: Carol Sanford's work is deeply rooted in the belief that people can grow and develop beyond what their leaders or anyone believes is possible: to be incredibly entrepreneurial, innovative and responsible in their business and personal actions. For 40 years, she has worked with leaders of successful companies, such as Google, DuPont, Intel, P&G and Seventh Generation, helping them to innovate and grow their business by growing their people. Carol is currently the Executive in Residence and Senior Fellow in Social Innovation at Babson College.

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Introduction: Pursue Disruptive Innovation

When it's done well, disruptive innovation has the power to regenerate whole industries and markets. Beyond this, it also has the potential to regenerate the social and ecological systems within which an industry operates.

The potential for disruptive innovation exists in every aspect of business, not just its offerings. It is possible and important to innovate with regard to management, production, distribution, customer relations, marketing, supply system, investment and at least a hundred other arenas. *Regeneration* is a process by which people, institutions and materials evolve the capacity to fulfill their inherent potential in a world that is constantly changing around them.

The Regenerative Mindset

In practice, there are some real and not-so-obvious challenges built into creating regenerative organizations. The single greatest barrier to innovation is our unconscious attachment to comfortable and habitual patterns of thought — that is, to our mindsets. We can develop the ability to choose and evolve our mindsets.

A mindset is a lens through which we view and make sense of the world. In business, the regenerative mindset is actually quite rare. Yet the capacity for disruptive innovation depends on the ability to see the world through precisely this lens. To create and continue to evolve a world-changing business, the regenerative mindset must be intentionally built in, not unconsciously designed out.

Go Beyond Training and Develop Your People

Automation and artificial intelligence are expected to displace 50 percent of what's left of blue-collar jobs in the U.S. by the end of this decade. At the same time, there is a global shortage of workers with the critical-thinking skills, technical agility, motivation and independence needed by the emerging economy. What is urgently needed now is an approach to work design that educates workers to be successful in the 21st century.

A number of businesses and the consultants who serve them have worked hard to create flat organizations with self-directed employees. But, unfortunately, many of these alternative structures are still based on the old belief about motivation — namely, that it is fostered through a system of rewards and punishments. Also, many of them focus on the development of technical skills rather than on the deep work of growing critical thinking, personal mastery and business acumen.

By tapping into the inherent, self-organizing, creative energies of your workforce, you will improve margins, cash flow and earnings. As an added bonus, you will contribute to making better lives for the people your business affects and more enduring democratic institutions for society as a whole.

The Evolution of Work Design

Work design is the key to developing people who have the ability to create a regenerative business. If a business

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Masiel Tejada**, Graphic Designer; **McCale Penven-Crew**, Contributing Editor

wants to differentiate itself and not do the same things in the same way that everyone else is doing them, it needs to give conscious attention to how it's working and what it's working on.

The regenerative approach to work design begins from the recognition that human beings share certain fundamental characteristics:

- They have an innate desire to grow and improve.
- They are social and benefit from opportunities to engage with and learn from one another.
- They derive a sense of meaning and purpose from contributing to something larger than themselves.

A regenerative business elicits and strengthens all three of these characteristics in its employees and builds them into the core of its operations.

Three Approaches to Work Design

Initially, work design focused on *performance improvement*, or how well a business and all of its people were performing with regard to serving its customers. It has since become apparent that when performance is the primary concern, the scope of design tends to be narrow, limited mostly to efficient functioning.

The beginning of the second half of the 20th century saw the emergence of a new focus on *human growth*. This grew out of the human potential movement, cognitive psychology and breakthroughs in neuroscience. The scope of work design expanded to include the facilitation of people's ability to work together as part of creative, self-directing teams.

Parallel to the development of this approach, a third stream of thinking explored the implications of theories of complex living systems for work design. This approach made *systems regeneration* its primary concern and considerably broadened the focus of work design to include the improvement of all of the multiple, overlapping socioecological systems that a business is a part of. This provided the basis for building regenerative businesses.

Each of these approaches — representing three historical eras in the evolution of work design — can be found in the business world today.

The Case for Regenerative Work Design

The emerging business environment of the 21st century demands that businesses be nimble, resilient and — above all — innovative. They will require intelligent and adaptable workforces that are capable of anticipating and responding to evolutions in markets long before they become generally apparent. Without this intelligence and adaptability, more than 60 percent of businesses worldwide are expected to fail within the next two decades.

Not surprisingly, executives are focused on how to build these qualities into their companies. They tend to focus on six pressing issues that are the main drivers of change for business at this time. Fortunately, all of these issues can be addressed through a regenerative approach to work design.

How can I hire and retain top talent? A regenerative organization focuses on developing its talent rather than buying it. Instead of wasting energy chasing a limited pool of talent, a regenerative organization grows talent in everyone it touches.

How do we become a "best place to work"? In a regenerative business, the work design, itself, rather than the amenities or human resource programs, motivates people to become part of the organization and to take on more and more challenging work because they feel themselves to be part of a future that they want to help create.

How can I make my company an innovation powerhouse? A regenerative organization sees innovation as the responsibility of everyone, not the province of a specialized team. As part of the work design, each individual commits to making an extraordinary contribution and is given the support needed to carry through on that promise.

How do we build the resilience to weather wild fluctuation in our markets? For a regenerative business, financial effectiveness comes from effectively managing both top-line growth and bottom-line returns. The aim of regenerative work design is to shift a business's orientation away from selling more of the same product to more new customers to becoming the industry leader in product and service development for a loyal, growing customer base.

How do we deal with ever-increasing complexity? By design, a regenerative business sees through the chaos to the patterns that will allow a system to evolve and designs its work to respond to the opportunities that are revealed. Rather than creating jobs, a regenerative business creates space for reinvention.

How can I make my company a healthy place to work? Research shows that people experience health and well-being at work when they have a sense that they are making life better for customers and other stakeholders. Because a regenerative business has a systems-actualizing orientation, it creates the conditions for workers to innovate with regard to how their work is going to benefit people and systems outside of the business.

Source Work Design from First Principles

Three criteria work on growing human capacity, enabling people to take the kind of risk that produces strong businesses (and, by extension, strong individuals, families and democracies).

Criterion One: Internal Locus of Control. *Locus of control* refers to a belief about where power lies with regard to the events in people's lives. An *internal* locus of control arises when people understand that they have full responsibility for their actions, how they experience the world, and the outcomes they produce for themselves and others.

Criterion Two: External Considering. This means caring deeply about something or someone in addition to ourselves, a concept developed by Armenian philosopher G.I. Gurdjieff as a way to counter the nearly universal human tendency to be narrowly self-referential. External considering requires understanding that what we care about is whole and alive, with its own purposes and potential, and it demands the reflective capability to understand how our actions contribute to or diminish this potential.

Criterion Three: Personal Agency. This refers to the strong inner urge that people have to be active players in the world, taking responsibility for manifesting the effects they want to create. Personal agency is important to businesses because they need people who are able to take appropriate initiative. A workforce made up of people who can see what needs to be done and who will step up to do it is far more powerful than a workforce that depends on delegation to know what to do.

Using these criteria, it is possible to test the regenerative potential of any work design. For a business or any other organization to work in a coherent and systemic way, all three must be present and rigorously cultivated.

Build Innovation into How Work Is Done

Most organizations know that to engage in real, disruptive innovation, they need great, creative people. They also understand that they must provide the conditions within which these people will flourish. In addition to a vibrant culture, they must design work in such a way that it invites and even compels innovation. A regenerative organization establishes the conditions that will grow creativity across the entire organization.

The right conditions can radically expand what people consider possible while nurturing a compelling desire in them to be part of it. Three design criteria focus on these fundamental conditions.

Criterion One: Initiative Activation. *Initiative activation* is a structured means for drawing out the inherent human tendency for personal agency, bringing it into the business and its endeavors. Most businesses spend people's initiative on proscribed activities that have been delegated by someone higher up in a hierarchy or dictated by the organization's track record. This severely limits the potential for true innovation. Organizations have an obligation to foster creative initiative.

Criterion Two: Developmental Infrastructure. Businesses can create a *developmental infrastructure* that enables the establishment and evolution of a regenerative culture by setting up a pattern of recurring processes to support the individual and collective development of all workers. The key to working developmentally is to recognize that all members of an organization are unique. If their creative energies are to be effectively unleashed, then businesses must ensure that this uniqueness is drawn out, realized and amplified.

Criterion Three: Change Accelerator. A *change accelerator* is an approach to change that connects people's motivations to the meaningful effects they could have in the world. Most businesses, instead, work only on internal changes that have to do with how they operate. They try to redirect people's attention and energy through incentives, and those who receive rewards for adopting new behaviors become role models for the rest.

These three criteria are specifically designed to enable businesses to provide focus, organization and order to the initiatives of their members, so that their creative energy gains coherence and trust.

Eliminate Toxic Business Practices

As we move through different stages of our lives, we are shaped (often unconsciously) by our family and social environments, our cultures, and the character of our times. These social forces frame how we interpret our experiences, and they also affect the decisions and choices we make. Unless we expend real effort, we can be completely blind to the impact of social forces and the habitual patterns of thinking and behavior they reinforce. Businesses are just as susceptible to this accretion of unconscious influences handed down from one era and generation to the next.

To become regenerative, an organization must engage in a process of self-examination in order to recognize and root out self-destructive practices that might otherwise prevent the company from pursuing its potential.

A regenerative approach is systemic and based on a coherent worldview or paradigm. It can't be bolted onto an existing work design that was built out of toxic practices and derived from antiquated paradigms. Why would you want to drag the old destructive patterns into the different future you are trying to create? You might be able to achieve a few improvements here and there, but the transformational benefits of a regenerative work design would be lost. You need to clear the decks of old, toxic practices and the mindsets from which they arose.

Design a Developmental Organization

There's a myth out there that people naturally hate and fear change. It's simply not true. What people hate is the sense that change is inflicted on them — that they are victims of circumstance and have no ability to participate in shaping the future that they are being dragged into. Even when the reasons for the change effort are excellent, an external approach triggers a natural and completely appropriate resistance from those on whom it is imposed.

Real change arises from the desire and agency of individuals who see an audacious possibility on their horizon and are willing to try almost anything to make it happen.

Developing Whole Human Beings

There are three critical learning principles that are necessary guides for the kind of human development program that regenerative work systems are based on.

First, human development comes through education rather than instruction. That is, it needs to be designed to draw people out rather than cram things into their brains — to build their critical-thinking skills rather than spoon feed them content.

Second, when people come to an educational session, they need to be working on real business endeavors with their natural working team so that together they can implement what they've learned and planned immediately upon leaving the room.

Third, the development of people is directly tied to their ability to make a difference in the lives of customers, those individuals and communities that a business exists to serve.

Whether for individuals or institutions, transformational change takes strong effort. The almost overwhelming tendency to slip back into habitual ruts and well-worn ways of working competes in people's minds with the initial motivation to change. Thus, all those who are evolving regenerative organizations need to accept that profound change requires growth through time as they pass through subsequent phases of development.

Phase One: Evolve into Strategic Disruption

The purpose of the first phase of regenerative work design is to destabilize an organization by introducing a provocation that causes people to think from radically new perspectives. This is called a *conscious shock* for two reasons. It's *conscious* because it invites people to remember the origins and purpose of their work and to discover meaningful new ways to express these in the world. It's a *shock* because it also makes people aware of how conditioned the organization has become, how mechanically reactive it is to outside forces and how easily it loses connection to its authenticity.

A successfully applied conscious shock challenges familiar routines and shakes people out of their comfort zones. Yet it does this without introducing any sense of threat to their identity or position. Rather, it connects them to the essence of who they are, as individuals and as a company, and to the essence of their customers.

The Core Team

It takes time to introduce a conscious shock across an entire organization. In practical terms, a business leader makes this possible by setting up a *core team,* whose purpose is to grow the business. The first step of the core team's work is to dismantle the tradition of hierarchical decision-making.

The core team is chartered to learn how to think systemically and strategically and to channel this new knowledge directly into transformational change. They are not representatives; they are not elected, and they are not expected to represent the opinions of a particular group. Rather, they are expected to use their diverse perspectives to generate understanding about how each aspect of the business influences and participates in the strategic direction of the whole.

The first and most important task of the core team is to help the entire company shift the way it thinks about who it is in relationship to its customers. This requires upending conventional practices of market research, which deliver *knowledge* about customers but very little *understanding* of what it's like to live their lives. Market data

can shed light on various aspects of customers behaviors or preferences, but it doesn't help businesses see the customers as a whole.

This same caring for the customers can be awakened in others, and it is one of the core team's primary responsibilities to invite their coworkers to join them in becoming curious about their customers' lives.

This shift in orientation from static to dynamic produces a risk-taking culture and develops workers with the agency to be self-directing rather than dependent on direction from above.

Phase Two: Evolve a Courageous Culture

To make real change in an organization, it is necessary to change its culture. And if we want to create a new culture, we need to change the ways we work — in every activity, every day.

Characteristics of a Regenerative Culture

Imperturbability in the Face of Uncertainty. A regenerative business wholeheartedly embraces the reality of a changing market and world. Because it strives to innovate in ways that will anticipate and define these changes, it is inevitably venturing into the unknown.

Purposefulness Beyond Reproach. Purpose is not something that people have; it is something that people serve. In other words, it is the opposite of self-aggrandizement; it always comes from the benefits people deliver to something other than themselves. In a regenerative business context, these benefits need to ripple out so that customers are better able to serve their own larger purposes (for example, the intention to be a good parent, citizen or business person).

Developmental Means. In a regenerative business culture, change leaders see their colleagues and employees as individuals with potential that can be developed rather than as problems to be solved or managed. These leaders learn to see the new capabilities that people will need to grow if they are to fulfill their potential, and they devote their energies and talents to ensuring that opportunities are provided for this development to occur.

Regenerative Thinking. Regenerative thinking is a rigorous discipline. It demands that people concentrate as they seek to understand what is at the core of how something works. Regenerative thinking also demands that workers be present and creative — generating new thoughts rather than recycling thoughts that they've had before. Unlearning nonregenerative habits of thought takes effort and patience, which is why it is so helpful to have a regenerative culture to support employees in their development.

Unifying Strategy. When people have a shared focus, they gain confidence in their ability to stay on the same path, even as they are pursuing diverse initiatives. This encourages self-direction in decision-making and action taking. It also helps eliminate fragmentation of focus because it links every aspect of work back to a single origin.

Self-to-Self Relationships. Thinking together, which grows organizational intelligence, is extremely difficult to do in conventional hierarchies, which promote role-to-role relationships (manager to subordinate, investor to executive, representative to customer and so on).

In a regenerative business, self-to-self relationships are supported by the use of systematic frameworks that enable diverse people to think together about complex questions. Using frameworks, colleagues from throughout an organization can build on each other's work, while challenging one another to become more comprehensive and innovative in their thinking.

Phase Three: Evolve People and Thinking Processes

Process refers to how people think, act and interact. Process is where change hits the ground. A developmental organization grows the ability in every one of its workers to see the world in process terms. This means enabling them to be present to what is happening in this very moment.

Some processes that most people consider essential to running an organization are: hiring, working, disciplining, managing outputs, developing and celebrating accomplishment. Here are two examples contrasting the conventional approach with a regenerative one.

In most companies, working means following a job description in order to perform tasks prescribed by others. The implication is that the job is independent of the person filling it; it consists of a set of procedures that any qualified person should be able to follow.

In a regenerative business, working is a creative process undertaken by a team. Because it is not locked into pre-established procedures, a working team in a regenerative business has the freedom to invent new ways to deliver the results its customers are looking for.

Most companies equate developing people with training them, helping them build skills they will need to perform particular functions. Some companies also work on providing challenges that will stretch their employees,

giving them opportunities to grow by exposing them to diverse aspects of the business or difficult problems that need to be solved. Where coaching or support is provided, it is focused on problem solving and advising, rather than on deep education to produce new, systemic thinking capacity.

In a regenerative business, educational activities are developmental. They provide resources and support as people develop the qualities they need to take charge of their own destinies and make profound contributions to their work communities. These qualities include self-management, critical-thinking skills and the ability to embrace complexity and conflict as necessary dimensions of significant work.

Phase Four: Evolve Business Work Systems

Once a company has charted a new strategic direction for itself, started to grow a new culture and transformed its key processes, it will no longer fit comfortably in its own skin. At this point, it will need to redesign its systems and structures to better serve the role it has chosen to play in its market and industry.

Organizations create systems to keep multiple people and functions aligned, so that they can achieve a shared purpose in a relatively predictable way. In a regenerative organization, systems themselves are instruments for the development of people — designed to be managed and continuously upgraded by those who are using them.

One of the reasons that so many of the systems found in businesses work against innovation is that they are intended to make things easy rather than make them developmental.

Five Categories of System

There are five categories of system; each will mean developing a particular capability across the entire workforce.

Managing. At every customer interface, managing systems should ensure total satisfaction. Amazon, for example, has become dominant in its market by setting up systems designed to consistently give purchasers an experience of customized service, without ever having direct contact with employees. On the relatively rare occasions when things go wrong, it's easy for customers to reach live service agents.

Site. Site systems work on the interacting dynamic flows — for example, of material, equipment and people — required for operational work. The critical capability needed for designing and improving site systems has to do with letting go of what currently exists — including all of the limitations built in to ways that the various elements of the business currently work — in order to see directly into how things *want* to work.

Operating. Operating systems work to improve performance across various aspects of an organization in order to build its overall effectiveness at producing intended results. Southwest Airlines built its business model around flying only one kind of airplane, the Boeing 737, so that every plane and every part is interchangeable, and every mechanic, pilot and member of the cabin crew knows all of the planes they're responsible for intimately.

Personnel. Personnel systems work on growing people as a way to evolve the development and expression of an organization's potential within the context of agreed upon purposes. This is fundamentally unlike the conventional system of job descriptions, which is designed to slot people into existing, predetermined positions.

Planning. Planning systems lay out the work that needs to be done and then ensure that production stays on track with regard to strategy, budget and goals. It's not enough to check off boxes with regard to goals and benchmarks. As a company's strategy evolves, its systems should evolve as well. In a regenerative business, people within the organization take this on, and it becomes a critical arena for their personal and professional development, forming a basis for their promises beyond ableness.

Phase Five: Evolve Work Structures *Last*

Structures serve as the enduring frame within which change happens, providing the coherence that allows an entity to grow and evolve without descending into chaos. Work design also uses structures to direct traffic, but in this case, traffic is the ingenuity and decision-making required to get work done. In a regenerative organization, work design produces dynamic stability, like the stability required to ride a bicycle or ski down a mountain, and its structures support evolution rather than stasis.

Structures dictate choices and cannot be shifted or removed without real investment of effort.

Three Kinds of Regenerative Structure

Developmental Thinking Structures. Thinking structures shape and direct our mental processes. For example, businesses will use cost-benefit analyses to organize their thinking about where to invest. As often as not, we utilize thinking structures without awareness of them, and they function as mental models. *Developmental*

thinking structures, on the other hand, enable us to become conscious of the way our thinking is structured and to reshape it. We may unconsciously experience the world as polarized — right or wrong, winner, or loser, left wing or right wing. To broaden our options, we can use developmental thinking structures to actively examine decisions.

Generative Structures. Generative structures enable a company to transform itself from functionally static to functionally dynamic by disrupting familiar ways of working that have become calcified, dysfunctional or outdated.

A *core team/market field team/task team* structure can be introduced to accomplish this disruption. and initiate phase one of an organizational change process.

A *core team* identifies critical work that has been ignored, such as discovering the essence of buyers, and it democratizes work that has formerly been the province of small groups, such as marketing or tracking financial performance. At the same time, it evolves work design in ways that generate new capacity.

Market field teams dedicate themselves to understanding customers. Each team focuses on a specific buyer class, inquiring deeply into its unique needs and aspirations. The market field teams receive support and take strategic direction from the core team.

From time to time, the strategic growth of an organization requires focused work to develop new systems or processes. This is the role of *task teams*, whose scope is always clearly defined and whose members disband once their work is accomplished. Because task teams serve the transformation of particular aspects of the business, they are inherently formed to serve disruptive purposes.

Manifestation Structures. Manifestation structures direct the flow of decisions, outcomes and accountability so that the daily cycle of work can get done. In a regenerative organization, workers are expected to be self-motivating, self-managing and conscious of the whole of the business, as created and held by its strategic direction; the essence and identity of buyer classes and how they live; financial performance; primary processes, systems and structures; and so forth. Because it starts from this philosophy, a regenerative organization designs very different manifestation structures than are usually found in a conventional business.

For example, in conventional reporting structures, higher levels in a hierarchy provide to lower levels their plans, procedures and standards, ensuring compliance in order to obtain orderly, controlled operations and improvements. In contrast, a regenerative reporting structure expects that levels are needed only in order to provide a distinctive and additive contribution toward business and functional excellence. No one serves as boss over another person's work. In some instances, supervisors might become educators, providing expertise to help teams achieve the purposes they undertake on behalf of the business. In other cases, they may resource an employee's personal development. Roles will evolve as the company evolves.

In a regenerative organization, individuals and teams are accountable for their behavior based on mutually agreed upon principles and purposes. This works because teams create clear deliverables linked to the markets they serve and because self-reflection is built into every team process. Also, resourcing support is made continuously available rather than provided only during annual reviews.

Epilogue: The Regenerative Paradigm

A regenerative business doesn't get into bidding wars for talent because it grows on its own. It doesn't need to chase after trendy benefits packages because it attracts and keeps people by offering them profoundly meaningful work to do. Managing complexity is no longer an executive suite problem because everyone is trained in the collective use of systemic frameworks. And the best way to keep people healthy and happy is to provide them with opportunities to express their potential in service to something greater than themselves.

In other words, a regenerative approach to work design is elegant. It simply dissolves the kinds of issues that cause other executives to tear their hair out. It does this by giving workers permission to focus on potential rather than problems and, thereby, to create the world that wants to come into existence.

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40-06 The Inspiration Code

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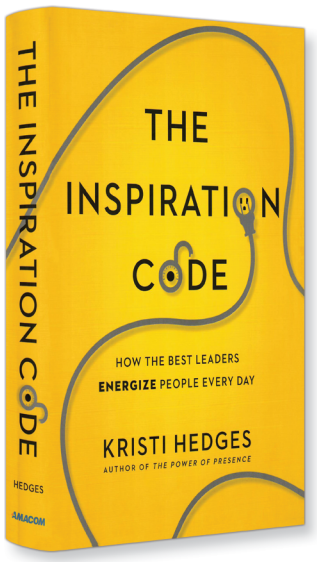
Leadership

The Inspiration Code

How the Best Leaders Energize People Every Day



by Kristi Hedges

THE SUMMARY IN BRIEF

A spark is all it takes to inspire: the boss who tells you that he recognizes your potential, the colleague who truly listens to your ideas and concerns, the manager who communicates with a mixture of authenticity and vulnerability. These conversations and genuine connections galvanize people to achieve more than they thought possible and drive organizations to new heights. More than any other trait, the ability to communicate in a way that inspires lies at the heart of great leadership.

Based on findings from a commissioned survey on who and what inspires people, an analysis of published research and her own extensive work as a communications expert and executive coach, author Kristi Hedges uncovers a set of consistent, learnable behaviors that dramatically enhance leadership success.

Intimate and psychologically astute yet geared to workplace situations and goals, *The Inspiration Code* awakens you to the power of speaking and listening, challenges you to rethink assumptions and coaches you in the art of intentional, connected conversations that lift everyone higher.

IN THIS SUMMARY, YOU WILL LEARN:

- What it takes to stay focused despite pressure and distractions.
- How to project authenticity even to large groups.
- How listening intently will increase your investment in others.
- How to energize people with the right amount of passion and show conviction using both verbal and nonverbal cues.
- Why you should be courageous in your words and choices.

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THE COMPLETE SUMMARY: **THE INSPIRATION CODE**

by Kristi Hedges

The author: Kristi Hedges is a leadership coach who specializes in executive communications. Her clients span the Fortune 500, government, nonprofits and privately held businesses. An in-demand speaker, she writes for *Forbes.com*, and has been featured in *The Financial Times*, *The Wall Street Journal, Huffington Post,* and on CNBC, BBC and more.

The Inspiration Code: How the Best Leaders Energize People Every Day by Kristi Hedges, copyright © 2017 by Kristi Hedges, has been summarized by permission of the publisher AMACOM, a division of American Management Association, 262 pages, $24.95, ISBN 978-0-8144-3789-6.

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Introduction

The Conversations that Count

Every once in a while, we have a conversation that changes our lives. A conversation that changes how we think about ourselves opens our minds to what we're capable of doing and shows us what's possible.

When people describe who inspires them, they talk about these conversations that count. They're the right words by the right person at the right time.

We can't will ourselves to be inspired. Rather, there's a trigger. This may be a person, an idea or both. Furthermore, inspiration involves two separate component processes: We are inspired *by* something as well as *to* an action.

Inspiration can't be forced. It can't feel like manipulation or even influence. Inspiration is an invitation, and since it fosters a personal insight, it can't be heavy handed.

If we want to have inspired companies, then we need inspirational leaders. And that involves being the kind of leader who communicates in a way that creates the conditions for inspiration in others.

A Journey Along the Inspire Path

There are certain definitive communication behaviors that make a conversation an elicitor of inspiration. These elements are brought together in the Inspire Path model.

Inspire Path conversations happen when we communicate in a way that is *present, personal, passionate* and *purposeful*. These four factors greatly enhance our inspirational effect. All four need not occur simultaneously, though many inspirational conversations do involve most elements in one form or another.

PART I: PRESENT — THE GIFT OF ATTENTION

Are You Talking to Me?

People who inspire us are both physically and mentally available to us. They give us the gift of their time and, just as important, the gift of their attention.

On a basic human level, we crave positive attention from those who matter to us. Leaders should keep in mind that their attention casts a large shadow and has an inflated impact. When you're a leader, people are watching you more closely, and you're more prone to overlook them.

Being fully present at key times has a motivational impact. When a leader actually pays real attention to us, the capacity to inspire is heightened.

Being Present: A Pretty Amazing Present

For most people, it's unrealistic to resolve to be present for every interaction. However, there are certain conversations in which we do want to connect and inspire another person to expand perspective or take action. There are a number of ways to show how important these conversations are to you:

Create a distraction-free zone. It's easier to put ourselves in a place where we can't be distracted than to resist distractions by our computers, our phones or office interruptions. When you show how seriously you're taking a conversation, it raises the importance for everyone.

Use the power of pause. Take a few moments before the conversation and sit quietly. By using this pause to consider what feeling you want to create, you reorient your brain away from external noise or internal concerns and toward the moment in front of you.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Masiel Tejada**, Graphic Designer; **Christopher Cifani** Contributing Editor

Hold the space. When we hold the space for other people, free of distraction and with full attention, then we provide the opportunity for them to process their own thoughts through dialogue. By holding the space, you don't rush the conversation either explicitly or implicitly. You designate a time for it, and you honor it.

Say that it's important. We all fall prey to the *transparency illusion,* which is a psychological phenomenon in which we overestimate how well others can guess what we're thinking. It can benefit the conversation to state our motivations at the outset, so there's no guessing required.

The Stories We Tell Ourselves While We're Falling Apart

When we are around people who seem overwhelmed, our primary instinct is to distance ourselves from them.

If we're the ones who are overwhelmed, we can't have an Inspire Path conversation when our audience would prefer to get away from us. Like a narrowing lens, overwhelm takes away our ability to see the full extent of what's in front of us. It limits creativity, agility and ideation and overrides empathy.

There are actually two motivating forces behind our behavior: love and fear. Any other emotions we have are subcategories of these two. In the workplace, love can mean passion for our work, care for our teams or enjoyment for making a difference. Fear may mean worry about being successful, insecurity about not measuring up or engaging in undermining behavior to secure our status.

We operate from a place of fear more often than we realize. When we do, we aren't inspiring or connecting. We're pushing people away. And most of the time, we don't even realize it because we're merely surviving in overwhelm mode. Fear-based behavior is reactive and sometimes even irrational. Stress and overload absolutely change the way others feel about being around us. Even when we think we're good at hiding it, it leaks out.

Yes, I'm Overwhelmed. Where's My Lifeline?

Once we begin to notice that we've gone into overdrive, we can begin to develop strategies for how to get ourselves back to a place where we can be present. Your schedule, your workload or your office demands are what they are. They are a neutral variable with no emotional charge. It's your reaction to them that causes you stress.

This means that you have the ultimate control and choice in the matter. People get themselves out of the hole of overwhelm all the time. It may not be easy, but it's possible.

Challenge Your Assumptions

When people want to change the results that they're getting, they typically try different actions. However, for significant change to take place, people need to question their underlying assumptions, thoughts and values.

Say you want to be promoted (the result), which requires you to raise your visibility (your assumption). So, you go about taking action to do that. At the end of the period, many more people will know your name. Yet, you're no closer to getting that promotion.

Now, let's look at what possibilities would open up if you challenged your assumption that raising your visibility would lead to a promotion. Suppose you learn that a handful of influencers were vocal advocates for every person who'd been promoted. The actions you might choose to take would look quite different — and include ones you couldn't even see before questioning your assumption.

Pause and Hit Reset

When we're trying to get out of a stress event or a chronic state of overwhelm, mindfulness can have a major impact in a short amount of time.

It's to your advantage to clear out the stressful energy and refocus yourself. This stimulates your parasympathetic nervous system — "rest and digest" — and turns off your sympathetic nervous system of "flight or flight."

Use Situational Intentions

Situational intentions are in-the-moment calibrations to get your head around your real purpose in communicating.

Before important interpersonal exchanges, pause to consider the following:

- How do I want my audience to feel?
- How do I need to show up and put that feeling in the room?

The operative word is "feel." We process people emotionally first, then fill in the blanks with logic.

When we take this moment to reorient our thinking, center our energy and focus on an intention, we make ourselves far more present to the person in front of us.

Tricking Your Brain to Open Your Mind

We'd like to believe that our thinking expands with experience and age. In fact, our thinking calcifies with success and experience. The more we think we know, the less we listen and consider alternative viewpoints.

Open-Mindedness and Being Present

We're more present if we're more open-minded. Those who inspire us are right there with us, not judging, not pushing, but trying to understand where we're coming from.

Unfortunately, our brains are rigged against us. It's not just success that gets in the way of an open mind but our basic brain functioning. Because the brain's primary goal is efficiency, it creates a myriad of shortcuts for us to simplify our thinking so we can reduce our energy burn.

This is terrific news when we're driving to work, as we barely have to think about how to get there. But it's not so good when we make knee-jerk assumptions at work.

Princeton University professor Daniel Kahneman breaks down our thinking into the following two functions:

- System 1 thinking is automatic and quick, requiring little to no effort. We don't even realize we're thinking.
- System 2 thinking takes effort. It's associated with concentration, decision-making and analysis. It requires attention, and when that's taken away, System 2 is interrupted. In general, System 2 takes the suggestions of System 1 without challenge. It's only when System 1 has a problem that System 2 jumps in.

System 1 is fast but far from accurate. It's filled with biases: cultural, personal and learned. It also can't be turned off. The only thing we can do is understand what's happening in our thinking and prompt System 2 to boot up when we need it. If we want to grow in this area, we have to make an effort to understand our thinking and then challenge it.

Use a "Pre-Mortem." Know yourself well enough to understand what biases will kick in, what triggers could flare, what influences you're susceptible to and what you'll do ahead of time to remain present, focused and open minded.

Ask Open Questions. Most questions that we ask are close-ended fact finders that start with "why" or "did." Primarily, they elicit right-or-wrong answers, and they come across as judgmental. On the other hand, open-ended questions encourage minds to wander. Coming from a place of curiosity about the other person, they can be illuminating for both sides of the conversation.

Embrace "I Don't Know." People are most resilient and successful when they develop what Stanford University psychologist Carol Dweck calls a *growth mindset* — the belief that basic abilities can be developed through effort and hard work. Those with a growth mindset expect to work hard for mastery and don't take it personally when challenges arise. Embracing "I don't know" encourages a growth mindset. The follow up to it is, "Let's find out." When leaders are also learners, their teams and organizations benefit because the behavior models a collective growth mindset that says, "Never stop improving."

PART II: PERSONAL — PUTTING YOURSELF INTO IT

First, Keep It Real

Authenticity is the epitome of being personal because we're being our true selves. When we're having Inspire Path conversations, authenticity plays a critical role in connection. Your listener looks to you first to see how much you care, and this is what shapes how much he will care.

The Magic Balancing Act

People are drawn to those who blend competency with vulnerability. The most compelling leaders blend strength with struggle, power with vulnerability and steely resolve with a learning approach.

So, there's a balancing act to have the right amount of authenticity, which can seem like the opposite of being authentic. It's a tension that's in the background and can cause us to feel that we never get it right.

Communicating authentically can be tricky. It's not simply flipping on a switch but engaging in a continuum of behaviors. It's helpful to approach this as a two-step process: Start with the internal piece and then move into how to translate that to the external.

Authenticity Internalized

When we aren't clear about what we stand for and where we're coming from, we open up the conversation to miscommunication and misinterpretation. By getting our values clear, embracing our story and owning our message, we can come across with heightened clarity.

Know your values and determine your brand. List your most cherished values that are critical to your self-image. Narrow those values down to a brand. Your personal presence brand is your anchor. It's a reminder in times of stress, distraction, tedium or frustration of what you want to show up to be and stand for.

Embrace your leadership story. There can be a downside when we buy into our own stories. But there is also a time when embracing our stories does help us connect with others. Think of this as your leadership story. Your leadership story reveals enough of yourself so that others can get to know you and see what your values are.

Own the message. Leadership maturity is the idea that when you take the job, you assume ownership over the messages and make them your own. It's not parroting talking points but revealing your values through them.

Authenticity Externalized

While you can never please everyone, and shouldn't expect to, it's to your advantage in Inspire Path conversations to present yourself honestly and authentically. When we do that, others reply in kind.

Explicit transparency. Most people think they are transparent, but in fact, we're all very difficult to read. To overcome this, we need to be explicitly transparent. A simple, "Here's my intention for this conversation," can change the direction entirely.

Genuine language. When we want to externalize our authenticity, we should sound like we do in any other part of our lives. While it's good to be thoughtful and consider how we'll communicate, it's less about the exact wording than it is about the sentiment behind those words.

Vulnerability expressed. Share your leadership story so the other party can better get you on a basic human level. Connection doesn't really start until we know we're dealing with the real person across the table.

Lifting Sights Toward Potential

Recognizing another's potential — sincerely, specifically and altruistically — is one of the most powerful and inspiring conversations we can have. Conveying potential is not about manipulating or pandering. Conversations about potential have the impact they do because we offer them with no attachment to the outcome for us.

Conversations about potential aren't the same as positive feedback, though there can be overlap. Positive feedback is given around a particular work area or function. Conversations about potential are primarily about the person, not the job, and they aren't directive.

At their core, potential conversations are about what's possible. They lift people's heads out of their day-to-day routine to see something larger in themselves.

So, What's so Powerful About Seeing Potential?

How people in authority view us becomes a self-fulfilling prophecy: We rise or fall to their expectations.

All leaders, whether in the classroom or the boardroom, have tremendous power simply by being in positions of authority. They possess the ability to influence how others view themselves. When you call out people's greatness, the recipients see the greatness, too.

When someone we respect — and who may even be in a position of authority — tells us what she believes we can do, we will borrow that person's confidence in us.

The Quiet Influence of Listening

Listening signals respect. It shows that we value the speaker. In Inspire Path conversations, attentive listening plays an important role. When people describe inspirational figures in their lives, they say the person made them feel truly listened to. Listening at that level says, "Your opinion is so valuable that I'm going to devote myself not just to hearing you but to fully understanding you as well."

Talk Is Cheap, Listening Is Expensive

Miscommunications abound because in any single conversation, there are actually multiple conversations. Every time you open your mouth, there's a running narrative also going in your head. If we don't actively manage it, we pay more attention to our internal conversation than to the one we're having externally.

The Subtext Is Screaming if You Listen for It

Just as in any conversation there's an external and an internal dialogue, there's also a text and a subtext. The text is the words that we're speaking. The subtext is the underlying meaning. It's the context of the conversation — our thoughts, history, past interactions, emotions, larger culture and expectations. When we ignore the subtext, it is all too common for two people to walk away from a conversation with dramatically different ideas of what just happened.

Shift Your Listening to Open Your Understanding

There are four key shifts you can make when you're trying to listen intently. They all require you to move from *how* you listen to *what* you're listening for.

Listening Shift 1: Listening for facts › Listening for the whole person. Often when we listen, we're trying to determine the facts. We're better listeners if instead of zeroing in on the facts, we widen our focus to take in the whole person in front of us. We discuss the facts, but we also listen for how that person explains the situation, what his body language is telling us about his emotional state.

Listening Shift 2: Listening for text › Listening for text and subtext. Sometimes, we have an idea of what the subtext might be, but we're not sure, so we don't mention it. Other times, it goes right by us. Conversations in which we aren't brave enough to be real and say what needs to be said are never inspirational.

Learning to listen for subtext in addition to text requires a commitment to being in the moment and noticing both the said and the unsaid.

Listening Shift 3: Listening for what you need › Listening for what the other person needs to say. Similar to listening for facts, we can default to listening for what we need from a conversation and miss what the other person needs to say. When we listen in this way, our agenda is the only one that matters. Depending on the conversation, this can negate the whole reason we're communicating with this person in the first place.

By shifting our listening to what the other person needs to say, we're opening our own minds to the meaning of the conversation. We're sharing the agenda; we're taking in the details we deem worthy, and we're also noticing the value another places on those details.

Listening Shift 4: Listening to judge › Listening out of curiosity. Being able to draw swift conclusions aids our functioning in a busy work environment and may even be why we're good at what we do. When it comes to listening, however, that same capacity to make snap judgments can hinder our ability to understand — and show understanding of — another person.

This shift requires us to tamp down the analytical, critical part of ourselves in order to stay with the conversation and show empathy to the other person. We need to shift to curiosity when we want to learn rather than just confirm what we already think.

PART III: PASSIONATE — BRINGING HEART AND ENERGY

Your Energy Is Contagious

People who are passionate enthusiasts for what they do create passion in others. People desperately want to find and maintain passion in their work and in their lives. Just as important, we want to work for passionate leaders. Passion is the precursor to personal investment.

Inspire Path conversations can't happen without the right level of passion. It infuses energy into them, creating that lift we feel after an inspiring exchange.

Energy is the most visible form of passion and arguably the one that we react to the most viscerally. Energy is contagious, be it positive or negative. And when the person with the strongest mood is in a position of power, the contagion is flat-out viral.

The amount of energy we convey sets the benchmark for what other people will be able to feel. We are leading the way in showing how meaningful and important what we're communicating should be to the other person.

We've all seen what happens when someone else's energy, even when it is intentional and well meant, is not well received. There's an out-of-sync feeling between the energy someone's putting out and those on the receiving end. It can be off-putting and have a strong countereffect.

Showing the right amount of energy or passion can be harder than it appears. We want to be inspirational but not over the top. We need to light a fire but not burn people out. We have to instill a sense of seriousness but not be scary. And we mess up these energy differentials all the time.

Once you know where your authentic passion lies, you'll need to calibrate it against the situation before you. You don't want to be so far away from your audience that they reject your message. Inspiring conversations create energy but only if the other party lets them in.

Moving Hearts Before Minds

In the workplace — and to a larger extent, in life — we don't feel free to express ourselves emotionally. And yet, as we consider passion, it is inherently emotional. Enthusiasm without emotion comes across as flat or disingenuous.

When we share our emotions, we allow others to share theirs. It's the observing of emotions in someone else that brings them to the surface. It makes sense that revealing our emotions is part of how we show others who we are. When we can reveal an emotional side of ourselves and our message, we bring head and heart into it. It resonates in a more meaningful and personal way.

Emotion is a key part of how we process information, and while it can get in the way of logic, it also makes us care. Without emotion, there is no empathy. Our emotional responses call upon the deepest parts of our humanity.

We've already discussed how stories convey authenticity. Part of the reason is that a good story evokes emotion. Stories change how we listen and how well we listen.

It's worth noting that some may feel ambivalent or disdainful about purposefully tapping into their own and other people's emotions. It's understandable. After all, we've made considerable efforts to show up as unflappable and logical. Culturally, making an emotional case can feel sleazy and wrong, as if we're trying to trick someone.

So, let's frame the situation up front: When we bring emotion into our Inspire Path conversations, we're not faking or manipulating. We're authentically communicating the emotions that we already possess. We're bringing to the surface the emotions of others, which are guiding their decisions and thoughts already. In short, we're communicating in a wholehearted way.

Say It Like You Mean It

Conviction is the last component of passion. We engage through our energy, we deepen the connection with emotion and we show our mettle through conviction. When we seek to inspire others, we are encouraging them to believe. When we demonstrate conviction, we show that we already believe wholeheartedly, making it safer for others to take that leap.

One of the primary places that we look for this quality is in nonverbal communication. It's not enough to speak with conviction; we must also want to see it reflected.

So, how do you say it like you mean it? It comes down to alignment. You need your nonverbals to match your words and both to match your intent.

Start by Realizing What You Think You Know Is Probably Wrong

David DeSteno is a psychology professor at Northeastern University who studies physical signs of trustworthiness. According to DeSteno and other researchers, when it comes to reading another's body language, we look at clusters of behaviors, not isolated traits. Context also plays a role. And even when we read body language correctly, we often rationalize ourselves out of those impressions.

If you want to show conviction, instead of picking your nonverbal communication behaviors apart with a scalpel, a better approach is to get your head in the game and let your body follow the lead.

When Your Mind Speaks, Your Body Listens

The link between our bodies and how we think and feel plays directly into displaying conviction and managing nonverbal behavior. If we know the emotion we want to convey, that's more likely to show up in our body language.

Smiling can show openness and invite another into the conversation. Though not all Inspire Path conversations are ones to smile about, when they are about positivity, optimism, joy or excitement, smiling works in more ways than one.

All this can be summed up in three ways. First, people desire to know the right way to show up verbally and nonverbally to be most effective. Second, there is no right way: We don't respond to someone's communication style trait by isolated trait. We take them in through a series of aspects that we can't always logically explain. Third, instead of trying to get a checklist of communication attributes to put on like a suit, we're more effective when we consider the nuanced ways that we can put our thoughts in our bodies and let our bodies confirm our thoughts. Rather than perfection, we should strive for alignment.

PART IV: PURPOSEFUL — SPOTLIGHTING MEANING

Purposeful Conversations

If passion is the accelerator, it's purpose that steers the car. It's what creates meaning from our labor. Finding an inspired purpose is an equal-opportunity desire in every type of job at every point in our careers.

We hear a lot about purpose-driven organizations. And yes, it can be inspiring to work for an organization with a clear sense of purpose — especially when that purpose aligns with your own. On the other hand, if there's an explicit or implied corporate purpose that conflicts with your values, it can make you miserable.

But for most people, the process of finding purpose exists on a more nuanced, personal scale. It's less about a grand vision outside of ourselves and more about the vision we possess internally. That's why those who inspire us are willing to have conversations about purpose, even pointing to it when we're not looking for it. Helping someone find that internal spark of purpose, or reignite it, is a transformational act.

If we don't know why we're doing what we're doing, we won't know how to accomplish our goals. But if we can determine the why, our perspectives on the how expand dramatically. We find purpose not by starting with the goal and working backward ("I want to get promoted because I like a challenge.") but by starting with you and letting that lead to a new goal ("I like challenges, so how can that manifest?"). All too often, we talk ourselves into a goal without ever having thought through why we want it.

The Purpose of Purpose

Purpose and inspiration are closely related in the research and causally related in our own lives. Having a purpose is inspiring to us, as are those who help us find it.

Being an inspirational force for another may be enough of a reward. We get a big psychic boost from being helpful. However, there are ample business reasons to support the development of purpose in others. Purpose and inspiration have been shown to increase well-being and goal progression as well as vitality, positivity and life satisfaction.

We know from decades of research that people find internal motivation, inspiration and purpose through consistent means — by doing what they're good at and enjoy, feeling useful, being in relationship to others and having a sense of agency that carries them forward.

If You're Not Wearing It, You're Not Sharing It

When we share and show a purpose, we inspire others to do the same. Role models are a powerful force in motivation. As a behavioral model, role models embody the goals of aspirants, allowing them to learn vicariously and increase their confidence. By representing what's possible, role models show how an aspirant can be like them, not just today but in a future state. And in terms of being inspirational, role models stimulate ideas for new goals and make them desirable.

The same questions that work on others, work on us. Find the time to consider the questions for yourself. Put the threads together to understand what you're good at doing and enjoy doing, what feels useful, what creates forward momentum and what puts you in relationship to others in a way that you desire.

The Call for Courage

Many behaviors found in inspiring leadership require courage. Inspiring leaders have to go off the worn path, which takes courage. Inspiring conversations require much more of us intellectually and emotionally. They, too, take courage. We admire courage in others. We know it's the harder path.

Being willing to be in conversations about purpose, both with others and within ourselves, requires us to make courageous choices. Leading a purpose-driven life doesn't happen by accident. We have to make decisions and act in ways that support our purpose.

Courage in All Its Forms

Courage can seem like a lofty concept or even a platitude. But it's conveyed by small, everyday choices. Even large, courageous moves typically begin as discrete, defined decisions. Courage isn't an abstraction. It's a series of decisions that we believe are right even if they're tough.

Bill Treasurer, author of *Courage Goes to Work,* outlines three different types of courage.

- Try courage: the courage to take the initiative, attempt new things and take risks.
- Trust courage: the courage to have faith in others, let go of the need to overly control situations and be open to change.
- Tell courage: the courage to voice concerns, provide tough feedback, assert an unpopular viewpoint and speak truth to power.

Your Leadership Shadow Is Showing

In leadership circles, there's a concept called a leadership shadow. It's the idea that the leader's values, style and actions cast a larger shadow of influence on those around her. Leaders can eloquently say what they care about, but the shadow is determined more by the choices they make.

To be purposeful, we need to make courageous choices. We have to say no to some things, like comfort, certainty and other opportunities. Our purpose is defined as much by what we say no to as what we say yes to.

Conclusion

You're Already in a Virtuous Cycle

We often don't know the effect we've had on others when we were simply trying to connect, encourage and empathize. Only the other person knows the true effect and where it leads. When we're a force for others to find purpose, when we help them ignite their passion, when we give the gift of our full presence to connect personally, then we are part of a virtuous cycle. We create a ripple effect of positivity, confidence, excitement, agency and possibility. When you have interpersonal connections at work, you want to do more, be more and give more.

It's Always Been About the Connection

We can decide to take an Inspire Path approach to any conversation by deciding to be present, making the connection personal, bringing passion and illuminating a larger purpose. The ways we inspire aren't hard; they aren't even complex. When we put intention behind our communication and bring as many of these elements together as we can, then we develop a personal strategy to be more inspiring leaders. We make inspirational communication our default rather than a pleasant accident.

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40-08 Leadership from the Inside Out

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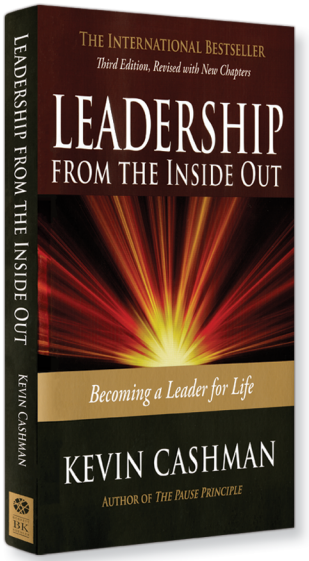
Leadership from the Inside Out

Becoming a Leader for Life



by Kevin Cashman

THE SUMMARY IN BRIEF

The long-awaited third edition of *Leadership From the Inside Out* turns leadership development inside out for a new generation of authentic, purpose-inspired leaders. Balancing timeless principles with emerging research, this new edition offers two new chapters; new case studies; stories and exercises; new validating research from the frontiers of leadership, neuroscience, psychology and human potential; and an even more powerful and transformative development experience.

Now framed in eight profound and pragmatic "mastery areas," *Leadership From the Inside Out* serves as an integrated growth experience that helps leaders understand how to harness their authentic, value-creating influence and elevate their impact.

Cashman demonstrates that his trademark "grow the whole person to grow the whole leader" approach, focusing on purpose-driven leadership, is even more relevant in today's hypercomplex world. For everyone from CEOs to emerging leaders, this new edition of a proven classic advances the art and science of leadership.

IN THIS SUMMARY, YOU WILL LEARN:

- Why leadership goes far beyond external behavior.
- The eight mastery pathways to leadership growth and development.
- Why stories are essential to leading with inspiration.
- The difference between time management and leading with energy.
- Why awareness, commitment and practice are the foundations of coaching.

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THE COMPLETE SUMMARY: **LEADERSHIP FROM THE INSIDE OUT**

by Kevin Cashman

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The Beginning of the Journey

We tend to view leadership as merely an external act. We only see it as something people do. But leadership comes from a deeper reality within us. It comes from our values, traits, principles, life experiences, beliefs, motives and essence. Leadership is an intimate expression of who we are; it is our whole person in action. We lead by virtue of who we are.

Likewise, most descriptions of leadership focus on the outer manifestations of leadership (i.e., vision, innovation, results, drive, etc.) instead of getting to the foundational principles of *leadership itself.*

What is foundational to the most effective, results-producing leaders? What supports their various competencies or styles on the surface?" Three patterns are clear:

Courage and Authenticity: Having the courage to authentically be our whole selves, complete with strengths, vulnerabilities and differences; having the courage to authentically show up with openness and integrity.

Influence: Purpose-driven communication that inspires self and others to do what is genuinely important and meaningful for the long term.

Value Creation: Serving multiple constituencies — self, team, organization, family, community and world — to sustain enduring performance and contribution.

These principles lead to an essential definition of leadership: *Leadership is courageous, authentic influence that creates enduring value.*

The implications of this definition are potentially far-reaching. From this new perspective, leadership is not viewed as hierarchical; it potentially exists everywhere in organizations. Anyone who is courageously and authentically influencing to create enduring value is leading. Some may influence and create value through ideas, others through systems and yet others through people, but the essence is the same. Deep from their core, leaders courageously bring forward their talents, connect with others and serve multiple constituencies.

Mastery of leadership from the inside out is not merely a function of achieving things. It is principally about achieving one thing — consciously and courageously making a bigger difference by fully applying our potential.

There are eight mastery pathways to our growth and development. These mastery areas are not stages of development arranged in a sequential or hierarchical order. Rather, they are an ongoing, interrelated growth process in which each mastery area reinforces the others. When arranged together, they are an integrated whole, with each mastery area supporting progress toward a more fulfilling destination: making an enduring difference by bringing forth our gifts to serve others.

Each of the following eight sections offers you pragmatic torches to illuminate your pathways to become a leader for life.

Personal Mastery

Leading with Courage, Authenticity and Awareness

A priest was confronted by a soldier while he was walking down a road in pre-revolutionary Russia. The soldier, using his rifle to block the path of the priest, commanded, "Who are you? Where are you going? Why are you going there?"

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Masiel Tejada**, Graphic Designer; **A. Imus**, Contributing Editor

Unfazed, the priest calmly replied, "How much do they pay you?"

Somewhat surprised, the soldier responded, "Twenty-five kopecks a month."

The priest paused and, in a deeply thoughtful manner, said, "I have a proposal for you. I'll pay you 50 kopecks each month if you stop me here every day and challenge me to respond to those same three questions."

How many of us have a "soldier" confronting us with life's tough questions, pushing us to pause, to examine and to develop ourselves more thoroughly? If "character is our fate," as Heraclitus wrote, do we step back on a regular basis to question and affirm ourselves and to reveal our character? As we lead others and ourselves through tough times, do we draw on the inner resources of our character, or do we lose ourselves in the pressures of the situation?

Personal Mastery is not a simplistic process of merely affirming our strengths while ignoring our weaknesses. It is about acknowledging our talents and strengths while facing the underdeveloped, hidden or shadow sides of ourselves. Personal Mastery involves appreciating the rich mixture of our life experience.

Deepening Authenticity for Sustainable Leadership

Of all the principles supporting sustainable leadership, authenticity is one of the most important. It also can be one of the most challenging.

Authenticity is the continuous process of building self-awareness of our whole person, as well as being transparent with others about our whole person — both strengths and limitations. Commonly referred to as "walking the talk," authenticity also means embodying your talk at a very deep level.

Authenticity is so much more than simply being true to ourselves; it also requires being true to others. Another prominent feature of highly authentic individuals is openness. The most real, genuine, sincere leaders tend to have the courage to be open about both their capabilities and their vulnerabilities. This more complete self-awareness allows them to focus on the team, organization and marketplaces — not on themselves.

Exploring Beliefs

Two distinct types of belief systems operate in people: Conscious Beliefs and Shadow Beliefs. Conscious Beliefs are the explicit, known beliefs we have. Examples of Conscious Beliefs someone might have are, "I believe in treating people with respect; I fear trying new things; I am creative and resilient; many people are untrustworthy; hard work brings results."

Taken from the Jungian concept of shadow, Shadow Beliefs are manifestations of hidden, unexplored or unresolved personality dynamics. A Shadow Belief is cast when we are unable to deal with something. When a deep-seated fear, loss or trauma is ignored or hidden, a Shadow Belief is operating beneath the surface. We all have shadow beliefs.

Let's say we have a Shadow Belief that "we only have value if we are doing and achieving." If we are unaware of this Shadow Belief, our drive and determination will soon turn into workaholism and lack of intimacy, with profound negative implications for our health and relationships.

Leading in Character...Leading by Coping

When a leader approaches the question, "How authentic am I?" it is often helpful to ask some other questions first: "Where is my leadership coming from? Where are my beliefs and values coming from?" Is our leadership arising from our Character, which is driven to serve others? Or is it derived from a pattern of Coping, where we tend to react to circumstances to elicit a more immediate or self-serving result?

For example, if our actions are principally guided by safety, security and comfort, we are in a Coping pattern. This is a big one for most of us. It is also subtle. We are usually unaware of how staying safe is actually limiting new experiences and possibilities.

Personal Mastery is not about eliminating Coping. It is about increasing Character to such a degree that Character is primary and Coping is secondary.

Eight Principles of Personal Mastery

Keep in mind the following principles as you begin to master your ability to lead courageously with more awareness and authenticity.

1. Take total responsibility.
2. Bring beliefs to conscious awareness.
3. Develop awareness of character and coping.
4. Practice personal mastery with others.
5. Listen to feedback.
6. Consider finding a coach.
7. Avoid confusing self-delusion with self-awareness.
8. Be agile.

Story Mastery

Leading with Inspiration

While spreadsheets are the language of management information, stories are the language of leadership inspiration. Stories can activate our deepest, best selves; they are certainly one of the most transformative of all leadership tools. Powerful narratives can bridge the authentic, essential depth of a leader to the complex breadth of strategy, culture, values and purpose.

Yet despite the nearly universal recognition of their inspirational impact, rarely do we examine and master their effective and affective use in leadership development.

Humans are story beings. From cave paintings and oral histories to novels, films, dance and digital media, we are driven to create, share and absorb stories. Anthony de Mello, the spiritual teacher and writer, put it beautifully when he wrote, "The shortest distance between a human being and the truth is a story." Likewise, the shortest distance between a leader and collective inspiration is a heartfelt story.

A Tale of Two CEOs

Two different CEOs were running two different global enterprises. One had honed his skills as an inspiring leader, and the other one was a more analytical, "only the facts" kind of person. Each was about to roll out his recently refreshed set of organizational values to support the cultural and leadership shifts needed to achieve his strategic goals.

The fact-oriented leader went to the stage and stood before 3,000 associates hopeful to hear a new agenda. They were primed for something new, ready to hear fresh, different and engaging ideas. Thinking that his job was merely to inform, the CEO dryly, rationally listed the five critical values with precision, all supported by a well-crafted PowerPoint.

The group was stunned. A resistant quiet blanketed the room. People moved back from the edges of their seats and leaned into their seatbacks with a disappointed, resigned thud. Doubt filled the room.

The other CEO took a different approach. Yes, he had five core values too, which he listed for everyone with the help of a PowerPoint. And yes, some of the values were identical to our other CEO's values. However, instead of reading them off as a list, he took his time, and he told an authentic, real-life story for each one. As he did, the PowerPoint melted into the background, and each of the core values came to life.

To present the first value, he told a moving story of a health crisis experienced by his teenage son and how the trauma of this tough journey made the value real for him. For the second value, he shared the story of a failure that he had faced early in his career and how the experience still keeps him humble, compassionate and open to learning.

You can imagine the audience perched on the edge of their chairs, absorbed in the authenticity and relevance of the CEO's inspired messages. The CEO had tapped into the collective brain and the collective heart of the organization, and the connection resonated in the room.

The sweet spot of stories is where deep, personal authenticity meets high relevance for others. Great stories operate at the intersection of the authentic "I" and the deeply connected "We."

Like all aspects of leadership growth, Story Mastery is a combination of art and science that can be learned, developed and practiced. It begins from the inside out with finding our own stories. This begins the transformative experience, but its real potential for transformative impact is in connecting people and ideas to something much larger, more important and more purposeful. This energizes the feedback loop from both the inside out and the outside in.

Purpose Mastery

Leading On-Purpose

There are three big realities that we, as leaders, have to clarify and place in meaningful relationship for our organizations to thrive:

- The Big What Question (Vision): What is possible for us to become?
- The Big How Question (Strategy): How will we get there?
- The Big Why Question (Purpose): Why is it so important that we exist in the world?

Unfortunately, too often we deal with these three realities in the wrong sequence. We largely over-focus on the What and the How and under-focus on the Why. While it may be counterintuitive to many leaders, the most strategic and energizing place to begin is Purpose: the Big Why. By focusing on purpose — an aspiration that lifts us and infuses significant meaning in our day-to-day work — and putting it first, we catalyze our courage and authentic influence to create enduring value.

Managers tend to focus on the What and How, wondering Why anything else is important; leaders awaken the wonder of Why to envision a more expanded, compelling What and How.

David Lubetzky, founder and CEO of KIND Snacks, is a great example of a leader whose vision and strategy for creating enterprises has been driven by compelling values and purpose. He is also inspired by his personal experience and his worldview.

Lubetzky, the son of a Holocaust survivor, grew up hearing stories of his father's survival in the Dachau concentration camp during World War II. In one story, Lubetzky's father told him that a guard tossed him a potato when no one was looking. In his mind, it was this guard's simple act of kindness that made it possible for him to know that he could survive. Despite the horror and harshness of his experience, he could get through it because he knew that kindness still existed. The power of this simple act of kindness gave him hope.

This story always stuck with David, and it is the core reason behind KIND. Lubetzky is a staunch believer that we can create a culture of kindness and empathy and that business enterprises can be a force both for good and for profit.

Lubetzky embodies the KIND brand and purpose while also nurturing its profitability and success. The company employs 600 people and sells its products in more than 150,000 stores. In the last five years, they have generated 111 percent compound annual growth rate, and since its inception in 2004, the company has sold more than one billion KIND bars. Lubetzky's employees see him as a humanitarian "who happens to be a great businessperson."

Keep the following principles in mind as you begin to master leading on-purpose:

Get in touch with what is important to you. Understanding our values, what gives meaning to our lives, gives us the "GPS coordinates" of our purpose.

Act on-purpose. Most people have an intuitive feeling about their purpose in life. Turning this hazy intuition into a clear, tangible commitment helps turn a dream into a reality.

Find team core purpose. Once you get clear on how your gifts make a difference, consider engaging your team around a similar exercise.

Do not mistake the path for the goal. Be careful not to simply adopt other people's views.

Focus on service. Purpose is not purposeful without serving others. It is self-expression that creates value for those around you.

Interpersonal Mastery

Leading through Synergy and Service

There appear to be two main streams of development in leadership. Both approaches can get results. One of these leadership approaches is extremely hard-driving and forceful, with a strong sense of personal power — in short, an "I" leader who gets results. These leaders have no problem asserting their power of voice, even at the expense of morale, at times. This heroic type of leader needs to become more collaborative and relational to bring results to the next level.

The other leadership approach is more interpersonally connected. These leaders are strongly collaborative and synergistic, and their power of connection ("We") is so strong that they may not appropriately put forth enough of their own power of voice ("I") when required.

Interpersonal Mastery is about balancing our courageous influence — our voice — with human connection. This is not easy. When we have two powerful elements — our power of voice and our power of connection — coming together, we experience one of our most significant leadership moments. But it is much more challenging than simply bringing forward our "Authentic I" and our "Connected We."

Relationships are the bridges that connect authenticity to influence and value creation. Leadership always operates in context, in relationship. While leaders may lead by virtue of who they are, leaders also create value by virtue of their relationships.

As crucial as relationships are to leadership success, many of us have a difficult time breaking out of the self-limiting illusion that we are "the ones that make things happen." Most leaders would not admit to this, but often their behavior clearly demonstrates this belief.

Beyond 360° Feedback to 720° Development

The tool most organizations use to help leaders deal with the intention-perception gap is 360° feedback. With such programs, leaders are given feedback from multiple sources on their behavior, skills and leadership competencies.

If a development process is modeled primarily around 360° feedback, executives only learn how to create themselves in the image of others. Such feedback can create a defensive reaction, in which no growth takes place. It encourages people to simply deliver the desired behaviors without giving them the personal insight and motivation to grow — a formula destined to limit authentic influence by creating actors, not leaders.

But 720° Development is different. It begins with an Inside-Out 360° — a deep, broad, valid, integrated assessment of our personality traits, motives and competencies as well as our current and desired stages of development. This first stage ensures that we begin to master a more authentic understanding of ourselves.

Then, an Outside-In 360° is completed to give broad feedback on how people above, across from and below us perceive our strengths and areas of development. With 720° Development, leaders now have a more complete context to reconcile their inner and outer realities.

In addition, it is also important to get feedback in real time. Ask people for their feedback on your views and how you are coming across. Make 720° Development and real-time feedback a way to accelerate your self-awareness and interpersonal awareness.

Change Mastery

Leading with Agility

We operate under the illusion that life remains constant, but in reality everything is always changing. Since birth, we have been swept up in a raging, constantly changing, never-ending flow of experience. Sometimes we love the flow of life; sometimes we hate it and resist it. But because the flow of the river is constant, we have no choice in the matter. We have to change. It is part of the price of admission to life.

We have no choice in the matter except for one aspect — mastering our *ability to adapt and learn*. Most leadership research illustrates that as we go up the executive ladder, we need to become increasingly comfortable with uncertainty and sudden change.

The qualities needed at the top — courage, openness, authentic listening, adaptability — also indicate that leaders need to be comfortable with and able to embrace the "grayness" that comes from multiple points of view coming at us at once. In other words, we have to master our adaptability mentally, emotionally, strategically and impersonally.

Learning Agility is a key to unlocking our Change Mastery. Learning Agility is a complex set of skills that allows us to learn something in one situation and apply it in a completely different situation. It is about gathering patterns from one context and using those patterns in a completely new context. In short, Learning Agility is Change Mastery — the ability to learn, adapt and apply ourselves in constantly changing, first-time conditions.

Consider these seven principles of Change Mastery:

1. Be open to learning. Encourage yourself to open up consciously to the learning hidden in changing circumstances. Grow with the flow . . . and grow within the creative tension of change.

2. Practice present-moment awareness. Imagine an athlete preoccupied with the last play or the next competition instead of the play at hand. Would he or she be successful? Developing focus on the present moment allows us to begin to "connect up" a series of present-moment successes into a lifetime of effectiveness.

3. Integrate immediate focus and broad awareness. Being deeply focused yet simultaneously aware of the meaningful context of our lives is one of the keys to enduring success.

4. Trust yourself. Developing our inner ability to trust is crucial as we hurl through the air between the potent forces of creation and destruction.

5. Develop resilience through mental/emotional stretching. Gradually increase your emotional/mental/spiritual flexibility to make yourself more agile for life's major events. Follow the same principles used for physical training: stretch, don't strain — nanometers of daily progress are sufficient.

6. Remember that all significant change begins with self-change. If you want to develop your people, be the development you want to see.

7. Take the leap. Accept the fact that you will naturally feel some hesitation and anxiety when facing the trapeze bar of change. Learning to see beyond the fear of loss and into a more purposeful vision gives us the courage to take the leap.

Resilience Mastery

Leading with Energy

Let's face it, time is a finite resource. We get 24 hours, no matter how we carve them up. However, shifting our focus from time management to energy leadership can allow us to discover our own unique formula for sustained energy and resilience to serve our most important constituencies.

David, the CFO of a midsize company and another extreme traveler, had a wake-up call. Returning from a two-week business trip, he was lifting his luggage out of the trunk of his car when his 4-year-old son walked into the garage from the house. Surprised by the unfamiliar sight of a man in his garage, the child ran back into the house screaming. His son actually mistook him for an

intruder! In that moment, David knew it was time to reenter all parts of his life.

That's the essence of our challenge as leaders: finding enough energy, resilience and connection to serve all our important life priorities without any one of them, or us, "running out" in a panic.

Moving from Time Management to Energy Leadership

Research reported by Tony Schwartz and Catherine McCarthy in a *Harvard Business Review* article, "Manage Your Energy, Not Your Time," addresses this issue. "The core problem with working longer hours is that time is a finite resource. Energy is a different story. Defined in physics as the capacity to work, energy comes from four main wellsprings in human beings: the body, emotions, mind and spirit."

Schwartz and McCarthy continue, "To effectively reenergize their workforces, organizations need to shift from getting more out of people to investing more in them, so they are motivated — and able — to bring more of themselves to work every day. To recharge themselves, individuals need to recognize the costs of energy-depleting behaviors and then take responsibility for changing them, regardless of the circumstances they're facing."

Mastery of Resilience is about practicing inner and outer behaviors that keep us grounded and centered so we can deal with all the dynamics outside. As we build more resilience, we can do more with ease.

How do we go about finding more resilience in our lives? The best model for resilience exists in nature. All resilience in nature comes about through alternate cycles of rest and activity. The cycles of day and night and the seasonal cycles constantly balance a rest phase with an active phase. Nature expresses its vitality in the active phase and reconnects with its vitality in the rest phase. Each phase interacts in just the right combination to achieve dynamic balance.

Our lives are similar, with one major difference: We get to choose the quantity and quality of activity, as well as the quantity and quality of rest. When we choose inappropriately, our life is out of whack. When we choose well, we experience vitality. Nature lets us choose freely, but she also gives us immediate feedback on how well we have chosen. As we learn to listen better, our energy and resilience increase.

Being Mastery

Leading with Presence

Being is our essence, our deepest presence and the core of who we are. Being is like a silent, calm ocean supporting the waves of energy, achievement and contribution on the surface. Accessing and expressing Being fosters the deep presence needed to lead with authenticity, equanimity, mindfulness and calm energy. Although this may be unfamiliar territory to many people, we can learn practices for leading from this deep state of restful awareness within us.

Leaders are constantly searching for something more. We want more achievement, more happiness, more fulfillment. The crucial thing, however, is how we satisfy this inherent desire for more. Do we attempt to "fill ourselves up" from the outside in? Or are we able to give ourselves something really satisfying from the inside out?

Being Mastery is that satisfying "something" we can give ourselves in a self-sufficient way. It is about learning to transform our state of awareness to greater strength and satisfaction by ourselves. No outside intervention or stimulation is required. We can do it all by ourselves, with no harmful side effects.

Imagine having the power to transform yourself physically and emotionally when you are feeling tired and stressed. That's the power of Being. Imagine problems turning to opportunities, irritation to compassion and alienation to connection.

Although meditation is a great way to connect with our inner potentiality, it is not the only way. Meditation is a technique to bring our mind from the surface of life to the depths of being. Other techniques include reverence for nature, music, present-moment awareness, children at play and inspirational reading.

Four Principles of Being Mastery

1. Take your own journey into being. Only you can judge what "vehicles" will help you on your journey.

2. Resolve life challenges by going to a deeper level. Learn to go to a deeper level to view things in a more comprehensive way. As your mind learns to settle down yet remain alert, the ability to sort through and organize your life will be amazing.

3. Consider learning to meditate. If you have a particularly strong resistance to spending time with yourself in reflection or meditation, then the need to do so is probably great.

4. Integrate some reflection into your life. Take some "Being breaks" by investing some time in getting reacquainted with yourself.

Coaching Mastery

Leading by Developing Self and Others

For coaching to have a lasting, transformative impact, three interrelated foundations need to be constructed: Building Awareness, Building Commitment and Building Practice. If all three are present and operating, breakthroughs will occur, and growth will be sustained. If any one of the three is absent, the results will dissipate over time.

Coaching Mastery Step One: Building Awareness. Building Awareness is the process of bringing new information into our field of view. Awareness encompasses the inner discipline of looking within ourselves to shed light on our strengths and our growth challenges, and the outer discipline of observing ourselves through the eyes of others as we engage in making an important behavioral shift.

Coaching Mastery Step Two: Building Commitment. Building Commitment begins with comprehending the consequences of our actions. However, it is not enough to understand intellectually that if we continue on the same course, we're going to fall short of our goals or hurt ourselves or others. We have to *feel* it. When we have a deep, emotional connection to the impact of a behavior, our life can change permanently.

Coaching Mastery Step Three: Building Practice. Building Practice is the process of consistently engaging in new behaviors to enrich our lives. It is the application phase of growth. While it is crucial to Build Awareness and Commitment, they are not sufficient for transformation; consistent action and new, tangible, pragmatic behaviors are required. What new behavior will you practice that will, over time, move you forward?

The Art of Coaching Others

Coaching is the art of drawing forth potential onto the canvas of high performance. It's the gentle yet firm hand of leadership guiding the way, like a caring friend, helping the "coachee" steer clear of danger or set a more positive course. Leaders touch lives and hold destinies in their hands; it is a sacred calling with sacred responsibility. That calling is best honored when a leader sets the highest example of personal and professional behavior and then enlists others to take this challenging path as well. To accomplish both of these tasks, nothing is more vital than coaching.

Coaching Others to Build Awareness. As leaders, often the greatest task of Building Awareness is in the human, interpersonal domain. Helping others Build Awareness requires discipline on the part of the coach to stay out of the expert or fix-it approaches to coaching. Building Awareness requires openness to help those we are coaching in sorting out their own current reality and beginning to chart their own future approaches.

Coaching Others to Build Commitment. To elicit commitment, we must help people envision the positive and negative outcomes — what they will gain and what they will lose — if they continue on their current path. When one's emotions deeply register both the compelling, positive reasons to change and the damaging behaviors to leave behind, transformation begins. Help people sort out consequences; allow your commitment to catalyze their commitment; look for openings; make sure commitment leads to practice; and be patient.

Coaching Others to Build Practice. Practice breathes life into our new awareness and commitment. Practices involve the consistent repetition of new behaviors that transform our lives. For practice to become a habit, it needs to be consistently engaged for at least 40 days. A day here and a day there will not bring transformation. Here is the key to practice: If you stop practicing, no problem — just start practicing again.

A short passage from the *Talmud* tells the whole story of life and leadership. It goes something like this: "Every blade of grass in all of creation has an angel bent over it passionately whispering three words of encouragement: Grow . . . Grow . . . Grow."

Grow in courage and authenticity. Grow in influence. Grow in value creation. Become a leader for life.

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40-09 Impromptu

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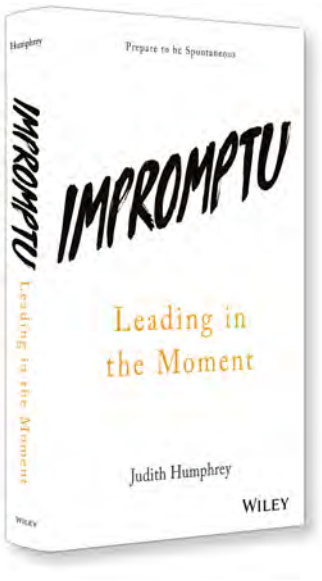
Leadership

Impromptu

Leading in the Moment



by Judith Humphrey

THE SUMMARY IN BRIEF

Today the most iconic leadership moments are spontaneous, spur-of-the-moment events that reveal the inner workings of the leader's mind. When these impromptu opportunities arise, leaders must be able to listen, think and respond within seconds. They can tailor a message — in a meeting, in the corridor or in a tweet — to influence and inspire any audience. Those who shine in that moment are remembered for their leadership.

The ability to speak on the spot is often seen as an innate gift, a talent of "natural-born" leaders. The truth is, it's a skill that can be learned — a skill that is quickly becoming a must-have for anyone in a leadership position. Guided by her entrepreneurial success as founder of The Humphrey Group and her firm's work with tens of thousands of leaders over the past 30 years, Judith Humphrey makes clear the importance of preparing to be spontaneous — as counterintuitive as that may sound!

Impromptu provides clear, actionable guidance to help you reach your full leadership potential. It will enable you to influence and inspire followers on the many "small stages" that define our daily lives.

IN THIS SUMMARY, YOU WILL LEARN:

- Why impromptu speaking has become an essential skill for leaders today.
- To develop an impromptu mindset.
- To create an impromptu script for every occasion.
- To deliver your remarks with maximum effect on the impromptu stage.

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THE COMPLETE SUMMARY: **IMPROMPTU**

by Judith Humphrey

The author: Judith Humphrey is founder of The Humphrey Group, a premier leadership-communications firm. She founded The Humphrey Group in 1988 as the first Canadian firm to focus on teaching top executives to be effective speakers. As a communications expert, Humphrey teaches global clients how to communicate as confident, compelling leaders. She is also an acclaimed speaker and a columnist for *Fast Company*. Her other books include *Speaking as a Leader* and *Taking the Stage: How Women Can Speak Up, Stand Out and Succeed*.

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The New World of Impromptu

The Rise of Impromptu Speaking

Back in the 1980s, CEOs and top executives in every organization regularly delivered formal speeches and rarely spoke spontaneously — nor was anyone else encouraged to communicate. The law of the land was for managers and junior executives to keep their mouths shut.

And then in the 1990s something odd but unmistakable occurred. The demand for formal speeches declined, while the number of people asking The Humphrey Group for assistance with impromptu remarks soared. Today more and more leaders — pressed for time and anxious to be authentic — are scrapping the script.

Elon Musk, CEO of SpaceX, hired Dex Torricke-Barton, Mark Zuckerberg's speech writer, but was quick to point out in a tweet that "Dex will do comms, but my speeches are just a conversation w the audience. No time to rehearse & don't want to read from a prompter." This transformation of leadership communications from scripts to spontaneity, from the big stage to the small stage, reflects a new era of impromptu speaking.

The rise in impromptu speaking reflects three closely related developments that have changed our world. First, the flattening of organizations. There's still someone at the "top." But there are now fewer layers, and fewer barriers between top and bottom. Knowledge and decision-making are decentralized. Leadership is expected at all levels of the organization. Today's leaders must communicate in a more open, authentic and informal manner than was previously done at the top.

Second, technology has accelerated the shift to distributed leadership. Emailing, messaging, texting, blogging, tweeting and conference calls provide nonhierarchical channels of communication. People are communicating in shorter, more spontaneous and more authentic ways, making impromptu speaking more the norm than the exception.

Third, thanks to our interconnected world, time zones have dissolved and we live in a 24/7 universe. The flow of information, once a trickle, has become a veritable Niagara Falls of emails, texts, news reports, videos and social media posts. This leaves less time for lengthy, formal events, with the result that older forms of communication (speeches, presentations, meetings) have been replaced by crisp impromptu exchanges. In fact, impromptu speaking has become the modus operandi for leaders, reflecting the fact that everything leaders do is chopped up, fragmented into short bits of activity.

Power of Spontaneity

Impromptu speaking has compelling power for leaders. People don't necessarily "get" what you want them to if you say it only once. You need to repeat your messages over and over and over again. In impromptu settings you can do just that — in the corridor, the elevator, the lunchroom, the meeting room and the office. Each time you repeat your message it will sound fresh and spontaneous, and over time you will have the impact you want.

Impromptu conversations can stimulate collaborative idea sharing. "Ideas typically do not just come to you," Mark Zuckerberg said in a 2014 Q&A session at Facebook. "They happen because you've been talking about

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something or thinking about something and talking to a lot of people about it for a long period of time."

Spontaneous conversations allow you to resolve problems and give feedback on a more timely basis. Sundar Pichai, Google's CEO, often meets with Google employees in a room next to his office that has been nicknamed "Sundar's Huddle." On one such occasion, according to an article in *Fast Company,* the group had "barely begun its presentation when Pichai starts peppering [participants] with questions, opinions and advice. For half an hour the discussion careens from subject to subject." This is the power of impromptu, on-the-fly exchanges that lead to better decision-making.

Spontaneous speaking allows you to be authentic and trustworthy — no small benefit when you are leading a team or organization. When leaders speak in an unscripted mode, their tones are more genuine and their listeners know they're speaking from the heart, not from a text that someone else might have written for them.

The crowning touch of impromptu speaking is that it will make you charismatic. According to research published in *Psychological Science,* people who respond to questions or statements without hesitation come across as charismatic. "When we looked at charismatic leaders, musicians and other public figures, one thing that stood out is that they are quick on their feet," said the researchers. And this ability to react without hesitation is attractive to others.

The Impromptu Mindset

Good impromptu speaking is a matter of words, scripts and presence. But before those words can be selected or scripts formed, there is a need to bring the right mindset. The right mindset includes having the intention to lead, being a good listener and being authentic, focused and respectful. Get your outlook right, and you'll find the other pieces will fall into place.

Be Intent on Leading

In this new world of spontaneous communications, an opportunity to lead might come at any moment, in any situation, at any level, to anyone in the organization. But you must have the *intention* to lead. This involves the desire to move others by shaping their opinions, influencing their actions, or just connecting with them on a human level and making them feel better about their workplace or their lives. Seizing these opportunities means, above all, realizing the potential of your own leadership and the ever-present opportunity to have an impact on others.

Smart leaders know when to seize leadership moments.

Pick the right time and place. Don't speak too soon or wait too long to share your ideas. Choose your setting, too. Public spaces are not the best for sensitive discussions.

Collect your thoughts. This is perhaps the most difficult challenge for impromptu speakers. After all, you may have only seconds to collect your thoughts. Think first…then speak.

Have your audience's full attention. Even if you have something powerful to say, or feel the person you are reaching out to knows you're there, don't speak until you have the undivided attention of the people you're talking to.

Have something valuable to say. If you don't have something of substance, keep quiet and listen to others.

Be politically sensitive. Even though organizations are flatter today, there are still political protocols for leading up, down and across your organization. And that means impromptu conversations must be undertaken with sensitivity.

Be a Listener

A commitment to truly hearing others is an important part of the impromptu mindset. But active listening involves more than listening with our ears. It's a threefold approach that requires our entire being — our *physical, mental* and *emotional* powers.

Good physical listening begins with body language that shows you are interested in others. Open your hands and arms, and direct your gestures toward the person you are talking to. Turn your head and body toward that person. Warm up your voice, and be expressive. Look people in the eye, and even in a group meeting, always look at the speaker even if that person is not talking to you individually. Smile, nod, show rapport.

Listening mentally is the second tier of listening and involves fully engaging your mind in what those around you are saying, and probing and building upon their thinking. The starting point of mental listening is attentiveness. Mental listening also involves probing, drawing out others and eliciting their views. Mental listening at its best involves orchestrating a discussion and bringing coherence to disparate views.

The third tier of listening involves emotionally connecting with others and not letting your own feelings get in the way of effective listening. The starting point of emotional listening is reinforcement — nodding your head or saying "yes" and "I understand." Show that you empathize

by using phrases like, "I can see why you feel that way" or "That must have been a difficult decision for you."

Be Authentic

Authentic leadership involves sharing the genuine qualities that define us. But it is more than that. It also requires embracing the values and deep beliefs that represent leadership at its best. Those qualities include the intent to lead and listen and to respect the views and dignity of others. The most successful leaders share what they know, believe, feel and experience in such a way that they inspire others.

There are many ways to bring your authentic self forward. The following six will put your audience (and you) in touch with your true self.

- **Share your presence.** It is about being "in the moment," being open to the conversation and aligned with the person or people you're talking to.
- **Share your ideas.** Authentic ideas are original, bold ideas that come from within you. Leaders need to delve deep to find them.
- **Share your beliefs and values.** Authentic leaders inspire others with their beliefs and values.
- **Share your feelings.** Authentic leadership involves showing positive, motivational passion and filtering out destructive feelings that might demotivate others.
- **Share your vulnerabilities.** Authentic leaders are forthcoming about their strengths and weaknesses.
- **Share your stories.** Nothing will endear you more to an employer, boss, team, colleague, customer or friend than an inspiring story about yourself.

Be Focused

The need for focus is important today because everyone is on information overload, and you'll lose your audience if you don't deliver clear, focused thinking. In *Brief,* communications expert Joseph McCormack writes, "In 2008, Americans consumed about 1.3 trillion hours of information outside of work, an average of almost 12 hours per person per day." At work, the demands are even greater. Given this flood of information, it's no wonder people's attention span has gotten shorter and shorter.

The solution? Have a focused mindset that (1) encourages you not to talk, talk and talk because you like to hear the sound of your own voice, and (2) distills your thinking rather than offering up a content dump. Steve Jobs distilled his presentations down to one message: "Today Apple is going to reinvent the phone, and here it is," he told his MacWorld 2007 fans.

In impromptu speaking, being focused is a make-or-break quality. You'll lose your audience if you speak too long or get sidetracked. But if you stay focused you can rivet your listeners' attention on exactly what you want them to know and care about.

Be Respectful

True leaders show the utmost respect for their employer. If that sounds "old school," just think of organizations as *communities.* Loyalty to your organization shows you value a community that includes you, your team, your colleagues, your customers and other stakeholders. As a leader, you should inspire others to believe in the organization and what it stands for.

Respect your management as well. When speaking off the cuff, avoid comments that show disrespect for your boss or senior management. Organizations may be flatter than they once were, but showing respect is still a coveted quality.

Respect your colleagues. Respectful people are the ones who listen attentively to others at meetings, who don't interrupt when someone else is talking, who can be trusted with confidential information, and who always are generous and positive in their comments about others. They make others look and feel good.

Finally, respect yourself. Successful leaders also project a consistently positive and credible "brand" for themselves. They don't undercut themselves when they feel vulnerable, tired or upset. Respect needs to be at the core of our impromptu conversations — and for that to happen we must make it part of our mindset.

The Leader's Script

This section discusses how to craft scripts for impromptu speaking. First, let's learn how to create a strong foundation for your script.

Lay the Groundwork

The first step in preparing your extemporaneous script is knowing your subject matter. This includes three kinds of knowledge:

Subject knowledge. People expect you to demonstrate a solid grounding on the topics you're discussing. Get your facts right, or risk damaging your credibility.

General knowledge. The better read you are and the more you keep up with developments in science, politics

and sports, the richer your remarks and the more persuasive you'll be.

Experiential knowledge. The best impromptu speakers also draw upon their life experiences. Martin Luther King's "I Have a Dream" speech was largely extemporaneous, but it embodied ideas he had lived.

Preparing for impromptu speaking also means having key leadership messages in mind. Mark Zuckerberg does this well. He is always "on message." His central message and mission is this: "To give people the power to share and make the world more open and connected." He consistently delivers variations on this theme.

Read Your Audience

Take time to analyze your audience before you're face to face. Ask yourself, "What is their appetite for the ideas I will introduce?" "Will I need to bring them around to my way of thinking?" And "If so, what is my best strategy?" Assessing your audience's level of knowledge is also critical. Will you need to explain the basics to them, or do they have a sophisticated knowledge of the subject?

Once you're in front of your audience, be sensitive to the dynamics in the room and respond accordingly. When speaking, keep the following questions in mind and let them guide you in reading your audience. "Is my audience engaged?" "Which ideas are gaining traction?" "What is the organizational culture?" "What political realities are present?"

Follow up by asking yourself, "Did I 'get' the audience?" "Did I read the situation correctly?" Those post-mortems are valuable and a good way to improve your skills.

In sum, always think in stereo — one track keeping tabs on your own thinking while the other track monitors the audience's response. And to be a great impromptu speaker, read your audience — before, during and after you speak.

The Scripting Template

In every situation it's important to collect your thoughts rather than spew out whatever comes into your head. Winging it simply doesn't work for leaders.

The Leader's Script® template is a model for organizing your thinking in impromptu conversations. This easy-to-master template has a four-part structure rooted in the fundamentals of persuasion. Here's how it works:

First, engage your audience with a "grabber." This bridge to your audience can be a friendly greeting, a reference to a previous discussion or a segue from someone's point.

Second, state your message. This is your point. It is the heart of your impromptu script.

Third, build your structure. Create a compelling case for your message with clear, persuasive arguments.

Fourth, end with a call to action. Show how your message can be acted upon.

This four-part template will allow you to lead others through persuasive and sound thinking. Burn it in your mind, and use it every time you speak impromptu.

For example, you're about to meet with your boss for an update on a project. Take 10 minutes before the meeting to write down the key elements of your script. Your grabber might bridge to your boss by saying, "I know you're keenly interested in Project X."

Your message would follow: "I've got good news: We're making excellent progress." Now for your proof: Jot down several points that illustrate why you say things are moving along well. Close with action: What do you want your boss to do? Or what will you do next?

That's it — a simple template that guides you through any discussion. Creating your script is an important aspect of impromptu speaking. It will keep you from blathering, as so many people do. With a clear and persuasive structure, you will influence and inspire your listeners.

Commit to a Message

At the heart of the Leader's Script is a point — your point. It is the idea you want to get across. Without a message, conversations become information-based rather than idea-based. Listeners are not sure what point you're suggesting or why you're proposing a certain action.

The best speakers know the qualities of a good message. Here are the six characteristics to keep in mind.

First, a message is one idea. Too many ideas — or no idea — both produce the same thing: confusion in the minds of the audience.

Second, it's a single, clear sentence. Why? Because if your message is more than one sentence or is a long, convoluted sentence, the audience will not "get it."

Third, it is engaging. Design it so your listeners hear it, believe it and want to follow it.

Fourth, it carries your convictions. Make sure your message is an idea you believe in.

Fifth, it is positive. Your message should move the room, so be sure it embodies hope, aspirational goals, possibilities and accomplishments.

Sixth, it's recognizable. Often expressing it as a strong, clear, declaratory statement (with a tone of conviction) is enough to flag it as your main idea.

Make a Compelling Case

Stating your message is rarely sufficient. You need evidence that encourages listeners to buy into that point of view. So after presenting *what* you believe, share *why* you believe it.

Building your case involves choosing the right pattern of organization for your points. The secret is to learn the following four patterns and pick the best one for each impromptu script.

1. Reasons. This pattern backs up your main point with reasons. Suppose your message is, "I believe we need a more inclusive working environment." Your bullet points might be: "First, we're way behind in hiring women and minorities. Second, a diverse workforce leads to a better bottom line. Third, inclusivity is the right thing to do!"

2. Ways. This pattern shows the ways your main point can be acted upon. Or it can refer to "things" that have to be done. Suppose your message is, "I know we can fix this situation for our customer." Your bullet points would show the ways: "First, we will interview our customer. Second, we'll assign a team to resolve the situation. Third, we will follow through and make sure it's fixed."

3. Situation/Response. This pattern is used when your message refers to a situation or challenge to be acted upon. The first bullet describes the situation or challenge, while the second presents the response. Your message might be, "Although last year's results came in below expectations, we've taken steps to turn the division around." Your bullet points would sound like this: "Adverse economic conditions resulted in earnings that were 10 percent below projections last year. But our new product line and cost efficiencies should allow us to meet or exceed expectations this year."

4. Chronological. This pattern takes your listeners through a temporal sequence that elaborates your message. Say your message is, "We have met our project commitments on schedule." Your bullet points might sound like this: "When we launched this project, we said we would complete the installation in three years. In the first year we achieved the goal we set. In the second year we were ahead of schedule. Today all of our commitments have been met."

To decide which structure to use, pause after your message, and choose your pattern. And if you have time to think in advance, all the better. Eventually the decision will become second nature. Having a message and bullet points will guide you through your impromptu remarks. Fill in the words as you speak.

Impromptu Scripts for Every Occasion

Meetings

Studies show that busy professionals attend more than 60 meetings every month and spend approximately 40 percent of their time in meetings. CEOs spend a full 85 percent of their time in meetings of various sorts, including scheduled and unscheduled meetings, brief encounters, conference calls and networking events.

You as a leader have a wonderful opportunity to influence and inspire in these meetings. For example, your boss asks for an update on a project or a string of projects. Realize that project updates are always a little more than just that. What you're really doing is selling your boss, and anyone else in the room, on your work and why you think it matters — and why it should matter to them, too. To do that well, you need to avoid the mind-numbing, fact-based approach: "This happened, that happened, here's where we are, blah, blah, blah." It's a poor idea to provide that jumbled-up selection of good news and bad news.

Start by writing down a positive message for each project, no matter what stage it's in. Then write down or type out several reasons or ways your project can be shown to be in good shape. On your way to work, run through that messaging in your head.

When it's your time to present, begin with your grabber. If you're presenting to your boss, you might say, "You'll be pleased about Project X." Then set forth the positive message: "It's on track to deliver higher revenue for our salespeople." Always make sure your message inspires. If your group is underperforming, don't hide the fact, but have a message that commits to turning the situation around. Poor results? Show why they'll get better. Once you've delivered the above message, move to your proof points. Finally, your call to action ("Stay tuned!").

Such a script will allow your boss to sleep well. Position every project in this way, and you'll demonstrate your leadership and build confidence in your team.

"Just the Big Picture"

A meeting convenor or executive has told you time is tight, saying, "Just give us the big picture." These words can be scary. Here's a brief guide to shrinking your presentation on the spot.

The worst thing you can do is skim through your entire presentation or report, frantically trying to figure out what to say and what to delete. This approach is often

characterized by talking too fast and occasionally discarding a slide with the comment, "That's not important" or "We'll pass over that one." A far better approach is to bring your impromptu skills into play and create a shorter presentation on the spot. There are three ways to do this.

1. Scrap the slides and deliver your thinking. If you used the Leader's Script in preparing your presentation, it will have all the key elements of a good impromptu script — grabber, message, proof points and call to action. If your time is reduced, tell your audience that you will give them the key messages of your presentation.

2. Select key slides. Focus on the few slides that present the key elements of your talk. In preparing your presentation, create an outline that has all the components of the Leader's Script. Do this even before you create your visuals. Then design the visuals around this template. If you're asked to speak in less time, use only those slides. Be sure to save this mini-presentation of four to six slides as a separate file.

3. Just use your message. There may be occasions when you don't even have time to deliver a version of your presentation's structure. Your boss may rush by and say, "I've got to run. Give me the gist of your presentation." Or you may find yourself in a situation where someone needs the simplest version of your talk. Often this comes in a hallway conversation, an elevator chat or a client meeting. So always carry in your mind the one message you want to get across.

The Impromptu Speech

A vice president was asked to introduce a minister of labor at a business luncheon. The executive had prepared an adulatory introduction, but the minister showed up early and needed to speak well before her designated time. When the VP arrived, his introductory remarks were no longer needed.

After the minister finished her keynote address, the master of ceremonies called upon the VP to "say a few words" about the speaker. The executive knew he had to craft an impromptu speech, do so quickly and make it right for the occasion. The theme of his remarks came to him as he walked up to the podium to address the 700 people in the room.

He began, "Madame Minister, I am not surprised you were ahead of schedule today. After all, as your speech indicates, you have been moving rapidly to address labor issues in this province." The VP then enumerated a few of the labor issues that the minister had been tackling and resolving. After doing so he concluded, "Thank you for coming today and for staying ahead of schedule on your commitments to this province."

The best impromptu speeches reverberate with a single, captivating idea. The executive's central idea (praising the minister for "moving rapidly to address labor issues in the province") flowed out of the grabber ("I am not surprised you were ahead of schedule") and led to the call to action in the final line of the speech. Once you have that message, you're well on your way to a great speech. All you need to do is figure out your proof points and your call to action.

The Impromptu Stage

Rehearse Your Remarks

Successful spontaneity is a practiced art. There are times when you'll want to rehearse your remarks out loud because it can make all the difference in client pitches, job interviews, Q&A exchanges, impromptu speeches and difficult conversations.

Pitching clients can be unnerving, so it's best to practice. Whether you're an entrepreneur, a salesperson or a team leader, selling your ideas takes practice, and rehearsing will help you stay on message.

Rehearse for job interviews, too. Practice until you know your script thoroughly and can successfully field any questions thrown your way. This takes work, but it's worth it.

Sussannah Kelly, executive vice president, DHR International, regularly rehearses candidates for CEO positions. She fires questions at them and gives them feedback on their answers. According to Kelly, "What they learn from these rehearsals is that it's not about them. It's about how they can help the company."

Smart business leaders also prepare for Q&A. A financial executive was a pro at such dialogue because he rehearsed for his conference calls with analysts. Before each call he'd write down all the questions they could ask him, and create succinct, message-based answers. Then he would be grilled on those questions and others, including a few "left-field" questions like, "I hear there's a management shakeup in the works at your company, is that true?" Or "Do you have any plans for a merger?" As a result of these rehearsals, he was terrific on the conference calls.

Choose Your Words

Mark Twain once said, "The difference between the right word and the almost right word is the difference between lightning and the lightning bug." In impromptu

speaking, we may struggle to find the right word but land instead on the almost right word or even the wrong word — followed by apologizing, self-correcting or rephrasing.

To strengthen your impromptu language, keep the following four Cs in mind:

1. Be clear. Unclear language comes from unclear thinking. Too often words roll off the tongue, yet they don't present a clear idea. Prune your prose. Say "We'll focus on," instead of "What we are going to do is focus on." Junk the jargon. Delete phrases like "Transform our educational knowledge set," and replace with the more familiar "learn."

2. Be conversational. Impromptu language should be conversational — marked by the simplicity we use in everyday conversation. Use short words. Don't use "however" if you can use "but." Don't say "prioritize" when you can say "choose." Also, your audience can understand shorter sentences better than longer sentences. Finally, be conversational, but be professional. Avoid "yeah," "yup," "nope," "gotta," "you guys," "stuff," "hey" and "whatever!"

3. Be confident. Speak with conviction. Use phrases like "I believe," "I'm convinced," "I've thought a lot about…." Filter out the filler. Avoid words like "um… ah… yeah… well… like… you know… to be honest" or any combination of these. Shun weak words ("just," "a little bit," "only," "maybe"), and watch wiggle words ("perhaps," "probably," "possibly," "basically").

4. Be collaborative. Limit the language of "ego." Words that can smack of egotism if overused, such as "I," "me," or "my," should be used sparingly. Nix the negatives. Collaborative language builds relationships and is therefore positive. Avoid "I can't" or "I won't," as in "I can't get the budget for this project" or "I won't be able to make the meeting." Also, focus on common goals, and encourage diverse viewpoints.

Find Your Voice

Your voice is a powerful instrument for impromptu leadership. If you're too rushed, too loud (or soft) or seem out of breath, you will undercut your ability to engage others. Let's discuss how to achieve a strong, confident voice by learning to breathe, grounding your voice and achieving the ideal volume, tone and pace.

Begin by breathing. You're in a meeting and suddenly a question is thrown at you. Before answering, pause and take a deep breath. That breath will send a calming message to your brain. You will sound — and be! — more focused in your reply. It takes a steady, reliable supply of breath to speak powerfully.

Ground your voice. Grounding your voice will make it deeper, stronger and more credible. To build this skill, think of the connection between "gravitas" and "gravity." Imagine your voice tugged down by gravity. When we are tense or surprised, or rushing as we speak — as often happens in off-the-cuff moments — our voices rise. So gravitas is a perfect antidote to that tendency.

Strive for the right volume. Find a voice that's neither too loud nor too soft but strong and confident. If you speak too softly, people will tune you out. You'll sound tentative and unsure. By the same measure, if you're too loud or aggressive, you'll offend people. Also, adopt a warm, committed tone that inspires confidence. Let your voice be expressive and show you're a person who cares about what you say and about those you're talking to.

Pace yourself. Your pace should be slower than you think. Pause between sentences. This will allow you to formulate your next idea, and it will also help your listeners absorb what you've just said. Typically the pause between your sentences should be about two seconds. Deliver your ideas at a relaxed tempo, and pause between the elements of the Leader's Script. Those breaks are a sign to listeners that you are moving from grabber, to message, to structure and, finally, to the call to action.

Few skills are more important today for leaders and aspiring leaders than the ability to speak well in impromptu situations. The day when executives could deliver the big speech and then retreat to their offices is long gone. Constant, spontaneous interactions with colleagues, senior executives, clients and stakeholders have become the norm.

The new world of leadership is full of conversation, collaboration and charisma. Make the most of these opportunities.

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40-12 The Power of Vulnerability

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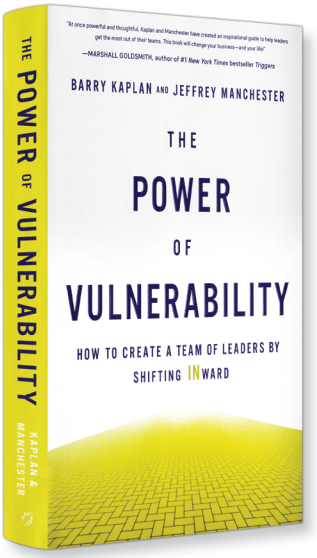
Leadership

The Power of Vulnerability

How to Create a Team of Leaders by Shifting INward



by Barry Kaplan and Jeffrey Manchester

THE SUMMARY IN BRIEF

Work is often a source of dissatisfaction for people because in their desire to get ahead, they often lose touch with their values and internal sources of power. *The Power of Vulnerability* offers a new approach to transforming corporate culture so that you can thrive at work and in life.

Authors Barry Kaplan and Jeffrey Manchester have leveraged their decades of experience and created a guide to finding success and fulfillment for teams and individuals. They teach readers how to create a sense of safety, encourage exploration, develop an INpowered team that transcends organizational hierarchy, foster communication and be authentic.

Manchester and Kaplan can help you find INpowerment so that you and your colleagues can create a fulfilling, supportive and open corporate culture. This fulfillment creates loyalty and long-term employee commitment to organizations.

The Power of Vulnerability includes everything you need to unlock the potential of yourself and your organization.

IN THIS SUMMARY, YOU WILL LEARN:

- Why authenticity and vulnerability are the keys to unleashing power.
- To INpower everyone to lead more effectively, whether they're the boss or not.
- To create rules of engagement for true authenticity in your organization.
- To find your purpose and create a life plan.

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THE COMPLETE SUMMARY: **THE POWER OF VULNERABILITY**

by Barry Kaplan and Jeffrey Manchester

The authors: Barry Kaplan, a partner in Shift 180, is an expert in organizational development and leadership. He is an executive and team coach for entrepreneurs, leaders and their teams and actively leads small group, board and management team offsites and retreats. Jeffrey Manchester has worked with over 1,000 presidents and CEOs as a strategic advisor. He is a master at INpowering individuals and teams to maximize their true potential through the gateway of authenticity. *The Power of Vulnerability: How to Create a Team of Leaders by Shifting INward* by Barry Kaplan and Jeffrey Manchester, copyright © 2018 by Shift 180, LLC, has been summarized with permission of the authors, Barry Kaplan and Jeffrey Manchester, by arrangement with Greenleaf Book Group. 256 pages, $24.93, ISBN 978-1-6263-4473-0.

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The Journey Begins: Isn't It Time?

Do you want more? Do you feel like you are going through the motions at work? Are you struggling to find meaning in what you do? Many business leaders and professionals say they have a sense of feeling alone.

Disconnection from purpose and authenticity is the root cause of this loneliness and lack of inspiration. Lack of connection gets us stuck. What keeps us stuck in the same place are our self-limiting beliefs. We create limits for ourselves, and we actually spend energy finding ways for these boundaries to be reinforced by others. Ultimately, they become embedded into our internal operating system of how we must show up in our roles and perform our jobs.

These limiting thoughts include beliefs about how much of ourselves we can reveal in meetings; beliefs about our roles in the leadership of a team, department or organization without being the hierarchical boss; beliefs about the appropriateness of more real, open, even vulnerable conversations; beliefs about our ability to take risks within the organization; beliefs about our own powers, authority and/or ability to change our circumstances; beliefs about the combined capabilities of the team; beliefs about our ability to feel a deep sense of fulfillment; and beliefs in our and the team's ability to handle chaos.

These self-limiting beliefs are self-fulfilling — unless we choose to change the belief.

"INpowerment" (not to be confused with empowerment) comes from our beliefs that each individual and team have more power than we realize; each of us has the capacity to access the power inside us; we can learn how to do it; we can do it on our own but even better as a team; and we need to discover and unleash that power by shifting inward. The potential of INpowerment reaches beyond our imaginations, yet it requires the courage of vulnerability to join the journey.

For Return to Connection: INpowerment Is Worth It

Organizations can be the ones to create the changes needed to create an environment that fosters connection and engagement. Embracing authenticity is a new paradigm for corporate culture. Authenticity is the key to unleashing power.

When you get to see someone for who they really are as a human being, beyond the façade, underneath the armor — not what they want you to know about them but the true person — you can genuinely open yourself to their struggles on the job. You then develop empathy, compassion and a feeling of care for your colleagues that comes from a genuine desire to support them with their challenges. That's because you're emotionally engaged with them and with their cause, not just intellectually curious.

The notion of how to empower individuals and teams too often misses the critical element of authenticity. With INpowerment — we have to always look internally first before we can look externally. We have to be all IN and willing to be the beautifully imperfect beings we are. We have to be willing to share our diverse set of perspectives, to use our own unique voice.

INpowerment requires a shift to claim personal responsibility to do what you need to find alignment with something greater than yourself, show up with your voice and bring your personal power to the team. The only

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obstacle to accessing that power is our judgment about what we cannot be or do.

Breakthrough: Claim Responsibility to Shift Direction

Now that you've realized you want your voice back, the journey can begin. This is a journey back to YOU.

Classically, we look outside ourselves for answers and change, hoping to find a cure for the aching pit in our stomachs. But searching outside hasn't led you to a sense of passion and fulfillment in your life. It's only left you less than whole — a partial you. You must go inside and embrace that the change you must make begins with you. It's not the team that has to change. It's not your boss. It's not your commute. It's not your kids. It's you.

When you have lost your connection to yourself, you have lost touch with the many things that make you who you are — your values and beliefs, your wants and desires, and what you are most passionate about. This lack of connection to self is the chief culprit responsible for your loss of power.

Once you open yourself to the possibility that you are responsible for creating the "stuckness," you have the opportunity to change. You got yourself here; now you need to get yourself out. Start now. Choose to begin the process of learning more about you. Choose to engage with yourself and others more fully and completely. Start looking inside to find your voice and learn where you can connect with something greater than yourself.

Who Goes First? Don't Look Outside Yourself for the Leader

The journey to INpowerment is for individuals and their teams. Ultimately, transformed individuals build powerful teams, and a powerful team inspires individuals. The two serve each other.

Most people assume that embracing a deeper level of authenticity, especially when you are changing the culture of an organization, must start with the head of the organization or team. Though hierarchal leaders need to buy into the benefits and be willing to become authentic in order for the shift in the organization to be sustainable, the catalyst for that change can actually come from anyone on the team.

It's important that we distinguish the difference between a boss and a leader. The boss is the person who owns the ultimate decision. They are accountable for a particular decision. A leader can be anyone on the team — anyone, including the boss. That's because everyone has something to offer.

Leaders bring their power to the team — their voice that shares their ideas, opinions and concerns. Everyone who exercises his or her personal power in this way is a leader. While the boss may have the final decision, you owe it to yourself — and your team — to bring all that you have to discussions and meetings.

Vulnerability is the gateway to unleashing all of your power! This idea may be completely counterintuitive. But vulnerability is leadership within a team. When you are in a place where it feels safe to become more vulnerable, and you show up with your truth, you are bringing your power to the team. That gives others on the team permission to do the same thing. When you are willing to take the risk and make yourself vulnerable, the team will draw upon your example, and the entire team, through its vulnerability, will unleash the power that comes from authenticity.

Reclaim Your Power: Any and All Leaders IN

When the hierarchal boss understands and embraces this conceptual shift, that boss comes into the true power of their leadership. The boss is an individual, too. So, the development of the boss in their leadership calls for them to accept that the best way to get stuff done, to be the boss, to be a real leader, is to encourage others to step into their best version of personal leadership. That means you, as a boss, need to accept that you may not always be right, that you may not always know the answer, that you may not even know who does know.

You'll also need to accept that it is okay and even sensible (though risky) to move into the unknown, that it is okay to believe that the best outcome is when you can be both the boss and a leader without having to always lead. Embrace the reality that sometimes the highest form of leadership is when you lead from behind by creating the environment for others to claim their power and step in before you.

But the boss starts out like everyone else, needing to go inward and do their work to unlock their power, too! They may have hierarchical power or authority, but they still need to reclaim who they are.

This is a brave new world for the new boss as they continue to allow themself to be a member of a team of leaders, not THE leader of a team. The weight of carrying the burden of having to be right or to be the person with all the ideas and answers is now gone! The boss can worry

less about what they have to give to their teammates in direction and ideas and focus more on what they can take away from their teammates (through helping them remove barriers and blocks to their success). They are leading, and the boss is engaged in making them the best that they can be in their roles.

By INpowering each leader to lead, meetings will look and feel different. Previous meetings where the boss was required to bring the agenda and try to facilitate dialogue among the team will give way to each leader bringing content and/or agenda items to co-create the specifics of the agenda.

Time to Show Up: Start a Cultural Revolution in Your World

As members of the team embrace this new form of authenticity and it begins to flow into the rest of the organization, the culture of the organization will begin to change. This truly is a cultural revolution.

What unfolds next is a greater capacity for creativity and innovation and, ultimately, productivity. The boss no longer has to push their agenda; rather, the other leaders on the team will learn to co-create buy-in to align with the agenda.

Buy-in is more compelling and important than agreement. You can disagree with a final decision and still give your buy-in, because you have expressed your beliefs, opinions and feelings. It's better than just feigning agreement because of the inevitable decision or vote. Rather than forcing the vote, the ultimate decision is organic, a product of everyone speaking his or her truth until it is clear where the buy-in resides.

The growing power inside each individual radiates to create greater power for the team. No longer concerned about hiding something or being shamed, team members can show up in their power as leaders. This is the core of the cultural revolution.

Now your team is feeling the power that authenticity provides. This new connection creates resolutions to core issues that will propel the company into new levels of performance. The individuals on the teams are even more fulfilled in their contribution.

Hang On: Disruptive Processes Ahead

A cultural revolution calls for a dramatic change, or disruption, in our way of being. To get to our infinite store of hidden power inside, it's helpful to use disruptive processes to unlock it. Although this may sound a bit scary, don't be afraid to be afraid! This is the gateway that we need to go through to get to the power on the other side.

In the context of a team, a disruptive process is, by definition, doing something that the team wouldn't normally do. It disrupts our normal "business as usual" protocol. This requires getting comfortable being uncomfortable.

Think of your normal meeting experience. Typically the agenda has been predistributed to the attendees. As soon as everyone arrives, you might greet each other. "Hi, how are you?" elicits the rote response of "Great, how are you?" which then elicits yet another superficial response of "Fine." Then, most everyone continues to look at their phones, knocking off emails and texts, even after the meeting has opened and typically several times during the meeting.

Instead of this "business as usual" approach, you could start your meetings by having everyone turn off all electronics (or, in some cases, collect cell phones in a basket when everyone comes in the door). This simple step immediately pushes everyone outside of his or her comfort zone. The eye twitches and technology withdrawals begin! Excuses and rationalizations about why they have to have their phones are endless. But to bring your power and engagement to the meeting, you have to be present, not distracted by other matters, and this is all about accessing your own and the team's latent power.

Operating with disruptive processes is at the core of the revolution. Once you embrace these tools for a period of time, they will no longer be considered disruptive — they are the new normal.

Warm Up: Access Power Through Vulnerability — Ask, Don't Tell

It's time for a meeting or offsite, and the team wants to prepare for the big event. There's a lot to cover, and you have your ideas about what you'd like to say. Yet at the same time, you're reserved and unsure whether it's worth the risk to speak up. You'd like the interactions to be authentic and therefore productive. So, how do you get ready? The process calls for taking risks and vulnerability.

Begin the journey to authentic connection by deeply listening to what is needed to help make the team thrive. Work to understand what cultural shifts and changes in management meetings and rhythm need to happen, what "elephants" may be in the room and what sensitive conversations need to be facilitated. Only then can you begin to craft an agenda that will take the group to where it needs to go. As you begin your journey of INpowerment, start with that deep inquiry into a vulnerable place.

The INpowerment principle that applies here is, your depth of connection with the team will mirror the depth of your connection with yourself. Before you can connect with the team, first connect with yourself.

First, ask yourself about "you." Do you have limiting beliefs you're holding toward the team or any individuals? What issues do you have with other teammates that are preventing you from engaging more fully? What is the range of emotions that get triggered when you reflect on your role in relation to the team? This will inform you about how to navigate frustration or anxiety around certain individuals.

Next, how do you feel about team or organizational challenges or blind spots? Invite yourself to diagnose these flaws that might be getting in the way of the team becoming more powerful. What are the organizational challenges that emerge from those blind spots or other stumbling blocks? Do you see blocks to achieving the results you're committed to? You are getting clarity on what is most important for you and the team to tackle.

When you have connected to yourself first and then fully and transparently connected with your group, you have opened the gateway to make direct requests about what you want. Start by looking inward to get clarity up front about what is important to you. Explore what you want to have happen at the meeting or what a successful outcome looks like if you get what you want. Although you may not get it, if you don't start by asking yourself what you want, you'll never know.

Taking the Leap: Safety Belts, Please!

Imagine that you are considering a bungee jump off of a bridge that's several hundred feet above the canyon floor. The first thing you're going to do is look at the company's safety record. Then you'll check the maintenance procedures for the safety harness and bungee rope that is supposed to hold you. If you deem it to be safe and therefore that you TRUST it, then you'll take the leap.

Taking a risk in a relationship with a colleague requires the same thing — safety. If you don't believe it's safe enough for you to share your opinions, you are not going to. Yet, because you have clarity about what you want, you can now navigate the relational and team dynamics to ensure that you express yourself more fully. Because you have clarity about your need to create safety, it's already safer.

Creating safety in the team is the prerequisite for taking risks. There are five steps to the process of creating a safe space.

1. **Getting present.** First, getting present in the moment invites you to set aside distractions that will inhibit your power. Your presence leads to your power.
2. **Understanding and committing to guidelines and a protocol for how we are going to connect.** Introduce guidelines for everyone to embrace as a framework for interacting with and connecting to each other. As examples, everyone commits to speaking their truth, owning their judgments and feelings, actively listening and speaking respectfully without blaming or shaming.
3. **Using the Clearing and Resolution model.** Instead of ignoring the elephants in the room, clear them out so everyone can be aligned with themselves and the people they work with. The construct for clearing issues uses the following elements: facts, judgments, emotions, role or responsibility and specific wants.
4. **Completing exercises to take steps toward authenticity.** Sometimes this may be a simple prompt that calls for self-reflection and vulnerability. For example, ask everyone to share an experience from the past month that inspired his or her passion.
5. **Anchoring and integrating the process.** Take time to debrief the outputs and next steps to assure that the decisions, insights and learning can be brought to life in a meaningful way. That makes it safe for the team the next time it comes together.

Where Are You Right Now? Eyes on the Road

The only place you have any power is in this moment, right here, right now. If you are still thinking about this morning's breakfast meeting, you have no power. If, in this moment, you distract yourself with the electronic buzzes and beeps from electronic devices, you have no power.

The key to being in your power is to be acutely present in this very moment. This takes slowing down at the beginning of the meeting to accept and honor that it takes a few minutes for everyone to get present. Being present will allow for greater clarity in conversations and the ability to move through the agenda more effectively than you would having everyone mentally somewhere other than where they're sitting.

A useful check-in tool follows the acronym MEPS, which stands for Mentally, Emotionally, Physically and Spiritually. The question that goes with MEPS is, where are you right now (not this morning or next week)

through four energy centers: the head, the heart, the body and the soul?

- **Mentally** (in your head) — are you clear or distracted? Focused or in a stream of consciousness?
- **Emotionally** (in your heart) — what is the range of your feelings: glad, mad, sad, scared, ashamed, guilty or tender? Are you feeling more than one?
- **Physically** (in your body) — as you scan your body right now, do you feel achy, tight, fit, hungry or tired?
- **Spiritually** (in your soul) — are you connecting (or not) to something bigger than yourself? That could be nature, purpose or calling, higher power, connection to people, or perhaps right now there is lack of connection.

As you all become present in the moment, you will sense a different energy in the room. It is palpable. The same bodies are around the table, but the communal spirit is heightened. Each of you is bringing more of yourselves by connecting with your presence.

Rules of Engagement

Assuming everyone is present, connected and engaged — now what? Even if you are starting to buy into the premise that vulnerability and transparency are critical, there is still a need to understand HOW to actually show up in a safe way.

A cultural communication revolution requires the establishment of guidelines that everyone can embrace and honor. These guidelines lay out specifically how we are going to connect with one another to honor confidential conversations, encourage open and honest dialogue, commit to speaking individual truths, and include emotional context for where the team is so they know how to process interactions.

Here is a set of guidelines for working with groups of various sizes, from one person to small and large groups:

- I will respect confidentiality.
- I will be present in the moment.
- I will stay when times get tough.
- I will speak my truth.
- I will ask for what I want.
- I will take care of myself.
- I will express and own my feelings.
- I will own my perspectives.
- I will actively listen.
- I will speak respectfully, without blaming, shaming or fixing.
- I will ask permission before offering feedback or advice.
- I am willing to make mistakes.
- I am willing to laugh at myself.
- I will be on time and stay until the end.
- I will turn off all electronics.

These guidelines are a framework to keep things safe so you can work. They are a path to the safety of mutual respect and honor the breadth and depth of truth with compassion for others and ourselves.

Wow, Honesty! Navigating Rocky Roads

When a team member is holding back a concern or issue with another team member or with the team, that issue needs to be cleared.

How do you know when you have an issue that needs to be cleared? You will likely be emotionally stirred up as you attempt to reconnect with the individuals on your team. You may notice that your internal dialogue wants you to shut down or withhold how much you share. Sometimes you may feel an emotional trigger someplace in your body — perhaps your belly, neck, head or shoulders. Triggers are blocks to the openness you are looking for. The only way to create the trust necessary to get back into a deeper conversation is to clear the trigger.

When you get hit on an issue, here is a five-step clearing process to identify and separate the clutter:

1. **What are the facts?** A small part of your issue is grounded in facts, so it helps to parse those bits of provable, objective data first.
2. **What are your perspectives?** These are your opinions and beliefs that come from your point of view. In the clearing process, as with the guidelines, you own your perspectives. This keeps the person or team you're clearing with safe from any projections.
3. **What are you feeling?** Do you remember any physical sensation you have experienced about the issue? That physical feeling was associated with an emotion. By identifying and speaking about the identified emotion, you are liberating or clearing yourself from them.

4. **What was your role in attracting the issue to you?** Stuff doesn't just happen to people. Rather, they have a role or responsibility in why they attracted whatever situation they were a part of. In this critical step, you share what your part may have been in creating the issue.
5. **What do you want specifically?** Now you have the opportunity to ask for what you want. You may not necessarily get it. Though if you don't ask, you'll never know. This request is also the platform for what resolution may follow the discussion.

A clearing helps people break free from emotional triggers that get in the way of presence, and one of its benefits is getting opportunities for resolving real problems and issues that come from the specific wants articulated in the clearing.

Embracing Our Fellow Travelers

The gift you are bringing to this company and this management team is YOU. And what makes you different from every other person that is sitting in the conference room with you is your story.

For us to truly know one another, we have to understand each other's stories — not what's in your resume or your company bio but the life-shaping experiences that have made you who you are. These experiences have formed your belief systems and how you operate.

The sharing of personal stories is crucial for creating an authentic team. It starts the conscious choice of building relationships and investing in the lives of the people you work with.

When you share your story, connect to the narrative through emotion — express your feelings with both words and nonverbal energy. Share how your story impacts you, your family and vocation. Your goal is to win over the listener as an invested cheerleader for you, because they are now connected to the real "you" through your story.

After connecting with everyone's life-shaping experiences, the team will have formed a bond that will forever change how you see each other. You will now begin to understand your colleagues' decision-making processes and the motivations behind their ideas and positions.

This doesn't mean that you won't have differences of opinion. On the contrary, you will have taken the level of trust to a much higher level, allowing for even more expressions of dissenting opinions.

Making Our Way: Use It or Lose It

To assure that change stays with your organization instead of becoming a fleeting flirtation, you need to anchor and integrate new processes and systems. Here are some specific actions that you can take to anchor and integrate this experience.

Use processes more rather than less. There are many times during the day that doing a MEPS at your desk can help you get present before a call or other work you're trying to accomplish.

Integrate processes in every meeting and interaction for three weeks. Yes, in every interaction. If you drop in on a colleague for an impromptu meeting, check in first. When your colleague asks you, "How are you doing?" reply with depth, saying something like, "Well, I'm pretty scattered right now. I'm anxious about my kid's upcoming surgery, fatigued from lack of sleep but pretty connected to my belief of hope." You'll energetically invite your colleague to also check in, and you'll find the dialogue that follows will reward both of you.

Model authenticity and clear often. Anyone on the team can step up to go first and model authenticity. So, practice it every day in all interactions. Before the first month is out, everyone on the team will be able to lead and model the new rhythm. For the first six months, also have everyone bring at least one item to clear at the beginning of the meeting. These clearings will give the group confidence that they can successfully use the model.

Come up with unique ways to maintain connection with your group. One way you can do this is to have each person offer up their own icebreaker to use at the beginning of your meetings to help others get present. You could rotate responsibility around the group for a connective icebreaker. This helps everyone embrace the "responsibility" portion of ensuring that integration happens.

Real Journeys

Thomas was a founder and CEO of a growing retail chain of beauty salons. His biggest challenge was recruiting and retaining talent. Thomas referred to the problem as "putting bodies behind chairs." He had a whiteboard in his office that had a running tally of bodies — he called it the "Body Count." His formula for success got him to 100 stores, but now his rate of growth was stalled. The team was running in place, and he was even having challenges retaining some of his top executives.

On a three-day retreat, his team worked on building safety, to (re)introduce themselves as the real people they were rather than as workers in the particular roles they played.

Joe was from Cincinnati. Sid grew up in Brooklyn. Cathy was the fourth generation in her family from New Jersey. Frank was originally from Toronto. Sarah was born in Israel and grew up in Miami, and Greg was from Salt Lake City. They shared their stories, owned and expressed their regrets, their triumphs and defeats, and even their aspirations and dreams. They bonded. They connected. Moreover, Thomas started to appreciate his team as people instead of as employees. He recognized the possibility that his office had lots of people with unique stories.

On the retreat's final night, Thomas revealed, "You guys taught me that there is more to our business than numbers or my Body Count. I have sold most of you short. I'm pretty sure I've underestimated the store managers and stylists back in our stores. They are far more than numbers. They are real people with heart in each of their stories. We need to shift the way we're going after growth. First, I want to stop the bleeding of attrition by recognizing our staff as people; and second, I want to change the way we go after new people."

This new sentiment spread once everyone returned to the office. Thomas continued to be relentless about the organization's growth possibilities, but his aspirations for those lofty goals were no longer just about him and his success — they now included his teammates and incorporated their stories. Throughout the head office and into the field, word spread about a new kind of energy.

Wide Road Ahead: It's Your Brave New World

How many of you have created a business plan? These plans are often how we continue to think about our business, which constantly challenges us to find that elusive ideal "work-life balance."

Unfortunately, trying to manage life balance with only a business plan starts with a win/lose scenario (either work wins and family loses or vice versa) and a zero-sum game where we must be involved seven days a week and 24 hours a day. This approach doesn't work. A life plan, on the other hand, changes the nature of how we approach our lives. It's designed to help us be intentional with those key areas of our life that bring us joy and fulfillment.

The key ingredient for a life plan is changing the win/lose scenario of a plan that only looks at our vocational life as multiple wins across all domains. Let's say you want to focus on your marriage, kids, health, leadership and deepening your faith over the next year. Your life plan will allow you to create an intentional rhythm to connect to each of these five domains, inviting you to feel connected to the totality of your life in a real and meaningful way.

This means that even if you choose not to work over the weekend, the connection and fulfillment that you've experienced by being fully engaged in your life will translate into more creativity, energy and enthusiasm when you are back at work. Because the energy from all areas of your life is connected, your "work" in your personal life helps you to be more effective at work, even though you are technically spending fewer hours.

Now that you are choosing to be all IN for your life, you also need to know your purpose, what drives you at your core. Your purpose provides you with the overarching guide for every choice you make. Aligning with your purpose is key to maximizing fulfillment in your life. It's what brings meaning to you.

Think about it this way: Just as every business has a mission statement designed to guide the company's focus, your purpose acts to give you focus for your life.

Knowing your purpose helps you be in alignment with your true power. It is an indescribable feeling that evokes the sweet spot where mental clarity, positive emotion, physical gratitude and spiritual connectivity merge. And, as you authentically connect inside yourself, you immediately have the success formula for becoming the best leader, parent, sibling, child and friend you can be.

With presence and power, you are right where you need to be right now — so, be INpowered.

Once you are, you will feel an ever-growing realization that you are aligned with yourself. This is a result of being in sync with your deepest truth. As you show up and realize you are where you are meant to be, that alignment will create an even deeper sense of purposefulness in how you show up.

It's not in the future or in the past. It's right here, with you, in this moment.

MORE SV CONTENT ON MANAGING TEAMS

Access these and more in your Soundview Online Library:

Summary: *A Team of Leaders* by Stewart Liff, Paul Gustavson. Gustavson and Liff present the Five-Stage Team Development Model, which outlines characteristics of traditional teams and progresses to creating teams that think and act like leaders.

Webinar: *How to Become the Leader Your Team Is Waiting For* by Jonathan Raymond. In this SoundviewLive webinar, Jonathan Raymond reveals a new kind of employee mentoring where each person gets the real-time feedback, support and clear boundaries we all need to get beyond the patterns that hold us back.

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40-13 The Power of Community

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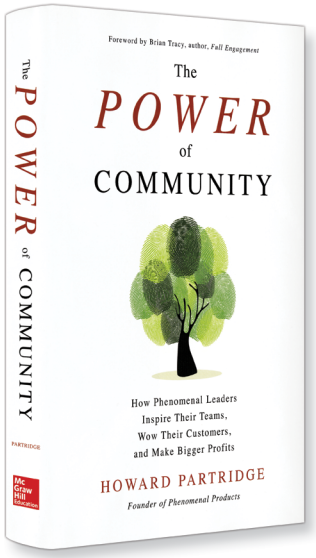
Leadership

The Power of Community

How Phenomenal Leaders Inspire Their Teams, Wow Their Customers and Make Bigger Profits



by Howard Partridge

THE SUMMARY IN BRIEF

It seems the more connected we are through email, smartphones and social media, the more disconnected we become on a personal, human level — and teamwork suffers tremendously. If this is happening in your company, fear not. The solution is here.

The Power of Community provides a step-by-step approach to transforming your organization by tapping into the human need to connect with and feel valued by others. By creating a company culture based on core community values, you'll empower your workforce, build customer loyalty, and drive profits and growth.

This game-changing guide describes why "community" is the answer to employee disengagement — which is now at a record 70 percent — and it explains how to develop the kind of culture that makes an industry leader of your business. It takes hard work and determination, but the rewards will astound you.

When people feel they're part of something bigger than themselves, they're more collaborative, creative and innovative — and this will always drive organizational success. Everyone wins in *The Power of Community.*

IN THIS SUMMARY, YOU WILL LEARN:

- Why leadership is essential for building community.
- Three keys that unlock community and six steps for building community.
- Strategies to encourage your people and inspire emotional trust.
- To develop your community systems and create your community brand experience.

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THE COMPLETE SUMMARY: **THE POWER OF COMMUNITY**

by Howard Partridge

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Why We Need Community

Today, more than ever before, strangers on a screen influence people's minds, molding their beliefs, instilling fear rather than hope. Communication has been reduced to emails, instant messages, sound bites and tweets.

The challenge for leaders today is to make our work more compelling than whatever is happening in the media or what's happening on a team member's screen. That's a tall order and a big part of the reason we need a sense of community in our workplaces.

We can make our work so meaningful to our team members that they will engage at an unprecedented level. Building a sense of belonging — a sense of community — in our companies is the answer. The reason we need community is to re-engage our team members. It's the only weapon powerful enough to disrupt the digital disconnect that happens in every company today.

All leadership experts agree that culture is the most important thing in any business. The solution is to define your culture and create a sense of belonging by creating a culture of community.

The challenge when bringing people together in the world today is that each of us has different values, a different personality and different ways of dealing with conflict. Each one of us has a different vision of the way work and life should be.

Leadership Is Essential for Building Community

In order to transform your organization, you'll have to build a foundation on leadership. Before leaders are able to change their culture to create community in their organization, they must first learn to be better leaders. Phenomenal leadership is creating a community experience that inspires the team to implement. In order to accomplish that, leaders need two things: We must have a meaningful, compelling vision, and we must learn to communicate well. Leadership is effectively communicating your vision.

Leadership can communicate most effectively in the context of community. When a group of people feel like they belong to one another, they feel cared for and they believe that the vision is worth sacrificing for, they will go the extra mile for the company. There's no stopping a group of people who not only have the same vision and values but feel like they belong to one another — and know their team has their back.

If you think about the word community for a moment, it really means "communicating in unity." Communicating is just one part of the equation. Unity is the other part. It's only when we are truly connecting that we're really unified. Or better put — when we're unified, we connect better.

But first, understanding what can take away the sense of community is vital to re-establishing it.

How We Lost Our Sense of Community

At the beginning of the 20th century, for the first time in human history more of the world's population lived in cities than in rural communities. As the locomotive and the automobile became a part of normal life, the Industrial Revolution steamed forward. The factory, rather than

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the family farm, became the "normal" workplace, which brought tough management systems. As strangers worked next to one another, they became just another cog in the wheel of industry. "Command and control" management was the order of the day during the Industrial Revolution.

In the 1960s there was another major shift. Data clearly shows a direct correlation between the rise of technology and the decline of face-to-face social groups. Live television brought Watergate, the Vietnam War and the assassinations of JFK and MLK into our living rooms. A media of strangers began to instill fear rather than hope into our lives on a massive scale. Television also became the new babysitter.

Artificial intelligence is another trend that promises lifelike companionship with a machine. Machines give humans extraordinary experiences, but nothing can replace a real relationship. The more accustomed we become to relating to images on screens, in "virtual" environments, and soon with artificial beings, the farther we move from real community. A virtual community is an oxymoron.

Phenomenal Leaders Build Real Relationships

All of business and all of life is about relationships. Phenomenal leaders understand that humans are starving for authentic relationships.

Many business owners and leaders worry that if they get too close to their employees, they will be taken advantage of. They fear the employee will fail to perform and will expect leniency. Although that is certainly a possibility, you can build a meaningful personal relationship while maintaining a strong professional relationship. Most people haven't learned how to be authentic with one another and therefore have not been able to maintain the balance between the two. This is a relationship skill that can be developed.

Positive relationships are built on trust and respect. Before we care for something, we have to value it. Before we respect someone, we must value that person. This is why the first step in building community is valuing people. Not for what they've done but for who they are. Human beings have inherent value and should be respected and dignified for that.

Creating a sense of community is possible. Let's now learn the three keys that can unlock community in your organization and six concrete steps you can follow to take the sense of community to the next level.

Three Keys That Unlock True Community

Before reaching the ultimate goal of true community, you'll first need to create a sense of belonging, which can lead to a sense of community. Your first goal is simply to get your team members feeling like they belong to something meaningful rather than just going to a job every day.

The three keys to creating *true* community are support, encouragement and accountability. The three keys look like this in a business environment — the Six Steps to Building Community are outlined with two steps under each key.

- **Support.** Helping your team members reach their goals and realize their dreams. Step 1 is Value True Community, and Step 2 is Pursue Champion Connections.
- **Encouragement.** Inspiring your team members to do the things they may be afraid to do. This key unlocks Step 3: Inspire Emotional Trust and Step 4: Practice Gift Exchange.
- **Accountability.** Providing feedback to your team members so they can become the persons they need to be. The third key brings us to Step 5: Invite Open-hearted Encounters and Step 6: Build Growth PODs.

The First Key: Support. Many employees feel that no one cares about them. What if you started helping your team members reach their goals in life? This is a major key to the whole idea of community. In order to get support, we have to give support. By supporting them — by going the extra mile to help them reach their personal goals — you'll earn their support in your efforts to reach the goals of the organization.

The Second Key: Encouragement. Encouragement is what inspires people to do the things they don't feel like doing, the things they fear doing and the things they don't know they can do. As Zig Ziglar said, "Encouragement is the fuel on which hope runs." In today's world it's rare for a boss or manager to give an "Attaboy" or "Attagirl" to an employee, but your business can be the place where people get the emotional fuel they are starving for. The Dale Carnegie Institute has long taught that what employees want more than anything is sincere and honest appreciation.

The Third Key: Accountability. Accountability is key to becoming the person you were created to be.

That's because it is only by being accountable that you can discover and develop your gifts and help others discover and develop theirs. In practical terms, being accountable means being true to your own values — to what you believe is important in life. And if you want to build true community in your organization, you have to determine the values that will guide that community and make sure that every member of your team, every individual in the community, operates by those values.

As an owner or manager it is essential that you create an atmosphere of accountability, which means you have to take the first step by being accountable toward others. In order to do that, you have to live a life of accountability yourself. Once you are living an accountable life, both personally and professionally — and the two are connected — you will be able to promote that value in your organization.

Now let's learn about the Six Steps to Building Community at a deeper level.

Step 1: Value True Community

The first of the Six Steps to Building Community is to value true community. We cannot build something we do not value. Valuing true community is assessing your vital need for deep, trusting relationships with people of shared beliefs to help one another become all you can be.

When we value something at a high level, we tend to protect it and promote it. Your team members can be your greatest asset or your biggest liability, and that depends on your skill as a leader.

Supporting others is being the "human bridge" that helps others have the life they want to have. You can begin the process of supporting others by simply asking those on your team about their personal goals and dreams. It might be to buy a house, run a marathon or learn a skill. You can then begin to help them in those endeavors.

You might also call this the Law of Reciprocity, which in essence says, "If you help me, I'll help you." President Dwight Eisenhower proclaimed, "Leadership [is] the art of getting someone else to do something that you want done because he wants to do it." Why would the person want to do it? Because you've added value to him or her. You've helped the person get what he or she wants. Not just at work but at home.

How do you value relationships? How do you value others? How do you value shared beliefs, shared values and shared goals?

A Leader Is a Coach

Community begins with coaching. When you value someone, you spend time with the person getting to know him or her. Instead of seeing yourself as a boss or manager, start viewing yourself as a coach. The origin of the word "coach" is "carriage," which is simply a vehicle to help people get from where they are to where they want or need to be.

A boss is just someone who tells others what to do. The employees may do what you say, but they may be disgruntled as they do it.

When you truly care about others, you'll coach them to success. Impactful leadership is about "care and coach" rather than command and control. A leader is not a manager. Leaders develop people.

Of course, at the same time, as a leader, you must avoid creating a sense of entitlement. Supporting someone is not doing everything for him or her or providing everything for him or her. Supporting someone personally is helping him or her with information, physical help, contacts or resources. If people are not doing their part, a coaching session is in order to talk about their role in helping themselves.

Step 2: Pursue Champion Connections

Pursuing champion connections means investing intentionally in relationships that have the potential to become strong alliances of support and mission. On the inside of your organization, you'll want to begin by selecting a couple of people on your leadership team who you know are loyal to you. Begin intentionally investing in those relationships, and then you can expand the size of the group from there.

Find out what these leaders' personal and professional goals are. Find out what their personal values are. Share your vision with them and get input from them.

Your first small group will become the heartbeat of the company. This is where you'll flesh out the vision for your company. This is where you'll talk about what really matters in the company. You'll develop your mission, values and purpose together. This is where you'll learn how to create community together and you'll "do life together."

We need to pursue champion connections not only inside the company but outside the company as well. Outside the company, we need to intentionally invest in

relationships that have the potential of becoming strong alliances of support and mission.

Attracting a Strong Community

Building community inside and outside your company creates a powerful combination that will inspire you and your team to greater heights in your business.

Your best clients, team members, vendors and associates will most likely come from your intentional relationship-building activities. Here's a simple process to attract phenomenal team members.

Identify people who have the same values you do. In other words, you have the same worldview, you have the same outlook on life. Diversity of gifts is important, but having similar values helps build a strong community.

Identify future candidates. When marketing your company, you don't wait until you need a customer to start marketing. In much the same way, you don't wait until you need a team member to build a relationship with him or her. Always keep your eyes out for future talent. The most important function as a leader is to hire the right person with the right kind of values and gifts for your community.

Add value to them (even if they aren't on the team yet). Add value to everyone you meet, and they will be attracted to you and to your company. Find ways to support people you want on your team. Find ways to encourage them. When you're continually investing in those you want on your team and you're investing in enough of them, you'll always have people attracted to you.

Now let's talk about how to move from support to encouragement.

Step 3: Inspire Emotional Trust

The second key to building community is encouragement. Encouragement is the emotional fuel people need to do the things they are afraid to do. Encouragement means to give courage.

Getting rid of fear is not the goal. Instead, try to show them they can find success by moving forward in the face of fear. That's courage. As a leader, you can be an encourager to your team, and that will inspire emotional trust, which simply means that others will trust you with their emotions. The reason that's important is that you haven't truly connected with someone until you know his or her true feelings and that he or she is buying into you and your vision.

Here are a number of ways to encourage people:

Know their story. You may have employees whose loved ones are struggling with cancer, or maybe they have other tremendous challenges that you don't know about. Or you may have a common interest that you're unaware of. Someone once said, "Everyone is lovable when you get to know their story."

Affirm their value. Every human being has inherent value, but most people suffer from a poor self-image and need someone to affirm their value. Encourage people to do the things they fear. Encourage them to pursue their biggest dreams in life. Encourage them to lead.

Recognize their gifts. Every human being has a gift and potential. It is leaders' job to help their team members discover their gifts and develop them. When you help people discover their gifts, you will encourage them greatly.

Encouragement means helping others find their purpose. Just as most people don't know what their potential is, they don't know what their purpose is. When you've inspired emotional trust in someone's life, you're likely to help that person find his or her purpose. To inspire emotional trust, follow these four steps:

- **Demonstrate commitment to the individual.** Show people you care about them by inquiring about how they are doing as a person. Show them you care by spending time with them. Seek to understand before being understood, as the old saying goes.
- **Invest time understanding their heart.** When investing time with people, ask them about their life. Learn about their biggest desires and biggest fears in life. Hopefully by this point, you've proved that you truly do care about them as people, not just as employees.
- **Affirm their value.** Most human beings can't see their inherent value, much less their future potential. A great leader helps others see their potential future.
- **Give them hope.** Give people hope by sharing inspirational stories of others who have overcome and perhaps from your own personal life if you've had to overcome difficulties.

Step 4: Practice Gift Exchange

As part of the encouragement key, practicing gift exchange is nurturing specific relationships that mutually recognize and promote one another's strengths and talents in an intentional manner. A championship team is made up of talented individuals with tremendous gifts, skills and

talents. But they win only if they communicate well and if they recognize and promote one another's gifts.

For example, Tom Brady, quarterback for the Super Bowl champion New England Patriots, has a different skill set than tight end Rob Gronkowski. Different positions require different talents. They are both extremely talented, but if they don't communicate — if each doesn't do his job — they fail together. Not only do they have to communicate, they have to support each other, encourage each other and hold each other accountable to win consistently. We win together and we fail together. That's community. If you think of yourself as a coach, your job as a leader is to develop your players.

How to Develop Your Team Members

Here are some steps to take to develop your team members:

Facilitate personality profiles. There are many behavior assessments and personality profiles available: DISC, Myers-Briggs, Flag Pages, Birkman and more.

Implement personal development training. There are many ways to implement a personal development program in your company: facilitate a growth POD (see Step 6 for explanation); host a formal training; invite a guest speaker; use video technology, outside training courses or private mentoring and coaching.

Discover gifts and talents. There are a number of assessments that can help you and your team members discover their unique talents. In addition to MBTI and DISC, StrengthsFinder is an assessment that helps individuals identify their strengths and talents through a series of 177 questions. The Birkman Method is a behavioral assessment that measures people's needs, evaluates people's personality and perceptions in social settings, draws a correlation between attitude and performance in a work environment, and provides participants with career choices unique to their working styles. The RIASEC assessment is a personality evaluation that groups people's personalities into six basic career fields; this helps people find a job that is suitable to their personality.

Develop the team professionally. Find ways to help team members grow in their areas of expertise. In addition to technical training, consider leadership training as a path for professional growth. In order to develop leaders, people need to know how to lead. Most managers fall into the "command and control" trap, but when you have them trained in the right kind of leadership philosophy, you can replace yourself in many areas, and you now have people who can lead new teams to grow your organization.

Step 5: Invite Openhearted Encounters

It's time to talk about the third key: accountability. Far too often, business owners or managers try to hold people accountable without a relationship. When accountability is done right, people will *want* to be accountable. They will *want* to be better. There's a big difference between forcing someone to be accountable and inviting someone into accountability through support and encouragement.

For our purposes, accountability is helping others become the persons they need to be. To help your team members develop themselves, grow to their full potential and be as valuable as they can to the community, you need to build a culture of accountability that says, "I care enough about you to help you become the person you want to be." As with the other keys, in order to offer this level of accountability to someone else, you must live it yourself.

The fifth step, "openhearted encounters," means to embrace the power of transparent experiences with faithful friends — permitting them to speak honestly and ask piercing questions.

Inviting "openhearted encounters" helps each of us become the person we need to be, and leaders who help their team members accomplish that will not only be followed but will be loved as well. Creating these kinds of relationships is also an important element of promoting community in an organization. In this sense it means providing feedback to your team members so they can become the people they need to become.

How to Coach Without Drama

Many business owners and managers don't do a great job of coaching someone who misses the mark. Calling someone out is awkward and uncomfortable. However, when support, encouragement and accountability are part of the culture, when you've followed the first four steps of creating a culture of community and when you've outlined your systems, coaching becomes much easier.

Keep in mind that a leader is a coach — and a good coach asks questions. You can coach someone to success simply by asking questions. The following questions cut to the chase:

- Do you know what to do?
- Do you know how to do it?
- Do you have the tools and resources you need?

The goal of a coaching session is simply to determine whether you're dealing with an *aptitude* issue or an *attitude*

issue. In other words, is it a skill problem or a motivation problem? A simple question is, "Are we still the right fit for you?" Notice, this is not "You're not the right fit for us." You can respect team members and give them dignity by phrasing the question that way.

And notice that this is a question rather than a statement. Sometimes people join the team with a great amount of zeal but lose interest. If that's the case, let them decide to go somewhere else. Can you see how simply asking questions helps them make the decision?

In order for us to give proper feedback to our team, to hold them accountable to the values we've adopted and to invite them into openhearted encounters, we must be vulnerable enough to enter that space as leaders ourselves. True community means you have people around you who tell you the truth even when it hurts. It may take a while to get to this point in a relationship and with your team members, but it is possible, and the rewards are worth the climb.

Step 6: Build Growth PODS

The sixth and final step in building community involves developing small groups called PODS, which stands for Power of Discovery Systems. A Growth POD is a small group that meets on a regular basis that not only helps move individuals toward true accountability but also helps spread community throughout the organization.

The purpose of the POD is to foster more effective communication. Over time, these groups can move people from a sense of community to a true community experience of belonging and transformation. Unlike what happens in a traditional meeting, in which one person speaks to the group, interaction is encouraged in a POD meeting.

These purpose-minded life-support groups can be used for almost any reason — to reach company goals, keep a project moving forward, achieve personal goals, change habits or develop members' skills or gifts.

PODS, typically made up of seven to nine individuals, are designed to allow participants to discover what they need to do or who they need to become rather than being taught (or, worse, *told*). When people discover something themselves, they feel a sense of ownership, which makes it more likely that they will implement it.

The Practice of the POD

A POD can be used to share information, to simply build relationships or to complete a specific task. To learn and practice the POD, start with your two closest, most trusted team members. This is your leadership team — your inner circle — your guiding team.

Regardless of the type of leading you are doing, *less* is *more.* Share less information to get more implementation. The length of a POD can vary, but typically it will be from 60 to 90 minutes.

Each of the five parts of a POD begins with the letter I. The five Is of a POD are

1. **Icebreaker.** Engage each and every participant.
2. **Information.** Share relevant information.
3. **Interaction.** Facilitate a discussion around the information.
4. **Implementation.** Request an action item from each participant based on the information discussed.
5. **Inspiration.** Close with something inspirational.

Develop Your Community Systems

Every tribe and every community has its unique ways of doing things. In other words, all of them have systems. Installing systems in your business will help you live out the essence of community but also comes with additional benefits.

A system is simply a group of working parts that make up the whole. The five Ps of building your community system are purpose, positions, PRDs (performance results descriptions), policies and procedures:

Purpose. The "why" of your organization is its purpose. Why does your organization exist? What difference does it make in the world? What void would exist if your company or organization didn't exist? The biggest reason you want to have a meaningful purpose is to connect what each of your team members does every day to the difference it makes in your customer's life. Inspiration happens when your team members understand why they are doing what they are doing and how it makes a difference in the lives of their customers.

Positions. The next step is to identify your team positions. There are five systems of a business and three levels of leadership. The five systems are leadership, marketing, sales, operations and administration. The three levels of leadership are directing, managing and implementing.

PRDs. A performance results description (PRD), similar to a job description, outlines the results that are required for that position and the performance that is expected to achieve the results. An example might be a

sales goal (result) and the number of calls to be made in a day (performance) to reach that goal.

Policies. Every game has boundaries and rules of the game. In your organization, your employee handbook would be a good example of a set of policies, but you also want to have policies attached to the PRD. For example, if the bookkeeper's responsibility is to make daily bank deposits, you would have a policy of when those deposits are to be made.

Procedures. Procedures are the "how to" of the business. For each major task, outline the steps or the script for each one. Staying with the bookkeeper analogy, you would outline the step-by-step procedures on how the deposit is done.

When you systematize your organization, your community will be able to deliver the community experience *consistently.*

Create Your Community Brand Experience

The final phase of this journey is extending your community brand experience to your customers, clients, guests, patients, donors or members.

What sets a company apart more than anything else is the customer experience. And at the top of the food chain of experiences is a community brand experience. An experience properly created invokes emotion that in turn inspires people. A community brand experience is one in which your clients feel like they belong to your brand.

Starbucks has done an amazing job with this. In fact, the creation of Starbucks as we know it today came from a "community epiphany" Howard Schultz had in Milan, Italy. At the time he was the national marketing director for Starbucks — a small Seattle-based company that sold coffee beans to coffee enthusiasts. At that time, Starbucks didn't offer coffee drinks.

Howard Schultz's epiphany came as he tasted an espresso in a corner espresso bar amidst the sun-drenched Italian architecture. He realized that community was happening right before his eyes. Neighbors met for a latte. Couples romanced over a cappuccino, and businessmen negotiated over an espresso. As they came and went on their Vespas, Howard Schultz imagined re-creating that community experience back in Seattle. The owners of Starbucks wouldn't have it.

Schultz left the company and started his own little chain of espresso bars called Il Giornale (named after a Milanese newspaper). He later bought Starbucks and created one of the greatest examples of a community brand experience ever.

The Three Es of Experience

The three Es of Experience outline a simple way to outline the community brand experience:

1. **Engage.** Engagement is how you interact with someone. The goal is to connect in a personal, meaningful way to get the experience off to a good start.
2. **Educate.** Education is simply helping people understand the brand so that they can make the right choices throughout the experience.
3. **Entertain.** Serve your target audience by creating experiences for them. Entertainment isn't exclusive to funny videos or theatrics but involves "going the extra mile" and serving your clients in a way that is meaningful to them, that also can grow into a relationship that feels like community.

When you intentionally build community in your company and then intentionally create community experiences for your customers, clients, patients, members, donors or guests, you'll make a meaningful contribution to their lives — and you'll also be poised to make bigger profits.

The gift of support, encouragement and accountability is the most special gift of all: who you become as a leader and who your team members become. When you discover how to have an impact in another person's life, it's the most satisfying feeling in the world.

The time is now for business owners and managers to step up and become phenomenal leaders. We all need the gift of support, encouragement and accountability to have the phenomenal life we all deserve.

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40BS02 Quiet Influence

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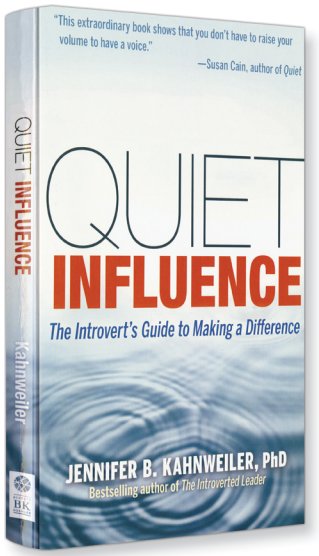
The Introvert's Guide to Making a Difference



by Jennifer B. Kahnweiler, Ph.D.

THE SUMMARY IN BRIEF

Introverts may feel powerless in a world where extroverts seem to rule, but there's more than one way to have some sway. Jennifer Kahnweiler proves introverts can be highly effective influencers when instead of trying to act like extroverts, they use their natural strengths to make a difference.

In *Quiet Influence,* Kahnweiler identifies six unique strengths that introverts embrace to achieve an impact: taking quiet time, preparation, engaged listening, focused conversations, writing and thoughtful use of social media. Each strength is a powerful lever of influence, and when put together, the power of strengths multiplies. She also introduces The Quiet Influence Process and a Quiet Influence Quotient (QIQ) quiz to measure how well you're using these six strengths now.

Ultimately, through questions, tools, exercises and powerful real-world examples, *Quiet Influence* will help you increase your mastery of these strengths and create your own unique way of making a quietly powerful difference.

IN THIS SUMMARY, YOU WILL LEARN:

- How to turn an introverted personality into a powerful influence in any organization.
- Why the digital age may be the golden age of Quiet Influencers.
- How to identify, develop and use the Six Strengths of Quiet Influence.
- How the best ideas often emerge from solitude.
- How a thoughtful use of social media will help raise your QIQ.

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THE COMPLETE SUMMARY: **QUIET INFLUENCE**

by Jennifer B. Kahnweiler, Ph.D.

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Why Quiet Influence, Why Now?

Everyone in a professional role needs to influence others. From Seoul to Seattle, today's competitive workplace demands that you influence a variety of situations and people, not once in a while but multiple times a day. Although influence is sometimes about really big issues and opportunities, it is also about nudging change along one small step at a time.

Noted researchers such as Jay Conger ("The Necessary Art of Persuasion") have found that selling ideas and getting people on board is a process, not an event. Influence is not about forcing people to come to see things your way but about learning from others and negotiating a shared solution. This approach is well-suited to the introverted temperament. It involves patience, planning and perseverance. If we all think that the only way to get things done is to shout louder and take up more center-stage space, we'll miss the opportunities to listen, learn and respond thoughtfully.

It may be that our society is starting to get this message. Extroverts are slowly realizing that we stand to lose the wisdom and contributions of more than half of the population if we don't listen to the introverts in our world.

Moreover, even though they will never really experience how an introvert truly feels, extroverts are starting to get the differences on a personal level. Hope for a broader change springs from such a personal connection.

Perhaps the strongest driver for quiet influence, however, is how it can contribute to success in today's shifting workplace. These four trends indicate that the time for Quiet Influence is now:

1. Flattened organizations and complex vendor, supplier and customer interactions mean that you must, no matter what your position or personality type, be effective at getting your ideas heard.

2. Going global means that you need to find multiple ways to influence an increasingly diverse set of colleagues and customers. You can use your Quiet Influence skills to make a difference with those in cultures that value a quieter approach.

3. The virtual world is evolving and ever present. In today's society, it's highly unlikely that you can influence a broad group of people without using digital media in purposeful ways. Introverts have been drawn to social media because it lets them use their strengths and better manage their communication.

4. Heightened competition for business and jobs means that companies are seeking suppliers and employees to bring fresh, innovative approaches. Self-promotion and loud persuasion are passé. You will stand out from the crowd if you have a knack for building up others and are committed to listening instead of talking.

Stop Trying to Act Like an Extrovert

Did you know that the best ideas often emerge in the depths of solitude, that writing a persuasive email may move a project along faster than a standard conversation, and that listening for what is not said is more important than listening for what is?

Quiet Influencers — those people who make things happen without in-your-face techniques — learned these lessons through experience. Like ripples in a pond, they deliver a big impact without making a loud fuss. In their quiet, humble way, introverted influencers make sure that the people they are hoping to impact get the message.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Masiel Tejada**, Graphic Designer; **Corbin Collins**, Contributing Editor

Yet they are frequently overlooked and underestimated by organizations and colleagues who buy into the idea that talking reigns supreme.

If you are an introvert, chances are that you've tried to influence others by mirroring your more outgoing colleagues. I believe, however, that you will become a more effective influencer when you stop trying to act like an extrovert and instead make the most of your natural, quiet strengths.

The Roadblocks to Quiet Influence

The extroverted approach sets up roadblocks to Quiet Influence. Do any of these roadblocks resonate with you?

1. Focus on teams. Your supervisor may be called your "team leader," and your work group is likely called a "team." For introverts, this team-heavy approach presents a problem. Not only does being intertwined with others deplete their reserves of people energy, it takes them away from the physical and intellectual space where they do their best thinking. With this pressure to be engaged with people all day, Quiet Influencers have a hard time finding the quiet time and preparation to hatch their plans.

2. The need to talk about accomplishments and ideas. In most organizations, sharing your accomplishments contributes to your personal "brand." People come to know you and appreciate the value you offer because you've talked about yourself and what you've done. Those who don't "brag on themselves" often find themselves unwittingly out of the loop. Today's corporate cultures do not reward humility. Introverts have great ideas that go unheard.

3. The pressure to act extroverted. Many Asian cultures deeply value the ability to not show much emotion. Western workplaces, however, barely tolerate expressionless faces or quiet people. It seems that to fit in, you have to be animated and verbal. Not your style? Too bad. To succeed, you have to fake it.

4. Making quick decisions. From answering a question in a meeting to responding to an overnight e-mail from a customer, today's environment pressures people to make quick decisions. The speed of technology and an increasingly competitive global climate have revved up the pace of work. Introverts are frustrated when they are unable to slow down the decision-making process. Their "delay" often costs them the opportunities to influence the decision.

5. Lowered privacy boundaries. Social media sites like Facebook pile on the pressure for us to open up our inner selves to the outer world. Lower privacy boundaries create an uncomfortable climate for introverts, who like to get to know someone before baring their soul. The pressure to share and connect every day at an accelerated pace stresses them out, depletes their energy, and challenges the very relationships they are seeking to build on their own terms.

6. Being talked over. In the talkative climate of Western society, interruptions abound. If an introvert speaks quietly or takes a pause, others jump in and steal the stage. Introverts' ideas cease to be explored by the group, and they tend to surrender to the opinion of the loudest person in the room. The result: introverts are demotivated and less inclined to float new ideas.

Instead of trying to avoid these roadblocks on the extrovert highway, take a more direct, efficient and

Characteristics That Shape Introverts

What does the term introvert really mean? It's a term many people throw around but few people really understand. Let's start with a fundamental question: when you need to recharge, do you tend to want to be alone in a quiet place? If you answered yes, you're likely an introvert. Technically speaking, introversion and extroversion are terms that refer to personality traits and are about sources of stimulation and energy. Shyness is a product of fear or anxiety in social settings, whereas introversion is simply about a source of energy.

This tendency to find energy from within comes out in these observable characteristics of introverts. See if any of these resonate with you:

- Embrace solitude (prefer quiet, private spaces)
- Think first, talk later (consider carefully, stop and reflect)
- Hold emotions inside (seldom outwardly emotional)
- Focus on depth (delve into issues before moving on)
- Let fingers do the talking (prefer writing over talking)
- Act low-key (speak softly and slowly)
- Keep private matters … private (keep personal matters under wraps)

These traits are not good or bad; they just are. Unfortunately, they are frequently misunderstood, undervalued and underappreciated. Yet ironically, these traits are precisely why introverts often make the best influencers of all.

enjoyable route. Embrace what you do naturally and see greater results.

The Six Strengths of Quiet Influencers

I believe that influencers make a difference by challenging the status quo, provoking new ways of thinking, effecting change or inspiring others to move forward.

Influencers labor in every type of workplace, from soundstages to hospitals. Their jobs range from administrative assistants and authors to parents and community activists. Sometimes they hold traditional positions of power: they are our most inspired political leaders, academics whose life's work it is to birth new concepts, bosses who motivate people and harness resources, and committee chairs who move projects forward.

Just as often, however, influencers don't have the big title. They are simply people who encourage change and growth and achievement: the team member who comes up with the great idea, the middle manager who takes a project to fruition, the colleague who has a knack for changing the boss's mind, the intern whose favorite restaurant becomes the team's new lunch spot.

People who use their natural talents and learned skills to influence others take our world forward in large and small ways. Some of those people are extroverts some are introverts who make a difference through a process I call Quiet Influence.

Quiet Influencers can certainly be found where you may expect: in technology, engineering and science. But they are also found in marketing, project management, teaching, medicine, law, human resources and small businesses. What they all have in common is that their powerful approach draws upon what introverts do naturally. I have named this approach the Quiet Influence Process.

The Quiet Influence Process: Combining the Six Strengths

Through observation and interviews with numerous Quiet Influencers, I have identified the six strengths that introverts embrace to achieve an impact:

1. Taking quiet time. Quiet Influencers begin their influencing journey where they think and recharge best: in quiet. Being silent provides energy, increases self-awareness and spurs creativity.

2. Preparation. Careful preparation gets Quiet Influencers ready for all types of situations by increasing their knowledge and poising them to address potential objections. Through creating a strategy and asking questions, they become more comfortable and confident in their efforts to influence others.

3. Engaged listening. They tap into their innate strength in Engaged Listening to build rapport and mutual understanding.

4. Focused conversations. These are purpose-driven dialogues in which they problem solve and work through conflicts with others.

5. Writing. They articulate authentic, well-developed positions to make a difference with others.

6. Thoughtful use of social media. They consider how social media platforms can advance their cause and reach a previously untapped, broad or distant audience.

Each strength by itself is a powerful lever of influence; when put together, the power of strengths multiplies. Every Quiet Influencer mixes these strengths in different ways according to his or her own personality, needs and situation.

Who Are the Quiet Influencers?

Tim Cook, who became CEO of Apple in late 2011 after the illness and ultimate death of Steve Jobs, had some big shoes to fill. His thoughtful demeanor and low-key style were very different from his predecessor, and in his previous role as COO, it appeared that he provided a tempering, calm counterbalance to Jobs' sometime bombastic personality. As COO, Cook was responsible for some major operational changes at Apple that contributed to tremendous company results.

Cook has moved forward with his own leadership agenda and has received high marks from many in the technology community. A reporter at Fortune magazine described an investor meeting in which Cook exhibited his own brand of Quiet Influence. "What shocked the Apple investors that day was that CEO Tim Cook popped into the room about 20 minutes into Oppenheimer's (the CFO) talk, quietly sat down in the back of the room, and did something unusual for a CEO of Apple: He listened. He didn't check his e-mail once. He didn't interrupt.

After the CFO finished, Cook stood to offer his remarks. He strode confidently to the front of the room and held court in the no-nonsense style that has become his trademark. 'He was in complete control and knew exactly who he was and where he wanted to go,' says one of the investors. 'He answered every question head-on and didn't skirt any issue.'"

Your Quiet Influence Quotient (QIQ)

Would you like to know how well you perform as a Quiet Influencer? Start by taking this quiz to determine your Quiet Influence Quotient — your "QIQ." This tool will let you know how effective you are at using each of the Six Strengths.

Assess yourself by indicating how often you engage in these behaviors, using a scale from 1 (never) to 5 (almost always).

1. I take time to be quiet each day.
2. I effectively tune out distractions.
3. I use my quiet time to engage in self-reflection and planning.
4. I develop clear plans to achieve my influencing goals.
5. I conduct research as preparation for influencing.
6. I adapt my plans to respond to changing conditions and responses.
7. When listening, I act as a sounding board for others.
8. I tune into another's voice and body language to understand his or her message at a deeper level.
9. I ask focused questions that help people to move forward.
10. I use conversations as a vehicle to problem solve with others.
11. I share relevant personal information during conversations.
12. I make an effort to schedule one-on-one conversations, whether face-to-face or by phone.
13. I consider the receivers' preferred communication style when writing to them.
14. I put effort into my writing when communicating my position.
15. I pay attention to details like grammar, spelling and punctuation when writing to influence.
16. I make thoughtful choices about which social media platforms are right for me.
17. I actively engage in dialogues through social media applications, contributing ideas as well as reading others' postings.
18. I use social media to initiate and/or support relationships.

Total your numbers. The following ranges reflect a rough estimate of your QIQ:

- 76–90: Very Strong. Take a look at how you can apply your strengths to workplace challenges and situations.
- 61–75: Solid. You are doing well. Some areas still could use some attention. Pinpoint when your influencing efforts are successful and not successful.
- 46–60: Moderate. You have some work to do in ramping up your Quiet Influence strength portfolio. Pay attention to a work situation where you are not being effective, and consider which different strengths you can apply.
- 45 and below: Lots of Room for Improvement. Start by noticing your own behavior and asking trusted coworkers for honest feedback and suggestions. Begin by working on one strength that you want to develop, and set a specific goal for this week. Next week, tackle another skill. Keep at it; you will see results.

Next, take some time to compare how often you draw upon each individual strength to influence. The following identifies which questions correspond with which strengths. Add your subscore for each grouping of three questions:

1. **Taking Quiet Time.** Questions 1–3.
2. **Preparation.** Questions 4–6.
3. **Engaged Listening.** Questions 7–9.
4. **Focused Conversations.** Questions 10–12.
5. **Writing.** Questions 13–15.
6. **Thoughtful Use of Social Media.** Questions 16–18.

Use this guide to understand what each of the subscores mean:

- **12–15: Very Strong.** You excel at this strength. Look for ways to apply it to your influencing challenges.
- **10–11: Solid.** You are doing well in demonstrating the strength. Build on your success by applying it in a variety of new influencing opportunities.
- **6–9: Moderate.** You have some work to do in developing the strength. Pinpoint when you use it with ease and identify what stops you from using it at other times.
- **5 and below: Lots of Room for Improvement.** Your low use of this strength is likely holding back your ability as a Quiet Influencer. Consider making it a top priority in your development plans. Watch and learn from effective quiet influencers around you who are comfortable using the strength.

Don't be overwhelmed by the QIQ assessment — and certainly not by your score. It was your first self-assessment snapshot. Remember that you do not need to excel at all of the strengths all of the time.

Quiet Influence Strength #1: Taking Quiet Time

Quiet influencers use a variety of highly successful approaches to obtain their quiet time and turn it into a zone for calm reflection. There is no one right way to recharge and reflect, and no two introverts have precisely the same approach to stepping away. Many do so by following three steps.

1. Create structure and protect your quiet time. Schedule and protect quiet times on your calendar. Make a date with yourself as important as your appointments with others.

One way to ensure your quiet time is to keep eating lunch alone. This gives you the opportunity to be with yourself. Using your midday break to regroup and recharge can be an ideal strategy, especially if you don't do it every day. Remember to build in breaks. Because being "out there" can be so draining, be sure to take yourself out of the office, away from the conference or removed from wherever work happens to be — if only for a few minutes.

2. Manage technology. Turn off your devices. Go ahead. Try it. Even for introverts, it can be extremely challenging to set aside certain times to check electronic devices. Yet ongoing interruptions become huge distractions when they break up the blocks of time you need to think and create.

3. Go within yourself. Get up and move around. Quiet time doesn't have to be sedentary time. In fact, exercise is an essential component of many people's quiet time.

Quiet Influence Strength #2: Preparation

Because they plan so strategically and consciously, Quiet Influencers can pinpoint exactly how they get ready for meetings, conversations, events, presentations and other influencing opportunities. Their actions fall into the following four logical steps.

1. Gather information and insight. Pull together what you know. Gather information you already have and organize it. Conduct due diligence before meetings.

2. Strategize. Conduct a question-and-answer strategy session in your head. What are you trying to accomplish? Draft a strategic plan and prepare for your own meetings by crafting talking points and questions that are relevant to the session.

3. Manage yourself. Take the slow-but-deep approach to influencing. Remember to use your natural strength of responding thoughtfully and patiently. Avoid exhaustion and burnout by knowing your limitations and enlisting the help of others.

4. Practice. Stand up and give your influencing remarks a test drive. Experiment with different tonalities of your voice. Although you may be aware of the impact of your body language, you may not have given much attention to your voice.

How One Organization Supports Quiet Time

Microsoft's New Way of Working Program exemplifies how an organization has recognized the need for its employees to have quiet time. All employees at the software giant's office outside of Amsterdam have home offices but also come in for meetings and collaboration.

When researchers at the Rotterdam School of Management measured the impact of this program, they found 40 percent improvement in work/life balance scores over five years and measurable improvements in productivity. The report said, "Now, no one has a fixed office anymore, and the building has been designed to be what we call activity based. It is no longer an office in the traditional sense. Instead, it is a workspace where employees can locate themselves in different parts of the building depending on the tasks they need to perform. Increasingly, it is a meeting place where employees can interact with colleagues, partners and clients.

Because this balanced approach provides options that respond to the preferences of both introverts and extroverts, it promotes an environment that encourages thoughtful, purposeful communication and nurtures creativity and decision-making, the hallmarks of influence.

Quiet Influence Strength #3: Engaged Listening

Although there are countless resources that aim to teach listening skills, these introvert-tested tips will help you develop your engaged listening skills and raise your QIQ. They fall into the following four categories.

1. Create the right conditions. Start by slowing down. You can be an island of calm in your organization's

When Face to Face Isn't Possible

Chances are, you work with people at a distance. Sometimes, face-to-face focused conversations are not possible. More and more work is being done through teleconference or video conference technology. You can still excel at these conversations and incorporate them into your influencing approach. Use these tips to make the most of "virtual" meetings.

1. Become familiar with the technology. Don't miss your opportunity to influence because you are preoccupied with troubleshooting your technology.
2. Be sensitive to time-zone differences. If you're in charge of scheduling a virtual meeting, don't plan meetings too early or too late for others.
3. Plan questions for group input. A virtual conversation needs even more guidance than a face-to-face conversation.
4. Take advantage of video. Although not exactly face-to-face, video technologies do let you see the facial expressions of others in the meeting.
5. Utilize chats and polls. Chats and polls invite people to participate in a way that generates the give-and-take associated with a conversation. Plus, these features keep people engaged and awake.
6. Tag team with a "producer." Reduce your stress and increase your ability to participate in the conversation by delegating the technology aspect.

storm of activity. Get face to face by arranging a quiet place to listen. Show up prepared to focus.

2. Serve as a sounding board. Let the other person speak, even vent, without giving advice or otherwise interrupting. When you do, others feel heard. Reflect back on what you hear when you listen. Be sure to say it in your own words, and don't parrot exactly what you hear. After listening quietly, help the person move out of inertia and toward action.

3. Ask questions. Go into listening situations with a set of questions in hand. Use open-ended questions to gain more insight. Most of the best open-ended questions begin with how or what. Through your questions, you can influence the trajectory of a conversation.

4. Go beyond words. Observe the other person carefully and read his or her nonverbals. Remember to be aware of your own engaged listening presence. Tune in to your own nonverbal signals in addition to observing the eye contact and body language of others.

Quiet Influence Strength #4: Focused Conversations

Some quiet influencers shine during formal planned conversations. Others are more comfortable in less structured environments. Some swear by face-to-face conversations, and others find the telephone just as effective. Many prefer one-on-one or small group discussions rather than large gatherings. You can increase your QIQ and get the most out of your conversations no matter what they look like or where they take place. Here are three tips.

1. Set up space and times to talk. Design or use your workspace to enhance conversations when you choose to have them. Make a special effort to carve out face time. Don't forget to allow for serendipity. Let your inspiration come from walking around, and be open to the ideas that emerge from chance conversations.

2. Strengthen your case. Take your time to listen and observe what is going on. Doing so can make your comments land with more impact. You may need to repeat a message multiple times in order to get it to stick. Use focused conversations to bounce ideas off of people as you craft and shape your arguments in the preparation stage of influence.

3. Be authentic and flexible. Prepare stories and examples to make conversations come alive and to bring the person or people with whom you're speaking into the moment. Pick up on others' vibes by observing their body language and listening to their words. Decide if they feel like talking or not; you will not be an effective influencer if you force a conversation on someone who is not in the mood to converse. Finally, share information about yourself so that the other person understands you better.

Quiet Influence Strength #5: Writing

Quiet influencers transform their innate writing skills into a powerful influencing strength. Here are three skills they use.

1. Know and adapt to the audience. Remember the acronym WIIFM when you're trying to put together a persuasive appeal. WIIFM stands for "What's in it for me?" The "me" refers to the person you're trying to influence. Pay attention to tone. Notice the style that writers use, and mirror aspects of that back to them when you can. Use written documents to give people a chance to mull your ideas over before you initiate a conversation. Send out meeting materials well in advance of the scheduled time.

2. Attend to the craft of writing. Focus on depth over breadth. Take the time to construct your written piece so that the depth of your concerns and knowledge emerges clearly for the reader. Pay attention to the details and use good grammar, spelling and punctuation.

3. Make a persuasive case. Use step-by-step logic to make your case. Effective quiet influencers are masters at this persuasive writing technique because it's a carefully thought-out exposition. Incorporate numbers, pertinent details and data points to convince others of your argument. Keep it short and make it effective. You often do a better job of influencing others with succinct, to-the-point writing rather than lengthy tomes.

Quiet Influence Strength #6: Thoughtful Use Of Social Media

What do I mean by social media? I am talking about web-based and mobile-based technologies that are used to turn communication into interactive dialogue among organizations, communities and individuals. Social media give today's Quiet Influencers a particularly effective and efficient option. They allow introverts to organize their thoughts at their own speed and be selective about where and when they place them. They also give those who hesitate to speak in public the opportunity to communicate and collaborate with hundreds or even thousands of people all over the world. For that reason, it may be just the perfect lever for Quiet Influencers now and into the future.

A thoughtful use of social media helps to raise your QIQ and use it to move people to action, develop and grow relationships, achieve visibility, and teach and learn.

Introverted influencers who use social media effectively freely admit they don't have all the answers about how to be most effective in what is still essentially "the wild west" of sites and apps that launch or change each day. To best cut through the noise, quiet influencers use three key approaches.

1. Think about it. Start by defining your goal. If you don't know where you are going, any road will take you there. Ask yourself what you are trying to accomplish through your social media activities. Resist the pressure to get overwhelmed; take one step forward. Don't try to "do it all." Instead, just pick the two or three social media outlets that will help you meet your goals, and then do a good job on those sites. Limiting your involvement will help make your commitment more manageable.

2. Engage. By limiting the number of social media outlets you use, you will achieve a great deal even if you engage for only 10 minutes each day. It's a matter of doing a little of the right activity on a very regular basis.

Use social media to set the stage for offline conversations, and then capitalize on the one-on-one opportunities you generate. For quiet influencers who are uncomfortable taking on social media, you should find a social media tutor.

3. Focus on content. Get your thoughts out of your head and onto the screen by writing. Posting your own pieces on social media sites and starting a blog can be real plusses for an introvert who naturally prefers writing to talking. Don't forget to focus not just on the content you create but on content created by others. Drop in on discussions and visit groups related to your areas of interest. Use the social media universe to conduct research that contributes to influencing your strategies.

Making A Quiet Difference

No matter where you start, always remember to acknowledge your efforts in trying on new influencing behaviors. Savor each moment of success and learn from things that don't go exactly as planned. As the Spanish expression goes, it's "poco a poco" — or in English, "little by little." Don't get overwhelmed and think you have to try all the new ideas at once. Remember, influencing is a process, not an event. You will fail and you will succeed. Both experiences will move you forward and increase your QIQ.

And your reward? Seeing that you are successfully challenging ingrained ways of thinking, that your new ideas are taking hold, that changes you envisioned are coming about, and that others are moving forward with your inspiration. In your own quiet way, you will be making the difference that you were naturally born to make.

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Webinar: *How to Become the Person Others Follow* by Joshua Spodek. Joshua Spodek will walk you through an integrated and comprehensive progression of exercises designed to cultivate key abilities, behaviors, and beliefs through experience. These exercises will help you accomplish the inner work and gain the social skills required for great leadership.

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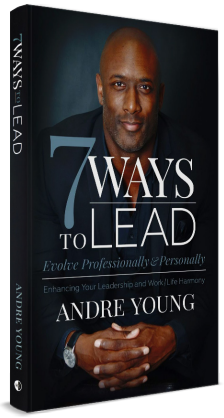
7 Ways to Lead

Evolve Professionally and Personally; Enhancing Your Leadership and Work / Life Harmony



by **Andre Young**

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THE SUMMARY IN BRIEF

Whether you are in a professional position of leadership or a leader of your own life, ***7 Ways to Lead*** shares common sense and easy to use insight to enhance your personal leadership and effective leadership skills.

If you're an engaged and learning leader, you are interested in living the life and lifestyle of your dreams. Andre Young brings over 17 years of experience as a mental health professional to bear on leadership at work and at home. Young presents leadership as two-fold. First, show up in your career, in your life, and in your relationships in a way that makes people want to follow you. Then add excellent leadership skills—the ability to Influence, Protect, Impact, Build, and Decide.

Leadership is a verb; therefore, leadership is a decision! We must decide to become leaders; in and of our own lives. We must choose to show up in our lives, our work, and our relationships with a positive attitude and willingness to DO and BE our best.

IN THIS SUMMARY, YOU WILL LEARN:

- A leader must self-engage a positive mindset.
- Gratitude affects both the leader and those who follow.
- A leader's measured and genuine confidence is contagious.
- Awareness of self and others creates a healthy environment.

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A Leader's Preparation

How you consistently show up with a positive mindset, a servant leader attitude, expanding the vision, and intentionally building-up others through impact, influence, protection, and expectations for greatness . . . That's Personal Leadership!

The 3 Other Marriages

You get ready each morning and brush your teeth in front of the mirror to head out to win the day, but how many times do you make intentional eye contact with the person in the mirror? The author describes his vows to himself in this way: I remember the day I married myself . . . like any other day, standing in front of the mirror getting ready . . . I felt compelled to make eye contact, maintain eye contact, and make some vows to me. I vowed not to fail, to reach my definition of success, to go deeper, and also to be a success as a husband, a father, and a friend. I vowed to live my dream of supporting my family with content I created through my own business and to live our desired lifestyle as a family! What a powerful moment that I will never forget and use as daily motivation! What vows will you make for yourself, your life, and your future?

Get Your Triangle Right

Let's get your triangle right! Imagine a triangle. At the top is your vision and expanded definition of success, as well as your faith. If you are a faith-based person and your faith helps you to be a better person, have a better relationship, and live an honorable life . . . that's at the top. If you are not a faith-based person, talk with your partner about your dream and vision for your life, lifestyle, relationship, and family. This is what guides you—not the kids, not your job, and not the duties of the day.

On the bottom-right side of the triangle is you and your partner; and other important relationships. On the bottom-left side of the triangle is YOU. Care for yourself, treat yourself, follow YOUR dreams, and live your best life. Get your triangle right and EVOLVE!

A Leader's Gratitude

Avoid the "I have to . . ." trap

What if you transform your language, allowing an EVOLUTION of perspective and gratitude? Instead of "I have to" . . . try . . . "I get to." "I get to go to work". . . you know the place you interviewed at, were excited to get the acceptance from, and can quit anytime you choose. "I get to go to work" sounds and feels a lot better than "I have to go to work." "Tonight, I get to take my kids to basketball practice" sounds and feels better than "I have to take my kids to practice." Most importantly, it positively impacts our brain, forming a more positive thought, leading to a more positive feeling, positive behavior, and positive consequences. What do you "Get to Do" today?

T.G.I.T

T. G. I. T. has nothing to do with what day it is. It has everything to do with you, your mindset, gratitude, joy to meet the day and all it has to offer. Beat the day instead of it beating you! YOU get to rise today and begin your day. Some people didn't! You get to go to the job you applied for. If you hate it, change your perspective or start looking for a new one! You get to spend time with your significant other today . . . at some point, you won't. So, how will you enjoy him/her today? You get to spend time with your kids . . . whether through the craziness of their schedules or carrying them to and from practices and games. Enjoy them!

A Leader's Confidence

If you have the guts to move forward toward your dream, what you'll need is CONFIDENCE! And at times, that can be in short supply.

Stop Allowing an Average Life

Life is amazing. Life is odd. Life is a lot of things! There are times when life will surprise us, both good and bad. Life can be fair, and it can be extremely unfair at times. Good and bad happen to the good and bad alike. Although some things are out of our control . . . remember this, we tend to live what we allow!

Actively living a great life is not for the weak! It takes risk, inner strength, determination, self-love, and respect for ourselves and others to live the life of our dreams. It's a good thing these all exist in YOU! You can choose to take this journey as fast or as slow as you'd like. But, today is your first step! Whatever you do . . . if it's your passion . . . make sure to do it daily, do it smart, and do it to the best of your ability! Enjoy!

Leaders Can Be Insecure?

Insecurities . . . we all have them, but yours alone yells the loudest in your head, in your heart, and within your rela-

tionships at work, in your home, and in your personal life.

So how do we begin the process of overcoming our insecurities? We must first be aware of what our insecurities are and why they are. Second, acknowledge where you are and who you are. This includes your positives, negatives, and what you personally bring to the table as a Person, a Professional, a Partner, a Parent, and more. Take pride in it! Finally, enjoy your life, live, and actively work to build up those around you.

Daily Leadership

As a leader, it's your job to exist and be great when the non-ready get ready so they know where to go, how to get there, and what to do!

The more deposits you make in the lives of those you lead, stemming from your interest, care, and respect for others, the stronger your relationships will be as a leader. Difficult conversations will be less frequent, less offensive, and less sharp. The difficult conversations are those TALKS about unmet needs, disappointment, or sharing some hard observations with someone you value or care about. Those conversations are never easy, but if you've made enough deposits, a few withdrawals won't bankrupt the relationship. It still matters how you say it. Frequent deposits do not give a leader the green light to spout whatever they want. What are the dreams of your Employees, Leaders, Players, Students, Partner, Kids, Parents, etc.? How will you help them achieve those dreams?

Ride That Rollercoaster

Some people love rollercoasters, can't get enough, and are one with the motion. Others prefer the security and control of being on solid ground, having limited risk, and relaxing in safe confines. However, there are no safe confines in the world of leadership, and rollercoasters are a lot like life, leadership, and success. It may start off slow, and you can't wait for it to pick up . . . so you can feel the adulation of your success, making your own decisions, making your own path and mark. This success doesn't come stress or worry-free.

Leaders express concern and anxiety in making hard but necessary change, managing many people, managing old friends, managing people more senior or more experienced than themselves, or people they don't necessarily care for or respect. It's easy for fear and self-doubt or our "ego" to step in, whispering destructive things into our head. Then . . . POW . . . off you go at warp speed with all the highs, lows, twists, and turns of leadership and success!

The way to EVOLVE and master the rollercoaster of success and leadership is to maximize the highs, minimize the lows, don't let the twists and turns take your eyes off the vision and mission, and pull into the station at the end, wide-eyed, knowing you've just lived and conquered!

Clear and Concise Leadership

Here are a few scenarios to explore. Have you ever received instruction from someone and did what they asked, only to be told how bad a job you did? Have you been left feeling bewildered and not good enough? Have you ever received instruction, only to be left feeling confused but too nervous to ask for clarity, thinking it must be you, and you'll do your best to figure it out? Or, have you received zero instruction, handled the situation to the best of your ability, knowledge, and capacity only to be told how you handled it was wrong? Much of this can be avoided with enhanced Clear & Concise Leadership!

As leaders, our job is to ensure answers to these questions: Are the expectations, rules, consequences, and plans clear to everyone. Are they simple enough and easy enough for everyone to understand? Is everyone aware?

A Leader's Risk

As a leader, you have a dream, a goal, and a desired lifestyle. Whatever your vision, IT WILL REQUIRE SOME RISK! You will risk your comfort, your heart, your money, your identity, and, most likely, your time, energy, and effort.

A Leader's Risky Evolution

Risk doesn't promise success. It only promises you different short-term experiences. How you choose to process, learn from, and apply short-term experiences will lead you to success. As you EVOLVE through the process of risk-taking, you may be surprised how your definition of success may change. It is up to you to evaluate the risk for you, your team, and the people it will impact.

When you decide to go for it, prepare yourself and your team to push a bit past the comfort zone and enjoy the positives of EVOLUTION. Allow time to celebrate successes and accept each set-back as a "Success Lesson"!

A Leader's Self-Care

Give yourself permission to pause to consider your Continue, Stop, and Start. You must be doing some great things to be where you are in life right now. Look around you . . . do you have shelter, people that enjoy you, not to mention . . . the ability to read and listen to leadership resources? Things could be a lot worse. So, continue what you are doing great!

Stop—What do you need to stop? We all engage in behaviors, whether as a Person, Professional, Partner, and Parent, we can benefit from stopping. Let's STOP the unhelpful thought patterns and behaviors that add stress and lead to future chaos in our lives! If you can't stop them, at least be willing to modify and do them in moderation. Your future is counting on you! Start—Although Stopping or Modifying the negatives in our lives is good, there are times to replace the negatives and start something new. This is the key to your Success, your Leadership, and your Work/Life Harmony!

Superman/Superwoman Syndrome

The demands of your day are numerous, constant, and at times thankless. It takes a special person to do what you do and accomplish what you accomplish in a day. You are SUPER, but you may not need to be Superman or Superwoman. Every superhero takes solace in their alter ego. Superman sometimes gets to escape the pressure of being the hero when he is Clark Kent. Clark Kent gets to take a breath, go on vacation, see the world through a different lens, experience the same people in his day-to-day in a different light. In a world always urging you to be super, move forward, and succeed. Today, embrace your Clark Kent, put your cape down, and allow other people to be the hero!

The Leader's 7

If you planned to move to France and live there for the rest of your life, would you learn French? Why? You could get along without knowing the language, but your ability to connect, feel comfortable, and your overall experience would be limited. Learning the language of the land opens us up to better communicate, enhancing our ability to understand and meet the needs of the people we're leading!

There are seven languages employees, athletes, students, and our followers want to hear, need to hear, and benefit most from hearing from their leaders that impact motivation, inspiration, self-worth, bonding, and purpose! Goodies Time may include doughnuts in the morning or a full catered gourmet lunch—people remember these treats. Quality Minutes benefit the culture, creating and enhancing curiosity, bonding, attachment, and a sense of belonging and loyalty!

Those who enjoy Recognition & Affirmation are motivated and inspired by hearing positive things about their work and effort. The employee who values Knowledge and Advancement wants to know what you know and may want to be YOU someday. Individuals who prefer Incentives are motivated by raises, bonuses, earned trips, and/or office competitions. Others are highly motivated by Flexibility. And finally, everyone enjoys the language of Respect.

As leaders, we need to speak the Leader's 7, remembering that each person we lead has a top one or two. Your ability to know your craft, convey a vision and message, connect with others, not just the people you enjoy, move others forward together toward a common goal, and remain positive along the way… this is leadership!

Andre Young is a speaker, author, leadership trainer, and Founder of You Evolving Now, LLC. He worked as a Mental Health Therapist for 19 years, played sports at every level from high school to professional, been an employee, business owner, and self-employed, and is an author of two other books, *EVOLVE* and *7 Ways to Love.* Most people would like to EVOLVE as leaders, professionally and personally, and as Founder of You Evolving Now it is Andre's mission to enhance their leadership with his books, on-site speaking engagements, and leadership programs.

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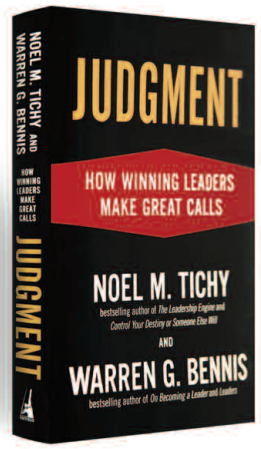

by Noel M. Tichy
and Warren G. Bennis

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How Winning Leaders Make Great Calls

JUDGMENT

THE SUMMARY IN BRIEF

Two titans of effective leadership, Noel M.Tichy and Warren G. Bennis, have identified the fundamental essence of leadership as the ability to make consistently good judgment calls, especially when the stakes are high, information is limited and the right call is far from obvious.

The authors of *Judgment* clarify an important concept that is often misunderstood. Many assume that good judgment is an inborn trait, but Tichy and Bennis show that it's actually a skill that can be developed, refined and nurtured throughout an organization.

Leaders do, at some moment, make a judgment call, a determination about how things should proceed. Judgment resides at the core of leadership. The authors explain that judgment is a contextually informed decision-making process encompassing three domains: people, strategy and crisis. And within each domain, leadership judgment follows a three-phase process: preparation, the call and execution.

Leaders are remembered for their best and worst judgment calls. In the face of ambiguity, uncertainty and conflicting demands, the quality of a leader's judgment determines the fate of the entire organization.

Tichy and Bennis show how to recognize the critical moment *before* a judgment call, when swift and decisive action is essential, and also how to execute a decision *after* the call.

This summary provides ground rules for leaders. Whether they are running a small department or a vast corporation, the authors' insight will help leaders achieve greater success by exercising good judgment.

IN THIS SUMMARY, YOU WILL LEARN:

- A useful framework that will help leaders make better judgments and help shape the next generation to do the same.
- How to address the most vexing questions leaders confront when making their most important judgments.
- How to improve your own judgment-making faculties.
- How to do a better, more intentional job of developing good judgments in others.
- Why some leaders are better equipped to deal with crises than others.

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Judgment and Leadership

On Nov. 1, 1997, AT&T was a $130 billion company when Michael Armstrong became CEO. It wasn't the powerhouse it had been for much of its 100-plus-year history, but it had a stockpile of cash and plenty of opportunity. For the next eight years nothing seemed to work for AT&T, and Armstrong's long string of poor strategic judgments finally caught up with him, bringing his career to an unenviable end. In 2005 a nearly dead-broke AT&T was acquired by its former subsidiary SBC (Southwestern Bell Corporation) for a paltry $16.9 billion. Only its name survived on the combined company.

General Electric Co.'s stock had suffered in the wake of the stock market crash of 2001, but Jeff Immelt was succeeding CEO Jack Welch, dubbed "manager of the century" by *Fortune* magazine and *BusinessWeek*.

Welch had left GE after failing to complete the huge $47 billion acquisition of Honeywell he had attempted in the final hours of his 20-year reign. But the company was still a huge dynamo, and Immelt's job was to find a way to keep generating more power. With revenues of $130 billion in 2000, Immelt would have to come up with $3.5 billion in new revenue every quarter to maintain the torrid 10 percent annual growth pace set by Welch. To do that, Immelt took bold steps to reinvent the company. He shifted the company's primary business model to capitalize on emerging technologies and emerging markets. By mid-2007 the stock market was rewarding his efforts. Immelt had succeeded in delivering average growth of some 8 percent per year, no small feat for a $100-billion-plus juggernaut.

Armstrong, former AT&T CEO, could not turn his company around and lost significant shareholder value in a short span of time and ultimately lost his job as well. Immelt and Welch at GE faced no easier challenges, yet they and their organization ride from success to success. When they stumble they are able to recover quickly. Why is that? It's a matter of *judgment.*

Judgment Calls

The cumulative effect of the leaders' judgment calls determines the success or failure of their organizations.

The essence of leadership is judgment. The single most important thing that leaders do is make good judgment calls. In the face of ambiguity, uncertainty and conflicting demands, often under great time pressure, leaders must make decisions and take effective actions to assure the survival and success of their organizations. This is how leaders add value to their organizations. They lead them to success by exercising good judgment, by making smart calls and by ensuring that they are well executed. A keen sense of judgment is what makes or breaks a leader.

Getting the Important Ones Right

The thing that really matters is not *how many* calls a leader gets right or even what *percentage* of calls a leader gets right. Rather, it is how many of the *important* ones he or she gets right. Good leaders not only make better calls, but they are able to discern the really important ones and get a higher percentage of them right. They are better at a whole process that runs from seeing the need for a call to framing issues to figuring out what is critical to mobilizing and energizing the troops. ■

Framework for Leadership Judgment

Despite the implications of the word *call,* the judgment calls that leaders make cannot be viewed as single,

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point-in-time events. Like umpires and referees, leaders do, at some moment, make a call. They make a determination about how things should proceed. But unlike umpires and referees, they cannot — without risking total failure — quickly forget them and move ahead to the next play. Rather, for a leader, the moment of making the call comes in the middle of a process.

That process begins with the leader recognizing the need for a judgment and continues through successful execution. A leader is said to have "good judgment" when he or she repeatedly makes judgment calls that turn out well. These calls frequently turn out well because the leader has mastered a complex, constantly morphing process that unfolds in several dimensions. There are three phases to the process:

1. Time. This includes what happens before the leader makes the decision, what the leader does as he or she makes the decision that helps it turn out to be the right one and what the leader must oversee to make sure the call produces the desired results.

2. Domain. The three critical domains in which the majority of the most important calls are required are judgments about *people*, judgments about *strategy* and judgments in time of *crisis*.

3. Constituencies. Leaders make the calls, but they do it in relation to the world around them. A leader's relationships are the sources of the information needed to make a successful call. A leader must interact with different constituencies and manage those relationships to make successful calls. The four types of knowledge needed to do this are self-knowledge, social network knowledge, organizational knowledge and contextual knowledge.

The Three Judgment Domains

People, strategy and crisis are the three domains that make the most difference to the survival and well-being of any institution. If they are unattended or if bad calls are made in these domains, it can be fatal to an organization.

1. People Judgment Calls. If leaders don't make smart judgment calls about the people on their teams, or if they manage them poorly, then there is no way leaders can set a sound direction and strategy for the enterprise, nor can they effectively deal with crises.

2. Strategy Judgment Calls. The role of the leader is to lead the organization to success, so when the current strategic road isn't leading toward success, it is his or her job to find a new path. How well a leader makes strategic judgment calls is a function of both (1) his or her own ability to look over the horizon and frame the right question and (2) the people with whom he or she chooses to interact.

3. Crisis Judgment Calls. Crisis calls require that a leader have clear values and know his or her ultimate goal. Crises not handled well, where good judgment calls were not made, can lead to the demise of an institution.

The Process of Judgment Calls

In all three domains, people, strategy and crisis, good judgment calls always involve a process that starts with recognizing the need for the call and continues through to successful execution:

• **The Preparation Phase.** This phase includes sensing and identifying the need for a judgment call, framing and naming the judgment call, and mobilizing and aligning the right people.

• **The Call Phase: Making the Judgment Call.** There is a moment when, based on his or her view of the time horizon for the judgment and sufficiency of input and involvement, the leader makes the call.

• **The Execution Phase: Action — Make It Happen.** Execution is a critical part of the exercise of good judgment. Once a clear call is made, then resources, people, capital, information and technology must be mobilized to support it. If they aren't, the decision-making simply goes down the tubes. Good judgment calls always produce good results.

Resources and Constituencies

The quality of a person's judgment depends to a large degree on his or her ability to marshal resources and to interact well with the appropriate constituencies. Most of the time the resources and the interested constituencies overlap. A good leader uses four types of knowledge to make judgment calls:

1. Self-Knowledge. Leaders who exercise good judgment calls are able to listen, reframe their thinking and give up old paradigms. GE's CEO Jeff Immelt said, "It is an intense journey into yourself."

2. Social Network Knowledge. Leadership is a team sport; there must be alignment of the leader's team, the organization and critical stakeholders to create the ongoing capacity for good judgment calls. The leader must consciously work to encourage teamwork, draw on the best resources of each individual and help individuals learn to make better judgments in their own areas of responsibility.

3. Organizational Knowledge. Good leaders work hard to continuously enhance the team, organizational and stakeholder capacity at all levels to make good judgment calls.

4. Stakeholder Knowledge. Good leaders engage customers, suppliers, the community and boards in generating knowledge to support better judgments. ■

For additional information on framing and naming the judgment call, go to: http://my.summary.com

Having a Storyline

How a leader works the judgment process depends to a great extent on *who* the leader is. Winning leaders, the ones who continually make the best judgment calls, have clear mental frameworks to guide their thinking. They have stories running in their heads about how the world works and how they want things to turn out. And they have the all-important qualities of character and courage. They have the internal discipline and the guts to make the right calls and to follow through.

Teachable Points of View

Winning leaders are teachers. They drive their organizations through teaching, and they develop others to be leaders/teachers.

Winning leaders are good at this because they have made the effort and spent the time to develop Teachable Points of View (TPOVs). TPOVs are what enable leaders to take the valuable knowledge and experiences that they have stored up inside their heads and teach them to others. Winning leaders/teachers use their TPOVs to convey ideas and values to energize others and to help them make clear, decisive decisions.

While TPOVs are essential to transformational leadership and to developing others as leaders, TPOVs have an equally crucial role to play in guiding leaders' own decisions and actions.

The TPOV comes alive and is most valuable when a leader weaves it into a storyline for the future success of the organization. As a living story, it both helps the leader make the judgment calls that will make the story become a reality and enlists and energizes others to make it happen.

TPOVs and Storylines

Dr. Martin Luther King Jr.'s "I Have a Dream" speech, delivered at the Lincoln Memorial in 1963, is one of the most famous and compelling examples of a leader transforming a clear, logical TPOV into a vivid and inspirational storyline. The goal of achieving it drove both King's decisions and the success of the civil rights movement.

Winning leaders' storylines specifically address three areas of questions:

1. Where are we now?

2. Where are we going? The inspirational storyline here adds to the motivation for change, but more important, it lights the beacon. It defines the goal.

3. How are we going to get there?

The storyline is never complete and is always being modified by the judgments the leader makes. However, without a solid storyline, the leader's judgments are disconnected acts that may or may not move the organization forward. ■

Jack Welch and Peter Drucker

In the case of Jack Welch, interactions with management pioneer Peter Drucker had a powerful impact on his strategic thinking. Soon after he became CEO of GE, Welch had a meeting with Drucker. As they discussed GE's various businesses, Drucker, Welch recounts, asked him at one point: "If you weren't already in this business today, would you go into it?" It was a question that crystallized Welch's thinking and ultimately resulted in his famous "#1, #2, fix, close or sell strategy."

Character and Courage

What does it mean to have character? It means having values. It means having a moral compass that sets clear parameters for what one will and will not do. Character is all about knowing right from wrong and having worked these issues out long before facing tough judgment calls. It is about knowing what your goals and standards are and sticking with them.

Integrity

We often use the word *integrity* to describe a person of character, a person whose values and principles are above reproach. Psychiatry speaks of such people as *integrated*. Character plays the guiding role in how honest personal feedback and coaching are in the organization, how internal competition and politics are handled, and how suppliers and customers are treated. The CEO's character sets the stage for all the important judgment calls.

Character also means putting the greater good of the organization, or of society, ahead of self-interest. As management legend Peter Drucker put it, it is about worrying about "what is right" rather than "who is right."

Courage

Judgment is about more than decision making. It is about not only coming up with the right solution to the right problem, but it is also producing results. And this is where courage comes in. Having the courage to act on your standards is an integral part of the bundle of what it takes to exercise good judgment. The standards by themselves aren't enough. If you don't act on your "standards," there is some question as to whether they really are your standards.

It's the courage that Procter & Gamble showed in

closing down plants in Africa for a year rather than pay bribes. It is the courage to take the hard road, despite all the obstacles, because you *should*.

Leading With Character

Trust is the emotional glue that holds teams together. Steelcase CEO Jim Hackett said, "You can't lead if you don't have trust, and you can't have trust if you don't have integrity."

Leading with character gives wise leaders clear-cut advantages. They are easier to trust and follow; they honor commitments and promises; their words and behavior match; they are always engaged in and by the world; they are open to "reflective back talk"; they can admit errors and learn from their mistakes. They can speak with conviction because they believe in what they are saying. They feel at ease in the spotlight and they enjoy it there. They tend to be more open to opportunity and risk. ■

People Judgment Calls

To make good people judgments, a leader has to recognize the need, frame the issue, and mobilize and align the parties who can provide the information and advice needed to make a good call. Then the leader must make the call at the appropriate moment and follow through on the execution to make sure that the result turns out as well as possible.

People judgments are the most complex of the three domains for several reasons. First, a judgment about whether someone will be a good leader is a judgment call about how well the person will do making other judgment calls. Will he or she be able to build a good team? Develop effective strategy? Deal with the inevitable crises?

Complex Dynamics

People calls also have other distinct challenges. Unlike strategies, the "objects" of people judgments are humans who make their own judgment calls and engage their own political circles even as the process unfolds. In a competitive world, no judgment call is ever made in a static situation. But in people calls, the dynamics are more complex, if not more fluid, than in other realms.

No matter how hard-nosed some leaders may appear, they all have emotions that affect their judgments. They have feelings about other people. They become attached to them or maybe detest them. And it's these feelings that can keep them from making good, objective calls.

Wayne Downing

Wayne Downing, the retired four-star general who ran the United States Army Special Forces, said that "most of my bad judgment calls were generally about people. There have been times when I knew I had to take people out of a position. I knew they weren't going to change, and they weren't going to do what had to be done. But it's traumatic when you do that. The higher up you go, the more traumatic it is for the organization to remove people, and you don't like to do that, but in the final analysis you have to."

Aware that the ultimate goal is to produce a successful outcome, leaders who have good judgment track records are always vigilant. They are constantly checking to make sure that conditions are as favorable as they can possibly make them to support the success of the judgment. If they need to take time and expand the decision-making process, they do.

People judgment comes first. If there is not a team of trusted leaders, it is impossible to make good strategy judgments as the people politics will undermine what is good for the enterprise. ■

People Judgment: CEO Succession

Who heads up an institution is by far the single most important people judgment. CEO succession in any type of organization is the key determinant of organizational performance. This seemingly obvious premise must be examined in light of the empirical reality of success in the last decade. The track record in many companies has been abysmal. Given the importance of this judgment, the grade among blue chip-companies is probably no more than a D, as many blue-chip companies have failed to develop a successor CEO.

Not to have a successor at the top of an institution is the ultimate in bad people judgment. The preparation phase includes a long-term commitment to developing a stream of talent, a leadership pipeline, designed to develop leaders at all levels and ensure a flow of leaders. There are multiple candidates and a succession pipeline that feeds opportunities at lower levels in the organization.

Bad CEO Judgments

Bad CEO judgments happen because of broken leadership pipelines; that is, there are no good candidates and the building of appropriate leadership bench strength has not occurred. There are a variety of underlying causes. In some cases it is family nepotism, such as putting Bill Ford in as CEO at Ford. After only a few years, Ford stepped out of the role and brought in an outsider, Alan Mulally from Boeing, as CEO in mid-2006.

Other causes of broken leadership pipelines include lack of a disciplined succession planning process, board

Key Elements of Good People Judgments

Here are six lessons for making good people judgments:

1. Anticipate the need for key people changes.
2. Specify the leadership requirements looking into the future, not the rearview mirror.
3. Mobilize and align the social network to support the "right" call.
4. Make the process transparent and judged fair.
5. Make it happen.
6. Provide continuous support to help the leader succeed.

neglect, poor understanding of changing world and talent requirements, and ego issues with the CEO not wanting to let go. Any combination of these problems contributes to bad CEO succession judgment. ■

Strategy Judgments

For a leader, developing strategy is a never-ending job of crafting the storyline for success. It is rarely an "aha" clear vision. It is an evolving story that starts off fuzzy. It gets continuously revised and becomes clearer as strategic judgments are made. Each big acquisition or divestiture, or judgment on a big R&D investment, changes the company's position and the possibilities for the future. These judgments are not only manifestations of the storyline, but also shapers of it going forward.

Jeff Immelt's Storyline

Immelt's judgment about the acquisition of Amersham by GE Healthcare for close to $10 billion reflected his storyline of building a medical business around tomorrow's technology for personalized medicine. Thus he manifested his storyline by making an acquisition consistent with where he wanted the business to go. The judgment then sets up a process of reshaping the business in new and unforeseen ways; the Amersham judgment leads to authoring the next chapter of the future. The iterative process of making judgments to further the storyline, which then helps write and revise the future storyline, is how leaders like Immelt drive successful transformations.

Good Strategic Judgment

Good strategic judgment is built on the leader's capacity to intellectually frame the world of opportunity and the organization's potential, as well as the leader's ability to mobilize and align key leaders to help make a smart judgment and get it executed. Like all good judgments, strategic judgments need to be a process: (1) preparation, (2) the call and (3) execution.

Strategy judgments alter where the organization is heading. They require the leadership to have a clear TPOV and storyline and then have the courage to make the calls and see that they follow through on the execution. ■

Strategy Judgments at GE

CEO Jeff Immelt was on the line in 2007 for his GE strategy judgments. He spent five years repositioning GE for future growth; he needed to now demonstrate that his strategic judgments would yield the promised results. His is a work in progress. He has dropped businesses from the portfolio, a never-ending process, and is adding new ones through acquisitions and organic growth to create the GE future engines of growth. Five years into the transformation, his judgments were showing clear evidence of being rewarded in the stock market.

Immelt states: "To be a reliable growth company requires the ability to conceptualize the future. We are investing to capitalize on the major growth trends of this era that will grow at multiples of the global GDP growth rate. We are using our breadth, financial strength and intellectual capital to create a competitive advantage."

Immelt is relentless in sharing his storyline and relentless in driving the strategy execution. ■

For additional information on Jeff Immelt's strategy judgment for GE, go to: http://my.summary.com

Crisis Judgments

Good judgments made during times of crisis follow the same process as judgments made under less stressed circumstances. There is a preparation phase, a call phase and an execution phase. The preparation phase, however, needs to be done before the crisis occurs.

The most effective leaders prepare for crisis even before knowing what kind of crisis will occur. It is perhaps even more true in crisis situations than with judgments about people and strategy that the likelihood of making successful calls is vastly increased if they are made in the context of a pre-existing Teachable Point of View (TPOV) and on the platform of the storyline for the future.

Leaders generally make bad crisis judgments either because they lack a clear TPOV and storyline or because they have made bad people judgments. For leaders to handle crises effectively, they must have an aligned team. Otherwise, the crisis situation will splinter the team just when smart, coherent action is needed most. Bad people

judgments or bad strategy judgments can precipitate a crisis, but once one happens, teamwork and focus make all the difference between survival and disaster.

Crisis Judgment Compresses Time and Root Causes

The reason crisis is one of the three categories of key leader judgments is that all leaders have to deal with them. The fundamental process of judgment is the same as with people and strategy. Have a solid TPOV, and make sure the judgments you make are consistent with the TPOV or at the very least do not hinder execution of the storyline for where you want to ultimately end up. ■

Crisis as a Leadership Development Opportunity

Why are some leaders better equipped to deal with crises than others? The answer is because they anticipate crises. They aren't psychics. But they clearly understand that some crises *are* going to come down the pike, and they prepare themselves and their organizations to respond effectively and efficiently when they do. These leaders know that in order to survive crises, and perhaps even come out ahead because of them, they must have three things:

1. An aligned and highly trusted team

2. A TPOV and storyline for the organization's future success

3. A commitment to developing other leaders throughout the crisis.

Navigating Through Crises

David Novak, CEO of Yum! Brands, and Phil Schoonover, CEO of Circuit City, are two leaders who have successfully navigated their organizations through several crisis situations. Both Novak and Schoonover do three things simultaneously:

1. Effectively, in real time, deal with their crises.

2. Mobilize, align and engage the right social network of leaders in their organizations by tapping their brains and their emotional energy to handle the crises.

3. Focus explicitly on developing the leaders engaged in the process, taking the time to teach and coach in real time.

Leaders who succeed in crises are able to do so because they work on developing their own capabilities and on building them into the fabric of their organizations. Every crisis that Novak has faced has led to good judgments. They have also given him the platform to keep developing other leaders who will be better and better at handling the inevitable and unforeseen crises. The lesson for others is to clearly have mechanisms in place that provide quick responses to crises and that develop the next generation of leaders. ■

Knowledge Creation

The first imperative to being a good leader who makes good judgments is a commitment to be a learner, to keep building one's knowledge and wisdom. Leaders have two imperatives when it comes to knowledge creation. First and foremost, they must continuously strive to make themselves smarter and better at judgments by the kind of self-journey to improvement that GE's CEO Jeff Immelt and other leaders have taken.

In addition, leaders need to garner the support of their teams; their organizations; and their stakeholders in people, strategy and crisis judgment making. While striving to make themselves better with the support of others, they must simultaneously invest in the development of leadership judgment in others: namely, their team, their organization and the organization's key stakeholders. This duality, making oneself better while teaching and developing others' judgment capacity, is the key to good leadership.

Self-Knowledge Creation: A Journey Into Yourself

Good leaders are on a transformational journey starting with themselves, which carries over to their teams and organizations. To do this, leaders need the paradoxical combination of self-confidence and humility to learn.

First, it has to be a central agenda item of the leader. It takes commitment to self-learning, significant time, relentless willingness to "look in the mirror," and a paradoxical self-confidence and humility.

'An Intense Journey Into Yourself'

Jack Welch chose Jeff Immelt to succeed him as CEO in large part because he recognized that Immelt was a leader with an insatiable thirst for being better, who invested himself in self-knowledge creation. Immelt told an incoming class of MBAs at the University of Michigan: "The first part of leadership is an intense journey into yourself. It's a commitment and an intense journey into your soul… more than anything else, the burning desire inside me was to get the best out of what I could be and go on that journey."

The leader's knowledge creation journey is the necessary condition for focusing on knowledge creation at the social network, organizational and contextual levels where the leader not only mobilizes these domains to support the judgment process, but also builds his or her capacity to develop judgment knowledge capacity.

Social Network/Team Knowledge Creation

It is up to the leader to build knowledge creation processes for his or her team and to ensure that these processes are executed.

Virtually every leader relies on a group of trusted advisers. For most leaders, their team is the group with which they spend the most time. When there are difficult judgments to be made, they convene their team to debate and deliberate. Building a social network that keeps developing knowledge creation capacity is central to the success of a leader.

Organization Knowledge Creation

Building judgment capacity means creating processes that engage leaders in judgment muscle strengthening activities.

All leadership development, from new hires through senior leaders, needs to be geared toward knowledge creation for better leadership judgments, both to support real-time judgments and to develop the next generation's capacity for leadership judgment.

Contextual Knowledge Creation

The final knowledge creation arena is how to work with the stakeholders, the board, the suppliers, the customers and the communities in which the organization operates. Leaders need to develop customer and supplier interactive processes for developing new knowledge. ■

Judgment for Future Generations

Mayor Michael Bloomberg and Joel Klein, the chancellor of the New York City school system, want to help shape good judgment in 1.1 million New York City children. To do that, it takes leadership in the New York City schools, where there are 80,000 teachers and 1,400 principals. To deliver on the Bloomberg and Klein strategy judgment, the focus had to be on the principals. This is the leadership role that has the maximum impact on the children; a good principal is the key to good teachers.

The New York City Transformation Journey

When Mayor Bloomberg changed careers, from a very successful entrepreneur to mayor of New York City, he sensed and identified the need for revitalizing the human capital side of New York, namely its schools and the next generation of young people.

Judgment No. 1 was to frame and name the issue. Bloomberg said, "We have a leadership problem in our school system and schools, and it needs to be fixed to impact outcomes." Bloomberg had witnessed years of emphasis on curriculum and teacher education but very little on who was leading the schools.

Bloomberg's Teachable Point of View included an assumption that organizational performance was dependent on a good leader. The key leader was the one closest to the students, namely the principal. For these front-line leaders to succeed, the top leaders needed to provide the context and the selection and development pipeline; that was the challenge for Bloomberg, who needed a leader who could execute his judgment to tackle the public education problem in New York City.

That is how Mayor Bloomberg framed it. He made a bold people judgment call and recruited Joel Klein, a non-educator with a successful career in business and law, to be school chancellor. He wanted Klein to be his partner in transforming public education in New York. Klein had a vision of a leadership academy for principals.

Principals and Teachers Shape Our Future

Bloomberg and Klein mobilized a social network of leaders to join in the very difficult execution phase of their yet-to-be completed strategic judgment. Execution required organizational processes, namely the establishment of the New York Leadership Academy and a mechanism to drive large-scale development and transformation of the schools by focusing on the principals as the key to better schools. ■

Conclusion

The process of judgment begins with the leader recognizing the need for a judgment and continuing through successful execution. Leaders are said to have "good judgment" when they repeatedly make judgment calls that turn out well. And these calls often turn out well because they have mastered a complex process that unfolds in several dimensions: time, domain and constituencies.

This framework can help you improve your judgment-making faculties, to do a better job of developing good judgment in others and to encourage a more vigorous conversation about judgment. We need more leaders with better judgment. ■

SOUNDVIEW RECOMMENDED READING LIST

If you liked *Judgment*, you'll also like:

1. ***The 360° Leader* by John C. Maxwell.** You can learn to develop your influence from wherever you are in an organization by becoming a 360-degree leader.
2. ***True North* by Bill George with Peter Sims.** Just as a compass points toward a magnetic field, your True North pulls you toward the purpose of your leadership.
3. ***A Leader's Legacy* by James M. Kouzes and Barry Z. Posner.** The authors show how a legacy is more than a link to a position or place in an organization.

· Book 84 of 388 ·

A Bias for Action

Heike Bruch and Sumantra Ghoshal

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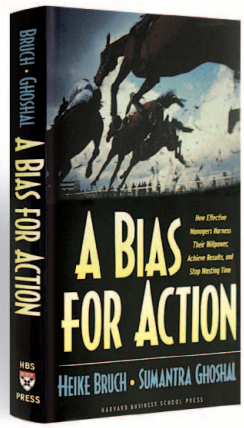

By Heike Bruch
and Sumantra Ghoshal

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How Effective Managers Harness Their Willpower, Achieve Results, and Stop Wasting Time

A BIAS FOR ACTION

THE SUMMARY IN BRIEF

Managers blame many factors for their lack of accomplishments: a lack of motivation, limited time, not enough money, too much work, and corporate bureaucracy. But new research suggests that the amount of willpower managers bring to their jobs can be a critical element in their success.

In A Bias for Action*, leadership expert Heike Bruch and management expert Sumantra Ghoshal demonstrate that managers often confuse activity with accomplishments, and motivation with true leadership. Their new study reveals that 90 percent of managers waste their time by procrastinating, becoming emotionally detached, and distracting themselves with busywork. They point out that only 10 percent of managers truly act purposefully to get the most important work accomplished.*

Based on the authors' research across numerous industries, and illustrated with personal case studies from BP, Sony, GE, Philips and others, A Bias for Action *reveals how great managers get results by engaging their own willpower through a combination of energy and focus. The authors present simple strategies for bolstering willpower and provide ways managers can use the willpower of others to encourage collective action.*

What You'll Learn In This Summary

- ✓ How to create a culture that supports positive, purposeful action.
- ✓ Why some managers succeed in taking purposeful action while others do not.
- ✓ How many leaders deliberately reshape their personal behavior by re-energizing themselves or renewing focus on their work.
- ✓ How to define your challenges and overcome stress and negativity.
- ✓ How to overcome common obstacles such as conflicting demands and bureaucratic red tape.
- ✓ How to move from motivating others to fostering willpower in others.

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A BIAS FOR ACTION

by Heike Bruch and Sumantra Ghoshal

— THE *COMPLETE* SUMMARY

PART ONE: HARNESSING YOUR WILLPOWER TO ACHIEVE RESULTS

Management Is the Art of Doing and Getting Done

Laura McCormick had just landed the most challenging role in her career. IBG, a $7 billion conglomerate, had acquired her employer, Delta Technologies, a telecommunications supplier — and appointed her, at 33, one of two instructors in IBG's much-touted total quality program. Energetic, enthusiastic and articulate, she had risen quickly in her seven years at Delta.

Early in her new position, however, McCormick began to stall. Having squabbled before with Sam Butler, a manager from the factory floor, she considered him entirely unsuitable for the job of the second instructor and avoiding him whenever possible.

After three months and several managerial shifts that included the demotion of her boss and mentor, McCormick pushed on, running one program after another, attending meetings, tackling problems that cropped up, and spending hours each day answering e-mails and returning phone calls. She was constantly busy, but could see that morale was dipping and Delta was headed for its first quarterly loss.

When McCormick finally asked to relinquish the teaching role, her boss said, "I do not want to lose you." She polished her résumé and resigned a month later.

The Truth About 'Busy' Managers

What could have happened, for example, if instead of avoiding contact with Sam Butler, McCormick had tried to build a great relationship with him from the beginning? Like Laura McCormick, managers tend to ignore or postpone dealing with the organization's most crucial issues. Most managers spend their time making the inevitable happen instead of putting their energy into the exceptional things that create a company's future.

Most managers do not reach for the opportunities for significant achievements. Although their days are filled with a constant stream of meetings, conference calls, e-mails, voice mails, pages, etc., they tend to ignore or postpone dealing with the organization's most crucial issues. Those problems require reflection, systematic planning, creative thinking, and time. Instead, managers let operational activities requiring more immediate attention squeeze important problems out. Daily routines, superficial behaviors, and poorly prioritized tasks take up their capacities. This all makes unproductive busyness one of the most critical behavioral problems in large companies.

Purposeful Action

How can managers turn busyness, or what the authors call "active nonaction," into purposeful action — consistent, conscious and energetic behavior that shows a bias for action? Purposeful action is action-taking with undivided resolve to produce results. Those who exhibit purposeful action possess energy and focus. The following are four kinds of managerial behavior that are based on the levels of energy and focus that managers display:

- **The Frenzied:** Forty percent of managers are distracted by the many tasks they juggle every day. They are highly energetic but very unfocused and appear to others as frenzied, desperate and hasty.
- **The Procrastinators:** Thirty percent of managers procrastinate on doing the work that really matters to the organization because they lack both energy and focus. They often feel insecure and fear failure.
- **The Detached:** Twenty percent of managers are disengaged from their work altogether. They are focused but lack energy and seem aloof, tense and apathetic.
- **The Purposeful:** Only 10 percent of managers get the job done. They are highly focused and energetic and come across as reflective and calm amid chaos. ■

The authors: Heike Bruch is a professor of leadership at the University of St. Gallen in Switzerland.

The late Sumantra Ghoshal was a professor of strategic and international management at London Business School and co-author of *Managing Across Borders*.

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Distinguishing Purposeful Action From Active Nonaction

Few managers use time as effectively as they could. Most managers are aware of their unproductive busyness and complain about the problem. Managers who take effective action — those who make the seemingly impossible happen — rely on a combination of two critical aspects of executive work: energy and focus.

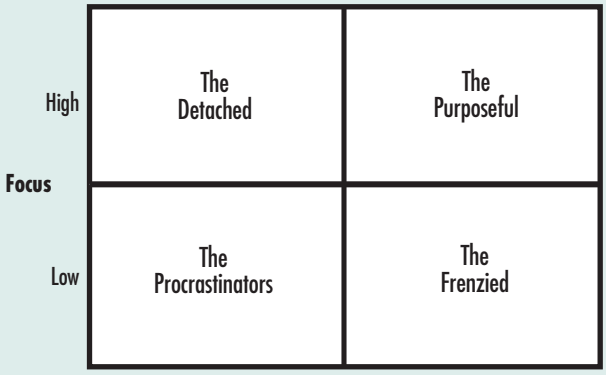
We think of energy as exertion or vigor deriving from intense personal involvement, and focus as concentrated attention. By plotting the two dimensions of energy and focus against each other, we discovered a powerful framework for understanding the causes of active nonaction and the sources of purposeful action that correspond with the four types of managerial behavior: the procrastinators, the detached, the frenzied and the purposeful. (See graph below.)

Energy Displayed at Sony

The development team that created the Sony VAIO computer displayed effective energy when it created the first personal computer to let users combine other Sony products and services, such as digital cameras, camcorders, and portable music systems. Responding to CEO Nobuyuki Idei's challenge to create an integrated technological platform to provide home entertainment to the burgeoning generation of kids with digital dreams, Hiroshi Nakagawa and his team put in 100-hour weeks to create the kind of breakthrough product that Idei had hoped for.

One manager, Kazumasa Sato, was so committed to the project that he spent every weekend for three years watching customers in the electronics shops of Tokyo's Akihabara neighborhood. The insights he developed into consumer buying patterns helped Sony create a shop layout that enhanced traffic flows and, ultimately, sales of the PC. In the end, VAIO captured a significant share in Japan's highly competitive PC market.

Focus, Energy, and the Four Managerial Behaviors



Energy

Energy is vigor fueled by intense personal commitment and involvement. It is the emotional tenacity that can release immense inner resources when the stakes are high. In business, energy allows quick and effective action in high-pressure situations. The Sony team illustrates these three critical elements of energetic behavior:

1. Energy requires that the action be subjectively meaningful. Managers do many things, but they put energy only into those projects that mean something to them personally — as the VAIO project clearly did for the team at Sony.

2. Energy implies that managers take proactive action and initiative. Their need to act comes from within — as it did for Kazumasa Sato during all those weekends he spent in electronics shops. Energy leads managers to develop goals and initiate actions, rather than to be constrained by situational requirements.

3. Energy is what pushes managers to make exceptional efforts when tackling heavy workloads or responding to tight deadlines. That kind of energy drove the VAIO team members to work 100-hour weeks until they achieved their objective.

Focus

The other critical element of purposeful action — focus — is essentially energy channeled toward a specific outcome. There are three conditions that managers must fulfill to develop focused behavior. They are:

1. Rather than merely reacting to developments as they arise, or meeting routine requirements, focused managers are goal oriented.

2. Focus requires that a manager is intentional, channeling all activities toward achieving the desired goal.

3. Focus requires personal discipline. Focused managers protect themselves against the usual noise of everyday demands that will inevitably tug at their attention and emotions.

High-Energy, High-Focus

About 30 percent of the managers studied were procrastinators who exhibited low energy and low focus. About 20 percent exhibited the low energy and high focus of the detached. Forty percent were the frenzied who showed high energy and low focus, and about 10 percent of the managers were purposeful managers.

Purposeful managers make deliberate choices and embody both focus and energy. They tend to exhibit a strong sense of personal significance, an ability to thrive in chaos, and an ability to step back and reflect. These managers also appear more self-aware than most people. Their clarity about their intentions, combined with discipline, helps them make careful, high-quality decisions about where and how they spend their time. ■

Marshaling Energy and Developing Focus

Managers can harness the necessary energy and focus to succeed and engage fully in their work by developing a combination of strategies that includes defining a goal, mastering techniques for overcoming negativity, and then learning ways to visualize that goal.

Clear, challenging goals give people a sense of meaning and direction, and they help sustain people through the effort needed for achieving them. A manager must also personally believe he or she can achieve the goal.

When defining a worthwhile goal, one should:

- *Choose a goal that is well defined and concrete.*
- *Pick a goal with which one can personally identify.*
- *Set a goal that feels personally challenging.*

Harnessing Energy and Focus at Lufthansa

When Lufthansa underwent its transformation in the early 1990s, every manager confronted painful tasks under difficult circumstances. Most of them experienced a substantially increased workload and long-term strain as well as a very high level of emotional tension. Some managers fell victim to a gradual but inevitable erosion of their emotional energy. Others found ways to re-energize themselves and continue to pursue their projects.

How could these managers sustain their emotional force? They relied on two simple but effective mechanisms. First, they appeared to have a valve for regulating the flow of their emotions. They knew exactly how to process their painful emotions and inner tensions. For some it was an intensive sport that helped them let off emotional steam. Others relied on the help of a personal "crying wall" — their partner, a good friend, or a colleague with whom they could share their fears, frustrations, and inner burdens.

Second, most of these Lufthansa managers had a "personal well" — a distinct source of positive energy — from which they could draw regular replenishment. Personal wells could be anything from a hobby to a special place that had a re-energizing effect, but they all shared certain characteristics: They were associated with positive experiences as well as with a comprehensive — physical, emotional and mental — sense of well-being. Overall, the well served two purposes: It was a reliable source of positive energy, and it was a source of emotional strength, a place to refuel.

The Ability to Visualize and the Courage to Commit

For managers to gain traction and begin making real progress in their work, they must create vivid mental pictures of what they want to achieve, and stake their jobs on a personal commitment to that vision.

Focus begins when you simplify your goal or intention into a vivid mental picture. Visualize what you want to accomplish. This picture will help you sustain purposefulness, intentionality and discipline through the action-taking phase. The clearer and more vivid your picture, the stronger your passion and personal attachment to the goal. Vivid pictures are especially important for staying committed to long-term objectives.

You also need a concrete mental model of ways to enact that intention. If your goal is to roll out a new product, then you should not only imagine what the product and its customers look like, but you should also see yourself performing a set of actions, for example, to bring that product to market. A model of specific actions also prepares you mentally and emotionally to overcome the inevitable speed bumps. You must also develop the courage to commit to your intention.

Managers who want to cultivate a bias for action must take full responsibility for their intentions or goals. Without this kind of personal commitment, it is easy to go astray or blame others for setbacks. To make such a commitment, your intellectual assessment of your job must align with your own intuitive and emotional desires. The resulting intention exists beyond the reach of measurable rationality and constant personal cost-benefit analysis.

Asking questions such as, "Does it feel right?" and "Do I really want it?" forces you to reflect on what the goal means to you personally instead of allowing you to base your choice on potential rewards. Focused managers must go through inner consensus building in which they resolve their own conflicts and doubts. ■

Moving Beyond Motivation To Willpower

On Jan. 11, 49 B.C., Julius Caesar made a crucial decision: to cross the river Rubicon with his army, thereby effectively declaring civil war against Pompey, who held power in Rome. With the words *alea iacta est* (the die is cast), Caesar resolved to return with his legions to the city. Once he crossed the Rubicon and ventured into the Roman heartland, he knew there was no turning back. Either he and his soldiers would take the city, or Pompey would destroy them.

Before he crossed the river, taking Rome had been merely an idea, a wishful desire that he might achieve. After the crossing, it became an unalterable course, with the force of his whole will behind it — which in itself practically ensured success.

To move from "motivation" to "willpower," a manager must undergo precisely this decisive shift to total

(continued on page 5)

Moving Beyond Motivation to Willpower

(continued from page 4)

commitment. An unwavering committed force of will underpins the two hallmarks of a purposeful manager: energy and focus. Willpower separates the executives who remain stuck in unproductive behavior from those who overcome their procrastination, detachment or frenzied busyness to develop a strong bias for action.

Many managers have never witnessed or experienced willpower in action. Only 10 percent of the managers studied have felt fully engaged and driven toward a goal for which success is the only option.

Motivation Versus Willpower

Motivation is often triggered by external stimuli or the expectation of some reward. Both intrinsic motivation (the internally driven desire to do something) and extrinsic motivation (the expectation of some reward) are volatile because they are susceptible to changes from one's environment and one's inner preferences. A more attractive opportunity could come along or obstacles could appear that render a reward worthless.

On the other hand, willpower implies the commitment that comes only from a deep personal attachment to a certain intention. Willpower springs from a conscious choice to make a concrete thing happen. This commitment to achieving something represents the engagement of the human will. Volitional managers are infected with an incurable need to produce certain results. Willpower enables managers to act in a disciplined way even in situations when they have no desire to act, feel unmotivated because they do not expect to enjoy the work, or feel tempted by alternative opportunities.

A move from motivation to willpower manifests itself in three ways. They are:

1. It feels easy to begin taking action toward your objective. You know what you want, and you do not need further information or external stimuli to get started. You do not suffer from the painful hesitation and doubt that motivation often implies.

2. You will find that your perception is biased. All of your attention, energy and preferences will focus on your intention, and you will constantly look for information that will help you realize it. You will block out contradictory information and will not feel tempted by alternative opportunities that present themselves or distracted by surprise disruptions.

3. With willpower, you will respond in new ways to obstacles. Faced with negative feedback, lack of interest from management, resistance from colleagues, or any other impediments to purposeful action-taking, motivation often dissipates. With willpower, barriers will only make you redouble your effort and commitment.

Four Stages of Volitional Action

These are the phases that people pass through on their way to volitional action:

1. Forming your intention. This is a period of seeking, exploring and beginning to formulate an objective.

2. Committing unconditionally to your intention (crossing your Rubicon). This is the point where superficial attachment to an idea ends. You accept the challenge and essentially declare war. You cannot turn back.

3. Protecting your intention. Volitional managers find ways to change and discipline themselves, and *manipulate their environment* to stay the course.

4. Disengaging your intention. You must establish "stopping rules" right from the beginning. ■

For Additional Information on how a Swiss entrepreneur crossed his own Rubicon, go to: http://my.summary.com

Crossing the Rubicon

How does a person cross his or her own personal Rubicon? How can managers align emotional and rational forces to embolden themselves to act persistently and purposefully — and perform their jobs with a bias for action? First, volitional managers discovered their deepest, innermost feelings about their goals. Second, their thoughts about their goals assumed a new clarity, and they became confident of achieving their objectives. Third, they aligned their emotions and thoughts about their goals.

Aligning Thoughts and Emotions

People can align their thoughts and emotions by relying on one or more of the following three strategies:

Strategy #1: Harnessing the emotions that support your goals. Managers who adopt this strategy deliberately establish positive responses to strong emotions for their intention that keep them on track. Often, they rely on specific visceral images.

Dan Anderson of Conoco used this volitional strategy while battling an oil and gas monopoly in Europe. By visualizing the characters in the film *The Untouchables*, he could see himself as "busting the system" — an image that gave him the force to meet his objective in a very challenging situation.

Strategy #2: Managing the emotions that distract you from your goal. Most managers have mixed feelings about an objective right from the start. To stop derailing yourself, you need active self-management of both negative and positive reactions. Some emotions tempt you toward a goal that conflicts with the intention on which you have already decided.

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Crossing the Rubicon

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Peter Meyer, a young lawyer responsible for the building laws for a major urban entertainment center in Europe, loved his role in the ambitious, extremely challenging project. A recent change in his firm's promotion policy diminished his chances to become a partner, and the center's investor was questioning its potential profitability. When delays and lack of acknowledgment lessened Meyer's passion for his job, he envisioned leaving his firm and starting his own business.

Soon, the constant friction between his job dissatisfaction and his excitement about alternatives began to wear him down. He knew he had to manage his emotional distractions to stay on track. As he weighed his options, he realized that, in a private practice, he would never work on what he loved — big challenging projects like the entertainment center. He realized how passionate he felt toward his project. He saw himself as a top lawyer in a powerful firm, not a soloist who accepted mundane jobs to survive. Gradually, opening his own office lost its appeal. Because of his exceptional effort and success, his firm made an exception to its policy and made Meyer a partner eight months later.

Strategy #3: Achieving the state of flow. Volitional managers search for solutions in which their thoughts and emotions about their goals naturally overlap, and, if necessary, they modify their goals to harmonize with their emotions. Achieving such a state of flow requires greater courage and effort during the process of decision making. In the long term, you will have more emotional energy for meeting your objectives in the flow state.

To act with willpower, then, you must expand and reinforce your flow area in many ways. You must first become aware of your emotions and your learned responses to them, and learn why you might be resisting your established intention. By taking time to reflect, assessing your feelings, and applying visualization tools, you can reorient your undertakings, redefine your goals, or strike out on a new path. By addressing the emotional issues that might hinder you later, you will enter fully into a state of flow.

The Limits to Self-Discipline

With Strategy #1 and Strategy #2, you build self-discipline and strength, so the rationality of your goal overrides the ups and downs of powerful emotions. To muster the energy for what does not initially excite them, successful managers generate positive energy while dealing actively with their negative responses to strong emotions.

Sometimes these strategies for harnessing willpower can be limiting — especially when they involve leveraging emotions to create energy for action. Overly disciplined managers can become easily overwhelmed and fraught with inner turmoil. By denying their needs, they can feel increasingly irritated and alienated. Therefore, managers should not overuse the first two strategies. ■

Managing Your Emotions

One way to manage the emotions that distract you from your goals is to transform negativity into positive energy. To do this, you can do the following:

✓ Use positive mental pictures.

✓ Process negative thoughts with trusted friends and colleagues.

✓ Inject humor around your fears.

✓ Use other people's nay-saying to mobilize your pride and spur you toward your goals.

✓ Distance yourself from negatively charged situations to decrease their power.

Overcoming the Three Traps Of Nonaction

There are three common traps of nonaction that keep managers from leaping with a bias for action. They are:

- **Overwhelming demands.** Some day-to-day jobs are so demanding that they leave little time for reflection on what really matters.

Rather than simply responding to any request that gets thrown at them, purposeful action-takers manage their demands by developing an explicit personal agenda, practicing slow management, structuring contact time, and shaping demands and managing expectations.

- **Unbearable constraints.** Many managers feel discouraged by corporate constraints to pursue goals they consider significant. Rarely are these constraints as absolute as managers make them out to be.

To remove themselves from this trap, purposeful action-takers adopt strategies that include: mapping relevant constraints, accepting trade-offs, selectively breaking rules, and tolerating conflicts and ambiguity.

- **Unexplored choices.** Focused on job demands and constraints, most managers develop tunnel vision and concentrate on immediate needs and requirements, and are unable to exploit their freedom to make choices about what they would do and how they would do it.

Purposeful action-takers, in contrast, avoid this trap by being aware of their choices; by expanding their opportunities and their freedom to take action on the choices they have; by developing personal competencies that both create choice and enhance their ability to make things happen; and by learning to enjoy both the freedom and the responsibility that choice brings with it. ■

PART TWO: CULTIVATING A COMPANY OF ACTION-TAKERS

Developing Purposeful Managers: The Organization's Responsibility

How can leaders instill willpower in others and ultimately create organizations that consistently demonstrate a bias for action? Once they have transformed themselves into purposeful doers, they must craft a context within the organization itself that supports purposeful action-taking. Leaders can do this by undertaking two main tasks: overcoming the challenges inherent in building an organization of managers with a bias for action, and weaving the values of volition and personal responsibility into the cultural fabric of the company.

Building an Organization of Purposeful Managers

People engage their willpower only when they think they have personal control over their situations. To benefit from volitional action that aligns with corporate goals, leaders must ensure that people at every level internalize the overall purpose of the company. That means crafting a shared vision and a set of common values that everyone authentically subscribes to as a personal source of identity and meaning. To build a context for volitional action, purposeful leaders must develop in their people a shared commitment to an overall direction as well as to a set of common values and mutually agreed-upon norms of behavior.

Creating the Space for Volitional Action

BP's corporate CEO John Browne believes that people work better in smaller units because the closer they can identify with objectives and targets, the better things happen. Therefore, the best way to achieve excellent overall performance is to divide up the big long-term targets of the company into small units that can take full ownership of those targets.

When Browne restructured the company into 150 business units, he yielded to the unit managers a great deal of freedom to run their operations autonomously. By creating space for volitional action, BP created a performance-contracting process designed to provide a clear line of sight between the performance of individual business unit leaders and the corporate-level business goals. The contract, defined annually and reviewed quarterly, specifies financial goals and high-level nonfinancial target. Targets are taken very seriously; failure to meet them usually means a transfer for the manager.

Weaving Purposeful Management Into the Organizational Culture

To unleash people's willpower, leaders must not only build an organization that supports the exercise of freedom and choice, but they must also embed volitional behavior as a central element of the company's cultural core. A company's culture (its shared values, informal norms, habits and traditions), not its structure (its explicit, tangible, formal regulations, rules and strategy), stimulates and sustains a manager's courage to exercise choice and ability to enjoy freedom.

At GE, Jack Welch spent two decades relentlessly breaking up corporate bureaucracy and insisting on decentralized initiative to release the entrepreneurial spirit of his managers. ■

Unleashing Organizational Energy for Collective Action

Marshalling organizational will to support the productive energy and focus not only of individual managers, but also of the company itself, is the final aspect of building a bias for action. In companies that have successfully focused their organizational energy, the leaders unleashed the energy inherent in their organizations, and created a strong collective force that fueled purposeful action-taking and led to extraordinary results.

These leaders brought their organizations around specific strategic initiatives by first mobilizing the organization's energy, and then focusing it. They succeeded because they nurtured their organization's energy in a way that their people could sustain it steadily over time.

The Four Organizational Energy Zones

The typical energy states of organizations can be framed in terms of two characteristics: intensity and quality of energy. (See graph below.) The quality of organizational energy distinguishes between positive energy (e.g., enthusiasm, joy, satisfaction) and negative

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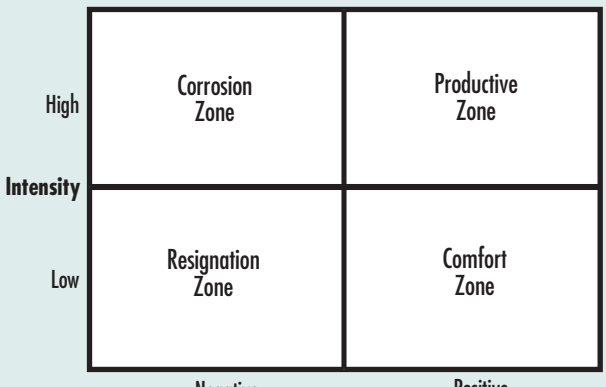
The Four Organizational Energy Zones



Unleashing Organizational Energy For Collective Action

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energy (e.g., fear, frustration, sorrow). Intensity refers to the strength of organizational energy as seen in the level of activity, the amount of interaction, and the extent of alertness and emotional excitement. The intersection of intensity and quality determines an organization's energy state, which usually falls into one of four categories: the comfort zone, the resignation zone, the corrosion zone, and the productive zone.

While different departments in the same organization can sometimes function in different zones, most organizations function overall in one predominant energy zone at any given point. The goal for any company is to find itself in the productive zone.

Moving an Organization Into the Productive Zone

Companies that have achieved truly radical change had leaders who adopted one of three approaches for focusing the energy of their organizations and moving them into the productive zone. These strategies are:

- **The Slaying-the-Dragon Strategy.** Companies using this strategy drive their people out of the comfort zone by focusing their emotion, attention and action on a crisis or a threat to overcome. Leaders must clearly define and describe the "dragon" by identifying a distinct and tangible threat (e.g., bankruptcy, a particularly dangerous competitor, or a disruptive technology).
- **The Winning-the-Princess Strategy.** These companies mobilize their organizations into the productive zone by building people's enthusiasm for realizing a specific, motivating dream. This strategy relies on leaders creating energy from a belief in a vision for the future, for example, or in the potential of a new product, a new market, or a new acquisition.

Other companies adopt a third strategy of combining the first two, and although this is done less frequently, the results often prove stellar. Companies without either a dragon to kill or a princess to win inevitably fall into one of the energy traps: They gradually decline to mediocrity and eventually face a full-blown crisis. ■

How Philips Slew the Dragon

In July 1990, Dutch electronics giant Philips shocked the financial world by announcing a loss of more than $1 billion, driven primarily by the company's semiconductor division. At the heart of the radical turnaround the division would achieve lies a classic example of the slaying the dragon strategy adopted by Heinz Hagmeister, the division's new CEO.

Jan Timmer, Philips's new corporate CEO, initiated one aspect of this strategy — activating strong, vivid emotions. In one meeting, he shocked all the members of the senior leadership team by presenting them with a dummy newspaper report postdated by seven months with the headline "Philips declares bankruptcy." Participants in that meeting initially regarded the report in disbelief, but the actual financial figures Timmer presented soon revealed that bankruptcy was indeed unavoidable unless they cut costs immediately.

Freeing Your People to Act: A Mandate for Leaders

There are six strategies that leaders can use to help their people engage their willpower toward a bias for action. These strategies are:

- **Strategy #1: Help managers visualize their intention.** To build commitment, managers must have a clear and vivid picture of what they wish to achieve. Purposeful leaders stimulate their people to transform their ideas into concrete intentions.
- **Strategy #2: Prepare managers for obstacles.** Instead of obscuring obstacles and downplaying risks, as a purposeful leader you must ensure that managers fully understand the potential costs and benefits of an engagement before they commit to it.
- **Strategy #3: Encourage managers to confront their ambivalence.** True commitment requires that managers confront their emotions and reflect on whether they can personally stand with their head and heart behind an intention.

A Climate of Choice

- **Strategy #4: Develop a climate of choice.** To create managers who act from personal willpower, you must offer them choices, make them perceive and develop the courage to use these choices — and then step back. Find new ways to support your managers' actions while not defining and determining what they do.
- **Strategy #5: Build a self-regulating system.** Have your managers define, right from the start, their stopping rules: certain critical events or intermediate results that, should they occur, trigger the project's termination.
- **Strategy #6: Create a desire for the sea.** The French World War II pilot and philosopher Antoine de Saint-Exupéry wrote: "If you want to build a ship, don't drum up your men to go to the forest to gather wood, saw it, and nail the planks together. Instead, teach them the desire for the sea."

To be creative and to engage willpower, managers must not only have the freedom to act but also *feel* that they have it. Leaders must provide managers that space and freedom in which to act, as well as convince their managers to *use* that freedom. ■

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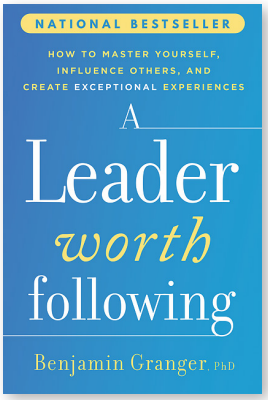
A Leader Worth Following

Benjamin Granger

Executive Book Summaries®

A Leader Worth Following

How to Master Yourself, Influence Others, and Create Exceptional Experiences



by **Benjamin Granger**

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THE SUMMARY IN BRIEF

Leadership in modern organizations is defined by increasing complexity, social dynamics, and the need to influence without relying solely on authority. ***A Leader Worth Following*** examines the central problem of how leaders can motivate others, build trust, and create environments where people choose to follow. The book advances the thesis that effective leadership begins with self-mastery and extends through empathy, communication, and intentional influence grounded in an understanding of human behavior.

The author presents a structured framework rooted in psychology and experience management, emphasizing that leadership effectiveness depends on understanding how people think, feel, and behave. The work situates organizations as systems of people, resources, and goals, and argues that so-called soft skills—such as communication, emotional awareness, and behavioral insight—are foundational to achieving sustained performance and engagement.

The book develops this framework across three dimensions: mastering oneself, improving interpersonal communication, and shaping environments that influence behavior at scale. It outlines how leaders can refine their thinking, regulate their behavior, and design organizational contexts that reinforce trust, reciprocity, and shared purpose, establishing conditions under which voluntary followership can emerge.

IN THIS EXECUTIVE BOOK SUMMARY

- Explain how experience management connects human insight to outcomes
- Develop self-mastery through introspection, mindset shifts, and awareness
- Strengthen communication by framing messages and gathering diverse input
- Shape environments that reinforce trust, reciprocity, and performance

Introduction

Throughout my career, I have focused on how to train employees effectively, select the best candidates, measure people's attitudes, and predict what they'll do in the future. Time and time again, I have found that what really makes employees tick, and on the flip side, what demoralizes them, can be traced back to the people who lead them. And the more I study what drives productive consumer attitudes and behaviors, the more convinced I become that leaders hold ultimate responsibility.

If we were to walk around and ask random people about the leaders they follow, we'd probably find that those leaders fall into one of two buckets:

1. Leaders who people follow because they *have to*
2. Leaders who people follow because they *want to*

Sadly, most of us are all too familiar with leaders who fall into the first category, those we follow because we have to, and perhaps, if we're honest with ourselves, we might admit that we've been this type of leader at times. This style of leadership is often deeply rooted in insecurity and painful life experiences. It takes its toll. Let this be a warning: choose this path at your own risk.

The path to becoming a leader people want to follow, on the other hand, takes far more courage. You'll have to sacrifice a lot. You'll have to set aside quick fixes. It requires bravery and hard work. It's not a lazy path, but it is an honorable one. And the fruits of your journey will be immeasurable. By choosing this path, you'll be far more likely to find fulfillment and long-term happiness.

CHAPTER 1

The Daunting Challenges of Modern Leadership

In addition to the normal struggles we face in our daily work lives, leaders shoulder the burdens of others, multiplying the challenges they are responsible for. Leading and influencing people comes with significant responsibility and accountability. Some feel called to lead, while others prefer to avoid it. And that's perfectly normal.

Leading takes serious guts. Organizational leaders are often caught between competing interests, forced to make seemingly impossible decisions with no clear right answer—it's not for the faint of heart.

Humans Have Evolved to Both Lead and Follow

From an evolutionary perspective, the human brain has developed into the impressive organic machine it is today precisely because humans are social.

Our ability to think abstractly, run hypothetical simulations in our minds, and infer others' motivations reflects the most advanced parts of the brain, which are also the youngest and most recently evolved.

The more advanced parts of our brains operate the way they do because we are highly social and work together in groups. In all known human groups, there are social hierarchies. In other words, we're hard-wired to both lead and follow.

Every Organization Has the Same Skeletal Frame

Every organization you've worked for, currently work for, or will ever work for is unique. Each has its own unique fingerprint. But as organizational psychologist Steve Hunt points out in his book *Talent Tectonics*, beneath the surface, all organizations look the same. Stripped to their bare bones, they consist of just three elements:

1. a group of people
2. shared resources
3. shared goals

While the operational and financial aspects of our organizations are extremely important, they are functions of people, resources, and objectives.

First and foremost, organizations are the people that make it up. Organizations are ever-changing; after all, people come and go. But at any given moment, those people collectively *are* the organization itself.

Soft Skills Are the Hard Skills of Leadership

The term soft skills is, fortunately, going out of vogue in modern business vocabulary. But traditionally, many of us have distinguished them from what we refer to as hard skills.

Hard skills is a catchall term for knowledge and abilities that people possess that are directly applicable to a job; for example, using software or coding.

Unlike hard skills, soft skills are largely social in nature. In business, they take the form of empathy, active listening, vulnerability, intentional body language, and storytelling, among others. These are the skills many of the best leaders possess and work diligently to develop. They are the skills that earn volitional followership.

> Soft skills are the skills that earn volitional followership.

Our Desperate Need for Leaders Worth Following

Whether we like it or not, all of us who work with others, see potential in people and processes, and strive to reach that potential *are* already leaders. We all have the ability and responsibility to influence those around us.

And while leadership is indeed "effing hard," the hard things we do in our careers often end up being the most rewarding. And to be sure, leadership comes with many rewards: the greatest of which go beyond mere surface-level benefits like power and money.

CHAPTER 2

The Business Philosophy of Experience Management

Exceptional experiences, in business, are sadly a little hard to come by. But when we as consumers and employees have a truly excellent experience with an organization, it leaves a lasting impression.

We often see everyday people step toward others to meet their needs and desires. We see people who are willing and able to view the world through others' lenses and make an effort to improve their experiences. These efforts bring joy not only to those who receive them but also to those who give them in return.

How does an organization scale these behaviors? The short answer: through leaders.

Finding Deeper Meaning in Work

Consider the question: Why do we work?

Underneath this short string of words is a deep question. Take a second to answer it for yourself. Write down the first answer that comes to mind. You may find other reasons popping up—jot those down too.

I've asked this question to hundreds of people throughout my career, and nearly everyone I've asked eventually articulates many reasons, several of which have nothing to do with money or basic survival.

The Origins of Experience Management

Experience Management (XM) was created by Qualtrics in 2017. While the central idea of XM isn't novel, the creation of the category helped build a global community of practice, bring historically disparate business functions together, and galvanize the field.

Before Qualtrics created the XM category, the company had established itself as a premier survey tool for a wide range of academic and business research.

By 2015, when I joined the company, we had organized ourselves along four lines of business: market research, product research, customer research, and employee research.

We realized how intimately connected those activities were. And yet, we also realized how siloed these functions were in most organizations. The category of XM was introduced to encompass them all and to impress upon business leaders the inherent interconnection among these fields and their impact on financial results.

What Exactly Is Experience Management (XM)?

In the XM Institute, the research arm of Qualtrics, we formally define XM as:"The discipline of driving actions based on an ongoing flow of insights about how human beings are thinking, feeling, and behaving."

Now, admittedly, the definition laid out above is a bit formal. Here's my simple elevator pitch:

XM is a business philosophy: when organizations do right by people (employees and customers), strong financial results tend to follow. To do this, organizations must understand what people want and need. And to do that, they must talk to them—often and through many channels over time.

It enables organizations to look at the world through the lenses of their stakeholders. This philosophy can transform a business and ensure its relevance as the needs and desires of its stakeholders evolve.

It also helps organizations conduct scalable conversations with their stakeholders and better understand their evolving needs and wants. XM empowers leaders to look at the world through the lenses of others.

CHAPTER 3

Leadership Isn't About You ... or Is It?

Our mindsets and behaviors inevitably influence others' thoughts and behaviors, especially those who report to us, buy from us, and look up to us. Our ability and willingness to command our minds and bodies is key to being a leader others *want* to follow. When we use these tactics with good intentions to positively influence the experiences of others, we become leaders worth following.

Leadership is both other- and self-focused. Imagine a team or an entire organization taking ownership of their mindsets and behaviors, managing themselves to positively influence colleagues and customers. In this environment, people are aware of their body language and its impact on others' perceptions, and they take accountability for it.

Born to Lead and Follow

Every discussion of leadership is inherently a discussion of social hierarchies. For many, the word "hierarchy" carries a negative connotation. And yet, like leadership, I believe it's accurate to say that when we speak of any human society or group, social hierarchies of some kind are involved.

Hierarchies, and thus leadership, appear to be an evolved strategy of social living that helps us solve the many problems associated with group coordination.

All leaders possess some degree of social status, but there are different paths to attaining it. Social psychologist Jon Maner identifies two: dominance and prestige. While dominance involves imposing oneself on others, prestige involves sharing one's gifts and, in turn, receiving the social rewards of status.

CHAPTER 4

Create Ongoing Dialogue

Like leadership, communication is foundational to social life and is a primal experience we all share. Communication comes so naturally to most of us that we take this amazing ability for granted.

But if communication is so foundational to social life, why does it break down so often? Why do countless professionals get sent to communication training each year? Shouldn't communication be the simplest of things?

In my experience, strong communication patterns within organizations are hard to establish. Each person views the world and the groups they belong to—their team, department, or company—through a slightly different lens. As more people join the group, interactions and coordination become increasingly complex.

Others Do Not Read or Hear Your Words as Intended

Communication is the vehicle of leadership. To lead others, we must exchange information. In business, we most often do this through our words.

Unfortunately, when we communicate verbally or in writing, the intended meaning behind our words can be misunderstood or misconstrued. Most often, the string of words we construct appears clear and self-evident to us, and the thought that others could misinterpret it barely registers. We cannot remove ourselves from our human shell to view things truly "objectively." So what are we to do?

Every time you communicate—every time—you must operate under the assumption that not everyone will understand your message the way you intend.

Framing Mental Images

In business, there are a few specific examples of framing you could use because they are intimately connected to the ways in which our brains and minds work.

As a leader, your ability to communicate with others is heavily dependent on how vivid an image you create in their minds. It's also dependent on your ability to view and prepare your message from the perspective of others. This requires time and effort, but you'll certainly improve your leadership and communication skills by applying these principles in your work.

Improving Your 1:1 Meetings

One of the most natural ways we create ongoing dialogue in the workplace is through one-to-one meetings. These meetings are pervasive because they benefit both parties tremendously. People's aversion to them often stems from *how* they're run. Indeed, the benefits of 1:1s only emerge when they're conducted well.

Effective 1:1 meetings share several key characteristics. Professor Steven Rogelberg, the world's leading expert in meeting science and fellow organizational psychologist, has published extensively on the topic. Here are a few of my favorite takeaways from his work:

> When organizations do right by people, strong financial results tend to follow.

- Direct reports own the agenda.
- Avoid going through a list of status updates.
- In group meetings, pose the agenda items as questions.

Gather Genuine, Diverse Feedback

Some of the most admirable leaders I've worked with are slow to speak in group settings. They often sit in silence early on, waiting until others speak their minds. When I observe leaders who immediately jump in before their subordinates, I observe more conformity and a lack of diversity of thought.

Delaying your contributions in group meetings is a critical habit to grow into, especially when your goals are to drive innovation and creativity.

Soliciting feedback individually and holding your tongue while others speak help generate more genuine and diverse perspectives from those you lead. This brings out the group's collective expertise, which is often more comprehensive and creative than any single individual's perspective alone. Importantly, this approach encourages healthy debate and productive disagreement.

CHAPTER 5

Master Your Mind

In business, our success as leaders is largely defined by our ability to influence others. The operational and financial outcomes we're held accountable to are functions of people, resources, and objectives. A leader's job is essentially to drive people to use shared resources effectively and accomplish shared objectives. All this hinges on leaders' willingness and ability to learn, grow, and improve themselves.

Introspection is the process of intentionally exploring one's own mind. It's not a passive activity nor is it always pleasant. In fact, it can be quite painful to confront parts of ourselves we don't like and reflect on how often we fail to think rationally or behave in ways that are contrary to our goals.

But through introspection, we develop a much deeper relationship with ourselves and can learn to avoid past errors. If we're committed to becoming leaders worth following, introspection is a process I believe we must commit to.

A World of Contrary Truths

As a psychologist, I find the distinction and interplay between objective and subjective reality fascinating. What's especially fascinating to me is that we frequently behave as if these are (or should be) the same. Clearly, they're not.

The universe in which we live is full of contrary truths. It's not nearly as black and white as we perceive. And yet, in modern organizations, we face many pressures that influence us to think digitally. Leaders who waffle or straddle the fence risk being labeled as indecisive. They also risk introducing uncertainty, which can wreak havoc on employees, customers, and organizations.

But one of the most fundamental elements of mastering one's mind is to acknowledge the shortcomings of the mind and to realize that what we normally refer to as "reality" is probably better characterized as "shared subjective reality."

We can improve our decision-making and influence by reorienting our minds to recognize that our social reality is heavily shaped by people's perspectives and is not nearly as black and white as we often assume.

What Shapes Our Perceptions?

One concept to anchor on is what the psychologist and Nobel laureate Daniel Kahneman calls WYSIATI: "what you see is all there is." Our perspectives essentially shape how we perceive the world around us.

According to Kahneman's research, WYSIATI is at the heart of many human biases and decision-making errors. It is one of the reasons why employees' and executives' perspectives on work issues often differ and why our customers *see* things differently than the employees who develop and deliver products and services to them.

It is essential for leaders to keep this in mind and remember that what they see and perceive is almost never exactly the same as what others, especially those at lower levels of the organization, see and perceive.

We Are of Two Minds

Thanks to neuroscience, we now know that our brains are organized into different regions, with some specialized neurons

designated for specific functions. Partially because of the regionalization of our brains and partially because our brain's main job is to keep us alive, our minds can be explained as having two systems.

This mental pair is known as:

- **Automatic system**: the always-alert, intuitive part of our minds. It is always active and allows us to respond to our environment automatically.
- **Reflective system**: the more rational system of our minds. When we consider the seemingly simple question "Who am I?" and reflect on ourselves, this is the part of the mind we engage. It directs our conscious attention and supports planning and complex problem-solving.

As a leader, it's crucial to understand this duality. Not only will this help us anticipate and understand employees' and customers' behaviors, but it will help us empathize with them, especially when they slip in their speech or make seemingly unexplainable decisions.

To lead and influence complicated humans toward collective goals, we must learn to acknowledge the shortcomings of our own minds, slow down, and actively engage our reflective system. Importantly, this does *not* mean completely shutting off or ignoring our automatic or emotional responses.

Adopt a Growth Mindset

The American psychologist Carol Dweck has spent much of her career studying the mindsets that drive people to succeed. One of her greatest contributions to our understanding of human psychology in business is her work on fixed and growth mindsets.

Dweck's work has overwhelmingly shown that success is more likely to come when we adopt a "growth mindset." When we do, we acknowledge that we can get better through learning and practice.

Neuroscientific research has shown that people with growth mindsets show increased brain activity after making errors, compared with those with fixed mindsets, and perform better in subsequent tasks after making mistakes earlier on.

Thinking During Times of Stress and Uncertainty

Uncertainty is a particularly pernicious source of stress we all face. The volatility and uncertainty surrounding modern business will very likely increase in the future. From the perspective of our brains and minds, uncertainty means that we can't easily predict what's going to happen. When our brains don't have the inputs to predict the future, we experience unpleasant feelings.

What can leaders do during these ever-more-common periods of uncertainty? Here are a few ideas:

1. **Make the uncertain certain**: As a leader, if you don't know what's going to happen, say exactly that. That, at least, makes the uncertainty certain.
2. **Clearly share what is certain**: Share what you do know that's certain about the situation.
3. **Provide a path to greater certainty**: Communicate next steps and ways for people to learn more.

CHAPTER 6

Master Your Body

Our ability to control our bodies has direct and lasting effects on those we lead and influence. Over time, your mastery of body language (or lack thereof) will play a significant role in determining your success as a business leader.

Body language is an ancient form of communication. A deeper understanding of why humans communicate nonverbally can help us understand the foundational psychological processes that happen without us even *knowing*.

Even though our brains normally process body language below the level of consciousness, you gain great power by bringing that processing up, putting your finger on it, and making a conscious decision about how to respond. Again, this puts your reflective system in the driver's seat, which can override the subconscious biases and automatic responses that we're all susceptible to.

Finally, a deeper understanding of body language may help you develop greater empathy for those who struggle with it and offer ideas for coaching them.

Key Points to Remember About Body Language

- More is communicated nonverbally than verbally when people interact.
- Make the peer handshake your default. It is an egalitarian gesture that sets the stage for cooperation.
- In most business situations, keep your hands open and palms facing upward. This signals safety and encourages others to speak up.
- Smile and laugh more often. These cues are contagious and help buffer daily stress.

> Communication is the vehicle of leadership.

- Use open body postures when interacting with employees and customers.
- In a 1:1 or small group setting, point your feet toward the person you're speaking with. Maintain eye contact without staring; aim for 60–70% of the time.
- When speaking to a large group, make eye contact across the room rather than focusing only on senior leaders or the most engaged listeners.
- Avoid faking facial expressions. It can create a sense that something is off.
- Consider clusters of body language cues rather than overinterpreting a single signal, and always account for context and culture.

CHAPTER 7

Acknowledge the Power of the Environment

How can leaders influence groups of people and create exceptional experiences, both directly and indirectly? To answer this question, we must first take a serious look at the power of the environment.

For better or worse, people are products of their environments. Sometimes this statement is convenient for us as it seemingly allows us to deflect personal responsibility. At other times, it's decidedly inconvenient as it threatens to disrupt the neat, coherent stories we tell ourselves.

The Fundamental Attribution Error

We humans tend to over-attribute other people's behaviors to stable traits that they must possess. In doing so, we erroneously underestimate the effects of the environment and context on people's behavior.

Like other cognitive biases, the fundamental attribution error (FAE) has evolutionary roots. We engage in this bias today because it likely served our ancestors well. When we see someone behaving aggressively, we label them as "aggressive." When we see someone behaving generously, we label them as "altruistic." It's easy to see why this tendency was adaptive.

The most important lesson about the FAE is this: when we make mistakes, we often attribute the cause to something or someone else. When others make mistakes, we attribute them to their character—it's just who they are. When we do this, we underestimate the power of the environment.

Proactively Focusing on the Environment

Much has been written about organizational culture, but for our purposes, we can define it as the shared values, beliefs, and behavioral patterns of a group of people.

An organization's culture includes environmental cues and social pressures that affect both employees and customers—whether directly through interactions with employees or indirectly through the company's products and services. In other words, organizational culture creates environments that shape human behavior.

Swiss American business theorist and psychologist Edgar Schein described organizational cultures at three levels:

- **Artifacts**: the visible manifestations of an organization's culture and environment; what employees and customers directly perceive.
- **Values**: not directly observable but reflected in artifacts, shared language, and behavioral norms.
- **Underlying beliefs**: the deeply held assumptions that underpin a company's values.

Artifacts create an observable environment in which employees operate and which customers experience, directly or indirectly. Espousing values that aren't reflected in meaningful, visible behaviors or environmental cues falls flat. Cultural artifacts and environmental cues communicate a great deal. They often signal how others typically behave, which is a powerful influence on human behavior. Leaders must proactively consider the environmental cues that encourage productive employee and customer behavior.

Know Thyself and Thine Environment

It's partially true that we are products of our environments, and it is also partially true that our genetic makeup, personalities, and choices play a big role in determining what we do and say.

Ultimately, leaders who appreciate the power of the environment gain a huge advantage over those who don't. They gain more empathy for others and take a meaningful step from being leaders others follow because *they* have to, to becoming leaders they follow because they *want* to.

CHAPTER 8

Build a Self-Propelling Reciprocity Engine

Reciprocity is a powerful driver of human behavior. It is one of the most powerful and natural levers for business leaders to influence others and create exceptional experiences at scale.

The norm of reciprocity is universal among human societies. Organizations that intentionally (and ethically) leverage and reinforce this principle among employees and customers reap many benefits.

Leaders Are the Pivot Point

What can leaders do when trust among employees and leaders is low? What can leaders do when they want to incite or spur a more productive mindset or behavioral pattern among those who follow them? In a word, lead.

A tried-and-true way to get someone to move toward you is to first move toward them. This is the best approach for leaders to crank up the reciprocity engine. Will this principle work every time? Probably not. Will you get taken advantage of from time to time? Probably, yes. But if you're leading messy, complicated humans, you're going to get burned every now and then no matter what you do.

A proactive approach gives leaders more direct control. As leaders, we must assume our pivotal role in driving group performance, and reciprocity is an essential principle to embrace.

Build a Propensity to Trust

To build a reciprocal trust cycle and create a high-trust environment over time:

- Show you care about people's interests and well-being
- Make yourself accessible
- Look out for "sliding door moments"

Trust among employees and customers is associated with favorable business outcomes. To build an environment that promotes trust, leaders must start the cycle. To earn trust, start by putting trust in others. Building and maintaining a trusting environment is hard work in the short term, but it pays off in the long run.

CHAPTER 9

Don't Take Yourself Too Seriously

The tactics discussed are not silver bullets nor are they immutable. Leaders worth following acknowledge that there is an entire universe of knowledge and understanding yet to be discovered and what we know represents a tiny sliver of all there is to know. One mark of a great leader is openness to asking genuine questions, learning, and improving over time.

Prune Your Perfectionism

The pursuit of perfection is common among ambitious business leaders. Many modern companies acknowledge this and actively try to stem it.

Leaders worth following aren't perfect, and neither are the outputs of their work. They are, however, acutely aware of their blind spots and surround themselves with people who are better than they are in meaningful ways. They remain open to learning and improvement. Remember, this doesn't show weakness. Acting as if one is perfect is what shows weakness instead.

Be More Curious

Being curious comes naturally to some of us. For others, it doesn't. The problem is that a lack of curiosity isn't particularly adaptive in modern business. In the business world, it pays, literally and figuratively, to be curious. How can organizations possibly thrive with incurious leaders? What can we, as leaders, do?

In my own experience, curiosity breeds more curiosity. Answers lead to more questions. To become more curious, ask more questions.

To Know vs. to Do: Tips for Committing to Change

It's one thing to intellectually agree that we need to change, but it's another to actually do it. To follow through:

- Focus on one thing at a time
- Start with the foundation
- Write down your commitments
- Make your commitments public

- Make it easy on yourself
- Assume the position

CONCLUSION

Be a Leader Worth Following

Leaders worth following are meaningfully different. Instead of aiming to control others through their words and behaviors, they focus on and right-order themselves. Such leaders earn social status through prestige and by adding value to the groups they lead. They also forgo easy, quick fixes. Eager to learn and grow, they recognize that their journey is ongoing. These leaders reflect on how their actions and words impact others and intentionally control themselves for the good of those they lead.

Ultimately, their words and actions bring people together. What is an organizational leader's job if not to bring people inside organizations closer together, to drive people to work together to achieve the goals they share?

Organizations create better experiences for employees, customers, and everyone they interact with when leaders evolve their thinking and actions to see the business world through others' lenses. They then align their words and behaviors.

Over time, organizations that invest in their leaders and the environments they create will achieve stronger financial and operational outcomes.

Dr. Benjamin Granger is Chief Workplace Psychologist at Qualtrics and has more than fifteen years of experience designing and optimizing experience management programs for global organizations. His research has appeared in academic and practitioner outlets including *Forbes*, *CNBC*, *Journal of Business and Psychology*, and *Academy of Management* publications. His insights have also been featured in major media outlets such as *The New York Times*, *The Wall Street Journal*, *Bloomberg*, and *Fortune*. Granger holds a PhD in industrial-organizational psychology from the University of South Florida. He lives in South Louisiana with his family, where he enjoys a quiet, simple life.

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A Leader's Legacy

James M. Kouzes and Barry Z. Posner

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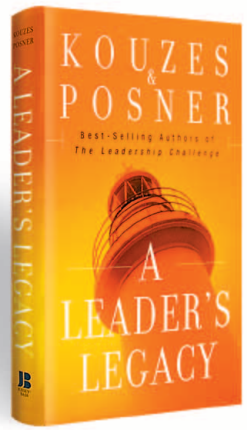
FILE: LEADERSHIP



By James M. Kouzes and Barry Z. Posner

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How Would You Like to Be Remembered?

A LEADER'S LEGACY

THE SUMMARY IN BRIEF

Most leaders want to leave a mark in their fields, to create a lasting imprint by their work being appreciated and remembered. A Leader's Legacy *shows readers how a legacy is more than a link to a position or place in an organization. A legacy comes from the idea that everyone, regardless of position, can make a difference. Thinking about legacies requires moving beyond short-term definitions of success. Legacies encompass the past, present and future, and force us to consider where we have been, where we are now and where we're going. A quest to leave a lasting legacy is a journey from success to significance.*

By asking ourselves how we want to be remembered, we plant the seeds for living our lives as if we matter. By living each day as if we matter, we offer up our own unique legacy. By offering up our own unique legacy, we make the world we inhabit a better place than we found it.

A Leader's Legacy *is a compilation of 21 essays on leadership grouped together into four sections on major parts of the idea of legacy: significance, relationships, aspirations and courage. Each section has a brief introduction that summarizes the highlights of the topic. The essays discuss various leadership-related topics, both in theory and in practice. They represent brand new experiences and stories, as well as new variations on familiar themes. This summary culls the essence of these vignettes and presents the practical, timeworn advice from those in the know, based on the authors' collective research through the years.*

What you will learn in this summary:

- ✓ ***Why being an effective leader involves serving others.***
- ✓ ***Why you can't take trust for granted.***
- ✓ ***Why it isn't good to be a micromanager.***
- ✓ ***How a forward-looking perspective is integral to a leader's vision.***
- ✓ ***How to reflect on moments of courage.***
- ✓ ***Why it's OK to fail at your endeavors.***

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A LEADER'S LEGACY

By James M. Kouzes and Barry Z. Posner

— THE *COMPLETE* SUMMARY

Significance

When we move on, people do not remember us for what we do for ourselves. They remember us for what we do for them. One of the great joys and grave responsibilities of leaders is making sure that those in their care live lives not only of success, but also of significance. Leaders who see their role as serving others leave the most lasting legacies.

Teaching is one way of serving. It's a way of passing along the lessons learned from experience, particularly to those who look immediately to us for leadership. By asking ourselves how we want to be remembered, we plant the seeds for living our lives as if we matter.

Leaders Serve and Sacrifice

Are you on this planet to do something, or are you just here for something to do? If you're on this planet to do something, what is it? What difference will you make? What will be your legacy? These questions were posed to first-year students in leadership classes at Santa Clara University.

"What will be your legacy?" does not have a single answer or a right answer. But asking the question opens students up to the notion that along life's journey they're going to be struggling with determining the difference they want to make.

Asking these questions brings forward another central observation: Leadership is not solely about producing results. Being a leader brings with it a responsibility to do something of significance that makes families, communities, work organizations, nations, the environment and the world better places than they are today. Not all of these things can be quantified.

Leadership often begins with pain and suffering. And leadership can be as much a service to others. As John Gardner once observed, "A loyal constituency is won when people, consciously or otherwise, judge the leader to be capable of solving their problems and meeting their needs." John didn't mean that the leader should personally fix the problems and fulfill the needs. He was suggesting that people willingly follow someone who's attuned to their aspirations, fears and ideals.

Loyalty is not something a boss can demand, just as a company cannot demand loyalty from customers. Customers decide whether to continue to give us their business, and if we want our customers' loyalty, then it's our job to be responsive.

The first objection to this point of view is that customers pay us, but we pay our followers. But what about energy, drive, initiative, spirit, dedication and all the other emotional currencies that people pay us with? Viewing leadership as service is not a new concept. Robert Greenleaf, himself a retired corporate executive, observed that the "great leader is seen as servant first, and that simple fact is the key to [the leader's] greatness."

When people talk about leadership, they often use the word passion. But when you look up the word passion in any dictionary that includes origins you'll see that it comes from the Latin word for suffering. Leadership is hard work. It's not easy despite what we, or others, may write in our attempts to make leadership more accessible. One guarantee is that what people will say about you will not be about what you achieved for yourself but what you achieved for others. Not how big a campfire you built but how well you kept others warm.

The Best Leaders Are Teachers

The best way to learn something is to teach it to somebody else. As the late Peter Drucker observed early in his career: "My third employer was the youngest of three senior partners of a bank … Once a week or so he

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The authors: James M. Kouzes and Barry Z. Posner are preeminent researchers, award-winning writers and highly sought after teachers in the field of leadership. Their groundbreaking studies, pioneered in 1983, led them to create a model of leadership that has been embraced by more than one million people around the world.

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Significance

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would sit down with me and talk about the way he saw the world … In the end, I think he learned more than I did from our little talks."

Our teachers continue to teach as we go on to tell their stories. This should make each of us wonder about a few things:

- **What lessons am I teaching in each interaction I have?**
- **What stories will others tell about me in the future?**
- **What am I learning from others as I teach?**

We All Need Loving Critics

We close our ears to constant and predictable complainers. Yet, we never truly believe the sycophants whose flattery is so obviously aimed at gaining favor. No one can be as good as they seem to think we are. To stay honest with themselves, what leaders need are "loving critics" — people who care deeply enough to give honest feedback. The problem, as shown by research, is that most leaders don't want honest feedback, don't ask for it, and don't get much of it.

Credibility, the foundation of leadership from a behavioral perspective, is about doing what you say you will do. But how can you do what you say if you don't know how you are doing?

Try this the next time you're in a meeting. Begin by asking, "How am I doing?" More than likely you'll be greeted with stunned silence — a sure sign folks are not used to being asked this question by you. But if you wait long enough some brave soul may venture an honest response. When that happens, tell the rest of the group, "That's what we need more of around here. More loving critics."

You Are the Most Important Leader in Your Organization

The CEO is not the most important leader in an organization. Despite the fact that CEOs get most of the press, they get far too much credit for success, and far too much blame for failures. The attributions are way out of proportion to their actual influence.

If the CEO is not the most important leader, who is it? If you're a manager in an organization, to your direct reports, you are the most important leader in your organization. In other words, you are the CEO of your group.

Lots of evidence supports this claim. When we're young, we're more likely to view our parents, teachers, coaches or people in the community as role models. When we're out of school, we're more likely to select business leaders first. When at work — the person most likely to influence our performance is our most immediate manager. Because we influence those who are closest to us the most, we're given a great gift, but we may feel weighted down by the responsibility.

No One Likes to Be an Assumption

No one likes being taken for granted. Saying, "Well, I just assumed you knew how much I appreciate what you do" is not going to motivate anyone to higher levels of performance. Not expressing appreciation to others is the same as making them disappear. We need to accept and acknowledge that nothing really significant can ever be achieved unless people feel appreciated. People who are ignored aren't going to put forth the effort it takes to sustain greatness. ■

For additional information on the leadership challenge model, go to: http://my.summary.com

Relationships

Leadership is a relationship between those who aspire to lead and those who choose to follow. No matter how much formal power and authority our positions give us, we'll only leave a lasting legacy if others want be in a relationship with us. Lasting success depends upon whether we like, as well as trust and respect, our leaders. All leaders should want to be liked. Being motivated to be liked will result in more enabling actions and these actions — actions such as listening, coaching, developing skills, providing choice, making connections — will create higher levels of performance.

Leadership Is Personal

People need to know more about the leader than the fact that the leader is their boss. They need to know something about the leader as a person. It is worth repeating: Leadership is a relationship between those who aspire to lead and those who choose to follow. People want to know:

- **Your values, beliefs, aspirations and dreams.**
- **Who has influenced you the most.**
- **What prepares you for the job you're doing.**
- **What you're like as a person.**
- **What drives you.**
- **Your hobbies and other personal tidbits.**

We are more likely to trust people we know, and the more we know about our leaders the more likely we are to trust them as human beings. We lead our lives in the company of others, and that is where we leave our legacy. It is the quality of our relationships that most determines our legacy.

Leaders Should Want to Be Liked

"You don't love someone because of who they are,"

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Relationships

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said Irwin Federman, addressing a group of MBA students at Santa Clara University. "You love them because of the way they make you feel." Irwin has it exactly right.

We work harder and more effectively for people we like. We like them in direct proportion to how they make us feel. The leaders people want to follow are the ones for which they have genuine affection. Likeability is a major factor in being successful in just about every endeavor in life. Research shows that people perform significantly more effectively when their leaders treat them with dignity and respect, listen to them, support them, recognize them, make them feel important, build their skills and show confidence in them.

When You Don't See Eye to Eye, Seek to Understand

How can you lead others when you don't see eye to eye with the leader you're supposed to follow? It is frustrating when your leader doesn't share your values, your vision or your passions. This can challenge you and test your dedication. Our gut instincts may tell us to quit in such a situation. But, fleeing is rarely a viable option. Besides, it's tough to leave a legacy if you leave the relationship.

Experience is a great teacher, and not all experiences are going to be pleasant. Working with people with whom you have difficulty is a terrific laboratory. Consultant and author Roger Harrison once said after a particularly difficult encounter, "Your enemy is your teacher." When you find yourself in a serious conflict with someone, ask yourself, "What is it that I need to learn?" Self-awareness is a predictor of success in leadership.

We need to take the responsibility to engage proactively, creating a communication channel that works for both parties and letting our manager know how he or she can help us succeed. Understanding our managers' working styles and being sensitive to their challenges can also go a long way toward creating an effective working partnership. Being able to relate conflict to specific issues and not to take it personally is essential. When we actively engage with others in difficult conversations, we frequently learn that while there are serious differences in styles, we may actually be aligned on our goals and objectives. We can agree on goals even though we disagree on methods.

In a difficult and tense situation, first find out if everyone involved shares the same purpose and goals. Talk about desired outcomes and make every effort to get everyone aligned. Once you're working towards the same set of goals and operating by the same set of norms, you'll be less likely to second guess each other's motives and be more likely to understand each other's working styles.

However, when everyone agrees all the time, especially just for the sake of getting along, we're unlikely to achieve the best outcomes. We cannot afford to surround ourselves with "yes" people. We need to have people willing to support us and also willing to voice their disagreements.

You Can't Take Trust for Granted

Trust is the social glue that binds human relationships. Without it we'd be unable to get anything meaningful accomplished.

What does trust look like? Trust is valuing other people such that you respect their opinions and perspectives. Trust means moving outside of your comfort zone and letting go of always doing things the way they were always done.

For leaders, trust is the willingness to be vulnerable and open up to others, even when doing so may risk real harm. If trusting means making yourself vulnerable and you're the leader, then that means your life and career are on the line, too.

But if you don't trust, then what? Many things just won't get done. You're left with doing more and more work yourself, constantly checking up on other people's work, getting less than the best from your team. And the less you trust them, the less they trust you. Eventually, you burn out from the workload and stress.

Sometimes, despite our best efforts, people don't do their jobs. The temptation may be to hold on tighter. But when you constantly look over other people's shoulders they begin not to trust you. Trust cannot be taken for granted, but it is the basis for good working relationships.

Let Your People Go

Developing leaders throughout an organization is a

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Promote Constructive Insubordination

Historian Doris Kearns Goodwin tells the story of how Abraham Lincoln consciously and willfully assembled a cabinet made up of the very men he had defeated in the election. Kearns called them a "team of rivals."

We all could take a lesson from Abraham Lincoln. If he could manage to lead a team of rivals under the extraordinary challenges of the Civil War, we could certainly find it within ourselves to manage the conflicts we face, modest as they are by comparison to his.

Relationships

(continued from page 4)

very scary thought, especially for those in hierarchical settings. Freedom, for some, conjures up visions of anarchy. But the opposite is actually the case. The more you control others, the more likely it is that they will rebel. Exemplary leaders have repeatedly stated that they get the greatest commitment precisely when they let their people go.

When Bruce Hillsberg, director of government storage solutions at IBM, was asked how he maintained a high-performing team, he replied, "Hire smart and capable people and then let them do what they do best."

Bruce didn't start off with this attitude. In the past, he took a rather tight-leashed approach to his employees and their progress. Eventually, one of his subordinates had enough and approached him about the problems with his management style. This was a turning point for Bruce. He sat back and thought about his constituents and realized they were very good at what they did. It changed his approach from micromanaging to letting his people go and do what they do best.

Personal responsibility can exist only if people have free will and if they exercise it. Personal responsibility cannot exist independent of choice. To make a meaningful difference we have to make our own meaningful choices. If leaders steal from others the opportunities to make such choices, they steal a bit of the legacy those others might have created. ■

For additional information on Sergey Nikiforov and personal leadership, go to: http://my.summary.com

Aspirations

People commit to causes, not to plans. If the values about which we care deeply are vividly clear to us, then the whims of fashion and the opinion polls won't sidetrack us.

Leaders are expected to look into the future and communicate to us what they see. This is not about being prescient or clairvoyant. It's about being discerning and perceptive. Being forward-looking may differentiate leaders from other credible people, but it's the skill at which leaders are the most inept. Exemplary leaders also have the confidence to turn themselves into followers, trusting that many others are also eager and competent to make a difference in the world.

Lead From the Inside Out

Authentic leadership comes from the inside out. People want to know about the person behind the mask. What gives leaders the confidence that makes them think they can actually pull off what they attempt? The quest for leadership, therefore, is first an inner quest to discover who you are, and it's through this process of self-examination that you find the awareness needed to lead. Self-confidence is really awareness of and faith in your own powers. Leadership is developing the self.

When Mike Sullivan started his new position in investor relations at Intel, he knew that he had to find what "grabbed him and wouldn't let go." He spent a lot of time thinking deeply about these values, talking them over with his spouse and closest friends. In turn, he realized that the leadership challenges he was facing at work were the result of "preconceived ideas about leadership that were stereotypical, outdated and simply wrong."

Forward-Looking Is a Leadership Prerequisite

Today's leaders have to be concerned about tomorrow's world and those who will inherit it. They are the custodians of the future, and it's their job to make sure that they leave their organizations in better shape than they found them.

While forward-looking is a highly valued leadership competence, it's the one leaders are least capable of demonstrating. Those of us who help leaders become better at creating and communicating visions of the future stink at it, too. If there's reliable evidence and general consensus that it's so important for leaders to articulate a vision and get others excited about it, why do leaders do so poorly at it?

The most frequent explanation is that people and organizations are hostages to the present, too focused on quarterly profits. The pace of change keeps us from even trying to think more about the future, when it makes it harder and harder to cope with the present. This is not likely to change soon. Even so, people still want leaders to be forward-looking. That won't change either. Despite the daily pressures that hold our minds hostage, we can be more future-oriented.

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What Employees Want to Know About Their New Leader

- ✓ Who are you?
- ✓ What do you stand for and believe in?
- ✓ Where do you want to take us?
- ✓ Why you?
- ✓ What qualifies you for this job?
- ✓ What makes you think you can do this?
- ✓ Do you really know what you're getting yourself into?
- ✓ What changes are you planning to make?

Aspirations

(continued from page 5)

The best place to start creating the future is by being more mindful in the present. Our failure at being forward-looking may be more due to mindlessness in the present than any other factor — not really noticing what's going on around us, believing that we know everything we need to know, viewing the world through pre-established categories and operating from a single point of view. We have to stop, look and listen. We have to *stop doing* for some amount of time each day. We have to remind ourselves that most of the disruptive electronic devices have an off switch. Then start noticing more of what's going on around you right now. And don't forget to look at the future.

It's Not Just the Leader's Vision

At some point during all this talk over the years about the importance of being future-oriented, leaders got the sense that they were the ones who had to be the visionaries. Leaders have assumed that it's their vision that matters, and if it's their vision then they have to create it.

To be able to describe a compelling image of the future, you have to be able to grasp what others want and need. And what if people don't know what they need? This is all the more reason to be a stellar listener. Listening is not just about the words. It's also about what is unspoken. It's about reading between the lines. It's about paying attention.

Liberate the Leader in Everyone

Leaders can arise to meet particular problems. Leadership is an observable set of skills and abilities that are useful whether one is in the executive suite or on the front line, on Wall Street or Main Street. Any skill can be strengthened, honed and enhanced if we have the motivation and desire, and if we practice and get coaching and feedback.

Some people are better at it than others. However, the more we attribute leadership to a set of innate character traits, the more we abdicate our own responsibility to become the best we can be.

Leaders Are Followers, Too!

There is too much focus on the leader leading and not enough on the same leader following.

"A good leader is also a good follower," said Susanna Wong, vice president of Sherwood partners LLC, a business consulting firm in Palo Alto, Calif. "This may sound like a paradox," she continued, "but based on my experience I notice that the good leaders are the ones who understand their boundaries and are willing to accept sound advice from their followers."

The emphasis is on following the process, and not the person. Looking at leadership and followership through this lens, leaders should consider these guidelines:

- **Clear values and beliefs consistent with their own.**
- **A vision of the future that they share.**
- **Creative ideas that enable the organization to make changes so that the values and vision can be realized.**
- **Other people whose strengths and talents contribute to the enactment of the values and vision, and teams whose collective capacity is greater than that of their leaders.**
- **Their hearts and caring for the people who make it possible to get extraordinary things done.**

Being a follower is good for the soul. It reminds us that we're not alone, that any success we enjoy depends on the success of others, and that we've got to remain open to learning. Humility comes from grasping these fundamental ideas and realizing that our own legacies are built upon the legacies of those who have come before us and those who labor alongside of us. ■

Moments of Courage

When the authors began asking people to reflect on moments of courage, patterns emerged. It seems we humans call upon our courage when:

- ✓ **Our lives present some significant challenge.**
- ✓ **We feel fear when facing this adversity.**
- ✓ **It requires personal initiative to overcome the fear and the challenge.**
- ✓ **Something personally meaningful is at stake.**
- ✓ **We might suffer loss in the process.**
- ✓ **Our life is transformed by the experience.**

Courage

Leaving a legacy is all about making a difference. We can only make a difference when we take stands. Everyone of us is capable of takings stands on things that matter. It takes courage to realize your dreams and to give meaning to your values. If you're going to leave a legacy of lasting significance, it'll be the result of acting courageously. You can't plan to be courageous, but you can chose to act that way. Courage is the virtue that makes all other virtues possible.

We must realize that there is no money-back guarantee for leaders. You can do your best, and it still may simply not be enough. There are forces that are always outside of your control. It is also true that every leader-

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Courage

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ship virtue taken to excess can become a vice, and every strength can become a weakness. We have to remain vigilant in reigning in our own sense of self-importance, and have the humility and grace to admit that we depend on others as much as they depend on us.

There's Courage in All of Us

Courage is one of those big, bold words. It has this image of being something way out there on the edges of human experience. It's commonly associated with superhuman feats, life-and-death struggles and overcoming impossible odds. But when you look beyond the headlines you find out that this account of courage is certainly not the whole story.

Courage is poorly understood and not what people typically think it is. The ancient Greeks, who did have a lot to say about courage — Socrates and Aristotle, for example — thought of courage as one of four cardinal virtues that were essential for living a good life and for sustaining a civil society. (The others are prudence, temperance and justice.) They spoke of courage as the disposition that gives one the capacity to face danger without being overcome by fear.

While the reading of philosophy gives us a better sense of the historical meaning, it doesn't bring courage alive. But in asking people to reflect on moments of courage, definition and principles emerge. Everyone can recall an experience that required summoning up courage. Courage is not just for heroes after all.

You Can't Plan to Be Courageous, But You Can Choose It

People want prescriptions. They want to know how they can apply good ideas to their daily work. But as author and consultant Peter Block points out, "Courage isn't done for the sake of being practical. It's chosen for its own sake. As soon as you make courage practical, you've stolen its humanity."

What in your life or work is causing you great hardship and suffering? For Beverly Kaye, now a highly accomplished businesswoman, author and speaker, it was stating her name and talking about herself without stuttering in a special postgraduate class at MIT.

What are you most afraid of? Consultant and author John Izzo expresses it this way: "Part of courage is to face whatever are the inner blocks or demons or barriers that keep you from becoming the fullest person you can be in the world. A lot of courage is really facing yourself."

When you think about the adversities that you face, what's at stake? Jim "Gus" Gustafson, a leadership researcher and wireless company executive, realized that in order to pursue his dream, he needed to quit his job. "I'd been employed since I was tall enough to push a lawnmower," he said, "and the concept of walking away from a perfectly good job was frightening." You can't plan to be courageous. But you can choose it.

It Takes Courage to Make a Life

We may be able to make a secure and comfortable living without exercising courage. Yet most of us want more from life than security and comfort. We want a life that matters, a life that makes some kind of difference to our family and friends, and even to our organizations, our communities and our world. It takes courage to make that kind of life, to make a lasting difference.

Several lessons of courage can be learned. Little acts can have huge impacts. One person can make a difference. Courageous acts flow from beliefs. Small acts can be called Rosa Parks moments, in honor of the black seamstress who refused to move from her seat on a bus so a white person could sit down. Her actions weren't strategic or grand. They weren't self-promotional or manipulative. They were simple and mundane.

By her refusal to move from her seat, Rosa Parks demonstrated the power of one person. Furthermore, courageous acts flow from a commitment to deeply held beliefs — you just can't separate the two. "I didn't get on that bus to get arrested. I got on that bus to go home," Parks wrote in her autobiography *Quite Strength*.

The Courage to Be Human

Leadership is a humbling experience. Leadership is hard work. Anyone who's ever been in a leadership role quickly learns that you're squeezed between others' lofty expectations and your own personal limitations. You realize that while others want you to be of impeccable character, you're not always without fault. You learn that you can't see around every corner, and even if you know your

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The Achilles' Heel of Leaders

Kirk Hanson, university professor and executive director of the Markkula Center for Applied Ethics at Santa Clara University, asserts that the Achilles' heel of leaders can be found when they:

- ✓ **Believe they know it all.**
- ✓ **Believe they are in charge.**
- ✓ **Believe the rules don't apply to them.**
- ✓ **Believe they will never fail.**
- ✓ **Believe they did it all by themselves.**
- ✓ **Believe they are better than the "little people."**
- ✓ **Believe they are the organization.**
- ✓ **Believe they can focus everything on the job.**

Courage

(continued from page 7)

way forward, everyone may not end up at the same destination, let alone be on time. You discover that despite your best efforts to introduce brilliant innovations, most of them don't succeed. You find that you sometimes get angry and short, and that you don't always listen carefully to what others have to say. You're reminded that you don't always treat everyone with dignity and respect. You realize that you are human.

Failure Is Always an Option

Telling people that failure is not an option is just plain nonsense. Failure is always an option. In fact, if you're not willing to fail at what you do, you'll never become great and you'll never innovate.

It's really all about your point of view. Imagine that you play professional baseball. The very best hitters each season will have a batting average of a little better than .300. For every 10 times they get up to bat, they get about three hits. The real reality is that despite the probabilities, professionals believe in the possibilities.

Here's another way to think about it. We only learn and move forward when we experiment and experience doing differently what we already know how to do well. It's called a learning curve. A learning curve is not a straight line. It always goes down before it goes up.

Life is our laboratory, and we ought to use it to conduct as many experiments as possible. Try, fail, learn. That should be the leader's mantra. Charles Kettering, the founder of Delco and holder of more than 140 patents, used to say, "It doesn't matter if you try and try and try again, and fail. It does matter if you try and fail, and fail to try again."

No Money-Back Guarantee

News Flash: You can do all this leadership stuff perfectly and still get fired. Take the case of a former senior vice president of marketing for a large packaged goods company. When new technology made it possible to introduce a substitute for his company's product, he took his studies to a board and urged the development of a market entry. The board did not share his point of view.

This senior vice president excelled as a leader. He was someone who was held up as a role model. Even so, he got fired. Sometimes, despite our very best efforts, we don't succeed.

We know that being forward-looking and communicating a clear and common vision of the future are what set leaders apart from others. Yet a singular focus on one vision of the future can blind a leader.

If perfection is not the leadership ideal, what is? The answer is being more of who we are. David Whyte, author and poet, once said, "The great question of leadership, about taking real steps on the pilgrim's path, is the great question of any individual life: how to make everything more personal." ■

The Legacy You Leave

Sergey Nikiforov, a Russian immigrant to the United States who is co-founder and vice president of product development at Stack3, Inc., wrote this note:

"Where do I start becoming a better leader? This question has been nagging me for some time … Naively I assumed that to become a better leader meant to perform formidable tasks … Then it occurred to me—I was thinking selfishly …"

Sergey has nailed it. Each day provides countless changes to make a difference. The chance might come in a private conversation with a direct report or in a meeting with colleagues. When we choose to lead every day, we choose aspirations of long-term significance over short-term measures of success. It takes courage to lead. It takes courage to make a life. Courage, like leadership, is a choice.

As John Maxwell, author of numerous books on leadership, said, "It's been said that there are two kinds of people in life: those who make things happen and those who wonder what happened. Leaders have the ability to make things happen. People who don't know how to make things happen for themselves won't know how to make things happen for others." He went on, "What you do with the future means the difference between leaving a track record and leaving a legacy."

Legacies aren't just wishful thinking. They're the result of determined doing. The legacy you leave is the life you lead. You just never know whose life you might touch. What you do know is that you can make a difference. You can leave this world better than you found it. ■

SOUNDVIEW RECOMMENDED READING LIST

If you liked *A Leader's Legacy* you'll also like:

1. ***The Leadership Challenge, Third Edition*** **by James M. Kouzes and Barry Z. Posner.** When it was initially written in 1987, few could have predicted that *The Leadership Challenge* would become one of the bestselling leadership books of all time.
2. ***Leadership Practices Inventory (LPI)*** **by James M. Kouzes and Barry Z. Posner.** *The Leadership Practices Inventory (LPI)* is the bestselling and most trusted leadership tool of its generation.
3. ***Co-Active Coaching*** **by Laura Whitworth, Henry Kimsey-House and Phil Sandahl.** These authors share their model and ideas for coaching others in three parts.
4. ***Execution*** **by Larry Bossidy and Ram Charan.** Unlike many other books on the market that stress high-minded, complex theories, Larry Bossidy's and Ran Charan's *Execution* is a unique and indispensable guide.
5. ***Built to Change*** **by Edward E. Lawler III and Christopher G. Worley.** Organizations are built to perform, not to change. Reforming an organization to be flexible takes leadership.

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A Nose for Trouble

Michael Ainslie

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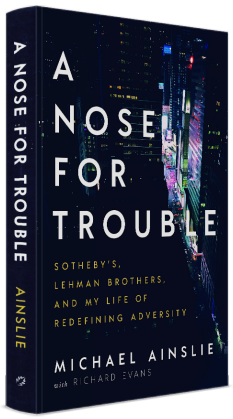
A Nose for Trouble

Sotheby's, Lehman Brothers, and My Life of Redefining Adversity



by **Michael Ainslie**

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THE SUMMARY IN BRIEF

Reflecting on his life through memoir, Michael Ainslie expected to expound on change and leadership. In his teens, a rare autoimmune disease almost killed him. In his early twenties, he narrowly avoided arrest by a Russian soldier at the Finnish-Soviet border. In his thirties, the oil embargo of 1973–74 doomed his first real business venture. In his late fifties, at the end of a successful ten years as CEO of Sotheby's, he became entangled in one of the most public price-fixing scandals of the twentieth century. Though he wasn't guilty of wrongdoing, merely having his name linked to the company spelled trouble. In his mid-fifties and early sixties, he was on the board of Lehman Brothers, casting a vote on the night that Lehman was forced to declare bankruptcy.

This is not just a memoir about change and leadership, but what it looks like to grow through adversity and discover you have more to offer the world. Ainslie shows that a person can succeed and rise due to highly ethical behavior and a willingness to do the right thing. Any one of his difficult moments in life could have stopped him in his tracks, but he chose to move forward.

IN THIS SUMMARY, YOU WILL LEARN:

- That the foundation of family matters for setting life's course.
- Integrity must be consistent across all parts of work and life.
- Giving back starts early—don't wait to invest in others.
- Abundance of finances and connections are made to be shared.

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Sarah T. Dayton, Editor-in-Chief • Meghan Kozak, Director of Content • Kylie Waytuck, Graphic Designer

Introduction

Late on Sunday evening, September 14, 2008, the Lehman board considered a vote that could have sent markets plummeting at an even faster rate than they did in the next few days. Lehman Brothers, although the smallest of the four major investment banking houses, had recently been the most successful of the four, riding high on the wave of prosperity that ran through the American economy in the early years of the twenty-first century. The board did what they had to do. They approved the largest bankruptcy in world history. This was a harrowing moment for Ainslie, one of many moments in his life of making difficult, but right, choices.

The First Decades

Ainslie's grandfather's early death left his father, at sixteen, the male head of the family, with the prospect of supporting his mother and his sister. He could not afford the luxury of a college education, and he set about devising ways of creating some income. One of them involved raising chicks in the basement of his family's Knoxville home. This venture worked fine until he nearly squashed Ainslie's grandmother one day when she, a petite lady, was in the basement, inspecting the hatchery. Suddenly, the six-foot-tall incubator that warmed the tiny chicks came crashing down on her one-hundred-pound frame, but with his father's help, she managed to escape with nothing more than a few bruises.

Despite the mishap at sixteen, Ainslie's father was known for the way he treated people. It didn't matter whether he was talking to a gas station owner, a convenience store clerk, or a random man in the street; Ainslie watched his dad treat every person with equal respect, going the extra mile to help people improve their lives.

Strengthened by Weakness

Ainslie's hopes for a future in college basketball were dashed when doctors diagnosed him with Addison's disease. But, Ainslie, as a believer that all things happen for a reason, could say that having to give up basketball turned out to be the best thing that happened in his young life.

Heading to Vanderbilt, with no chance of playing college sports, Ainslie turned to student government. That became one of the first opportunities in his life to identify a problem, "see things the way they are not," and then sell a "big idea." He enjoyed getting others excited about sharing a vision. In his first campaign, with his good friend as his opponent, he did well, particularly among the guys, winning the male vote by a slim margin. However, he had a secret weapon. His girlfriend at the time was incredibly well-liked and well organized, and largely through her leadership and their joint efforts, he won the female vote by a sizeable margin. He won the election and learned that going against established ideas can be rewarded if your new idea is a better one and is delivered with clarity.

Traveling the World

Ainslie's worldview expanded when he was named a Corning Fellow with the opportunity to step out of the classroom and learn in the world. Feeling like a bird out of a cage, he spent $1,300 of the $5,000 grant on a Pan Am round-the-world ticket. Ainslie visited nearly thirty countries, interviewed hundreds of people, and become a citizen of the world. These experiences allowed him to grasp something more of the complexities of different cultures and societies. There was no curriculum—his instruction was simply to travel wherever he wanted, interview people, and explore. Lessons learned shaped his future career in business and entrepreneurship.

During his year as a Corning Fellow, Vietnam was a place that left a long and lasting impression. In the throes of the Vietnam War, his economics degree from Vanderbilt placed him in a role as labor negotiator between the U.S. Embassy and the corporation that employed 50,000 people, mainly Vietnamese, in wartime construction. Some circumstances stood in his way of success—protesting Buddhist monks, a near crash-landing of a small aircraft, and navigating the politics of war. Ainslie discovered that life's lessons are best learned on the hoof. Sometimes that entails quick thinking, sometimes ingenuity, and always patience.

Modernizing Sotheby's

Sotheby's has a long-standing reputation of being one of the world's largest and most venerable brokers of jewelry, fine art and collectibles, and luxury real estate. Ainslie assumed the role of CEO in 1984, not imagining the legendary company would ever be involved in scandal.

Changing of an Institution

When Ainslie joined Sotheby's, he was full of trepidation because of his limited art knowledge. He soon realized that the company's challenges did not lie in the realm of art expertise, which it had in great depth. It needed saving in many other ways. When Ainslie arrived on the scene, it was evident that animosity was running high between the stuffy

British establishment and those Colonials across the Atlantic. Even their computer systems couldn't talk to each other.

So how did he change Sotheby's? His ideas freed up time for experts to reach out to clients. Sotheby's began to hand-carry works of art around the world. They made galleries the fun, social place to be on weekends. Sotheby's provided financing to ease the immediate cash demands of collecting. Through these and many other changes in antiquated practices, they began to break down the "threshold resistance" and bring private collectors into the salerooms. And Sotheby's the art retailer it aspired to be.

Behind the Scenes at a Top Auction House

One influential member of the board was Henry Ford, grandson of the founder of the Ford Motor Company. Ainslie grew fond of Henry, who was a good-hearted soul. He was not a man who liked to be surprised, and as chairman of the compensation committee, he wanted to be briefed in detail before each board or compensation committee meeting. This necessitated that Ainslie fly to Detroit eight or nine times a year so that he could script every part of the meeting. It's interesting to think of how quickly the world's attitude can change—the Sotheby's board provided a perfect example. The grandfathers of Henry Ford and Heini Thyssen were both known anti-Semites who openly supported and assisted Hitler. Yet little more than four decades later, their grandsons sat at the same table on a board chaired and liberally populated by Jews, and everyone became genuinely good friends. Sometimes there is hope for humankind.

Sotheby's Scandal

Ainslie was still CEO of Sotheby's when the famous collusion began between Sotheby's and Christie's, the competing auction house. The collusion was extensive and well documented. At the trial, it came out the Christie's player had maintained a treasure trove of documentation chronicling their deliberations, more than 500 pages of illegal exchanges and agreements, over five years. With these agreements, they guaranteed future profits and clearly showed no regard for clients or employees of the two firms. As was proven after exhaustive legal inquiries, Ainslie had absolutely no knowledge of their meetings.

Despite the problems that were brewing behind the scenes toward the end of Ainslie's tenure, he looks back on the time at Sotheby's with far more fondness and a sense of achievement than regret. It was the highlight of his working life.

Family

Ainslie met his second wife, Suzanne, at a lavish birthday party. It took a year to propose. Ainslie, speaking of his wife, says, "The longer I was with Suzanne, the more I came to understand what an exceptional woman I had found. She was more than a partner, a lover, and a wife. She had become my best friend and my advisor on all aspects of my life."

For Ainslie, among the greatest of investments you can ever make in your life is your family. He is most proud that his children have pursued their passion, even when it was not the most obvious or lucrative profession; they are doing what they love, and as a result, they are great parents and happy spouses.

Public Service For A Life That Matters

Ainslie's business experience made him unafraid to ask for what he wanted. Turning those requests to the needs of others defined his post-Sotheby's years. Ainslie believed that philanthropy plays an enormous role in the life of the United States and is one of our country's greatest strengths. It enables us to find solutions to social issues in the most creative ways. As a whole, it's important to remember that we all arrived on this earth with nothing, and we all depart with nothing. It is up to us to share what we are fortunate enough to accumulate in a world that we all know is far from equitable.

Posse

In 1989, five seventeen-year-old kids—four girls and a guy—boarded a Greyhound bus with their mothers in New York City and set off on a twenty-six-hour ride to Nashville, Tennessee. The kids who got on the bus did not have a lot of money, were not necessarily the most academically accomplished students from their various public schools, and hadn't made top SAT scores. But they'd been invited to participate in an innovative program. The students had each been specially selected because of their drive, intelligence, vision, and ability to communicate. They'd been chosen because they had, even in their high school years, already demonstrated themselves to be leaders. They were headed for Vanderbilt University under a new program called Posse, and that bus ride was only the beginning of their journey.

Ainslie's opportunity to become involved with Posse arrived at a time in my life when he was trying to find a new passion after leaving Sotheby's. The more young people he

met through Posse, the more he came to realize how much untapped talent they possessed yet how limited their opportunities were. Without The Posse Foundation, they would likely not be able to change the trajectory of their lives. It affected Ainslie's trajectory, as well.

Raising Funds for a Cause

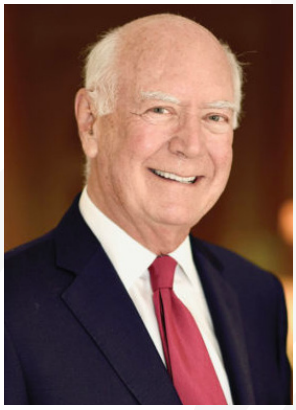
During his time at Sotheby's, Ainslie was asked to help the oldest child welfare agency in America, Graham Windham, founded in New York City in 1806 by Isabella Graham, Sara Hoffman, and Eliza Hamilton, who was the widow of Alexander Hamilton. The request centered around the need to restore a campus on the banks of the Hudson River. The campus housed kids from the impoverished inner-city areas of New York who, sadly, could no longer live at home due to abuse, abandonment, or other dire circumstances.

Creating Beginnings for Others

Ainslie believes there's something powerful in the connections we make with people that can create opportunity, bring good out of a situation, and build bridges. He engaged with people in a way that demonstrated respect and genuine care. He wanted to help them recognize their potential and be better off in the long run. At some point, he began to see connecting people as a primary role in his life, and now, every day, Ainslie tries to do something intentional to connect personally with others or connect people with one another. This can involve introducing a Posse scholar to someone who works in a field of interest to the scholar, helping someone land a good summer job, helping a connection get accepted into naval Officer Candidate School, or advising a young professional. Ainslie enjoys being able to connect people in a way that inspires others, makes people think, and offers a greater perspective. And he's always glad to have opportunities to meet more people and build relationships. Inevitably, these names and faces come to mind at later points in life. As Ainslie says, "You never know when one person's story might need to intersect with another, and simply in connecting the two, you open a door."

Conclusion

A life holds opportunities, challenges, and lots of adversity. The big question is, how does one make the most of the years that are given? A good life is one that overcomes adversity, learns from it, and tries not to repeat the mistakes, all the while helping others.



Michael Ainslie is an American businessman. He served as the president and chief executive officer of Sotheby's from 1984 to 1994. He was a director of Lehman Brothers from 1996 to its 2008 bankruptcy, and oversaw "the sale and disposition of the company's remaining assets" by 2010.

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A Team of Leaders

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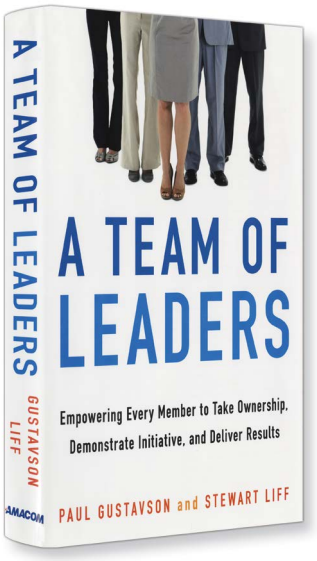
Leadership

A Team of Leaders

Empowering Every Member to Take Ownership, Demonstrate Initiative and Deliver Results



by Paul Gustavson and Stewart Liff

THE SUMMARY IN BRIEF

No matter how many good people you gather, most workplace teams settle into the same old rut. Once the initial enthusiasm dissipates, they become little more than order takers, satisfied with so-so results.

A Team of Leaders offers a completely new way to approach the team experience and an empowering formula for improving performance. At the core of the team dilemma is a little-known truth: It's not the people who need to change but the design of the team that needs an overhaul.

By improving the core design components — the systems, the processes, knowledge, management and visual management — you'll get far better results. Unmotivated teams will be transformed into energized groups of employees who take responsibility for long-term outcomes.

It all starts with the Five-Stage Team Development Model, which outlines a distinct set of characteristics that teams exhibit as they move from traditional Stage 1, leader-directed teams to self-managed Stage 5 teams full of knowledgeable people who think and act like leaders. *A Team of Leaders* supplies the tools, processes, and principles for putting them on this path to reinvention.

IN THIS SUMMARY, YOU WILL LEARN:

- To recognize the importance of choosing the right team structure, information systems and people systems.
- How to design integrated processes that support leadership growth.
- To adapt a value creation tool that pinpoints the contribution each team member makes and highlights the urgency of everyone pulling together.
- How to capture and quickly disseminate the key knowledge that teams need to become effective, self-managing units.

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THE COMPLETE SUMMARY: **A TEAM OF LEADERS**

by Paul Gustavson and Stewart Liff

The authors: Paul Gustavson is an organizational design consultant and the founder of Organization Planning & Design, Inc. (OPD), which helps companies around the world create and sustain high-performance teams. He is the former chair of the Marriott School of Management's OB/HR Advisory Board and coauthor of *The Power of Living by Design* and *Running into the Wind.*

Stewart Liff is an HR and visual management expert and the president and CEO of the consulting company Stewart Liff & Associates. During his career with the Department of Veterans Affairs, his office was selected for Vice President Al Gore's first Hammer Award for Reinventing Government because it successfully used the principles described in this book. He is the author of five books, including *Managing Government Employees* and *Managing Your Government Career*.

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For additional information on the authors, go to www.summary.com.

Introduction

How do you create an environment that successfully addresses the many challenges that supervisors and employees deal with while producing outstanding performance? The answer is simple: you have to create an environment where everyone is a leader. That is, an environment where everyone works together, takes the initiative, assumes ownership, is willing to deal with difficult issues, and accepts accountability for the team's results; an environment that is in stark contrast with one in which the supervisor tries to get everyone to produce.

This is a fundamental change in the way that most work entities operate. However, such a workplace design will produce better performance and make your work life much more exciting, enjoyable and fulfilling.

The model we recommend using to build a team of leaders is the Five-Stage Team Development Model. This model identifies the five distinct stages of team development. At Stage One (the way most units/teams work today), the team leader interacts with each team member one-on-one. The model goes on to describe how your team can evolve and grow in varying stages all the way up to Stage Five. This is the stage where the team essentially manages itself, everyone becomes a leader, and the supervisor's time is freed up to work in other areas that create more value.

Imagine being the leader of a team that is at Stage Five. Under this scenario, you would advise the team as needed but spend most of your time working on higher, cross-functional and outside issues. Many of the problems that you typically deal with would now be handled by the team itself, freeing you up to work at a broader level.

If you are a team member, imagine what it would be like to be part of a team of leaders at Stage Five. You would be a valued member of a team that manages itself. Instead of having someone standing over you cracking the whip, you would now be part of a cohesive team wherein everyone holds each other accountable.

An Example of a Team That Has Succeeded at Self-Management

You're probably wondering, "Is it possible after all? Can it work in the real world?" Here is an example: The General Electric plant in Durham, NC, does final assembly for the GE90 and CF34 jet engines. The plant has over 300 employees but only one boss — the plant manager. All of the employees report to the boss; they have no supervisor. Self-directed teams build the jet engines — teams that decide how to manage the work, how to manage time off, how to improve systems and work processes, and how to deal with problem teammates.

The teams do not maintain a typical assembly line. Instead, they own an engine from start to finish. Moreover, everyone's work varies on a daily basis, keeping the work interesting and resulting in a high degree of variety.

As you might expect, everyone does not successfully fit into this environment, especially "people who expect to

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Rebecca Clement, Publisher; **Sarah Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Amanda Langen**, Graphic Designer; **Elizabeth Van Woert** Contributing Editor

take orders." That is because the plant was designed to be operated by teams of leaders.

The people in the Durham plant are clearly engaged, have high energy, possess multiple skills, and are very motivated. In addition, they take tremendous pride in their team and the work they perform. More important, the plant's performance has continued to excel, and it is considered by many to be an industry leader. When the GE plant first started out on its transformation effort, the plant had 175 employees. Since then, the workforce has virtually doubled, and GE continues to invest in the plant.

Since most problems are caused by the way teams and their management systems and processes are designed, in order to address the problems once and for all, teams need to change their design. If little information is shared, you will not know what value you contribute or understand the effect of your actions, in which case the unintended consequences are going to be low productivity and/or downstream errors.

The point here is that you get what you design for; if you want to have a team of leaders, you must design and align all your systems and processes to make that happen … design your team for the results you want.

Creating Advantage Through the Five-Stage Team Development Model

Key Principle: Leadership always exists in a team; however, everyone becomes a leader once a team achieves Stage Five of the model.

A successful self-managed team generally evolves through a series of discernible stages. At the first stage, your team will start off with virtually every key decision being made by the supervisor or team leader. Because the transition to self-management is going to require a lot of change, the team needs an enormous amount of support.

Some of the initial enthusiasm often gives way to sarcasm as things will not go as smoothly as many people expect. This is why the team leader must be more involved than ever — to ensure that people understand how teams evolve, to address areas of uncertainty, and to deal with issues that the team is not capable of handling.

Slowly your team will become less leader-focused. As the team moves to Stage Two, it will start to grapple with what its goals and objectives are and try to ensure that everyone is on the same page. The team leader will still have to do a lot of coordinating and mentoring as the team begins to take baby steps while the leader begins to gradually move away from exercising full authority.

Stage Three is the midway point in your team's evolution. While there still may be some frustration, members will start to learn their roles and come together. The "big picture" starts to become clearer to the team and its members, and a few individuals will even step up and provide some limited but real leadership. Moreover, the team will start to focus on performance. This is also the stage where your team will start to deal with difficult people issues.

At Stage Four, your team will really start to hum. Most of the team members are able to step up and lead in at least one specific area. People will communicate quite well and learn from each other. They will also take a serious interest in performance and try and actively achieve many of their goals and objectives. The level of engagement will clearly rise, and the team will look to take charge of all its key processes and procedures. There will still be work to do, particularly in the areas of problem solving and conflict resolution.

You must also continue to work on ensuring that all the team members have the requisite skill sets. At this stage, the supervisor will now be more of a coach and be on a more equal footing with the other team members, and the primary focus becomes training and developing the team members. He will have time to begin to focus on higher order work and contributions.

Reaching Stage Five

Once your team reaches Stage Five, you will now work together as a unit to set and achieve a challenging set of goals and objectives. Individual team members will no longer be followers — they will be leaders who look down the road and at their environment in order to get and stay ahead of the curve. Meanwhile, your team members will only accept excellent performance and beyond. Finally, the energy level of the team will be extremely high as its members will know what they need to do, will be committed to doing it, and will work together to provide the best performance possible. Now the leader becomes more of a peripheral member of the team and is free to work on larger issues such as analysis, planning and cross-functional concerns.

The principles and evolution of a self-managed team are the same regardless of whether you are dealing with a senior team of managers, a football team, a white-collar team, a manufacturing team or even a family. If you want to have a self-managing team, you must progress through a defined series of stages toward self-management. But in order to do this, you must have the requisite design,

processes, tools and support systems in place — otherwise, frustration and chaos are likely to ensue.

Secrets of Great Design

Key principle: For everyone to become a leader, the team's management systems and design choices must be designed, aligned and properly implemented.

Teams are perfectly designed to get the results that they get. This principle is the starting place for designing your team. Simply put, if for any reason your team wants different results from what it is now getting, you will have to change your design. The most successful high-performing teams have a common vision and purpose, and the degree to which you can involve your people in the cause and help them become strongly connected to one another is what will electrify and unify your team and help everyone realize its greatest hopes for success.

The Organization System Design

The Organization System Design (OSD) Model illustrates the components of a team working together and shows their combined impact on results.

Outcomes are the result of all the choices your team makes — choices about strategy as well as systems and structures. The external environment inevitably affects your team as well. Your team's culture is hugely shaped by all your team's choices and can have a filtering or focusing effect, diluting or turbocharging final performance.

The model provides a framework for understanding the relationships that affect your team's outcomes — relationships between your external environment, design choices, culture and outcomes. Teams generally exist at a variety of levels within most organizations.

For your team to reach Stage Five of the team development model and produce the highest level of performance, all the requisite design elements should be in place.

Team design starts by understanding how all the elements of your team relate to each other. The first element is *external influencing factors*. The external environment places a constantly changing set of demands on your team, and you must learn to proactively respond to these requirements in order to survive.

You may want to offer your customers exceptional service that they have never requested but that delights them once they see it; your suppliers may be willing to collaborate with you on technology solutions; and/or you may help develop a creative strategy that can distinguish your team from others. All three examples show that your team can influence external expectations rather than take them as given.

There are five basic groups in your external environment: customers (both current and potential markets), stakeholders (shareholders and their representatives), influencers (suppliers, regulators, legislators), competitors and best-in-class teams. Make sure you are well aware of all five of these groups and understand their needs and expectations. Then figure out how you can best influence them.

The next element to consider in the OSD Model for Teams is *outcomes*. As previously discussed, teams are perfectly designed to get the results that they got. Therefore, it is crucial to consider what outcomes you really desire before making any design choices.

There are five categories of potential outcomes, along with possible indicators for an organization.

1. Customer Indicators
- Customer satisfaction relative to your competitors
- Repeat buyer rate
- Customer referral rate
- Market share

2. Stakeholder Indicators
- Profit and loss
- Earnings growth and revenue
- Return on investment and equity

3. Community Indicators
- Sustainability practices
- Community perception survey scores
- Compliance ratings
- Public service awards

4. Operational Excellence Indicators
- Cycle times
- Quality results and ratings
- Quantity of units produced
- Commitments made to plan
- Plans developed and approved

5. Team "Voice of the Workforce" Indicators
- Turnover
- Safety record
- Voice of the Workforce (VOWF) team survey scores
- Individual contribution to community (e.g., school boards, service organizations)

The actual indicators/metrics you choose for your team will reflect the size and focus of your team as well as its direct contribution to these organizational outcomes.

Now we come to *knowledge and culture.* Culture is "the way things get done around here." It is the set of shared basic assumptions or emotionally charged beliefs that develop over time among your team's members. It is manifested in symbols, stories, rituals, routines and behavioral norms.

Your team's ability to learn, share and apply new knowledge is the most important source of your competitive advantage. The culture of the team is a critical factor in its learning capability. Culture cannot be mandated, but it can be influenced. It modulates between design choices and outcomes — in other words, the explicit design choices you make will lead to improved results, but only through the culture of your team.

Culture encompasses the behaviors, feelings, and values shared by your team's members. The effect on your culture will be positive when your team harmonizes its plans and processes and when your team members are brought together with a common purpose.

Next are *choices*, which we can subdivide into choices about your *strategy* and choices about your team's *systems*.

Regarding strategy, there are four types of choices for your team to make:

Mission. A mission statement identifies your primary reason for being and your distinctive competency. A good mission statement should be energizing, simple and concise.

Guiding principles. These statements describe your team's underlying beliefs about the best way to create the right team culture to do business and achieve your mission and outcomes. They include beliefs that govern how teammates should treat one another as well as beliefs that should govern the decisions about the team's design choices.

Uniqueness. This is what separates your team from others and makes it special. In essence, it is your team's identity.

Team metrics. These are the measures important for achieving your desired outcomes. They can be summarized as a set of key performance indicators that measure ongoing performance in customer performance, financial performance, internal operating performance, and culture and knowledge.

Your team cannot make the overall strategic choices for your organization. That is the role of the organization's leaders. They need to be closely aligned with the organization's strategy, which will have a direct impact on your team's future. You can and should make supplemental choices at the team level. The key here is that your team must stay consistent with the organization's strategy while exercising its own initiative to excel.

When discussing choices about your team's systems, there are six categories of systems in every team:

The team's business processes deal with the activities you routinely carry out to create and deliver value for your customers. It also encompasses your physical arrangements for interacting and exchanging knowledge and technology.

The structural system is the way your team is organized.

The decision-making and information system deals with decision-making processes throughout your team. What specific responsibilities are given to which roles? What are your planning processes?

The people system pertains to how people are attracted, selected, oriented, trained, certified, performance managed and promoted. It includes capability and career development choices.

The reward system is your pay and benefits structure; it also includes incentives, celebrations, and informal rewards and recognition.

The renewal system is the way you encourage and formalize continuous learning process and performance improvement. What structures or processes are in place for gathering together to learn, to share best practices, and improve team processes and performance?

Three tools to use in carrying out a design effort are an environmental scan, process analysis and culture analysis. Using these tools yields information about how current design choices align and what future choices should be designed to accomplish the team's goals.

Environmental Scan

The goal of the *environmental scan* is to verify or discover what your customers and other stakeholders value most. Teams are "open systems" — they exist in an environment that influences them. Environmental scanning is a review of the groups outside your team that most affect the team. It is a study of the specific requirements of those groups and an inquiry into how those requirements might be changed. The knowledge gathered during environmental scanning helps you make better design choices.

A good way to begin environmental scanning is to identify the important groups or elements in your environment. Customer and stakeholder interviews or surveys are a good way to flesh out your knowledge and gather what you need to know.

Process Analysis

Once customer and stakeholder requirements are understood, turn inward to your team's processes. This analysis is called process management or technical analysis. This is the time to carefully analyze your processes and understand how well they are working. There are seven process analysis tools:

Process mapping is a tool that helps you visualize the flow of work in an organization and identify the points within a process where value is created. Process maps are an essential tool for grasping and communicating your organization's work.

Categorization of work is a process for distilling your work into one of several categories (competitive work, essential work, compliance work, etc.) in order to determine the work's priority.

Value analysis is where you identify which tasks are value-added and which are not, and then reduce or eliminate non value-added tasks.

Constraint analysis is a tool that helps you identify the point(s) in the process most responsible for slowing it down and limiting the team from achieving higher performance.

Variance analysis is a series of tools for finding and eliminating mistakes and defects.

Process management begins as process analysis wraps up. Here is where the team considers who will own each business process. Every process should have an owner.

Key decision analysis is where the team looks at the decisions associated with any given process. Revealing and resolving ambiguities in decision-making activities ultimately results in clear roles and responsibilities.

Culture Analysis

The *culture analysis* tool set helps you study knowledge, networks and culture in your team. Using information from process analysis about your distinctive processes, you can seek to understand what knowledge is distinctive and determine how well that knowledge is being converted into customer value. Culture analysis will also look at how well your team renews its knowledge base. In other words, you will study your learning capability.

You will also study the networks surrounding critical roles in the team. Much knowledge, by its very nature, cannot be shared outside the context of active, trusting, cooperative relationships — the right people talking to the right people about the right things at the right time.

The culture analysis tool kit contains the following assessments:

Interaction network analysis is a means of assessing the communication patterns and networks within a team. It helps diagnose where collaboration has collapsed or cliques have been cultivated, where talent and expertise could be better leveraged, where decisions are bottlenecked, or where opportunities for leadership and/or innovation are being lost.

Individual needs assessment is designed to determine the extent to which the needs of each individual in a team are met. The idea here is to rank the team members' overall satisfaction with the way their needs are being met and then address these findings when making future design choices.

Voice of the team assessment determines how well the members of a team display the behaviors, feelings, and attributes needed to drive the organization to its desired outcomes.

Knowledge assessment links design choices about process changes, new structures, and other improvements with the corresponding development of beliefs, skills and information.

Skills matrix, the final culture analysis tool, helps outline the skills and skill levels needed by a team. A completed skills matrix is a useful template for training and selection initiatives.

With respect to individual needs, people only bring so much energy to work. If individual needs are met, people will most likely channel their energy in a positive direction. But if their individual needs are not met, people tend to devote energy to counterproductive purposes in the team.

Once the analysis work is complete and the design has been finalized, you need to turn your attention to implementing the design. Good implementation naturally begins with careful transition planning. Careful transition planning is crucial because in the middle of any change effort, people are likely to long for "the way it used to be" — even though they might not have liked the old way at the time.

Teams Have Processes, Too

Key principle: All your processes must support the goal of making everyone a leader.

Teams are generally part of a larger organization and at least one of its processes (e.g., product development, demand creation, supply chain); by the same token, teams have their own processes, which are essential to carrying out the team's purpose and objectives. These processes include performing the core work of the team, managing team performance, selecting and on-boarding new members, building capability of the team and its members, and managing the disengagement or deselecting of team members.

Every team has its core work to perform. However, for everyone to ultimately become a leader, the team as a whole needs to understand how that work actually flows so that it can make sure that work is being performed as effectively and efficiently as possible.

The best way to get started is through process mapping. By looking at your work in this manner, it will help your team map and define the strategic impact of your processes and activities. It will also help you identify waste and variability and bottlenecks in your processes.

Individuals in the Team

Periodically, your team should also look at how each team member is contributing to the overall team performance. A team is only as strong as its weakest link, and the more team members work together to lift everyone's performance, the better.

Individual performance standards should be closely aligned with your team's goals and objectives. The immediate supervisor should initially provide feedback, although as your team moves through the five stages of team development, this role should gravitate to the team. Feedback should let the employee know exactly how she is doing and what she needs to improve. The employee should also be given the opportunity to express her opinion.

The key to employee performance management, regardless of your team's current stage, is ensuring there are reliable consequences for every level of performance. Excellent employees should be recognized and rewarded commensurate with their contribution, average employees should retain their jobs and receive all the appropriate benefits, and action should be taken to deal with poor performers. Employees will then conclude that the system works as intended, will consistently follow the rules and processes, and will strive to achieve the team's goals and objectives.

Selecting New Members

High-performing teams participate in the selection of their members. If that's the practice of your team, then your team will have much more at stake in its own success and exhibit a different level of ownership and commitment. Selecting the right person is one of the most important decisions your team can make.

Once a person is hired, your team will invest an enormous amount of time and energy in developing the employee. If the person proves to be a bad fit, more time will then be spent trying to turn the employee around and, if necessary firing him or her, in which case the process starts all over again.

Team Value Creation Model

Key principle: People are much more likely to become leaders if they understand the value they contribute to the team.

For your team to run as a self-contained business, with everyone being a leader, everyone must know his or her success in creating value for the organization. And for people to know their success in creating value for the organization, they must have two vital pieces of information: their cost for the process/team, and the value of the output they produce. With these two figures built into a model and some basic business management skills, you can determine how much value the team and each team member generates. This information will ensure that team members understand their value and will prod the team to look at its outputs and processes from a more practical, business-driven perspective. Moreover, it will help identify weaknesses within your team and suggest opportunities for productivity and efficiency improvements.

For your team to truly succeed, it must take a whole-brained approach to managing the team operation. That is, while team members must know how they are doing and whether they are creating an increase or decrease in value for the organization, they must also be connected around a sense of purpose.

Developing and Managing Knowledge Is Key to Team Performance

Key principle: To build leaders, you must determine the knowledge they need, decide how to acquire it, and then manage its distribution.

It is said that knowledge is the purest source of advantage for high-performing teams. To deliver that extraordinary value, teams must manage the speed of discovery and diffusion of key knowledge better than any other alternative source. It is especially important to recognize that the diffusion and application of fresh ideas are inherently *social* activities. How well your team uses knowledge is dependent on the quality and extent of the social networks within and surrounding the team.

The team knowledge needed to deliver outstanding performance includes tacit values, attitudes and expertise. A design cannot be complete, nor can we be confident that it will be successful, until we consider the full range of team knowledge to achieve performance goals and make plans for developing that knowledge.

Tacit knowledge refers to knowledge that one has but cannot explain. It is difficult or impossible to put into words. *Codifiable* or *explicit* knowledge, on the other hand, is knowledge that can be explained and organized into rules or policies. *Know-that* refers to knowledge that is a fact or a truth, including an idea or a belief that's held as true. *Know-how* indicates the ability to perform tasks or operations either "in your head" or "in action."

High performance teams are more conscious of tacit (noncodifiable) knowledge. If you have ever played basketball, you know that when the team is playing at a high level, it feels as though everyone knows what the other

player is doing. They are in the flow and can anticipate each other's moves.

Teams need to develop all types of knowledge and expertise so that it becomes second nature, thus enabling them to be able to make many rapid but sound decisions. The best teams possess and capitalize on the tacit knowledge that helps differentiate them from their competitors.

Tacit knowledge is more likely to be developed with unstructured methods, while codifiable, explicit knowledge is learned best in conventional, structured settings. Know-that is learned just fine through cerebral methods such as study, conversations and reflection, while know-how is best learned through action-oriented methods.

Conducting a knowledge assessment is a great opportunity to take a step back, look at the knowledge types required by your team, and then put a plan together to meet your needs.

Visual Management

Key principle: Visual management, also known as visual performance management, is a program that uses the senses to reinforce the previously described principles, drive performance, and build future leaders.

Assuming you take all the steps previously described, you will be well on your way to having strong, self-managing teams. However, there is another innovative design element you can add to the equation to continually keep the object of getting to and staying at Stage Five in everyone's face. Moreover, this particular innovation will support and reinforce all your design elements and help take you to another level. This element is called *visual management*.

Visual management is a time-tested approach that combines generally accepted management principles along with the fine arts to improve your team's performance by 1) transforming your space into an inspiring, data-driven environment and 2) helping to elevate employees so that they become leaders. It is not a program per se; it is a conscious choice to use your space to send clear and consistent messages, support all the other team design elements, and help brand your team with its own unique environment.

Visual management combines sound management principles along with the fine arts (painting, photography, sculpture, music, film) to create and sustain competitive advantage. It creates a work environment that supports and reinforces all the systems and processes explained earlier. Such an environment helps you change your culture and improve your team members' attitudes, perspectives, knowledge base, mindset and, most important, performance.

Think of it as a combination of a NASA or Pentagon war room combined with the beauty and clarity of the Metropolitan Museum of Art, with a touch of Las Vegas glitz thrown in. The idea is to have the one element of the work experience that people see all the time — i.e., your physical space — perfectly aligned with the other design elements so that everyone working in that space receives incredibly clear and consistent messages and information.

For instance, one customer contact team set up an area right outside the entrance to its offices showing video holographs of customers talking about their experiences. In a different team, the leader sits right in the middle of the workspace with no partitions or barriers, even though other team members have offices. The clear message here is that the leader's role is one of support, not dominance — a sign of a Stage Five team.

These types of images and displays will improve communication and teamwork, knowledge and understanding, engagement and commitment, responsibility and accountability, and innovation and creativity, all of which will elevate the employees and the team and drive performance.

Conclusion

In the 21st century, people want to be involved, challenged and empowered. They want to be part of something that is bigger than them, and they want to make a difference. Moreover, they want to continue to grow and develop.

Creating a team/organization of leaders is not an easy thing to do — if so, everyone would have done it by now. However, it is the *right thing to do*. A team of leaders will both produce the results you are looking for and make the work experience much more exciting and enjoyable for everybody ... and now is the time to get started.

RECOMMENDED READING LIST

If you liked *A Team of Leaders*, you'll also like:

1. ***Great Business Teams* by Howard M. Guttman**. Guttman describes a new high-performance horizontal model that changes the way leaders lead, team members function, challenges are met and decisions are made.

2. ***The Five Dysfunctions of a Team* by Patrick Lencioni.** Lencioni reveals the five dysfunctions that go to the very heart of why teams often struggle and offers a powerful model and actionable steps that can be used to overcome these common hurdles.

3. ***Winning With People* by John C. Maxwell.** Maxwell shows how relationships can be created and strengthened for success in work and life, and provides the tools needed to improve existing or future relationships.

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Accountability

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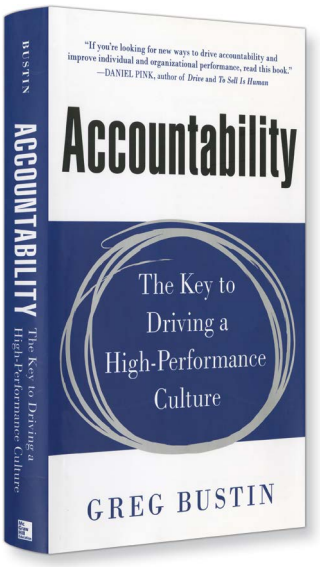
Accountability

The Key to Driving a High-Performance Culture



by Greg Bustin

THE SUMMARY IN BRIEF

Accountability is one of the biggest challenges business leaders face, but it can also be one of the most important factors leading to success. Top business consultant and speaker Greg Bustin has dedicated a career to working with CEOs and the leadership teams of companies on this crucial topic. From his experience, Bustin has developed a set of leadership tools that will increase accountability and drive success for any type of organization.

Accountability will transform the way you manage, maintain and motivate yourself, your team and ultimately your workforce. As a business leader's guide to the best practices to turn long-term vision into reality, it introduces the Seven Pillars of Accountability: character, unity, learning, tracking, urgency, reputation and evolution, and shows how each pillar is a crucial part of effective leadership.

Lack of accountability is the single greatest obstacle facing even the most experienced leaders. Bustin shares what he has learned the hard way: if you are not clear about everything — vision, values, objectives, strategy, rewards and penalties — the likelihood of achieving your goals is slim.

Accountability is a must-read for anyone who wants practical, actionable steps to build and grow a thriving business.

IN THIS SUMMARY, YOU WILL LEARN:

- Why accountability starts with purpose.
- How to get from Point A to Point B with everyone on board.
- How to use the Seven Pillars of Accountability to create your bridge to the future.
- How to sustain a high-performance culture based on purpose, trust and accountability.

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THE COMPLETE SUMMARY: **ACCOUNTABILITY**

by Greg Bustin

The author: Greg Bustin is a business and leadership consultant, an international speaker and a Master Chair for Vistage International, the world's largest CEO membership organization. He writes a monthly bulletin sent to more than 5,000 executives globally and regularly speaks at events throughout the world. His perspective on leadership has appeared in the *Wall Street Journal*, *Barron's*, the *Dallas Morning News* and other major publications.

Adapted by arrangement with McGraw-Hill Global Holdings, LLC, from *Accountability: The Key to Driving a High-Performance Culture* by Greg Bustin. Copyright © 2014 by Greg Bustin. 256 pages, $28.00, ISBN 978-0071831376. To purchase this book, go to www.amazon.com or www.bn.com. Summary copyright © 2014 by Soundview Executive Book Summaries® www.summary.com, 1-800-SUMMARY. For additional information on the author, go to www.summary.com.

Introduction

As leaders, we get the behavior we tolerate. When it comes to holding people accountable, we are often our own worst enemy. We accept excuses that sound logical even when we know better. We allow emotions to cloud our decision making. We delay having a conversation with an underperformer because it's easier to avoid a difficult conversation than have one. Instead of practicing accountability, we practice avoidance.

Three valuable lessons about accountability are,

1. **Clear expectations must be established.** When your purpose, expectations and rewards are crystal clear, your employees will embrace accountability as a way to become even more successful.
2. **Bad news does not improve with age.** As soon as you see a problem, it's best to address it immediately. Failure to speak frankly with the person about his or her performance means nothing will change.
3. **It's not personal.** Leave emotions and opinions behind. Stick to the facts, set a plan to get performance back on track, and communicate specific consequences for underperformance.

In organizations like The Container Store, Ernst & Young, Herman Miller, Marriott, Nucor, Sony and Southwest Airlines, accountability is more than a conversation. It's an attitude and a set of expectations that show up in every aspect of their firms' operations: how they hire, communicate, develop people and make decisions.

Organizations wrestle with accountability in similar ways, and exceptional organizations succeed by following principles and practices that are similar regardless of age of the organization, geography, industry or size.

Accountability Starts with Purpose

Before you can hold others accountable, you must first hold yourself accountable. And you first must know what matters most to you. Two of the hardest questions any of us will ever answer are, "Who am I?" and "What do I want?"

It is pretty easy for most of us to describe to others *what* we do. This is the *doing* part of our life. What about the *being* part? Who do you want to *be* that causes you to do what you *do*? Do you do what you do only for the money or for something else? What drives you? What fulfills you? What causes you to make the sacrifices you make?

Human Beings, Not Human Doings

Most business leaders aspire to their positions because they are skilled and hard-working, and they envision a better life for themselves. More of the good life. As their responsibility grows, some leaders gradually discover they are working harder than ever. They have changed from human beings into human doings.

Does this description resonate with you? If so, try answering these two fundamental questions: "What do I want out of life? Is my business helping me get it or keeping me from it?" These two simple but powerful questions help leaders discover what really matters. Along the way, some leaders realize they are so busy doing what they are doing that they might be enjoying less of who they are being.

Figuring out who you are is the natural first step in the accountability process. You must know who you are, what you want and what you don't want before you and your organization can codify and live out the core values you will use as guidelines for holding everyone in your enterprise accountable.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Amanda Langen**, Graphic Designer; **Corbin Collins**, Contributing Editor

What Do You Want?

Executives say that thinking through what is significant in their lives, articulating those thoughts as a set of measurable goals, and then writing them down is a powerful process that drives personal accountability. Compare your personal goals with the goals you've established for your career. How do these two sets of goals complement each other? Where are they out of alignment?

Your sweet spot is where your personal core values (what you're *willing* to do) intersect with your experience (what you *can* do) and your interests (what you *want* to do). Finding your sweet spot is one of the most gratifying accomplishments you can experience. It's also a key to driving accountability.

Learning from Winners

Every leader is tasked with getting from Point A to Point B. It's often their most significant objective and the hardest to achieve, and accountability is the single greatest threat to reaching Point B.

Accountability's Chokepoint

Every organization deploys three fundamental resources: time, people and money. Think of your organization as a funnel into which time, talent and treasure are poured. Emerging from the funnel's spout is the result of your investment in those three commodities. As time, talent and treasure move through your funnel toward a result, their original state is altered as they come into contact with one another. This contact is shaped by two key contributing factors: the processes inside your organization and the behavior of people. The sum of this behavior is your organization's culture.

For many leaders and their organizations, the narrowest point of the funnel is a chokepoint because it's a place where emotions can enter into decision making and influence the results. Emotions can prevent successful leaders from holding themselves, their peers and those who report to them accountable.

Part of what makes accountability difficult is that when you are working with smart people and things don't get done well or on time, you are often handed excuses. It is a vicious circle, and the excuses are infinite. Talk is cheap, so we often buy it. When we do, accountability suffers. And even though accountability is a significant component of any leader's success, it is not even your biggest problem. Your biggest problem is reaching Point B.

Crossing the Abyss

To cross the abyss to reach Point B, your first challenge is to help those on your team see that it is both necessary and possible to get to the other side. They not only need to share your vision, they need to *believe* it. Unfortunately, those who share your enthusiasm are usually outnumbered by those who do not.

You will need everyone's help achieving the organization's vision, not just a select few. So, your second job as the leader is to bring everyone along so that they, too, believe in the vision and commit to achieving it.

People are more likely to support a plan they helped develop, so guide your team through the development of a plan that shows how you will cross the abyss and get from Point A to Point B. Your plan should include objectives, strategies, budgets, responsibilities and schedules. Your plan is your road map. It's also your contract with each other. Without a plan, expectations are not clear. And without clear expectations, accountability is not possible.

Getting Comfortable with Change

If you don't plan to change, don't bother to plan. Planning, by definition, means doing more of what's working and less of what isn't. So the planning process should be expected to identify people, processes and programs that are delivering high levels of performance as well as those that no longer serve the enterprise or are inefficient.

Tackle change head-on, and expose difficult issues that must be addressed if the company expects to improve its financial and operational performance. Leaders in these sessions talk openly, perhaps hesitantly at first but then more confidently as the session continues, about fixing problems, replicating successes and carving up sacred cows.

At the conclusion of these debates, a choice must be made. Those who agree with the decision are prepared to be held accountable by colleagues and likewise are prepared to hold colleagues accountable for implementing the plan.

The Seven Pillars of Accountability

High-performing organizations share seven distinct characteristics called the Seven Pillars of Accountability:

Character: An organization's character is shaped by its values, and these values are clearly defined and communicated. The organization does what is right for its customers, employees, suppliers and investors, even when it's difficult to do so.

Unity: Every employee understands and supports the organization's mission, vision, values and strategy and knows his or her role in helping to achieve them.

Learning: The organization is committed to continuous learning and invests in ongoing training and development.

Tracking: The organization has reliable, established systems to measure the things that are most important.

Urgency: The organization makes decisions and acts on them with a sense of purpose, commitment and immediacy.

Reputation: The organization rewards achievement and addresses underperformance, earning the organization and its leaders a reputation both internally and externally as a place where behavior matches values.

Evolving: The organization continuously adapts and changes the organization's practices to grow its marketplace leadership position.

The acronym: C.U.L.T.U.R.E. will help you remember the seven pillars and that your culture is a significant predictor of your future performance.

Imagine a bridge spanning an abyss supported by seven pillars, each representing one of the seven characteristics that are essential in high-performing cultures. Crossing the abyss — moving your organization from Point A to Point B — requires the commitment of you and your team.

Character Counts

Most mission statements are a dime a dozen. We've all seen these impressive declarations that sound good but that are rarely lived out in the behavior of the people in the organization. It's one thing to say you are committed to a particular belief or behavior; it's another thing to believe it and live it.

The paradox of saying one thing and doing another is prevalent in most organizations: the things we *say* we value — treating others how we want to be treated, quality, innovation and even accountability — we don't *treat* as valuable. Our actions are the outward expression of our character.

Your culture mirrors your character. Leaders who commit "little murders," such as starting a meeting late, are contributing to a culture that eventually makes accountability all but impossible. Sooner or later, encouraging certain behavior or ignoring other behavior will result in that behavior becoming your organization's default culture.

Hire People Who Share Your Values

Leaders at exceptional companies like Southwest Airlines hire people who share their values. "At Southwest we firmly believe in the importance of hiring the right person," says Elizabeth Bryant. "You cannot train somebody to care about other people or to smile when they see a customer. That's something you either have or you don't have. So we first find the people who embody the values that we have at Southwest Airlines. From there, we can cultivate them and grow them and train them in the technical skills."

To codify your character, the strategy is simple but powerful: hire the best candidates who align with your values and then pay them accordingly. Whether you call them values, beliefs or principles, you can use them every day as a filter for making decisions, including who you hire.

When you hire for character as much as skill, you improve accountability because you are in alignment on big things like mission, vision and values. Your debates and decision making will be centered on practices, not principles. And you'll be rewarded with less turnover, lower recruiting costs and a higher-than-industry-average productivity rate.

The Schizophrenic Organization

When leaders are asked, "To whom does your organization make promises?" they generally respond with "customers." There's often a "whatever it takes" mindset that comes into play to make sure you're keeping customers happy. It's a big part of who you are — your character — to deliver on those promises. These promises are important, but they are promises made *outside* the organization. What about promises being made *inside* your organization?

Why do we treat customers one way and colleagues another? That behavior makes for a schizophrenic organization. The promises being made inside the organization, such as deadlines, commitments and agreements made to one another, are broken every day. Broken promises reveal a character flaw.

When a promise to a customer has been broken or is about to be broken, it's often because someone broke a promise to a colleague. When these types of events occur inside your organization, they signal an accountability problem. Such problems make it hard to scale your operation because you're managing by exception.

As you calculate the cost of one of these events, bear in mind that more than money is at stake. Your reputation with your customer has been tarnished. Your reputation with your colleagues hangs in the balance as employees wonder why these problems are allowed to continue and why the people who are part of the problem are still on the team.

Up to this point, we have examined the idea of character as it relates to the qualities and traits of people. Character can also refer to the qualities and traits of things.

So before rushing off to blame a person, reexamine your processes. Consider the character of three processes:

Workflow: What systems are in place to replicate success? Do those systems reflect the way work really gets done? What steps can be added, deleted or modified to improve efficiency?

Tools, training and development: Do people have the tools they need to be effective? Has the organization provided training and development to help people do their jobs to the best of their abilities? How do we develop soft skills, such as leadership, judgment and problem solving?

Communications: Were the expectations of the job clear? Were the expectations related to individual performance clear? Were the direction and feedback provided consistent?

The words you choose to describe your values are important. You have chosen these words to describe your organization's character. Your promises are the actions that speak louder than your words.

In high-performing organizations, accountability is a side-to-side process. But accountability starts at the top and is shaped by the character of an organization's leaders.

Galvanizing Your Team: Unity

Your organization's mission (its purpose beyond making money) and vision (where you're going) are especially important. They must translate beyond the financial performance of the organization. They must matter to everyone on your team and inspire people to show up every day and give their best to achieve a goal that is bigger than any individual. It is how great organizations drive accountability.

People want to win. Winning requires unity, commitment and accountability. Leaders unify their colleagues and put them in a position to win.

Unity does not mean absence of conflict. A certain amount of tension is inevitable because conflict is the price of individuality. The key to unity is being able to answer "Yes!" to the question, "Are we in agreement on the big issues?"

High-performing teams achieve unity by talking through concerns, questions and doubts, and committing to the strategy, the action and allocation of resources required to achieve the vision. And then they hold one another accountable to their shared commitment.

A blueprint for any executive seeking to unify a group of people in order to accomplish a difficult task is,

- Seize attention.
- Describe the situation and the motivation for action.
- Appeal to shared values.
- Acknowledge difficulties and provide context.
- Paint the vision, show commitment, mix with humor.
- Be specific.
- Leave them inspired.

Clarity Creates Confidence

To bring out the best from the people on your team, you must tell them what to expect. Setting clear expectations at every level in the organization is one of the simplest and most effective steps leaders can and should take to drive performance.

Your operating (or strategic) plan should ensure that everyone is clear about

- Where we are (Point A).
- Where we're going (Point B).
- How we'll get there.
- Who's responsible and will be held accountable for specific tasks.
- Deadlines for commitments.
- Rewards and penalties related to performance.

When your plan includes the above-mentioned components, it becomes your contract at the leadership level. And the basis of your accountability model.

At the individual level, expectations should be established as an up-front contract with an if/then component. The power of the if/then component is its simplicity, its clarity, and the fact that it is discussed and agreed to — as the name of the contract says — up front. "If you do this, then you will get this. If you do not do this, then this is what will happen." Clear expectations and clear consequences for both sets of behavior are indicated.

Accountability breaks down and emotions swirl when clear expectations are not established up front.

To galvanize unity and drive high performance, people need to know what you want them to do and what's in it for them when they do it.

To accomplish great things, the employees of an organization must be unified around a common goal, and each person in the organization must believe that what they do will affect whether that goal is reached.

Green and Growing: Learning

Learning continues to be exceedingly important because the pace of change has never been faster; and it will never again be as slow as it is today. How can you and your team keep up with learning all that you need to know? How

do you know what you need to learn to do the job you're supposed to do?

You are wise to look beyond your four walls to learn from changes occuring in the competitive, political, regulatory, cultural, technological and financial arenas that will make an impact on your business.

But before you look outside your organization, first look inside. Learning doesn't just come from the top. Nor does it come only from experts conveying information and training to your employees. Learning can and should be bottom to top and side to side, just like accountability in high-performing organizations.

Successful companies understand they can learn from their employees, so they survey their workforce to learn how employees feel about the company, to measure employee engagement and to assess whether the company's training, development and communication initiatives are working.

More than anything, learning is an attitude, and it's a way of thwarting complacency, attacking problems and spurring intellectual, skill-based and, ultimately, financial growth.

Leaders of high-performing companies share an expectation that the company will do its part to provide training, tools and development opportunities, and the employees will do their part. Like everything else in the accountability equation, the responsibility for learning is shared equally.

Even when you hire great people with values that match your own and who share your enthusiasm for the work, you still need to invest time, money and patience to help them reach their full potential in your organization. Hire for values. Develop skills.

If you want to grow your business, you must grow your people.

What Your Employees Want: Tracking

If you believe — and just as important, your employees believe — tracking helps people make better decisions, improve performance and celebrate milestones, then tracking will be an essential component in your quest to drive accountability at every level of your organization.

Tracking performance and making this information visible throughout the organization are crucial for driving high performance because they provide the feedback mechanism that enables leaders to remove much of the subjectivity, emotion and excuses associated with underperformance. Tracking performance allows the facts to speak for themselves and do the heavy lifting of holding people accountable.

The key components of the Tracking Pillar are deciding what performance indicators to track and what increments to use; ensuring that what's being tracked is shared widely and connects with your employees intellectually, operationally, emotionally and financially; and making the tracking timely, accurate, consistent and visible.

Tracking sales or profit indicators alone won't tell you the entire story. Running a business without tracking nonfinancial indicators, without gathering data directly from your customers, or without providing performance feedback with your employees is like piloting an airplane from the aft galley without any gauges to help you. You're flying blind.

Not Everything Can Be Counted

Your first decision about tracking performance is determining what to track. Leaders frequently get carried away tracking activities that are meaningless to most employees. And sometimes what is being tracked is meaningless to the company's performance.

Of all the things you track, which two or three indicators should be emphasized repeatedly, communicated continuously and then celebrated when significant milestones are reached? If you have the right employees, they will tell you what information they need to be effective and to feel like the work they're doing is meaningful.

Although it's true that what gets measured is what gets done, it's also true that your accountability and performance will improve when what you measure connects to the work you're asking your people to do. Making the connection between the person, their performance and the organization's purpose is essential.

Tracking is your mechanism for communicating clearly and unambiguously the performance that is occurring at the enterprise, business unit, departmental and individual levels. It's what your best employees want. They want to know how they are doing against their individual objectives, and they want to know how their performance is helping the organization achieve its larger objectives. If you have the right people on your team, peer pressure is a powerful accountability force.

Instilling a Sense of Urgency

By whatever name you choose to call it — persistence or passion, stubbornness or stamina, drive or determination — all great leaders demonstrate an urgent will to win.

As the leader, you don't have to be the one solving the problems, but you must identify them and then act on them. Balancing reflection with action is one of the hallmarks of a great leader. Thinking things through can make your company great.

Just as the Unity Pillar and Tracking Pillar are linked by virtue of what each communicates about expectations and progress against those expectations, the Learning Pillar, Urgency Pillar and Evolving Pillar are linked because the characteristics shared by these three pillars embody the approach exceptional companies take to harness, apply and benefit from knowledge.

The Urgency Pillar converts learning into high-performance by sustaining a laser-like focus on improving processes to drive productivity, minimizing red tape to create a sense of urgency and a bias for action, and recognizing mistakes and moving quickly to address problems.

Don't confuse urgency with lots of change. People can handle only so much change because it's stressful. And don't equate urgency with rash, hasty decision making and execution. Urgency for high-performing companies is the disciplined focus on a handful of compelling priorities that are executed with purpose, commitment and immediacy.

Communicating Urgency

Founded in 1974, Clark Builders had grown to $473 million by 2008 and gained a reputation for delivering great results in cold-climate construction. Brian Lacey joined the company in 1990, and today he's one of Clark's eight partners. He said, "What I've found is that people tend to want to do well, and I've learned that communication is key to helping them succeed. Like any process, communication can have a weak link, and when that weak link breaks the chain in your critical path, you can find yourself in trouble."

Lacey identifies his top performers to handle the critical items on a project. He creates a sense of urgency, charges them with the responsibility for the outcome, and sets the up-front contract so expectations for accountability are clear. "When you provide good people enough information to operate well, they're going to strive to meet or exceed your requirements," Lacey says.

Walking the Talk: Reputation

Warren Buffett once said, "We can afford to lose money — even a lot of money. We cannot afford to lose reputation — even a shred of reputation." Reputation, the sixth pillar, is at risk as your colleagues watch to see how you handle adversity, conflict and character flaws. The Character Pillar and Reputation Pillar are linked. Character is who you are. Reputation is how others see your character being lived out.

Most leaders' first thought when asked about "reputation" is to consider it as something that occurs outside the organization. Although technically true, this assessment is only half the equation. Your reputation as a leader is also being formed by your ability or inability to live up to your promises inside your organization. Are you living your values? Are you walking your talk?

Holding people accountable is difficult. A delay in addressing underperformance signals to your employees that you are either oblivious to the problem or afraid to confront the issue. Neither choice inspires confidence, and such behavior diminishes your credibility.

Confronting Underperformance

Successful companies are better than most at identifying underperformers, balancing "humanity and performance" as they coach these underperformers, and then moving them out if the employee can't or won't improve.

As you "search for the guilty," you must decide what role you played in the event. Is the process broken? Were you unclear in setting expectations? Did you make it difficult for someone to come forward and warn you of the impending disaster? If the problem lies with the individual, you must decide how you will address that person's performance.

To address underperformance, you must figure out what's happening below the surface, the part you may not be able to see. What is the underperformer thinking? Feeling? Has that person's beliefs changed? How aware is the person that his or her performance has gone south? Questions are less likely to put the person on defensive, and questions help you avoid making incorrect assumptions about a person and a particular behavior.

Listen patiently without thinking about what you will say next. Listen for what's not said. Watch body language. Assess the gap between their reality and yours. Determine whether they are able and willing to improve. You cannot want success for them more than they want it for themselves. Your assessment will help you answer the hardest

question of all: how much more time will you invest in them to get their performance back on track?

The company Herman Miller provides the tools and coaching employees need to be successful. "If they can't improve their performance, if moving them to a position that better suits their capabilities is not feasible … or if they choose for some reason not to address their performance, then we look at exiting them from the organization," says Tony Cortese. "When that is the decision, we make every attempt to do that with dignity and respect."

If you can't change the people, change the people.

Change Practices, Not Principles: Evolving

A leader must accept that customers' needs are always changing, and so the company you are leading must be ever evolving. Therefore, two of the most important questions a leader must ask and answer, says author Peter Drucker, are, "Who is our customer?" and "What does the customer value?" An organization's top leader is responsible for getting answers to these questions and accountable for executing the changes that will enable the company to provide the products and services customers want.

Changing a business model takes smarts and guts. Transforming people is even harder and takes leadership. The steps of a change management program, says Sony's Steve Dalton, are "not rocket science: casting a vision for the future, getting change agents on your side, getting some quick wins, communicating your vision without exception to everyone, achieving buy-in, and figuring out how to reward people. Yes," he says, "many people know those steps. The issue for me was this: You have got to believe in it yourself if you're the leader. And how you implement and execute your plan is the key."

Making yourself visible to your employees and showing them that you care are smart steps for a leader to take under the best of times, and they are essential when the uncertainty of change causes anxiety among the workforce.

Seven Words You Can't Say

Comedian George Carlin was known for mixing observational humor with larger, social commentary. His groundbreaking 1972 album *Class Clown* featured his most famous monologue, "Seven Words You Can Never Say on Television."

George Carlin had his seven words, and here are seven you shouldn't say: "We have always done it this way." If you are serious about getting better, you must be fully committed to considering new ways of running your business. Do not change your principles. You must, however, be willing to look critically at changing your practices — your business proposition, your programs, your processes, your people — to evolve and propel your organization to the next level of success.

The flip side of "always" is "never." Here are five other words that will kill your efforts to evolve, improve and achieve your organization's performance potential: "We've never done that before."

Tastes change. Habits evolve. New expectations develop. Smart leaders make big, smart bets and are held accountable for the results those bets produce. Big deals. Small improvements. Calculated risks. Follow-through. Your ability to leverage change, your willingness to evolve, and your conviction to execute your plans will drive your future performance.

All organizations wrestle with accountability in much the same way. Although the scope and complexity may differ from organization to organization, the problems leaders encounter on their journey from Point A to Point B are the same.

High-performing organizations create and sustain a culture of purpose, accountability and fulfillment that is guided by a set of principles and practices that are simple to say and hard to do.

The key to accountability is bringing together these principles and then acting on them with consistency to sustain a high-performance culture.

You now have a bridge, supported by the Seven Pillars of Accountability, to help you reach Point B. Where will your bridge take you?

RECOMMENDED READING LIST

If you liked *Accountability*, you'll also like:

1. ***The Accountable Leader*** **by Brian Dive.** Centered around three themes — leadership, accountability and organizational structure — this book explores what it means for managers to be held accountable at every level.

2. ***How Did That Happen?*** **by Roger Connors, Tom Smith.** Gain an unbeatable competitive edge and enhance performance by holding others accountable in a positive, principled way.

3. ***Change the Culture, Change the Game*** **by Roger Connors, Tom Smith.** Learn how to build a culture of accountability in your organization.

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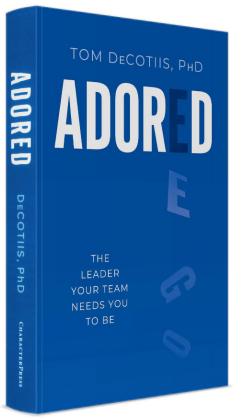

by **Tom Decotiis**

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THE SUMMARY IN BRIEF

Every leader wants to make a difference to their business, but that is easier said than done. With so may leadership styles and preferences today, finding the key to success can be tricky. Not to mention, many descriptions of a great leader are subjective. In order to be the type of leader that makes a difference and is respected no matter what, you must transcend from being a great leader to an adored one.

In ***Adored***, Dr. Tom DeCotiis draws upon his own experience as a teacher, entrepreneur, and CEO to explain how using your values can allow you to transform your business and coworkers for the better. DeCotiis uses personal anecdotes and insightful instruction to explain exactly how and why to transform from an accepted leader to an adored one, all by setting your ego aside. *Adored* is the perfect guide for anyone wanting to be more than a simple desk leader. With implementable tips and amusing stories, DeCotiis can help you become an Adored Leader by leaning on what matters to you most: your values. Only when you combine active attention and goodness to your leadership approach can you become a truly Adored Leader.

IN THIS SUMMARY, YOU WILL LEARN:

- What separates an Adored Leader from other leaders.
- The 4 most important habits of Adored Leaders.
- The steps to getting a leadership edge.
- How to connect your knowledge, values, and achievements through hard work.

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Introduction

Today, more than ever, ethics and personal values must be put into the heart of your leadership skills. That is because being sort of great will not cut it. Looking back at our past presidents, we can see that there is a distinct separation between great and sort of great. For example, George Washington and Abraham Lincoln stand out as being great leaders, despite their numerous ethical failures.

In contrast, many modern presidents, such as Barack Obama or Donald Trump, are described as great by certain people, but the statement is easily contested. What does this teach us? It teaches us that the notion of great and sort of great rely heavily on subjective opinion. If the notion of great is subjective, then why are certain presidents, such as George Washington and Abraham Lincoln, overwhelmingly approved despite their shortcomings?

The answer is rather simple. These presidents are not just great or respected. Instead, they are adored. Though their shortcomings are noted, their eagerness, goodness, and achievement allow them to stand the test of time and be remembered as game changers. How does one become an Adored Leader, though? What does "Adored" even mean in the sense of leadership?

The Three As of Leadership

When it comes to leadership, there are three different classifications: an appointed leader, an accepted leader, and an Adored Leader.

An appointed leader is one that gets appointed to the job but never goes above and beyond to be a fantastic leader. Instead, an appointed leader is simply there to fill the role, and their lack of action and ego tends to do more harm than good for the company. Although an appointed leader is rather straightforward and easily seen, the distinction between an accepted leader and an adored one is much more subtle and warrants further discussion.

An accepted leader, in contrast, has great intentions. They care about the organization and their team, and they work hard to get the job done. Accepted leaders are often liked or appreciated, but they are not all that special. Even though they often make a difference, they are not the difference maker for their team's success. Instead, they are more like cogs in a leadership wheel, one more successor in a chain of succession. Most leaders fall under this category.

Then, there are a few leaders that go above and beyond and make other people wonder how they can do it. Through their energy, insight, and ability to motivate people, they constantly blow other leaders away and are revered among their coworkers and team. This is an Adored Leader. An Adored Leader is someone who is regarded with utmost esteem, love, respect, and honor. They somehow meld achievement with goodness to make a difference in the team.

But how does one transform from an accepted leader to an adored one? The first thing that distinguishes an accepted leader from an adored one is the sense of wanting to make a positive difference in the lives of others. In fact, the essence of leadership is this very fact. If you do not incorporate this essence of leadership into your leadership strategy, you can never be an Adored Leader. At most, you can be an accepted leader.

The second thing that distinguishes an accepted leader from an Adored Leader is the emphasis on two characteristics: achievement and human goodness. Many accepted leaders focus on one of these characteristics, but not both. They may force achievement while forgetting about human goodness. Conversely, they may be really lenient and kind but not push forward for achievement. Adored Leaders do not pick between these two characteristics. Instead, they have both of these characteristics at once.

Finally, the last characteristic of an Adored Leader is that their achievements do not happen by accident. Instead, they intentionally act to do better to set them apart from other accepted leaders. In other words, they view their leadership success as a matter of choice and personal responsibility.

The Starting Point of Personal Growth

To begin your journey of becoming an Adored Leader, you have to ask yourself one question: how good a leader do I want to be? This is the starting point of personal growth. Although this question may sound a bit juvenile, it is a serious question that will shape your destiny. Many people assume that answering this question happens anytime anyone takes a leadership role, but very few leaders take the time to ask themselves this question.

Even if you do not formally ask yourself how good of a leader you want to be, you will inevitably answer this question through your actions. Your actions will be seen by your peers, colleagues, and history. What you do will tell you exactly how you answered this question. Adored Leaders answer this question intentionally and know that it is up to

them to make their answer a reality.

You Are What You Repeatedly Do

You are what you repeatedly do. The sort of habits you incorporate into your leadership style will determine the type of leader you are. An Adored Leader is one that incorporates habits of excellence into their day to day life. Although it may sound simple to have habits of excellence, it is actually a lot harder than it may sound.

Something becomes a habit whenever the new behavior becomes automatic. The person who instinctively reaches for a cup of coffee upon waking up has a habit. So too does the person who laces up her sneakers and hits the streets for an early morning run. Just as you can have positive habits, you can also have harmful habits, and harmful habits are much harder to break than good ones. After all, it is much easier for me to break the habit of running in the morning than it is to grab a candy bar in the checkout line.

Habits become ingrained in your neuropathways the more you do it. That is why it is tough to add a new habit to your routine. There is not a pathway to help us establish it yet. Likewise, it is hard to break habits because the pathways are already etched in our mind.

The 4 Habits of an Adored Leader

Adored Leaders know the importance of habits. Nothing they do is accidental or coincidental. Instead, their achievements are based on habits that they have worked hard to build up in their mind. There are four habits in particular that an Adored Leader rests upon that separates them from an accepted leader: focus, preparation, commitment, and reflection.

Focus allows you to know where you are going and how you get there. If you do not know your destination, any road will take you there. Adored Leaders focus on the mission at hand. They know what they need to achieve, allowing them to focus on how to achieve it. They then work with an experienced and effective team to make this focus a reality and they have clear expectations and accountability. These expectations and accountability allow for everyone to remain focused.

The second habit of an Adored Leader is preparation. The Adored Leader knows that they must practice excellent habits in order to be excellent when it matters most. In other words, they prepare and practice day to day. Just as the old saying goes, "practice makes perfect." Adored Leaders practice often so they can be as perfect as possible.

Adored Leaders also make commitment a habit of theirs. Commitment goes much further than being engaged. Instead, it is about giving a part of yourself for the benefit of others, including your enterprise, team members, and community. This commitment allows them to be better. Even if a follower cannot see an Adored Leader's commitment, they can feel it. In many ways, commitment is the driving force behind many Adored Leaders.

Finally, the last habit of Adored Leaders is reflection. There is no growth without reflection. Otherwise, you will stay in your comfort zone and stagnate, as the easiest path is to do what you have always done. Growth happens when you think and reflect on yourself and your actions. Personal growth does not come from experience, but from reflecting on experience. Adored Leaders reflect on themselves and their own experiences to reach achievements.

The Leadership Edge

An edge is something that provides us an advantage in the pursuit of something valued. The leadership edge puts six different stepping stones together to achieve one end: being an Adored Leader. This allows you to create your personal edge, starting with your definition of a leader and encourage you to customize one of your own. Here are the six stepping stones of the leadership edge:

1. Define: Define what it means to begin with the end in mind and answer the question, "What is a leader?"
2. Know: Know what it means to understand the driving force that underlies positive relationships and what it is that an Adored Leader gifts to his or her followers.
3. Be: Be is about developing your personal character--that is, how you approach the challenge of being a good person.
4. Universal Promises: Universal promises refer to what Adored Leaders promise their team members and what Adored Leaders expect in return.
5. Measure: Measure means monitoring your progress on your journey to being an Adored Leader.
6. Achieve: Achieve is about the destination of honorable character and being an Adored Leader.

The Head, Heart, and Hand Triangle

In order to understand the habit building process and how to apply it to yourself, you need to understand the head, heart, and hand triangle. The head represents the knowledge and understanding of what it is that you intend to do. We must have knowledge of what we want to do before we can actually do anything. The heart represents your emotions, values, energy, and what you will actually do. Finally, the hand represents action aligned with the power of knowledge and commitment. In other words, it allows you to connect your head and heart.

All three aspects are seen as a triangle because they relate to one another and are equally important. Without one, you will likely not become an Adored Leader. You will find routine visits to your head, heart, and hand triangle to be invaluable on your journey to being an Adored Leader.

Hardworking Is Not the Same as Hard Work

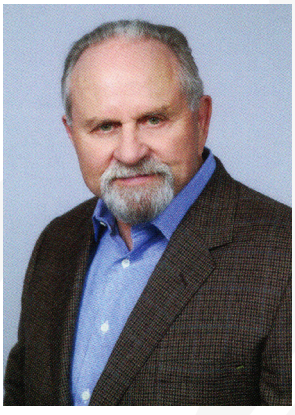
Being a hard working leader is not the same as doing the hard work of improving your knowledge of the profession, lining it up with who you are, and executing it to a high level. Many leaders do hard work to make achievements, but they are not hard working in the intellectual sense. Instead, they are lazy.

It may be more helpful to distinguish between hard working and hard work in the terms of a doctor. Would you want to go to a doctor who is lazy and does not stay up to date on the most recent treatments? Of course not. You want a doctor to be as knowledgeable about medical improvement and science as possible. The same should be said of a leader.

By working hard, you can begin to connect the knowledge of your profession with who you are and executing it. Not doing the hard work of learning the lead at the highest achievable level will lead to serious consequences.

Conclusion

You have already started the hard work of learning to become an Adored Leader. Now, you must challenge yourself by following along the six stepping stones of the leadership edge and more so that you can transform yourself from an accepted leader to an adored one. The choice is up to you.



Tom Decotiis is co-founder and CEO of CorVirtus. He has more than thirty years' experience working with start-up, fast-growth, and turnaround companies and not-for-profits that want to emphasise values, execution, and being the best in their industry as the basis of their growth.

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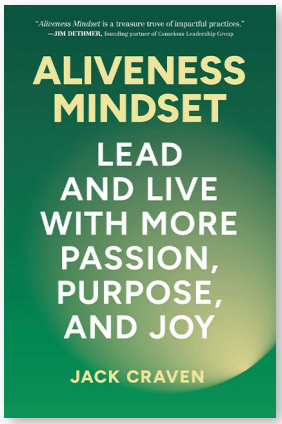
Aliveness Mindset

Jack Craven

Executive Book Summaries®

Aliveness Mindset

Lead and Live with More Passion, Purpose, and Joy



by **Jack Craven**

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THE SUMMARY IN BRIEF

This book is designed for leaders who want to pursue "aliveness" and are willing to do whatever it takes to make those changes happen. It is for people who are fully committed, who want to live with more purpose and passion, and who desire to feel more alive every day. ***Aliveness Mindset: Lead and Live with More Passion, Purpose, and Joy*** by Jack Craven is for those who are willing to question beliefs that are limiting them and make critical shifts that will catapult them into the best versions of themselves.

The process can be messy. Even scary. It can be intimidating to be fully honest with yourself and with what you want and need in life. But, the principles outlined in this book work. They produce results. It doesn't happen automatically or overnight, but if you focus on becoming more aware of yourself and more tenaciously devoted to the kind of life you want and need, things will change for the better.

IN THIS EXECUTIVE BOOK SUMMARY:

- Grasp how to identify, describe, and experience what makes you feel most alive.
- Learn the meaning behind "The Circle of Aliveness" and the seven key Aliveness Mindsets.
- Understand why the Aliveness Mindset is crucial to live a more fulfilling life.
- Find out how to "Live All In", prioritizing how you want to feel daily and engage in actions that support this feeling.

PART I: INTRODUCING ALIVENESS

This is What I Want

When have you felt most alive? Truly alive. What does aliveness feel like to you? If you could extract the essence from those moments and memories, what specific words would you use to describe it?

If you're going to become more alive, you have to learn to identify, describe, and ultimately experience your own version of aliveness. Try to sum up your specific experience of aliveness in a few words. Jot down whatever words come to mind to describe how aliveness feels in your body, your emotions, and your mind. Now ask yourself, what if I could always feel that way, or feel that way more often? How would that change my life?

For many people, aliveness is a foreign concept because they've never been challenged to imagine a better quality of life than what they are experiencing. They have material and career goals, but those are superficial metrics of success. What about success on the inside? What about a lifestyle characterized by peace, joy, fulfillment, and positive energy?

You can take your personal version of aliveness into every aspect of your day-to-day life.

Aliveness is found at the intersection of what makes you feel most alive and how you approach your day-to-day life. If either of those is out of whack then it will be hard or even impossible to experience ongoing aliveness.

Aliveness is a state of being characterized by bringing the best version of yourself into your day-to-day experience through identifying and adopting mindsets and actions that align with your unique way of being fully alive.

The Circle of Aliveness

Aliveness is best represented by a circle. A circle centered on what I call your Optimal State.

Inner Circle: Optimal State

The first circle, the center of the whole shebang, is your Optimal State. This represents the bull's-eye of how we want to feel and what we want our daily experience to be. This is the goal and the intention behind all we do. This is you at your best.

Middle Circle: Aliveness Practice

This middle circle is intensely personal and practical.

Outer Circle: Aliveness Mindset

This circle consists of seven individual mindsets that together form one overarching philosophy or approach to life: an Aliveness Mindset. Together, these are the entry points for aliveness, because without these things, it will be nearly impossible to stay in your Optimal State.

The pursuit of aliveness is not linear, but circular and cyclical. The more you take ownership, the more you'll need to be open. The more open you are, the more aware you become. The more aware you become, the more honesty, courage, and tenacity you need.

More than a Nice Concept

Why should you pursue aliveness?

1. Because you deserve it. You deserve to feel alive, fulfilled, satisfied, and complete simply because you're human.
2. Because it will improve every area of your life in a holistic, integrated way. Aliveness is bringing the best version of yourself into your day-to-day experience of life.
3. Because the people in your world want and need you to experience it. You are connected to other people in so many ways, and your interactions and relationships with others will have a direct effect on your experience of life as well as theirs.
4. Because today matters. One of the toxic lies of "success," as our society often defines it, is that happiness lies on the other side of the next achievement. Goals are an essential part of life, they cannot be the point of your life or you'll always be pursuing what's next and never find a level of fulfillment that transcends what you do.

Show Up or Shut Up

You will have to be brave, wise, strong, and creative. You will have to take some risks. You will have to have a few hard conversations and maybe even disappoint some people —at least at first. You will have to look inward to discover the aliveness within you.

PART II: ALIVENESS MINDSET

It's All in Your Head

Reactivity is one of the greatest enemies leaders face, and openness is the antidote.

Is it possible that wrong mindsets are hindering your experience of aliveness? Could you be harboring ways of thinking about yourself, your job, your problems, other people, or life in general that are draining your energy and impeding your progress toward the best version of you? Could you have a mindset problem? We all have mindset problems.

This is why the Circle of Aliveness starts with the Aliveness Mindset. Changing how you think is the entry point into your aliveness.

Start with Your Mind

Renowned psychologist and researcher Carol Dweck has spent decades conducting groundbreaking research about how the way we think influences our leadership and lifestyle. These ways of thinking are mindsets, and they are remarkably powerful.

What we choose to think and believe becomes reality. We can use mental fortitude to frame our present situation in a positive light. That, in turn, positively affects our experience of the situation.

When it comes to aliveness, we have to start with our mind. Until we address the unhealthy ways of thinking and seeing the world, it's nearly pointless to address our behaviors and emotions. Conversely, once we adopt the right mindsets, our actions, thoughts, words, feelings, decisions, and relationships fall more naturally into place. Bottom line: keep an open mind.

The Aliveness Mindset

The Aliveness Mindset is made up of seven individual mindsets that frame and empower the Circle of Aliveness. These include ownership, openness, awareness, authenticity, courage, tenacity, and love.

Thinking about how you think is one of the most impactful tools you have to transform your life. It is a tool you always have access to because it exists inside of you and is completely within your control.

LOOK IN THE MIRROR

ALIVENESS MINDSET 1: OWNERSHIP

If you blame other people for what you don't like about your life, you take away your power to change it. A mindset of ownership is essential to aliveness because it gives you back your autonomy. This approach is "Look in the Mirror" leadership. Own what you have done to create the current results in your life.

ACCESSING THE ENERGY WITHIN
ALIVENESS MINDSET 2: OPENNESS

Research indicates that an open mind coupled with humility facilitates learning, adaptation to diverse environments, and innovation. Reactivity is one of the greatest enemies leaders face, and openness is the antidote.

Why? Because reactivity is an automatic reaction, which means you do it without thinking about it. Being open, on the other hand, engages intentionality and reflexivity. We all experience fear, worry, anxiety, and stress.

But we also all have the opportunity to live above those things. To replace control with curiosity. To shift our mental posture from the heels of our feet to the balls of our feet.

Openness is a decision to engage the rational part of your brain. You move from unconscious reaction to conscious action.

Anxiety can be an indication that something inside of you is out of alignment. Instead of ignoring or suppressing it, work with fear and anxiety by engaging openness. How?

Step 1: Don't ignore it; listen to it. What if, instead of ignoring fear, you listened to it?

Step 2: Don't kill it; tame it. Your thoughts and emotions are your responsibility, and outside circumstances don't have the right to control them.

Step 3: Don't let it use you; use it instead.

THE FIRST STEP TO (ANY) CHANGE
ALIVENESS MINDSET 3: AWARENESS

This takes intentionality. Once you decide to analyze what you are thinking or feeling, you can often identify problem areas within a matter of seconds. What are you feeling? What are you afraid of? What is triggering you? What could you do to recover your aliveness?

Your day should begin with an awareness of you at your best, of how you want to feel throughout your day, and of what you need to do to create that experience for yourself. That means taking a few moments every morning and as needed throughout the day to intentionally engage with an aliveness mentality.

Awareness is the starting point for all change. Take time to become aware. Take time to truly see and understand. Be aware of the situation at hand, but even more importantly, be aware of you.

THE BEST YOU IS THE REAL YOU
ALIVENESS MINDSET 4: AUTHENTICITY

Authenticity refers to the degree to which your life aligns with your true self rather than conforming to societal expectations or external pressures. Author Brené Brown defines it as "the daily practice of letting go of who we think we are supposed to be and embracing who we are." An authenticity mindset means you pay attention to the stories you tell yourself and the excuses you make to give up too soon. What belief or story are you using to convince yourself that the things you want the most can't happen?

If you want to understand yourself better, pay attention to what excites and what frustrates you. Your emotions are meant to work together, and they are meant to motivate you toward positive change.

OVERCOMING FEAR
ALIVENESS MINDSET 5: COURAGE

You can't eradicate fear and anxiety, so don't make that your focus. Instead, listen to them long enough to learn from them, to hear what they are trying to tell you—then choose courage. The ambiguity of life means that in order to achieve and remain in a state of aliveness, you will always need courage.

What does courage look like for you, and where do you need to engage it? Don't confuse courage with adrenaline.In contrast, aliveness feels more like effortless play. We have infinite energy when we are alive, and courage is a natural result.

PLAY THE LONG GAME
ALIVENESS MINDSET 6: TENACITY

Tenacity is the quality of being persistent, determined, and unwilling to give up or be discouraged in the face of challenges or obstacles. When it comes to aliveness, a tenacious mindset is one that has a strong and unwavering commitment to remaining in aliveness—or to recovering it if it's been lost.

In the pursuit of aliveness, you have to play the long game. You can't expect quick fixes or easy answers because usually the things that need to change are within you, and that kind of soul-searching and honesty doesn't happen without some resistance.

CONNECTION IS EVERYTHING
ALIVENESS MINDSET 7: LOVE

A mindset of love is about more than having warm, fuzzy feelings toward people. Author Bell Hooks wrote, "Affection is only one ingredient of love. To truly love we must learn to mix various ingredients—care, affection, recognition, respect, commitment, and trust, as well as honest and open communication."

In your pursuit of aliveness, include your heart. Don't neglect this vital element of human connection and interdependency. Be intentional about leaning into love, into generosity, into sharing, into connection.

Let's look at a few of the ways love can help protect you.

1. Love is a protection against ego.
2. Love is a protection against isolation.
3. Love is a protection against fear and anxiety.

PART III: ALIVENESS PRACTICE

Feel It: Your Personal Brand of Aliveness

Have you considered what aliveness feels like for you? This is the heart and soul of the aliveness journey. You can't pursue what you can't define.

Learning to Listen to Yourself

Learning about your aliveness starts with feeling it. Before you can define it, before you can analyze it, before you can create it—you have to feel it.

Your Personal Brand of Aliveness

As you strive to connect with your personal "brand" of aliveness, focus on engaging the mindsets of: ownership, openness, awareness, authenticity, courage, tenacity, and

When you choose how you want to feel each day, you are effectively choosing how you want to feel about your life.

love. They will help you discover your aliveness and remain in that state.

Lock it In: Your Anchoring Mindsets

Introducing Anchoring Mindsets

Anchoring Mindsets are highly personalized. They are essential components of your value system and your inner motivations. When you identify them and learn to intentionally engage your AMs, they help move you toward aliveness, regardless of how difficult of a challenge you might be facing.

They are a stabilizing force, a source of strength and protection when life is difficult and aliveness seems hard to hold on to.

Discovering Your Anchoring Mindsets

So how do you identify the Anchoring mindsets that are so important to you? Discover your AMs by looking inward and paying attention to what is inside you already.

Below are questions to help you explore and name your Anchoring Mindsets.

1. What elements are common to my memories of aliveness?
2. What thoughts calm me, energize me, or otherwise move me toward aliveness?
3. What do I naturally feel, do, and prioritize when I don't feel threatened?
4. What is sabotaging my aliveness, and how do I try to counteract that?
5. What do other people say about me when they are praising me?

Live It: Aligned with Aliveness

Many of us lead a reactive life based on our calendar and schedule. There is another way to live. You can be focused and intentional, making life happen in a way that places you in your genius zone and in the flow. To do that, you have to learn how to align your actions with what creates aliveness for you.

Prioritize How You Want to Feel, Not What You Want to Do

This means every day, you look at your schedule through the lens of how you want to feel throughout the day. This is a critical mindset shift you must make too. It runs counter to the hyper-efficiency teaching most of us grew up with, but it leads to greater sustainability, satisfaction—and, ironically, efficiency.

Prioritizing your feelings or your experience of aliveness implies two things at the same time.

1. Choose to Carry Aliveness into Your Day

This means changing how you think: your mindsets, your expectations, your inner dialogue.

2. Choose to Structure Your Day to Support Aliveness

This means changing what you do on a practical level: ruthlessly restructuring your calendar, choosing what meetings to be at, having conversations with people whose underperformance is draining your energy or who need to perform at a higher level, and so on.

Productivity Is the By-product, Aliveness Is the Goal

Focus on experience. This is your life, and you get to live it only once. When you choose how you want to feel about each day, you are effectively choosing how you want to feel about your life. The significance of that cannot be overstated.

PART IV: OPTIMAL STATE

How Do I Know?

Your Optimal State is not something you can name, define, and perfect in a fifteen-minute exercise. It's a state of aliveness, which means you're describing the ongoing condition of experiencing feelings that are uniquely important to you.

Understanding Your Optimal State

1. Optimal State is an experience, not an action.
2. Optimal State is your personal brand of aliveness.
3. Optimal State is you at your best.
4. Optimal State is a place you spend a lot of time.
5. Optimal State is not always possible, but you can always move closer to it.

Flowing in Aliveness

Flow is a psychological state of complete absorption and focus on an activity. Distractions fade away, and you have a sense of clarity and natural concentration. Flow is often connected to a sense of control over your actions and a belief in your ability to overcome obstacles. This autonomy and self-efficacy give you a sense of empowerment and increase your motivation.

Can you think of times where time stood still, the world around you faded away, and the energy to face a challenge came from within? Don't assume those moments are the exception. They should be the norm.

Aliveness is the Rule, Not the Exception

Your Optimal State is not just a goal to strive for; it's a place to stay. To live in and live from. And if you do stray from this place of aliveness for whatever reason (which we all do), you should try to return as soon as possible.

Take a minute to think about what place or object could represent staying in your OS. Maybe there's a real place that could provide a visual connection for you, such as the beach, a forest trail, or a cabin where you always vacation; or maybe a different metaphor comes to mind.

Removing Aliveness Blocks

Since your aliveness is distinctive to you, your blocks are as well. If you pay attention to your feelings throughout your day-to-day experiences, you will generally be able to pick up on the situations or triggers that most affect you.

Accelerants

Accelerants are small, practical actions that help you activate, sustain, extend, and maximize your aliveness. These are actionable, schedulable things that you can turn to at any time.

Living All In (LAI) Tools

If you don't have a plan for when you get reactive, it's nearly impossible to minimize reactivity in the moment.

The fifteen LAI (Living All In) tools are tips and strategies to help you discover and remain in your Optimal State.

1. Identify reactivity
2. Identify resistance
3. Breathing
4. Meditating
5. Self-compassion
6. Self-distancing
7. Rehearsing OS and AMs
8. Accelerants
9. Inner coach
10. Reframing
11. Whole-body yes
12. Journaling
13. Look back
14. Wall of gratitude
15. Kindness and connection

THE FUTURE IS ALIVE

Embracing aliveness is about recognizing and nurturing the moments when you feel most alive and bringing that essence into your daily life.

By identifying your Optimal State and adopting practices and mindsets that align with your personal version of aliveness, you can transform your daily experiences into a more fulfilling and vibrant existence.

Remember, the pursuit of aliveness is not linear but a continuous, cyclical process that requires courage, openness, and a commitment to personal growth. By focusing on how you want to feel and aligning your actions to support those feelings, you can achieve a more holistic and integrated sense of success and well-being.

"Take nothing for granted. It's great to be alive." Lin Brehmer, a well-loved DJ at Chicago classic rock station WXRT for over three decades.

Jack Craven has always shaped his professional journey around his passions. Starting out as a trial lawyer with the Chicago State's Attorney's office, he moved into private practice and later took on the role of CEO for his family's business for nearly two decades. Yet, his move into executive coaching stands out as the most challenging — and rewarding — chapter of his career. It was during this time that Jack created his "Living All In" philosophy. He has utilized his extensive professional and personal growth journey to empower individuals to discover deeper purpose, joy, and happiness in their lives.

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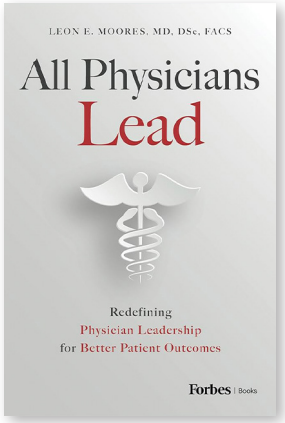
All Physicians Lead

Leon Moores

Executive Book Summaries®

All Physicians Lead

Redefining Physician Leadership for Better Patient Outcomes



by **Leon E. Moores**

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THE SUMMARY IN BRIEF

We expect from physicians a lot more than we've ever anticipated from these professionals in the past. A doctor is always viewed as a leader and that role impacts every aspect of a physician's job. Physicians also need extensive strategic and decision-making skills to optimize outcomes and always protect a patient's interest.

All Physicians Lead: Redefining Physician Leadership for Better Patient Outcomes focuses on the strategic roles healthcare service providers have to embrace. From convincing their patients a certain treatment is the best choice to expediting the work of labs or imaging departments, doctors have to communicate, persuade, and inspire every single day. Unfortunately, many medical professionals lack the training and the skills to embrace that important role.

Author Leon E. Moores, a neurosurgeon, and a seasoned healthcare leader, shares his insight on physician leadership. Moores has chosen a focus on the "concentric circles" model – learning about oneself in order to become a better personal leader and a confident professional who can eventually start leading others. Primarily targeting physicians, the book also speaks to medical schools and healthcare organizations where leadership isn't considered a bonus but rather a core competency.

IN THIS EXECUTIVE BOOK SUMMARY:

- Realize how our perception of physician leadership needs to change.
- Why does physician leadership matters so much in the context of healthcare service provision?
- What's the best physician leadership development model?
- Learn how leadership circles work.

Introduction

All physicians are leaders. That may not sound like a profound statement, but it really is. And it has vast implications for our healthcare industry. All physicians lead, not just those with designated leadership titles, such as Department Chief, Chief Medical Officer, or CEO. Leadership is foundational to the role of the doctor. Every single interaction with patients and healthcare team members requires managerial acumen and precise, persuasive communication. Luckily, leadership skills can be learned and acquired.

Improved physician leadership leads to better teamwork, higher morale, and improved decision-making at every level of the healthcare delivery system. This leads to higher-quality medical treatment, which leads in turn to better health outcomes—for patients. This simple but powerful idea is the premise of this book: better physician leadership leads to better patient health. But this idea has not yet been institutionally embraced by the medical community. I hope this book plays some small part in changing that.

Section 1: The Value of Physician Leadership (Why It Matters)

Chapter 1: Redefining Physician Leadership

Physician leadership is almost always approached in the context of reaching a managerial position within a healthcare setting. The definition of the term leadership, however, is pretty simple: influencing thought and behavior to achieve desired results. It's easy to see how this skill can help anyone become a better physician, regardless of their experience level or career pursuits.

It's a given that people look for leadership in their doctors. Physicians are expected to make critical decisions that affect everyone – from the patient and their family to the healthcare organization as a whole.

That's why the chapter argues the minute you put the long white coat on, you start leading patients. As a physician, you'll also have to lead healthcare teams, medical students, and anyone else involved in the complex process of healthcare service provision.

According to the Accreditation Council on Graduate Medical Education, the six core competencies for physicians are:

- Interpersonal and communication skills
- Professionalism
- Systems-based practice
- Practice-based learning and improvement
- Medical knowledge
- Patient care

The connection of most to leadership is obvious. Hence, the author makes the important argument that leadership in itself should be ranked among the core competencies. In the absence of good leadership, outcomes deteriorate. Its absence has been linked to disruptive behaviors, low performance and high stress for teams, low morale, high employee turnover, and ultimately – poor patient outcomes.

The reasons for leadership not being embraced as a core competence, however, are systemic and in need of broad addressing. Formal medical education lacks an emphasis on leadership. It's qualified as one of the non-essential soft skills that can't be crammed into an extensive medical curriculum. It's also a well-known fact that choosing a managerial direction in healthcare can be frowned upon. These complex factors lead to the exclusion of leadership skills from the qualities every physician needs to acquire.

Chapter 2: Qualities and Components of Leadership

A good leader is more than a checklist of positive attributes. They often are the "sum that is more than its parts." And yet there are many identifiable characteristics that good leaders almost uniformly possess. These characteristics include:

- Truthfulness
- Accountability
- Professionalism
- Good communication skills
- Service-mindedness
- Empathy and emotional intelligence
- Character

At the same time, the role of leaders is evolving. They're no longer perceived as supervisors or managers. They also have to provide a sense of consistency in everyday processes, psychological safety, good problem-solving, transparent communication, cultural modeling, and even inspiration.

When looking at what makes a good leader, we to distinguish between positive and negative leadership. Negative leadership is a traditional, autocratic rule. People aren't inspired to do their best, they are driven by a fear of negative consequences.

Negative leadership is often the result of a failure to realize one's leading role and confusing authority with actual leadership.

Positive leadership encourages and inspires. It creates a vision that every team member can get on board with. Clear communication, as well as rewards for positive accomplishments, are also hallmarks of positive leadership.

Many physicians adopt a negative leadership style and that's not because they're bad people. Negative leadership is often the result of a failure to realize one's leading role and confusing authority with actual leadership.

Over-regulation in the healthcare sector can also make things difficult. Introducing changes can be a nearly impossible task if a certain way of doing things has become institutionalized.

That's why positive leadership requires the right attitude and a commitment to the desired outcome. Physicians have the responsibility of leading the change, which means they often clash with traditional views of authority and management in the healthcare sector. Making small adjustments every single day, however, can pave the way for more innovative thinking and a completely new way a leadership role in healthcare settings is being perceived.

Chapter 3: Benefits of Better Leadership

The moment your leadership skills improve in the clinic or the operating room, you begin improving your patients' healthcare experience and health outcomes. The better you get at leadership, the more improved results you will continue to see over time.

Leadership benefits every level of health service provision. It motivates everyone to bring their A-game. It empowers and stimulates people to perform and apply their skills and knowledge for optimal outcomes every single day.

When you feel cared for by leadership, you want to care for your teammates and your leader in return. That's what it all boils down to. Good leaders create a sense of camaraderie, a shared mission everyone can embrace as their own.

The effects of leadership, however, aren't just immediate. They extend way beyond the team or individual unit. The organizational benefits of effective physician leadership are numerous – improved patient satisfaction and financial results, better staff retention, better relationships between physicians and the administration, and better succession scenarios.

All that sounds amazing but how do you start practicing when you don't feel like a natural-born leader? The following chapters of All Physicians Lead provide in-depth information on building those skills and making them a part of everyday practice.

Section 2: The Concentric Circles of Leadership

Chapter 4: Leadership Circle #1: Leading Yourself

Leadership development can be viewed as a series of concentric circles that build upon each other. These circles "grow" from the center outward, much like the rings of a tree. All of the circles interact with each other, back and forth, increasing strength and perseverance. This means the center is never "completed." It continues evolving and interacting with the other circles – a mechanism that adds strength and supports growth.

At the very heart of this model is learning how to lead yourself. If you don't know how to do that, you'll never be capable of becoming a true physician leader for others. In learning how to lead yourself, you also become the model of leadership behavior others can emulate with success.

Self-leadership starts with a very accurate and intimate self-assessment. Knowing your strengths and your weaknesses, reflecting on your performance, and taking full ownership of your behavior all lie in the foundations of being a good leader.

Begin the journey towards better leadership with self-awareness, both internal and external. When you realize there is an aspect of yourself that is more fundamental than your mental and emotional activity, you begin to gain the ability to look at your thoughts and feelings more objectively. Internal self-awareness is a lifelong process that deepens understanding of your own emotions. External

self-awareness, on the other hand, is the ability to look at your behavior with a measure of objectivity and imagine the effect it is having on others.

The desire to develop self-awareness is the most important first step on the journey towards becoming a better leader. When you have it in place, you can start doing the actual work.

Self-leadership involves all these essentials:

- Doing an honest and detailed self-assessment
- Seeking feedback from others
- Developing a practice for continuous self-awareness (that can include meditation, counseling, mentorships, or guided retreats)

Self-leadership can also benefit from the development of a few additional skills. A growth mindset allows you to continue learning, inspiring others to do the same. Working on your confidence but maintaining a sense of humility at the same time will also be vital to your practice. You can probably recall immediately someone whose confidence is quiet and natural, seeming to flow from within. These people have exceptional self-awareness and they don't need external validation to recognize their value.

Finally, self-leadership needs direction and a sense of purpose. A personal mission statement gives you the "why" that will help you continue even during difficult moments. Purpose is the spark that inspires others to follow you and perform on a high level.

To be a good leader, you have to focus on yourself. That also involves self-care. Being a physician is demanding and stressful. Your ability to perform is heavily dependent on addressing your needs in four domains – physical, mental, emotional, and spiritual.

Chapter 5: Leadership Circle #2: Leading Another

Every successful leader has the ability to influence other individuals, whether such interactions occur on a one-on-one basis or the leadership scenario involves entire teams or departments.

Your ability to form a positive relationship with another human being, even if you spend only five minutes with them, helps create a basis of caring and trust that allows you to influence thought and behavior to achieve a desired result.

So, what does it take to become an effective leader that other people will be willing to trust and follow? Influencing another individual is a complex endeavor and one that certainly merits more focus and training in physicians' careers.

One skill is the key to forming sustainable one-on-one relationships. That skill is active listening. Active listening is the art of being fully present and fully engaged with another person. It depends on doing a number of things, the most important ones being the creation of an optimal physical environment for an interaction, maintaining good eye contact throughout a conversation, giving necessary feedback, clarifying, engaging beyond the spoken words, reflecting back, and asking open-ended questions.

Active listening is something that can be practiced every single day. It's a part of building relationships and developing trust.

As a physician, you will have to work with and influence specific individuals. One-on-one encounters will occur in multiple settings and the chosen communication approach will depend on context and the very nature of the interaction.

Dealing with patients and family members, for example, will work well if you have the ability to put yourself in these people's shoes. You should always assume a patient is fearful or anxious before talking to you. When you adopt such a worst-case scenario, you'll work on building trust, even if a routine interaction is involved.

When having one-on-one interactions with team members, remember they are human beings with their health issues. Also, keep in mind they have other bosses. Conflicting agendas may exist. Dual lines of authority will almost always be a real problem. If a teammate is struggling with the recognition of your leadership, they may be responding to conflicting directives.

Interactions with fellow doctors depend on a few cultural and professional specifics. All doctors are conditioned to be strong, autonomous figures. Doctors will often ask tough questions. They may be resistant to change. Presenting convincing arguments and being strategic, especially when attempting to initiate change, may be the difference between success and a complete fiasco.

When influencing doctors-in-training, try to model the kind of respect you want them to give their peers and patients. At the same time, don't coddle them. Sometimes, making residents uncomfortable will be the key to building knowledgeable, confident professionals.

Good team leadership is an outcome of being a good self-leader and also a master of one-on-one interactions. Leading teams, however, comes with more complexity because of the group dynamics.

Finally, you have to master one-on-one interactions with bosses. Trying to influence the thoughts and behavior of those above you on the organizational chart can be the one thing needed to promote lasting positive change. You do this by having good communication skills, asking questions, building trust, and acting with integrity. Knowing the parameters of your role will also help you be seen and heard.

Chapter 6: Leadership Circle #3: Leading Teams

Leading teams in healthcare can be extraordinarily rewarding. Here is where you get to see, in real time, the difference your leadership skills can make. A high-performance team has undeniable effects on patient care and these positive outcomes are experienced on a daily basis.

Good team leadership is an outcome of being a good self-leader and also a master of one-on-one interactions. Leading teams, however, comes with more complexity because of the group dynamics.

Addressing a team as a group is dependent on multiple aspects of being a good leader. Active listening is once again vital. The behaviors of people tend to be more revealing in group settings, which is why you have to be very attentive of all cues and signals.

While working with the team as a whole unit is essential, you'll also need to know how to interact with each member individually.

To do so, you need a good understanding of team dynamics and also an effective approach to interact with natural team leaders who may be in open or covert disagreement with you. To do so, you have to get those people understanding that you're on the same team and you're pursuing the same goal. Your leadership style will matter, especially in such challenging circumstances.

Self-awareness and authenticity are also assets that team members will sense. You will have to make conscious choices about how you present yourself to team members. You'll also want to be seen as a full and genuine human being.

Striking the balance between being strategic and being yourself isn't easy. Adding the power differential to the equation can also make things challenging.

Some of the leadership practices that yield the best results in team dynamics include giving people a sense of direction, paying attention to everyone, calling attention to people's strengths, encouraging debate, showing that you care, and celebrating victories. Achieving victories is what high performance is all about. Celebrating your wins – never becoming blasé about them – helps keep the high performance going.

Chapter 7: Leadership Circle#4: Leading Organizations

Moving on to lead on an organizational level entails massive change that can be terrifying. You need to remind yourself, however, that this next professional step is no different from the challenges you have faced and overcome in the past.

The good news is that running an organization is a team effort. You will have the support of colleagues who will be subject matter experts in niche organizational fields. Drawing from their experience and being a good listener will help you embrace the new leadership role.

The move to organizational leadership, however, also requires a mindset shift. The change from clinical to executive settings will be challenging. An ego adjustment and a new thinking model will both have to be embraced for the shift to work.

As an organizational leader, you are now a questioner rather than an answer provider. You have to inspire teams to look for solutions. You also have to question the effects change is going to have on the organization and this once again involves team effort in the quest to find answers.

Leading organizations depends on the development of various skills. A multidisciplinary approach is imperative. You'll no longer be a vertical thinker – you'll now have to examine the horizontal lines through active input from all the departments you manage.

Your leadership style will also have to be adjusted, given

the fact you'll be dealing with department heads now. Humility and a more democratic approach toward decision-making are both going to yield a much better outcome than an authoritarian approach.

As a physician, you have unique perspective that can be very beneficial when leadership occurs on an organizational level. At the same time, broadening your horizons and seeking active input from others (HR teams, compliance experts, IT professionals) will help you develop a holistic managerial approach that produces the best answers and solutions benefiting the entire organization.

Leading organizations involves multiple steps, the most important ones being:

- Setting the tone
- Assessing challenges and opportunities
- Assessing your own strengths
- Having a good understanding of organizational culture
- Communicating a mission effectively
- Working on culture establishment and enhancement
- Making change gradual and manageable for everyone across the organization

Section 3: Redefining Physician Leadership at the Institutional Level

Chapter 8: The Four Essential Lines of Effort

A line of effort (LOE) is a line that links multiple tasks using the logic of purpose… to focus efforts toward establishing a desired end state. Lines of effort are essential to long-term planning.

The four LOEs recommended in the context of physician leadership at the institutional level include:

- Develop interest – early exposure to leadership theory and practice
- The Foundation – provide leadership education
- Apprenticeship Refined – mentorship and coaching
- Building the Bench – identify, recruit, and build experience for future senior leaders

These four LOEs should form a multipronged approach to training physicians as leaders, both in their current role as practicing doctors and for future promotion within organizations. This will involve coordinated work among educational institutions, healthcare systems, and professional societies for physicians.

Chapter 9: Schools, Systems, and Societies

It is my belief that we should be teaching leadership as a core competency for all physicians. The three entities that will play the largest roles in revamping the way we train doctors as leaders are physician training institutes, healthcare systems and organizations, and physicians' professional societies like the American College of Surgeons and the American College of Physicians.

Right now, leadership skills are missing from educational curricula that are extensively focused on teaching physiology. At the same time, a physician who is a less effective leader is a less effective doctor. That's why a change in the educational paradigm is essential to instruct better doctors.

Standardization would benefit healthcare system leaders as they would know that newly hired doctors possess a base level of leadership competency, much as they now know that all doctors possess a base level of clinical competency.

The vision sounds promising but we are a long way from seeing it in reality. This kind of change doesn't happen overnight. Changes in the medical establishment occur slowly but advancing the conversation is a definite step in the right direction.

So, what can institutions do to promote such change?

Physician training entities like medical schools can begin teaching foundational courses that aren't necessarily leadership-labelled. Teaching medical students about organizational skills, communication, and cultural competency will deliver the kind of training needed to build the physician leaders of the future.

Once medical universities start doing so, residency training programs and physician employers can also embrace the trend and build upon the foundation.

Numerous schools have already recognized the need for leadership education in the medical field. Curricula are already being revamped to embed leadership training in a progressive manner over the duration of the entire medical program.

Healthcare systems and organizations should reinforce and continue the training that begins in medical school.

Residencies and fellowships allow new doctors to interact

with skilled professionals who can observe and fine-tune a resident's leadership development. This whole idea is once again based on the concentric circles model, especially the first three circles mentioned earlier in the book.

Residency also provides good opportunities for personalized learning and focusing on one's specific needs. This is also a chance to address some of the inconsistencies resulting from curricula differences between medical schools.

Finally, professional societies deliver another excellent resource to both make the case for better leadership training for physicians and provide some of that training.

Membership in physician societies has benefits. Conventions and even small seminars organized by those entities provide chances to present new ideas and offer ongoing education. Focusing on physician leadership in the coming years can have a serious impact on the way physicians train and acquire professional skills. Looking at specific leadership-related issues will help to track and trend important shifts and performance measures.

Conclusion

Being a doctor means being a leader.

If you are a physician, you should want to be the kind of leader who inspires people through your words, your actions, and your very presence. And if you are in healthcare management, you should want to have a staff full of physicians who possess this kind of leadership ability.

My hope is that every physician who reads this book makes a commitment to review their own leadership skillset and takes concrete steps toward filling any gaps. My even greater hope is that medical school deans, residency and fellowship program directors, healthcare administrators, and leaders of physicians' societies feel inspired to work together and take up the cause of teaching better leadership skills to physicians. In doing this, we will enrich the future of medicine, create higher performing healthcare teams, and improve patient outcomes.

Leon E. Moores, MD, DSc, FACS is a neurosurgeon and seasoned healthcare leader who literally "wrote the book" on physician leadership for the U.S. Army. A West Point graduate, Moores became an officer and a surgeon in the Army and recognized how the lack of formal leadership training for doctors impacts physician effectiveness, team performance, and patient outcomes. Moores now shares his leadership wisdom, and the lessons he has learned through decades of healthcare organization leadership, with physicians everywhere and with all readers passionate about improving healthcare.

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Amplify Your Influence

Rene Rodriguez

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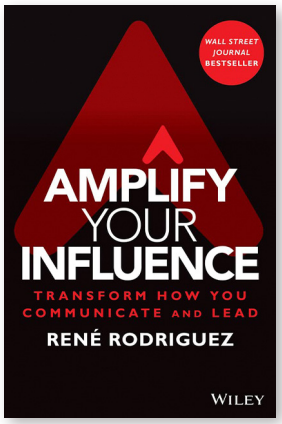
Amplify Your Influence

Transform How You Communicate and Lead



by **René Rodriguez**

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THE SUMMARY IN BRIEF

We all have ideas to share with the world. Whether we do that successfully in business and in life depends on getting others not only to listen but also to act on what we say. That's the power of influence, the capacity to have an effect on an outcome and to positively influence change. Here's some good news. Influence is a science that can be learned. Whether it's a manager trying to inspire their team, a parent providing guidance to a child, or a salesperson working to close a deal, the goal is the same–to influence an action or decision. Basically every profession and worthy act of life requires some level of influence for us to find success.

In ***Amplify Your Influence: Transform How You Communicate and Lead***, author René Rodriguez uncovers the hidden drivers that shape our decisions and behaviors. He shows readers how susceptible we are to the influence of others. He teaches how people make purchases and decisions subconsciously as a result of the stories they share and how sequence–the order of things–matters more than substance. Learning to harness the power of influence–to AMPLIFII™ it–can transform our lives, increase our happiness, and help us find new levels of success.

IN THIS SUMMARY, YOU WILL LEARN:

- The five hidden drivers of influence.
- Four steps to influence.
- The AMPLIFII Formula of frame, message, and tie down.
- Skills to amplify your influence.

Part 1: The Concept

The Power of Influence

The AMPLIFII™ Formula = Frame/Message/Tie Down

AMPLIFII™ can influence your business and your life for the better. But to share its powerful message, we first must be persuaded to listen. That's the most crucial challenge in the world of influence–getting others to listen to what we say.

We live in a world where seemingly everyone competes for our attention. We're constantly bombarded with emails, text messages, social media, meetings, advertisements, movies, television, and more. The reality is that all these distractions clamor for our precious attention.

So do you.

You want an audience to listen to what you say because you also have an agenda to market, whether you're selling a product, teaching a class, sharing a vision, managing people, or simply talking with another person.

If someone wants to influence an outcome or decision, they must first eliminate the distractions–external or internal. To deliver our ideas and messages, whatever they are, we must first figure out how to present them in the best possible setting or situation. That means eliminating the distractions so that others will listen and act on what we say.

Unfortunately, many people don't understand the extent of influence and miss opportunities to advance their careers, earn greater income, and make a bigger impact on the world around them. That's why learning to harness the power of influence–to AMPLIFII it–is a crucial tool to increase success and improve the quality of life for us all.

Influence is the "how" of leadership. Influence would be at the center of a manager's professional development, too, because in a world where people have choices, it takes more than command, control, or title to affect outcomes. Human beings don't respond well to being forced, obligated, or pushed into doing something. They respond best when they are inspired to do so.

The Hidden Drivers of Influence

More than 2000 years ago, the Greek philosopher Aristotle was the first to recognize the power of persuasion and its role in argumentative thought. He identified three critical elements, three of which became known as Aristotle's rhetorical triangle. Those three critical elements include logos (logic), pathos (emotion), and ethos (credibility).

He took his thoughts further and included two additional, often overlooked appeals, kairos (timeliness), and telos (purpose). An in-depth understanding of these appeals is crucial to the AMPLIFII formula. Mastery in these areas will propel you even further and garner bigger results, with the latter appeals being even more important to influence and persuasion today. Let's look at these motivational appeals more closely.

Ethos: Would you take advice on how to lose weight from someone who was overweight or how to make money from someone who is broke? Of course not, because they have no credibility. They lack ethos. Ethos is your credibility and character. Ethos is not something you own. Instead, your audience owns your ethos; they grant you credibility.

Ways someone can build their ethos include:

- Having a great social media presence.
- Be the one in front of the room or on the stage.
- Publish a book or article.
- Create a well-crafted introduction instead of a boring resumé.
- Get an endorsement or referral from a trusted third party.
- Have a professionally designed website with updated photos.

Pathos: Pathos is the ability to reach someone else via a story, humor, or any appeal that moves that individual to connect emotionally. It's the ability to create empathy in others. Vulnerability is truly a superpower when it comes to pathos.

Your ability to share your story, your struggle and not your success, is what matters. Imperfection is what makes us human, and someone who can't or won't tell that story has a hard time sparking passion in others.

In today's highly competitive business environment, developing and managing relationships with customers or potential customers is a crucial differentiator. The emotional connection–pathos–is at the core of those relationships we build that lead to the person answering your call, responding to your email, or truly listening to your offer.

Logos: Logos is the logical argument, the appeal to our sense of reason, the facts and figures. Today with the dominance of social media, ethos and pathos tend to carry a stronger appeal, but we still need logos/logic to buy into the message.

. . . when we add the idea of getting our hearts to speak in that neurological sequence, we can achieve the ultimate goal of maximum connection and impact.

In business, logos is critical and is what remains after pathos wears off. Without logos, we are left with buyer's remorse and cognitive dissonance. Logos is the plan, the steps, the agenda, the goals, the process, the rationale, the budget, the numbers, and the data.

Kairos: Kairos translates from ancient Greek into "the right time" or timeliness. In the discussion of persuasion and rhetoric, kairos refers to relevance to the current era, or current zeitgeist. In other words, it's about taking advantage of the perfect moment to deliver a message and delivering it in a way that's relevant to those listening. The key word is relevant.

Lacking kairos can cause you to lose ethos. Word choice matters. Using outdated terminology, such as *stewardess* instead of *flight attendant*, can cause you to lose relevance. But kairos goes far beyond being politically correct; it's about being relevant and timely.

Using kairos well means you tailor a message to your audience based on who they are and their current needs. It shows that you are current and in touch with the times versus out of touch and dated.

Telos: In Greek, the word telos means literally "the end." As it relates to understanding influence, telos is the end game, the purpose, the essential aim of a speech, a sales pitch, or a presentation. It's the point you hope to convey to your audience.

Sequence is EVERYTHING

Sequence–the order of things–plays a major role in how effectively we influence others. It's a driver of whether the audience gets the message, takes it to heart, and then acts on or rejects it. We must accept the reality that there is a sequence to how people process information and more importantly, accept ideas. Sure, there's a beginning, middle, and end to every story, but beyond that when a message follows the right sequence, it's easier to understand and repeat.

For the purpose of amplifying your influence, sequence is positioning your message and delivery of a message, story, or presentation in a way that aligns with the biological and neurological makeup of how our brains are wired to receive it. What's more, when we add the idea of getting our hearts to speak in that neurological sequence, we can achieve the ultimate goal of maximum connection and impact.

Successful communicators intuitively use this kind of sequence. But for many people, this is a new kind of sequence. At first it may feel counterintuitive and at times paradoxical. But once understood, the AMPLIFII sequence–the formula for delivering an influential message–will explain many confusing or mysterious aspects of life, seriously. The goal is for you to understand this sequence explicitly and be able to replicate it consistently.

Four Steps to Influence

Our brain shuts down to new ideas under stress. There is a sequence that helps calm the primitive defense mechanisms that get in the way of change, innovation, relationships, conflict resolution, presentations, and selling.

Step 1: Am I Safe?

The first job of the brain is to keep us alive so the amygdala is constantly searching for threats. The hypothalamus is the area of the brain that oversees our autonomic functions, including fear and the flight/fight/freeze response. Only one question concerns the hypothalamus: "Am I safe?" If that question can't be answered or is, "No," then the brain will not be open to new ideas, change, or influence.

When it comes to our audiences, we can encourage the feeling of psychological safety by making people feel comfortable voicing their opinions without fear of being judged. For a leader, psychological safety also could mean ensuring that a team is part of the decision-making process by listening to the team's needs and tailoring the message with those needs in mind. The best way to create safety is to establish structure, orders, and predictability.

Step 2: Do You Care About Me?

After someone feels safe, the next step is to ensure they feel valued. The absence of feeling valued creates more stress, which leads to cortical inhibition we want to avoid. The

limbic system controls our emotions and our memory as well as our values. It is affected by outside influences and allows us to connect to our audiences.

It is the part of the brain that is primed for relationship and rapport building. It actually buys your products. Go back to the fundamental things we learned in school and from our parents. Listening, eye contact, smiles, and validation are simple ways to value people.

Step 3: Is This Engaging?

Once we have an audience's attention, we need to keep it by not being boring. We do that by fluctuating between stimuli and novelty. In a business setting, the use of visuals, colors, powerful music, dynamic voice inflection, and body movement all contribute to making things more engaging.

Step 4: Is This Inspiring?

The final step is to engage the brain's prefrontal lobe to align future actions with personal values. This part of the brain constantly creates scenarios and looks to the future. Especially fascinating about the prefrontal lobe is how it connects to the limbic system when trying to decide your next move. That connection determines if the move is aligned with your values. If it's aligned, you act. If not, you don't. When values are engaged, we will stop at nothing.

Self-Awareness

The No. 1 skill of a leader is self-awareness. Every reputable leadership course teaches it, and every top leader exhibits it. Self-awareness is the power that enables us to effect change in our own lives and the lives around us. Self-awareness isn't just a soft skill. It has a significant impact on a company's bottom line.

Research from Kern Ferry, a global organizational consulting firm, found that employees at poor-performing companies, as measured by stock performance, were 79 percent more likely to have low overall self-awareness than those at firms with solid rates of return.

Even with scientific data supporting the importance of self-awareness, it remains an elusive skill for many in the workplace. Anyone can learn the skill of influence, but if we lose sight of how our behaviors affect those around us, those skills are for nothing.

On the other hand, a self-aware leader has the power to inspire us to effect change in our own lives and the lives of those around us. As leaders, people are watching us whether we like it or not. Self-awareness is a skill that can be learned. We have to AMPLIFII our level of self-awareness with time, conscious effort, and practice.

Part II: The Formula

Frames: Window to Your World

Frames are constructs of reality that provide psychological context to help us understand our world. The more familiar terminology is frame of reference–the concept of drawing on past experience or knowledge to help understand something in our current reality. The list of possible frames is endless. Someone who frames an experience as fun will respond differently from someone who frames it as humiliating.

In communication, either the speaker provides the frame or the listener will provide one subconsciously. To truly master the art and science of influence requires us to unlearn old habits. That includes ceasing to answer questions and deliver messages without first proper framing.

The AMPLIFII Formula: Frame, Message, Tie Down

Frames

For centuries, stories have proven to be a powerful way to convey a message. Origin stories are a strong basis for framing but there are many other frames and types of framing devices. Props, jokes, quotes, statistics, memes, third-person stories, and music all influence the experience. The influence objective is to "claim the frame" to preempt or prevent an undesired response and shift it to the one that is desired.

A well-thought-out and well-constructed frame is a strategic advantage in the marketplace and can pay handsomely in the long run. In this battle of whose frame will win, a sales professional should be able to understand the viewpoint of their potential client. But the professional also must have a strong belief in their value and be able to communicate it with conviction through metaphor, story, props, and examples. That's how to win the battle of frames.

Messages

When people think of communicating, they usually mean the message to be delivered. We as communicators and leaders do everything from overthinking how to deliver the message to not thinking about it enough. Most people don't put much thought into the message they are trying to communicate. They just talk, assuming the audience will figure it out. They feel like they understand their

When we learn to connect with people through a clear frame, message, and tie-down–the AMPLIFII formula–the listener not only is engaged but influenced.

message. They have an intuitive sense of what they want, but articulating it isn't so easy.

A good message is clear enough for the listener to understand the actions expected of them. The goal is to eliminate, as much as possible, the need for any assumptions. Consider some possible messages that might need to be communicated:

- Value propositions
- Concepts
- Key messages
- Mission statements
- Differentiators
- Action items
- Feelings
- Expectations

Some of these messages are more easily accepted than others. But all of them risk being misunderstood and can cost time, energy, relationships, and money. The frame in which they are presented, though, will determine how they are received. In essence, the message often helps determine the best frame.

Ties-Downs

Because I have your attention doesn't mean that I have influenced you yet. Influence happens through tie-down. The tie-down is the most powerful way to ensure a message is not only received but that it is understood exactly as intended. The tie-down easily cuts through confusion and erroneous or negative frames and locks in the exact message. The tie-down explicitly outlines the precise value of the message in the context of what is important to the audience and their current needs. When you can accomplish all that, the magical outcome is influence.

When we speak in person, our audience constantly searches for:

- What this information will mean to them
- What value it will add to their lives
- How it will help them achieve their goals

The tie-down answers the specific question of *what this message means to you*, the audience. The tie-down allows you to funnel the emotion (pathos) created in the frame to a specific action. That action is your influence objective.

When we learn to connect with people through a clear frame, message, and tie-down–the AMPLIFII formula–the listener not only is engaged but influenced.

Part III: The Skills

The Art and Science of Storytelling

Stories are everywhere if we learn to look for them. The part of our brains that says, "Yes, listen" or "Forget about it" is designed to discern what is important. When stories become important to us, we will create a category for them in our minds and begin to see them everywhere. The power of storytelling is to completely transform and shift our experience and reality.

It is also true that storytelling is the most powerful way to engage an audience in complex concepts and ideas. The right story can move audiences to support extremely complex business ventures and give money to finance them.

Very much like framing, science and storytelling represent two different ways to construct reality. Science searches for objective patterns that outline general truths about the world, while narratives outline the connections through the human experience that help us create meaning and value around our reality. Regardless of their differences, both are essential because they help us make sense of the world and find our place within it. If trust is established, stories can influence how people think and make decisions.

Body Language and Presence

Your body introduces you before your words. More than ever before, today people make snap judgments based on first impressions. That's why body language is central to the influence

tool set. The same holds true for nonverbal cues such as tone of voice, eye contact, and how close we stand to someone. Those cues convey specific messages that affect influence.

To understand the cues you give and receive requires self-awareness, mindfulness, humility, empathy, emotional intelligence and discipline–the basic skills of leadership and influence. There are tools, techniques, and even some secrets of successful body language. But the reality is that when we speak with authenticity and passion, our bodies know exactly what to do and how to be congruent with our words.

Interpersonal Communication: LOVE and Other Things

Mastering the art of conversation has a massive impact on relationships and the ability to influence. Unfortunately, the skill of how to be a good conversationalist has become a lost art form for many. There is a natural sequence to connect with others comfortably.

A powerful sequence that follows what the best communicators do is all about L O V E. That's an acronym for:

- **Listen:** We clear our minds and listen without an agenda.
- **Observe:** Physically observe body language and how it matches to the tone of voice as well as the other nonverbal messages someone sends when they speak.
- **Validate:** Authentically reflect back what that person said that influenced us.
- **Expand:** Go beneath surface-level topics that do nothing to reveal who we are and what we value.

None of this is easy. It takes discipline, self-awareness, and intentional effort. When we master this art, we can take a cold relationship and warm it relatively quickly.

The Stress Factor

All the methods, techniques, sequences, scripts, and values you learn do not matter if you can't access them when you are stressed. Let that sink in for a minute. It's easy to lead when times are good, but to spark an idea in the mind of the opposition, to have the emotional discipline to not react in the face of hostility, and to find your best strategic response requires advanced skills that are rooted in understanding the role stress plays in our lives day-to-day.

Stress hinders your ability to perform at your best and therefore sabotages your ability to influence. What really sets the elite apart is their ability to perform under stress, period. One way to learn to control stress is to understand the science behind it and why sometimes we can't totally control it.

Since stress is a physiological response, you can use physical approaches to calm it. Breathing techniques, progressive relaxation, 5 minutes of alone time, meditation, laughing, and more are effective ways at activating the parasympathetic nervous system to calm the body and mind and reduce stress.

Putting It All Together and More

It's true joy to watch someone who has struggled to communicate their message embark on the journey to uncover their own story and discover the discipline to learn the skills to communicate effectively. When all this comes together, someone's life changes in an instant.

The clarity of focus they find is inspiring. The effortless way they tell their story and transition to powerful and relevant tie-downs is like watching a gymnast nail a perfect 10 at the Olympics. People also begin to see themselves differently. They stand taller, speak louder, and take bolder steps.

Having confidence and knowing that you can communicate any message so people will not only listen to but also act on it is energizing. Having the self-awareness to know when people resist and the skills to overcome that resistance to deliver a message opens doors to opportunities.

The ability to influence in areas where others can't truly has a powerful effect on the world. To spark an idea in the opposition–"I never thought about it like that before,"–is the kind of influence we need in today's world.

The exploration of your own story is not an easy one. The discipline to learn the skills to deliver your message in a way that is congruent with your values is not an easy one either.

But the most difficult task in front of you is to have the courage to use these tools in the difficult times when it matters the most, when no one around you is listening or cooperating. To be an effective leader, you must have the ability to influence. True leadership is revealed in the struggle.

You now have the tools to completely transform your life and influence those around you. You must find your voice, put in the work, and take the bold steps necessary to positively influence the world. You are here to inspire people in a way that matches your purpose and story.

Uncover it, practice it, and live it boldly. Every day. It may not be easy, but it will be worth it, and the world needs it. Now go and let your heart speak in sequence.

Considered by many as the leading authority on leadership and influence, Rene Rodriguez is a best-selling author, keynote speaker, leadership advisor, and transformational speaker coach. For the last 27 years, René has been researching and applying behavioral neuroscience to solve some of the toughest challenges in leadership, sales, and change. As an entrepreneur and CEO of multiple companies, Rene integrates a practical business approach that inspires his audiences to take action. Through his keynote, bootcamps, workshops and proprietary Amplifii™ course, he helps us own our backstory to build the frame for not only our unique value propositions but also a beautiful picture of life.

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Back to Human

Dan Schawbel

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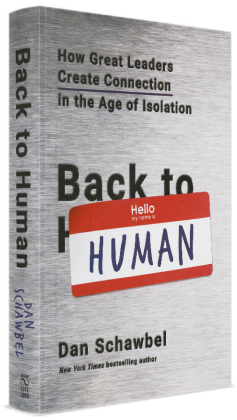
Back to Human

How Great Leaders Create Connection in the Age of Isolation



by **Dan Schawbel**

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THE SUMMARY IN BRIEF

The next generation of leaders must create a workplace where teammates feel genuinely connected, engaged, and empowered—without relying on technology. Based on Dan Schawbel's exclusive research studies, featuring the perspectives of over 2,000 managers and employees across different age groups, ***Back to Human*** reveals why virtual communication, though vital and useful, actually contributes to a stronger sense of isolation at work than ever before. How can we change this culture?

Back to Human explains how a more socially connected workforce creates greater fulfillment, productivity, and engagement while preventing burnout and turnover. Schawbel shares exercises, examples, and activities, which readers can work on individually or as a team, that will help them increase personal productivity, be more collaborative, and become more fulfilled at work.

Back to Human ultimately helps you decide when and how to use technology to build better connections in your work life. It is a call to action to leaders across the world to make the workplace a better experience for all of us.

IN THIS SUMMARY, YOU WILL LEARN:

- To use technology in ways that increase connection rather than fuel isolation.
- To connect by promoting diverse ideas and embracing open collaboration.
- Why it is so important to hire for personality—and how to do it right.

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How Technology Is Isolating Us at Work

Modern technologies have impacted our workplaces in ways that would have been impossible just a decade ago. Instant messaging, digital platforms, and videoconferencing have completely changed how, when, and where we work.

A Gallup survey found that over a third of the entire US workforce has worked remotely. Robotics and artificial intelligence have supercharged our productivity at the cost of replacing tasks and even eliminating full-time jobs from our economy.

Our devices offer many incredible benefits, including real-time interactions, efficiencies in workflow, creation of new ideas, and access to resources. At the same time, those devices have disrupted our relationships and made our workplaces more dysfunctional. Instead of strong bonds, we have weak ties. Instead of productive meetings, we have distractions.

Technology has created an illusion that today's workers are highly connected to one another, when in reality most feel isolated from their colleagues.

What they crave most—and what research increasingly shows to be the hallmark of the highest performing workplace cultures—is a sense of authentic connection with others.

Deeper Relationships Build Commitment at Work

To be fulfilled at work, committed to our teams, and happy, we need to focus on building deeper relationships with the people around us.

A few researchers have studied the correlation between the loneliness that isolated employees feel and their commitment to their teams. The consensus is that having work friends and team camaraderie can make a huge difference when it comes to job performance, loyalty to the employer, and employees' overall well-being.

It's possible to address the hidden emotional need that makes us more human and less machine, not by discounting technology altogether but by using it to propel your career.

When you master self-connection, promote team connection, and build organizational connection, you can be the leader your organization desperately needs while providing greater fulfillment for you and those you connect with.

PART I: MASTER SELF-CONNECTION

Focus on Fulfillment

Regardless of our age, gender, or ethnic background, we all share the basic human needs to connect deeply with others, to feel loved, and to matter. By meeting these needs, we will be happier and more fulfilled and thus more productive and successful in our teams. Being a leader is about creating fulfillment for yourself and your team, and when you do, the true magic at work occurs.

The Five Characteristics of Personal Fulfillment

There are several key factors you need to focus on to ensure that you're living a happy, well-balanced, and meaningful life:

Connection: A strong connection to your teammates makes work more meaningful and enjoyable. The lack of it makes work feel like a chore and creates the silos that eliminate creativity and innovation.

Values: If one of your values is authenticity, create and support a transparent and honest culture in your team. Your values are reflected in your actions, so the more you demonstrate them, the more you internalize them.

Purpose: Think hard about your personal story up until right now and about the thread that connects the decisions you've made.

Openness: Many people fear change because it is unpredictable. But as a leader you need to be open to it. Instead of keeping company secrets, confide in your team so that you can build trust. Being open is also about expressing your true feelings instead of holding back.

Accomplishment. This is not only something we desire but also the emotional feeling we have when something is finished. If you want to be more accomplished, set more goals and make sure they're attainable.

Begin by focusing on your own fulfillment. When you feel fulfilled, you naturally have a positive attitude and a clearer direction for what you're working on.

- What do you enjoy doing the most?
- What do your past accomplishments tell you about your strengths?
- What are your core values (i.e., adventure, challenge, contribution, respect)?

Today, text messages and emails are competing for our time with human connections, and the technology is winning big-time.

- What brings out your most positive feelings and emotions?
- Where do you envision yourself in the future, and why?

Optimize Your Productivity

Today, text messages and emails are competing for our time with human connections, and the technology is winning big-time. Several studies show that the average office worker receives more than one hundred emails per day.

Relying too much on technology inhibits our ability to connect and get things done. That said, used appropriately, technology can be our greatest ally. There are several key ways to use technology to bring us together so we can get our work done in the quickest, most efficient way possible.

For example, use a conference room-booking system to lock in a time and place for your team to talk about an important project or facilitate a one-on-one catch-up meeting. Or you can use search engines to quickly answer basic questions. That will save you and your team from having long, unnecessary discussions about them. Use videoconferencing to connect remote employees so they get to see one another even though they aren't physically with the rest of the team.

Three Actions to Optimize Productivity

Technology undermines our productivity in significant—and insidious—ways. Following are three ideas on how to curb that problem.

Procrastinate less. Whenever you're working on a project, it's always helpful to break it down into smaller tasks. When you do that, the overall project becomes less daunting and more manageable, which makes it harder to procrastinate.

Resist perfectionism. Perfectionism is a weakness disguised as a strength. We think that being perfect will enable us to be more productive and successful at work, yet striving for it depletes our time, causes anxiety, and makes us unhappy. Perfectionism doesn't work in the fast-paced, always-on world that we live in. If you move slowly at work, another worker who's willing to work smarter and faster will replace you.

Stop multitasking. Dozens of neuroscience research studies prove that our brains don't do tasks simultaneously. Instead, we jump from task to task rapidly. When we shift from the conference call to the status update to the email, there's a stop-and-start process in our brains that causes a momentary lag between steps when nothing happens at all.

The best way to keep from wasting a bunch of time trying to multitask is to become an expert at prioritizing your workload so you're always focused on the right project at the right time instead of on multiple projects all at once. Start by not saying yes to everything people ask of you, because there is truly no way to manage everything at the same time. Instead, focus on what's most important, and delegate the rest to your teammates.

Practice Shared Learning

If you care about your team's success, you need to become a shared learner who is open to giving your teammates the knowledge they need when you receive it. At the same time, you need to be just as open to learning from your teammates. This free flow of information is good for everyone—and for business. By collaborating with your team, sharing what you know with them, and learning from them, you'll all acquire information more quickly, retain it better, and be able to apply it in new ways.

When you're actively helping your teammates, you become a role model for how they can better learn and support one another. The following is a list of recommendations for creating a culture of shared learning.

Ask for and give feedback. By giving your employees regular feedback and then soliciting theirs, you'll create an environment in which it's acceptable to both criticize and compliment, and you'll facilitate invaluable conversations that will benefit everyone.

Track accomplishments. Take a hard look at what you and your team have done over the past several months, and examine the actual business results of your activities. Think about the team's accomplishments and employees' indi-

vidual ones. By identifying gaps and weak points, you can create a learning ecosystem that will support everyone.

Be flexible. Be flexible with how you share new material. Having a proper mix of face-to-face meetings, videoconferencing, email, and social media can support everyone's needs.

Have a positive attitude. Push your ego aside, and get excited about improving the lives of those around you. When you're in shared learning discussions, encourage—and embrace—criticism, because that's how you'll get the most honest feedback possible. When you hire for your team, look for those who have a positive attitude about helping others, and be wary of those who seem to be focused on becoming the next CEO.

Promote the expertise of others. Everyone has their own unique skills and can be a teacher, not just a learner. Over time the interactions you have with your teammates and the actual work they produce will let you know what their strengths and weaknesses are. Pay special attention to what they're good at, and when you see an opportunity for them to help, bring them in.

PART II: CREATE TEAM CONNECTION

Promote Diverse Ideas

Not long ago, when people talked about diversity they were referring to a number of visible demographic attributes, such as race, ethnicity, age, and sex. After a while the definition of diversity expanded to include less visible attributes such as sexuality, religion, and even educational attainment. Today diversity has become even broader and now includes intangible characteristics such as upbringing, socioeconomic status, life experiences, and worldviews.

It would be impossible to create a workforce made up of a perfect, mathematical representation of every conceivable demographic. That said, there's one type of diversity that is achievable. In a global study, four thousand young workers were asked about the type of workplace diversity they value the most, and they didn't say gender, age, religion, or ethnicity. Instead, they said, "diverse points of view." This can be called diverse ideas. Focusing on people's experiences, mindsets, and viewpoints effectively incorporates diversity in all its forms.

How to Effectively Manage Diversity

We can all do a better job of incorporating the ideas of others and making people feel more comfortable at work.

Hire unconventional candidates. To get the right level of diversity in your team, you must change your hiring criteria. Don't just look at candidates' accomplishments and where they went to school. Ask about their passions, who and what most influenced them, and their interests outside of work.

Understand individual needs. Instead of just observing your team from a distance, set up one-on-one, in-person meetings to get to know your teammates better. Don't bother texting or instant messaging them; that won't give you a sense of their emotions, views, and creativity. You need to get to know the people you work with and their habits so you can lead them in the most effective way.

Create a safe space. Having a safe environment in which people feel comfortable interacting and sharing their perspectives is what makes a team successful and more productive than others. Those feelings of safety and security reduce employees' stress and encourage them to share their ideas instead of keeping them to themselves.

Encourage people to share their ideas. Successful leaders around the world do this in a variety of ways. Patricia Rollins, senior director of marketing at CA, dedicates a few minutes of every team call to thinking through what's working and what's not. "I encourage one 'get fired' idea (something that's really out-of-the-box thinking) to help transform our roles. I then assign a lead to that idea to get it executed."

Embrace Open Collaboration

How we collaborate and network within our teams has evolved over the past decade, and we now rely to a much greater extent on technology for both activities. Today, you can have a videoconference with teammates and co-workers in a dozen different countries without even leaving your office (or bedroom, for that matter).

As an employee, you can work at home, at a coffee shop, or even on a plane or in some other vehicle. As an employer, giving your employees a choice of where and how to work is critical to ensuring that they're comfortable, feel supported, and are in a creative environment. Research shows that a growing percentage of workers are willing to make less money in exchange for this flexibility. The most successful leaders of the future will embrace flexibility.

Although working remotely gives us freedom of choice, it also tends to separate us from the relationships that make businesses function properly. When you don't have true hu-

man interaction, you lose some of the humanity that makes collaboration meaningful, fun, and exciting. One study in the ***Harvard Business Review*** found that the most productive and innovative teams had leaders who were both task and relationship oriented.

Leaders who focus only on results will be ineffective if they disregard the relationships that are required to achieve those results. In-person relationships are much stronger than virtual ones.

Promote a Culture of Open Communication in Your Team

Here are some ways to promote a culture of open communication in your team.

Make everyone on your team commit to being open and accessible. The best way to do this is to set ground rules up front for people to agree on. For instance, if you have an office, you should have an open-door policy that encourages any team member to stop by and share an idea or issue without repercussions.

Champion real-time feedback. Research shows that employees (especially younger ones) want feedback regularly and are too impatient to wait a year for a performance review. Get your team comfortable with providing much more frequent feedback. This starts with you. If one of your teammates shares a new idea in a meeting in an off-putting tone, talk to him afterward and explain that although the idea was great, there are better ways of communicating it.

Share your to-do list. Although you may think you should keep your tasks and goals to yourself, sharing them actually increases the chances that you'll accomplish them. When your co-workers know what you're working on and what your priorities are, they'll be much more likely to help you accomplish them. You can all hold yourselves (and one another) accountable by sharing your daily or weekly to-do lists.

Reward Through Recognition

Personal recognition can not only make team members want to work harder for you and stay at your company longer; it can also create a lasting positive memory in their minds. Although many leaders don't offer much feedback or recognition, doing so can have significant individual, team, and company-wide benefits.

Employees who say that they're consistently recognized at work in ways that are meaningful to them are 11 times more likely to spend their careers with one company and seven times more likely to be completely satisfied in their jobs. Organizations that have formal recognition programs have six times greater operating margins and employees with the highest engagement levels.

Throughout your day, there are countless opportunities to compliment your teammates, and that can make all the difference in their work experience and satisfaction. You can compliment them in the moment, during a meeting, in passing, virtually, or in a formal review.

> In-person relationships are much stronger than virtual ones.

Ask Your Team Members How (and When) They'd Like to Be Recognized

There are various ways to recognize your employees. Obviously not all of them will resonate with everyone. Some people, such as Katie Vachon, merchandise manager of women's apparel at Puma, will prefer public recognition in front of their peers (or a larger group), whereas others, like Chris Gumiela, vice president of marketing and advertising at MGM National Harbor, prefer a private pat on the back.

The best way to figure out how to maximize the effectiveness of your recognition—and which approach will work best—is to simply ask.

But be prepared for some pretty honest answers, such as this one from Sam Howe, director of business development at MSLGROUP. "I think there is a tendency among older generations to treat millennials like we are kindergarteners, and they offer us ice cream socials and pizza for our hard work," he said.

"Now, I am for ice cream and pizza as much as the next guy, but I would like to be recognized at work, as often as earned, by being given more advanced titles (and associated compensation), responsibilities and influence. In essence, we should be rewarded by being given a voice and seat at

the proverbial leadership table. And by being treated like adults, not a Trophy Generation to be placated."

Also, don't underestimate the value of a personal touch. Because we spend so much time online, it's super easy to shoot off a tweet, post something to Facebook or the company website or newsletter, or send an email blast. And while that type of praise is nice, in-person, face-to-face interaction is far more effective.

PART III: BUILD ORGANIZATIONAL CONNECTION

Hire for Personality

Because the pace of business is constantly speeding up and companies are always looking for ways to save money, many have looked to technology to lower the cost of recruiting talent and increase the number of people they can reach.

While these companies tout how much money they're saving by doing their interviewing by phone or video, they don't seem to realize that neither of those approaches can ever replace in-person interviews, in which you actually meet people, see their body language, and observe how they handle themselves. Those approaches are missing the critical emotional connections and personality traits that will help you hire the best possible candidate, who will stay with you longer.

Because relationships are the cornerstone to a healthy workplace, shouldn't we put more emphasis on personality when recruiting new employees? It's challenging to work with someone we don't like, but it's exciting to work with someone who has a great personality that meshes well with our own. Hard skills are important, but they can be learned on the job. It's the soft, intangible skills that are so valuable to creating a team that thrives. They're also the ones that technology has a difficult time assessing.

Five Personality Traits to Look for in a New Hire

When you're hiring for your team, there are five personality traits that you should look for. You'll be able to screen for each by paying close attention to the answers you get to a number of key, strategic questions.

Confidence. If you're not confident, you're less likely to share new ideas, stand up for what you believe in, and perform at your best. When you're confident, you know what you're doing and how to convey your knowledge to others.

Ask candidates, "What was an obstacle you overcame in a previous job?" The answer to this question lets you know about the candidate's ability to push through failure and the challenges that naturally happen in any work situation.

Attitude. You want to hire employees who have a positive attitude because they tend to boost the morale of everyone around them and encourage and motivate their team members to perform better. Ask candidates, "When have you admitted to your teammate(s) that you made a mistake, and how did you manage it?" Candidates with a positive attitude will hold themselves accountable and tend not to make excuses or point a finger at others.

Professionalism. The most obvious signs of professionalism are punctuality at the interview (or being early) and the candidate's basic manners. Ask candidates, "Give me an example of a situation in which you had a conflict with a team member, and tell how you handled yourself." The answer to this question will give you a sense of how candidates handle their emotions during a tough situation.

Likability. In the workplace, likable people somehow manage to bring out the best version of you. Also, they have an incredible competitive advantage because they tend to get promoted more quickly (managers tend to promote people they like over those they don't) and build strong relationships with others, which leads to new opportunities. Ask candidates, "Who has been a great mentor to you, and how was that manifested?" The answer to this question will give you some clues about candidates' relationships with others. Likable candidates typically attract better mentors and describe those relationships in a more positive way.

Curiosity. People who are curious about their own potential and are willing to try new tasks and roles are better able to adapt to change, challenge themselves, and grow as team members. Ask candidates, "Do you have any questions about the position or the company?" Candidates need to impress you, just as you need to impress them. People who don't ask good questions—or any at all—won't be the type of employees you want because they won't push the boundaries or challenge the status quo.

Engage to Retain

According to Gallup, about two-thirds of employees are disengaged at work. Part of the problem is that all that technology—the very things that are supposed to connect us to our teammates—often ends up making us feel even lonelier. Another part of the problem is the rise in remote

Empathy is the most important ingredient in successful, long-term relationships with your teammates, family, and friends.

work, which despite the best of intentions, contributes to a culture of social isolation. And in social isolation, both strong personal relationships and corporate culture suffer.

The Four Ways to Promote Employee Engagement

Countless research studies and conversations with leaders across a variety of businesses show that employee engagement comes down to four factors: happiness, belonging, purpose, and trust. As a leader, if you can nurture these factors, you'll significantly increase the likelihood that your teammates will stay productive, fulfilled, and committed to your goals.

Spread more happiness. Have a serious conversation about work-life balance to show employees that you care about their personal lives and not just their work performance. Do a random act of kindness, like ordering lunch for everyone on a day other than Friday, to show that you care about them. Spend time with your employees, get to know them better, and ask how you can create a better work experience for them.

Create a sense of belonging. Promote belongingness by scheduling social events, having team lunches, and creating an environment in which people feel safe to share information about their personal lives. Hold more meetings that include your whole team so that all feel their voices are being heard and their needs are being met.

Connect purpose to the work. Bring in a customer who has been personally affected by your team's work so that your employees can hear and see the impact of their efforts. Don't just assign work; make sure your teammates know why they're doing it and how it will be used to support your organization, your customers, or even the world. Have employees share their accomplishments and the sense of purpose they feel when they come to work every day. This will help identify shared purpose and goals.

Establish and maintain trust. Be transparent with your team, letting them know what's really on your mind and keeping corporate speak to a minimum. Admit your mistakes. That makes you seem more human and trustworthy and will make it easier for others to admit their own mistakes. Keep your promises so that people know they can always count on you.

Lead With Empathy

Empathy is the ability to understand someone's feelings as if they were our own—in many cases because we've actually had them. Empathy is the most important ingredient in successful, long-term relationships with your teammates, family, and friends.

MIT professor Sherry Turkle explains that technology prevents us from learning how to be empathetic. "It's not some silly causal effect, that if you text you have less empathy; it's that you're not getting practice in the stuff that gives you empathy."

Turkle says that when you apologize face-to-face, you see the other person's body language and potential tears, and you know how upset she is. And the other person gets to see, from your body language and facial expressions, that you have genuine compassion and are truly sorry.

Becoming an Empathetic Leader

To train yourself in how to lead with empathy, take small steps. Set aside time to speak to one of your teammates, and at the beginning of the conversation, just ask how they're feeling. This is an easy, low-stress, direct way of starting an emotional conversation.

There's a big difference between asking, "How are you doing?" and "How are you feeling?" The word *feeling* elicits emotion, whereas *doing* is more activity based. Your goal is to get closer to being open instead of using technology to check in.

If you aren't comfortable with the word *feeling*, that's okay. The point is to ask questions that elicit honest answers—questions that can't be answered, "Fine." If the individual is not interested in engaging in empathetic conversations, whether they're about sexual harassment or death in the family, don't push the issue. But if employees decide to open up to you, listen wholeheartedly.

Improve Employee Experiences

The employee experience is the sum of all the interactions that affect employees' cognition, behaviors, and feelings. Their experience includes conversations with their teammates, the physical space they occupy every day, the nature of the work they do, and their observations throughout their journey at your company. It's how they feel about their workplace, their jobs, their teammates, and their bosses.

The Three Dimensions of Employee Experience: Culture, Relationships, Space

When thinking about the different touch points we have with our teammates, we need to focus on three dimensions. You can control various levers in each dimension in a way that will affect how your employees feel, but over time things must be set up to run without your having to be involved.

Culture. These are the unwritten rules of how teammates work together to accomplish goals and the glue that creates a cohesive, well-oiled team. Culture is made up of many elements, including core values, empathy, community, work ethic, language, symbols, systems, ethics, and rituals.

Relationships. This is a critical part of employee experience because people connect emotionally with other humans much more than they do with a logo, a brand, or a product. If you treat your employees unfairly or you have a toxic employee who aggravates everyone else, the good people on your team are going to leave—and you shouldn't blame them.

The best leaders and companies are the ones that create a family-like environment. They know that when you care about others' success, you create a strong emotional connection.

Space. Physical space is key to creativity, collaboration, and wellness at work. Space enforces and reinforces your culture every single day. Although your company controls the light switches and layout, employees should be able to decide how to personalize their cubicles or offices. If you don't get space right, another company will.

In the not-too-distant future, robots may bring you your morning coffee and brush your teeth for you, but you'll still have a heart, a soul, and a mind—and so will the people who work for and with you. The essential qualities that you'll need to be an effective leader, such as empathy, openness, and vision, can't be outsourced to machines. For that reason, as leaders we need to get back to human and become the masters of technology instead of the other way around.

So, put your phone down, turn off your notifications, and get offline. There's no going back in time, but there is going back to human. Make every interaction count every day, every hour, and every minute.

IF YOU LIKED THIS SUMMARY, YOU MIGHT ALSO LIKE:

- ***TouchPoints: Creating Powerful Leadership Connections in the Smallest of Moments*** by Douglas Conant and Mette Norgaard
- ***Everything Connects: How to Transform and Lead in the Age of Creativity, Innovation, and Sustainability*** by Faisal Hoque and Drake Baer

Dan Schawbel is a ***New York Times*** best-selling author, a partner and research director at Future Workplace, and the founder of both Millennial Branding and WorkplaceTrends.com. He is the best-selling author of two career books, ***Promote Yourself*** and ***Me 2.0***. Through his companies he has conducted dozens of research studies and worked with major brands, including American Express, GE, Microsoft, Virgin, IBM, Coca-Cola, and Oracle.

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· Book 95 of 388 ·

Barefoot in the Boardroom

Shara Hutchinson

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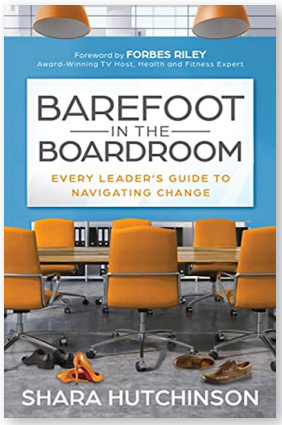
Barefoot in the Boardroom

Every Leader's Guide to Navigating Change



by **Shara Hutchinson**

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THE SUMMARY IN BRIEF

Certified as a Change Management Practitioner and Talent Optimization Consultant, Shara Hutchinson wrote ***Barefoot in the Boardroom: Every Leader's Guide to Navigating Change*** to demonstrate how to assess one's leadership capacity, change impact, and organizational health. She reveals the strategies and tactics necessary to achieve a leader's most audacious goals.

By following Shara's proactive measures and techniques outlined in this book, business professionals will expand their leadership skills while simultaneously encouraging the growth of others. *Barefoot in the Boardroom* will scale an organization, team, or department to not only identify the right strategic initiatives but to execute those initiatives and sustain success. This book will challenge business professionals to break out of the box and innovate with the times. Each chapter offers clarity for strategic initiatives, key objectives, operational tactics, and measurable outcomes that encourages leaders to implement change and innovation in order to sustain professional longevity.

IN THIS SUMMARY, YOU WILL LEARN:

- A vast array of proven techniques and strategies.
- The competencies needed to develop a high-performing team.
- How leaders can align their business strategy with their team.
- A signature change management strategy.
- How to expand leadership skills while encouraging the growth of others.

Introduction

Within *Barefoot in the Boardroom*, business leaders will find a vast array of proven techniques and strategies to apply. The author introduces her "Exposeyour™" Leadership Capacity approach, which includes the nine leadership competencies needed to develop a high-performing team, while her encouragement of vision teaches leaders how to align their business strategy with their team, ensuring that they have the right people in the right seats to get the right results. She also introduces the "Barefoot Method™", which is her signature change management strategy that can be applied to any organization, team, or department to ensure it is future-proofed.

Phase 1 – You're Already In The Boardroom

Time For A Change

No leader with an audacious vision builds a company with the intent of only surviving for a few years. The objective is to keep growing and reach the heights of success over time and have a future. For that, a plan and having the right leaders in the right positions is necessary.

Change is the leading force in the corporate world that decides the decline or rise of a company, so get comfortable with it and get ready to take your shoes off!

Organizational success and survival are highly reliant on the capacity to manage and adapt to change. As a result, businesses must establish a long-term strategy beyond prior techniques, approaches, and quick fixes. This entails planning for the future, looking beyond the confines of the internal business environment, and considering the entire industrial ecosystem in which the company operates.

Expose Your Next Level

You cannot take your team to the next level if you haven't identified the next level. Likewise, you can't identify the next level for your organization or department's vision of success if you haven't exposed the next level for yourself.

There is always another level to everything, including your leadership. Leadership is about getting people to appreciate and invest in your mission. Working with and managing your team to accomplish your goals is all about maintenance and seeing that things happen as they should every day. Both are necessary, but only leadership will take you to the next level.

No matter how successful you are, you can always explore another level, discover new things, make mistakes, improve yourself, experience failures, and develop game-changing ideas. You will have a higher chance of learning more unique concepts and having new ideas if you expose yourself to new people and new information. As a result, you will create an appetite for more growth, expose your next level, and then act towards achieving it.

The culture of your organization or department is mainly dependent on how the leaders handle change, chaos, and discomfort. The quality of your leadership is determined by the quality of the questions you ask yourself daily. These questions allow you to explore possibilities, fail forward, and challenge yourself to change.

Expose Yourself To New Ideas

Exposure to new environments and situations has a lot to do with growth. Sometimes exposure is unintentional and we experience it whether we want to or not. Yet, intentional learning is more critical for the development of a leader. This means it is necessary for leaders to knowingly introduce themselves to diverse situations and conditions, learn new things, and polish their abilities.

A leader must prepare and have the skills needed to improve their organization in order to escape a demise. They need to know how things work in a particular context to learn new things, bring up their game, and make adaptive plans for potential shifts in the future. To learn how various environments act, however, a leader must first introduce themselves to these environments.

Rapid, constant, and disruptive changes now require leaders to change and develop. It involves exposure to diversity in many aspects. That's why, as leaders, we must discover the correct solutions by strategically opening ourselves up to creativity, new concepts, and fresh possibilities. We have to upgrade our information pool continually. Leaders must improve themselves and continually learn new things to deal with the latest and ever-changing market conditions.

Phase 2 – Take Your Shoes Off

The Employee Experience

Significant results within your organization require a team effort, making it necessary also to develop your team. You must start by knowing your team members to coach them to success. It requires understanding their personalities,

work styles, strengths, weaknesses, needs, and wants.

A diverse group is becoming a business necessity instead of an ethical banner that companies hold to show their commitment to embracing and valuing difference and change. As leaders, we have an inspiring vision, a comprehensive and strategic plan, and we know the results we want to achieve. However, we often overlook the necessity to develop a strategy for the most important asset: the people who will ultimately make it happen.

If your corporation hopes to achieve your desired market objectives, you must choose an organizational model that helps implement your business plan. A host of issues occur when the structure and strategy of an organization are in contrast with each other.

There is no single right way to develop a people strategy. That's because every organization has a unique business strategy, structure, culture, and workforce. To create the best people strategy, leaders need to consider multiple factors. And for that, leaders must engage in understanding their employees and be involved with their development.

The Customer Experience

For any business, customers are important stakeholders. Everything from planning to the execution of a product or service is about satisfying the end-users. Over time, the preferences and choices of end-users change, so a business must innovate its customer services along with other business innovations.

The future of the customer experience and the future of your business are intimately intertwined. If your customers are not happy, they will not be customers for long. As a result, you won't be in business for long. There is a continual variation in what clients want and expect. Ultimately, companies that do not conform to delivering a higher level of customer service endanger their future.

A business market is never free of competition. Therefore, it is imperative to build trust and continually discover newer ways to serve consumers and improve customer loyalty to remain competitive.

A business needs to think like an innovator—always coming up with ideas to improve their services and products or to introduce something new in the market. A business should be able to see the market changes coming from a distance. Predicting future demand by analyzing the current market pattern can provide a company with solutions even before the customers realize they are expecting something else.

Your teams can use customer journeys to map and track their complaints and strategize the area of improvement needed to boost sales. The awareness, consideration, and decision-making stages of sales help you envision how customers pass through and encourage each interaction.

BAREFOOT Method™

Every organization has its predetermined path, better known as best practices and processes. If you are determined to succeed, you must be committed to a culture of innovation and constantly challenge the "this is how we've always done it" mindset.

The BAREFOOT Method™ is an acronym of eight letters. It comprises proven strategies and tactics that I have implemented to achieve exceptional results and the framework I've observed while watching other successful leaders and mentors. Each word of this acronym explains a step to effectively lead your team through change and demonstrate the heroic measures that the world's greatest leaders utilize to reach the next level.

B – Break: Corporate transformation may be difficult to achieve, as many businesses are learning.

A – Assess: Assessments are necessary for a business to examine and analyze where it is today and where it wants to go in the future.

R – Reposition: When you ask a business owner what their secret to success is, you will almost always hear something about the people that work with them.

E – Execute: Starting with the first step and then assessing many elements, the plan will become evident—you'll see the whole image of what you have and require at this time.

F – Follow-Up: Follow-up is the next important step. To keep an eye on the "pulse" of your major projects and the company as a whole, you'll need to plan recurring meetings.

O – Operationalize: You have identified goals, created a thorough action plan to meet them, and established the accountability framework. Now it is critical that you operationalize your plan.

O – Opportunities: Many individuals are apprehensive about change. That's reasonable given how many large corporations have been affected by such developments and have lost their market share. However, there is another angle to consider.

T – Timeline: Whenever I am on a long road trip, I always have two questions: Are we delayed? What time will we arrive? Knowing the answers to these questions allows me to evaluate whether I need to make any further stops and to set reasonable expectations.

Phase 3 – Stand On The Table

Effective Change Management

Change management is at the heart of a company's ability to accept and implement change successfully. It enables employees to comprehend and commit to the shift while also allowing them to perform efficiently. Effective change management is vital to fundamental transformation.

When you take unconventional actions in hopes of getting an extraordinary outcome, the responses are similar. As a leader, you must have the courage to take such steps—to be "barefoot"—so that you can do whatever is necessary to achieve your most audacious goals. You must be willing to stand out and do things differently than others would. After all, someone must go against the norm to ensure your organization has longevity.

When you STAND as a leader, you demand respect and accept responsibility for bringing about essential changes for the organization's growth and development. It conveys that it is not about exploiting the authority you have, but about bringing innovation, development, and implementation of plans under your supervision.

Change management does not end, even when the change is complete. You must continually analyze outcomes, collect data, train staff on new techniques and business processes, and revise targets as needed throughout and after the process. If your organization is embarking on large-scale changes with the BAREFOOT Method™, you may need to interchange various methodologies in conjunction with it.

Trust The Process

When the dream you have is big enough to ensure your organization has longevity and your team scales to meet the demand, there will be times along the journey when you will wonder when you'll see tangible results. Change takes time, even when you have the right team in place and all the right tools. It is possible to have a fully functioning organizational structure and still need intervention. When you feel discouraged, if you determine that you still want the result, you will achieve it as long as you keep taking steps in that direction. Trust the process.

Conclusion

Many leaders are afraid to take the steps necessary to get to their next level for various reasons. Remember, it is not just about survival but about sustainability. Take control of the wheel of your leadership vehicle, avoid an organizational CRASH, steer in the direction of your most audacious goals, and navigate change until you arrive at the desired destination. In other words, take the steps to enter the boardroom, take off your shoes, and then STAND on the table!

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Be More Wrong

Colin Hunter

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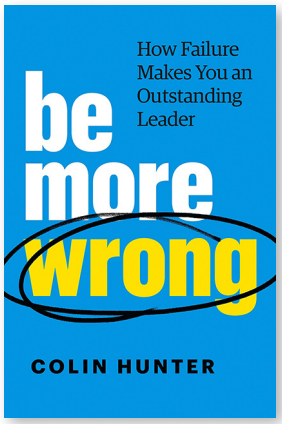
Be More Wrong

How Failure Makes You an Outstanding Leader



by **Colin Hunter**

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THE SUMMARY IN BRIEF

Leaders have a powerful and proper role to play in leadership roles. Being "wrong" is about discovery, making it a good thing. From a collapse on a golf course at twenty-nine years old to completely changing the wrong in his life, Colin Hunter's book ***Be More Wrong: How Failure Makes You an Outstanding Leader*** explores how the wrong experiences can actually be the right ones – transforming our qualities as a leader into something more than we ever expected.

No one likes being wrong, mainly the connotation that you have failed at something. Failure can be devastating to some, but even if you are wrong, it doesn't mean that you aren't learning something in the process. More importantly, failure can be used as a tool for learning. When reframing failure as something useful, you are less likely to avoid taking risks – which is a powerful quality for a leader.

IN THIS SUMMARY, YOU WILL LEARN:

- The importance of the leadership impact model.
- What enables you as a leader and why.
- The importance of directing the conversation.
- The four different types of leadership styles.
- How to continue your leadership journey being wrong.

Introduction

In his book, Colin Hunter defines leadership as "agitating for the future." The purpose of leadership is to acquire the art of future-proofing your organization – essentially peeking around the corner to see what's coming. Instead of focusing on the wrong that can pop up in any circumstance, shifting to a growth-oriented mindset is the best thing a leader can do for their leadership strategy. Taking the changes and stretching the boundaries are the very spirit of being more wrong.

As a leadership consultant, the role requires providing guidance to clients and their people, bringing them to a place they never thought that they could get to on their own. Incorporating the failures with the successes creates a foundation that makes leaders more efficient in their roles because it shows that there are lessons to be learned that may or may not have come to fruition on their own without the event.

To truly appreciate this requires the willingness to stop, pause, reflect, and even possibly go back a step if necessary. This is a critical cog in the system – willingness to be wrong and go back and correct it.

Part One: The Playground At Work

The Leadership Impact Model

The Leadership Impact Model is used to show how habits and systems intersect to create a vibrant leadership impact. This framework embodies the three enablers that provide confidence, conviction, and connection when delivering styles to the world. With this model, leadership in terms of the "long-game" can be explained.

The goals of leadership is to create a sustainable network of systems and habits that outlive the leader. These refreshingly direct conversations, systems, and habits bring about the foundation for the four leadership styles – host, energizer, disruptor, and catalyst. All of these elements are crucial in the ongoing development of robust habits and systems to sustain a journey of being more wrong.

Systems And Habits: The Secret Sauce

The systems we have as leaders need to allow us to be our best selves. We have to ensure that we are clear on our purpose, and that we constantly revisit our story. We need to have a system based on our identity, with measures to ensure that we are portraying – and others are experiencing - the identity we want others to experience.

There are six habits that describe creative people.

The first habit is framing a problem by asking "how might we…?". This allows an approach that invokes thought to offer solutions that may not be right at the front of your mind.

Habit two is gathering inspiration by observing without judgment to determine what people really need.

The third habit comes from synthesizing information to bring out the meaning of the diverse information you gather through your observations to identify a focus.

The fourth habit has to do with generating ideas by pushing past the obvious solutions and coming up with a breakthrough idea.

Habit five is making ideas tangible by getting out and testing them to see what outcomes may prosper from them.

Finally, the sixth habit has to do with testing to learn what works and what does not. Experimentation is key to finding out the right solution versus the "right now" solution.

Part Two: The Three Enablers

Purpose

Anyone is capable of leading, but being a leader isn't a role everyone is born into. It is possible to lead without a purpose. To be an exceptional leader, it requires having a compelling purpose. When purpose is driving a leader, they can experiment, fail early and often, learn from that, and then achieve great things. There has to be importance in finding your purpose if you want to continue on your journey of discovery.

Identity

Everyone has an identity – our people, families, and children all have a view about us, whether it be consciously or subconsciously. Parts of our identity include our skin color, sexual orientation, and birthplace – these we have no control over. Other areas are created by influence and if we do not make these decisions on our own, they are often decided for us. Leadership is not about being a part of a popularity contest. We cannot be successful and be flexible with who we are. You have a view as a leader, and it should coincide with the purpose that you want to achieve. The

careful choices you make about your identity will influence who follows you, how much passion they bring, and how successful you become.

Presence

Presence comprises the perceived and real impact a leader has on others. Either a leader uses their interactions in the moment, or they create the impact across legacy events over time. Presence reflects your ability to be agile in the moment and context. Your presence as a leader should be fluid and seen as the appropriate dance to the music playing in your life at the time. Your presence is made of a series habits and systems that provide confidence in the people you surround yourself with.

Leaders must master agility and make changes in their behavior to remain seamless in the eyes of others to be successful. The levels of respect earned, and the mandates created by you are often based on the level of the perceived authenticity you have with your team and in customer interactions.

Part Three: The Conversation

Refreshingly Direct Conversations

As a leader, to be more wrong successfully, you need to develop a mindset that will communicate to your followers (clearly) that you promote a safe space for error, failure, and learning. These are embedded within the Potential Impact Squared model. The conversations within the habits and systems of the model need to have that mindset too. Your people need to feel as if they can fail and make errors, admit to them, talk about them purposefully, and learn lessons from them.

One of the best ways to build a lasting relationship and trust with your people is through the experience of clear and direct conversations. The most effective conversations have a five-step infrastructure – a simple opening and follow-up, being intensely curious, listening and providing time for someone to feel listened to, giving advice or jointly finding a solution, and agreeing on the outputs and linking back to the overall purpose.

Part Four: The Four Leadership Styles

Host

No matter what your leadership style is, you need to be able to build rapport and make connections. To achieve a level of antifragility, it requires constant and careful nourishment, just like a good training program. To be a great leader, it requires a high level of empathetic listening.

The host leadership style focuses on paying it forward, with success coming from people playing the infinite game and gifting something to others with no expectation of return in the process. Hosts also engage with their people, bringing together those who will jell without implementing a project-based culture.

Energizer

Energizers inspire. When you are a leader, you are in charge of the stories that are streaming into your teams and followers. You have to be the one in charge of the narrative and the storytelling that affects the mood and mind-set of the people. It's your job to find what will inspire them as the energizer. As a leader, you need to find your own style to tell your stories. Energizers require the drive in their purpose to create successful situations even when it is wrong.

Disruptor

Disruptors are focused on what experimenting can bring to their leadership value. These leaders create a unique edge or difference in their approach, product or service, which requires an unbiased human-centered observation to unlock the ways of meeting unarticulated needs.

A large part of success focuses on shaping the market or sector through differentiation in product, service, or ways of operating. That is essential, because standing still will get you nowhere fast as a leader. The disruptor approach focuses on radical and new ideas but is about innovative thinking. Disruptors do not shy away from a challenge, instead embrace it, especially if it supplies a learning experience.

Catalyst

Leaders who have a catalyst style are able to play different roles in the lives of their people. They can be the role of mentor and coach, with each playing a significant independent role. As a leader, it requires agility on both accounts. The catalyst style is both reflective and developmental in nature, embodying the dual skills necessary for active leadership. The most important part to remember about a catalyst is using every moment as a teachable moment. The coach factor comes from giving the guidance necessary to utilize the teachable moments into strategy for success.

Part Five: What Next?

Your Journey Continues

The systems and habits of a leader are more focused on the long-game for leaders. Leaders have to build systems and habits that are sustainable and adaptable to the challenges of the future. That is why learning exactly what leadership styles you want to utilize in your role as a leader are important.

If you are faced with a situation where the support of your ecosystem is not immediately obvious, choosing the right catalyst may be necessary. The same applies with other leadership styles. If you find you are missing something – cultivating the skills and styles of your leadership may be the answer.

Conclusion

After reading, the steps to be better at being wrong is to start by stopping, pausing, reflecting, and engaging. Next, conducting a thorough leadership audit can help you identify the wrong and how to learn from it. Once you have the wrong, start analyzing it by asking "so what?"

Once you have direction you can begin working on your purpose and what it takes to get there. Take the first step, it is always the hardest. Leadership is about embarking on the journey – focusing on the small steps and small experiments in your life.

Part of being a successful leader requires the ability to be wrong, learn from it, and make for better situations ahead. By implementing the five different types of leadership styles, you can learn the most effective way to be wrong and learn the lessons necessary to achieve success. Failure should not be looked at as a roadblock but the first step at achieving something new. That is the purpose of working toward being more wrong – the more wrong you are the more right you can be come.

Colin Hunter is an author, mentor, entrepreneur, coach, CEO and Lead Guide to a business, Potential Squared, founded in 2001. Colin created the business to inspire leaders by disrupting the way they engage and develop their people. He and his global team specialize in creating immersive, measurable playgrounds to inspire new ways of thinking, systems and habits. Colin's individual passion is for experimentation in leadership, creating impact through presence in leaders and developing systems and habits embedded with purposeful practice for those leaders. **BeMoreWrong.com**

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Be a Better Team by Friday

Justin Follin, David Butlein Greenspan

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Be a Better Team by Friday

A Playbook for High-Performance Business Leaders

by **Justin Follin with David Butlein Greenspan, PhD**

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THE SUMMARY IN BRIEF

Building a dream team that is always at its peak performance is far from easy. But does that mean it's not possible? Does it take months (or perhaps years) to unlock maximum team productivity, collaboration, and engagement? Absolutely not!

The gap between where you are now and a 10 represents your company's potential. The book ***Be a Better Team By Friday: A Playbook for High-Performance Business Leaders*** will help you get to 10 fast. It contains the foundational skills and tools that turn groups of high-talent individuals into extraordinary work teams.

Having overserved high-performing teams reach exceptional levels for years, authors Justin Follin and David Butlein Greenspan lay out actionable and customizable steps for leaders to unlock the untapped potential of their teams and skyrocket their performance. The book also helps leaders grow motivation and engagement on the team, get more done with less work, build a sense of greater purpose, and ultimately become a better team by Friday!

IN THIS SUMMARY, YOU WILL LEARN:

- How to build a high-performing team and business.
- How to adopt the mindset of great leadership.
- How to know your and your organization's "Fundamental Why."
- How to stay focused and get things done.

Introduction

The title of this book, Be a Better Team by Friday, is both an assertion and a promise. The assertion is this: in a matter of a few business days, your team's performance can skyrocket. The promise is this: the practices outlined in this book will get you there.

Each chapter in the book is a practice, which stems from our years of working with hundreds of leaders and studying the habits that help high-performance teams reach exceptional levels. Here, you'll find the disciplines of practice which are the basic exercise to apply repeatedly to build your skills. Inside many of the disciplines, you'll see questions to ask yourself and your teammates to facilitate better conversations.

Aside from positively impacting your organization, the seven practices outlined in the book will also help you create healthier, more authentic relationships with everyone you care about including your colleagues, your friends, family, spouse, and most importantly yourself!

Chapter 1: Choose Your Mindset

Being a great leader is not easy. You will face challenges that would seem insurmountable. When you're a great leader, though, you move through hardship and accomplish goals despite the challenges.

The first step to being a great leader is to choose to be great. The next step is to empower your team to lead, too. Being a great leader does not mean you're a lone hero making all the decisions. It is about finding better ways to work together on your team when facing significant obstacles.

Everyone on high-performance teams chooses to excel. High-performance leadership mindsets enable high-performance collaboration. But before you choose your way of thinking, you must first realize that what you think is a choice.

Your mindset is your choice. It is the answer to the question, "How am I thinking about this right now?" To be a great leader, you must choose the mindset of great leadership. To be a great team, everyone on the team must choose the mindset of great teams.

It is often easier to focus on what's wrong than on what's going well. This is due to a phenomenon called the negativity bias. This bias tells us that things are much worse than they are. Escaping the trap of negativity bias requires choosing a different mindset about the situation. While circumstances might be out of your control, how you think about your situation is always a choice. Your mindset is the foundation that your entire leadership operating system relies on. The practice of choosing an empowered mindset is a simple one, but it requires tremendous effort. The three steps to help your team from a disempowered mindset to an empowered one include:

- Realizing you are in a disempowered mindset by practicing self-awareness
- Choosing an empowered mindset by shifting from complaining to creator, rescuing to coach, blaming to challenger mindsets
- Coaching each other to choose empowered mindsets

Chapter 2: Get Real With Each Other

In fast-growth companies, things change so quickly that the teams you worked with a year ago might look a lot different today. Teams build trust when they approach leadership as a conversation. When you practice deep listening, you empower your teammates to get real with you. You foster the trust that helps them be honest and vulnerable.

High trust equals high performance. Google's Aristotle Project concluded the single most important determinant of a team's performance is psychological safety. Listening is often the best way to build psychological safety in teams that don't have it. Through deep listening, you can deepen connections and encourage honest communication. When teams listen to each other, psychological safety goes up, which in turn builds trust.

Get real with each other to lay a foundation for better communication. The three disciplines of the practice of deep listening include:

- Listen to understand. Don't formulate your opinion while someone is talking. Instead, focus on understanding why someone is saying what they're saying and why it's important to them. When everyone listens to each other, they make decisions that are more inclusive than competitive.
- Be vulnerable. Your team's ability to get real with each other depends on everyone's ability to be vulnerable. Remember, trust takes time to build and only a second to break. To create an environment of psychological safety that leads to high performance, everyone must practice vulnerable exchanges in every conversation.

- Stop having Either/Or arguments. The Either/Or equation lies at the heart of every argument. Replace this habit and allow your team to include perspectives from all sides.

Collective deep listening requires a commitment from everyone. With consistent practice, collaboration, productivity, and happiness, your team will surpass everything you haven't seen yet.

Chapter 3: Know the "Fundamental Why"

The "Fundamental Why" simply means an underlying purpose or intention. A company's Fundamental Why creates a shared understanding across the organization. It serves as a core intention for employees to return to when they temporarily lose their sense of purpose. Your team's Fundamental Why should be what unites it. A meeting, project, or request that has a Fundamental Why answers the question, "Why is this request important to the person making it?" Knowing this "Why" leads to a level of intrinsic motivation.

All individuals have a Personal Fundamental Why as well. Ask yourself, "Why do I do what I do?" Other questions to consider as you make your way to Fundamental Why include, "What is important to me about the work I do besides a paycheck?", What achievements do I feel most proud of?", and "What professional obstacle have I overcome that's made me who I am today?"

Learning the Fundamental Why of each person helps you know what motivates them, find ways for them to do more of what they love, build deeper trust and collaborate better, and show them you care about them.

Make sure every request you make of others has a clearly articulated Fundamental Why. Get to know each of your team members' Fundamental Why. Give everyone the opportunity to share their Personal Fundamental Why with their team members, including managers. Finally, seek the commitment to your Fundamental Why out loud regularly and often. Share it with those outside your teams. Finally, ask for help in making your commitment happen.

Chapter 4: Give Feedback Like a Coach

Everyone knows giving and receiving feedback is essential, but most people hate it because they're used to experiencing feedback as bad news. But feedback doesn't mean criticism. It is information that leads to improvement.

If you're not receiving feedback on a daily or weekly basis, or if you regularly experience hostile pushback when you give feedback, you've got room for improvement. A strong feedback culture emerges when the team adopts a coaching style of leadership. This helps the whole team get better by giving each other feedback that leads to performance development.

But how do you put it all into practice? As a team, commit to the practice of giving and receiving feedback on a day-to-day basis. Regularly offer specific feedback about "what is going well." Include affirmations like "Nice job" and "Thank you." Usually, this affirmative feedback is enough.

When needed, give solutions-oriented suggestive feedback that usually begins with, "From my perspective…" When necessary, give more difficult, direct feedback about areas that need specific changes. Make sure you provide concrete examples such as, "When… you did… then this happened…).

Be considerate in both speaking and listening. When speaking to someone, have friendly body language and use a warm tone. Always give negative feedback in person. Turn difficult feedback into a dialog by asking, "What do you think? What do you see could be ways to address this issue?" Finally, practice care, dignity, and respect whenever you give feedback.

Chapter 5: Adapt Your Work Style

A great way to identify your strengths and weakness would be to use the TILT assessment. It covers four distinct styles: impact, connection, clarity, and structure. These four styles often allow people of diverse backgrounds and work styles to quickly work together on any team. By reflecting on how you communicate, you can quickly figure out how you can TILT.

If you're an impact-oriented person, you talk a lot about the big picture. You want to set goals and talk about results. Sometimes you act like you know everything and dominate conversations when you get stressed.

If you're a connection-oriented person, you talk a lot about people, big ideas, and feelings. You socialize ideas across the organization and make sure everyone is looped into your communications. Sometimes, you can seem checked out when things get too stressful.

If you're a clarity-oriented person, you cite research when anyone brings forward an idea. You are thorough in your reporting and presentations. When you get stressed, you get agitated by having to make decisions without more information.

If you're a structure-oriented person, you are the process planner and architect. You usually present each step of a plan in your presentations. When you get stressed out, you attempt to micromanage the process, which can make teammates feel stifled by you.

Map everyone on your team on the TILT quadrant model. Together ask, "Where are we strong? Where do we need to build strength as a team?" If you have a communication breakdown with someone, ask, "What is their preferred communication style on the TILT map? How can I adapt my style to fit theirs?"

Determine what TILT strengths you'll need each time you start a project. Identify the strengths of each person on your team. Share what you observed in a one-on-one conversation. All four styles create a well-balanced team. Once you understand how you TILT and how you don't TILT, you begin to recognize strengths in styles other than yours.

Chapter 6: Get Focused

Lower-performing teams are often plagued by a lack of strategic focus and inadequate time management. High-performing teams, on the other hand, do less but accomplish more. They focus on a few things and do them well. The practice of Getting Focused requires structure and discipline. It requires a strategy to work smarter instead of working more. This is where the value of the 80/20 model comes in. The premise here is that 80 percent of your results should come from 20 percent of your input.

Another mantra for attaining team focus is deploying the Big 2 Focus Goals. In keeping with the 80/20 principle, it suggests that you can usually focus on only three things at a time. Any more becomes too distracting to achieve well. With this in mind, there are not simply big, annual Rocks, but three quarterly priorities, three weekly priorities, and three daily priorities. Get clean on team and individual Big 3 Focus Goals for the year, quarter, and week. Make sure daily priorities work toward those Big 3 Focus Goals.

Apply the 80/20 rule for meeting scheduling as well. Ask yourself, "Do we need this meeting, or can this be done one-on-one or via email?" Make sure every meeting has a clear, written Fundamental Why and Agenda beforehand. If it doesn't, cancel the meeting. To avoid going down rabbit holes, list any off-topic issues in your parking lot. Have a different person in each meeting to manage the parking lot. Make clear decisions about every agenda item, including who does what by when. Always write out your decision registry and share it with everyone in the meeting.

Chapter 7: Get It Done

You probably have highly skilled people on your team. But for some reason, things don't get done. Projects start strong, but then they stall.

On the other hand, teams that accelerate are teams where every member owns the success of the whole team. As a team, you must commit to bringing tasks "over the finishing line." This decision, however, requires concrete action plans and doing what you say you'll do. Here's your roadmap to effective planning:

- Articulate a clear Fundamental Why for any project or initiative
- Create a clear, compelling vision of wild success
- Document a collective point of view of your current state
- Have a conversation about options for potential actions
- Decide what you will do
- Write out a plan of accountability to determine who will do what by when
- Always do what you say
- Make clear, powerful requests

Conclusion: Put It into Practice

Now that you know the seven fundamental practices that will make you a better team by Friday, it's time to put it all into practice. Start with Practice 1 and you'll see the results will extend far beyond what you can imagine from your vantage point now. After you feel you have integrated one practice, move on to the next. Within the first week of applying these practices, you'll notice your organization's productivity and engagement increase.

At first, incorporating these practices may feel awkward or seem hard. But once you commit to these practices, you will

be energized by how quickly your workday becomes easier, more productive, and increasingly engaging. Keep in mind that the shift to high performance is an ongoing choice. Your team will slip at times. After all, it's only human to fall out of practice sometimes. When you begin to see any warning signs, immediately jump back to the practice that will best recalibrate the team.

Throughout the journey, be patient with yourself and with each other. Good luck on your road to high performance!

Along with co-author and founder **David Butlein Greenspan**, **Justin Follin** is the co-founder and managing partner of Bluecase Strategic Partners. Drawing from David's PhD in high-performance psychology and their combined twenty-five years of organizational consulting expertise, Justin and David specialize in solving leadership cultural problems that inevitably come with scale.

Be a Better Team by Friday: A Playbook for High-Performance Business Leaders
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Be a Happy Leader

Tia Graham

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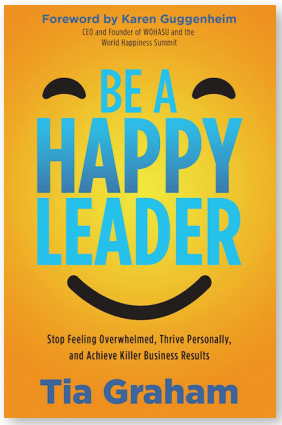
Be a Happy Leader

Stop Feeling Overwhelmed, Thrive Personally, and Achieve Killer Business Results



by **Tia Graham**

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THE SUMMARY IN BRIEF

Be a Happy Leader goes beyond the lanes of biases and biology to help leaders around the world learn how to lead a more meaningful and purposeful life. It is based on positive psychology and neuroscience. It unravels a solid methodology to unlock happiness in both personal and professional lives. As a leader, you can navigate the lanes of this book to discover your very own happiness havens.

Author Tia Graham carefully crafts the roadmap for a meaningful pursuit of happiness and unravels what can be at stake when happiness takes a backseat in your life. Her evidence-based research and extensive experience in understanding the path toward happiness lays the groundwork for every leader who seeks to "lead happily." Through her work, she helps you understand that happiness is not impossible to achieve. With the right understanding, effort, consistency, and an unfailing belief in yourself, you can not only smile but also thrive as a leader.

IN THIS SUMMARY, YOU WILL LEARN:

- How happiness can be extremely beneficial for your personal and professional life and what it means to be a happy leader.
- What can be at stake if prolonged unhappiness replaces positivity.
- How your happiness and professional life are inextricably linked.
- What the Happy Leader Methodology is and how you can inculcate it in your personal and professional life.

Introduction

Somewhere down the line, as we grew older, we began to forget what happiness really felt like. Some of us came to a stage where answering the question, "what is happiness" seemed almost impossible.

Each one of us feels pain via stress, anger, fear, guilt, and sadness. But these occurrences must not permanently close the doors to happiness itself. Happiness is a commitment to your personal joy, contentment, and purpose while accepting the peaks and valleys of life. Being happy is more than possible and most importantly, happiness is directly linked with how well you, as a leader, would perform in your professional life. Through this book, you will know:

- What it feels like to create sustainable happiness and lifelong contentment.
- How many lives and careers you will positively impact if you have an exact methodology for success.
- What leading a healthy, fulfilled, and successful life truly means.

Part 1: Navigating Happiness In Leadership

The Calling Of Leadership

Being a leader today means juggling expectations, teams, technology, and never-ending demands. So, naturally, the work you do can seem overwhelming.

Amidst so many things happening in a leader's life, it can be fairly easy to not focus on being happy even when happiness, in itself, is the single most important ingredient that creates a successful life. But what exactly is happiness and how can you bring it into your personal and professional life?

Happiness takes conscious effort. Happiness demands your time. Happiness requires you to take all the necessary actions to design your life by keeping positivity and your personal well-being in mind.

Positive Leadership: What's At Stake?

Positive psychology researchers completed a "meta-analysis," a study of nearly every scientific happiness research article available. In this study, they reviewed over 200 studies on 275,000 people around the world. Their findings prove that happiness leads to success in your work, health, relationships, sociability, creativity, and energy."

But what happens when you're unhappy for long periods of time? Your immune system suffers – triggering sleep and digestive problems. Your personal relationships get filled with feelings of unfulfillment. Your self-esteem stoops which in turn tears you away from reaching your full potential. When you're filled with negative feelings, your career, your team, and your organization end up taking the blow.

Every leader knows what both happiness and unhappiness can bring to the table. But how can you possibly achieve happiness to thrive in both your personal and professional life? The Happy Leader Methodology is the answer.

Part 2: Be A Happy Leader Methodology

Eight Steps To Becoming A Happy Leader

Sometimes, there are parts of your job that may not be easy to handle. If, for example, you receive negative feedback from a stakeholder, boss, peers, or from direct reports, it can be highly likely for your motivation and psychology to take a hit. But good leadership is built on the foundation of happiness and greatness. The Happy Leader Methodology shines a guiding light on life, happiness, and achieving greatness as a leader. It lays out eight practical and comprehensive steps to becoming the leader you want to be.

Step One: Start With You

Step One is all about starting with YOU. It helps you to prioritize your happiness and well-being, find purpose in everyday life, cherish your physical body and mental state, cultivate positive personal relationships, live with awe, and understand the importance of continuous personal development and improvement.

Keep thinking about the happiest times in your life. It could be from recent times or from your childhood. The more you think about these times, the more it helps you understand your capability of being really happy and supports you in creating clear visions of what you need for your future work and life."

Cherish your physical body and start exercising. There exists a direct link between your exercise level and happiness level. Your mind starts to thrive when your body immerses itself in movement. Aside from exercising, make sure you follow a healthy diet and have a healthy sleep routine. The food you eat has the ability to make you happy or sad and

your sleep cycles can directly influence your decision-making, creativity, memory, and critical thinking.

Step Two: Zoom Out

Photographers zoom out to get the widest possible view of the scene. To leaders, it means to have a broad perspective and to view the entire organization and system, not just the area that is their responsibility. A broad perspective allows leaders to see divisions, challenges, and opportunities from many different angles, which positively affects decision-making.

Step Two teaches you to Zoom Out and widen your perspective on things. By practicing zooming out, you can see the business from your peer's perspective and become a stronger communicator during executive meetings – ultimately building trust and teamwork at the executive level.

Step 3: Execute Brilliantly

To execute brilliantly means that you are efficient and accurate in executing your job. This step helps you unravel how to get clarity of your goals and create boundaries.

Start by focusing on your speed. In a world where competition continues to grow every moment, it is critical for you to always stay one step ahead. Speed allows you to accomplish your work, analyze the success, pivot, and keep going.

Create comprehensive plans and take action. Accountability should always go hand-in-hand with the goals you set. The best approach for this is to create clear strategies with accountability and due dates for larger goals that you are looking to accomplish. Be a master at using your calendar and stay fully organized.

Step 4: Prioritize Relationships Over To-Do Lists

Your success is truly defined by the success of the members in your team. This step helps you prioritize really getting to know your team members and the stakeholders who affect both you and your overall team.

Take the time to understand your team's personality, backgrounds, strengths, and weaknesses. Ask them what sparks their motivation and the kind of communication they would be most comfortable with. Understand your stakeholders' perspective on the team, the company, the competitors, and the opportunities. Dissecting what your team and stakeholders want will help you understand how to specifically work with each of them."

Step 5: Your Number One Priority

Cultivate "Active Whole-Being Listening" to ensure each one of your team members feels heard. Being a great listener takes intention and effort. The idea is not to listen and then jump in with all of your ideas and suggestions. Instead, you want to partner with them to gain new insights and communicate solution ideas.

A great leader uses teaching as a tool to encourage their team. As a leader, you can teach in many different ways. For example, you can bring together your entire group and ask what topics and knowledge they would like to learn and make it a point to share valuable knowledge with them in a way that will constantly help them progress. Remember, when your team members are happy and motivated, they will be more productive, engaged, creative, and efficient. Your job is to boost them up and show them that you believe in them.

Lastly, think of an HR team as your partner and resource, not simply people to whom you delegate work. When leaders play an active role in recruiting, they stand a better chance of hiring valuable talent.

Step 6: Measure To Excel

The only way you can be "wildly successful" is if you find ways to consistently gauge your progress. But how exactly can you determine what to measure? The answer? Put the spotlight on your "Wildly Important Goals." These are the two to three most important goals for the team for the year. If a team achieves or beats its Wildly Important Annual Goals, they are viewed as successful.

Once you and your team master the art of measuring your goals, everyone will be aligned and connected with your organization's bigger purpose and goals, and less competition, improved cooperation, clarity, and vision will exist. "

Step 7: Be The Spark

Ask yourself, on a scale of 1 to 10, how energetic are you at work right now? Does your team gain energy from being in your presence, or are you draining them?

Energy is an open-loop circuit, meaning that the vitality you bring to a situation or group will be felt and taken in by the other people around you. Energy is powerful. It can be a positive force in your professional and personal success, and it can be very detrimental. "Emotional contagion" is a well-established phenomenon, where we can take on the emotional states of those surrounding us.

Your spark or your energy is the vitality you can bring to your group. Happy leaders tend to be more passionate and energetic about their work and this contagious energy later gets shared by their teams.

Step 8: Master Your Mindset

What does a mindset mean, exactly? "A "mindset" is a set of notions or assumptions held by one person or a group of people. Your mindset at work and in life directly connects to your happiness. Having a positive and optimistic mindset is a choice and is the result of effort and daily habits, or "rituals," as I like to call them.

The best way to master your mindset is to take your self-development game extremely seriously by consistently brainstorming and thinking about how you can grow and change. Only if you master your mindset, you can create an environment of self-development for your team.

Another way to work on your mindset is to remain open-minded and welcome new ideas instead of dismissing them without exploring them. When you are positive and open, you are happier inside and a much easier person to work with.

Part 3: The Ripple Effect

A Work In Progress

We are told how to be happy. You and I learn how to live and view the world from our parents, family members, and friends, and from how society tells us to view it. We are influenced by our cultures and where we grew up. We are constantly shown messages by the media. Society tells us how to be happy.

Happiness, however, comes from within. It takes conscious effort and some serious mental and lifestyle transformations. The happiness movement, the science of happiness, and adult neuroscience are changing the way people and organizations view happiness. It's proven that a direct connection exists between your happiness and your professional success.

By being a lifelong learner you can not only find new ways to be happier but also know how to flex, grow, and adapt to changing environments.

Conclusion

The plethora of benefits that being happy offers is often not acknowledged. Happiness is more than just showing up with a smile. It is the foundation for your personal and professional success. Happy leaders have higher levels of productivity and creativity. They carry optimism and energy that is contagious. They often attract the best talent and create the most loyal employees. Happiness also brings great health and professional success. So, with the countless benefits that happiness has to offer, the question emerges, why should there be any space for unhappiness in life?

Tia Graham is the Founder of Arrive At Happy (aah!), a Certified Chief Happiness Officer, and has worked with dozens of global companies such as Goldman Sachs, Four Seasons, and Kashi to elevate engagement, sales, and drive bottom line results. With multiple certifications in neuroscience, positive psychology, leadership coaching, and employee morale she supports executives and teams through advising and experiential events.

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Be the Best Part of Their Day

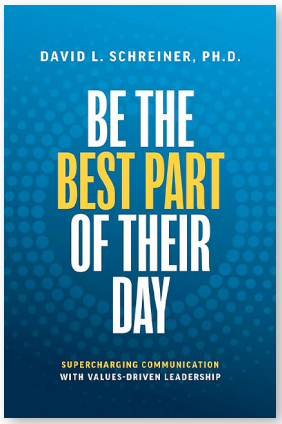
David Schreiner

Executive Book Summaries®

Be the Best Part of Their Day

Supercharging Communication with Values-Driven Leadership

by **David L. Schreiner**



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THE SUMMARY IN BRIEF

Communication is the glue that holds an organization together. It builds a strong connection in the workplace that improves productivity and brings long-term success. But how exactly can you, as a leader, build Supercharged Communication systems? How can you build a genuine connection with your people?

The book ***Be the Best Part of Their Day: Supercharging Communication with Values-Driven Leadership*** reveals three vital elements of effective communication: engaging and connecting at a personal level, engaging with intent through various mediums, and being mission-focused through united leadership.

Author David L. Schreiner lays our research-based and actionable strategies to connect with others, embrace authentic leadership, build a culture of positivity, energize people, and drive long-term success that is deeply meaningful. By helping leaders cultivate a mindset of kindness, abundance, and appreciation, he helps them truly "become the best part of their day!"

IN THIS SUMMARY, YOU WILL LEARN:

- How to build a solid framework for efficient communications.
- How to engage in the most impactful way possible.
- How to cultivate a mission-focused and values-based leadership.
- How to connect with people at personal and professional levels.

Introduction

As the CEO of Katherine Shaw Bethea Hospital (KSB), a rural hospital in Dixon, Illinois, I run into the people our hospital serves in the course of my average day. Some of these encounters had been positive while some weren't. I began to wonder if there was some way to turn things around and be able to make every encounter a better experience. I wanted every employee or person in the hallways to feel that seeing me was the best part of their day. That's when I took up the leadership doctoral program at Benedictine University.

I ended up interviewing CEOs at five of the best-performing rural hospitals in America, and I spent many hours examining the data behind Supercharged Communications (through research I designed myself). I realized that the results of my research would change my life and those of the people working in and around the hospital. I also realized it had applications everywhere. We are all leaders. How can we move through the world making a difference? I think I've found the formula, and I am excited to share it with my readers.

This book is for you if you've wanted to discover the secret to making your communications transparent, honest, real, compassionate, inspiring-and Supercharged.

Chapter 1: The Best Part of Someone's Day

At its core, communication is really about how people feel when they spend time with you. I will give you an example. In the past, if someone came to me complaining that a bill was not itemized properly and that they were frustrated by red tape, I would have absorbed their criticism and called billing to try to sort it. I'd make some vague reassurances (which I meant).

But now it's different. As you'll learn in this book, I approach situations like this totally differently. I now use Appreciative Inquiry. Appreciative Inquiry (AI) is a proven, collaborative, strength-based approach to facilitating positive change and building capacity in organizations, groups, and communities.

So, using our example of the bill someone is unhappy about, I listen. I pause. And then I start asking questions like: If the bill looked EXACTLY as you want it to look, describe it to me in vivid detail. What would you like to see on it? This kind of communication style changes things in an instant. First of all, rather than inviting a laundry list of what is wrong with the bill, it invites specificity of what is needed for it to be right. It switches our mindset from a deficit mentality to an abundance perspective. More importantly, it makes others feel "heard." You are listening – and for many people that is all they want.

Appreciative inquiry requires you to take your constituents into consideration. Your constituents are the people who matter most to you in your current position beyond just your stakeholders or department heads. The entire idea of Appreciative Inquiry is very much centered on that first word. According to the Merriam-Webster Dictionary, when you appreciate someone, you "grasp their nature, worth, quality and significance." You "value or highly admire" them. You also "recognize them with gratitude."?

The "inquiry" part is based on asking questions with respect and listening, following through, and making sure that you truly understand the other person's concerns (not just "smile and nod"). Then, with that understanding, it's trying to see if there's a way that you can help them think through it or give them suggestions.

I would like to take us through, in order, each piece or step of this Supercharged Communications approach. You will see each part has a "D" word to represent it, as used by the Center for Appreciative Inquiry:

1. Definition. Before you approach a problem, you need to define it. Just because there is a problem does not mean it has to be viewed through a negative lens. The first step is to frame your question in a positive way. Instead of asking, "Why does our customer service department have longer call times than our competitors?" ask, "What are some of the positive aspects of our customer service department—when were we firing on all cylinders? What specifically makes our call center best in class?" This approach involves "flipping the script" to ask what your organization wants more of, as opposed to a focus on the problems you want to solve.

2. Discovery: Part 1. You have flipped the script. Your inquiry is down a positive rabbit hole— not a negative one. Now, you simply have to dig deeper into that positive. This involves interviews and collecting stories. Questions for this portion of Appreciative Inquiry might include: "When are we at our best as an organization?" "What are the stories that show that?" "What are the elements in place in those stories?" These stories can energize your constituents. By building on the positive, people can feel excitement or hopefulness – far more than stats, bar graphs, and a lot of internal "jargon-speak."

Frustration is often a sign of the need to dig deeper and do more exploration.

3. Life-Giving Forces: Discovery Part 2

Appreciative Inquiry uses a term called life-giving forces (LGFs). These are the "elements and experiences that represent the organization's strengths when it is operating at its very best."

As the name implies, LGFs are those elements that should be nurtured, developed, and grown.

4. Dream

The next part of Appreciative Inquiry is taking these positives and creating a dream or vision. In keeping with the earlier theme of connecting to stories, the dream should not be a list of KPI targets (not that those aren't important). Instead, it should include visual images and word images

5. Design and Destiny

There are few things more frustrating than working feverishly on a problem or a vision, to channel real solutions, to come to a consensus with your peers and colleagues on the best course, and then to see those ideas aren't acted upon. However, in Appreciative Inquiry, this is when the real work begins. Once everyone is on board, there should be energy within the organization for this new dream. How can innovation be inspired to make this a reality? What can be done to improvise and embrace the new future for your company, healthcare system, or nonprofit?

6. Identify your constituents. All of them. Remember that Appreciative Inquiry embraces true appreciation, compassion, and grace toward others. It also requires reframing your inquiries from negative to positive. Remember your D's: Definition; Discovery; Dream; Design and Destiny. Words and visions, stories, will captivate and inspire more than a lot of data and graphs.

When instituting changes, culture can be stubborn to transform. Start with yourself and cascade it out from there.

Chapter 2: Values-Based Leadership

Appreciative Inquiry must be closely intertwined with values-driven leadership. "Values-driven" leadership implies a conscious commitment by leaders at all levels to lead with their values and create a corporate culture that optimizes financial performance, ethical practice, social contribution, and environmental impact.

Some life-affirming values include honesty, integrity, excellence, courage, humility, trust, care for people, social responsibility, and environmental responsibility. Values must be lived and be a seamless part of how you operate as a leader. Bolster your values-driven leadership through the use of your Life Tree. Here are the elements that are important to define in this tree:

- Your definition of values-driven leadership. If you were picking the one thing that is most important to your leadership style when you were operating at the top of your game, what would it be?
- Leader as results driver. What results do you expect from your role as a leader?
- Leader as teacher and learner. If you were leading as a mentor, teacher, or colleague, what would that look like?
- Your leadership life perspective. How do you want to be as a person?
- Leader as a relationship builder. What do you want to bring to every encounter with you? The goal is to be the best part of someone's day.
- Change leader. If you were looking at your organization's key metrics and you were able to be in the outstanding category in every one of them, what would that look like? What would you have to do?
- Leader as an authentic self. This is where you describe your most authentic self.

Chapter 3: Arriving at Supercharged Principles of Communication

I wanted my readers to know that the Supercharged Communication Principles I distilled down from my research is, indeed, research-based. I set out to study CEOs

at top-performing rural hospitals to get at the secrets of engagement. What I discovered were principles and methods that could be utilized across all sectors of business. I shared the design and focus of the study, as well as who I interviewed, and my approach to those interviews. I focused on three types of leadership: Authentic, Servant, and Positively Energizing. Through this study, I discovered the Four P's of CEO engagement:

- Leadership "Presencing" (engaging in the moment). Leaders are "on stage" the moment they get out of their car at their workplace. The words they say are magnified and the actions they take are enriched and spread contagiously throughout the organization. The interactions experienced with team members greatly influence and shape organizational culture.
- Purposing (Communicating vision and values). In today's uncertain, complex, and ambiguous times, many employees across all business sectors have an embedded level of anxiety about their organization's sustainability. Communication of the system's vision and values is imperative to build trust, which can help offset such anxiety.
- Patterning the Fabric (keeping the organization connected). Communication is enabled in a healthy, engaged way when leaders create trust and understanding. Team members need to see leaders in the hallways, cafeteria, and all departments and clinics. You can't create a cohesive fabric as a leader if you are not one of the threads in that fabric.
- Promoting Positive Change. Observations of a hospital CEO include the fact that healthcare (or any other industry) is changing so quickly that if senior leaders are not out in front and doing the right things with their team and people, change efforts will fail.

In the end, I found three primary Supercharged Engagement Principles. Each then had five elements – practical, doable methods that actually work and that you and your team could start implementing right now:

- Engage and connect at a personal level
- Engage with intent through various mediums
- Be mission-focused through united leadership.

In each of the next chapters, we will focus on one of these areas, along with the five actionable engagement methods.

Chapter 4: Supercharged Principle One – Engage and Connect at a Personal Level

The principle of Engage and Connect on a Personal Level includes five key parts:

1. Ask Great Questions and Generate Positivity.

Asking great questions of your team often includes having people think about when they were performing at their best. It's about reminding people of their worth and reminding a team of the times when everything went right – and then chasing those results. Asking great questions involves one very important trait: cultivating your curiosity.

2. Develop Outstanding Listening Skills and Practice Them Regularly

More than anything, I think asking great questions has another piece: compassionate listening and active listening. You don't jump in and try to "fix it" right away. Allow the other person to speak fully. Be patient. If you don't have an answer, it is perfectly fine to say, "Let me get back to you on that after I look into it." (But then make sure you, indeed, follow up. That is an essential key to developing trust.) Active listening involves paying attention. Your eye contact and body language should reflect that you are interested in what the other person is saying.

Be active in your unspoken cues. Nod your head. Occasionally add a filler like, "Go on," or some short, encouraging phrase showing you would like the speaker to continue. Provide feedback. You can use the technique of mirroring in order to ensure you have "heard" the intended message. "What I am hearing you say is…" and repeating back, in your own words, what you thought the other person said. Ask open-ended follow-up questions if needed. Respond appropriately. Demonstrate empathy, understanding, and compassion, and withhold judgment.

3. Be Accessible and Show an Interest in Member Concerns.

This step involves thinking about your accessibility and being proactive to improve it. A few ways to become more accessible to your people include having an open-door policy, responding to emails instantly, giving people time when they need to have a word with you urgently, sharing your number so people can reach out to you after work hours, and more.

4. Find Ways to Express Gratitude

Emotional authority is very nuanced, and all types with this authority need to get to an emotional neutral before concluding.

Studies suggest that nine out of ten people would accept earning less money if their work was meaningful to them. However, regardless of the reasons someone works, we all like to be recognized for our efforts. But gratitude goes even beyond that. Gratitude is a mindset. Obviously, bonuses and raises demonstrate appreciation. However, here are some other ideas for employee appreciation that you might implement:

- When your people achieve a goal or demonstrate good conduct, you can show appreciation in the form of extra days off, modest gifts, or simply recognizing them gracefully.
- Take your people on lunches.
- Celebrate milestones using small gestures like a cake, a bouquet, or gift card.
- Offer wellness offerings such as a yoga class.

5. Find Ways to Interact Through Rounding

Rounding is exactly what it sounds like – making rounds. You might walk the factory floor or through various departments. In a large company, you would obviously break it up, perhaps trying to get to each department once or twice a year, or once a quarter. But it's important to be seen – this is about connecting. No more hiding in the office.

Chapter 5: Supercharged Principle Two: Engage with Intent Through Various Mediums

In this chapter, we're going to talk about engaging with intent and doing so through various mediums. Our second Supercharged Communication Principle has five elements:

1. Find a rhythm of regular communication with key constituents. Look at all your communication and examine the effectiveness of each medium as well as its frequency. In my case, most of my videos and communications are now weekly. And some I play by ear.

2. Be transparent with high frequency. Only through transparency can you impact people's lives positively, set clear expectations, shield your people against workplace anxieties, and keep unnecessary gossip at way.

3. Use multiple channels to communicate your message. Meeting people where they are, including in their attitudes toward tech and communications means utilizing a mix of channels and messaging. The seven main channels of communication include:

- Face-to-face
- TV radio, broadcast communications
- Mobile communications, including texts
- Phone messages, voicemails
- Slack and other instant messaging channels
- Email
- Social media

4. Look for ways to overcome engagement challenges. Engaged employees demonstrate enthusiasm. There are more productive and willing to go that extra mile. But engagement is not a one-size-fits-all solution. Some barriers to successful engagement include the lack of a clear mission, information overload, and inconsistent communications. No two workplaces can whip up the same engagement magic but finding ways to overcome these barriers is a great first step to boosting your engagement.

5. In times of crisis be intentional about communicating differently. Every day, corporations face crisis events such as financial crises, organizational crises, personnel crises, natural disasters, and tech crises. In these situations, immediacy is essential. When your employees and stakeholders are not informed, it creates an information vacuum. When there is a vacuum, gossip, false information, rumors, and even outright hostility can take its place.

Chapter 6: Supercharged Principle Three: Be Mission-Focused and Present United Leadership

Your mission is your true north. When leadership has a clear-eyed focus on the bigger mission, the trust within the organization deepens. Let's discuss the five essential parts that makes a leadership mission-focused.

1. Keep the Focus On Your Mission and Know Your Audience – Be Prepared.

Every corporation or organization has its own unique mission. Companies need to sell products and services, they must answer to their shareholders, or their stakeholders, or the people whom they serve. But aside from that, most companies also have a bigger mission, one that often reflects a commitment to environmental, social, and governance, commonly referred to as ESG. Missions are usually also straightforward-the better to remember it. For example, TED's mission is "Spread ideas." LinkedIn's is "To connect the world's professionals to make them more productive and successful."

2. Vocally Support Team Members and Encourage Healthy Debate.

When you don't hesitate to vocally support team members and encourage healthy debate, you are also building a place of trust. When you have trust in your leadership and your teammates, disagreements come from a place of "How can we all do this better," not accusations or resentments.

3. Ensure Team Members Feel Informed and Included.

Earlier, leadership was usually autocratic. It was a hierarchy, fairly linear, and top down. Now, leadership is more people oriented and collaborative. I may be the CEO, but I am part of a leadership team. We now expect leaders to be inclusive. Instead of barking orders or commands, we inform and use our soft skills, like Supercharged Communication, to pull people together into a cohesive team.

4. Build a Structure to Support Key Leaders.

Provide your leaders with the structures and methodology needed to elevate communications and ensure they have your full support when it's time to implement something new. This not only helps avoid silos but also leads to a more collaborative space.

Chapter 7: AI and AI

Appreciative Inquiry and Artificial Intelligence both seem to take a prominent place on the horizon of communications. But are the two "AI's" compatible?

Some concerns surrounding artificial intelligence include lack of creativity, biased algorithms, data privacy concerns, lack of human touch, potential for communication misunderstanding, lack of personalization, and resistance when introducing new tools into the workplace. But this tool also comes with powerful advantages such as customized communications, potential for quick content creation, measurement and analysis capabilities, increased efficiencies, and elimination of human errors.

The conclusion? It's important to remember that ultimately artificial intelligence is an "and" tool, not an "or" one. With the right apps, tools, and approach, it can enhance your communications, streamline them, create efficiencies, and enable personalization with a few keystrokes. But you as human must still put the thought into your approach.

Chapter 8: Putting It All Together

So, how do you apply Supercharged Communications principles, as well as Appreciative Inquiry, in your organization and life?

Begin with the Life Tree and use it to crystalize what you want for your yourself – as well as your family, your organization, you bigger community, and even the world. Take the time to create the picture of your values and life and what is truly important to you. Remember though, trees are living and breathing organisms. Our trees will change as we evolve in our leadership.

Analyze where you are personally by revisiting your Supercharged Principles and the approaches beneath them that bring them to life. Use the same step to analyze where your organization is. Look at the scores and consider where there is misalignment and the potential reasons for that. Look at your strengths and think about how you can build on them. But if you have lost sight of your mission and purpose, you need to figure out how to bridge that.

Conclusion: How Can I Help?

Most of the people I know go into healthcare because they want to help people. I know I did. We may think of "helper" professions as those in, for example, healthcare, teaching, or social work. But regardless of your profession, there is the adage in business that you are not selling a product but a solution. You are helping people – whether you are providing a service, leading a rural hospital, or have a B2B product that helps your customers solve a business problem.

I invite you to spend the next month typing into your phone, or scribbling into a little journal, anything that touches your heart and soul over the next four weeks. Write down your experiences. See how those little moments relate to your Life Tree. At the end of these four weeks, update your tree. Continue working on these reflections as you evolve into someone who becomes "the best part of their day!"

David L. Schreiner, Ph.D., is a values-driven leader who lives in the moment, has an unquenchable thirst for continual learning, challenges existing practices, produces positive results, innovates to improve the lives of others, and loves unconditionally. He aims to be a missionary for excellent health and vibrant communities. His research has focused on the area of excellence in communications and authentic leadership.

Be the Best Part of Their Day: Supercharging Communication with Values-Driven Leadership by David Schreiner. Copyright 2024 by David Schreiner. Summarized by permission of the publisher, Forbes Books. ISBN 978-1642257601. Summary published by Soundview Executive Book Summaries. Copyright 2024 Soundview, Inc. All rights reserved. Reproduction in whole or in part is prohibited. For permissions and reprints, please contact service@summary.com. 46SS08C

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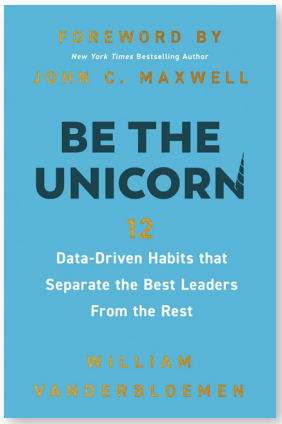
Be the Unicorn

William Vanderbloemen

Executive Book Summaries®

Be the Unicorn

12 Data-Driven Habits that Separate the Best Leaders from the Rest



by **William Vanderbloemen**

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THE SUMMARY IN BRIEF

Have you ever met someone, and within one or two minutes, you know that they're special? That they stand out from the crowd? They are the energy in a room. They have a spark that lights up their environment. They don't seem to have trouble succeeding. And they seem to be the exception to the rules the rest of us are bound to. They are Unicorns and you can be one, too.

That may sound like a crazy promise, especially in today's hyper competitive and ever-evolving work world. But author William Vanderbloemen has found a way to achieve this, based on data collected and studied over the course of his career as the founder and leader of an executive search firm. With thousands of repetitions under his belt, he is pretty good at spotting Unicorns. In fact, he's not only learned how to spot them, but what qualities and habits they have in common. And in ***Be the Unicorn: 12 Data-Driven Habits that Separate the Best Leaders from the Rest*** he's going to share them with you.

IN THIS SUMMARY, YOU WILL LEARN:

- Why being overeager is not a weakness.
- The role agility plays in personal and corporate success.
- Why being prepared is better than playing hard to get.
- How likability trumps competence.

The Fast

We've all been told to play it cool at some point in our lives. Looking overeager weakens your position, right? Wrong.

Speed wins.

Unicorns know this. Response time matters. In business and relationships, being quick to respond almost always pays off.

Okay, so "be responsive." Is that it? That's it. While this seems like an easy one to hack—and indeed is the easiest of the twelve traits—it's harder than it sounds. Acting fast isn't always in our nature. Some of us come naturally to the habit of rapid response. The rest of us have to hone this skill.

There are barriers to speed but you can break them. Two things can keep you from living up to your potential as a member of the Fast:

1. Access to the opportunity
2. Fear

You can't respond quickly if you never receive the message. Maybe your phone is charging in the other room or maybe you never check your email. That's not to say you need to be accessible all the time, but you do need to allow for messages and opportunities to find you in the first place.

But being the Fast is not a matter of saying yes to everything. It's a matter of determining what your answer should be quickly. Fear can paralyze your decision-making and lead to overthinking.

Fear loves to make you overthink. Overthinking makes you safer, right? You're more likely to get the right answer or work out all the possible scenarios if you overthink. Wrong. "Thinking" is valuable. Overthinking is not. Be confident and respond quickly.

The Authentic

Living in the Google era means there is no hiding. Whatever secrets you have will be discovered. The delivery (or lack thereof) on whatever promises you make will be found out. Authenticity is quickly becoming a differentiator between the best candidates for jobs and the rest. So what are the ways to develop your own authentic and transparent self while maintaining your sanity and privacy?

In our online lives, pictures are polished and reality is spun. With endless Instagram filters, software, and an isolated world, it's just a lot easier to look better online than you really are. But those who can develop the ability to be authentic in their work and in how they present themselves are both rare and in high demand.

The keys for authenticity are not the same as the keys for perfection. In fact, perfection can be a real turnoff. For example, have you ever been fired? Have you ever admitted it, particularly in a job interview? Most people don't.

In high stakes situations, such as job interviews, people aren't typically transparent. People aren't usually authentic. If you can spot someone who is authentic, you've spotted someone who stands out of the crowd. If you want to be a Unicorn, you need to get comfortable with authenticity. Here's how.

Don't be afraid to share examples of where you've messed up, but there's no reason to overdo it. Authentic people have a way of sharing their mistakes with humility, bringing people together. This means you do not need to put yourself up on a cross or hire a tall nun to walk next to you crying, "Shame" all the time. Admit your mistakes or that you're struggling, and move on.

Not only are these practices good for cultivating authenticity, it turns out making mistakes and owning them helps us learn and retain knowledge much better than if we'd gotten it "right" in the first place.

The Agile

We don't need science to tell us what we see happening in real time: Getting older means getting less agile. Every day, we lose a little bit of that flexibility, a tiny path in our plastic minds.

But the world is changing, and agility is more important than ever. No matter what the circumstances, the Agile succeed. The pandemic showed us just how important it is for businesses to be agile. "Pivoting" and innovating were the difference between thriving and folding when COVID-19 suddenly changed the way we lived. Agile businesses are the product of agile people who—and this is important—are allowed to exercise their agility in the workplace.

The Agile are generally positive people who can problem-solve. They'll roll with the changes, adapt quickly, and push back only when absolutely necessary: a hiring manager's dream.

To cultivate agility at work:

Have you ever heard the phrase "build a bridge and get over it"? That's what agile people do when something changes.

- Don't add waste to projects; simplify things.
- Don't waste time during meetings.
- Don't have meetings at all if you can help it.
- Always look for easy ways to tweak the status quo and modify processes to work for your own team's needs.
- Don't be afraid of upsetting others with change.
- Celebrate when being agile moves the ball.

Have you ever heard the phrase "build a bridge and get over it"? That's what agile people do when something changes. When you're agile, your ability to become a Unicorn increases exponentially.

The Solver

When faced with challenges, people can either choose to be on the problem side of the equation or the solution side. Those who choose to find solutions, who refuse to be victims, and who spend energy moving past those challenges are irreplaceable.

There is a particular mindset that is prevalent in Solvers and in a world that is moving faster and proving less certain than ever, developing this ability will raise your value like never before.

Even though there is a higher risk of error, solving is better when done with a group. Solving problems in a group can be threatening, exhausting, and frustrating, but studies show that, when they're done right, group projects in a professional setting lead to innovation that wouldn't otherwise have happened.

You know who does like to solve things in a group setting? Millennials. Congratulations if you're a member of this generation. You're more likely to be better at adjusting to whatever the workforce throws your way. You're also better at dealing with conflict. These qualities correlate with successful workplace collaborations. Not surprisingly, millennials value collaboration and are some of the most successful Solvers.

Tips for cultivating a Solver mentality at work:

- Encourage humility and lifelong learning.
- Celebrate Solver victories and give credit to individuals
- where it's due.
- Ask that staff bring solutions to the table at each meeting; even if they're bombastic and unachievable, it puts them in the right mindset.
- Language counts: rebrand "problems" as "possibilities."

Being a Solver will help you go far, particularly if you solve collaboratively. People who lead with "we" are both exceptional and amazingly valuable in whatever situation they find themselves in.

The Anticipator

There are some people who develop the ability to see what's coming next; to read minds and trends well enough to be able to "see around the corner." They're Anticipators. Those who anticipate rise above the crowd. They actually do almost see the future. You can too.

Our brains are the ultimate anticipators. Author Lisa Feldman Barret has done extensive research on this. She writes, "In a very real sense, predictions are just your brain having a conversation with itself. A bunch of neurons make their best guess about what will happen in the immediate future, based on whatever combination of past and present that your brain is currently conjuring."

This feature of our brains has helped us out for as long as people have been on this earth. In modern times, our brains are still at it, helping us survive today's perils. You don't need to have any special psychic ability or gift. Anticipation is something that you have to practice, focus on, and develop. Not by looking way out into the future but by seeing what's right in front of you.

You can learn to be a better Anticipator by knowing yourself, your history, and your surroundings. Another big part of being an Anticipator is knowing you can't anticipate

everything and being able to adjust quickly. Anticipators are cool, calm, and collected. At least that's what they appear to be. This helps in winning over everyone they engage with.

The Prepared

Luck happens to the prepared. Those who do their homework always have a leg up. But in today's world, learning how to prepare for a job, an interview, and a relationship has changed drastically. Being prepared in the new world is a key to rising above the ordinary crowd.

The founder of the Scouts, Robert Baden-Powell, chose Be Prepared as the organization's motto. It means, he wrote, "You are always in a state of readiness in mind and body to do your duty; be prepared in mind by having disciplined yourself to be obedient to every order and also by having thought out beforehand any accident or situation that might occur, so that you know the right thing and the right moment, and be willing to do it."

We can take the "be obedient to every order" part out of our definition, but thinking things out beforehand is definitely the jam of Unicorns.

When a candidate has shown that they've put in the work to learn about your company, they have an obvious advantage over candidates with a more nonchalant attitude. Playing hard to get doesn't often work with hiring managers. Best to wear your heart on your sleeve and show up more prepared than a Scout.

How to cultivate preparedness at work:

- Encourage "opposition research." It's not enough to know your position on a topic; the top 1 percent know their opponents' objections and are ready to handle them.
- Practice poking holes in plans and ideas in a constructive way. This will help your team get thinking of and prepared for all scenarios.

Prepared people do their homework before interviews, meetings, and presentations. Like the Anticipators, the Prepared also see the whole picture. They inspire confidence and have an easier time gaining buy-in.

The Self-Aware

The world has never been noisier or busier. Having the ability to be self-aware, to know weaknesses, to realize where you are in a crucial conversation is perhaps rarer than ever. Learning the process of self-awareness will cause you to stand out in a noisy, busy crowd.

Socrates didn't write much (if anything) down, but his most famous advice lives on as some of the best: "Know thyself." Those who are familiar with their strengths and weaknesses and who are honest with themselves are most likely to be Unicorns.

Self-awareness isn't just nice to have. Sure, it makes your life easier and the lives of anyone you interact with easier. How many of us wish houseguests were more self-aware when deciding how long to stay at our homes? Self-awareness, like so many of the traits Unicorns have, is a survival skill.

When you're self-aware, you're not going to put yourself in danger or set yourself up for failure. Knowing your strengths will allow you to position yourself for the win. To know what you can confidently and capably do is essential to standing out.

Being self-aware also makes you better at finding solutions. Knowing yourself comes with a guaranteed pinch (or more) of humility, so when a self-aware person is faced with a challenge, they can decenter themselves from the issue. Being self-aware is knowing all about you while knowing that it's not all about you. Whatever the crisis, the Self-Aware remain even-keeled and committed to the goal.

Self-awareness is the key to a lot of happiness, too. People who are self-aware are more creative, more effective at their jobs, better at relationships, better leaders, and more likely to be promoted. When it comes to knowing yourself, ignorance is not bliss.

Cultivate self-awareness by practicing humility and patience, trusting others to help, learning your limits, and pushing yourself to grow.

The Curious

Many of humanity's greatest minds, from Socrates to Einstein, celebrate curiosity as a key factor of success. But being curious is hard. We're not being offered potions to drink and rabbit holes to climb into at every turn, after all. And what's surrounding us on a regular basis is mundane. It's boring. Can we be expected to simply cultivate curiosity out of nothing?

While many of the other twelve traits of the Unicorns are learned over time, curiosity is one that comes as a factory setting.

Absolutely! You don't need to have curiosity thrust upon you. You can make your own. You can learn to find even the most prosaic interesting, ask questions, and listen to the answers with interest. This is what Unicorns do.

All of us are born with curiosity. While many of the other twelve traits of the Unicorns are learned over time, curiosity is one that comes as a factory setting.

Curiosity is any time we take a genuine interest in someone, become absorbed with a show on the nature channel, or get caught up in our kid's research project. Curiosity is looking around us and letting our brains be captivated.

Our brains actually reward us for being curious with a boost of dopamine. Research has also shown that curiosity is good for our mental health. Anxiety, for example, is not compatible with the feel-good, mental high-fiving your brain does when you're wondering and discovering.

It's not always easy to remember to be curious. Life gets in the way. A lot. But as much as you can, follow the advice of author Clarissa Pinkola Estés when she says, "Practice listening to your intuition, your inner voice; ask questions; be curious; see what you see; hear what you hear. . .These intuitive powers were given to your soul at birth."

The Connected

It's always been about who you know. Connections are king, especially when it comes to getting ahead. Think of connections as relationships you can build from anywhere. Being connected is about more than what powerful and influential people you can network with. It's about being a good person to all people because you never know where your life may lead.

Experts estimate that between 75 and 80 percent of jobs are won thanks to personal or professional connection. Networking is more important than ever. But knowing people isn't always enough. You can be in the same room as someone or be "friends" on all the social platforms, but if you can't connect on a human level, you're not going to succeed.

Hiring managers possess better-than-average judgment of character, but they still appreciate people vouching for a candidate. Even better, when a position opens up, they can always rely on the Connected to spread the word and get good names in the ring.

Tips for cultivating connection at work:

- Offer referral bonuses for team members who recommend good candidates.
- Encourage networking; give team members allowances for professional memberships and conference attendance.
- Mentor, mentor, mentor.

Life isn't a straight line. It's a spiral. While you're climbing the mountain of success, seek connection with others. Always err on the side of sending the text or forwarding an email if it means it might help connect someone you know with someone who needs it. Sixty seconds of your time could change someone's life, so make the effort. Being kind has a shelf life, and if your connections think of you as one of the good ones, all kinds of doors will be opened to you.

The Likable

It's amazing how often the candidate that prevails is simply defined by "plays well with others." Many companies end up having to fire (or wishing they could fire) a "brilliant jerk" on staff. But the Likable have the ability to stay employed and even get promoted simply through relational equity, a store of goodwill built up with another person over time.

Learning to be likable is easier than you might imagine and with a crowded, noisy world, this trait may end up being more important than any other.

Likability trumps competency almost every time. Stay likable and the doors will be flung open wide. What's more, your likability will protect you from the consequences that may come with not being quite as competent.

Have you ever noticed that likable people really never talk about themselves but always turn the conversation toward

you? Think about how this principle could help you in your professional life. In sales meetings, think how you can turn the conversation back toward the customer. In leadership situations, share stories and examples of other team members' wins. When you're speaking your vision for your organization's future, make it about everyone in the room.

Being likable isn't the same as being a people pleaser. People pleasing comes from fear. Being likable comes from confidence. If you're worried about crossing over into people-pleasing territory on your journey to perfect your likability, don't be. As long as you have healthy self-esteem and your likability is an expression of your true self, you won't become a people pleaser.

The Productive

Being productive is about making the best use of your time and distinguishing yourself among the crowd. It's all too easy to kick projects down the road and let distractions get the best of you.

With the rise of social media, instant messaging, and an on-demand world, attention spans are falling like a stone. More time gets wasted than ever in the workplace. Conversely, when a productive person shows up to a job or task, they shine brighter than ever.

There's not a one-size-fits-all prescription for productivity, but there are some key guidelines to follow. Being productive comes down to a few factors:

- Knowing how you work best
- Staying organized
- Valuing outcomes over output

You've got to know how to set yourself up for productive success. This comes down to letting your brain do what your brain does best, without distractions, and finding the right circumstances for that. If you have the option of working from home or not, it's important that you know which situation suits you better. When at work, keep track of your productivity during the day. Find out when it's highest and when you're in a slump. Plan accordingly.

Most people have their own system of to-do lists and productivity strategies that work for them. Apps, email reminders, pen and paper—it doesn't matter how you do it; the important thing is that you do it to stay organized.

Metrics certainly have their place, but measuring productivity in output is outdated. What really matters are the outcomes, not the output. There's not a lot of room for creativity, discovery, or innovation when output is being tracked. When outcomes are the concern, however, then true, meaningful productivity can happen.

Unicorns are not only productive; they know the best ways to become productive.

The Purpose Driven

Some people are driven by a well-defined cause that supersedes money. Developing your sense of "why" will accelerate the "what" that you do in a way that makes you winning and irreplaceable.

You don't need a disaster on a global scale to be purpose driven. Common, everyday goals drive the Purpose Driven; the only difference is that these goals add up to more than the sum of their parts.

Unicorns know that professional success depends on two things:

1. You have a strong sense of purpose.
2. You find an organization whose purpose aligns with yours.

McKinsey did a deep dive on purpose in the workplace post-pandemic. They found that COVID-19 caused an estimated two-thirds of workers to reevaluate their purpose at work and in life. (Hello, Great Resignation.) This was a good thing as it forced both individuals and organizations to uncover and define what their purpose was.

The McKinsey research found that when employees feel that their purpose is aligned with their organization's, benefits include "stronger employee engagement, heightened loyalty, and a greater willingness to recommend the company to others." When you have a purpose and when you find an organization that shares that purpose, you both benefit.

Tips for cultivating a purpose-driven workplace:

- Have absolute clarity in your mission.
- Understand what motivates you and what motivates your team.
- Celebrate when you "catch" team members living the purpose.

To be purpose driven, it's essential that you know yourself

well enough to know your passions and interests. Purpose comes from within. Once you have your purpose, hold onto it, and keep it front of mind. Distill it into as few words as possible and then drill it home at every opportunity. Unicorns are very clear on their purpose.

What's Next?

The Unicorn Tapestries are a series of intricately woven wall hangings made at the turn of the sixteenth century depicting a unicorn and its capture. Although his story is fraught with hunting dogs, people clamoring for a grasp of his magical horn, and his actual death, the final panel shows the restored-to-life unicorn content in his new position, wearing an expensive collar and sitting idyllically under a tree.

People wanted this unicorn. People sought out this unicorn. Now, the unicorn sits in a place of honor, celebrated and valued by people who know how special he is.

You can stand out, be special, and succeed, no matter what comes your way. We can't predict the challenges that await us, but we can be ready for them. Develop and grow these traits, and you will be more than ready: you'll be a leader, a sage, and a visionary.

You'll be a Unicorn.

William Vanderbloemen has combined over 15 years of ministry experience as a Senior Pastor with the best practices of executive search to provide faith-based organizations a unique offering: a deep understanding of local church and theology with the very best knowledge and practices of professional executive search. Prior to his founding Vanderbloemen Search Group, William studied executive search under a mentor with over 25 years of executive search at the highest level. His learning taught him the very best corporate practices, including the search strategies used by the internationally known firm Russell Reynolds.

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Becoming Your Best

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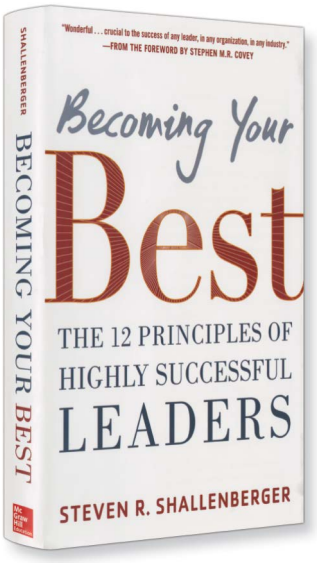
Leadership

Becoming Your Best

The 12 Principles of Highly Successful Leaders



by Steven R. Shallenberger

THE SUMMARY IN BRIEF

Running a business or department in today's high-pressure business landscape gets more difficult every year. Given the level of competition as well as market ups and downs, it seems that you either sacrifice your personal life for your job, or you lose everything. Steve Shallenberger has an important message for you: It doesn't have to be this way.

Becoming Your Best reveals the 12 principles you need to follow in order to reach your highest potential and drive the kind of innovation that turns good companies into industry leaders — all while living a well-balanced personal life.

Divided into three thematic sections — Transformational Leadership, Transformational Teams and Relationships, and Transformational Living — *Becoming Your Best* is packed with advice, tools and examples for turning your thoughts into action, motivating yourself and your people, inspiring teams to solve problems creatively, and building the life you've always dreamed of. You'll begin to see everything through a completely new lens — one that reveals change as something to embrace, not fear.

Becoming Your Best will arm you with the knowledge and tools to measurably improve your life as well as the lives of your employees and loved ones.

IN THIS SUMMARY, YOU WILL LEARN:

- How to avoid communication roadblocks.
- Four tips to living the Golden Rule.
- How to set goals and develop a plan to achieve them.
- How to control what you can control.

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THE COMPLETE SUMMARY: **BECOMING YOUR BEST**

by Steven R. Shallenberger

The author: Steven R. Shallenberger has more than 40 years of experience as a successful entrepreneur, CEO, executive, corporate trainer and community leader. He is also the founder of Synergy Companies, an industry leader in energy management and environmental solutions.

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PART I: TRANSFORMATIONAL LEADERSHIP

Be True to Character

One of the greatest assets a person or an organization can have is strength of character based on universal principles. However, a strong character is not easily acquired. It is forged over time as we are tested and our values and judgment skills are refined and tempered. People who have a strong character withstand tests and temptations by holding true to time-honored principles that have been identified as being good and honorable throughout the course of human history.

These bedrock principles include integrity, honesty, trustworthiness, perserverance, humility, compassion and respect for others. When your character reflects these principles, you earn the respect and trust of those around you. When you are true to your highest character, your actions reflect your beliefs and guide you through life, helping you to be your best.

Be Strong in the Moment of Choice

Strength of character is demonstrated not just when things are going well, but especially when things get tough.

It is best to be strong in the initial moment of choice, but if you blow it, you will often have an opportunity to make a correction. We all have moments of weakness and poor judgment, but the ability to self-correct is critical if we want to build a strong character and a life of fulfillment and meaning.

As your integrity, honesty and respect for others are tested, tried and refined, the moral fabric that makes up your character grows stronger. Over time, you become someone who can be counted on. This character establishes a moral authority within you that gives you great power and credibility.

Stand Up and Speak Out

Another measure of a strong character is a willingness to speak up and take a stand that you believe in, even when it is not the popular choice. Such a display of strong character is the basis of many of our most popular tales of heroism, but we can also find examples of it in our daily lives.

Have the courage to be true to character. Exercise integrity, honesty, respect and correct principles. Whether you are the leader of a country, an organization, or a team or simply in your daily life, be determined that you will not sit idly on the sidelines of life when issues of character come up. The strength of your character will be evident in how you conduct yourself with all people.

Guard Your Character

Being true to yourself is a hallmark of great character. In theory, this is easy to do, but it is tougher given the reality of the temptations and peer pressures encountered in daily life. In good times, it's easy to say that you will be true to your principles and values and remain strong, but your true character is formed and displayed in challenging times.

Lead with a Vision

In nearly all individuals, classrooms, teams, divisions or organizations where we see sustained excellence, there is an inspiring and well-articulated vision.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Amanda Langen**, Graphic Designer; **S. Dayton,** Contributing Editor

Regardless of whether they call it a dream, a mission statement or a cause, most highly successful leaders have a vision that helps to inspire and drive them.

A vision aims for a high level of achievement. It is not the same as goals or objectives, which are created after your vision is formed. A vision is a high-level desired outcome or accomplishment that you hope to achieve. A vision is how you describe yourself, your team or your organization from the 35,000-foot view.

Attributes of a Transformational Vision

A vision can be transformational. When you have a clear, compelling vision, you transform the effort, the conversation and the results of not only your life but the life of your organization — whether that organization is a company, a community, a team or a family.

A vision sets a positive and meaningful direction with a purpose and a cause. It rallies support that results in commitments and new levels of contribution. A vision is developed through individual and shared leadership. Each participant in the vision is a "leader" who contributes uniqueness to the whole.

The value of the vision is what it communicates to you and to others. If it is clear and describes the desired direction of leadership, then it ensures that you're headed in the right direction.

Manage with a Plan

The secret to getting things done in any area of your life is to use your imagination to create a vision, then develop goals as part of a long-range plan that supports the vision. Finally, of course, you have to summon the energy and determination to carry out that plan.

Set Annual Goals, and Develop a Plan to Achieve Them

A very effective way to set individual goals is called Roles and Goals. You can use Roles and Goals to set clear and actionable goals and then develop a plan to make those goals a reality. Here are the ABCs for using Roles and Goals.

1. Review your vision and the key roles in your life. Begin by aligning your goals with your vision. Next, divide your life into key roles. These roles might include parent, friend, manager, employee, professional, student, citizen or church member. You also have the "personal" role — maintaining your physical, mental, emotional and spiritual health. When you divide your life into your various roles, it helps prevent misalignment of priorities and helps you focus your time on what matters most.

2. Develop annual goals in each role using the SMART method. SMART refers to setting goals that are Specific, Measurable, Achievable, Relevant and Time-specific. Set SMART goals within each role.

3. Share your goals. Send your goals to a few friends, mentors, advisors or others who you admire and respect and who can give feedback that is worth following. This makes your goals official and makes you accountable.

4. Develop a plan and set milestones. The next step is to develop a plan with milestones to accomplish your goals. Determine what you'll do in each step, with markers or milestones along the way. Breaking down a goal into actionable milestones makes it doable.

5. Post your goals in a prominent place. Put your written goals and plan in a place where you can see them often. Review your annual goals or major goals regularly so that they remain fresh in your mind. It's helpful to review them each week prior to doing your planning for that week.

Plan for the Unexpected

It's great to have a written and well-thought-out plan. Then again, how often do things actually go as planned?

Contingency plans are essential to your survival, yet they'll be much more effective if you think about your response before the crisis hits. Every leader needs to be prepared for health issues, changes in government regulations, product failure, lawsuits, a shift in the economy and the loss of key people.

When you think about your contingency plans, one place to start is to consider what your first three responses would be to a crisis situation in your personal life or your organization.

Looking at contingency plans for your business, you should consider how you would respond to situations that could have a dramatic impact on your bottom line.

Manage for Results

Even with great plans, it still takes an effective leader to manage the plan and ensure that is is executed effectively. No leader succeeds without building a strong team of individuals who share the same vision and goals.

Effective management means that you inspire and empower your team members to stand with you and help you succeed.

Once you've attracted good people and instilled the vision into them, you have to give them the freedom to respond to dramatic changes in the external environment.

Decisive action may be essential during chaotic situations. There is rarely time to sit back and brainstorm, so your team has to have the confidence and the freedom to do what needs to be done in a crisis situation.

As a leader, you are responsible for the success of the plan. Highly successful leaders are continually looking for ways to manage and lead their teams more effectively. It's about never being satisfied with where you currently are but always looking for ways to improve as a leader and as an individual. That's the spirit of becoming your best.

Prioritize Your Time

Doing what matters most frequently requires discipline and maybe even sacrifices in your personal and professional life. This principle is about time and how to do and become our best with the time we have in life.

Get Your Priorities Straight, and Think High Quality and High Quantity

The first action is doing what matters most so that you are focused on both high quality and high quantity (HQ/HQ), in the *high-performance zone*. If you're not in the high-performance zone, sit down with a partner or a team and evaluate your plan. How do you need to adjust your plan to focus on what matters most? Maybe it means adjusting the development and production plan to launch a pilot rather than mass producing a product on the initial run.

Take Control of Your Life Through Pre-week Planning

Your efficiency, flexibility and stress management will significantly improve if you engage in careful and thoughtful preparation for what you'll do in the upcoming week. Pre-week planning is simple enough. You take 15 to 20 minutes on Saturday or Sunday and develop a detailed plan for the upcoming week.

Five steps in pre-week planning will help you focus on what matters most each week:

Step 1. Review your vision and your annual goals.

Step 2. Look ahead one to three months, or even further out, in your master calendar.

Step 3. Enter into your calendar all of the meetings and other scheduled events that you have planned for that week.

Step 4. Identify what matters most that week in each role.

Step 5. Determine a time during the week when you'll do each item you listed under each of the roles.

Pre-week planning is a powerful way to reduce stress, give you better quality time in each area of your life, and certainly increase your balance. It also prevents important things from slipping through the cracks.

Protect and Conserve Your Time

To stay focused on what matters most, you need to create internal guidelines so that you don't get trapped by all the distractions. To protect your time,

- Handle each task when it arises, and don't procrastinate.
- Manage your email and other electronic media effectively.
- Try to eliminate or minimize ineffective meetings.
- Avoid negative, draining interactions with others.

You can't really change or control others, so don't allow them to throw you off. Draw upon your strong inner core for your own peace, happiness and direction. Your positive and peaceful energy and your effective use of time are two of your most precious resources. Be a master at conserving them carefully.

PART II: TRANSFORMATIONAL TEAMS AND RELATIONSHIPS

Live the Golden Rule in Business and in Life

The spirit of the Golden Rule, simply put, is to "treat others as you would like to be treated." The rule transcends time and culture and can be a game changer when it comes to your long-term success and relationships.

Four very significant ways that you and I can apply this ageless rule in our modern world are, use the power of kindness, be caring and give service to others, put others first — and take them all the way home, and practice four powerful tips to live the Golden Rule.

Tip 1: Carry a shield of love. Make an effort to love someone, even when that person has been mean or rude to you. It's counterintuitive. However, just watch the peace, power and control that come into your total being as you take the high ground and respond with kindness guided by this force field of love.

Tip 2: Empathize with others. The Golden Rule is a reminder that you should be as attuned to the people around you as you are to yourself.

Tip 3: Be compassionate with others. When you feel critical of another person, consider saying to yourself, "There, but for the grace of God, go I." Then offer compassion instead of judgment.

Tip 4: Celebrate differences and avoid prejudice in every form. Prejudices can easily become ingrained in our perceptions of others. Make it a habit to celebrate the differences of others.

As the great poet and writer Maya Angelou noted, "I've learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel."

Build and Maintain Trust

Trust is something that the highly successful leader constructs over time and then nurtures over the course of any relationship, whether it is with a family member, a coworker, an employer or the community. Strong and deep relationships are built upon trust and trustworthiness. When you betray a trust, it shows a weakness in your character, and that leads to fewer opportunities and diminished chances for success.

When you do things that increase the level of trust, your capacity to build relationships, create and seize opportunities, and achieve success increases substantially. When trust is high, you become more effective and influential in all aspects of your life. Even the most complex interactions and transactions become significantly easier when there is a high level of trust.

Build and Maintain Trust Through Your Actions

You certainly want to trust others, and you want others to feel that they can trust you. Here are a few specific actions you can take to make yourself worthy of trust:

- Do high-quality work, and finish it on schedule.
- Be consistent so that others will see you as reliable.
- Be predictable.
- Be open in communicating commitments, and be willing to have your performance measured.
- *Give* trust.
- Tell the truth.

As you achieve trustworthiness and meet the expectations of others, you will experience peace and balance in your life. Your relationships will be more rewarding, you will be better able to resist negative influences and you will build self-respect.

Another specific action you can take to build and maintain trust includes conscientiously working to establish trust at all levels of your organization. Trust doesn't simply flow from the top down. It's vital that you have a culture in which employees are willing to share their feelings, to express concerns and to offer solutions. For that to happen, highly successful leaders create a culture of listening and understanding the ideas and feedback from others, no matter how unpleasant the circumstances may be.

Learn the Stories of Those Around You

The first step in creating bonds of trust is to build a rapport based on shared experiences and mutual understanding. It's difficult to work with someone you don't trust, and it's even harder to trust someone you don't know. The challenge in this fast-paced and hectic world is to learn the stories of those around you in order to build bonds of trust with them. Highly successful leaders always find a way to build relationships.

To build trust with someone, try these game-changing words: *What is your story?* No matter what your profession may be, if you take the time to get to know the people around you, it will establish a higher level of trust and foster opportunities for more business.

As you work to become your best in your relationships and your career, trust is a critical component.

Be an Effective Communicator

Better communication begins not with speaking or expressing yourself but with *listening* to others instead. How you listen to others says a great deal about your character. So, to become a better listener — a sincere, interested, positive listener — you must begin with what's inside of you.

Be a Highly Effective Communicator

Here are some of the keys to becoming a highly effective communicator:

- Look the person in the eyes.
- When someone is speaking to you, don't worry about what you're going to say next.
- Pay attention to body language.
- Repeat back and check for understanding.

Avoid Communication Roadblocks

You should also be aware of certain obstacles to clear communication in the workplace and in your relationships. Some of these are related to tone, attitudes and simple communication habits. Others may be the result of character flaws, prejudices or insensitivities that need to be addressed if you hope to become your best and be a successful leader.

Here are a few "roadblocks" that may be hindering your effectiveness as a communicator and leader:

Ordering, directing and commanding. Example: "You will do as you are ordered without question." Keep in mind that in most cases, leaders cannot be effective if they demand respect; they have to earn it and share it.

Warning, admonishing and threatening. Example: If you miss that quota one more quarter, I'll find someone who can do the job." Most people do not respond well to threats or pressure.

Moralizing, preaching and imploring. Example: "You, of all people, should have known better. I'm disappointed in you." Moral superiority is a tough mantle to wear well. No one likes to be treated like an inferior being.

Advising or giving suggestions or solutions. Example: "If it were me, I'd do it this way." This can be highly appropriate if you are training Eagle Scouts, but that may not be the best way to communicate with your department heads, your spouse or the IT wizards you brought in to revamp your company software.

Master the Art of Feedback

Feedback is free consulting! When we ask for and give feedback in the right way, it can make a tremendous difference in an organization or a relationship.

There is a very practical method for gathering feedback in the form of ideas, suggestions and concerns, without creating conflict. It involves a three-step process called Continue-Start-Stop. Write the three words on a sheet of paper. Below the word "Continue," write your ideas or suggestions for things that work well and that you would like the person or organization to continue doing. Below the word "Start," write your ideas and suggestions for things you would like the person or organization to start doing that aren't currently being done. Below the word "Stop," write your suggestions for things that the person or organization should stop doing because, in your view, they are not working well.

You can use this three-step method to provide feedback to others or to solicit feedback from others for yourself or your organization. Although it takes some courage to invite others to provide feedback like this, if the feedback is sincere, specific and constructive, it can be invaluable for improving communication and helping relationships get to a better place.

Learn to Control Your Emotions

A final area that many people find challenging is controlling their emotions, particularly their anger, when communicating in stressful situations.

Wrath, which can be defined as anger, impatience, being opinionated or prejudiced, or even expressing rage, is a major barrier to effective communication. Communicating when you are wrathful usually alienates those who you are trying to influence or reach. Rarely does anything good come out of it. More often, it results in bitterness, retaliation and rejection.

Stepping back and giving yourself time to regain control of your emotions is a proven method for improving your communication skills. The minute you revert back to listening, you get to a better place. The next time you feel hot blood rising with emotion, say to yourself, "Don't react. Listen and understand."

Innovate Through Imagination

From research into what makes individuals, companies and organizations successful, we identified common success factors in the long-term highest achievers, and one of them was the ability to tap the power of imagination to innovate and remain relevant over many years and decades.

The human imagination is capable of producing endless opportunities and possibilities. With them comes *hope* and the belief that there are solutions to problems.

First comes the idea, the inspiration or the vision, and then comes the process for making your dream a reality. Imagination also allows us to sketch out the pathway to that reality. It creates the magic in our lives, our businesses and our organizations.

Here are four ways to fire up your imagination:

Be curious and ask the right questions. Highly successful people fire up their imaginations with an insatiable desire to understand how things work. Their curiosity is boundless. Their lives and accomplishments are built upon creativity and drive as well as powerful intellects.

Create a brainstorm of possibilities. Having different perspectives is critical to innovation. That's what brainstorming involves: tapping the mental energies of a group in order to trigger every participant's imagination. When you enlist the help of others, the number of new and fresh ideas goes up exponentially.

Walk away and let your subconscious do the work. Incubation is defined as a time when a problem is "parked" in your subconscious. You can't see any progress being made, but your mind is quietly whirling away. Sometimes the subconscious can unlock amazing ideas when we least expect them, so we should be open and ready for them.

Write about your ideas. Often the simple act of putting pen to paper will allow your thoughts to flow. Writing can help you clarify and organize ideas that might otherwise slip away.

PART III: TRANSFORMATIONAL LIVING

Be Accountable

We all fall short of expectations and make mistakes occasionally. When there is a misunderstanding, confusion, a missed meeting, something that is not going right or a mistake, simply fess up — take responsibility — and move on. When it's all over, take stock of what went right and what went wrong. Evaluate what you could have done better, jot down your thoughts, and then put the problem behind you.

People who aren't accountable tend to blame others or deny that they were responsible. You may be tempted to offer one of the classic copouts: "I didn't know," "I wasn't there," "I didn't have time" or "It's not my job." But using those excuses creates more anxiety and doesn't take you toward personal or institutional success.

Embedded in the commitment to be accountable is a commitment to do what you need to do to take control of your life and to become your best.

Accountability Strategies

I want to share with you strategies and tools that can help you understand how to live with accountability as an individual and as a leader.

1. **Control what you can control.** Focusing your energy on what you can control empowers you to move away from criticism, complaints and condemnations and forge ahead to become your best and achieve the highest levels of success. By controlling your response to challenges, frustrations and aggravations, you can greatly enhance the quality of your life.
2. **Develop relationship agreements.** These documents clearly define the vision, the reward system, the expectations and the accountability in any relationship, personal or professional. What's important is that you focus on your sphere of influence, and that will carry over to others.
3. **Eliminate procrastination and follow through.** There are specific actions that you can take to improve your accountability: eliminate procrastination and follow through. Do what you say you will do, and do it in a timely manner. If there is a problem or a good reason to withdraw your commitment, make sure you communicate with the people involved so that they can make adjustments if necessary.

Apply the Power of Knowledge

Your actions and your behavior follow your thoughts. If you thoughtfully engineer *what* goes into your mind and your heart, these factors of change will have an enormous impact on your ability to achieve your dreams and realize the best you can be.

If we really want to learn to apply the power of knowledge, it's important that we approach learning with these characteristics: a hunger to learn, humility and a willingness to try new things.

I have several game-changing invitations that could have a dramatic impact on your personal and professional life:

- Develop the habit of reading at least one book a month.
- Invest 3 percent of your income in acquiring more knowledge through seminars, training, books and personal development courses.
- Surround yourself with people who inspire and lift you.

The second part of this principle is to regularly assess the external environment. These are things that are outside of your control. They include natural disasters, disease, the death of a loved one, an accident, the economy, government regulations, your spouse or partner, children, people you work with, setbacks with your company, competition, changing markets and bad weather. Make an assessment by getting out a sheet of paper and drawing a large circle. You are on the inside, and the external environment is on the outside. Now, write down all of the external forces on the outside that could possibly have an impact on your life.

Once you finish thinking about the various factors, circle or highlight the two or three threats or opportunities that can have the biggest impact on your life. Then develop an action plan for taking advantage of opportunities or avoiding the threats to you and your organization.

This is a powerful way to gain knowledge, which then allows you to effectively apply it.

Live in Peace and Balance

Four harmonizing principles of peace and balance can help you clear your mind during even the most chaotic times at work or at home. They can be especially helpful to leaders who are striving for the highest levels of success.

- Increase balance in your life.
- Increase your peace through meditation.

- Laugh often.
- See yourself in a positive light through self-affirmation and positive self-talk.

Finding peace and balance requires inner strength. The more self-reliant and balanced you are in the different areas of your life, the greater your capacity to work effectively while making a difference.

Let's try a simple assessment called the Circle of Peace and Balance, which divides our lives into six areas that need our attention and consistent care. When each of these six areas is properly cared for, it's like balancing the wheels on your car to keep it running smoothly.

1. Your physical and emotional health.
2. Your mental health and your intellect.
3. The financial aspects of your life.
4. Security and safety.
5. Social life and relationships.
6. Your spiritual life.

With all these elements in place, the Circle of Peace and Balance resembles a wheel with six spokes. Each spoke of the wheel represents one of the six areas that are critical to maintaining balance in your life. Write a scale of 1 to 10 coming out from the hub in each of the six areas, and rate yourself by circling a number in each. Then connect the numbers that you circled. If you have a nice balanced circle, congratulations! However, most people rate themselves high in some areas and not so high in other areas.

The Circle of Peace and Balance is a simple way to assess whether your life is in balance, but make no mistake, it can be a lifesaver if you use it to identify areas that may need additional attention. Once you identify those areas, you can go to work and make the necessary adjustments.

You are the master of your fate. Finding peace and balance during the journey, both personally and in your organization, leads to greater health and happiness and an increased capacity to sustain excellence and fulfillment.

Never Give Up!

If you choose to never give up, you have a much better chance to succeed. You may still have to make corrections in your course, but as long as you refuse to give up, your goals will be within reach.

Virtually everyone will experience a failure or setback at some point. According to our research, high achievers typically experience at least three to four major failures and seven major successes in their careers. We can learn great lessons from our own failures and from the failures of others.

There are three steps to bolster your determination and inspire you to keep striving to achieve your dreams and goals, no matter what opposition, challenges or failures you experience:

1. Defeat the enemy within through hard work and action. If you learn self-control to such an extent that you can adjust your attitude on the run, you will never be defeated by self-doubt, which is the enemy within.

2. See the value of failure. Your failures do not define your life unless you allow that to happen. When a challenge arises, be aware of the words that instinctively come to mind. The thoughts we entertain define our mindset toward failure. If negative, self-accusing, angry thoughts are instinctive to you, then your mindset will be to see failure as worthless. If you choose to entertain positive, self-motivating and inspiring thoughts, then you're more likely to see failure in a positive light.

3. Hold to a purpose that inspires you. We don't ask for adversity or challenges. They often come when we least expect them. Think now about finding a purpose if you should experience a great tragedy. Think about what drives you, and tap into it before challenges arise. Use whatever inspires you as a life vest when storms hit. Cling to your most inspiring visions as sources of strength and determination. The moment you think about giving up, recall what has brought you this far, and resolve to continue on toward your dreams and goals.

Finally, remember that *never give up* is a guiding constant for successful people, relationships and organizations. It makes all the difference between those who falter and those who finish.

RECOMMENDED READING LIST

If you liked *Becoming Your Best*, you'll also like:

1. ***360 Degrees of Influence*** by Harrison Monarth. Monarth provides advice on how to gain the trust and respect of those around you and how to expand your influence well beyond your immediate environment.

2. ***Just Listen*** by Mark Goulston. A veteran psychiatrist and business coach, Goulston reveals the secret of how to get through to anyone, even when productive communication seems impossible.

3. ***The 360 Leader*** by John C. Maxwell. According to Maxwell, you can learn to develop your influence from wherever you are in the organization by becoming a 360-degree leader.

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Becoming the Boss

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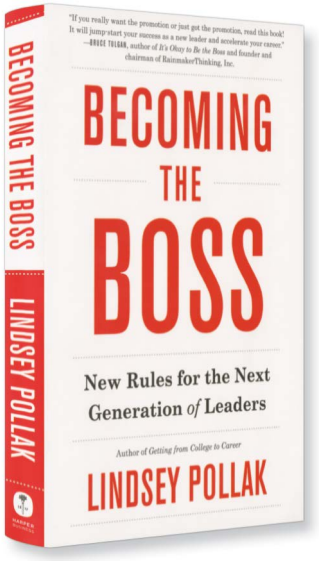
Leadership

Becoming the Boss

New Rules for the Next Generation of Leaders



by Lindsey Pollak

THE SUMMARY IN BRIEF

We are in the midst of a leadership revolution, as power passes from Baby Boomers to Millennials. All grown up, the highly educated Generation Y is moving into executive positions in corporations and government, as well as running their own businesses. Author Lindsey Pollak reinvents the concept of management for the new generation, offering a fresh and relevant approach to career success that shows them how to make the next step: becoming a leader.

Becoming the Boss is a brisk, tech-savvy success manual filled with real-world, actionable tips from an expert they respect and relate to. Pollak defines what leadership is and draws on original research, her own extensive experience and interviews with newly minted Gen Y managers and entrepreneurs around the world, to share the secrets of what makes them successful leaders — and shows young professionals how to use that knowledge to rise in their own careers.

From learning to develop a style that appeals to your older colleagues, to discovering the key trends affecting your career, to mastering the classic rules of excellence that never go out of style, *Becoming the Boss* helps you identify your next professional move and shows you how to get there.

IN THIS SUMMARY, YOU WILL LEARN:

- How to learn, lead and last in today's diverse, high-tech workforce.
- To harness the positive traits of the millennial generation to become a better manager.
- To build your brand, communication skills and network to lead in the 21st century.

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THE COMPLETE SUMMARY: **BECOMING THE BOSS**

by Lindsey Pollak

The author: Lindsey Pollak is a keynote speaker, corporate consultant and internationally recognized expert on millennial workplace issues. She is an official ambassador for LinkedIn and the author of *Getting from College to Career: Your Essential Guide to Succeeding in the Real World. Forbes* selected her career advice blog as one of the Top 100 Websites for Your Career.

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Introduction

Enormous demographic, economic and technological shifts are taking place right now in business, government, law, the media, health care, the nonprofit sector and almost any other realm you want to work in. These shifts are both exciting and daunting, and they are fundamentally changing the world in which you'll lead today and into the future. The leadership advice of the past is simply not enough to prepare you for today's complex realities.

You will lead through a demographic revolution. Becoming the boss in a time of demographic change means that you will need to build your skills in communicating with and managing people of different generations who have different expectations and styles of working.

You will lead through an economic revolution. You are becoming the boss in what some economists call a "post-employment" economy, in which companies can function and thrive without hiring as many workers or paying them as highly as in the past. For the next several years at least, you'll likely need to learn how to lead within the confines of a limited budget and a limited number of employees.

You will lead through a technological revolution. As a boss in high-tech times, you'll need to become an expert at managing through technology, including overseeing virtual employees, handling the etiquette of new communication tools, and keeping current with important new apps, networks and devices.

All of these demographic, economic and technological shifts add up to the fact that we are living in a make-or-break moment in modern history. It is a moment that will require a new generation of leaders who are as dynamic and revolutionary as the times we are experiencing.

PART I: LEARN

Prep

How well you are capable of leading other people begins, first and foremost, with how well you lead yourself. You will be a far better leader of others if you spend time building your knowledge, your mindset and your attitude first. Here are five key ways to become a leader on the inside so you're ready to be a leader on the outside:

Don't fear the fear. Career fear is totally natural. The trick is to keep moving forward despite the fear. Decide that you want it more than you are afraid of it. Deciding that you want it is not just about moving past fear; it's also about committing 100 percent to what you want. You'll have to reach for what you want with conviction. When it comes to leadership, in particular, fear is okay, but wishy-washiness is not.

Fill the tanks. Be a sponge, and not just in your own field. Because what happens when you fill the tanks with ideas from other realms is that you start to make random connections and come up with really creative ideas.

Three steps to fill the gaps. True leaders are regularly assessing what their gaps are and making plans to improve their knowledge and skill set. Here is a three-step plan:

1. **Assess your current skill set:** Do you possess the same educational degree or comparable experience/learning as leaders in your field? In what areas

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Amanda Langen**, Graphic Designer; **Corbin Collins**, Contributing Editor

have other people encouraged you to improve, and have you done so?

2. **Take immediate action to fill the gaps you identify:** Take whatever skills you want to acquire, and go find the very best book on the subject. Subscribe to multiple blogs and/or e-newsletters on the topic(s). Register for a class.
3. **Practice daily:** You will become smarter and better at anything just by committing to doing it a lot. Let go of perfection, and focus on practice.

Make new friends. Create a support network of people who understand your leadership goals and what it will take to achieve them. Find a community where it's okay to talk about your biggest dreams.

Develop global competence. Here are a few ways to ensure your leadership toolkit includes global competence:

- Talk to people from other countries.
- Read *The Economist*.
- Travel abroad.
- Volunteer for an internationally focused nonprofit organization.
- Take a trip on YouTube. Look at the amazing documentaries out there.

"Take the initiative to educate yourself" is ideal advice when it comes to every element of preparing for and thriving in a leadership position. Leaders don't wait for someone to guide them to where they need to be; they take a deep breath, roll up their sleeves and pursue the necessary action.

Be

What kind of leader do you want to be? It's important to think about not only what you want to *do* as a leader but also what you want to *be* as a leader. The concept of personal branding places your reputation and career management almost entirely in your control. Here are four overarching areas to focus on:

Visibility: Are you findable where your desired networking contacts are looking? Leaders need visibility.

Differentiation: This is what gets you noticed and what gets you continually promoted.

Consistency: Sets the tone for your team to be consistent.

Authenticity: Are you genuine in your image and your outreach to people? Maintain your personal integrity always.

What are you known for? Let's start to home in on your unique personal brand as a leader. You want to know what your current reputation is so you can reinforce what you are doing well and build your reputation in new areas you want to be known for. Ask people you trust to describe your professional skills and reputation. Revisit your recent reference letters and performance reviews. What words were used? Look at the Skills and Endorsements section of your LinkedIn profile, and see what skills people in your network have endorsed.

What do you want to be known for? If you overheard the people you lead talking about you, what words would you hope they would use? Start to sprinkle these words into your conversations with the people you lead. Use these words in your resume, professional bio, performance reviews and LinkedIn profile. Use your personal brand traits to check in with yourself when making decisions big and small.

Here are three ways to build your leadership brand before you've got the title or responsibilities to go with it:

Take initiative: You don't actually need a designated leadership role. All you need to do is get things done.

Show commitment: Initiate and take part in conversations about long-term plans for the organization. Volunteer for committees and task forces. Attend non-required events.

Act like a leader: Start acting — appropriately — like you already have the job. Ask yourself, "What would a leader do?"

Personal Leadership Brand Checklist

You always want to be authentic and bring your unique approach to each element of your personal brand, but here are some overall guidelines for managing your offline leadership brand:

- A strong self introduction: Also known as a 30-second pitch or elevator pitch. Take some time to practice describing yourself.
- A confident handshake: One of the easiest things to get right and the worst to get wrong. A good handshake is firm, includes direct eye contact and encloses the other person's full hand.
- A level-up wardrobe: Look the part. Use your wardrobe to build your authority. Get in the habit of dressing one level up from the people you manage.
- Business cards: Business cards provide people with your contact information and can guide people to your preferred method of communication.

Be.com

Your online image can make or break an opportunity you don't even know exists yet. If you want to be a leader in any area, you have to pay attention to what people find when they search your name online. And you have to ensure that what they discover about you on the Internet is consistent with the you they encounter in person.

How to Clean Up Your Online Presence

Google your name. The first few results on Google should reflect the professional presence you most want to project. For most people, this should be your LinkedIn profile because it is 100 percent professional and 100 percent in your control. Other ideal listings might include your bio on your organization's website, your social media profiles, your own website or blog or that of your organization and a positive news story written by or about you.

Negative online content can absolutely hold you back from achieving your leadership goals. The good news is that in many (but not all) cases, you can clean up a less-than-professional online reputation:

Untag, untag, untag: Go through all your profiles. If you find any inappropriate content, delete or untag yourself.

Pay attention to privacy settings: The default setting on most social networks is that everything you share is public. Make privacy settings as tight as possible.

Request removal: If someone else posted offensive content, politely ask the source to remove it.

Build better content with your name attached to it so that search engines find and rank these pages higher than the unwanted links.

Become more social: Build up a positive presence through social networks such as LinkedIn, Twitter, Facebook, Tumblr, Reddit, Pinterest, Google+ and others.

Accept the attention: When you raise your hand for leadership, you are opening yourself up to public scrutiny and criticism. If your intentions are genuinely good and you keep your focus on doing the best job you can for your constituents (however you define that word in your leadership role), then you should be fine. Just be smart about it.

The Ultimate LinkedIn Guide for New Leaders

Given how important your LinkedIn profile is to your online personal brand, here is a step-by-step process for building a leadership-worthy profile:

1. Study the best: Study the profiles of the people you admire in your particular industry or company. How do they write about themselves? What words and phrases do they include in their Skills and Endorsements section? What groups do they belong to?

2. Impress with your profile headline: People are busy. They want a concise explanation of who you are and why they might want to know you.

3. Post a professional headshot: People are going to check out what you look like, and what you want to look like is a leader.

4. Craft your summary: Your bio should act as an overview or greatest hits version of your career. Use the third-person voice.

5. Show, don't tell: Include visual examples such as videos of your professional speaking, slide decks from presentations or PDFs of articles.

6. Promote your skills: Skills and Endorsements is where you choose keywords to describe your top talents, and the people in your network give you an endorsement.

7. Customize: Add sections for honors and awards, projects, publications, volunteer experience and causes.

8. Crowdsource: Ask trusted friends or colleagues to review and share feedback.

9. Update frequently: Continually tweak and add to your profile.

Another option for building your online brand is to create what is called a nameplate site. The most popular is About.me, which essentially serves as a one-page Web site to share your contact information and provide links to your social networking profiles and any other sites you want to direct people to. About.me will also provide you with a short custom URL that you can include on business cards or in your email signature line. Nameplate sites can help push positive content about you to the top of your Google rankings as well.

PART II: LEAD

Listen

The words we use (and don't use) can make or break our reputations, our projects, our relationships and our organizations. For leaders, the stakes are even higher: one comment from a leader can cause elation, confusion or panic among the ranks. Let's start with some big-picture advice:

It's not about you: Remember that as the leader of a team, you are still a member of that team. *We* is one of the most powerful words in your vocabulary.

Know your audience: You can't have a one-size-fits-all communication style. You have to be adaptable based on the situation you're in and the people you're speaking to.

Overcommunication trumps undercommunication: Communicate as frequently, honestly and thoroughly as you possibly can.

Actually listen: Start with your audience. What is their perspective? Be open. Don't listen for what you expect to hear. Strive to understand. Don't rush to fill the silence. Pause and think before you respond.

Your method matters: The nuances mean everything. Choose your communication methods carefully.

How to Choose the Right Communication Method

Choose the tool that will best communicate the information to your listener and will achieve the outcome you desire:

- In person: It is still safest to communicate eyeball-to-eyeball about sensitive issues. In-person communications also give you a better chance to defuse heated situations.
- E-mail: Best for non-urgent communications and for reaching out to someone you've never met.
- Phone: When you can't speak in person and don't want an electronic trail of exactly what you've said, it's safer to pick up the phone. A phone call is often an efficient way to solve a problem or make a decision.
- Voice mail: Valuable in situations where the tone of your voice is essential to your message and you are not able to reach a person directly.
- Instant message: Best for quick, specific and nonsensitive communication, particularly yes/no answers.
- Text: Not always professionally appropriate. I would never text any professional contact unless that person has texted me first.

Become a Master of Meetings

Let's dig into the nitty-gritty of leading meetings, conference calls and formal presentations.

Meetings. Take control, and make every meeting the very best and most efficient it can be. Cancel as many meetings as possible. Invite the minimum number of participants possible. Have a written plan for topics and outcomes. Keep the pace moving forward, or do something to fix it. Put away smartphones. Assign a note-taker to send follow-up assignments. Change it up: meet outside, or have a standup meeting, or surprise your team with treats.

Conference or videoconference calls. Double-check the call-in line and your headset, headphones or microphone. Call in early. Channel your inner radio host. Introduce each agenda item with comments, and ask individuals for feedback by name. Look into your device's camera rather than at the person on the screen.

Presentations. Think of any presentation as an opportunity to promote your leadership brand and win support and respect. Organize your talk in a meaningful, logical way. Tell people up front how long you plan to speak and when they will have the opportunity to ask questions. Keep track of time, and stick to what you've promised. When it comes to visuals, less is more. Your slides should be additive, not central. Rehearse in front of the camera. Plan a great ending. Even for the shortest presentation, you always want to finish strong.

Manage

A study at Google found that technical expertise ranked last among the predictors of a boss's effectiveness. Instead, employees most wanted "even-keeled" bosses who made time for one-on-one meetings, helped solve problems, and took an interest in their lives and careers.

You can't become a master manager in a day, or a month or even a year. You'll have to lead before you're totally ready. That is perfectly okay. Lead anyway.

The Three Essential Laws of Twenty-First Century Management

What skills do today's leaders need that are new or different from the skills that past leaders needed? Three overarching themes will permeate many of the specific situations you'll face as a boss:

1. Adaptability to rapid change: Commit to keeping up with technology no matter how busy you become. Also, the more approachable, fair and supportive a manager you are, the less frequent turnover you are likely to see. The pace of change today requires extreme agility and open-mindedness.

2. Cultural awareness: Millennials represent the most diverse generation in American history, which means they will need to cultivate a more inclusive leadership style than previous generations.

3. Transparency: Much of the reason we expect transparency is the Internet. We know more about everything now, so we want to know more about and from our leaders.

How to Manage People When You Have Zero Experience Managing People

Most first-time managers have no idea what they're doing, and the role of a manager is more complicated today than ever. Very few organizations are good at teaching people how to be good bosses. Many don't provide this training at all, or they provide it too late. Successful leaders offer these suggestions from the new manager trenches:

Be yourself: It's a mistake to put on a new "boss" persona that is not authentic. People will see through that false front, and it can lead to serious fumbles. While it may seem counterintuitive to practice being natural, rehearsal is a helpful strategy.

Launch a listening tour: You have to go out and spend time with the troops. Just be careful that seeking input doesn't turn into managing by consensus.

Drive the truck: If you haven't risen up the ranks, do your best to learn from each employee what his or her daily experiences are and what changes would improve productivity or results.

Secure early wins: People want leaders who can get things done. Early wins can be large or small, ranging from cutting an unpopular "required" report to announcing a new client or funder.

Establish key performance indicators: Tie individual contributions to overall team or organizational goals. Setting key performance indicators (KPIs) for each person will help team members see the big picture and how each will contribute.

Remember that managing is your job … but make time for the rest of your work: If you have spent an entire day talking to your team members, you have been doing your job. Of course you will also have other responsibilities. Carve out moments in your day that are uninterruptible.

The Feedback Frenzy

Millennials have received more coaching and praise from parents, teachers, professors and coaches throughout their lives, so they enter the workplace expecting the same attention and encouragement from their employers. Employees who want feedback are showing that they want to improve and contribute.

How to give positive feedback: Give a "one-minute praising" by looking that person straight in the eye and telling her what she did well. Tell her how good you as the manager feel about what she did so well. Specific praise is far more meaningful and effective. Consider small ways to recognize achievement, such as quarterly awards, gift cards, flowers, lunch or even a handwritten note.

How to give negative feedback: You'll achieve the best results when your genuine intention is to be constructive. Create an environment where feedback and coaching are routine. Be specific and only criticize the issue at hand. Criticize the behavior and not the person. When the reprimand is over, let it go and move on.

Motivation Nation

Wherever your team members are based, another of your leadership responsibilities is to build and maintain morale. Here are eight ways to do just that:

- Do the opposite of every bad manager you've ever had (such as making fun of employees, deciding not to attend meetings at the last minute, dismissing ideas).
- Manage by walking around. To motivate people, you have to see them, chat with them and understand their day-to-day experience.
- Explain the why. Millennial employees desire to know why they have to accomplish a given task. Everyone wants to feel that his or her work is making a difference.
- Show interest in each person's self-development. "Where do you see yourself in five years?" Genuinely want to know — and support — the answer.
- Motivate different individuals in different ways. Find creative ways to correlate each individual's goals with the bigger picture.
- Encourage excellence. One Millennial leader told me that whenever she assigns a project, she says, "Make it as awesome as you want."
- Provide a safety net. Assure your employees that it's okay to ask questions and occasionally mess up.
- Change it up. Random, unplanned perks can be fantastically motivating in all sorts of situations.

Prioritize

How do you lead in a world where the pace of work is so much faster, the amount of information is so much greater, and everyone's stress levels are constantly increasing?

Being busy is not a badge of honor. If you are a leader and you are "slammed" all the time, you are not delegating enough, not organized enough or being dramatic. Learn how to manage a very full schedule without losing your cool. Here are some reminders:

Leadership is a marathon, not a sprint: You won't be perfect every day, and when you stop trying to be perfect, you'll end up better in the long run.

Take care of the big rocks first. You have to schedule the steps related to the big things before anything else. The smaller things tend to fall into place.

An ounce of planning is worth a pound of work. Stop in your tracks and make a plan. Part of being a leader is making tough choices about where your attention is most needed at any given moment.

Stress is not actually contagious. Remain calm when the people you manage are stressing out. Model the behavior you want.

You can cut down on stress and decision fatigue by routinizing a few trivial choices. And, a few calm, deep breaths can slow your heartbeat and give you a moment to collect your racing thoughts. It's wise to take several breaks throughout the day for at least a few minutes, even on your busiest days, just to give your mind and body a chance to recharge.

Work/Life What?

Work/life balance is now being referred to as "work/life integration" — or, frankly, just "life" — because we've come to realize that the issue is not about equally balancing one's personal and professional lives but integrating them into a complete whole.

In the past, when work/life separation was the norm (in theory at least), employees considered it a perk to work from home or make a personal call at work. Nowadays, almost everyone works from home at least occasionally and expects some level of flexibility. Millennials in particular have fully embraced the constantly connected work/life style.

This is a good thing in many ways, but it can lead to difficulties setting scalable and fair HR policies. Millennial leaders will be the ones to address future workplace issues such as,

- Will there be a concept of "regular work hours" in the future?
- If so, should hourly wage employees be paid overtime for responding to emails after hours?
- Will it be legal to reprimand or fire an employee for something she shared on a personal, privacy-protected social media site?
- Will you allow employees to "bring your own device" to work, and if so, how will you protect sensitive data?

Now let's bring the work/life topic back to you as an individual. There inevitably will be times when personal events conflict with professional events. As the boss, your handling of such moments will be closely observed. Here are some coping strategies:

Don't apologize for how you spend your time. Many successful leaders don't feel the need to explain their schedules and their boundaries. Never apologize for the choices you're making, as long as you're not being irresponsible.

Buy every tool available. It's always worth the expense to acquire any tool that will help you better manage all the various elements of your life as a leader.

Get better at saying no. Here are some of the perks I have enjoyed when I got better at saying no: First, I became significantly clearer on what I really wanted to do, because I challenged myself to say no more often. Second, I accomplished more of my big goals by clearing my calendar. Third, I learned that people would rather hear an honest no than a dishonest yes. Fourth, I had more energy. When I'm really overscheduled, I don't feel buzzed and energetic; I feel tired. And my final and most surprising revelation about saying no more often: no one noticed!

PART III: LAST

Connect

How do you find true supporters and attract the interest of key decision makers who will help to fast-track your leadership ascent? And how do you build an authentic and valuable professional network overall?

Find a mentor with extensive leadership experience — and the desire to share it. A mentor can help you think through decisions, better understand complex people management issues and anticipate leadership challenges. The best mentors are forthcoming with advice, open to tough questions, honest with feedback and genuinely supportive of your success.

Co-mentoring, or reverse mentoring, is a two-way street. Young people have their own wisdom that is valuable for older colleagues.

Befriend someone who will really understand the day-to-day experiences and challenges you're facing. If you don't have a professional network of peers, then industry associations, networking events and conferences can be good places to meet them.

Networking in the 21st Century

Keep building contacts. You have countless methods to leverage in your relationship building. The most successful 21st-century networkers use all the tools — online and offline — available:

Leave. Your. Desk. It is way too easy to spend your entire life in front of a screen. You'll increase your relationship building success exponentially if you actually go places.

Pick. Up. The. Phone. When you have some sort of misunderstanding, pick up the phone.

Build relationships before you need them. You have to continuously build this foundation so that people will be there for you when you want to reach out.

Give first. Even little "gives" make a big difference: advice, compliments, referrals, ideas.

Ask, too. It's part of good relationship building to ask for assistance when you need it.

Always take the meeting. If you're not necessarily interested in the opportunity but the person may be a good connection, go for it.

Diversify. Build relationships with people from other industries, countries, ethnicities, generations, regions and political views.

Network up. Determine the key players in your field, organization or department, and invite them to have a phone chat or join you for a cup of coffee. It's far more common than you think.

Take notes. It helps you retain information better and shows other people that you value their thoughts and ideas.

Follow up faster. Provide someone with follow-up information after a call or meeting within 24 hours.

Know that "thank you" is a form of networking. It is never bothering someone to gratefully thank them for their time, advice, help or anything else.

Do your homework. Before reaching out to or meeting with anyone, always Google the person and review his or her social media profiles.

Follow organizations. If there's a company you are interested in in any way, follow them and subscribe to them.

Give people and organizations reasons to reach out to you. Sharing status updates is a golden opportunity to heighten awareness of you and to spark interest in your leadership brand.

Customize everything. Many social networks provide generic outreach messages. Erase the generic sentence, and write your own words. Show that you are human.

Finally, you have the unique opportunity to give back to people younger or less experienced than you are. Do it. You'll not only help the other person, you'll also see how enjoyable it is to be the one providing the mentorship.

Grow

When leaders, particularly new ones, become overwhelmed, they tend to lose sight of their own career and personal development. In our fast-changing times, you need to continually focus on your own development as well. Millennials are perfectly suited for this. Here are some expert strategies for evolving over time:

Trust the foundation of your leadership training and the experience you build every day. As the world changes around you, never forget the basics. Of course, you'll have to work hard to stay current. Build relationships with smart, interesting people in your field who are younger and hipper than you are.

There are times it will pay to be brash as a leader. There are infinitely more times it will pay to be modest. Do not feel the need to grow your head along with your career.

At a certain point as you are rising in your success, you need to *decide* to be the best. You can't just wait and hope you rise to the top. Take time to craft ideas into a pitch, and share them with your team or higher-ups. Keep pitching those big ideas now and forever.

Don't be afraid to take a detour, make a lateral move, start a business on the side, or break out of what appear to be the prescribed rules of career development.

You're going to make mistakes and fail sometimes. So do your best to fall with style. Leaders take responsibility not just for wins but for losses. Leaders can and should apologize for important mistakes and still retain credibility. Life is long and will be filled with many more mistakes to come. We can't avoid them, but we can get better at handling them.

Not every millennial is succeeding today, and not every millennial will (or wants to) change the world. But as a generation, the millennials have the diversity, talent and skills to do so.

RECOMMENDED READING LIST

If you liked *Becoming the Boss*, you'll also like:

1. ***The 2020 Workplace*** **by Jeanne C. Meister, Karie Willyerd.** The multi-generations that will make up the workforce in 2020 will place new demands on employers. Meister and Willyerd present a guide to help.

2. ***Leadership 2030*** **by Georg Vielmetter, Yvonne Sell.** The authors present six converging megatrends that will reshape businesses by 2030, including demographic change, and explain the transformative effects.

3. ***Finding the Next Steve Jobs*** **by Nolan Bushnell, Gene Stone.** Bushnell explains how to find, hire and nurture the people who could turn your company into the next Atari or the next Apple.

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Beyond the Babble

November 2008

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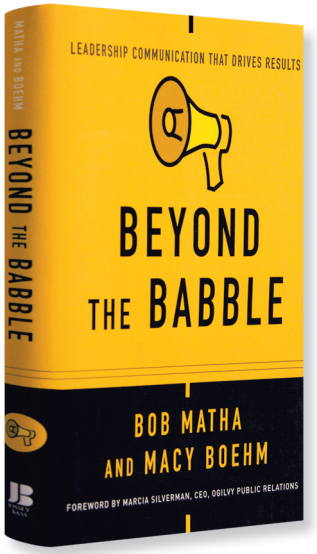
Leadership: Strategies

Beyond the Babble

Leadership Communication That Drives Results



by Bob Matha and Macy Boehm

THE SUMMARY IN BRIEF

The CEO takes the podium and begins to speak. It's a polished presentation and he looks impressive. As he talks, people nod their heads in apparent agreement, but after the applause dies down, the painful truth is revealed. His message didn't get across. It was all just so much babble.

Leadership communications experts Bob Matha and Macy Boehm offer a strategic plan for addressing one of the most difficult challenges any business leader can face: engaging employees to take action. Written for all those who lead groups — including supervisors, managers, HR and communications professionals, executives and CEOs — this practical resource describes how to put in place proven communication principles that do just that. Matha and Boehm's "On Strategy" communication plan focuses on one critical employee question: What do you want me to do? And it gives leaders the tools they need to mobilize a team of 10 or an organization of thousands.

Filled with examples from the world's top companies, *Beyond the Babble* explores the critical role communication plays in driving performance, how to leverage it and how best to measure results.

IN THIS SUMMARY, YOU WILL LEARN:

- How to clarify direction to the organization and make it relevant to employees.
- How to prepare leadership — from top to bottom — to deliver direction and engage employees.
- How to communicate to the larger organization about strategy through an ongoing "conversation" with and among employees.
- How to get business results by improving communications.

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THE COMPLETE SUMMARY: **BEYOND THE BABBLE**

by Bob Matha and Macy Boehm

The authors: Bob Matha and Macy Boehm are principals and co-founders of Basics 3, a leadership communications and employee engagement firm headquartered in Chicago, and they also provide counsel to clients of Ogilvy Public Relations Worldwide. Matha and Boehm have been featured speakers at the Arthur Page Society and the Advanced Learning Institute.

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For additional information on the authors, go to http://my.summary.com

The Power of Communication

Babble is big in business today. It's the tendency for executives to talk about important issues in convoluted, evasive or empty terms, and it's evident every day in the newspapers and on television. However, it's much more insidious inside companies than outside them. It corrodes an organization's ability to achieve results, derailing leader and employee alike.

Babble is a key reason behind employee antipathy toward management and apathy about strategy execution. More than half of employees in the United States are "not engaged" in their work, according to Gallup Research. They take a wait-and-see attitude toward their jobs, and results suffer. Even more detrimental to performance is the approximately 15 percent of employees who are "actively disengaged." According to Gallup, "These employees aren't just unhappy at work; they're busy acting out their unhappiness. Every day, these workers undermine what their engaged co-workers accomplish." According to Gallup's Curt Coffman, a key problem is a lack of clear communication from leadership.

Babble isn't a challenge just for senior executives. Functional leaders, middle managers, team leaders, frontline supervisors — anybody who needs to lead people to get things done can be sidelined by babble.

On Strategy Communication Cuts Through Babble

On Strategy is a term for effective leadership communication. It explains where the company is headed and how it will get there, what employees need to do to make it happen and why it's important to the business and to them. It's about the business and the realities that affect it.

On Strategy communication frames complex business direction in simple, straightforward, motivational terms, so everybody, from the CEO to frontline supervisors, can understand and discuss it. As a result, On Strategy communication makes strategy the topic of conversation in an organization, as employees and managers alike engage in an ongoing conversation about how to execute plans to achieve common goals.

The heart of On Strategy communication is in leaders and employees talking to each other — every day — about strategic information and perspective that help them do their jobs and do them well. It depends on not only senior executives, but also leaders up and down management ranks — including frontline supervisors. Local leaders are critical because they have continuous and direct interaction with employees. They also are the people best equipped to translate strategy into actionable terms for employees.

What Do You Want Me to Do?

On Strategy communication thrives on simplicity. People focus well on a handful of priorities, but they lose their way if the list is too long. On Strategy communication focuses on answering one critical employee question: What do you want me to do? Then it motivates them to act.

On Strategy communication is emotional. People talk about — and execute — what they care about. Employees in every organization have some sort of motivational connection to their work. Good leaders tap that connection to drive action. It's what gives work a special meaning.

The On Strategy approach requires leadership com-

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Christine Wright**, Senior Graphic Designer; **Chris Lauer**, Contributing Editor

mitment, process and discipline. The On Strategy approach is a specific leadership activity. The communication and human resources departments can help orchestrate leadership communication, but the ultimate accountability lies with the leaders themselves.

On Strategy Communication: An Overview

The On Strategy philosophy, process and tools provide leaders with a way to improve communication. It not only delivers leadership's message to the organization so it is inescapable, but it also makes strategy the topic of conversation from the meeting room to the water cooler to the assembly line. The On Strategy approach organizes and articulates leadership's direction so employees can hear it and understand what they are supposed to do. It makes strategy accessible and tangible for employees and connects it to employees' motivations so they take action. Finally, it orchestrates communication as a business process and management discipline.

Leaders implement On Strategy communication in three steps. Step One ensures that leadership's message is about strategy, understandable, relevant and motivational. On Strategy content is driven with the *Action Equation: Know + Feel = Do*. This equation is simple: What people know, plus what they feel, inspires them to take the right actions to execute strategy. With this in mind, On Strategy communication first determines what employees have to know and feel in order to act. Then Steps Two and Three prepare for and orchestrate how leaders actually communicate. Through a discipline called the *People Channel*, leaders from the CEO to frontline supervisors engage employees in conversations to deliver direction, perspective and information, and to pull feedback up from the ranks. In this way, On Strategy communication helps leaders lead.

The Action Equation

The Action Equation organizes *what* leaders need to communicate to employees. It begins by focusing a leader's thinking on what employees need to *do* to execute strategy or support the company's position on an issue. Then it expands that thinking to address what employees need to *know* and *feel* so they take the right actions. Moreover, it helps identify what is critical to communicate, and it filters out communication that wastes time, or worse, could be counterproductive to driving action and results.

The Action Equation involves research and analysis done *before* communication begins. Building the Action Equation can take some time, but if you skip the work required to adequately inform all three parts of the equation, your communication will be less effective, and you will miss a valuable opportunity to drive execution and results.

Here is how it works:

- **The Action Equation Begins With *Do*.** Informing the Action Equation starts with a leader determining exactly what he or she wants the organization to accomplish and, just as important, what employees need to do to make it happen. On Strategy communication seeks a simple, clear answer to two key questions every employee is really asking: What are we trying to accomplish, and what do you want me to do?
- ***Know* Creates Understanding.** Leaders inform the *Know* portion of the Action Equation as they determine what they need employees to *Do*. When they frame this direction in the context of the overall organization, they also "connect the dots" for employees between what individuals are doing, what the larger organization is doing and what's happening outside the organization. Employees need to know what to do and why it's important.
- ***Feel* Drives Action.** Employees in nearly every situation can have a connection to their work that gives it special meaning. It's about more than pay, recognition or opportunity (although those things are important). It involves what people do because they want to do it, not just because they are paid to do it. These intrinsic motivations can include an affinity for customers and products, energy around the substance of the work itself or the relationships employees have with their teams.

The People Channel

On Strategy communication aligns leaders up and down an organization — the People Channel — to deliver a consistent, strategic message to employees. More than that, it equips them to deliver information in conversation, in the context of local work issues and "in the moment" when employees ask questions and are making decisions about their work.

The People Channel generates an active interchange of knowledge and ideas among employees and leaders, rather than a passive cascade of information. It provides processes and tools to help engage leaders and employees in an ongoing conversation about strategy, so people have an opportunity to increase their understanding of strategy and offer their ideas and perspectives on how to improve and execute it better.

Do: What Do You Need Employees to Do?

Effective direction begins with telling employees what the organization needs to accomplish and how, and what employees need to *Do*, which is one part of the Action Equation: Know + Feel = Do. It's very actionable — the difference, for example, between telling the sales force they need to increase revenues by 10 percent (an outcome) and telling them they each need to make 200 additional sales calls (an action). Good direction also makes the tough decisions between priorities, as opposed to putting them all on an equal footing and making employees decide, when they come into unavoidable conflict, which is more important.

For example, good direction tells employees that ultimately quality is more important than volume, customer satisfaction is more important than cost reduction and growth is more important than margins (or vice versa), so they make the right decisions when they have to. Finally, good direction also includes specifics around critical outcomes of non-negotiables, such as safety, maintenance, customer satisfaction and ethics. These are the kinds of things that leaders may assume they can take for granted but can be compromised as employees pursue other goals — sales, returns, efficiency and the like — that are more dominant in communications (and in performance management tools, recognition, advancement, and so on).

Simplify Direction

Business plans usually outline all the goals, objectives, strategies, initiatives and resource allocation. Because of their complexity and length, they are not good communication documents (even though they may be great planning tools). Therefore, leaders must simplify direction into a handful of key concepts they must communicate. In fact, good direction usually can be distilled into a message of 500 words or less, one that simply tells employees what the organization needs to accomplish and how, and what the employee population is supposed to do.

Good leadership direction is about what leadership does, not just what it says. Words and actions have to match. This means the objectives leadership stresses in communication must be backed up by resource allocation, initiatives, attention and compensation — the concrete actions employees see that make the talk walk.

Know: What Do Employees Need to Know to Take Action?

Everybody in an organization should know where the company is headed and how it's going to get there. Some employees, however, need to know more in order to do their jobs. Leadership must communicate on strategy to those groups in deeper, more actionable terms.

Ensuring that employees know what they are supposed to do is an essential role of leadership communication. If leaders communicate this alone, they will be ahead of many companies. But there's more to leadership communication than that. Employees need to know the reasons behind goals and strategies. Answering their "why" questions helps reduce the distractions that come when they try to figure it out themselves.

Employees want to understand not only why certain strategies were chosen by leadership and how those strategies are intended to benefit the business, but also how execution against the strategies will benefit them personally — the eternal "What's in it for me?" The reasons could be financial requirements, competitive factors, societal issues, industry trends or customer trends. Relevant answers to the "why" questions can build confidence in leadership in the minds of employees and give a context to strategy that helps employees make decisions and trade-offs when they're needed.

Determine Who Needs to Know What

Every leader in an organization should know the organization's strategy. In addition, certain groups of employees have a disproportionate impact on the execution of certain strategies, and leaders must consider this as they communicate. Some people need to know more detail than others. Research and development people, for example, have a significant impact on strategies involving innovation and product leadership. Employees in manufacturing have a significant impact on quality and cost strategies. Leaders must consider this in developing their communication to ensure that specific groups have the opportunity to understand strategy at the level appropriate for their roles.

Conversations about strategy among leaders and employees not only help the employees be more effective in their jobs, but also bring insight and information on strategy and its execution to leaders.

Feel: What Do Employees Need to Feel to Take Action?

Emotional communication is anything but soft and fuzzy. Take the Marines. As a matter of doctrine, they build in their "employees" an emotional commitment to their teams — the frontline squads that form the backbone of the fighting force. From the time a Marine first puts on a uniform, his or her drill sergeant begins to instill that commitment to team, along with other emotional connections to the organization such as pride in the Corps and elitism. That commitment goes well beyond the "rational" reasons why a soldier should walk into harm's way — to achieve mission objectives, to protect the country and others. Actually, the fundamental reason men and women risk their lives in battle is because of the men and women who surround them. They do it for each other, for the team. If emotion isn't soft and fuzzy to the Marines, surely every business leader can embrace emotion as a legitimate part of leadership communication.

Leverage Intrinsic Emotional Connections

The rational elements of leadership communication are just one piece of the puzzle. Truly effective leaders also seek to understand and leverage the intrinsic emotional connections employees have with the company and their work. People will work for a paycheck, but they'll die for a cause — and every organization can find a cause.

Nearly every job — even assembly line work and flipping burgers at a fast-food restaurant — has a motivational connection for employees. It might involve being part of a team, making cool products or saving lives, but *something* can motivate an employee to do more than just clock in. It's a leader's job to find out what that is and tap into it by connecting strategy execution to that intrinsic motivation. That intersection between strategy and employee motivation is a key to performance. Communication can leverage it to drive results.

The 'Why Nots': What's Getting in the Way?

A person's *experiences* shape his or her *beliefs*, which shape his or her *behaviors*, which drive *results*. These linkages make up the Behavior Chain. Leadership must consider the Behavior Chain in developing On Strategy communication. It provides the insights necessary to address the reasons why people don't take action — the "why nots."

Two Common 'Why Nots'

Analysis of the Behavior Chain reveals a number of "why nots." Employees cite experiences that shape beliefs that make it difficut for them to change their behavior in order to follow leadership's direction. Two prevalent beliefs are as follows:

- ***"This will pass, just like the last program of the month."*** This belief blocks leadership's attempts to drive new behaviors, as employees continue past practices while waiting for new strategies to die on the vine.
- ***"They didn't ask me, so why would it work?"*** This is what employees often say about strategies developed for their work areas without their input. Experience tells them that the programs don't work well when they have not been involved in developing them. Even if they might work, employees often undermine them because they were not included in the process, and the expectation of failure becomes a self-fulfilling prophecy.

Just as there are reasons why employees will take action, there are reasons why they won't. These are the "why nots." They often involve deep emotions around employee perceptions of management regarding issues such as trust, commitment and competency. "Why not" issues are a significant challenge to employee motivation and a barrier to strategy execution.

The Behavior Chain

The "why nots" usually can't be talked away. When employees believe they have been lied to by management, for example, leadership can't simply say "Trust me" and expect employees to respond with the needed behaviors. Instead, leaders must address the root cause of the belief, identifying the experiences that shaped the negative belief about trust. This connection between experiences, beliefs and behaviors is the Behavior Chain.

Leaders can get a picture of their employees' beliefs and how they affect behavior and results by reviewing many of the responses on their employee surveys as well as by conducting qualitative research among employees, typically through discussion groups.

The Experience Link

To reverse a "why not," leadership must address the experience link in the Behavior Chain. For example, to overcome the barrier of established mistrust, a leader might begin by telling employees that he or she will

always tell the truth in a straightforward manner. Then the leader must prove it through visible, demonstrable actions — telling the truth about difficult subjects, for example. Finally, the leader must remind employees that he or she told the truth. This words-actions-words cycle creates a new experience for employees, which in turn shapes a new belief. After enough cycles of telling the truth (and reminding employees of it), employees will begin to trust leadership's words again.

Leaders have been successful using this approach to address a wide variety of "why nots." Removing the "why nots" as a factor in the minds of employees puts leaders firmly on the path to successful strategy execution. ●

Package: Turn the Action Equation Into a Conversation

Effective communication happens in the moment, when people are talking about the business and making decisions in their work areas. To enable leaders — from the CEO to a frontline supervisor — to communicate about strategy in the moment, they must be equipped with a message they can remember and deliver. That means the message has to be short — about five chunks of information. This five-chunk limit is driven by human short-term memory capacity.

The Conversation Platform

The five chunks must be constructed to cover the key points of the Action Equation in the form of a very short story, not a separate laundry list of thoughts. The information must be articulated in the vernacular of day-to-day conversation, not corporate language. In fact, the chunks should be viewed as concepts employees can put into their own words, as opposed to lines of a script or slogans. This overall story is the Conversation Platform.

The Conversation Platform is one of the most valuable and versatile tools leaders have at their disposal to improve leadership alignment and communication throughout the organization. It simplifies concepts to a point where they are easily remembered and articulated by top leaders, managers, supervisors and employees alike. It enables all leaders to boil down the essence of where the organization is going and how it's going to get there (or to discuss complex, difficult issues facing employees and the business) in a short communication that could be delivered in an elevator ride or form the basis for a three-day conference on strategy and issues. ●

Align: Make Sure All Leaders Are On Strategy

Top leaders need help communicating with their organizations — they can't do it alone. Therefore, a leader must align his or her leadership group behind strategy and communication, starting with top leadership and then extending the alignment all the way down to frontline supervisors. Without this kind of alignment, employees head in different directions, work at cross-purposes and derail strategy execution.

The first step in aligning leadership behind strategy and communications is to begin with the senior leadership team. Experts recommend enlisting the help of a seasoned, trusted facilitator to interview each member of the leadership team, using the Action Equation as a basis for intake. These intake sessions identify differences in understanding, perception, philosophy and other factors that may divide the leadership team. They also will uncover deeper motivational issues around trust and commitment that can inhibit collaboration. The output from these meetings helps drive productive discussion among the top leaders to resolve their issues and get on the same page.

Test Messages in the Field

Once top leadership is aligned, take messages (in the form of the Conversation Platform) to the field and test them with line managers and supervisors. This determines whether line managers will support the strategy and how leaders want to communicate it.

Just as a good marketing company wouldn't introduce a major new product without testing it with customers, leaders shouldn't take important messages to the organization without first ensuring that they will work. In working to align the organization behind the strategy, don't miss one of the most important constituencies — the informal leaders to whom those individuals turn for information and perspective. They may or may not be found in the leadership boxes on the organizational chart, but their influence in the organization is undeniable. ●

Equip: Give Leaders the Tools They Need to Communicate On Strategy

Businesses train top leaders, managers and supervisors in many things, but seldom provide training about strategy and how to communicate it. Train with this purpose. This isn't skill training, but content training, and as such should be a prerequisite of any leader's

participation in the management of the business. Moreover, because it's content training — it's about strategy — leaders should be active in delivering the training.

Develop a training approach organized around the Conversation Platform and Action Equation, focusing on the core message or "cause," the building blocks and the proof points. This helps create a common understanding and delivery method for strategy communication (it also helps deepen the understanding managers and supervisors have of strategy). With the platform as a foundation, the training should be used to:

- **Develop a solid understanding of strategy among managers and supervisors.**
- **Ground leaders in what the Conversation Platform is and how it's used.**
- **Build understanding of the communication processes the organization will use to communicate strategy and support managers.**
- **Get feedback.**

In addition to training, provide ongoing communication support tailored specifically to managers and supervisors. This includes a communication process or vehicle to keep them updated on strategy so they know news before the rest of the organization and therefore can help communicate and provide perspective. This should include the opportunity to ask questions. Concerning skills training, focus on interpersonal rather than communication techniques. Improving in that area will provide the most benefit, because On Strategy communication asks people to talk to each other not just make presentations and speeches.

Some managers will not become effective enough in communication to deliver On Strategy messages — at least in time to have an immediate impact on performance. In those cases, pair those managers with others who are effective communicators. That way the leaders serve immediate communication needs relative to performance, help the deficient leader learn how to communicate better and show the rest of the organization that communication is recognized as a critical leadership capability. ●

Drive and Support: Orchestrate and Sustain On Strategy Conversation

Once you have informed the Action Equation, built a Conversation Platform, trained and equipped your managers and launched the People Channel, it is time to kick-start communication and step on the gas. This happens through the various communication channels available in most organizations, which include traditional communication vehicles — such as the company newsletter, intranet and town hall meetings — as well as the operating vehicles that managers and supervisors use to run the business, such as departmental meetings, reporting documents, memos and e-mail.

To communicate on strategy, you can use these vehicles to produce a continuous drumbeat of information about strategy (based on the Conversation Platform) and occasional campaigns that turn up the volume of communication for specific, short-term purposes. You can create a drumbeat by keeping the content of every vehicle related to and in support of strategy. Even simple communication such as a personnel announcement can contribute to the drumbeat and reinforce the Conversation Platform. By setting up a communication calendar to track all of the organization's key deadlines, activities and events, you can use every opportunity to its fullest.

Generate Conversation

As you create the drumbeat, it's important to use communication that generates conversation by its nature — communication that has some level of controversy or is provocative, not the normal fare. The On Strategy approach is an ongoing conversation with employees, not a monologue, and the best vehicles generate and promote that conversation.

The communication department is a valuable resource in delivering On Strategy communication and achieving business results if you establish and use it strategically. It's best to populate the communication function with people who are both good businesspeople and passionate about communication. The combination can be very powerful in driving new thinking about the role communication plays and how leaders use communication to deliver business results. Communication people also provide valuable tactical support in delivering communication.

Involve People in the Entire Process

To make the most of your communication people, you should involve them in the entire process of strategy development, so they can contribute to and understand strategy in the deepest ways. Understanding strategy helps them prioritize their work and concentrate on strategic essentials as opposed to providing communication support and services. Tying their advancement and compensation to business results, rather than intermediary communication results or the production of materials, puts them in the lifeboat with you, where they belong and can help the most. ●

How Top Leaders Manage the People Channel

When managing the People Channel, top leaders focus on:

- **Measurement.** The ultimate measurement tools are your business metrics. Communication should influence results, or it will not (and should not) be a priority. Relate communication to performance metrics.
- **Reward, recognize and hold accountable.** It is important to follow up with employees with the proper rewards, encouragement and reinforcement. Recognize managers who are setting an outstanding example.
- **Prioritize.** Beyond managing the People Channel, a leader must also manage his or her own communication focus and activity. This begins with prioritizing where the leader spends time and resources.
- **Lead by example.** Top leadership must provide clear and consistent alignment at the top of the organization. Few things are more likely to discourage a manager from communicating with his or her employees than confusing and contradictory messages from leadership.

You: The Top Leader's Role

The People Channel is the sum of its parts: all of the managers and supervisors up and down the leadership ranks and informal leaders in and out of management. Its effectiveness is a direct result of top leadership's commitment to it. The People Channel spreads the responsibility for strategic communication across all leaders, thereby making communication more effective and less of a burden on top leadership. However, the top leader's role is indispensable in forming, shaping and sustaining the People Channel. In that role, top leaders must manage the People Channel, beginning with setting high expectations.

Never Assume and Always Monitor

You must outline the specific actions you expect managers to take at every communication juncture.

It's important to be specific about expectations for each major communication action. For example, if you are providing an update on your organization's performance and want managers to first attend a meeting with you to review and then sit down with their employees in small groups to review and discuss the information, tell them that. Don't assume they know what the next steps are just because you've done it a certain way in the past. Accompany each major communication opportunity with a clear set of expectations, as well as a process to determine whether or not managers and supervisors meet those expectations.

Orchestrate Communication Delivery

In addition to setting expectations for major communication events, top leadership must also lead by example as active members of the People Channel and participate in the campaigns required to drive On Strategy communication. At the same time, top leaders must play a visible role in managing the People Channel. That involves establishing measurements, allocating resources, recognizing good communication performance and making communication a priority task, not only for the organization, but also for you. ●

'How to' Resource Guide

There are a number of processes that help leaders deliver on the On Strategy approach. Here are two of these "how to" processes:

- **Conducting discussion groups.** Use discussion groups as a research tool on a frequent and ongoing basis (so long as you do something about the findings and tell employees that you did). To lead the groups, it usually makes sense to use a third-party facilitator from outside your direct business or organization. An unbiased party helps to encourage dialogue that is more open.
- **Identifying informal leaders.** Incorporate informal leaders into the People Channel in a number of ways: as people to bounce ideas off of, to provide ongoing reality checks, as part of the day-to-day communication process and more. Informal leaders in your organization can be identified by asking yourself: Who do I go to for the inside scoop, and who do I listen to and trust — at every level of the organization? Then ask the same questions of others in your organization. If you follow that path, you'll quickly identify the informal leaders in your organization.

Walk through the physical space to see which vehicles will work best to trigger conversations. The opportunities are plentiful. There's no substitute for the real thing — so experience it with a real visit. ●

RECOMMENDED READING LIST

If you liked *Beyond the Babble*, you'll also like:

1. ***True North*** **by Bill George and Peter Sims.** Learn how to follow your internal compass for authentic leadership.
2. ***The New Boss*** **by Peter Fischer.** A thorough guide for newly appointed senior managers. Fischer illuminates the seven building blocks of an accomplished transition offering helpful case studies.
3. ***Crucial Confrontations*** **by Kerry Patterson, Joseph Grenny, Ron McMillan and Al Switzler.** Master the skills needed to resolve the complex issues involving failed promises at work and at home. This is a guidebook to healthy relationships and career success.

· Book 104 of 388 ·

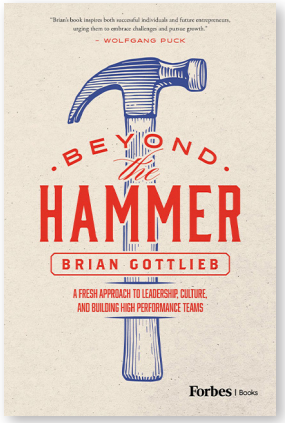
Beyond the Hammer

Brian Gottlieb

Executive Book Summaries®

Beyond the Hammer

A Fresh Approach to Leadership, Culture, and Building High Performance Teams



by **Brian Gottlieb**

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THE SUMMARY IN BRIEF

A team that consistently executes at a high level will win in any market, with any product or service, regardless of the competitive landscape. But what are the steps to developing a high-performing organization? How do managers get out of crisis mode so they can effectively lead their team? In ***Beyond the Hammer***, these questions (and plenty of others) are answered in two very intentional sections.

First is a familiar picture — a fictional story of George, a business owner struggling with burnt-out employees, high turnover, and frustrated customers. We follow George as he befriends a mentor who shares the five foundational pillars of leadership. In the second part of the book, the narrative shifts from storytelling to strategy, with an actionable blueprint for weaving these five pillars into any business. The book's two-part format has been designed to demonstrate problems and solutions. Written for managers and leaders alike, *Beyond the Hammer* offers a simple, yet powerful approach to creating a team that is aligned and properly positioned to win.

IN THIS EXECUTIVE BOOK SUMMARY:

- Explore how leaders can elevate team performance through Five Pillars of Leadership.
- A struggling business owner learns from a mentor how foundational leadership principles can transform his crisis-ridden company culture.
- Practical guidance on building a resilient, purpose-driven team.
- Learn how leadership creates a motivated team culture ready to overcome any challenge.

Part 1: A Business Parable

George, a stressed construction company owner, faces an unending series of challenges: demanding clients, costly project mistakes, and a crumbling company culture that compounds his frustrations.

The story centers around his interactions with a high-maintenance client, Chuck, whose botched kitchen project symbolizes George's mounting troubles. Chuck's relentless criticism and unrealistic demands exacerbate George's anxieties about managing his company, Warren Construction, since taking over after his father's sudden death.

George reflects on his upbringing, shaped by his father's legacy, and the pressures of running a family business. He's frustrated by the lack of accountability in his team, symbolized by his project manager Duncan, who resigns for a competitor.

George's struggles with leadership and finding stability in his company highlight his perceived inadequacy and loneliness in a role he never felt prepared for. These feelings culminate in a crisis of confidence.

Enter Marty, an old friend of Chuck's, who owns a successful contracting company with a strong, supportive culture. Marty sees George's plight and offers mentorship. Through a tour of his own business, True North, Marty shows George how positive, value-based company culture can empower employees and instill accountability, turning around even the most challenging situations.

Marty explains to George that every company has a culture, and that culture is defined as the accumulation of shared values, goals, attitudes, and behaviors - both when everyone is watching and when nobody is looking.

George realizes that leadership and culture-building skills are essential but have been neglected at Warren Construction. He also feels that he is not a natural-born leader, and when he is stressed or upset, he lets his team know that he is stressed and upset through his words and actions.

Over the course of a year, George continues to try to figure out how to improve his now failing business while reaching out to Marty for guidance. At first, George is solely focused on putting out fires, and only wants Marty's advice for specific, tactical issues.

Marty keeps steering George back to think more long-term and look at the big picture. He asks George probing and important questions to help him get to the root cause of why his business is struggling and why his employees are leaving.

He begins by asking George what the company's mission and vision are, but it's clear that George has not written down - or even thought of - either of these statements.

As they spend time together and throughout their discussions, Marty teaches George about his Five Pillars of Leadership. As Marty explains to George, these pillars can transform a business.

Each pillar is like a support beam, and when all five are implemented, you've built something that can stand up to any storm a business might face. George continues to make mistakes and missteps, but he starts to hear Marty's voice in his head as he's confronted with different issues.

Instead of reacting the way he usually does, he begins to approach his challenges in a different way. He has to make some difficult and uncomfortable decisions, but with the five pillars as his foundation, he understands that these decisions are not only for the betterment of his construction company, but also for the people who work for him.

At the end of this story, George feels better than he ever has about his company. He's keeping everything moving in the right direction thanks to his implementation of the five pillars.

These Five Pillars of Leadership are:

1. Belief is Transferable
2. Leaders Shape Culture Through Purpose and Direction
3. Leaders Are Aware of the Echo of Their Voice
4. Leaders Model Their Business as a Training Organization
5. Managers Need a Checklist.

Lessons Learned:

Accountability and Ownership: Successful projects depend on team members who take responsibility. Building this mindset requires a leadership culture that values ownership and empowerment.

Importance of Culture: A company's values and sense of purpose impact every layer of the business, from employee retention to client satisfaction. Strong culture can prevent issues and help retain talent.

Remember that negative voices are louder than positive ones.

Leadership is Developed, Not Inherited: Effective leadership is built through experience, mentorship, and deliberate practice — factors George lacked in his journey but can now seek to address with Marty's guidance.

Empathy and Belief: Leaders transfer their belief to others. Showing faith in team members' abilities encourages them to rise to challenges and builds a positive, resilient team.

Ultimately, George learns that transforming Warren Construction will require more than project management; it will take a purposeful commitment to culture and leadership. Marty's mentorship and the five pillars of leadership provide George with a transformative perspective on running his business.

As he sees at True North, leadership isn't about managing projects alone — it's about creating a sustainable culture where employees feel valued, empowered, and motivated. Implementing these pillars requires a shift in George's mindset, from simply putting out fires to building a strong foundation based on belief, purpose, accountability, growth, and resilience.

Part II: The Five Pillars

As Marty explained to George in Part I, there are Five Pillars of Leadership:

Belief is Transferable

When you believe in someone, truly and deeply, you light a fire in them. You can believe someone into success.A positive belief about yourself will inspire a limitless mindset.

A negative belief can be lethal. As leaders, we can, and we must, help others recognize their potential and encourage them to journey toward it.The idea that Belief Is Transferable is easy to understand, but not always so easy to implement.

Here are five things to keep in mind when helping a team member who is experiencing FUD (Fear, Uncertainty, Doubt).

Remember that negative voices are louder than positive ones. Leaders can help overcome this by transferring positive belief to their team frequently, consistently, and authentically. Make your belief evidence based. Try using the concept of "belief-because."

Remember to read the room. Watch your team members for signs of FUD, rather than waiting for them to tell you about it. The whispers of FUD that live in people's heads can be drowned out by a leader's louder voice positivity.

Belief is Transferable goes beyond title and position. When individuals are not aligned around a shared team purpose, it's easy for negativity and interpersonal conflict to creep in. On the other hand, when team members have a shared purpose and direction, they will feel good about their role and will want their peers to feel good as well.

Try to frame feedback using a center and a sphere. The idea is to raise awareness of areas for improvement so that an individual feels inspired and empowered to grow.

If there are performance gaps that need to be addressed, the goal is not to terminate the person, but to "coach up" and tell them:

1. Why we believe in them.
2. What they need to work on.
3. Why we're confident they can successfully incorporate the feedback they've just received.

Numbers 1 and 3 are the sphere and Number 2 is the center. In other words, the sphere is why you believe that person can improve, and the center is the need for improvement.

Leaders Shape Culture Through Purpose and Direction

Before talking about how to use your mission to shape culture, let's define what culture is. One simple explanation reads: "the attitudes and behaviors of the employees within an organization." Moving on to Mission and Vision statements, a mission statement describes why an organization exists today, and a vision statement looks to the future.

A vision statement should answer the questions "what does

a business want to become?" and "how do you win?" It should be noted that while a mission statement is timeless, the vision statement should be revisited every few years.

A clearly defined mission and vision woven deep into an organization will act like jet fuel for igniting individual and team performance.

There are five ways to shape company culture with purpose and direction.

Start with onboarding. New team members should be exposed to your purpose and direction on their first day.

Create an awards program. Try thinking about a recognition program that goes beyond KPIs. Include categories like "Top Mentor of the Year" or "Coach of the Year."

Weave the mission into conversations. The idea is to take a small phrase from your mission statement and pepper it into different conversations. This consistent reminder of the mission of the company will make it "sticky" and better understood by employees.

Review team members according to the vision statement. Each department needs its own vision statement. It acts as a North Star for the employee and a valuable tool for the manager. This helps everyone stay focused on their department's - and the company's - purpose and direction.

Use cause marketing to develop company culture. Cause marketing aligns a team around serving others and helps your brand. Team members feel inspired when they feel like they are part of a greater purpose of an organization, regardless of their role.

A meaningful mission statement and a well-crafted vision statement serve as the beating heart of a company, embodying its core values and aspirations.

Leaders Are Aware of the Echo of Their Voice

Recent studies have shown that 60% of employees have left a job to get away from a manager. If a leader comes across as stressed or angry, the team will be stressed and angry.

If a leader comes across as if they are steering the ship, and it's all under control, then the team is going to feel safe - especially in times of turmoil. In front of employees, leaders don't get to have bad days.

There are many examples of echoes that tear people down. Let's talk about Echoes that Build.

The echo of staying present.

Whether it's an informal or random conversation, or a structured performance review, staying present means you're "all in" during the moment at hand. This shows your team that you value them and creates more authentic human connection, and it also inspires them to do the same.

The echo of being immaculate with your words.

If you make a statement as a leader, it needs to be true, and if you make a promise or a commitment, you need to keep it.

The echo of body language.

Your physical presence is a powerful tool to show you are interested and open to what people have to say.

Leaders who are aware of their echo intentionally stay engaged in the meeting, not just until they understand the information, but until every last person in the room understands it too.

The echo of clarity.

Recognize your echo and make sure you communicate clearly. For example, as a leader if you are kicking around ideas and say something in a meeting like: "We really need to bring social media in-house instead of outsourcing it" - your team might take this as a directive where you only intended it as a starting point for a brainstorm.

A better approach would be to ask "What does everyone think about bringing social media in-house?" Always recognize your own echo and make sure you are being clear in your communication.

The echo of intent.

There are many different types of meetings, and the most productive meetings happen when each person in attendance knows what type of communication to expect ahead of time.

When you have an organization where leaders and managers are aware of their echo and communicate effectively, your culture will be stronger, and your business will be better because of it.

You will not only attract more top talent, but you will retain them, too, because the reverb of your echo will reveal itself in the satisfaction, productivity, and commitment of those on your team.

There's a difference between handing someone an employee manual and modeling your business as a training organization.

Leaders Model Their Business as a Training Organization

There's a difference between handing someone an employee manual and modeling your business as a training organization. Training organizations don't view training as something with a start and end date. Instead, it's a mindset, and the value of training is woven into the fabric of the business. Training organizations are always sharpening their blades.

Zappos is a training organization.

Their philosophy was to succeed by inspiring team members rather than just giving them a paycheck. Customers regularly wrote emails, blogged, and even created videos about Zappos level of service. In 2009 the company was sold to Amazon for $1.2 billion.

Training organizations document their systems and processes.

Envision a customer's journey through your company from the first touchpoint to the final interaction, How many times is someone engaging with them? What do you want those communications to look like? Each of these touchpoints is an opportunity for friction, and therefore is an opportunity for training. By documenting a vision for every engagement, you will create an impactful learning tool.

Is training structured, or is it organic?

Some organizations have a dedicated trainer where content and cadence are planned and delivered with consistency. Others prefer to empower the team to conduct their own training at the time and place of their choosing. Which is better? Somewhere in between where the organization has both structured training as well as allows for - and encourages - more organic, team member to team member training.

Hire for ETHER.

ETHER stands for Ethical, Trainable, Hungry, Energetic, and Reliable. Candidates with the right balance are the ones you want on your team. But keep in mind that not every role requires the same amount of all these qualities.

A willingness to learn.

There are methods to help identify people who are willing to learn. For example, if you have a role that requires script memorization, you can send the candidates a short script to memorize before the interview. The goal isn't to see who does it perfectly, but rather who puts the effort into it. Those are the best candidates for the role.

Getting training to stick.

A training organization needs to measure the effectiveness of the training, in real time. Daily quizzes during training can help with this, and are beneficial to both the trainee and the trainer.

For the trainee, momentum matters. Small, early wins build confidence, create momentum, and fuel a learning mindset. For the trainer, if the students in the class are doing well on the daily quizzes, then the training is working. If they are struggling, then it's clear there is an issue with the training and the course.This allows the trainer to adjust and improve.

Investing in people.

By modeling your business as a training organization, you are not just teaching a skill set, you are igniting a culture of continuous growth and innovation. More than professional development, it's an authentic commitment to every team member's journey towards recognizing their potential.

Managers Need a Checklist

There's a list of the Top 10 Practices of Top-Performing Managers. This list is:

1. Is an effective coach and mentor.
2. Leads with a team vision statement.
3. Practices empowerment.
4. Communicates effectively.
5. Is KPI focused and accountable.
6. Discusses performance and career development.
7. Keeps a learning mindset.

8. Collaborates with other business units.
9. Embraces continual process improvements.
10. Praises performance publicly.

The role of the manager.

Managers handle key operational tasks such as hiring, promoting, training, rewarding, and when required, terminating team members. A manager's approach to these duties will either cultivate a positive, productive, and engaging team culture, or lead to a demotivated, distrustful, and dysfunctional one. A manager's actions directly influence the culture of the company and the mindset of the team.

Mindset matters.

How we think about things - our mindset - affects how we feel about things. How we think and feel impacts how we act, our behavior. It's crucial to ensure your managers are aware that how they approach their daily responsibilities impacts the mindset of their team, and therefore the overall organization.

Managers influence culture.

The CEO, along with other top executives, shapes the culture of a business by providing clarity of purpose (mission) and business direction (vision). It's the managers, however, who are the custodians of the company's culture. Culture and mindset determine the degree of employee satisfaction, commitment, productivity, engagement, and retention for those you work with. The impact will be reflected in how the business performs.

Difference between leaders and managers.

Managers navigate the day-to-day complexities inside a business, ensuring the systems and processes are being adhered to, while leaders drive change; change in direction, change in mindset, and change in human behavior. Leaders and managers are usually the same person doing different things at different times.

Levers of influence and levers of control.

Sometimes the goal is to coach, motivate, and inspire team members. The practices that require these skills are called levers of influence. At other times, it's about managing processes and systems. Those practices are levers of control. In management, the blend of influence and control is key. Influence without control can lead to chaos, while control without influence can create a rigid and uninspiring environment. The art of successful coaching, and indeed successful management, lives in finding the right balance between these two very different levers.

Levers of influence drive change by shaping attitudes and behaviors in a positive, nurturing way. Levers of control provide the necessary framework and boundaries within an organization, so both the business and the individual can grow together. The best managers are adept at understanding when to use which lever.

To quote Aristotle, "We are what we repeatedly do. Excellence, then, is not an act, but a habit." As a leader, you get to choose what you want to practice, and what you want to perfect. In doing so, you're also modeling the way for those around you. The five pillars, when practiced, can transform the culture of a business, and the mindset of a team. In this newly transformed business culture, people are no longer put in a box where their contribution isn't valued or appreciated. Instead, team members can thrive in an environment filled with meaning and purpose, surrounded by others who believe in them. And in that world, everyone becomes limitless.

Brian Gottlieb is an inspirational business leader who founded a home services business in 2009—on a plastic folding table with $3,000. When he sold the businesses twelve years later, the organization had expanded across multiple states, grown to 600 employees, and neared $1B in lifetime sales. The company was recognized by INC 5000 as one of the fastest-growing companies in America. A Harvard Business School executive education alumnus, Brian is an active angel investor, board member, and keynote speaker who inspires businesses and individuals to reach their utmost potential.

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Book Snaps: The Infinite Game by Simon Sinek

Soundview

BOOK SNAPS™

Zooming In On Your Next Read

The Infinite Game

by Simon Sinek

Simon Sinek is an optimist and the bestselling author of ***Start With Why, Leaders Eat Last, Together Is Better,*** and ***Find Your Why.*** He is working to build a world in which the vast majority of us will wake up inspired, feel safe at work, and return home fulfilled at the end of the day. Learn more about his work at **SimonSinek.com**.

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Play to Keep Playing for as Long as Possible

There's a reason we talk about business in militaristic terms—battles are fought to be won. Leaders plan strategies to gain territory (market share) and to outwit the enemy (the competition). Marketers and salespeople implement campaigns, and any competitor information gained by illicit means is referred to as industrial espionage. Victory is achieved when the enemy is vanquished either through surrender (a merger or takeover) or outright defeat (driven out of business).

In his new book, *The Infinite Game*, Simon Sinek points out a fundamental flaw with this approach. Businesspeople fight to win, but business is inherently unwinnable because there is no defined end point. Personnel may change over time, products and services may come and go, and companies will rise to prominence, maturity, and inevitable decline, but: "There is no such thing as 'winning business.'"

Games like chess or football are finite in nature. There is a clear end point to be achieved by fixed rules, and there are easily identified winners and losers at the end. The world of business, by contrast, is more contradictory. Leaders play to win but the objective isn't really to win, it's to keep playing (ideally in pole position) for as long as possible. Sinek defines this as an infinite game.

The author's inspiration for this terminology is *Finite and Infinite Games: A Vision of Life as Play and Possibility*, by James P. Carse, published in 1986. It is that promise of "play and possibility" that Sinek seems to find so attractive, because he presents this perspective of business as an infinite game as the key to transformation from a company of stressed and overworked production drones to a cohesive team of innovative risk-takers. To achieve that transformation, the author proposes five fundamental practices that leaders must follow if they hope to achieve a truly infinite mindset.

1. Advance a Just Cause

What kind of company do you want to build? This is not the same question as Sinek asked in Start with Why. That was about establishing a clear purpose in all you do. Answering that question drew on the past—your life experiences and value

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> **Being the best is great for a finite game, but it's no guarantee of success in an infinite game. . .**

system that led you to this point—your origin story. In this instance, you are looking to the future. If business really is an infinite game, it must be about future potential that can take you in multiple directions. In this game, you're not competing with another company, you're competing with yourself. Sinek cites the example of sharing a cab with an Apple designer who was very nonchalant about Microsoft launching the Zune to compete with the iPod. Apple wasn't worried about the Zune, they were worried about what came after the iPod.

The choice of the term cause is a deliberate attempt to separate from a profit motive or other corporate metric. This just cause "must be durable, resilient, and timeless." As such, profit becomes a means to the continued pursuit of that cause rather than an end in itself. The inherent service orientation here leads us to a detailed discussion of a broader responsibility of business beyond order fulfilment and customer satisfaction.

What makes a "just cause"? Sinek describes this as: "a specific vision of a future state that does not yet exist." That future state has to be so compelling that your employees will gladly enter the fray on a daily basis, making endless sacrifices for something that they consider to be bigger than themselves. They are acting for something rather than against something else.

Don't confuse this with a run-of-the-mill vision statement that shows up in every annual report alongside mission and objectives. Sinek quotes the vision statement from Garmin, the GPS device maker, that proudly states: "We will be the global leader in every market we serve and our products will be sought after for their compelling design, superior quality, and best value." This, the author points out, may be a guiding philosophy, but it's not a just cause. Being the best is great for a finite game, but it's no guarantee of success in an infinite game, as Garmin was to discover when its market value fell by two-thirds from 2007 to 2018.

2. Build Trusting Teams

Sinek makes a detailed distinction between performance and trust. Companies hire based on past performance and then treat those hires as expendable resources to be cut loose when financial performance metrics demand. The Human Resources (HR) department is usually complicit in this process. For companies playing the infinite game, this scenario should be reversed. Hire the best people and then trust them to do their jobs. If you find that you can't trust them, then why did you hire them in the first place?

With that trust in place (which, the author admits, will take a while), the role of HR then changes to protecting the people from the short-term mentality of leaders seeking to boost the bottom line with a quick reduction in labor costs. Employees who feel trusted and protected perform at a higher level, and customers respond to that.

Sinek offers a detailed example of the Marine Corps where the priority in leadership training isn't the ability to overcome any obstacle, but rather to "create an environment in which everyone feels trusted and trusting so that they can work together to overcome any obstacle." This message is underlined with frequent reiteration of the statement that: "leaders are not responsible for the results, leaders are responsible for the people who are responsible for the results."

An example of a clear failure to comprehend this message is presented under the heading of ethical fading. The case of Wells Fargo's toxic work culture that prompted employees to open new accounts for customers without their knowledge or permission is covered in detail. The gradual fading of any ethical standards is an inevitable consequence of an oppressive work culture in which any act of malfeasance can be rationalized in the name of employment security. The fact that the financial penalty paid by Wells Fargo—$185 million—represented less than one percent of their annual profits is indicative of the lack of serious concern for this issue. Sinek takes his clear frustration one step further by calculating the fine in terms of an employee's salary: "It's the equivalent of someone who makes $75,000 in annual salary being fined $150. Not much of a punishment."

3. Study your Worthy Rivals

Closely studying your competition should be second nature for any competent business leader. How you study and which rivals you choose to study will quickly reveal whether you are playing a finite or infinite game. Are you simply following in your competitor's shadow, constantly playing catch-up, or are you examining every detail of what they do to learn as much as you can from them?

Sinek recounts the story of former Boeing Commercial executive Alan Mulally joining Ford Motor Company as its new CEO in 2006. When asked what kind of car he drove, Mulally stated unequivocally that he drove a Lexus, and followed-up with the justification that: "It's the finest car in the world."

To state that the car you drive is better than any car made by the company you now run might have seemed sacrilegious to some, but Mulally was sending a very clear message—Toyota makes better cars than Ford and we have to fix that. That one statement changed the perspective of the entire corporation. Instead of monitoring every competing car maker as a matter of corporate

> . . . real courage comes from making a decision that takes your company in a completely new direction.

policy, Ford now had a worthy rival. When the stock market crashed in 2008, Ford was the only US auto maker to survive the market downturn without federal assistance. Both General Motors and Chrysler received a government bailout—a move that Mulally wholeheartedly supported. For him, the opportunity to let two competitors go under was worth far less than keeping two rivals around to make sure that Ford stayed sharp.

4. Prepare for Existential Flexibility

Sinek draws a clear distinction between the daily flexibility you need to be good at your job, and the existential flexibility needed to be ready to make a huge strategic shift in pursuit of your just cause. Walt Disney made such a shift when he put everything on the line to elevate cartoons from the black-and-white short of Steamboat Willie in 1928, to the glorious feature-length color of Snow White and the Seven Dwarfs in 1937. This was not a 'bet-the-house' gamble in pursuit of maximum profit. It was a commitment to providing the audience with an opportunity to "leave the stresses and strains of life behind and enter a more idyllic world of [Disney's] creation."

Being willing to risk everything in pursuit of your just cause is only one element of existential flexibility. Finite leaders live in constant fear of having their carefully planned strategy upended by new or disruptive technology. Infinite leaders, who are playing the long game, welcome the disruption and embrace the new technology as an opportunity to improve their product or service and better serve their customers.

Sinek further clarifies that an Existential Flex should not be confused with the passion and vision of an entrepreneurial start-up venture that is fueled more by faith than resources. An Existential Flex happens when a fully formed and mature company recaptures that infectious enthusiasm and passion for something new at a time when the company appears to be doing fine on all other metrics—making sales and profits. To outsiders, the decision to shake everything up may seem crazy at worst and iconoclastic at best, but infinite leaders know that this is the very time that you should reset and reinvent.

5. Demonstrate the Courage to Lead

From the author's perspective, playing the finite game doesn't require real courage. Yes, there may well be some risk in expanding into a new market or committing research dollars to the development of a new product, but real courage comes from making a decision that takes your company in a completely new direction. When you decide, "That's bad for business, and I'm going to do it differently," you may be impacting your sales and profitability in the short-term as a sacrifice to the longer-term viability of your just cause.

CVS Caremark made such a choice in February 2014 when the company announced that they would stop selling any tobacco-related products in their stores. They expected the decision to cost them as much as $2 billion in annual revenue across over 2,800 stores. What would prompt a corporation to make such a decision that was guaranteed to invoke the wrath of Wall Street analysts and pundits? Sinek points to CVS' Just Cause: Helping people on their path to better health.

The company wasn't responding to an online campaign or national boycott. Nor were they reacting to bleak market data that called for the end of all tobacco products. They were simply committing to their just cause. As for the Wall Street analysts, the predicted loss of revenue to competing retailers never materialized. As Sinek points out: "The seven hundred packs of cigarettes per week per store didn't just go somewhere else. They went nowhere. The total sale of cigarettes actually decreased." Removing the availability of tobacco-related products in their stores encouraged customers to quit the habit rather than get them somewhere else.

Sinek concludes by drawing comparisons between the game of business and the game of life. We can consider our lives as finite, but life itself, as far as we know, is infinite. Changing that perspective, the author argues, might just change your whole life. In any other game you get to choose whether you want to play or not. In life you become a player the moment you are born. You then have a choice to follow a finite path of short-term goals (usually in pursuit of financial gain), or an infinite path in pursuit of a just cause—what Sinek calls a life of service.

Sinek doesn't present finite and infinite games as being mutually exclusive. Every infinite leader will have to make finite choices in the short-term to pursue their just cause. The message of his book is that the finite mindset is, by definition, restrictive. The rules of the game are decided for you, and if all you do is focus on beating your competition at any cost, you forego so much potential that you could access if you just stopped for a moment and thought about how you want to play. Playing the infinite game isn't portrayed as easier by any means, but the prospect of leading a company that truly reflects your values, respects the people that work with you, and commits to something more substantive than the almighty dollar, must be worth serious consideration.

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BookSnap: Leadership Strategy and Tactics: Field manual

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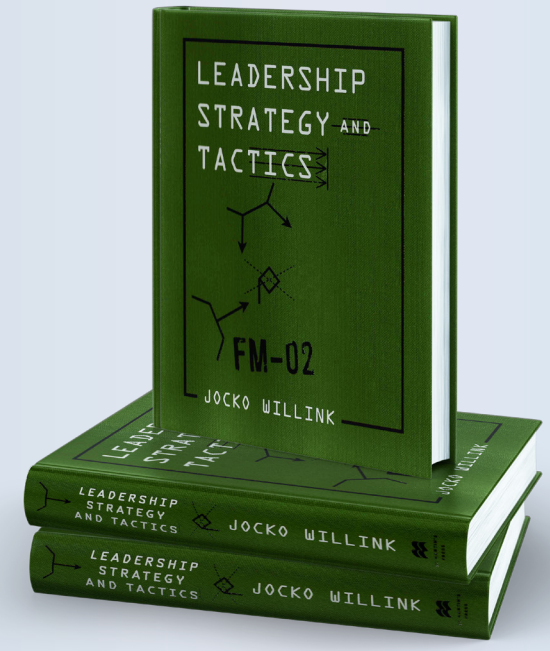

Leadership Strategy and Tactics: Field Manual

by Jocko Willink

Jocko Willink was a U.S. Navy SEAL for twenty years, rising through the ranks to become the commander of Tank Unit Bruiser, the most decorated special operations unit of the Iraq War. After retiring, Jocko continued on the disciplined path of success, co-founding Echelon Front, a multimillion-dollar leadership and management consulting company, writing the New York Times bestsellers Extreme Ownership, Discipline Equals Freedom, and The Dichotomy of Leadership, along with the Way of the Warrior Kid children's book series, and creating one of the top-ranking podcasts, Jocko Podcast.

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Leadership Is Hard Because 'People Are Crazy'

If you aspire to a leadership role in your organization, there are probably two primary paths ahead of you: an academic path, where you examine leadership theory based on historical models and case studies, or a real-life path where you learn from those around you and/or receive mentoring from your boss. This less-structured and often very serendipitous path is known as OJT—on the job training.

In his new book, *Leadership Strategy and Tactics: Field Manual*, decorated U.S. Navy SEAL team commander and management consultant Jocko Willink takes the same prescriptive approach to educating his readers as he did in his earlier bestsellers *Extreme Ownership* and *The Dichotomy of Leadership*. Leadership is hard because "people are crazy." You may be able to identify general patterns of behavior, but when you're dealing with small teams of individuals, whether on the battlefield or in the corporate world, those individual identities will supersede any leadership theory you may have read about in college.

Willink's perspective is inevitably grounded in the military paradigm, but he manages to remain cognizant of his corporate audience, balancing the tough-mindedness of a command leader of men and women who are expected to follow orders, with the fair-mindedness of a leader who is expected to develop the strengths and skills of his direct reports.

Leadership Strategies

As the book's title implies, Willink approaches the topic in two parts, setting the groundwork in part one with a detailed look at "Leadership Strategies: Foundations, Core Tenets, and Principles." In the second part, he drills down to more specific recommendations by addressing "Leadership Tactics: Becoming a Leader, Leadership Skills, Maneuvers, and Communication."

Foundations

If you're a listener of the Jocko Podcast, you will find the direct tone of this book to be very familiar, but Willink isn't above

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> . . . Subordination of your own ego can be even more challenging than understanding the needs of the individual personalities on your team.

sharing stories of his own lack of experience in his first platoon, and his naiveté as a leader. In describing a combat training exercise on a commercial oil rig, he tells a story where his platoon was presented with an unexpected layout, causing everyone to freeze in anticipation of further instructions that never came. Willink was able to detach himself from the intense focus on mission parameters to make a quick decision that allowed the platoon to move forward. That detachment from a singular focus served him well as he rose up the ranks. As leader, you don't need to burden yourself with the expectation of knowing everything about the mission (or project) and every possible outcome. Instead, develop the ability to remain objective so that you can better respond to unanticipated events.

The more you burden yourself with knowing every single detail about the mission, the greater the likelihood that you will fall victim to your own arrogance, not listen to your experienced team, and make the wrong call when a deviation from the mission parameters is clearly needed.

Core Tenets

Awareness of and control over your own arrogance and ego is a prevailing theme through part one of the book. Transparency, communicating everything to your team (both positive and negative), being humble enough to ask for help when it's clearly needed, and having the humility to never stop learning as a leader, are critical tenets for future success. Having an assigned rank in a chain of command (or an organizational chart) is not an automatic entitlement to influence and respect—they both have to be earned. You do that by demonstrating extreme ownership (of the good outcomes and the bad) and investing the time and effort to build trust and relationships with each of your team members.

Willink reminds us that subordination of your own ego can be even more challenging than understanding the needs of the individual personalities on your team. The more experienced and skilled you become as a leader, the greater the temptation will be to show them which direction to take or decision to make. That not only deprives them of a valuable learning opportunity, it also sends the message that you don't have confidence in them to make the decision on their own.

Principles

The author runs the risk of alienating his audience with the statement that "Discipline is the best way to take care of your people." Coming from an experienced military leader, that perspective should not be a surprise, but the fact that he subscribes to the same approach in a corporate environment is surprising. The 'tough love' approach has an underlying message, however. It's your job as leader to make sure your people are as well prepared to succeed as they can be—that's your job—and if you elect to "coddle them" to avoid being unpopular, you fail at that job. Willink isn't advocating that you drive them to burnout, he is arguing that you should know your people well enough as individuals to be able to maintain a balance and push only when needed with the objective of each person achieving their individual goals as part of the goals for the team as a whole.

Leadership Tactics

The transition from strategy to tactics assumes that the reader has now been appointed to a leadership role. Part two offers some general but valuable homilies that underline the accountability of leadership. It's not a time to kick back and let your former peers carry the weight of the mission or project for you. In fact, it's the exact opposite. If you are to earn the trust and respect of your team, you must work harder than them while being humble, respectful, balanced and honest. Several of Willinks' examples underline the message that you only have a limited window of opportunity to get this right. The first time that you behave in a manner that demonstrates a lack of confidence or trust in your team, or you simply throw the weight of your new rank or title around, will be the one and only time you get to do that. You will not earn back the trust you just lost. Worse still, if you make a bad decision and don't own up to it, choosing to throw one of your team under the bus to protect your own ego, you will have lost that team for good.

Becoming a Leader

The comparison between two platoon members—Larry and Brian—being promoted to LPO's (leading petty officers) demonstrates how easy it can be to get off on the wrong foot. Larry is serious and focuses on the checklist of things to get done. He doesn't let the promotion go to his head, respects the experience of his platoon, and wins their trust and respect easily. Brian, by comparison, attempts to diffuse the tension through humor by announcing his promotion as: "Looks like I'm responsible for all the crap now." Needless to say, it took Brian a little longer to get his "leadership bearings."

Leadership Skills

Much of the advice that Willink offers falls under the category of not doing what you think leaders are supposed to do. Remaining objective (as emphasized in part one) allows you to uncouple from the emotional stress, to read the room more

> . . . Don't respond to rumors, and don't let rumors get started in the first place–they are a red flag that you aren't communicating effectively.

accurately and to act accordingly. Iterative decision-making is a great example of this. New leaders are extremely sensitive to the fact that they are in charge now. Being in charge means you make the important decisions, and so you feel pressure to make those decisions. Willink believes that there is often an argument for not making a decision at all—"if it ain't broke don't fix it"—choosing instead to detach and allow the situation to develop and to give you a clearer sense of what is really happening before making a more reasoned decision at an appropriate time.

Maneuvers

A promotion is often seen as the culmination of a job well done. Willink approaches the topic from a broader perspective, often choosing to use a promotion as a corrective tool, deliberately changing the perspective of an employee who is not performing as expected. He offers examples of high-potential platoon members who become either disruptive or too laid back. In both instances, the platoon member is bored and unchallenged and responds accordingly. Traditional leadership policies would consider both to be unsuitable candidates for promotion, but by deliberately changing their perspectives, Willink was able to bring about dramatic changes in performance.

Communication

Transparent communication of both positive and negative news is reinforced as being critical to leadership effectiveness throughout the book. In this section, Willink is more concerned about how you communicate with your team, in terms of direct and indirect feedback.

Much of it revolves around the control of emotion. Emotional instability when giving instructions or feedback will sabotage the outcome as well as destroy the message delivery. Preparation is key. Don't respond to rumors, and don't let rumors get started in the first place—they are a red flag that you aren't communicating effectively.

One piece of advice that will probably resonate as being too militaristic is Willink's position on praise. If given too often or too effusively, praise can lead to people relaxing under the impression that they have got this leadership thing figured out and can now coast a little. Again, we have a 'tough love' approach rearing its head, but the concern is valid. Praise should aspire to be a reinforcement not a surprise gift. Some may not need it because they are driven internally by other, more personal, motives. Others may depend on it for ongoing behavior adjustment. It's your job as the leader to figure out who needs which in your team. If you elect a blanket approach of effusive praise for everyone, Willink argues, you will lose respect and devalue the praise that you give by virtue of the ease and frequency with which it is given.

Setting the Example

As if you weren't already traumatized by the complexity of leadership responsibilities, Willink closes with the reminder that your team will be watching you constantly. They'll be watching your attitude, your behavior, and even your body language from the tiniest raised eyebrow to the quickest eye-roll or stifled yawn. The subsequent mimicry will be both conscious and unconscious. If you're late or unprepared for a meeting, they will take that as permission to do the same. If you show-up "dressed like a slob" for that meeting, the dress standard for the office will start to decline accordingly. The most powerful test of leadership is whether you can live with that constant close attention and be comfortable setting the example that you want them to follow.

It Is All on You, But Not About You

As Willink's third book on leadership, the basic premise of Leadership Strategy and Tactics should come as no surprise. "When you are a leader, there are no excuses, and there is no one else to blame." No sugar-coating, no soft sell. Being in charge is a responsibility that carries clear and often overwhelming expectations. The prescriptive, no-nonsense style may take some getting used to, but the veracity of the message isn't diminished by it.

Leadership books are especially susceptible to 'flavor-of-the-month' theories by equally 'flavor-of-the-month' consultancies promoting new systems or organizational constructs designed to launch your company into the next great corporate paradigm. If that's for you, this book isn't.

Willink's position is that there is no universal panacea for leadership because "people are crazy." Promoting generally applicable solutions in that environment leaves you herding cats. If, instead, you focus on how you need to conduct yourself in a leadership role and what each of the individual members of your platoon or team need from you in that role, your chances of success will be greatly improved.

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Boost Your GrowthDNA

Margaret Reynolds

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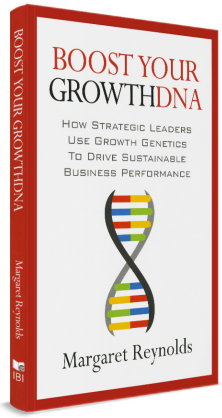
Boost Your GrowthDNA

How Strategic Leaders Use Growth Genetics to Drive Sustainable Performance



by **Margaret Reynolds**

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THE SUMMARY IN BRIEF

Company leaders worldwide seek business growth for many reasons. Whether it is to expand profitability to drive shareholder value, to build stronger market value in preparation for a transaction, or to support and promote their employees, growth is desirable for just about every organization. So, why do only 13 percent of companies sustain a modest single-digit growth rate for ten or more years?

As leaders, it is critical we identify which of our company's historical models, practices, and behaviors are self-limiting and undermining results. Margaret Reynolds, in ***Boost Your GrowthDNA,*** examines complex business problems and provides systematic solutions. GrowthDNA has four strands that contribute to an organization's successful growth. These "growth genetics" are invisible and typically not tracked or measured. Yet, like DNA, they are predictive of outcomes and can be managed and modified. Proactively managing GrowthDNA yields a healthier business and generates sustainable high performance.

IN THIS SUMMARY, YOU WILL LEARN:

- How to develop the confidence needed to challenge the status quo and set sights on bolder goals.
- What is required to achieve strategic clarity organization-wide.
- Why developing organizational commitment to strategy is a leader's #1 job.
- The importance of a growth-minded culture and the role of communication in achieving it.

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What Is GrowthDNA?

If leaders want to be champions for growth in their organizations, they must understand it isn't the activities themselves that matter; it is how organizations approach them. A company can do everything "right" and still have very limited success. The sole source of growth, regardless of industry, is the organic conformation of the company—its DNA. Every organization has DNA that influences how they get things done; it is the DNA that separates those which are successful from those which are not.

Human DNA testing has exploded. Today, around one in twenty-five adult Americans have access to their personal genetic data. DNA is a predictor of what is possible. It increases the odds of a potential outcome. What exactly is DNA? The DNA molecule is two long, thin strands twisted around each other like a spiral staircase. An organism's DNA affects how it looks, how it behaves, and its physiology.

Businesses Have DNA

Like humans, organizations also have distinct DNA—a genetic imprint that determines outcomes. Fortunately for growth goals, your business DNA can be altered to drive improved growth results. That DNA consists of how people approach problems, how work is defined, how decisions are made, and how communication takes place. A company's DNA is more than its culture; it's a composite of how the organization thinks and works, expressed through behaviors and processes. GrowthDNA is a framework designed to help leaders identify the unseen variables in their organizations: the DNA that contributes to or detracts from the growth of the company.

Understanding Your Company's DNA

As with human DNA, to manage outcomes, you must first understand your company's unique genetic code. There are four essential DNA strands, or components, of GrowthDNA. Each of these strands is distinct but also interconnected. All four GrowthDNA strands must be boosted to achieve sustainable and significant growth results.

ConfidenceDNA

ConfidenceDNA comes from using market data to challenge the status quo, understanding capabilities, weaknesses, and opportunities. Business leaders need relevant market facts, not anecdotes, and a solid understanding of what customers want, rather than what is easy to provide.

Market Intelligence

The days of answering the phone and picking up sales from loyal customers who want to buy what they bought last year are moving into the rear-view mirror. We need to get in front of where our customers want to go and help them get there with new and creative solutions to their problems that use existing products in new ways, or new products with more integrated service features. Selling solutions can be a valuable win-win with benefits for not just the customer, but the provider, too. Market intelligence that helps you identify gaps in the market which align with organizational strengths gives companies the confidence to think and act boldly, delivering on this first strand of GrowthDNA.

A ConfidenceDNA Case Study

Amazon is a giant in market intelligence. They excel in one-click checkout and tracking customer interests. They applied that knowledge to developing an Amazon GO store in downtown Seattle. The store is a neighborhood grocery designed to provide a cashier-free shopping experience. Just scan your phone when you enter, and using Artificial Intelligence and cameras, the store records what you take off shelves. When you are done shopping, just leave, and it is automatically charged to your account. Sure, Amazon is a giant with years of experience growing through market intelligence; very few companies have their depth of market intelligence DNA. The key is to start. Start now. Start simple. Start collecting relevant data from customers and marrying that with trends. If the organization can't answer the question, "Why do customers buy from us over the alternatives?" based on what is known versus what is assumed, this is a good place to start. Decisions based on market intelligence nurture ConfidenceDNA and without it, many companies settle for incremental growth rather than defining and achieving their potential.

ClarityDNA

ClarityDNA comes from crafting a specific, well-defined strategy that is clear to all responsible for its success. Strategy answers the question of where an organization will play in the marketplace and how it will win.

The Strategy Funnel

Clear strategy is like a funnel, with the broadest strategy decisions at the top. As each strategic decision is made, it takes options off the table for strategic decisions that follow. At the top of the strategy funnel is the overarching strategy.

Once determined, this will not be unique to your company, but how you implement it will be. Strategic positioning then determines how the organization will compete against others in the industry. It defines how the company will differentiate itself from its competitors. The value proposition, when identified, determines where the company needs to consistently excel. Finally, a company decides who is the target customer and what products and services best meet that customer's demands.

A ClarityDNA Case Study

John Knox Village provides independent living and long-term health care services. The organization's vision is to be the leader among senior living communities. The village had to address a rapidly changing target market with different needs. It was important to honor its vision and reinvest in being the leader in senior living. The extensive data analysis conducted on the front end— tracking industry trends, analyzing current property conditions and housing inventory, benchmarking other facilities—led to a courageous commitment to a long-term redevelopment plan that would not only bring the campus up to speed but also position the village to wow residents of the future.

The scope of the plan was significant and had to integrate many moving parts across different business units. To bring clarity, the organization spent countless hours redefining their target market and developing the financial model that would be a win-win for them and their residents. They stopped managing each function of the community and started looking at how to integrate services. They also realized that how services were delivered mattered as much as the facilities themselves so they developed a commitment to a resident-centric hospitality culture. Finally, they developed a long-term redevelopment plan that would phase work over a decade and created an employee group to drive the necessary cultural change.

CommitmentDNA

CommitmentDNA begins at the top and is the number one goal of leadership. In companies with GrowthDNA, leaders understand their role to be that of coach, not just boss. Developing buy-in and encouraging contributions at an individual level is central to success.

A CommitmentDNA Case Study

Kevin Brown, CEO of Omaha Steel, a company with 42 percent growth in 2017, sums it up. "Most of my focus over the last ten months compared to three years ago is on employee communication. We all try to roll up our sleeves to get the job done. When people see your heart, that you are willing to work alongside them, and know your interests are in the right spot, it is amazing to see what people will do for each other. We are rowing the boat together. For us to continue to move forward, the only thing that will stop us is us. We need to be sure the team stays fully vested in wanting success. The rest of it solves itself."

CultureDNA

The final DNA strand, and perhaps the most critical because it drives sustainability, is culture. It is CultureDNA that enables organizations to sustain growth year after year.

Growth-Minded Culture

GrowthDNA companies have specified important values that spawn growth-mindedness at all levels of the company. Changing culture starts with changing the leadership approach. Leaders and managers across all functional areas must be aligned by common objectives and priorities. Then, everyone in the organization must understand the direction of the company or its vision.

Employees can't help drive value if they don't know what is expected and what they are empowered to do. All too often a strategy doesn't change the work of an organization because it sits on top of day-to-day operations rather than being integrated into it. A growth-minded culture looks for ways to engage and inform employees, empowering decision-making at all levels. Growth-minded leaders have conversations instead of having meetings, focus on people over technology, augment direction with rich, contextual, informal communication, and give control rather than take it.

A CultureDNA Case Study

Gray Manufacturing Company, Inc. has been designing, manufacturing, and selling lifting equipment for the automotive, truck, and service vehicle industries since 1952. This family-owned organization has deployed a fierce commitment to serving the customer with an eye for product innovation, driving a 25-percent increase in revenue in the last four years. Gray wanted to challenge themselves to be the best—in their industry, to their customers, and as an organization. After eight months of data-diving and strategy formation, the leaders know where the potential lies. Because they are better informed with data, and clearer about priorities, they can then ask

questions and contribute ideas, making discussions more meaningful and generating more unified confidence in decisions. From a strategic perspective, the organization shifted to enterprise-wide projects, which elevate each department's contributions and brought alignment among departments. Shared data puts more people on a level playing field. The number of initiatives identified are fewer in number but have much more potential impact. They are asking, "What can we stop doing that is tied to the past but doesn't advance the business so that we can start investing in the things that will drive our future?"

Up until now, Gray has been very self-sufficient with excellent results. But the next level will require people to look at the business in an entirely different light, no longer stretching what is done to accommodate growth, but instead asking what will be necessary to enable the growth potential. The dynamics have changed, enthusiasm is high, and prospects for growth are excellent.

How GrowthDNA Works

Each of the four strands of GrowthDNA is essential. These strands are intertwined and mutually reinforcing. Best performance outcomes occur when all four strands are strong and are functioning interdependently. Therefore, it is important to understand how they work together.

GrowthDNA is Cyclical

The initial engagement point for those wanting to build GrowthDNA is ConfidenceDNA. Without it, other actions around the circle are typically more incremental in nature, with less impact, and are often under-resourced. Strategy drives ClarityDNA and sets the course for the future vision of the organization. CommitmentDNA is the stage where value will be won or lost. CultureDNA requires leaders to operate in a constant state of consciousness to avoid falling into hereditary habits. To sustain high performance over time requires a growth mindset to permeate the organization.

GrowthDNA is Cumulative

The four intertwined GrowthDNA strands are cumulative, each reinforcing the other. Much as in weaving, where fragile threads intertwine to produce strong cloth, GrowthDNA relies on all four strands to boost performance results.

Boosting GrowthDNA results in an organization confident in its bold long-term goals with clarity of direction, an aligned and committed leadership team, and a growth-minded culture that includes everyone in the organization. And the kicker? Cultivating GrowthDNA is not a big financial commitment like installing a new ERP or building an R & D Center; it is simply a change in how the organization works every day.

Margaret Reynolds, Master Growth Catalyst of Breakthrough Masters Unlimited, a division of Reynolds Consulting, LLC has assisted companies with growth planning for over 20 years. Margaret has an extensive background in helping companies of all sizes, from Fortune 500 to aspiring mid-market clients, find ways to innovatively and profitably grow their businesses. Her unique blend of experiences ensures that the work she does with companies is creative but practical as she integrates the planning process with business realities, resulting in plans that are actionable and profitable.

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Boundaries for Leaders

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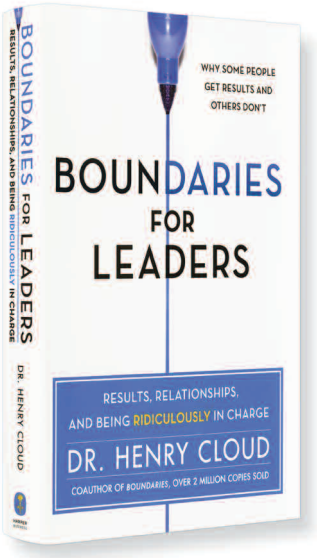
Boundaries for Leaders

Results, Relationships and Being Ridiculously in Charge



by Dr. Henry Cloud

THE SUMMARY IN BRIEF

In *Boundaries for Leaders*, Dr. Henry Cloud gives leaders the tools and techniques they need to achieve the performance they desire — in their organizations and in themselves. Drawing on the latest findings from neuroscience, Dr. Cloud shows why it's critical for leaders to set the conditions that make people's brains perform at their highest levels. How do great leaders do this? One way is through the creation of "boundaries" — structures that determine what will exist and what will not.

Readers will learn the leadership boundaries that set the stage, tone and culture for a results-driven organization.

The strong call to action in this book is that leaders are ridiculously in charge of all these elements, and they must own what they either create or allow to exist.

Filled with inspiring and practical examples from Dr. Cloud's coaching practice, *Boundaries for Leaders* is essential reading for everyone who aspires to lead companies, teams and cultures defined by high performance and healthy relationships.

IN THIS SUMMARY, YOU WILL LEARN:

- How to help people focus their attention on the things that matter most.
- How to build the emotional climate that drives brain function.
- A method to create organizational thought patterns that limit negativity and helplessness.
- The best way to create high-performance teams organized around behaviors that drive results.

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THE COMPLETE SUMMARY: **BOUNDARIES FOR LEADERS**

by Dr. Henry Cloud

The author: Dr. Henry Cloud has been a highly sought-after clinical psychologist and leadership consultant for CEOs and companies for more than 25 years. He has written numerous books, including *Integrity*, *Necessary Endings*, and *9 Things You Simply Must Do to Succeed in Love and Life*, among others.

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The People Are the Plan

My client, CEO of a $20 billion company, looked at me with one of those expressions that smart people get sometimes when something extra smart goes off in their heads, the kind of thought that captures even their own attention. Head tilted and eyes squinted, he said something profound: "You know what is weird?"

"What?" I asked.

"Everybody out there is always trying to figure out the right plan. They meet, they argue, they worry, and they put all of their energy into trying to come up with the 'right' plan. But the truth is that there are five right plans. There are a lot of ways to get there. The real problem is getting the people to do what it takes to make the plan work. That is where you win or lose. It's always about the people."

He was right. Ultimately, leadership is about turning a vision into reality; it's about producing real results in the real world. And that is only done through people doing what it takes to make it happen.

When the "People" Side of Things Doesn't Work

As I meet with leaders and their companies, I find that more often than not, they have smart plans. They know their business, or they would not be where they are. They are strategic, talented, gifted and experienced. Their "business" expertise got them to where they are, but as they rise to more significant positions of leadership, they need other skills in addition to what their business smarts can provide. They need to be able to lead people to get results.

What usually got them there was being good at the business, devising and executing "the plan." But now, as leaders, they also have to be good at something else: getting people to do what it takes to make the plan work. It is about leading the "right people," empowering them to find and do the "right things" in the "right ways" at the "right times." That is what will bring a plan to real results.

"People" issues tend to sneak up on even the best leaders, sometimes derailing even the best talent and the best-laid plans.

Chris: A Great Plan Hits The Wall

Consider the experience of one such leader. Chris founded his company by building on his success as a rainmaker. He had worked for a technology company and had consistently closed more sales than everyone around him. Like many successful people, Chris decided to do on his own what he had done for others. So, with some investors, he launched a new venture. "Why sell this stuff for someone else when I can do it for myself?" he reasoned. He was soon to find out the answer.

Things went well early on. Adding more and more employees, Chris's company soon became a substantial entity, with revenue growing every year until it became a true market leader in its competitive space. The future looked good.

But within a few years, things began to be not so good inside the walls of the company. Key employees who had joined Chris because of his high energy and can-do spirit began feeling overworked and increasingly stressed out because of what they called the "chaos." The company seemed to lack its original direction and momentum. That is when Chris's board, comprised of key investors, called me.

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The board's concern came from what they were hearing directly from some members of Chris's executive team. The team told the board that they had reached the breaking point, that they couldn't take the chaos and dysfunction anymore, and that if the board did not do something soon, they were going to leave. That amount of talent threatening a mass exodus certainly got the board's attention.

I wanted to get a feel for what was happening. What struck me first was the team's love for Chris. They wanted to be on his team and make what they had created succeed and grow.

But they had gotten to a bad place. When I interviewed them, they were as dismayed and as frustrated as they had been motivated and inspired at the beginning of the company's journey. They reported feeling like they were running around in a thousand different directions. Even worse, Chris would send emails to his executive team's employees, putting those people into a state of confusion as to whom they were supposed to be answering to — the CEO or their own boss?

The Need for Boundaries

The issue was that Chris and his team had failed to establish the boundaries that would positively drive organizational health and the boundaries that would immunize them against sickness. The only solution was for the board to find a way to help Chris achieve his potential and for Chris to find a way to be the kind of leader his company needed.

The good news is that the issues Chris and his team faced are fixable. When leaders lead in ways that people's brains can follow, good results follow as well.

Ridiculously in Charge

Recently I was discussing similar people issues with another CEO. I asked him why he thought those problems were there. He talked about some reasons, most of which had to do with the various players involved, and also, the constellations of a few teams. But then I asked him a simple question.

"And why is that?" I asked.

"What do you mean? I think it is the reasons I just said."

"I know that reasons you said, but why do those reasons exist?" I continued.

"I don't get it….What do you mean?" he asked further.

"Who is the leader? Who is in charge of the culture? Who is in charge of the ways that it is working, the fact that all of that exists?" I pushed.

He just looked at me and nodded. "I am," he said.

"So what kind of culture would you like?" I asked. "What kind of culture would drive the business forward if you had it?"

When he thought about that, he looked upward, lost in thought for a moment. Then he got out of the "problem-speak" mode, and I could see a shift in his energy as a new vision of a different culture sprang to life in his eyes. He began to describe a company culture that was positive, highly energetic, accountable, innovative and performance oriented. He came alive when he talked about it.

"So why don't you build that kind of culture?" I asked.

For a nanosecond, it seemed like he was about to reflexively blurt out a reason why it could not happen, but then he paused and said something I will never forget:

"You know, when you think about it … I *am* ridiculously in charge."

At that point, I knew he got it. He realized that he would have exactly the culture that he creates and would not have the one he did not allow to exist. Whatever culture he got, he was either building it or allowing it.

Boundaries: What You Create and What You Allow

What are boundaries? They are made up of two essential things: what you create and what you allow. A "boundary" is a property line. It defines where your property begins and ends. If you think about your home on your property, you can define what is going to happen there and what is not. You are "ridiculously in charge" of the vision. You build and allow the culture. It is all yours. You set the agenda, and you make the rules. And what you find there, you own. In the end, as a leader, you are always going to get a combination of two things: what you create and what you allow.

Leaders, through a handful of essential boundaries, make sure certain things happen, prevent other things from happening, and keep it all moving forward. Leaders are a positive force for good and a negative force against bad. You know what they are for and what they are against.

Focus And Energy

But this positive and negative boundary-setting does not happen by itself. It takes energy and focus. As one founder of a very successful enterprise described it to me,

When I started my organization, no one told me that half of my energy would be spent actually building and leading it,

and the other half, or even more, would be spent protecting and defending it against all of the things other people wanted it to be. It takes a ferocious amount of spinal fortitude to not end up making a crappy mix of your vision and endless bits and scraps from others who didn't have the cojones to start something themselves.

When a leader steps up and leads and sets boundaries that provide clarity that cuts through the noise, it is a new day.

Leading So Brains Can Work

You do not have to be a brain surgeon to establish the boundaries that are usually made by a great leader.

But at the same time, underneath it all, it really is brain surgery because the reason that a leader's boundaries work is that they actually make it possible for people's brains to function as they were designed. Said another way, if you are trying to lead people and do not establish effective boundaries, your people will not be ale to do what you need and want them to do because their brains can't work that way. You will build an organization full of geniuses who are producing brain-impaired results. "That explains a lot," one executive said to me. "Those are the kinds of results I am getting from all these smart people I hired."

The Brain's Executive Functions

In brain terminology, executive functions are needed to achieve any kind of purposeful activity — such as reaching a goal, driving a vision forward, and conquering an objective. Whether driving a car or making and selling cars, the brain relies on three essential processes:

Attention: the ability to focus on relevant stimuli and block out what is not relevant: "Pay attention!"

Inhibition: the ability to "not do" certain actions that could be distracting, irrelevant or event destructive: "Don't do that!"

Working Memory: the ability to retain and access relevant information for reasoning, decision making and taking future actions: "Remember and build on relevant information."

Organizational ADD

Sadly, many organizations seem to be suffering from the equivalent of attention deficit disorder (ADD).

The remedy for organizational ADD is found in the way that great leaders think and lead in everything they do. I was in a planning meeting in a company where I had just begun to talk to them about leading with executive functions in mind. The president, who had been very frustrated for about a year, began the meeting by saying, "Today we are going to be here for an hour, and when we leave this meeting, we want to have answered this question…(and then she gave the question). That is it, no other topics." Then, when the group began to get distracted with extraneous issues and discussions that were not going to get them to an answer to that question, she brought it back. "Off topic for today. Back to getting to an answer." And they did it. More to the point, she and the team left the meeting invigorated and excited about the future. "We can turn this around! That felt so much different," she said. She was attending, inhibiting and creating a flow of working memory. Others felt it too.

One Big Brain

Here is a little more brain science for you. When those three processes of the brain are activated, results happen because they enable the next level of the brain's executive capacities, which are the ones you really want to have activated in your organization.

Goal Selection. People can choose goals based on priority, relevance, experience and knowledge of current realities while also anticipating consequences and outcomes. Key Words: Choose Goals and Anticipate Outcomes.

Steve Jobs' Moment of Clarity

When Steve Jobs returned to Apple as CEO, the company was in trouble. After diagnosing the problem as a lack of focus and by pruning 70 percent of Apple's models and products, Jobs brought the company a much-needed moment of clarity through setting a positive boundary.

According to the biography *Steve Jobs* by Walter Isaacson,

After a few weeks, Jobs finally had enough. "Stop!" he shouted at one big product strategy session. "This is crazy." He grabbed a Magic Marker, padded to a whiteboard, and drew a horizontal and vertical line to make a four-squared chart. "Here's what we need," he continued. Atop the two columns he wrote "Consumer" and "Pro"; he labeled the two rows "Desktop" and "Portable." Their job, he said, was to make four great products, one for each quadrant. "The room was in dumb silence," Phil Schiller recalled.

From that point on, when it came to making computers, Apple employees knew what they were supposed to be working on as well as what they were not supposed to be working on.

Planning and Organization. They can generate steps and a sequence of linear behaviors that will get them there, knowing what will be needed along the way. Key Words: Generate Behaviors and Strategy.

Initiation and Persistence. They can begin and maintain goal-directed behavior despite intrusions, distractions, or changes in the demands of the task at hand. Key Words: Begin and Maintain Behavior.

Flexibility. They can exercise the ability to be adaptable, think strategically, and solve problems by creating solutions as things change around them, shifting attention and plans as needed. Key Words: Adapt, Think and Solve.

Execution and Goal Attainment. They exhibit the ability to execute the plan within the limits of time and other constraints. Key Words: Execute within Time.

Self-regulation. They use self-observation to monitor performance, self-judgment to evaluate performance, and self-regulation to change in order to reach the goal. Key Words: Monitor, Evaluate, Regulate.

If you look at this list, it is not a leap to see your team or organization becoming one big brain, figuring out what is important, what is not, and getting it done through goals, plans, persistence, adaptability, flexibility, execution and good self-management. Not to mention the innovation and creativity that follow. Almost every organization in the world has goals and plans. But only a select few organizations benefit from leadership that creates the environment and the practices that attend, inhibit and remember, thus making high performance possible. ●

The Emotional Climate That Makes Brains Perform

In the same way that the brain cannot work without the executive functions in place, it also cannot work if it is drowning in stress hormones. The cold, hard scientific facts are that your people think better when they are not stressed, afraid or depressed. Yet many leaders do not put a lot of thought into creating a positive emotional climate for their people, and sometimes they create the exact opposite. As a result of their leadership, they create stress, fear and sometimes even depression. There might be lots of little things you're doing, none of them outrageous or dramatic, that still might be having a negative effect on your people.

Give Boundaries, But Check Your Tone

There are two human drives. One is connection, and the other is aggression. Aggression here does not mean anger. It means initiative and energy used in the service of goals. Everything we do is either relational or goal directed or, ideally, both. Basically, we are "lovers and workers." We have relationships, and we do things.

An integrated leader does both at the same time in a way where one affects the other. He provides a positive state of being and tone while aggressively accomplishing things with people. The problem in leadership is when we do one without the other.

Lack of structure, a lack of clear boundaries, creates its own kind of stress. But the opposite is also true. When leaders are only "task oriented," aggressively pursuing results with no focus on the emotional tone of their interactions, they set off stress reactions in others. The trick here is to give people the direction, structure and accountability that drive good energy but to do it in a way that does not create stress.

Preserve Relationships and Get Results

As the person in charge of setting emotional boundaries, your job is twofold. First, do everything possible to create "good fear," the positive performance anxiety that activities healthy stress. The drive that says, "If I get with it, I can get something good and avoid something bad." Second, diminish destructive fear, which is communicated through tone, lack of structure, and the threat of relational consequences — anger, shame, guilt and withdrawal of support. People need to know that you are going to be "for" them, even when they don't do well. ●

Power Through Connection

Creating connections is another form of boundary setting. You are setting a positive boundary, or structure, to form unity. And you are setting a very firm boundary against disconnection and fragmentation. We know from neuroscience that certain kinds of relational and emotional interactions build connection and unity based on patterns of the brain's functioning.

Here are some of those ingredients that build unity:

Shared Purpose. This can be the overarching mission of the company or a team, or it can be the specific mission of that time of getting together.

Awareness. Make sure that you set the stage in your team and in the larger entity so that people are aware of what is happening with one another and with the orga-

nization. When people feel like they are out of the loop, the seeds of disconnection are sown.

Nonverbal Cues. Use nonverbals to show that you are open, positive and warm. When you have to deliver hard news, be respectful but firm. And put your smartphone in your pocket, purse or bag.

Collaboration. Project updates don't require meetings, but collaboration does. I'm talking about creating a climate where problems and issues get shared and solved through the team's engagement with one another.

Coherent and Relevant Narrative. Make a place for people to see where they are in the story, what it means for them, and what role they can play in moving the story forward.

Conflict Resolution. When people can go into the hard stuff and begin to talk about what they are experiencing, the power of relationships to transform those states of fear into courage, or anger into resolution, is a truly wonderful thing to see — something that no number of happy-talk slogans can compete with.

Emotional Regulation. At some time or other, we all experience very difficult, even destructive, emotional states. Fortunately we don't have to remain there. Connecting with others can provide a form of self-regulation.

Emotional Reflection. Reflection is not problem solving, planning or initiating something new. It is not judging. It is simply looking at things together and examining one's thoughts, observations and feelings.

Emotional Repair. Repair is one of the most important things that happens in good relationships. The truth of the matter is that we do have conflict, misunderstandings, reactions and the like. Seek repair and, when necessary, even have your team discuss how they would like to repair.

Listening. Probably the most important connection builder is simple but aggressive (active and intentional) listening. It is simple because it gets to the most basic need in life. ●

The Gatekeeper of Thinking

I like to tell people that "thinking" is like a piece of software. It is like a computer program that runs everything we do and dictates our outcomes. If a software program says do "a" or "b," then "a" or "b" will happen. If it is not written in the code, you can click on the icon all you want, but nothing is going to happen.

So it is with thinking in individuals and in groups. Whatever norms and behaviors get encoded and reinforced determine what happens next — indeed, what is possible. The prevailing thinking patterns of a team or an organization — its norms and belief systems — will define what it is and what it does. Not to mention what it doesn't do or what it doesn't allow. And the leaders' boundaries determine the thinking that prevails.

The "Can't Be Done" Virus

I was working with a company where a team was considering an acquisition that would require a significant capital infusion. In the executive team meeting where the opportunity was being discussed, several members pushed back strongly on the idea: "We can't waste our time on this plan. It is impossible to get the financing that we would need to do this."

I felt like my hair was about to catch on fire because I had just come from a meeting with another company whose founder did not think this way at all. In fact his company would not even exist if he had. When he had started it, he was in bankruptcy from a previous business. It would not have taken the smart naysayers very long to say, "Forget about finding money for a new start-up. It is not going to happen. Your financials won't allow it." But he did not suffer from that kind of thinking. Instead he thought it could be done.

So he found an office building for sale that he knew would be perfect for the right big tenant. Then, he went to a Fortune 500 company and convinced them to rent "his" building (that he did not yet own) at a rent very favorable to them, subject to his purchase of the building closing. Next, he went to a bank and sold them on the blue chip company that had signed a lease with him that would more than service the note. The bank financed the purchase of the building, and he pulled $10 million out at closing and used the proceeds to finance his startup. About six years later, this startup had amassed over $3 billion in assets — assets created from bankruptcy, but not from bankrupt thinking. ●

Control and Results

The lesson for leaders is clear: Focus your people on what they have control of that directly affects the desired outcomes of the organization. When you do that, two powerful things happen. Not only do you get results, but you also change the brains of your people so they function better and then get even more results, in a spiraling, upward direction. Both are important.

A Positive Energy Field

Getting people to attend to what they can control that affects results while inhibiting activities and thinking that

don't is one of the most powerful ways to create energy where there has been stagnation.

A residential real estate developer I worked with was in a very bad market situation, and neither he nor his competitors were selling much of anything. One of the important metrics in this business is the cost of carrying a project until it is sold, carrying the loans before the finished property can be sold. The longer a project takes to sell, the longer the builder has to carry the cost on his books, and the higher the costs eating into profits. Therefore, time-to-closing is a key driver of success. As you can imagine, any CEO studying the numbers will be eager to move inventory.

In this instance, the CEO had delivered a clear message about what factors his team could control to beat the competition and drove the message continuously. "You can control three things: have the best product, have the best salespeople, and have the best price," he had told them. They could not control the recession, but those three they could absolutely control. Having delivered on the first two, product and salespeople, and still not getting sales, he saw that the only one that was left to attend to was price.

What had happened up until this point was that their competition was lowering prices when there were sales in the marketplace, trying to catch up with others in the price drops. In the CEO's mind, that was reactive. The only way to get ahead of the price war, he figured, was to do one thing before anyone else: forget margins, focus on closings only, and drive the result by activating a behavior that you can control: lowering price first and by a lot. In the short term, margins would be lower, but you would win in many other ways in a bad market.

So he gave his team one target mandate that they could control: "Make closings, period. Cut the price to make closings, but make the closings." And he put them totally in control of meeting the closing metric by controlling the only behavior that would drive the closings — lowering the price. They were free to lower it to make a close. And they won, big time. They stayed ahead of everyone else, ended up cutting prices less in the long run because they were first, and got rid of expensive carrying costs. In their markets that year, they were the only builder that did not lose money. They focused on what they could control and held each other accountable for closings.

You can set values and goals, but if you give your people specific ways to be in control of actions that drive the organization forward, you'll have created a distinct competitive advantage. ●

High-Performance Teams

"Ok, in the spirit of getting the dead fish out of the drawer, I have to tell you that no matter how long he has been there and how much loyalty we have toward him, Jerry is just not able to oversee moving a factory from one country to another. He just can't pull that off." So said the head of operations at the beginning of an executive team meeting.

His reference to "a dead fish" was shorthand for a lot of hard conversations this executive team had tackled to get to this moment. A dead fish? They got it.

So, what was it that the team instantly understood? It went something like this:

Talking about Jerry's ability is an issue that we all know is not pleasant. It smells bad.

And even though it smells bad, no one wants to deal with it. So it stays hidden in the drawer. As a team, we have committed to always getting the dead fish out of the drawers. In light of that, we are now going to talk about it, and I can assume buy-in from you guys.

After a few heavy sighs, the team got down to it. Jerry had to be reassigned. No doubt about it.

Change Behaviors = Changed Outcomes

Leaders get what they create or what they allow. So, a team's operating values create a certain kind of environment with an allowance for certain kinds of behaviors and a prohibition against others.

Which brings us to another point: Values make it possible for a guiding language to develop that gives structure and identity to the boundaries of behavior we want to encourage and prohibit. Every team needs a common lexicon, a memorable language, to communicate just what these boundaries are. When the team landed on the saying "dead fish out of the drawer," everyone now knows exactly what that means. And whenever it is said, the team instantly comes together around a shared value they had agreed upon. ●

Trust Makes Teams Able to Perform

The first requirement to build trust is to connect through understanding the other person. Remember, people do not trust us when we understand them. They trust us when they understand that we understand them.

I remember once, in a team meeting with my staff, I gave an employee a project to do and a deadline. She told me there was no way she could do it. I disagreed,

countering that it wasn't that big a deal. In fact, I was certain she could get that project done in time without it taking away from the other objectives I had committed her to. She pushed back again, and I was bugged. I thought she was being negative and exaggerating the whole thing. From my vantage point, it was all very simple, very much a just-do-it proposition.

As the conversation went on this way, I could tell she was getting amped up even though she was not getting overtly mad. But I saw her chin trembling, not in sadness but in anger. Her words were getting crisper and almost staccato as she said them. Then she said, "OK, come here. I want to show you something."

We went down the hall into her office, where she proceeded to outline all of the work that had been required the last time I'd asked her to take on a task very much like this one. Wow, I could now see that it was complicated and time-consuming, involving interactions with federal agencies, professional agencies and several businesses. The paper trail alone was daunting. I looked at her and said nothing for a moment. I was embarrassed at my clueless lack of understanding.

Finally I just looked up and said, "I'm sorry. I had no idea."

At that moment, I saw a few teas forming in her eyes. She finally felt understood as she understood that I understood.

She did not have to protect herself anymore. She trusted me, so she could stop resisting me and join me instead. Plus, as she described the things that were involved, I was not resisting them and was more in a role of working together to find some solutions. ●

Boundaries For Yourself

There is a law of leadership physics that affects many leaders without their being aware of it, and it can do them in if they are not careful. But if they are, they can soar. The law is this: the higher you go in leadership, the fewer external forces act upon you and dictate your focus, energy and direction. Instead, you set the terms of engagement and direct your own path, with only the reality of results to push against you.

Leaders Open Themselves to Outside Inputs

Great leaders simply don't buy the old saying that it is lonely at the top, even if they do accept that the buck stops with them. When it does stop with you, the last thing you need to be is isolated.

What I'm talking about is outside support and input — support from people who can be objective and who don't have a vested interest in outcomes other than their care for the leader and his personal and professional growth.

Boundaries On Thinking And Fears

I have not met a leader who thinks perfectly rationally 100 percent of the time. All humans have a tendency toward goofy or distorted interpretations of events and other people's motives, especially under extreme stress. And all of us have our insecurities and those touchy buttons that when pushed cause our thinking to go awry and our fears to be magnified.

The key is to know your own particular style of kookiness. Once you know your own patterns, you can recognize them and change them. While there is no limit to the variations on distorted thinking that affect performance, there are some patterns that crop up more often than not. These include overidentification with results, indecisiveness, conflict avoidance and resistance to change. Let me explain.

Still Ridiculously in Charge

When you realize that you are ridiculously in charge, it does not only mean you are in charge of others or in charge of what goes on in the organization. It also means that you are ridiculously in charge of yourself. My experience with high-level leaders is that there are two kinds. The first kind of leader is defined by the work. The second kind is in the process of actively defining the work, and they do that by first defining themselves and taking charge of who they are going to be and how they are going to work. They have good self-leadership boundaries.

Think of it as another way of not just working in the business but of working "on" the business by working on you. Lead with these boundaries on yourself, and you will be more in charge than you ever thought possible. ●

RECOMMENDED READING LIST

If you liked *Boundaries for Leaders*, you'll also like:

1. ***Care to Dare* by George Kohlrieser, Susan Goldsworthy and Duncan Coombe.** Learn how to tap into your own secure bases, past and present, and how to become a secure base for others.
2. ***Bury My Heart at Conference Room B* by Stan Slap.** Slap helps executives ignite the massive power of any manager's emotional commitment to his or her company.
3. ***Multipliers* by Liz Wiseman and Greg McKeown.** Learn the difference between a genius and a genius-maker and why you need to become the latter.

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Boundary Spanning Leadership

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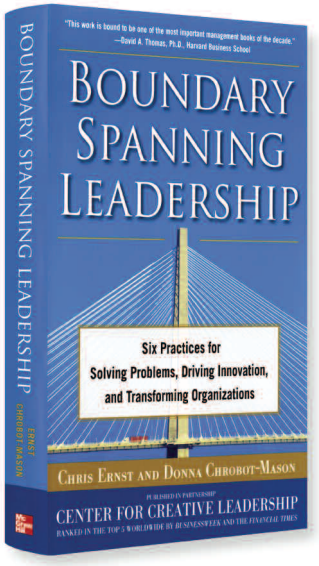
Boundary Spanning Leadership

Six Practices for Solving Problems, Driving Innovation and Transforming Organizations



by Chris Ernst and Donna Chrobot-Mason

THE SUMMARY IN BRIEF

We live in a world of vast collaborative potential. Yet all too often, powerful boundaries create barriers that can splinter groups. And this can lead to uninspiring results. To transform borders into frontiers in today's global, multi-stakeholder organizations, you need *Boundary Spanning Leadership*.

Powered by a decade of global research and practice by the top-ranked Center for Creative Leadership (CCL), this book shows you how to build bridges across boundaries. Through compelling stories and practical tools and tactics, you'll learn how to apply the six boundary spanning practices that occur at the nexus where groups collide, intersect and link: buffering, reflecting, connecting, mobilizing, weaving and transforming.

These practices combine to create what authors Chris Ernst and Donna Chrobot-Mason call the Nexus Effect. The Nexus Effect allows groups to be more agile in response to changing markets; be more flexible in devising and deploying cross-functional learning and problem-solving capabilities; work with partners in deeper, more open relationships; empower virtual teams; and create a welcoming, diverse and inclusive organization that brings out everybody's best.

Boundaries exist. What matters most is how you work to bridge these divides and transform your organization's wide-ranging talents and knowledge to deliver value. With *Boundary Spanning Leadership*, the possibilities are limitless.

IN THIS SUMMARY, YOU WILL LEARN:

- How to define boundaries to create safety.
- How to suspend boundaries to build trust.
- How to reframe boundaries to develop community.
- How to cross-cut boundaries to enable reinvention.

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THE COMPLETE SUMMARY: **BOUNDARY SPANNING LEADERSHIP**

by Chris Ernst and Donna Chrobot-Mason

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Introduction

In navigating today's unfamiliar terrain, we are all challenged to think and act beyond the current borders that confine us, our teams and our organizations as a whole. Developing innovative solutions requires reaching beyond present boundaries and seeking new frontiers at the nexus where groups collide, intersect and link.

Boundary Spanning Leadership

Boundary spanning leadership is the ability to create direction, alignment and commitment across boundaries in service of a higher vision or goal. By employing the six leadership practices — buffering, reflecting, connecting, mobilizing, weaving and transforming — you create direction, alignment and commitment between groups to achieve critical organizational outcomes. These practices reside within the interactions across groups, teams, functions, units, organizations and broader communities. As a boundary spanning leader, your job is to build a bridge and your role within that job is to provide the space for these practices to occur.

In our research and practice at the Center for Creative Leadership (CCL), we define leadership in terms of accomplishing three outcomes:

- *Direction:* a shared understanding of common goals and strategy
- *Alignment:* the joint coordination of resources and activities
- *Commitment:* a commitment to collective success that is equal to or above the commitment to the unique success of any single group.

To put it bluntly, when you are leading in the middle between groups, the days of "I lead and you follow" are over. Gone are the days when leaders work *within* an intact group in which leaders and followers share a culture, values and interests.

Instead, today you must lead *across* groups, at the juncture where wide-ranging experience, diverse expertise and varied identities intersect. It is at this intersection where two powerful human forces — differentiation and integration — collide that you can enact the six boundary spanning practices to catalyze collaboration, drive innovation and transform your organization. ●

PART 1: THE FORCES THAT PULL US APART AND BRING US TOGETHER

The Shifting Leadership Landscape

Today's most pressing challenges span boundaries, and so, too, must leadership. A recent CCL survey paints a compelling picture of the many boundaries leaders must navigate in today's environment. We see a shifting leadership landscape that is rocky and jagged, filled with many turns and sharp curves, and constantly in flux. It is a landscape that is cause for concern and action. Among the 128 senior-level executives who participated in the CCL survey, 86 percent told us that it is "extremely important" that they collaborate effectively across boundaries in their current leadership roles. However, only 7 percent of those executives believed they were

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor In Chief; **Andrew Clancy**, Senior Editor; **Amanda Langen**, Graphic Designer; **Chris Lauer**, Contributing Editor

"very effective" at doing so. That's a 79 percent "critical gap," the largest anyone can ever recall in our decades of collecting senior executive participant data at CCL. These leaders are the CEOs, presidents, senior vice presidents and directors of the world's best companies. Their candor serves as a call to action for us all.

In the CCL research, we also asked the senior executives to describe the types of boundaries they needed to work across. The boundaries they described were multifaceted and distinct, but there was considerable overlap. They included spanning vertical boundaries between hierarchical levels of the organization, horizontal boundaries between functions, stakeholder boundaries with customers and suppliers, demographic boundaries in working with people from diverse groups, and geographical boundaries of distance and region.

Transcending Cultures, Contexts and Time

Our research at CCL, along with the work of others in the field, allows us to state confidently that these five types of boundaries are universal, transcending cultures, contexts and time. They've been an integral aspect of organizational life in the past, they're with us today and they'll be here tomorrow. But as the senior executives made clear, today's shifting leadership landscape requires thinking and acting beyond limiting borders and embracing new frontiers where wide-ranging expertise, diverse experiences and varied identities collide. When we asked the executives *why* it was important for them to work across the five types of boundaries, they spoke about human relationships. The boundaries that keep leaders up at night are not those which can be solved by simply restructuring the organizational chart or reconfiguring distribution channels. The boundaries that are the most challenging to leaders today are more psychological in nature. They involve relationships and thus are associated with strong emotions, such as loyalty, pride, respect and trust.

Wherever boundaries collide, the promise of new possibilities and inspiring results awaits. But so does the peril of limiting and counterproductive outcomes that occur when groups divide into Us and Them. The difference, in large part, is you and the leaders throughout your organization. ●

Us and Them: Why Identity Matters

Identity dynamics that split groups into Us and Them are at the heart of the challenge you will face when managing across the five types of boundaries. Identity is the reason working with different groups requires a delicate balance between meeting the two fundamental needs of differentiation and integration. Identity plays out at work each and every day as we all strive to experience a sense of belonging and connection while distinguishing ourselves as unique from others. Identity dynamics create problems at work when we must find a way to work with other groups despite significant differences in our most defining values, perspectives and beliefs. Consider the five types of boundaries and the way identity dynamics may create challenges for you when groups define themselves on the basis of their differences and split into Us and Them.

Vertical Boundaries. A vertical boundary can become a border when identity plays out in the different perspectives or vantage points of the top management team versus first-line supervisors. The identity of senior leaders is based largely on their vantage point within the company — the big picture and looking out for its long-term viability. First-line supervisors have a very different vantage point, and their role and identity are based on a view of the company from the trenches in which day-to-day operational demands take priority. Bringing together any two groups whose identities within the company lead them to see company interests from very different vantage points can create significant challenges.

Horizontal Boundaries. A horizontal boundary may highlight identity differences between the sales and engineering teams. The members of the sales team define their group as the growth engine of the company because they drive revenue and profits more than any other and see themselves as the "face of the business." Yet the members of the engineering team would also define their group as the growth engine because they generate new ideas and products responsible for future market share. Thus, horizontal boundaries can present a challenge as you attempt to span lines of expertise and identity differences become a barrier.

Stakeholder Boundaries. Identity dynamics come into play when you must find a way for different stakeholder groups to collaborate when, by definition, they each have different and, at times, competing interests.

Demographic Boundaries. Managing across demographic boundaries means crossing generational lines of difference when baby boomers' identification is tied to loyalty, a strong work ethic and dogged determination, whereas Gen Xers pride themselves on enjoying life rather than "working themselves into the grave." In this case, the different generational groups view organizational commitment in radically different ways that can create problems for their leaders, who must find a way to evaluate and reward both groups fairly.

Geographic Boundaries. Finally, geographic boundaries can result in the separation of groups on the basis of distance when, for example, Westerners define themselves by and take pride in their entrepreneurial spirit, whereas Easterners pride themselves on tradition and conformity. Such identity differences pose challenges for a leader managing a multinational team.

Navigating the complex identity dynamics of Us and Them requires that you achieve a delicate balance between knowing when to define and strengthen boundaries to meet the fundamental need your organizational members have for differentiation and uniqueness, and knowing when to span boundaries and foster unity to meet the fundamental need for integration and belonging. ●

Intergroup Boundaries: The Great Divide

At the peak of the heat and humidity during the summer of 1954, 22 11-year-old boys were dropped off by their parents at Robbers Cave State Park in a densely wooded area in the Sans Bois Mountains in Oklahoma. Their parents would have no contact with them for three weeks, but the boys were too excited to care. Unknown to the boys, they were to become participants in one of the most famous psychological experiments of all time.

The Eagles and the Rattlers

Half the group arrived on June 19 and immediately was assigned to the same bunkhouse. The other half arrived on June 20 and was assigned to a different bunkhouse, far enough away from the first group so that neither knew the other existed. Friendships quickly formed. They even came up with names for their bunkhouses: the Eagles and the Rattlers.

During the second week of their stay, the boys finally became aware that another bunkhouse existed at camp. Counselors brought the Eagles and the Rattlers within earshot of each other. Distinctions between "Us" and "Them" became clear, and the boys grew protective of their things and their space. Within a few weeks, two groups of boys alike in almost every way possible (race, education, socioeconomic status, region) acted as if they had nothing in common. They splintered into Us and Them and were caught in the middle of a Great Divide.

The Great Divide

You may be feeling that Great Divides are inevitable and that all you can do is brace for the chaos and attempt to minimize the damage. Fortunately, that's not the case. The good news is that you have the power to create the conditions for the Nexus Effect — the positive side of what can happen at the intersection of group boundaries.

During the next several days, the Eagles and the Rattlers had several opportunities to interact with each other. But rather than reduce conflict, more opportunities to interact only added fuel to the fire. In one telling example, the groups were given a chance to "make peace" while having a meal together, yet an argument spiraled out of control and a massive food fight ensued.

Fortunately, the boys' summer camp experience did not end with mashed potatoes on their foreheads. But it did take more than just spending time together to close the Great Divide. The experimenters created a series of events in which the boys had little choice but to work together.

The Robbers Cave study in Oklahoma illustrates many of the messages we have been trying to convey. The study demonstrates that group identity forms quickly, resulting in positive bias toward the in-group, and that groups in competition often develop negative attitudes toward one another. The experiment also shows that simply bringing groups together is often not enough to reduce distrust and disrespect. The researchers found that it was only when the boys had to work together to solve a problem or reach a common goal that the Great Divide began to disappear and cooperation across boundaries occurred.

The lesson learned from the Robbers Cave experiment and other examples is clear: As a leader, you play a key role in spanning boundaries and transforming divides into new frontiers. ●

PART 2: MANAGING BOUNDARIES

Buffering: Creating Safety

Buffering is about defining group identities and involves shielding or protecting groups from outside influences or threats to identity. Once the boundary is clearly marked, information, people and resources can be filtered through it as appropriate. Buffering allows groups to develop and maintain a strong sense of identity and define their reason for being. The result is that buffering builds intergroup safety: *the state of psychological security that develops when intergroup boundaries are defined and maintained.*

Buffering is a way to monitor and manage the boundaries between groups. There are any number of buffering tactics you can use in your organization. Below are

five tactics we observed in our research and practice with organizations around the world:

Buffering Tactic 1: Separate Groups. One tactic that may be necessary in certain situations to help groups accomplish a specific task is to separate the groups. The goal is to eliminate interactions across boundaries altogether. When group boundaries are violated and conflict frequently erupts, physically separating the groups may be the only solution that helps them focus on the task at hand.

Buffering Tactic 2: Reduce Threat From External Influences. Whenever there is organizational change, perceptions of threat are probably not far behind. Steps must be taken to temper the perception of loss to reduce threat and resistance. During times of change, it is important that you help employees see "what's in it for them" to prevent groups from digging in their heels or isolating themselves from other groups in self-defense. Helping groups see how their identities and roles evolve as the organization changes can help those groups feel safe and secure despite the turbulence around them.

Buffering Tactic 3: Make Boundaries Visible for Others. There are times when you must make boundaries clear and visible for others because a boundary is being disregarded or violated in some way. There are any number of tools available, such as team contracting, establishing rules of engagement, using team governance models and creating operating agreements to make boundaries more visible.

Buffering Tactic 4: Creating a Unifying Team Identity. Another buffering tactic is to create or strengthen a group's identity by clarifying its mission and vision and making roles and tasks clear for its members. You must know where your group boundaries lie before you can take steps to prevent those boundaries from being violated.

Boundaries Will Always Exist

Boundaries help people feel safe. They can keep unwanted things or people out and provide us with a defined space where we feel welcome by being around others who are like us.

Boundaries will always exist in organizations. Even as they disappear because technology and a global market allow us to work with others anywhere in the world, the psychological boundaries between people caused by identity differences remain and in some cases become even deeper and more entrenched. Although boundaries sometimes become borders that limit or constrain collaboration, they are also necessary for groups to have a defined purpose and role within the larger organization.

Buffering Tactic 5: Build Team Cohesion. It is important to focus first on the task: what the task is and how to accomplish it. But once the team moves toward execution of the task, conflict is more likely to emerge. This is when the leader should turn his or her attention to creating team cohesion. As is the case in many teams that come together to work across boundaries, a new boundary must emerge in the process of creating a cross-functional team and team members must feel a part of the new group. In addition to defining the team's mission and tasks, the team members must feel that they belong to the new team, that it is an important and valued part of their identity. ●

Reflecting: Fostering Respect

Reflecting involves representing distinct group perspectives and facilitating knowledge exchange across groups to understand boundaries and foster intergroup respect. Each group shares an image of its values, needs, hopes, fears and priorities with the other. In the process of doing this, both groups begin to understand the boundary between them and accept both differences and similarities between the two groups. When competing or opposing groups develop greater positive regard for each other, greater direction, alignment and commitment can develop between them. Below are several tactics that you can use to engage in the practice of reflecting. We recommend that groups begin by learning about one another, then uncover deep differences and finally begin to identify commonalities.

Reflecting Tactic 1: Create Opportunities for Groups to Listen and Learn About One Another. There are many ways you can enable groups within your organization to listen and learn across boundaries. Create opportunities for your team to learn about other functions, regions and product lines by attending their communication sessions, reading postings on their intranet sites, and seeking to understand their strategic goals and priorities. Shadowing, job rotation and site visits encourage people to experience life in the organization from a different vantage point. Each of these steps will foster greater awareness about other groups and the potential collaborative opportunities between them.

Reflecting Tactic 2: Ask Powerful Questions to Uncover Deep Differences. Asking powerful questions can uncover the root of the challenges groups face when attempting to work together: the values, assumptions, perceptions and emotions that often form a wedge that leads to conflict rather than collaboration.

Reflecting Tactic 3: Let Commonalities Emerge From Differences. Digging into and understanding differences often uncovers the similarities that lie underneath. Thus, it is important to create opportunities for groups to learn about the ways in which they view and experience the world differently and to continue to dig deeper to uncover the values and perspectives they share.

Reflecting Tactic 4: Counteract the Tendency for Groups to Want to Make Them Like Us. Working together across boundaries requires accepting the differences that separate groups. However, energy and resources are wasted when a group tries to collaborate with another group by attempting to make Them more like Us. This almost always backfires. Groups just dig in their heels. Therefore, to accomplish reflecting, it is important to encourage groups to accept one another and focus on change from within.

Reflecting Tactic 5: Slow Groups Down to Speed Them Up. Though counterintuitive in an ever-faster world, slowing groups down for learning, perspective taking and knowledge exchange is essential. Time-outs and routine breaks enable groups to make sense of the complexity of the tasks they face. ●

PART 3: FORGING COMMON GROUND

Connecting: Building Trust

The practice of connecting enables you to create a neutral zone where people can interact as unique individuals rather than members of distinct groups. As a boundary spanning leader, you can use a number of different connecting tactics to link people to build trust:

Connecting Tactic 1: Meet in a Neutral Zone. To suspend boundaries between groups, you need to take into account the physical environment. We use the concept of the neutral zone to represent a location, environment or space that is welcoming to groups on all sides of a divide.

Connecting Tactic 2: Create Attractor Spaces. Organizations are full of physical boundaries separating groups, functions, levels and divisions. In most office buildings, floors divide employees by level, walls separate people by function, corridors serve to "funnel" groups into their designated locations and complex security procedures keep unwanted people out. Of course, physical boundaries in the work environment serve a worthwhile purpose in placing groups of people with similar work responsibilities in close proximity. Yet they often get in the way of groups that need to be collaborating. To balance these inevitable tensions, you need to create "attractor" spaces that encourage serendipitous cross-boundary relationships to develop.

Connecting Tactic 3: Utilize Communication Technologies to Link People Together. In the span of a few short years, company intranet sites and virtual collaboration technologies have gone from being the exception to being the norm. Similarly, networking environments, such as LinkedIn, Facebook and Twitter, have exploded on the scene. By themselves, these technologies may serve only to create borders as like-minded groups create their own virtual worlds. You can counteract this tendency and use the same technologies to suspend boundaries and create new connections instead of fortifying borders.

Connecting Tactic 4: Build Leadership Networks. Both formal and informal events that take place during work hours are one of the easiest yet least effectively utilized tactics to link people and bridge divided groups proactively.

Connecting Tactic 5: Mix It Up Outside the Office. Last but not least, building relationships outside the office is another timeless approach. The formality of established work protocols, status hierarchies and process routines can be left behind, allowing more informal relationships to develop. As in the tactic immediately above, your role is to serve as the connector. ●

Mobilizing: Developing Community

Asking groups to set aside their differences to work toward a common cause is a timeless and universal approach used by leaders. It is one of the most powerful means to bind people together to take collective action. How often have you found yourself entering the fray in a meeting by asking disputing groups to "work together for the common good" or "put aside your differences and go for the win-win"? It is one thing to do this effectively when groups are relatively similar in values, needs and interests. It is quite another when you find yourself trying to bridge groups with deep and long-standing differences: people with clashing religious beliefs, former competitors or even bitter enemies. In these situations, you need to find a way to create a shared identity that is large enough to be unifying for all the groups yet specific enough for joint action to be taken. The following tactics will help you negotiate this delicate balance:

Mobilizing Tactic 1: Craft a Galvanizing Vision, Mission or Goal That Rallies Groups to

Take Collective Action. In the corporate arena, staking out common ground often focuses on strategic or competitive goals: winning market share, hitting financial targets, being first to market with an innovative product or service, or outperforming a competitor. For example, nothing builds community better at Apple than going toe to toe with PC computer companies. Tactics such as these forge common ground by focusing on a common enemy and emphasizing what is positive and distinctive about one organization compared with its competitors.

Mobilizing Tactic 2: Build Shared Identity by Identifying Common, Inclusive Values. Although a vision or goal helps point groups in a common direction, a shared set of values helps groups internalize the core behaviors and beliefs needed to get there.

Mobilizing Tactic 3: Develop a Culture in Which "Everyone Belongs." Creating and changing organizational culture begins with you and the other leaders in your organization.

Mobilizing Tactic 4: Craft Shared Symbols or Artifacts to Represent Who "We" Are and What "We" as a Collective Believe. Throughout human history, symbols, artifacts and icons have served as a powerful force for clans, tribes, cultures, nations and organizations to express who they are and what they believe in. Similarly, you and the leaders throughout your organization can draw on symbolism to create meaning and transcendent purpose.

Mobilizing Tactic 5: Narrate Stories in Which Everyone Plays a Part. Analysis breaks down complex topics into smaller component parts. It is associated with left-brain thinking processes, such as logic, reason and objectivity. In contrast, narratives (i.e., stories) are a means for synthesis, stating how things fit together and conveying shared values, emotions and aspirations. Stories are associated with right-brain thinking, such as meaning, emotion and subjectivity. Analysis and narrative both play an important role in business. Yet when it comes to crafting shared purpose and meaning, a compelling story probably will prove more useful than any number of objective statistics or data points. ●

PART 4: DISCOVERING NEW FRONTIERS

Weaving: Advancing Interdependence

The practice of weaving enables a leader to draw out and integrate group differences with a larger whole. Below are several tactics you can use to advance interdependence where boundaries collide, intersect and link:

Weaving Tactic 1: Clear the Path — Remove Group Barriers, Roadblocks and Obstacles That Get in the Way of the Larger Collective Goal. By removing limiting barriers between groups, you can tap into and integrate differences to exploit new frontiers.

Weaving Tactic 2: Let Different Groups Be Different Groups — Draw Out, Utilize and Capitalize on Differences. This simple idea turns conventional thinking about leading change on its head. The dominant view in management research and practice is that the key to leading organizational change is alignment: getting "buy-in" from all groups and getting "everyone on the same page." Alignment is important, but the rush for integration doesn't have to come at the expense of enabling the productive use of differences.

Weaving Tactic 3: Connect the Dots — Link Group Expertise, Experience and Actions Back to Larger Collective Goals. The greatest advantage of unique group knowledge and expertise is realized when it is applied to solving a larger problem or creating a new solution that benefits the organization as a whole.

Weaving Tactic 4: Foster an Interdependent Group of Groups. In today's shifting leadership landscape, teams look less like teams in the traditional sense of the word and more like groups that come together, get their work done, disband and recombine with other groups. Yet they still need to have a clear identity, purpose and set of deliverables. In line with this business reality, you can take steps to help teams foster dual identities. Think of this as a "group of groups," or "different groups working on the same overarching team."

Weaving Tactic 5: Create Interdependent Goals That Groups Cannot Achieve on Their Own. The most important business challenges we face today are interdependent: They can be solved only by groups working collaboratively. Yet all too often we find groups in the same organization working independently or, worse, at cross-purposes. This is problematic because the way we work has to match the nature of the goal we want to achieve. When the goal is interdependent, you can create the conditions for groups to capitalize on their distinctive resources to succeed. In these situations, it is the health of the whole that ultimately determines the success of the different groups. ●

Transforming: Enabling Reinvention

The practice of transforming seeks to bring together different people (the *who*) using different approaches (the *how*) to cross-cut boundaries of identity and enable inter-

group reinvention. When intergroup identities change, the boundaries associated with those identities change.

Transforming Tactic 1: Bring the Whole System Into the Room: Gain Representation Across All Groups and Ensure Maximum Diversity of Perspective. In cross-cutting boundaries, you need to make a concerted effort to ensure that you have representation from all groups. Encourage a broad and inclusive group of people to attend, allow all points of view to be heard and bring the full range of the system into the room.

Transforming Tactic 2: The Way You Frame the Issue Is the First Act of Leadership. In bringing multiple and often opposing groups together, the way you position issues is critically important. The way you frame an issue needs to take into account the identities of all the groups that span the divide.

Transforming Tactic 3: Give Equal Space to All Groups — Give All Groups an Equal Opportunity to Create and Envision an Alternative Future. Including people from all parts of the system and framing issues in an open and invitational way are two tactics for setting the stage for cross-cutting boundaries. Now that you are ready to bring competing and divided groups into direct contact, another tactic to consider is to give all the groups equal time and space to participate.

Transforming Tactic 4: Allow All Groups to Confirm Their Core Values. Another tactic for cross-cutting boundaries is finding avenues that allow members of disparate groups to confirm their core values. At one level, this allows people to feel more grounded and secure. At another level, it allows people to realize that despite their differences, members of both groups have decent and principled values that sometimes overlap.

Transforming Tactic 5: Create a Channel for Both Positive and Negative Energy to Flow. The previous tactic highlights the importance of affirming core values. Now, as you seek to discover new frontiers, you have to draw out both similarities and differences. This final tactic can be used to create a channel for positive and negative energy to flow. ●

PART 5: THE NEXUS EFFECT

The Nexus Effect and You

Buffering, reflecting, connecting, mobilizing, weaving, transforming — out of these six boundary spanning practices come safety, respect, trust, community, interdependence, and reinvention. Leaders create the Nexus Effect by spanning boundaries and harnessing the energy between groups that is above and beyond the energy created by groups working alone.

We define the Nexus Effect as *the limitless possibility and inspiring results that groups can achieve together above and beyond what they could achieve on their own*. Unlike the nearly limitless connections found in biological cells or on the Internet, a collaborative nexus between groups is not something we see happening every day, probably because creating the Nexus Effect is not easy. But you know it when you see it. You can spot it by the energy and sense of resolve you get from talking to someone who has experienced the Nexus Effect. Those people are excited to share their story, the barriers they overcame and how it once seemed impossible to get where they are today. ●

One Group Enhances the Other

The word *nexus* comes from the Latin word *nectere*, which means "to bind." A nexus is a specialized cellular connection that enables molecules and ions to pass freely between cells. In technological terms, Nexus was the name given to the world's first Web browser, developed by Sir Tim Berners-Lee in 1990. In mathematical terms Alfred North Whitehead, a 19th- and 20th-century English mathematician and philosopher, described a nexus as a system of relationships in which the whole is greater than its parts.

Combining elements at the precise time and in a precise way can result in a multiplicative effect in which 1+1>2. For example, in manufacturing, the yield from two machines working together, in concert, is greater than what can be achieved by both machines working independently of each other. The same principle can hold true for organizations, where groups that are able to work collaboratively achieve infinitely more than they would if they worked alone. In this case, the presence of one group enhances the other.

RECOMMENDED READING LIST

If you liked *Boundary Spanning Leadership*, you'll also like:

1. ***Everyone Communicates, Few Connect* by John Maxwell.** Maxwell offers five principles and five practices so you can connect one-on-one, in a group, or with an audience.
2. ***Touchpoints* by Douglas Conant and Mette Norgaard.** Learn to use your head, heart and hands to connect with employees.
3. ***Stop Workplace Drama* by Marlene Chism.** In this summary, Chism shows you how to change the way you and your organization confront and work through problems.

· Book 110 of 388 ·

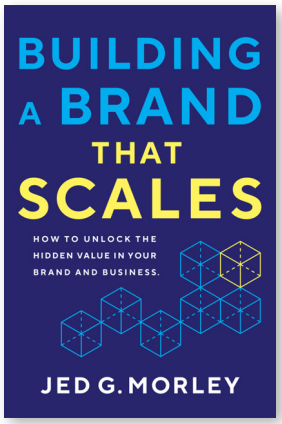
Building a Brand that Scales

Jed G. Morley

Executive Book Summaries®

Building a Brand That Scales

How to Unlock the Value in Your Brand and Business



by **Jed G. Morley**

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THE SUMMARY IN BRIEF

Many leaders and teams struggle to scale their businesses while keeping their brands distinct and meaningful. In a crowded marketplace, success comes not from louder messaging but from making and keeping a clear, resonant promise to customers, consistently.

In ***Building a Brand That Scales: How to Unlock the Hidden Value in Your Brand and Business***, Jed G. Morley offers a strategic roadmap for companies that want to grow without losing their core identity. Morley, founder of Backstory Branding, helps organizations bridge the divide between brand marketing and performance marketing. His approach shows how clarity of purpose and aligned messaging across teams and customer touchpoints can drive both revenue and long-term brand loyalty. Using his proprietary Backstory Brand Wheel™ Framework, Morley explains how to transform your brand from a vague concept into a scalable business asset.

Whether you're a startup or an established company looking to reinvigorate growth, this book provides practical tools to build a brand that aligns with who you are and what your customers truly value.

IN THIS EXECUTIVE BOOK SUMMARY:

- Learn how to shape customer perception through clear, compelling brand strategy.
- Understand how to communicate your value consistently across all channels and teams.
- Find out how to align internal teams with unified verbal, visual, and experiential guidelines.
- Learn how to drive growth by tailoring messages to each stage of the customer journey.
- Get useful advice on how to codify your brand's culture and purpose for lasting differentiation.

Preface

In college, I studied graphic design, thinking I could learn to build great brands if I could just learn how to design an iconic logo like the Nike Swoosh. I soon learned that there is more to building a brand than designing a memorable logo. In grad school, I discovered the power of consumer insights and the need to get below the surface to understand why brands do or don't connect with customers on an emotional level.

Working at IDEO, the global design and innovation consultancy, and witnessing its design-thinking principles, I saw the significant impact human-centered insights can have on creating connections and winning business models.

This is dedicated to leaders and teams who are committed to building a brand that scales by setting their brands apart from the status quo and forming lasting relationships with their customers by consistently making and keeping a meaningful promise.

The principles I share come from over twenty years of experience, culminating in lessons learned from collaborating with dozens of businesses and brands at my brand strategy and messaging consultancy, Backstory Branding (Backstory), where we aim to build brands that live up to their promise. Our proven process consistently results in brand breakthroughs that accelerate growth and maximize the value of companies at exit. If your brand is stuck, underdeveloped, or undefined, this book is for you.

Chapter 1: A Different Kind of Wheel of Fortune

Some brands get big by getting lucky. They stumble into success and somehow manage to grow without much forethought. However, most brands that scale do so on purpose. Creating an intentional brand strategy gives you a much better chance of building a brand that can grow with your business, generate more revenue, and make a more significant impact in the world.

What is a Brand?

At Backstory, we define a brand as the perception someone has of a particular person, place, thing, or idea. No perception, no brand. Branding includes the thoughts and feelings we have when we think of a brand name and the reputation, value, and cultural currency it represents.

Customers determine what your brand is based on their cumulative experiences with it, and the branding process creates those experiences intentionally. You know you have a brand when your proper noun (i.e., capitalized) brand name becomes synonymous with the common nouns customers use to describe or search for solutions to their wants and needs.

Your business may own its brand name, logo, and tagline, but customers ultimately own brands because they decide what they stand for and, consequently, determine their value. You can *influence* what customers think of your brand, but you can't decide what it means to them. Everyone who works with you—employees, contractors, partners, and agencies—makes an impression on behalf of your brand, for better or worse. Defining what your brand stands for and providing your team with guiding principles for consistently communicating that meaning ensures everyone on your team can be an effective brand ambassador.

The Backstory Brand Wheel Framework

The Backstory Brand Wheel Framework is a complete tool set that can guide your company through the process of getting its story straight inside and out to help you achieve and sustain the alignment required to build a brand that scales. The four-phase framework is simple for nonmarketers to understand and implement and is meaningful to marketing professionals who want tools and inspiration to do their best work.

- Phase 1 is Brand Discovery, the place where you uncover insights into your current and desired brand perceptions.
- In Phase 2, Brand Foundation, you clarify and articulate the ideas needed to communicate the five foundational elements of your brand story, including your brand purpose, brand position, brand promise, brand pillars, and brand personality.
- The focus of Phase 3 is Brand Expression, where you'll build on your Brand Foundation (i.e., brand platform) by defining the attitudinal and behavioral characteristics of your ideal customers, articulating the value you provide them, naming your brand, creating your visual brand identity, and defining the guiding principles for the visual, verbal, and experiential aspects of your brand.
- Phase 4, Brand Activation, aids you in consistently and correctly communicating your brand across all your

Familiarity can blind us to the changes we must make for our brands to be great.

customer touch points to drive brand performance and profitable growth.

The point of this framework is to simplify and systemize the branding process. These straightforward brand definitions and methods have been designed to help executives and functional teams effectively develop a shared branding vocabulary and work together to achieve their brand goals.

PHASE 1: BRAND DISCOVERY

This phase focuses on understanding your current and desired brand perceptions and determining what gaps exist between them. Finding these gaps informs your brand strategy by identifying the words, images, and experiences needed to create your desired brand perception.

Four types of insight inform brand strategy: company insight, customer insight, competitor insight, and creative insight. Great brands are born where these insights intersect.

Chapter 2: In-depth Interviews

The first step in Brand Discovery is interviewing individuals who have valuable insights into your current and desired brand perceptions. These in-depth interviews should include one-on-one conversations with your company leaders and customers who can provide meaningful and diverse perspectives into your brand and business in context of the competitive landscape.

Good interviews come from selecting and curating a group of insightful, opinionated, and articulate participants. Each should be willing and able to discuss what they think and feel about your brand and category and, most importantly, *why*.

Asking Expansive Questions

The most fundamental skill to develop and apply in conducting effective interviews is to ask thought-provoking, open-ended questions. The goal is to invite the people being interviewed to open up and share more, not shut them off with simplistic, yes or no questions that drive the conversation down a dead end.

The Brand Ladder Method

You can improve your interviews by focusing on the interviewee's purpose or reason for their answers. Discovering a rich "why" vein of golden insights to mine becomes more predictable and repeatable when you use the Brand Ladder Method.

This method operates on four levels of insight: features, benefits, feelings, and values. Great brands communicate and connect with their customers on all four levels.

Four seemingly simple questions can help you build a brand ladder that unlocks strategic insights into your customers' wants and whys:

- **Features**: Of all the things that set this brand apart, which one matters most to you?
- **Benefits**: What are the benefits of that feature, and which one matters most to you?
- **Feelings**: How does having that benefit make you feel?
- **Values**: What is important about feeling that way?

Interview Guidelines

Following some simple guidelines can make a big difference in making interviews more valuable:

- THINK FIVE AND FIFTEEN
- BE SELECTIVE
- DO YOUR HOMEWORK
- GET THEIR NAME AND A BRIEF BIO
- PRETEND YOU KNOW NOTHING
- BE PREPARED TO OFF-ROAD
- BE COMFORTABLE WITH QUIET
- ASK JUST ONE QUESTION AT A TIME
- GUIDE THE DISCUSSION
- TAKE TRIGGER NOTES
- DON'T SETTLE FOR SATURATION

- HAVE THEM CLARIFY WHAT THEY MEAN – IN THEIR OWN WORDS
- DON'T CORRECT THEM
- RECORD THE INTERVIEWS
- TRANSCRIBE THE INTERVIEWS
- CODE THE INTERVIEWS
- COMPLETE THE INTERVIEWS WITHIN A FOCUSED TIMEFRAME
- SEE WHAT THEY'RE SAYING
- INTERNAL INTERVIEWS
- EXTERNAL INTERVIEWS

Tripping Over the Truth

Strategic branding leaders and practitioners tune their antennae to recognize significant insights in the moment. The Brand Discovery process systematically prepares your mind to more fully identify, appreciate, capture, understand, and act on insights however subtle those signals might be. Without this heightened awareness, we may "trip over the truth" without realizing what we've stumbled upon.

Chapter 3: Brand Audit

Familiarity can blind us to the changes we must make for our brands to be great.

Following our four-step process for conducting brand audits – gather, score, evaluate, and plan – can help. Please note the brand audit process applies to brand refresh and rebrand projects. You can skip this step altogether if you're creating a new brand.

Step 1: Gather. Gather representative examples of the brand touch points your organization currently creates, delivers, and facilitates for internal and external audiences. Brand touch points include the words, images, and experiences contributing to the perceptions—intentional or not—that internal and external audiences have of your brand.

Step 2: Score. Once you've collected a well-rounded cross-section of brand touch point inputs, weigh and sort them based on their perceived value to your audiences and compare the relative importance of your audiences to one another. Conducting internal and external customer interviews and surveys can help inform this process—specifically, which touch points matter most to your most important audiences and why.

Step 3: Evaluate. Once you've collected examples of your current brand touch points, evaluate the degree to which they add to or subtract from how you want audiences to perceive your brand. Next, rank their relative importance to your customers and other audiences. Evaluation methods include customer surveys, in-person or by-phone interviews, and videoconference calls.

Step 4: Plan. Take time to review the findings of your brand evaluation and extract general guiding principles from them for your brand strategy. Rather than getting bogged down in the details, summarize actionable, high-level brand takeaways and enlist the help of the right individuals and teams to take your brand where you want it to go.

Chapter 4: Competitive Analysis

Competition can bring out the best in us when we are committed to winning the hearts and minds of our customers. Competitive analysis is an essential ingredient in creating an effective brand strategy. It helps you gain a more objective understanding of whether or not your offering is truly differentiated. Knowing who your competitors are and how you win against them from a customer perspective puts you in a position of strength because it shows you how they view the market.

PHASE 2: BRAND FOUNDATION

Like the firm foundation of a building, your Brand Foundation helps ensure the strength and structural integrity of your brand for years to come. A strong Brand Foundation helps you build your brand in a way that is aligned and congruent with your brand strategy to reinforce your desired brand perception.

Chapter 5: Brand Purpose

Simon Sinek popularized the idea of building a purpose-driven organization and creating brand stories that *Start with Why*. His framework revolves around insights into how the human mind works, starting with why the people do what they do, then *how* they do what they do, followed by *what* they do.

According to Roy Spence, the adman who built the advertising agency GSD&M, which developed successful brands for Southwest Airlines, Walmart, DreamWorks, the PGA Tour, the United States Air Force, and the Texas Department of Transportation, purpose is a definitive statement

Resonating with your customers is the ultimate desired outcome of effective marketing messaging.

about the difference you are trying to make in the world. Spence further clarifies these reasons why you should want a purpose statement for your organization:

- Purpose drives everything.
- Purpose fosters visionary ideas and meaningful innovation.
- Purpose moves mountains.
- Purpose will hold you steady in a turbulent marketplace.
- Purpose injects your brand with a healthy dose of reality.
- Purpose recruits passionate people.
- Purpose brings energy and vitality to the work at hand.
- Purpose contributes to a life well lived.

A memorable, motivating purpose statement needs to be authentic. There is no cookie-cutter template to create yours; it has to be true and genuine to your organizational and personal values. Here are a few guidelines to get you there.

- **Inspirational and motivational.**
- **The aperture principle** *(being specific enough but not so specific as to box your business in).*
- **Keeping it simple and keeping it real.**
- **Room for more.**
- **Different means to the same end.**

Sharing Your Purpose

Once you have clarified your purpose, created authentic and effective mission, vision, and values statements, and written down your recipe for success by codifying your culture, you have to teach them to your employees over and over again.

You'll need to bring your employees, investors, and other stakeholders on board by helping them understand and appreciate the significance and stories behind these things. They need to believe and buy into your purpose so they can make it real for themselves by creating and sharing stories of their own.

Chapter 6: Brand Position

Your brand position consists of the words and ideas customers associate with your brand name. When you think of brand position, think of brand perception.

The first step in the brand positioning process is determining what words and ideas customers currently associate with your brand compared to your desired brand perception. Current perceptions define your statement of brand position.

To change your brand from its current perception to the one you want, you need to make intentional, deliberate, and consistent choices to reinforce your desired brand perception from the customer's point of view.

Reframe the Narrative

Creating a strategic brand narrative can elevate your brand positioning and help you close the gap between your current and desired perception. Although the applications vary from one practitioner and framework to another, the guiding principles for setting your brand apart with a compelling narrative remain the same.

- **Principle 1. Make your customer the center of your story.**
- **Principle 2. Show your customers how their world has changed by creating a problem they can't afford to ignore.**
- **Principle 3. Show customers what life could be like with their problem solved.**
- **Principle 4. Define the criteria for success on terms only you can satisfy.**

Chapter 7: Brand Promise

At its most basic, building a brand is making and keeping a meaningful promise at scale. Your brand promise is the overarching value you deliver to customers – *overarching* meaning your brand promise is audience-agnostic. A well-crafted brand promise is a meta-benefit statement that resonates with all your audiences all at once—that is music

to their ears regardless of their unique pain points and reasons for buying.

Chapter 8: Brand Pillars

Having defined your brand purpose, position, and promise, you've laid a strong Brand Foundation for building. The next step in developing your brand is to set forth your brand pillars – the five most significant reasons you win. Your brand pillars make a case for why customers should prefer and choose your offering over alternatives.

Find Your Pillars

Identifying the five most important success factors is a blend of thinking about what customers need to succeed and what sets your offering apart. A helpful exercise to facilitate this process is creating a simple value curve chart in Microsoft Excel or Google Sheets that shows what customers want in a solution for a particular problem and scoring your offering's ability to satisfy those needs compared to competitors' offerings.

Chapter 9: Brand Personality

Creating a distinct personality for your brand starts by choosing modifiers (adjectives) that define your brand and can guide the ongoing creative efforts of everyone who's working on giving expression to your brand and bringing it to market – from your ads, content marketing, social media, and PR to your internal employee and investor communications.

A strategic, thoughtful, coordinated, and consistent approach to defining your brand personality and aligning everyone to it helps reinforce what your brand stands for in customers' minds. Each customer touch point, campaign, and creative contribution ought to reinforce your desired brand perception and enhance your brand equity with customers—like compounding interest—rather than allowing random weathervane acts of marketing to take your brand in whichever direction the wind blows.

By clearly defining your brand personality and consistently expressing it throughout all your brand communications, you help customers understand what you stand for and attract customers who share your values and brand sensibility.

PHASE 3: BRAND EXPRESSION

This phase is about defining the words, images, and experiences that will shape and influence how customers see and value your brand – your brand perception.

Chapter 10: Marketing Messaging

Resonating with your customers is the ultimate desired outcome of effective marketing messaging. Resonance results from solving a significant customer problem and communicating your solution's features, advantages, and benefits so customers recognize they can't afford not to change what they're doing and how they're doing it.

Creating resonant marketing messages starts with an in-depth understanding of who your audiences are, what they want, and the problems that stand in their way of getting it – issues your solution is uniquely qualified to resolve for them.

You can only create clear, consistent messaging that communicates the problem-solving capabilities of your solutions when you have validated your business model and achieved product-market fit.

Chapter 11: Brand Narrative

A compelling, intriguing, and consistent explanation of who you are, what you do, why it matters – and to whom – *is crucial to building a brand that scales.*

Being ready to answer these foundational questions, both in spoken and written communication, goes a long way to setting you and your organization apart in meaningful, memorable ways. A strategic brand narrative consists of three parts: a one-line elevator pitch, a one-paragraph about us statement, and a one-page company overview.

It takes about three seconds to share your elevator pitch, thirty seconds to read your about us statement, and three minutes to read your company overview. These three degrees of detail give you flexibility in meeting the demands of different situations and scenarios. Having each of them ready to go can facilitate meaningful connections with employees, customers, investors, and partners.

Chapter 12: Brand Name and Visual Brand Identity

Learning what makes brand names and visuals meaningful is a blessing and a curse. Once you become aware, you see missed opportunities everywhere. Of course, you see great examples, too, which inform good decisions when it's your turn to give clear, creative direction and make creative choices that serve your brand well.

Naming a brand that can scale and creating an appropriate visual brand identity for it should be a strategic, intentional process with the goal of reflecting the character and personality of the brand in a way that resonates with your customers. It should always be a name and identity the brand can grow into over time.

There are four main types of brand names:

- **Descriptive** – depicting what a company is or does.
- **Suggestive** – implying what a company is or does.
- **Arbitrary** – using real words in an unexpected context.
- **Fanciful** – made-up words like Kodak or Xerox.

Another important consideration in naming your brand is giving equal, if not greater, emphasis to how it sounds when spoken, not just how it looks in writing.

Visual Brand Identities

Designing a visual brand identity that can scale with your business as it grows starts by defining a clear brand strategy, including its brand personality. Without a clear strategic direction for your brand, selecting a logo design can default to personal preference and decision by committee—the worst method of all. Instead, use objective criteria to guide the design evaluation process to create a logo that reflects your desired brand perception.

PHASE 4: BRAND ACTIVATION

Th ultimate aim of the Brand Activation phase of the brand-building process is to build your brand while building your business. Some would have you think these goals are at odds with each other, that it's an either-or proposition, but we disagree. We believe in blending both brand *and* performance marketing simultaneously so you get the best of both worlds.

Chapter 13: Customer Touch Points

Creating and maintaining alignment in bringing your brand to life is a never-ending process because circumstances and inputs constantly change. Consistently and effectively activating your brand requires constant focus, detailed attention, and continual refreshing.

Every interaction between you and your brand is a customer touch point. The personal impressions from all your brand touch points meld in customers' hearts and minds to form an overall picture of your brand and a feeling that gives customers confidence in buying and recommending your brand—or not. Because everyone who works for your organization creates or contributes to customer touch points in some way, branding is everyone's responsibility, not just the marketing team's.

Following The Backstory Brand Wheel Framework can help you identify the right audiences and messages to make your marketing dollars work harder for you. Creating cohesive, cogent, consistent brand touch points is vital, but so is defining the right audiences and messages to share with them. It doesn't do your brand or business much good to consistently communicate the wrong messages to the right people and vice versa.

Conclusion

The purpose of our work at Backstory is to build brands that live up to their promise. Our job is to discover and define what is and isn't the essence of a brand and reveal it by removing anything that isn't essential. What our clients receive as a result of this process is pure relevance and resonance with their audiences.

What had been an incomplete idea of what they have been or could become is transformed into a clearly defined and refined concept as well as a clearly and consistently communicated idea, story, and relationship that resonates deeply with their ideal customers.

Here, you're given a methodology for bringing your vision to life as you consider what to paint on your brand canvas and sculpt in your studio. You can leverage this process to define your brand and bring it to market at a level that expands your capacity beyond what you can do yourself. With the help of talented teams who follow the process and work within the brand guidelines you've established, the collective work can be true to your standards.

The result is a great brand that is bigger than you and your ability to touch every aspect of it—a purposeful brand that can make a difference for good in the world beyond making money.

Jed G. Morley is the founder and CEO of Backstory Branding, a brand strategy and messaging consultancy focused on helping companies build brands that deliver on their promise. He has guided dozens of businesses in clarifying their purpose, defining their value, and codifying their culture to support growth. Jed holds a BA in design from Brigham Young University and an MS in Integrated Marketing Communications from Northwestern University. Outside of work, he enjoys supporting the performing arts with his wife, Angie, spending time with family, cycling, and exploring Swedish genealogy.

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Building the Best

John Eades

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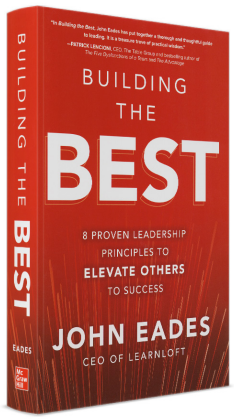
Building the Best

8 Proven Leadership Principles to Elevate Others to Success



by **John Eades**

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THE SUMMARY IN BRIEF

Organizational culture has undergone a seismic shift in the 21st century—and with it, the requirements of leadership. In ***Building the Best***, LearnLoft CEO John Eades takes you on a journey of transformation that will equip you with the tools you need to become the kind of cutting-edge leader today's workplace so urgently needs.

Beginning with the benefits of great leadership—and the drawbacks of bad leadership—Eades describes how leaders elevate others and how their practices pay huge dividends. At the core of such leadership is a carefully balanced blend of "love and discipline"—a guiding principle that helps create high levels of performance by leaning on standards while at the same time caring about the long-term success and well-being of each team member.

Leadership is a journey, not a destination. ***Building the Best*** offers a powerful blueprint for embarking on that journey—the first step in taking your team or organization toward true greatness.

IN THIS SUMMARY, YOU WILL LEARN:

- Why elevating others requires practicing love and discipline.
- The four elements of team culture and how to develop them.
- The purpose trifecta of values, vision, and mission.
- To maintain high standards and practice true accountability.

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Part I: Change Your Heart

Point to the Benefits

The impact that a great leader has on the world is powerful enough to set aside the most irreconcilable differences. After President Abraham Lincoln was assassinated in 1865, more than 7 million citizens paid their respects as Lincoln's body was transported from Washington, DC, to Springfield, Illinois.

The political turmoil dissipated as individuals from all walks of life rallied in droves to pay their respects. A good friend and confidant of Lincoln, Ulysses S. Grant, famously wept at one of his memorial services as he said, "Lincoln was the greatest man I had ever known." The heart of the United States was wholly broken.

If great leadership can be powerful enough to set aside irreconcilable differences, what is the impact of being a bad leader?

There are two main costs of being a bad leader: financial and health. Research at LearnLoft estimates that one bad leader costs a company between $100,000 and $115,000 over the course of a year due to higher-than-average turnover, low employee engagement, and an overall lack of productivity.

The health costs are even more interesting. In 2011, the American Institute of Stress conducted a study on managers and executives, finding that they are 52 percent more likely to die earlier than their counterparts due to stress-related issues. It makes a convincing case that the worse a leader is, the higher the leader's stress is going to be, increasing the likelihood of early death.

A recent Gallup study showed that 75 percent of employees leave their jobs because of their bosses and not the position itself. The majority of top performers gladly exit a toxic environment instead of tolerating lousy leadership. This often leaves average or below-average employees reporting to bad leaders. For fear of losing their job, these employees are forced to deal as best they can.

A real cyclical effect emerges, and it takes a major shake-up in an organization to change the negative agents at work.

Your responsibility as a leader is bigger and broader than you think. Think about the impact Abraham Lincoln, Ulysses S. Grant, and John F. Kennedy had and still have on the world. It's a humbling thought that as a leader, good or bad, you will impact the world for decades after you are gone.

Regardless of the leadership you've experienced, the leader that you are and the impact that you will have is a choice that lies within you.

It All Starts With a Model

Commit this definition of leadership to memory: *Leadership is inspiring, empowering, and serving in order to elevate others over an extended period of time.*

All three words (inspiring, empowering, and serving) are paramount to building the best and elevating others. If what you are doing to proactively elevate others results in them being more inspired, empowers them to make decisions, and serves their heart, then you are on your way to true leadership.

While having an incredible leader at the helm is critical, in order to grow and evolve as a business or team, you must have an army of leaders behind you that also build the best and elevate others. What they need is a simple idea or way to think about how to do it. Let's talk about that next.

Practice Love and Discipline

Principle 1: Use high levels of love and discipline to elevate others.

How can the terms "love" and "discipline" translate into a corporate environment? They aren't exactly words encouraged by Human Resources. "Love" and "discipline" are words that can be ambiguous, so consider these definitions that apply to the workplace.

Love (verb): to contribute to someone's long-term success and well-being.

Discipline (verb): to promote standards in order for an individual to choose to be at his or her best.

A LearnLoft study of 40,000 leaders in various roles ranging from CEOs to frontline managers revealed a direct correlation between leaders' effectiveness and their use of love and discipline. Highly effective leaders were those who leveraged high levels of both love and discipline; those leaders who ranked low in effectiveness rated low in their use of love and discipline.

Leaders whose style is to elevate leverage love and discipline through 16 key demonstrable competencies, eight in love and eight in discipline. These 16 core competencies are a fantastic barometer to determine specific strengths and weaknesses in the way you lead.

As a leader, you must consistently share your competence and care in order for people to trust you.

Love Competencies

Recognition: How often and effectively you take advantage of opportunities to make your team members feel valued and appreciated.

Personability: How engaging you are with individuals on your team, both in your mannerisms and demeanor.

Development: How much emphasis you put on the development of your team to ensure their long-term success and well-being.

Unity: How well you create a sense of belonging and connections between your team members.

Positivity: How optimistic you are when speaking to or being around your team.

Vulnerability: The level at which you share the truth about mistakes, personal feelings, or lack of knowledge.

Empathy: How well you are able to identify with your team to understand their feelings and perspectives, in order to guide your actions.

Trust: How confident your team is that you will do what's right.

Discipline Competencies

Standards: How clearly you define, communicate, and promote what good looks like.

Coach: How effective you are at providing guidance and training to improve the skills of your team.

Goals: How clearly you've defined, communicated, and measured goals.

Model: How well you exemplify the standards and behaviors you expect from your team.

Consistency: The stability, predictability, and emotional intelligence of your behaviors.

Accountability: How effectively and consistently you hold your team accountable to the standards you've set.

Priority: How clearly you determine the order in which your team should complete work based on relative importance.

Vision: How well you define, communicate, and reinforce what you want your team or business to be in the future.

Simultaneously leading with high levels of love and discipline isn't easy. But if you don't use love, you won't connect with people to get their best possible performance. If you don't use discipline, you aren't going to get anyone to levels they didn't think possible. The natural question becomes, where do you start, and how do you do it?

Part II: Start With the Fundamentals

Build Real Bonds

Principle 2: Without strong relationships, you can't lead.

The ability to lead a team starts with good, quality, professional relationships, built on the bond of mutual trust. As a leader, you must consistently share your competence and care in order for people to trust you. The key word here is consistency. Reid Hoffman, founder of LinkedIn and partner at Greylock, came up with a good formula for easily understanding trust:

Consistency + Time = Trust

The Trust Compound Theory says that each day, you get the opportunity to build stronger bonds of mutual trust with your team by sharing your competence, showing you care, and exposing your character. Each member of your team is evaluating how much they trust you based on how well you do these three things.

Competence. Competence hinges on the depth of your knowledge and how willing you are to impart that to others. The key to sharing your own competence is imparting the technical knowledge you have gained to those you lead as well as your leadership skills on an ongoing basis. Your willingness to share these two things is your ticket to building bonds that lead to big things.

Care. In order for your team to understand how much you care about them, you must reject the notion that words hold great power. Instead, accept the power of actions. In order to show your people you care, you have to get to know them on a professional and personal level. This starts with asking them questions about their own journey, experiences, challenges, and what drives them. Instead of just going through the motions, you have to be intent on listening and remembering so you can adjust your actions in the future to show them you listened.

Like all great relationships, the only way to get there is by dedicating time. Your time is valuable, and you can't get it back. Devoting time to someone else shows that you care, and they are more important than anything else you have going on. Another powerful way to show you care is to be vulnerable; share truths and ask for help when you need it.

Character. Character is defined as the mental and moral qualities distinctive to you as an individual. It's an engraved set of disciplined habits and a settled disposition to do good. When there is clearly a right or wrong, the choice you make is based on your character. In the workplace, a person's character is put to the test frequently.

The simplest examples in which your team will evaluate your character include things like

- How do you treat others who have nothing to give you in return?
- How do you act in groups?
- Do you interrupt others when they are talking?
- What do you value most out of life?

Encourage the Culture

Principle 3: Culture starts with you, but your people prove it.

Culture in the modern business sense is the shared beliefs and values that guide thinking and behavior. Four elements make up any team's culture:

Safety. Before people can perform at their best, they first need to feel safe and protected. How does the current environment make your people feel? First, are the working conditions physically safe? Second, do team members feel emotionally safe to share ideas and feelings without fear of any repercussions?

Creating a physically safe environment is cut and dried. What isn't so cut and dried is creating an emotionally safe environment so people on a team are able to set aside their self-doubt, uncertainty, and fear so they can perform at their best. The only way for you to encourage a psychologically safe environment is by understanding that it starts with you. You have to be intentional about creating an inviting work space where people can share ideas, ask questions, and collaborate. If your team perceives their comments are going to be judged or not respected, they will begin to reserve those ideas and questions for a different environment altogether.

Unity. Inclusivity and people feeling like they are part of something bigger than themselves help feed productivity and innovation. Does each person on your team feel like he or she plays an integral part? Does everyone work together as a team, or do they create silos or cliques? At the center of unity is mutual respect among team members and a feeling of belonging. It is a major responsibility as a leader to give your people this sense of belonging in order to create a unified team.

Positivity. Beliefs drive people's actions, and actions drive results. If your team's beliefs are optimistic, the chances of good things happening in the future are drastically higher than the alternative. Positivity is driven from the top down, and it's contagious. If you want to have a culture that is encouraging for others, it is your responsibility to make a conscious effort to be positive.

For positivity to take root in your culture, it has to reach every individual on your team: When bad things happen, respond with a positive comment. Promote and encourage things that help create positive energy. Finally, remove the people that cause negativity.

Energy. Energy keeps your team going and impacts the intensity and speed at which people perform. High energy yields high performance. Traditional thinking says energy comes from results. While this isn't wrong, energy can be produced, well before results are achieved, through the power of words or mantras. Examples of mantras include "Let's Go," "Take Dead Aim," and "Move the Needle."

Part of your job as a leader is to ensure you have a Maximizing Mantra for your team, company, or even your family so you can create a similar sense of energy for others. It's important that your Maximizing Mantra is simple, provides clarity, is action-oriented, and most importantly, is fun. Use it all the time, and keep it in the forefront of your people's eyes and hearts.

Clarify the Purpose

Principle 4: People persevere because of purpose, not pay.

With so many options for people to choose from when it comes to where they work or what team they join, those leaders who are intensely connected to their purpose stand out from the crowd. It also fuels a team to continue to pursue their purpose when times are difficult or challenging.

Three cornerstones are necessary to clarify a purpose. The purpose trifecta is made up of values, vision, and mission. Clarifying these three parts will dramatically increase your odds of building the best team and organization.

Values. Core values are the fundamental beliefs a person or team holds true. Once established, these guiding beliefs dictate behavior and help individuals decipher right from wrong.

A common denominator of all leaders who build the best is the time they dedicate to defining a set of core values. But they don't stop at defining the values. Instead, they make those values part of the team's guiding light.

Values come alive not through words on a wall or a website but through the actions of everyone in the organization. Talented people are not attracted to empty words but, rather, the exercising of them. Rewarding, recognizing, and talking about them on an ongoing basis provides a clear expression of how important they are to you and your people.

If you don't know where to start, take this list of common core values and narrow it down to four or five that best align to the group you lead: hard work, work ethic, loyalty, honesty, consistency, serving, creativity, courage, perseverance, ownership, humor, open-mindedness, reliability, compassion, competitiveness, will, passion, empower. When you come up with a final list, design a phrase that brings it to life.

For example, Skookum Digital Design, a software development and design company based in Charlotte, North Carolina, defined four core values and later added one more: simplify and go; embrace change; own it; choose to be happy; and give more than you take.

Vision. The best leaders are visionaries. They have in view what is possible in the future.

Ask yourself these questions about the future: "What does it look like? What is happening on the team or in the company? How many people are joining you on the journey? What kinds of people? What is the celebration going to look like? How are you going to feel? How is your team going to react? What is your family going to say? How will the world be different? How will the lives of the people you touch in the process be different?"

Mission. There is no exact formula to dictate how an organization or team should lay out its mission statement. Roderic Yapp, a former Royal Marines officer, shared a formula: *We do X in order to achieve Y for Z*.

Broken down, it is simply what you do, why you do it, and for whom it is done. The key is to define your mission in a way that everyone can identify why decisions are made and actions are taken. Here's the mission statement of Movement Mortgage: "We exist to love and value people by creating a Movement of Change in our Industry, Corporate Cultures, and Communities."

Values come alive not through words on a wall or a website but through the actions of everyone in the organization.

Part III: Balance People and Performance

Execute Every Day

Principle 5: Goals aren't achieved without priorities put into action.

While your purpose trifecta of mission, vision, and values remains solid and steady over time, it must be put into action. In order to do that, it has to be broken down further into an actionable system everyone on your team can buy into and use as a grounding force as they take ownership of their daily decisions.

The GPI System involves goals, priorities, and initiatives. GPI puts the purpose trifecta into an actionable format that leaves nothing to question. It's the step-by-step directions your team will follow to get you from a short-

term goal to a long-term vision.

Goals. If you haven't already created a clear goal for your team, use this formula to come up with one:

Clear Objective + Completion Date + Carrot = Your Team Goal

The team will be far more likely to succeed if the goal is specific and each member gets behind it. The key after defining the goal and a completion date will be coming up with the "carrot" that helps motivate the team to achieve the goal.

Priorities accelerating growth. Regardless of your industry or the nature of the work your team does, you must have defined priorities if you want to hit your team goal. These are specific things that are regarded as more important than other things. If you have never defined priorities, consider specific areas within products, people, projects, or job functions. When evaluating your own priorities in these areas, ask yourself, "Will focusing on this help our team achieve our goal?"

Initiatives to make impact. Much like defining a goal, priorities by themselves don't do a whole lot. Your team must make decisions every day in alignment with those priorities in order for them to drive real results. That's why the GPI System goes one step deeper into initiatives.

Entrepreneur Mac Lackey came up with a simple method that focuses on daily tasks that will "move the needle" for his company. Each day he pulls out a three-by-five notecard and writes "WMN" on the top. Underneath he fills out his to-do list with initiatives that will help his company "move the needle." He aptly calls his method WMN, or "what moves the needle."

Instead of thinking of this as a big change, just consider the fact that you and probably everyone on your team either writes down their initiatives each day or keeps a mental checklist. WMN ensures you aren't just making a to-do list full of tasks to check off but, instead, working on things that will move the team or business forward.

Align the Behaviors

Principle 6: The instant you lower your standards is the instant performance erodes.

You can and should leverage standards to align the behaviors of your team. When you do, you will be on your way to getting the results you want out of others.

Imagine for a minute your state decided to remove speed limit signs altogether. Drivers could drive as fast as they wanted on any given road. Would you still drive 25 mph in a school zone, or would you go 35 mph and just keep an eye out for children? You would likely pick the latter. The principle here is this: The instant you lower the standard is the instant performance begins to erode.

High standards produce behaviors from people. Those behaviors, when practiced repeatedly, become a habit, and those habits lead to results. This pattern is called the Route to Results. Instead of focusing on results first, you must have the patience to follow the Route to Results. Start at the beginning by setting great standards, and the rest will follow.

Building the Best workshops use a specific structure for the creation of standards: Write down two standards that fall into the categories of policy, procedure, and merit. Keep it to a sentence or less to ensure a clear standard. For example, a policy standard is "Dress code: Dress appropriately for the day."

For each standard you set for your team, it's critical you are able to articulate why it exists by tying it to one of two thoughts our brains are always evaluating: gain or pain. The simplest way to think about "gain" is by answering the following question around each standard you have established: What good thing happens to each person individually or the team as a whole if they live out the standard?

The simplest way to determine the "pain" is by asking yourself a slightly different question: What bad thing happens to them or the team if they fail to live out the standard? Whether you lean toward connecting why a standard exists to gain or pain, the key is knowing the answer and being prepared to share it.

Once you're ready to have the conversation with your team, either one-on-one or in a group setting, there is a simple four-step conversation framework you can use to improve the likelihood you are successful:

- Step 1: I realize I have failed you from a leadership perspective (vulnerability);
- Step 2: Here's how I propose we solve it (standard);
- Step 3: If you live out this standard, here is what will happen (pain avoidance or gain);
- Step 4: Do I have your commitment moving forward? (buy-in).

Have Direct Dialogues

Principle 7: Accountability is an advantage; make it your obligation.

Simple acts of acknowledgment go a long way toward helping employees feel the opposite of. . . negative emotions.

Most people think of accountability in a negative way and believe because they are willing to fire someone that they are good at it. The truth is, accountability isn't only focusing on the negative; firing someone is one of the weakest forms of it. Accountability can be used to praise and recognize team members who meet and exceed the standards set by a leader.

In the Acts of Accountability Mode, you provide accountability by sharing disapproval when someone fails to meet the standards, acknowledging them when standards are met, and/or giving praise when standards are exceeded.

Once you are able to quickly identify the behaviors from someone on your team, here is how you engage in disapproval, acknowledgment, and praise by using Direct Dialogues. A meaningful Direct Dialogue requires the use of a three-part formula that has helped countless leaders have successful dialogues with their people:

Standards + Evidence + Courage = Direct Dialogue

If you have all three parts—standards, evidence, and courage—the interactions with your team members who fail, meet, or exceed the standard will happen naturally because you will be evaluating the standards set for your team, constantly observing evidence, and showing the courage to bring important things to their attention.

Setting standards has already been covered. The second element is evidence. You need to be prepared with facts and not feelings to support your disapproval, acknowledgment, or praise. The evidence should be specific, detailed, and tangible.

Once you have gathered the evidence of why a team member is failing, meeting, or exceeding standards, then you need the most significant element of the formula, courage. Courage is simply the ability to do something that frightens you.

The 6-Step Disapproval Dialogue is a straightforward set of steps that can be used to have more productive disapproval dialogues with your people in a short amount of time:

1. Set the stage.
2. Share evidence.
3. Allow response.
4. Talk impact.
5. Coach for growth.
6. Close with Actions.

To acknowledge when standards are met, leaders who elevate use these phrases: "Thank you!" "Well done!" "Good job!" "Looks good!" "I appreciate the work!" "Keep it up!" Although this seems simple, choosing to use these words with your team can be a powerful tool. A large number of employees feel undervalued, under-appreciated, and frustrated at work. Simple acts of acknowledgment go a long way toward helping employees feel the opposite of these negative emotions.

It is equally important to give authentic praise and recognition when people go above and beyond the standard. The 3x3 Praise Model shows how and where to give praise. First, how: Be definitive, discuss the impact of the behavior, and show appreciation. In terms of where to do it, give praise one-on-one, publicly, or indirectly.

Develop the People

Principle 8: Coaching unlocks potential and elevates performance.

While a team can function autonomously, a strong, dedicated leader plays an integral role in pushing people to new heights of development. They do this by focusing on coaching their people for role development and going beyond the role.

There are four clear stages a person moves through in a position or role. Well-tuned leaders are able to identify where team members are currently in their development and align their coaching appropriately. This allows for a platform through which each team member can flourish and grow. The goal is steadfast: Help your people reach a stage of development that exceeds where they are today.

Stage 1: Awareness. Individuals are made aware, either by another person or through self-discovery, of the important

fundamental skills they need to develop in their current role. They then do a mental assessment of their current proficiency level in each of the fundamental skill areas. Once this is established, they evaluate the ways and/or resources available to help them make progress. The time spent in this stage can be anywhere from one day to six months.

Stage 2: Building critical mass. Individuals begin building critical mass in their role as they acquire knowledge and get the opportunity to advance their skills within the position. They advance quickest in this stage when they get both the opportunity to watch others apply the skills effectively and the opportunity to practice the skills while being watched by someone else. Eventually, confidence is built and individuals will start to apply the concepts learned by themselves. Their proficiency in all the skills involved in the role will often double time after time in this stage. Time spent in this stage ranges from three months to two years.

Stage 3: Accelerated performance. The role becomes easier for individuals to execute, and they are able to fully execute the job responsibilities on their own at a high level. Because of this, their confidence continues to increase and the ability to add on or modify skills contributes to the streamlining of related daily tasks. Errors are much less frequent. Often individuals are able to teach less-experienced team mates how to do the job by transferring the knowledge and experience they have gained.

As great as this is, many people stop developing their skills at this stage. There's a tendency for people at this stage to believe they've learned all they can and settle into a false sense of security. Time spent in this stage can last anywhere from 12 months to 10 years.

Stage 4: Sustained excellence. The role is mastered. There is no lack of knowledge, as individuals at this stage have a well-rounded understanding and ability to execute at the highest level. This doesn't mean they always perform all of the tasks required to do the job without error, but they sustain excellence by having the ability to self-correct when they make mistakes. Their sustained excellence can earn the individual the title of "industry expert." It often can take five or 10 years to enter this stage, and sometimes it's never achieved, regardless of time.

This world needs you to lead in a way that elevates others. If your actions can inspire, empower, and serve in order to elevate others over an extended period of time, then you can lead wherever you are.

When you do, the impact you make on others will go beyond your wildest imagination. It will be a force on this earth well after you are no longer here because the people you lead will remember and eventually elevate those they lead.

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The Inside Story of Blockbuster's Inevitable Bust

by **Alan Payne**

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THE SUMMARY IN BRIEF

Have you ever wondered why dominant companies fail? How seemingly invincible corporations just fade away? If you were a teen or adult in the 80s, 90s, and early 2000s, you probably spent a fair amount of time at Blockbuster. It was a behemoth for many years, and then...it wasn't.

Alan Payne is the single most successful Blockbuster franchisee in the company's history, and in Built to Fail he outlines exactly what Blockbuster did wrong— and how it all could have been prevented. How did Blockbuster go from a sure bet to what Carl Icahn called 'the worst investment I ever made'?

It turns out that streaming didn't kill Blockbuster— its culture and leadership did. In ***Built to Fail*** and this accompanying summary, it's time to find out why. Trace the incredible rise, massive domination, and eventual fall of the world's most famous video store and discover how the lessons of what went wrong and what could have gone right can help owners, entrepreneurs, and managers everywhere build more resilient businesses.

IN THIS SUMMARY, YOU WILL LEARN:

- How Blockbuster rose from small video store chain to the leader in video rentals worldwide.
- The management change that led to Blockbuster's initial decline.
- How Blockbuster's own actions (and inaction) were more devastating than anything Netflix or other competitors did.
- What leaders can learn from Blockbuster's mistakes.

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Introduction

Despite popular belief, Blockbuster was in severe financial trouble long before Netflix ever streamed a single film. So if streaming didn't kill Blockbuster, what did? How can a company that so dominated an industry be in an almost constant struggle to survive? Because through its brief twenty-five-year history, the only thing Blockbuster ever did better than everyone else was open more stores. But when competitors multiplied and opening more stores was no longer enough, Blockbuster was helpless.

Blockbuster was phenomenally successful in its early years and made thousands rich beyond their wildest dreams. But it was built to grow and nothing else. Even though leaders at the company had ample time to rescue Blockbuster from itself, we all know how that worked out. Blockbuster became one of the most iconic brands in the history of American business, but it cracked at the first sign of a challenge. From its founding, Blockbuster was a company built to fail.

America Goes to the Video Store

In the 1980s, landmark court cases established the right for video rental stores to rent out films to customers. Meanwhile, the video rental industry launched and funded an unprecedented movement for independent films, which could find a home in video rental stores they would have never found in major theaters.

Video rental businesses began to explode. Video Station boasted 500 stores, while smaller competitors like National Video, Adventureland Video, Erol's, Video Concepts, and Video Biz all had at least 100 stores. But none of these companies could keep up, and each of them would fail in the next few years. But in 1987, the owner of a waste management company from Florida was about to take over the industry.

Blockbuster Takes Charge

H. Wayne Huizenga bought controlling interest from Blockbuster when it had just 20 stores, so even though he's not technically the 'founder' of Blockbuster, he is the one who made it what it ultimately became. His strategy? Buy, buy, buy. He opened stores. He purchased production companies. He even bought land and initiated plans to build a theme park in Florida to compete with Disney World.

But in a few years, every one of the businesses Blockbuster had bought to expand the brand had failed. And, of course, BlockbusterLand was never built.

Blockbuster's history could have been very different had it used this time and flood of cash to commit more resources to improve the business instead of having a singular focus on growth. And while Blockbuster sat on the largest movie database in the world and did very little with it, others were already using their own information to develop a superior consumer proposition.

That Little Old Grocery Store Company from Texas

In 1992, Blockbuster's leading competitor was Video Central, a smaller chain owned by retail grocery company H-E-B. There were only 35 locations of Video Central, but almost all competed directly with Blockbuster and dominated their locations in head-to-head competition. Sales at Blockbuster stores near Video Central were half the national average, and Video Central stores across the street from Blockbusters were profitably generating sales two to three times that of Blockbuster.

How did Blockbuster respond? By raising prices for new releases, which helped give rise to Redbox's low-price approach. Even as Netflix was demonstrating how consumer tastes were expanding, Blockbuster's selection of catalog titles was shrinking.Blockbuster's biggest mistake came from its lack of curiosity about competitors. It could have learned from them, but was never interested until it was too late.

Welcome to Blockbuster

For the next decade, venturing out to the video store would become America's favorite way to watch movies. Yet the industry leader, Blockbuster, was already crumbling on the inside, incapable of transforming itself from a growth company to an operating company. But before the extent of the carnage was known to the outside world, Huizenga had sold Blockbuster and was on to his next venture. The problems were left for others to fix. So, would the new ownership turn the company's direction around with some innovative ideas that would change Blockbuster's fortunes? Not exactly. What came next was, in fact, even worse.

The Decline Begins

Although still dominant in 1996 thanks to its sheer size, Blockbuster was in trouble financially. In a stunning decline, average annual store sales in the U.S. had fallen over 20% from $900,000 to $700,000 over the course of just three years. Sales growth had not kept pace with new store open-

ings which, given the high fixed costs of business, virtually guaranteed the financial problems that would plague Blockbuster for years to come.

The dramatic decline occurred years before new technologies would pose legitimate threats. Unknowingly, the group that purchased Blockbuster in 1994 had purchased a company that was on the verge of collapse. It had been built to grow and nothing else.

Death by DVD

In 1997, DVD arrived and immediately began to change everything about home entertainment. However, widespread DVD players in homes were still a bit of a ways off. Blockbuster did its best to adapt, but instead of going all-in on DVD instead focused on an increasingly baffling barrage of promotions and raised prices. They created characters, looked for new sources of revenue including a pizza partnership with Round Table Pizza and even an electronics partnership with Radio Shack. Not surprisingly, both failed.

DVD was destined to help destroy Blockbuster. Or rather, it was the weapon with which Blockbuster destroyed itself. Why? Not just because it was superior to VHS in every way, but because it was cheaper. A brand-new DVD could be purchased for just $20 at retailers. That meant more people could buy movies they wanted versus renting them from Blockbuster.

Did Blockbuster take advantage of lower DVD prices and rent them out to customers at a lower price? Nope. Instead, they kept prices high and continued to offer an increasingly poor selection of movies. They failed to rebuild their inventory to transition customers from VHS to DVD. They thought customers would just shrug off missing DVD titles and instead rent the VHS. Instead, they left and bought the DVD for themselves— cutting out Blockbuster entirely.

The Netflix You Do Not Remember

Netflix didn't start as a streaming giant. They started with an even simpler idea— eliminate the trip to the video rental store and send people DVDs directly. It got attention, but it didn't initially have public approval. Even though Netflix was a Wall Street darling, five times more people still preferred to rent DVDs in stores.

There is no reason to believe Blockbuster could not have run successful stores for several more years. Just as Netflix used its DVD-by-mail business to build a bridge to streaming on the internet, Blockbuster could have done the same with its stores. Instead, they destroyed them by trying to turn them into Netflix— which was, of course, impossible.

It's Over

By the end of 2005, the degree of carnage at Blockbuster was fully understood. Rental revenue declined by about $220 million, $150 million more than Blockbuster projected. But the bigger issue was cost for product. Rental margin declined from 72% to 66%, which reduced gross profit by $250 million, more than double their expectations. But it was not nearly enough to stop the massive out-of-stocks caused by ending late fees. Sales never recovered— but even if they had, the end of late fees had destroyed the supply chain and had reduced gross margin to an unsustainable level. There were now fewer reasons than ever to go to Blockbuster. The DVDs you wanted were probably not there, which was once Blockbuster's greatest strength— availability.

McDVD

In 2004, McDonalds tested an odd idea at 100 of its locations throughout Denver. It was a series of automated kiosks outside the store, by the parking lot, where people could rent DVDs for cheap. They called it Redbox.

Immediately, Blockbuster stores in the Denver area saw reduced sales. You can imagine what happened when Redboxes started popping up in every Walmart, supermarket, and drugstore around the country. At this point, it should come as no surprise that Blockbuster didn't even attempt to develop their own kiosks. Blockbuster once again ignored a competitor until it was too late.

Fixing What's Broken

A small contingent of Blockbuster franchise owners believed that if the stores were better managed, the bank that was now managing the company at that point could recover much more of its loan balance by simply running the stores as opposed to liquidating them. The bank agreed, so instead of buying the stores, the franchisees entered into a three-way management agreement with the bank, Blockbuster, and new owner Glen Klicker. Immediately, sales and profits improved dramatically and the stores were re-energized.

The immediacy of the turnarounds was a testament to the demand for what they were renting— DVDs. DVDs were still America's favorite way to watch a movie. In 2007, nothing else came close. Once the inventory was there and the pricing was right, customers came racing back to stores.

Unfortunately, every time the store owners in this experiment tried to contact Blockbuster to explain how they'd turned the stores around, they were politely told to go away.

Full Death Spiral

In June 2007, Blockbuster had roughly 8,300 stores. More than half of them were in the U.S. Annual sales were trending at about $5.5 billion— still almost double the number from a decade earlier.

Yet the company was barely profitable and sales trends were the weakest in its history. Blockbuster could not service its debt, and its stock was trading at one-third of its all-time high. And because of its precarious financial condition, the company didn't have access to new capital, which would be necessary for any hope of survival. Yet the ownership insisted Blockbuster was well-positioned for the future, and just three years later, would blame the company's failure on their successors.

One Last Chance

Throughout the final years of Blockbuster, its demise was defined by well-meaning people making critical decisions from 30,000 feet when those decisions could best be made on the ground, in the stores, listening to operators and customers about what really happened in a Blockbuster store. But from the company's founding until its very end, that was never part of Blockbuster's DNA.

In the years leading to bankruptcy, franchise stores were subjected to untold bad press because of Blockbuster's persistent financial difficulties. They couldn't even have a sale without customers believing it was a 'going out of business' sale. For every step forward, it was two steps back due to negative headlines about Blockbuster's mass store closures, layoffs, and eventual bankruptcy. In the end, the Blockbuster ticket no longer stood for the proud brand it once was. More than anything else, it was now a symbol of failure.

Conclusion

What can we all learn as leaders from Blockbuster's failures? There are seven core lessons.

Clearly define your company's purpose— and its mission.

Identify what drives your business and pursue it relentlessly

Measure what matters

Respect and learn from competitors

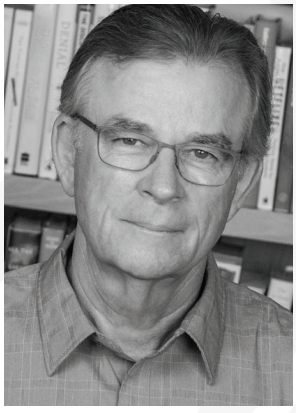
If you're going to do it, be the best.

In difficult times, rely on the fundamentals to survive.

Don't just talk about the future. PLAN for it.

What can we do that Blockbuster failed to do? We can define our own path, our own purpose, and the path we'll take to get there. We'll determine how we measure our progress and stick to those metrics.

No one can do that for us. Every organization has unique challenges that require original ideas, and those can only come from within by following our passion, guide by facts, to the right answers.



Alan Payne spent thirty-one years in the movie rental business, the last twenty-five of those as a Blockbuster retail franchisee. He took over a small group of Blockbuster stores in 1993 and grew it into one of the largest and most successful chains in the company. He finally closed his last store in 2018, more than eight years after Blockbuster filed for bankruptcy.

Built to Fail: The Inside Story of Blockbuster's Inevitable Bust by Alan Payne. © 2021 by Alan Payne. Summarized by permission of the publisher, Lioncrest Publishing. 270 pages, ISBN 978-1544517766. Summary copyright © 2021 by Soundview Book Summaries ®

· Book 113 of 388 ·

CRAVE

Gregg Lederman

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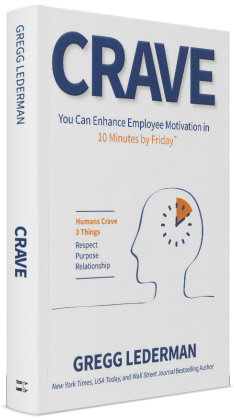
CRAVE

You Can Enhance Employee Motivation In 10 Minutes By Friday™



by **Gregg Lederman**

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THE SUMMARY IN BRIEF

More than 80 years of research prove that humans have three primary cravings at work that, once fulfilled, make them happier and more productive. Yet, despite billions of dollars spent to improve employee motivation, most businesses still suffer from a lack of engagement.

In ***CRAVE***, author Gregg Lederman draws on this research to offer a proven, accessible way for leaders to give people what they CRAVE, thereby driving rapid growth in employee engagement and business results. Backed by research and real stories of success, Lederman's Ultimate Habit™ method shows leaders how to achieve their most important results quickly.

You have the power to make a great place to work by showing people they matter and that what they do matters. Let this indispensable guide show you how to fuel the work environment with more of what people CRAVE.

IN THIS SUMMARY, YOU WILL LEARN:

- The secret to achieving more than 90 percent employee engagement.
- How to invest 10 Minutes by Friday to become a better, more effective, and trusted leader.
- A step-by-step process to master the Ultimate Habit for accelerating business results.
- A proven, habit-building approach to ensure sustainable behavior change among managers and leaders.

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Introduction to What We All CRAVE

Over the past 80 years, hundreds of studies of workforce engagement have shown the same result: If humans are more motivated at work, they will be more productive and profitable employees. Yet, decade after decade, businesses struggle to maximize the opportunity these findings present.

One of the most commonly cited studies is Gallup's "State of the American Workforce," with over 31 million respondents in its most recent version. The study is nothing short of alarming as it shows that about two-thirds of the American workforce is not engaged. Even more concerning, this figure has not changed in the last 18 years.

How can so many Americans still be disengaged at work? People are not getting nearly enough of what they CRAVE! When applied the right way, this answer will positively change your approach to leadership, your work environment, your customer experience, and—most important—the business results you want.

The Ultimate Habit

For the last decade, I've pored over hundreds of studies, interviewed researchers, and even conducted a few studies of my own to understand what leads to happiness, more motivation, and increased productivity in the workplace. I've also worked with thousands of leaders from hundreds of organizations in a quest to improve employee engagement and make better places to work.

I've learned that employees CRAVE three things that can help them to become happier, more motivated contributors to their organization's success: **respect**, **purpose**, and **relationship**.

People want to feel respected for the work they do. They want to see how what they do has purpose, makes a difference, and is relevant to the organization. And employees want help building stronger connections with people, especially their immediate managers and supervisors.

When humans have these three cravings fulfilled, good things happen: employee engagement, the work culture, and customer experiences all improve.

Leaders who are most successful giving people what they CRAVE are able to master the Ultimate Habit, which is to strategically recognize employees. The habit of employee recognition is the number one management skill for fueling the work environment with more of what people CRAVE.

We Love Recognition, But We Are Terrible At It

Whether we want to admit it or not, recognition plays a huge role in our everyday lives: in our happiness and our well-being, both at work and in our personal relationships. Giving and receiving recognition fuels our happiness and our productivity. This makes developing the Ultimate Habit of strategically recognizing employees one of the most effective and affordable ways to provide people what they CRAVE: greater understanding of the purpose, meaning, and importance of their work and respect for the effort they provide.

When people get more of what they CRAVE, quite simply, they become more motivated and committed. But the problem is, we are terrible at recognition at work. We simply struggle to give it. And most of us don't even know it, which is helping to fuel the employee engagement crisis in America.

According to recent research, 70 percent of employees say they wish they received more recognition; 65 percent of Americans report they weren't recognized even once last year; and 79 percent of employees who quit their jobs cite lack of appreciation as a key reason for leaving. Moreover, 83 percent of leaders say they could do more to recognize others.

You as a leader have the power, with very little time investment, to accelerate business outcomes while also positively impacting the lives of people at work. You have the power to give people what they CRAVE by showing them they matter (respect) and what they do matters (purpose), and when you do this you will find it builds stronger relationships. But only if you learn to fuel the environment with more of what people CRAVE!

Part I: The Overwhelming Evidence About What Motivates Us

Edward Deci and Richard Ryan are considered the premier thinkers on personal motivation. What did they do to earn this status in their field? Quite simply, they explored a whole new way of thinking about personal motivation and uncovered three psychological needs that all humans have.

Together, Deci and Ryan created the framework that has changed the way millions of people think about motivation in the workplace (as well as many other aspects of life). They coined it Self-Determination Theory. Self-Determination Theory focuses on the social and work environment conditions that lead humans to tap into more of their personal motivation.

> Instead of asking, 'How can people motivate others?' we should be asking, 'How can people create the conditions where others will motivate themselves?'

Deci and Ryan conducted or influenced many studies revealing that people do not perform as well at problem solving when they are working for an external reward than they do when they are intrinsically motivated. They were also quick to point out that people's behavior can, to some extent, be controlled in the sense that people will do what they have to in order to get a reward, avoid punishment, or win a competition.

That said, problems arise when we rely on rewards and controls to motivate people. Once you decide to use rewards to control people, you can't easily go back. The research shows that the behavior will last only as long as the rewards are forthcoming. But at work, the activities we reward are usually ones that we would like to keep going long after the rewards have stopped.

The second problem is that once people are oriented toward rewards, they will all too likely take the shortest or quickest path to get them. Usually, however, the shortest path is not what we hope to promote.

Deci and Ryan point to hundreds of scientific investigations that support their findings: When people are autonomously motivated, their behavior will be more creative, they will be better problem solvers and they will perform better. In addition, autonomous motivation lends itself to more positive emotions and is associated with improvements in both physical and psychological health and well-being.

Change the Question ... Uncover What Really Motivates Humans

Arguably, the most important thing that Deci and Ryan did early on in their partnership was change the question researchers were asking for decades. Instead of asking, how can people motivate others? (which implies that motivation is something that is done to people), they asked a new question built upon the idea that motivation is something inside of humans and that conditions (the environment) are what encourage people to tap into it: How can people create the conditions where others will motivate themselves? This was a subtle yet significant change that would enable their future work, and the research of many others, and ultimately position them as true pioneers in the study of motivation.

When it comes to creating the work environment for more motivation and commitment from the workforce, CRAVE includes all three of the basic psychological needs that Deci, Ryan, and their arsenal of disciples have proved in the past and continue to prove in their research today. These three components of Self-Determination Theory are autonomy, competence and relatedness. Each of these basic psychological needs fulfills the cravings humans have for respect, purpose, and relationship.

Part II: Accelerating Business Results in 10 Minutes by Friday

Between 1981 and 1996, approximately 73 million millennials were born. They are critical to accelerating business results as they already make up one-third of the workforce, and that number is expected to grow to 75 percent by 2025.

Business leaders across the globe are talking a lot about this generation, trying to understand their attitudes and beliefs and to make sense of their behaviors. They want to apply this knowledge to create more employee engagement, better customer experiences, and of course, better business results.

While millennials certainly differ in some ways from an attitude and behavior standpoint, they largely want the same things as Boomers and Generation X. They are looking for growth opportunities, good managers who care about them, and jobs that are well-suited to their talents and interests. Their cravings remain the same as that of their older counterparts: "Show me respect and help me see the purpose and meaning of my work."

The big difference might be that millennials want even more of it and show up at work each day with expectations that they should receive it. Here are the top three notable differences with millennials that should be taken into consideration when demonstrating the Ultimate Habit to give them what they CRAVE.

First, millennials are direct in their desire to work for companies that are purposeful in the way they operate and in the products and services they deliver. According to one study, 60 percent cite "a sense of purpose" as a reason for choosing their current employer.

Second, millennials want frequent communication. And leaders should want to provide it. Why? Because it has been proven that more frequent communication, especially in the form of recognition and praise, leads to higher performance for individuals, teams, and organizations.

According to Gallup, "Forty-four percent of millennials who report that their manager holds regular meetings with them are engaged, while only 20 percent of millennials who do not meet regularly with their manager are engaged."

So, if you can get more than twice the engagement level from millennials by simply meeting with them a little more often and strategically recognizing their success, then why in the world wouldn't you? Bottom line, the more conversations managers have with their millennial employees, the more engaged they become.

Third, technology provides a notable difference among generations. Not just any technology, but the day-to-day technology that sparks collaboration and connection.

What the Science Tells Us

I've shared the social science behind human psychological needs that, when fulfilled, enhance motivation. From a biological perspective, the science tells us the same thing. Dopamine, serotonin, and oxytocin are three brain chemicals that influence our feelings. They are released when we feel respected for the work we do, understand the purpose and relevance of that work, and build strong relationships with those we work with. While many events can trigger these neurotransmitters, strategically recognizing employees can put you in the driver's seat to creating more motivation in the workplace.

Dopamine is one of the chemicals regulating the pleasure center of the brain. It is a major force contributing to our motivation, as it sends signals to receptors in the brain saying, "This feels good!" This chemical is released anytime we hear, feel, or see something we like. Its primary function is to make us pursue happiness. In the work environment, recognition for a job well done provides a healthy, small increase in dopamine, enabling people to get what they CRAVE.

As a leader, when you take the few moments to spot a successful achievement, whether it's a little extra effort or an accomplishment (small or large), and you acknowledge and share your opinion, you enable that dopamine rush for the employee. They receive your recognition of their effort and their brain rewards them with a hit, which encourages them to keep going and work even harder to be successful in hopes of more dopamine later on.

The chemical responsible for our moods is serotonin. Not having enough of it has been proven to lead to depression and anxiety. Serotonin levels are heavily influenced when we feel valued and appreciated. There are many positive ways to get small increases in serotonin, which also fulfills our craving for being respected and understanding the purpose and meaning of our work.

This is where you come in as the leader, with the power to provide a little "mood-altering" gratitude that boosts serotonin. Consider it your job to spot moments where employees should feel good about the work they are doing, and make it a point to tell them (and others) about it.

Known as the "trust" chemical that helps create healthy relationships, oxytocin is activated by positive social interactions. In the work environment, it helps motivate us to work together to achieve common goals. Acts of kindness also encourage the production of oxytocin. This means that when you invest the time as a leader to recognize the success of others, you get a hit of oxytocin as well.

What a wonderful, win-win situation. You get to provide people what they CRAVE, and in return, you get a little shot of "feelgood" as well.

10 Minutes by Friday Drives 150 Percent Increase in Employee Recognition

Patrick is the EVP of store operations for a large retailer. His company has nearly 100,000 employees, of which about 10,000 are managers, and more than 4,000 stores. Prior to Patrick's arrival at this organization, they had invested a significant amount of money and time rolling out a social recognition platform (an online portal for sharing kudos, thank-yous and stories of success), only to find that over the first two years a mere 17 percent of the workforce were appreciated and recognized for living their values. Not exactly accelerating-results-type activity, and Patrick knew this.

My first encounter with this retailer's leadership team was one year before Patrick took the role of running store

operations. I brought up the potential challenge of getting managers and the workforce to use this platform, but my concerns were met with deaf ears and an attitude of "We've got this. We've partnered with a vendor who is helping us to build a culture of appreciation."

After two years of relatively dismal recognition activity, I got the call I'd been waiting for. "Can you help us make recognition more pervasive throughout our workforce?" My response was, "Let's do this! But let's start with the business results you want most and first focus on the top one-thousand leaders you want to lead the way. And let's get them to commit to 10 Minutes by Friday! Ten minutes to simply stop and think about an opportunity to recognize someone."

The goal was to consider whether a recognizable moment happened that would be good to share, not only to provide that individual or team with what they CRAVE but also to spread best practices for others to learn from.

The results they wanted to accelerate for the biggest impact on overall sales and profitability included

- Increase employee engagement;
- Increase customer satisfaction and loyalty;
- Decrease customer complaints;
- Decrease theft, both employee and customer (referred to as "shrink" in the industry);
- Decrease safety incidents and associated insurance costs.

Over the next 60 days, approximately one-thousand top field leaders were taken through the Ultimate Habit process (covered in further detail in Part III). Each leader was introduced to the concept of 10 Minutes by Friday as a discipline for thinking about and sharing examples of employees "living the values." In addition, careful attention was paid to the business results they wanted to accelerate.

Within two months, use of their recognition platform increased from 17 percent to 42 percent—a nearly 150 percent increase. Even more impressive were the accelerated results uncovered in the following year:

- Employee engagement rose 24 percent in areas where leaders provided optimal recognition.
- Customer complaints fell 38 percent.
- Employee and customer theft decreased.
- Customer accidents decreased 32 percent. According to one leader, "More focus through our recognition effort on the safety and care for customers has improved awareness of things that could cause accidents."

Were these results exclusively triggered by increased recognition? Of course not. But a call from Patrick provided an intriguing insight. He said, "You can certainly accelerate results without doing a great job recognizing employees. You can also start a fire without matches and lighter fluid, but doing so is way more difficult. Strategically recognizing employees is the fuel that ignites business results faster."

> Strategically recognizing employees is the fuel that ignites business results faster.

You Can't Stop the Raging River

Even with all of this evidence and logic, some may still feel as if taking on the responsibility of doing the Ultimate Habit is a daunting task they simply don't have the time for. In reality, it will save time. Consider that 79 percent of people who leave their job report a lack of appreciation as the reason they left. When people leave, especially those you don't want to leave, it costs you and everyone around you time (and money). Therefore, it's time to make the time!

If you are like most people today, you feel overwhelmed with too much to do and too little time. I'll bet you create to-do lists, don't you? Leaders do this to stay focused and try to accomplish key objectives. And what happens once you get a few things checked off that list? What is waiting for you? That's right, a few more things to do. Sometimes you feel as though you'll never get caught up.

I call this the Raging River of Responsibility, and most leaders suffer from it. Like rapids coming down the river, your to-dos and high-priority tasks keep coming. You get a few done and more pop up. The Raging River of Responsibility does not end. Thinking so is … wishful thinking.

But you can reprioritize and make the Ultimate Habit a must-do leadership skill in helping you to create the environment where more people will become more engaged. When you do, you will fuel the work environment with what employees CRAVE: more respect, a better understanding of purpose, and a stronger relationship with you—decreasing stress and saving you time.

Three Steps to Being Strategic About Recognition

Regardless of the type of recognition, make sure it is strategic. This can be done by following the three simple steps below:

1. **Tell the ACTION:** Describe what the person did (behavior) that is worthy of being recognized. Be specific, and do the recognition in a timely manner. Doing so shows the recognition recipient that you respect them for their effort and are helping them to see the purpose of their work.
2. **CONNECT to a focus area:** A focus area may be living the core values, performing a customer service experience, or implementing an "operational excellence" improvement program or any other behavior-based program. All require certain behaviors to be successful. It is important to link the action because doing so makes it clear that what the person did "makes a difference" in achieving a priority or goal for the organization.
3. **Share the IMPACT:** Note why it is important. In this step, it is critical to show the benefit of the action for the team, customers, or the organization as a whole. By sharing the impact, you are providing another healthy dose of respect and purpose!

Part III: Mastering the Ultimate Habit––Recognizing and Sharing Success

At higher levels of management, most of the leading players are quite smart and technically skilled. In most cases, that's why they got to where they are with the responsibilities of managing systems and humans. And this is exactly why the Ultimate Habit of strategically recognizing employees is even more important for those who've risen up the leadership ranks.

Keep in mind that, all things being equal, your habits (or lack thereof) are more noticeable the higher up you go. People are closely watching what you say and, more importantly, what you do.

Every supervisor, manager, and executive—no matter what title, rank, level of busyness, or responsibility—can become a more effective and trusted leader who creates an even better place to work, leading to better customer experiences. And you will accomplish this when you invest up to 10 minutes a week to stop, think about, and/or actively recognize employees in a way that connects their effort to the specific business results that matter most to your organization.

Regardless of how much money organizations continue to pump into employee engagement and culture improvement initiatives, the results are usually a far cry from the expectations wishful leaders have. However, this is not the case for workforces where leaders follow the Ultimate Habit process you are about to learn. Instead, these leaders achieve remarkable engagement levels with more than 90 percent of employees motivated and committed at work. These leaders do three things very well:

- They change their mindset, getting more comfortable with considering new ways of thinking.
- They adopt new behaviors and routines.
- They pay attention to the positive impact over time, both personally and to their organization.

10 Minutes by Friday: The Ultimate Habit Challenge

Changing a behavior is hard! One might argue that asking an adult to change their behavior is one of the most difficult things you can ask them to do. Why is this? The reasons are usually not because people are bad or stupid. Instead, the usual cause is a lack of understanding on how to change.

Since changing the way we act is hard, it requires a little bit of structure: the right mindset, specific behaviors, some willpower, and a belief that the change is going to be beneficial. As you will learn, these make up key components of a habit.

A habit is a gift we've all been given. It's an amazing achievement tool that will perform the actions you've programmed it to perform without conscious thought. But to receive this gift, you have to follow a process.

From my experience, we tend to not get much better at changing our behaviors without a little structure. Stick with me to create the Ultimate Habit of strategically recognizing

To make something habitual, you need to take a daily inventory of your thoughts, words spoken, and actions.

employees and establishing the ongoing accountability to sustain your habit over time.

Leaders who do a great job recognizing employees commit to a small investment of time each week: 10 Minutes by Friday! If you commit to the goal of 10 Minutes by Friday, you will share a strategic recognition some weeks, and some weeks you won't because you may not witness anything worthy of sharing. But at the end of the month, if you've demonstrated your habit at least a few times, you will be doing a very good job.

You don't need to be perfect. You do need to make progress in making employee recognition strategic, genuine, and results focused. And if you are able to find and share a success every week, you will be doing an amazing job!

Everyone has at least 10 minutes a week they could invest to consider an opportunity to recognize an employee in a way that fulfills their craving. Especially if it accelerates motivation, engagement, and stronger performance. Here are the five steps to help you make strategic recognition a habit.

Step 1: Decide on a mindset. The first step in making strategic recognition a habit is to decide on a mindset. Building any habit requires behavior change, and behavior change requires a change in thinking, a "rewiring of the brain" that takes a little time and persistence.

Once your mindset is in place, it will shape your attitude and influence the very behaviors you need to power the habit. The mindset you begin with helps strengthen your reasons for strategically recognizing employees.

Many managers say they are committed to recognizing effectively, but their reasons are simply not strong enough. In those cases, they are at risk of their excuses taking over. What do you need to change your mind about to keep the habit of recognizing employees a high priority?

Step 2: Create routines and behaviors. If you are to keep your commitment to recognizing employees with a time investment of 10 Minutes by Friday, you will surely need a few routines to guide you. But let's not complicate this step. There are three very specific routines that are highly recommended by those who do employee recognition very well. As a matter of fact, I've heard from managers at all levels that following these routines changed their lives at work, helping them to communicate more effectively with their teams and inspire higher performance.

- **First routine: Schedule it**. Put time for recognizing and sharing success on your calendar as a weekly appointment. What gets scheduled tends to get done.
- **Second routine: Conduct the one-minute reminder**. Add one minute to the front end of the agenda for a regularly scheduled meeting. During that 60 seconds, highlight an example of someone doing something that helped make for a better place to work, enhanced productivity, or enabled a good, if not great, customer experience. You can also ask others on your team if they have any examples of recognition to share with the group.
- **Third routine: Link to an existing weekly habit**. You may have weekly habits already established, such as submitting expense reports, posting a schedule, or completing a progress report. If this is the case, you've already built a routine. Why not commit to achieving your 10 Minutes by Friday goal as part of that weekly activity? Stop, ask yourself if you witnessed something worthy of employee recognition in the past few days, and if so, take the initiative to strategically recognize that employee either before or after you complete your already established task.

Step 3: Demonstrate willpower. Making a new habit requires a little extra thought and energy to get it going. And part of this extra energy and thought requires you to plan for the inevitable willpower obstacles. Willpower is the ability to do what really matters, even when at times it might seem difficult. Running out of willpower can ruin your habit. With the design of any habit, you must predict where and when you might run out of willpower.

Step 4: Focus on benefits. All too often, when we don't see a positive change right away, we struggle to keep the

commitment we make to ourselves. In this step, you have the chance to double up the reasons WHY you are committed to strategically recognizing successes at work. These reasons will overpower any excuses that could diminish your willpower.

To get started, ask yourself these two questions: First, how will demonstrating the Ultimate Habit of strategically recognizing employees make a positive difference in your life? Second, how might it make a positive difference in the acceleration of the business results you want?

Any benefits that come out of this step coupled with your mindset from Step 1 will help you drive your reasons why through the roof, while helping you to minimize excuses that can block your success.

As you complete the Focus on Benefits step, keep in mind that you must be forward-thinking. Imagine what success will look like and feel like when you make the effort to recognize employees on a more regular basis.

Step 5: Track effort daily. Take a few seconds each workday to ask yourself, "Did I TRY to see someone doing something that was a recognizable moment? Did I TRY to spot a success at work?"

Take notice: You are not asking yourself whether you actually recognized someone. You're asking whether you even tried to spot a recognizable moment — a little extra effort, someone going above and beyond, or maybe even a WOW experience.

If you do this for five seconds a day, I guarantee you will improve! You will make positive progress and get better than you are today at strategically recognizing employees, leading to at least some of the benefits you've been thinking about.

To help guide you through the five steps to creating the Ultimate Habit, download the worksheet from **www.greggleberman.com/ultimatehabit**.

To make something habitual, you need to take a daily inventory of your thoughts, words spoken, and actions.

Now is your chance to take your leadership skills to the next level by mastering the Ultimate Habit. When you do, you will get more of what you CRAVE while giving others what they CRAVE, leading to all kinds of time-saving and cost-reducing benefits that will make the Raging River of Responsibility a little bit easier to navigate.

The best time to start performing the Ultimate Habit is NOW! Ten Minutes by Friday.

IF YOU LIKED THIS SUMMARY, YOU MIGHT ALSO LIKE:

- ***ENGAGED!*** by Gregg Lederman
- ***The 8 Principles to ENGAGED*** by Gregg Lederman.

Gregg Lederman is a highly acclaimed speaker, ***New York Times*** best-selling author and the President of Employee Engagement for Reward Gateway, a global employee engagement company. He is also the founder of Brand Integrity, a leadership development and employee engagement company. For the past 16 years, Gregg has worked with leading organizations to put into practice sustainable engagement solutions that don't just work… they matter. These initiatives go beyond simple "thank you" programs to increase employee engagement and improve the work culture—leading to better customer experiences.

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Cascades

Greg Satell

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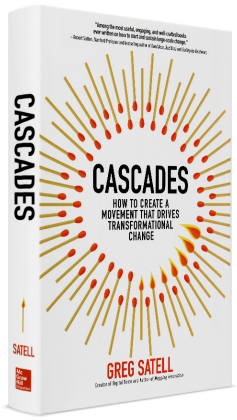
Cascades

How to Create a Movement That Drives Transformational Change



by **Greg Satell**

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THE SUMMARY IN BRIEF

Creating true change is never easy. Most startups don't survive. Most community groups never get beyond small local actions. Even when a spark catches fire, it often seems to fizzle out almost as fast as it started. The status quo is, almost by definition, well entrenched and never gives up without a fight.

In ***Cascades***, innovation expert Greg Satell delivers a guide for driving transformational change. To truly change the world or even just your little corner of it, you don't need a charismatic leader or a catchy slogan. What you need is a cascade: small groups that are loosely connected but united by a common purpose.

As individual entities, these groups may seem inconsequential, but when they synchronize their collective behavior as networks, they become immensely powerful. Through the power of cascades, a company can be made anew, an industry disrupted, or even an entire society reshaped. As Satell takes us through past and present movements, he explains exactly why and how some succeed while others fail. Let ***Cascades*** help your movement be one that succeeds.

IN THIS SUMMARY, YOU WILL LEARN:

- Why networks, rather than special leaders, are the key to understanding and generating cascades.
- Two key tools to develop plans for change.
- Why successful movements rely on values to not only achieve victory but sustain transformational change.

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PART I: THE ANATOMY OF A CASCADE

A Shift From Hierarchies to Networks

Revolutions are remarkable things because they upend the existing order, which has power and inertia on its side. In effect, they make farces out of the conventions of normalcy that have become ingrained in our minds.

But what if our conventional notions of how the world works are flawed? What if there are natural forces at work that make cascading movements not only possible but inevitable?

Our existing mental model is that strong governance drives change. Wise leaders who sit atop hierarchal organizations recognize the need for a shift and make it happen. Many of us were raised to believe in the "great man" theory of history, that movements succeed only when a charismatic leader like Martin Luther King Jr. or Gandhi inspires them.

But cascading movements don't follow the "great man" script. Today's reality is that hierarchies have lost their power not because they have suddenly become illegitimate but because they are slow and the world has become fast.

The connectivity that drives networks has become predominant. We can now initiate, build, and maintain relationships with far greater velocity and at far greater distances. That has changed the nature of power, shifting it from being a function of hierarchies to one of networks.

In a world pervaded by digital technology, connections form much faster than we can keep track of them, much less plan their formation. We now live in a world where networks trump hierarchies and cascades form whether we want them to or not.

Two Ingredients of Successful Movements

Successful movements combine two aspects. The first is network cascades. This involves a simple formula: small groups, loosely connected, but united by a common purpose. Anytime an idea goes viral and becomes a cascade, we will see those three components.

The second aspect, seemingly antithetical to the first, is planning, organization, and discipline, without which a cascading movement will spin out of control. It is not the passion and fervor of zealots that creates change, but it is when everyone else joins the cause that a movement gains power.

There are reasons why some ideas become movements and others sputter out, just as there are concrete principles we can apply to increase the likelihood of a cascade forming or to prevent one from harming us.

But to uncover them, we need to go back to 1998 in Ithaca, New York, where a young graduate student in mathematics had become fixated on the chirping of snowy tree crickets.

Fireflies, Snowy Tree Crickets, and the New Science of Networks

In the 1990s, Cornell University researcher Steven Strogatz was studying a strange phenomenon called coupled oscillation, which occurs when a disparate group of entities act in unison, such as when pacemaker cells synchronize to make our hearts beat. It happens about once a second for our entire lives. A more spectacular form of coupled oscillation comes in the form of various species of fireflies native to Thailand, Malaysia, and other parts of Southeast Asia, where it coordinates their behavior to make entire jungles blink on and off as if populated by Christmas lights.

Many species of crickets can coordinate their chirping in a similar way, providing a pleasant backdrop to summer barbecues. Somehow people, just like fireflies and crickets, can coordinate their behavior across vast collectives.

Duncan Watts, a graduate student and Strogatz's research assistant, found himself spending his evenings climbing trees in search of a coupled oscillator indigenous to Cornell's location of Ithaca, New York: the snowy tree cricket. During the day, Watts attempted to classify the insect's behavior by translating the synchronized chirps into mathematical formulas.

However, he soon became distracted by a series of questions. How were the crickets connected to each other? If they were each reacting to the behavior of others, maybe the structure of their relationships could explain how individual behavior scales up to collective behavior.

For more than 200 years before Duncan Watts attacked the problem of coupled oscillation, there had been scattered pockets of insight. Researchers had already shown that even random arrangements of links can be incredibly efficient, that real-life networks biased toward clustering were just as potent as random networks, and that these clusters could be very effective in transmitting information through second- and third-degree relationships.

It was Watts, under Strogatz's direction, who would show

A cascade makes change possible, but it doesn't make it inevitable. Cascades are only useful if they result in influence.

that information naturally forms a particular kind of network that accounts for the amazing behavior of pacemaker cells, fireflies, snowy tree crickets, and, more important to our story about cascades, protestors in a political revolution, consumers in a marketplace, terrorists on a battlefield, independent units in a large organization, and many other things.

Watts's beta model works like this: Imagine you're in a football stadium, standing with a ring of spectators around the circumference. You can communicate pretty easily with those standing close to you, but those across the stadium might as well be out in the parking lot, or even in another city. Although they're connected to you through the other people in the ring, the connection is so loose that they might as well not be.

Now hand out a few mobile phones randomly. Suddenly, the social distance of the ring collapses. You can call someone on the other side of the stadium, and that person can get the message to anyone near him or her. The social distance collapses, and all it takes is a little random mixing.

This is exactly what Watts discovered mathematically. The more he looked, the more it became clear that it takes very few random links in the network to shorten path lengths considerably. In fact, adding only five random links, he found, would cut social distance in half, regardless of the size of the network. In effect, Watts's mathematical model predicted that small-world networks are not a special case but a natural state.

The Making of a Cascade

The unlikely success of his network studies led Watts to begin studying another network-related phenomenon known as cascades. A particularly vivid example of a cascade occurred during the summer of 1996.

On August 10 of that year, an exceedingly hot day, air conditioners across the West Coast were going at full blast when a transmission line near Portland, Oregon, failed. This was not an unusual occurrence, and redundancies were built into the system to cover for just such a failure. The load of electricity was supposed to be rerouted by a relay to another substation. However, with the entire system operating at its limit, the surge caused another line to fail. The excess power from that backup line was rerouted to yet another overly taxed component of the system, causing yet another failure.

Soon, power surged throughout the system, causing cascading failures wherever it went. Within 70 seconds, the entire power grid between California and Oregon was out. Then the surge moved east, creating outages in six other states.

Disruptive movements are very much like the West Coast blackout of 1996. A disturbance in one part of the system eventually ripples through every other part of the system, finding vulnerable clusters as it travels. Eventually, the entire order is disrupted, much like the cascading failures in the electrical grid.

A cascade makes change possible, but it doesn't make it inevitable. Cascades are only useful if they result in influence, and to do that, they must travel far beyond where they start.

How Cascades Create Transformational Change

Many great movements have charismatic leaders. We see Mahatma Gandhi, Martin Luther King Jr., and other legendary figures leading the charge, inspiring large masses of people to act in the service of a cause. In business, we see larger-than-life figures like Steve Jobs and Elon Musk at the head of their own revolutions.

In ***The Tipping Point,*** Malcolm Gladwell's explanation for how personal qualities drive change is based on what he calls the "Law of the Few." He proposes three classes of highly influential people: Connectors, Mavens, and Salesmen. Connectors know a lot of people, but they are more than just social butterflies. They actively seek out folks to introduce and, by doing so, attract even more people to them. The Mavens influence others through their deep knowledge and expertise. They are subject matter experts that others actively seek out for advice. Salesmen seem to have supernatural powers of persuasion.

But it is not "special people" who create change, although some with great talent can help to inspire it, but small groups, loosely connected, and united by a common purpose. Each of those three elements is crucial, because small groups engender strong bonds, loose connections provide greater numbers, and a common purpose gives direction. Every change effort, if it is to succeed and provide lasting results, needs each of those elements because it requires *long chains of sustained influence* to make a real difference.

If the Law of the Few were true, we would expect people with "rare social gifts" not only to be able to persuade those around them but to create long chains of influence more reliably than a normal person would. That's a very testable hypothesis, and researchers who have studied it have found it wanting.

For example, a study of 1.6 million Twitter users found that, while highly connected users were slightly more likely to initiate large viral cascades, the difference between them and normal users was so small that it's probably not economically feasible to waste resources seeking them out.

What belies the theory of "influentials" or "opinion leaders" or whatever you want to call them is that change is a matter of networks and not nodes. While it is easier and more cognitively pleasing to single out individuals, the truth is that it is the *connections between people* that are decisive. True power does not lie at the top of hierarchies but emanates from the center of networks.

Also, the structure of the connections within the network matters—a lot. That's why, as crucial as it is to understand how cascades function, the second aspect of transformational change—organization, planning, and discipline—is just as important, because it's what allows us to put cascades to productive use.

PART II: HOW CHANGE MOVEMENTS SUCCEED—AND FAIL

Identifying a Keystone Change

Every movement starts with a sense of grievance. Yet, to succeed, you must go beyond grievance to identify an affirmative vision for what you would like to be different and then identify a single, fundamental change that will bring that vision about. That's no small task.

The women's movement in the nineteenth century, to take just one example, struggled for decades to identify a single, fundamental change that would uplift women everywhere. At the time, women were treated almost like property—they couldn't own land, get a substantial education, or seek legal protection from an abusive husband. So it wasn't at all obvious that voting rights would become the focus of the movement. Yet that's what led to greater equality.

Talia Milgrom-Elcott, who leads 100Kin10, a movement to train 100,000 STEM teachers in 10 years, calls this a "keystone change," based on the ecological concept that an entire ecosystem is highly dependent on the existence of one or two species. Identifying that keystone change is the first major challenge of any change movement, and until you meet that challenge, your efforts will likely be in vain.

Using a Keystone Change to Drive Transformation Forward

When Lou Gerstner was chosen to lead IBM in 1993, what most people saw was an old dinosaur that had lost its way. Overtaken by nimbler upstarts like Microsoft in software, Compaq in hardware, and Intel in microprocessors, many observers believed that IBM needed to be broken up into smaller, more focused units to compete on a more even playing field in the new economy.

Gerstner saw the situation differently. As a longtime IBM customer, he saw the value of what IBM could potentially deliver: integrated solutions. From his point of view, enterprise customers were struggling to adapt to new technologies and needed a partner that had the breadth of expertise to solve their problems. IBM was uniquely qualified to play that role but was failing to capitalize on the opportunity because it lacked shared purpose and shared consciousness.

"Units competed with each other, hid things from each other, and wanted to control access to their territory from other IBMers. . . . Instead of facilitating coordination, they manned the barricades and protected the borders." Gerstner would later write in his memoir, ***Who Says Elephants Can't Dance***.

What Gerstner understood was that what IBM needed wasn't a strategy. What IBM needed was alignment behind a strategy. So Gerstner set out to create a movement within his own organization. He changed the focus from forcing IBM's proprietary stack of technologies down customers' throats to a new model aimed at helping customers with their "stack of business processes." In doing so, he led one of the most dramatic turnarounds in corporate history.

For Lou Gerstner and IBM, switching the company's focus from its own proprietary stack of technology prod-

ucts to its customers' "stack of business processes" was the keystone change.

To create real change, change that sticks and won't be soon reversed, you need to identify a fundamental issue that encapsulates the value of the mission—a keystone change that is concrete and tangible, unites the efforts of multiple stakeholders, and paves the way for greater change. Revolutions don't begin with a slogan—they begin with a cause.

What makes a keystone change so difficult to identify is that, while grievances are what drive the passion of some, a keystone change needs to resonate with those outside the early adopter group if it is going to spread. Movements, as the name implies, need to be kinetic. They start somewhere and need to end up somewhere else. So it's never enough to just speak to the hopes and aspirations of the loyal and faithful. You need to speak to common values shared by those outside your movement for change to occur. Driving change is always about attracting, never overpowering.

Creating a clear sense of purpose and identifying a keystone issue that can achieve that purpose is absolutely essential to create transformative change. However, it is merely a first step. Once you figure out what the end game should look like, you need to develop a plan to get there.

Making a Plan

Successful movements don't start by rousing crowds but by formulating a clear objective and building out from there. As with any journey, you start with where you want to end up and then figure out how you're going to get there. That's what a plan is.

The Spectrum of Allies

There are two tools that nascent movements can use to develop plans to make change happen. The first is called the Spectrum of Allies, which outlines the groups from which you can expect active or passive support, neutrality, and active or passive opposition. It is only through understanding where the thresholds of resistance lie that you forge the connections you need to push through them.

Make no mistake: You will not win everybody over, but it is also a grave misapprehension to see your opponents as monolithic or to dehumanize them.

In the American Civil Rights Movement, leaders had spent years mobilizing support from southern blacks and liberal whites. During their protests, mainstream America had witnessed scenes on the televisions in their living rooms that they could not imagine happening in their own country. Ordinary citizens were being beaten for exercising their right to speak and to vote. Children were being attacked by snarling dogs and fire hoses. It was unconscionable. Few wanted to be associated with such brutality and injustice.

Successful movements don't start by rousing crowds but by formulating a clear objective and building out from there.

The subsequent March on Washington in 1963 was designed not to rally the faithful but to appeal to those in mainstream America who had been watching those enormously powerful scenes unfold on their televisions—those in the middle of the Spectrum of Allies—and to shift some passive opponents to a more neutral position and active opponents to a more passive position. Surely, in the end, it didn't convince everybody, but it did enough to win civil rights and bring important changes about.

The only way to create change is to gather support, and the Spectrum of Allies maps your path to victory. If, for example, you are an employee at a major corporation and you want to push for change, camping out with a few confederates outside the CEO's office would achieve little more than losing your job and being led out of the building by burly security guards. If, on the other hand, you built allies and worked to recruit others, especially those with somewhat higher thresholds of resistance, your chances of achieving something worthwhile would markedly increase.

The Pillars of Support

The second element of strategy is the Pillars of Support. In a private organization, leaders need to maintain the support of a variety of different stakeholders, including shareholders, customer groups, partners, various functional departments, and others. Every situation is different, but one thing is always constant: Nobody rules alone. No regime is a monolith.

A successful strategy matches the key constituencies in the Spectrum of Allies and the key institutions that make up the Pillars of Support with the tactics that are most likely to bring them into the fold. That's how you win and bring about the change you want to see.

Once you've decided not to camp outside the CEO's office and you begin to recruit allies, your attentions would turn to the various stakeholders that support the business, such as internal departments, shareholders, customer groups, and so on. Which ones stand to gain from the change you want to see? Which stand to lose? How can they be convinced that change is in their best interest or, at the very least, so inevitable that resistance is futile? If you want to make change happen, these are the questions you need to ask.

Networking the Movement

A Broadway musical, like a movement, needs to attract people to it. To do so, the producers must find the right mix of tune, message, artistic expression, and commercial appeal to both engage audiences in the theater and impress critics enough to get good reviews. Millions of dollars depend on keeping people in the seats. So, if you were going to invest in a musical, what would you look for?

Two researchers, Brian Uzzi and Janet Spiro, analyzed 474 musicals that were performed between 1945 and 1989. What they found was startling. Even when controlling for factors such as competition, marketing budget, production budget, economic conditions, and the track record of the cast and crew that worked on the play, what best determined the success of any particular Broadway musical was the structure of the networks of the cast and crew.

Using a metric called "Q," which measures the "small worldliness" of a particular network, they found that if very few people among the cast and crew had previously worked together, the play performed poorly in terms of both critical recognition and financial results. However, if too many people had worked together and the connections were too dense, results were similarly bad. Top performers had combinations of both, people who knew each other well and new blood that could take the team in new directions.

In other words, small groups, loosely connected, but united by a common purpose are key to success on Broadway as well, and this can be represented by a measurable quantity. Similar results were found in studies focused on engineers at Bell Labs, currency traders, and the German automotive industry.

The results of network studies yield important insights for any movement that seeks to create transformational change. First, you need to create strong bonds within individual groups. That's how you build trust and operational effectiveness. Yet, at the same time, you must also keep your network open, not only so that you can keep the movement growing but so that new information and insights can flow through.

Lean Manufacturing via Network Effects

At Wyeth Pharmaceuticals, which sought to transform its operations through implementing lean manufacturing methods at 16 plants encompassing 20,000 employees, it was clear to leadership that a simple dictate from the top would not get the job done. So they planned to do it in stages, creating "mini-transformations" in two or three areas at eight of the plants and then using network effects to cascade early successes throughout the organization as a whole.

Michael Kamarck, then president of Wyeth's manufacturing group, described the process this way: "We copied the way viruses infect. We started small. We infected groups, individual groups, but then we brought in people from the other sites, who hadn't yet gotten started. We pulled them forward into the process, if you will. So, we made them part of the mini-transformation so that they could get infected and take the infection back."

In a movement for change, the role of leaders is not merely to plan and direct action but to inspire and empower belief. So, to create positive change, movements need more than shared purpose; they also need shared values.

Indoctrinating a Genome of Values

Our DNA is not a blueprint or a technical specification. In fact, our genome contains only about 1.5 gigabytes of data, barely enough for a full-length movie. Its genius is that rather than specifying detailed features of our biology, it provides us with rules for adaptation—first, for chemical gradients in the womb and later for the outside environment. Genetic codes are also not monolithic but contain various influences from different ancestors and can express themselves differently when exposed to different environmental factors.

Successful movements for change operate on a similar principle, providing genomes of values that act as rules for adaptation. Values are absolutely critical to success. Every effort to create transformational change is unique, with

A crucial feature of any successful movement is training activists to internalize the genome of values so that it becomes second nature.

its own "vision of tomorrow" as well as its own particular Spectrum of Allies and Pillars of Support.

However—and this is a crucial point—every movement must be true to itself, and that requires that it be faithful to certain values and maintain discipline. That's why instilling a genome of values is so crucial for success. A crucial feature of any successful movement is training activists to internalize the genome of values so that it becomes second nature.

Apple CEO Tim Cook often speaks out about data privacy and supports the principle that consumers should own their own data. This is, by all indications, a deeply held personal and corporate value. However, as many observers have noted, it is also a potent weapon against competitors like Google and Facebook, both of which have businesses based on monetizing their customers' data.

Hard Truths, Consistent Values

To create fundamental change, what is crucial is that values are tied to an affirmative vision of tomorrow rather than merely targeting grievances. You may believe that inefficiency stems from laziness, but unless you can present a clear plan for improvement, like the executives at Wyeth Pharmaceuticals did in their movement to implement lean manufacturing principles across the company, don't expect things to change. There are many people who can see flaws in any system but far too few who are willing to put in the hard work to actually make things better. That requires you to adapt to the hard truths of the real world but maintain your values nonetheless.

Values are most powerful when they speak to shared human experiences. The way you communicate those values is through platforms and tactics.

Building Platforms for Participation, Mobilization, and Connection

In their book-length study comparing 323 violent and nonviolent resistance campaigns between 1900 and 2006, Erica Chenoweth and Maria Stephan found that nonviolent activists are nearly twice as likely to achieve their goals as violent ones. At first glance this seems implausible or, at best, naive. How could a bunch of hippies in T-shirts outperform hardened and committed rebels carrying AK-47s?

Nonviolent campaigns have very few barriers to participation. Everybody, from the youngest child to the meekest senior citizen, can join in. This participation advantage proves to be decisive. In fact, Chenoweth and Stephan show that "a single unit increase of active participants makes a campaign 10 percent more likely to achieve its ultimate outcome."

That's why successful change efforts work hard to make it as easy as possible to join in. Deep commitment is essential for any change effort. However, before you can have commitment, you must have participation.

Saving 100,000 Lives

In its 100,000 lives campaign, the Institute for Healthcare Improvement sought to enlist 1,600 hospitals in its program to implement six evidence-based procedures that would reduce needless deaths through medical error.

The healthcare industry is famously resistant to change. So a key part of IHI's strategy was to lower barriers to participation, so that early adopters could not only join its movement but also easily recruit their friends and colleagues. It did so by identifying and eliminating points of friction.

First, rather than requiring an extensive application process, a simple fax from the hospital CEO, along with a commitment to share mortality data, was enough to join the movement. Instead of including every improvement it had identified during its years of research, IHI narrowed the list down to six procedures, which were chosen not only for impact but ease of implementation.

For each of these, IHI provided "change kits" complete with how-to guides. And the participating hospitals were not even required to adopt all six procedures but were free to choose those best suited to their organization.

IHI didn't focus on recruiting hardcore healthcare warriors for its battle against preventable medical errors—it recruit-

ed everybody, and it worked. After the 100,000 lives goal was achieved, IHI launched a campaign to save 1 million lives and then 5 million lives. Simple things can sometimes have enormous impacts.

In order for a movement's tactics to be effective, they must focus not merely on making a point or "raising awareness" of an issue but on actually making a difference. They must be part of a larger strategy to mobilize constituencies in the Spectrum of Allies to influence institutions in the Pillars of Support.

Surviving Victory

Every movement has an immediate goal, whether it is to promote fundamental rights; to drive implementation of new ideas, methods, and procedures; or simply to return to profitability. That's what drives action. Once those immediate goals are achieved, however, change movements often fall apart.

All too often, we have our minds so set on what we need to win that we neglect to think about what comes the day after the victory we seek. We are so focused on beating our opponents into submission that we fail to realize that they will eventually rise up again, learn the lessons of their failure, and return to the fight with renewed vigor. That's why we so often succeed in making our point but fail to make a difference.

What should be clear by now is that successful movements create transformational change through shared values. It is that easy and that hard.

The American Revolution would not be considered the great success it is today without the Declaration of Independence and the US Constitution. In fact, the founders created and then adopted the Constitution more than five years after the British were defeated in the Battle of Yorktown, precisely because it had become clear that without shared values the whole experiment was unworkable.

Yet maintaining a commitment to values is a challenge even in the best of circumstances. The quest for change is always a journey, never a destination.

Successful movements survive victory by staying true to their values even after the initial triumph. For example, the turnaround at IBM endured long after Lou Gerstner was gone because it wasn't centered on any particular strategy or technology but continued to promote the values that made IBM a great company.

Values prevail because they are not situational or of the moment but lasting principles for adaptation. Most of all, successful movements are able to leave the battle behind and make peace with the fact that victory inevitably leads to the tedious boredom of governance. They do not see that as the price of progress but its reward.

That's how you win.

IF YOU LIKED THIS SUMMARY, YOU MIGHT ALSO LIKE:

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- ***The Future-Proof Workplace: Six Strategies to Accelerate Talent Development, Reshape Your Culture, and Succeed with Purpose*** by Morag Barrett, Linda D. Sharkey, Ph.D.

Greg Satell is a popular writer, speaker, innovation advisor, and one of today's most recognized experts on transformational change. Previously, as co-CEO of KP Media, a $100 million enterprise, he managed a portfolio of Ukrainian media brands, including ***Kyiv Post*** and ***Korrespondent***, two news organizations that played pivotal roles in the Orange Revolution.

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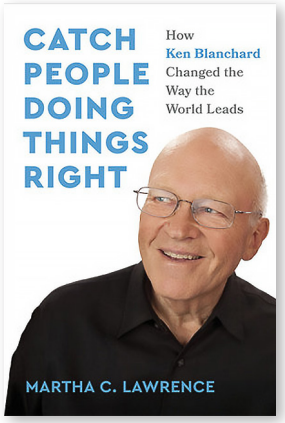
Catch People Doing Things Right

Martha C. Lawrence

Executive Book Summaries®

Catch People Doing Things Right

How Ken Blanchard Changed the Way the World Leads



by **Martha C. Lawrence**

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THE SUMMARY IN BRIEF

In ***Catch People Doing Things Right***, author Martha C. Lawrence explores the extraordinary life and influence of Ken Blanchard, one of the world's most beloved leadership thinkers. Through a thoughtful, chronological narrative, Lawrence demonstrates how every season of Ken's life—his triumphs, setbacks, and daily encounters—was shaped by his choice to learn, grow, and serve others. At the heart of Ken's story is a consistent and unwavering belief: true leadership begins with humility, love, and the desire to help others succeed.

Blanchard's life offers countless reminders that influence is never too small and that no act of kindness or encouragement is ever wasted. By highlighting his devotion to relationships, Lawrence reveals how Ken turned networking into something far more meaningful—an authentic investment in friendship, trust, and collaboration. His journey through some of society's most turbulent decades shows how resilience, optimism, and faith can carry leaders through moments of uncertainty.

Above all, ***Catch People Doing Things Right*** is a testament to Ken's conviction that leadership is not about power or position, but about people. His example encourages readers to lead with compassion, nurture meaningful connections, and embrace the transformative impact of serving others.

IN THIS EXECUTIVE BOOK SUMMARY YOU WILL:

- Understand how Ken Blanchard exhibited strong leadership professionally and personally, by leading with heart and servanthood first before anything else
- Explore the life and legacy of Ken Blanchard including his early years where he first discovered his love for people
- Learn how Ken's businesses and many professional endeavors flourished and the different forms of sacrifice required of him and others
- Discover how to become a strong and intuitive leader who impacts more than just spreadsheets, but generations to come

Family Roots and Childhood, 1939–1944

When asked about his greatest influences, Ken always credits his parents. "They were incredible people," he says. "The lessons I learned from my mom and dad have stuck with me all my life."

Ted Blanchard and Dorothy Heidenreich (Ken's parents) married on April 17, 1926. Although they wanted children, the couple was childless during the first eleven years of their marriage. Then, just when they had begun looking into adoption, Dorothy became pregnant. Ken's sister, Sandy, was born on January 4, 1937.

Ken's primary companion in those early years was his sister, Sandy, just two years older than he was. The neighborhood was home to a lot of young parents like the Blanchards, so as Ken and Sandy grew, they had plenty of other children to play with. Many of Ken's favorite childhood activities took place in the backyard of their New Rochelle house, which featured a sprawling maple tree surrounded by a brick patio. During the day—weather permitting—the family would play croquet in the yard. On warm nights, they would sit on the patio, sip cold drinks, and enjoy sing-alongs.

Ken remembers the moment when he was standing at the top of the stairs on a Christmas Day, bursting with excitement and anticipation. "My heart was pumping when Nana looked back up at me and said, 'My heavens! You won't believe what's down here!'"

Years later, Ken would become famous for communicating his optimism to others, and that first memory—filled with excitement—would be reflected in his life philosophy:

"Life is a very special occasion!"

During his preschool years (1942–1944), Ken did not see his father, who stayed overseas protecting the Marines and the "frogmen" (now called Navy SEALs) in the major Pacific battles, including Saipan. Luckily, the neighborhood served as a buffer during that time. Ken had a number of surrogate dads on the street who were happy to step in for Ted.

In childhood, Ken did discover a love for competitive sports.

Basketball became Ken's passion. He played in the basement every day and practiced shooting for hours on end.

Ted Blanchard, the Navy officer who had retained the respect of his men while commanding them into dangerous conditions in the Pacific, didn't waste opportunities to share leadership lessons with Ken, even when watching sports.

Ken's first major league baseball game left a lasting impression on him.

He learned a key lesson that would inform his future career: leadership wasn't about having a title or a position. After all, Slaughter and Musial were baseball players, not presidents or kings. Yet how they behaved had an impact on others. That day, Ken realized that by behaving in ways that influenced others, anyone could be a leader.

Leadership Beginnings, 1945–1957

Ken's first memorable interaction with a Black person was through playing city basketball in the sixth grade.

His father had installed a backboard and basket on the outside wall of the garage. Ken practiced every day and honed his skills by playing games at the YMCA, with church leagues around town, and at school. He became an excellent basketball player and was particularly gifted at shooting.

Ken's elementary school team had reached the finals of the city basketball championship, where it was pitted against the formidable Lincoln team, composed of highly talented players from the predominantly Black school.

His team ended up beating Lincoln—a major upset.

One of Lincoln's star players was a huge Black kid named Earl Forte. His friends and teammates called him Meatball. After the game, Ken went into the locker room to change his shoes and saw the star player sitting on a bench.

Ken went over and patted Forte on the back. "Good game, Meatball."

The Lincoln player whirled around, grabbed Ken, threw him against the locker, and growled, "Only my friends call me Meatball!"

Ken looked into the eyes of the oversized boy who had him by the throat and said with a smile, "Well, why don't we become friends?"

Meatball ended up being one of Ken's strongest supporters and campaign managers when Ken ran for president of their junior high school, and their friendship lasted long beyond their school days.

Basketball became Ken's entrée into the non-White social circle of New Rochelle, where his easygoing, egalitarian nature attracted many new friends.

Leaders are great not because they have power, but because people trust and respect them.

Even in the 1950s, New Rochelle ranked among the most diverse small cities in the nation. Once schools began to desegregate, Ken was exposed to classmates from multiple cultures.

The different schools Ken went to provided him with some of his best learning and development experiences, because they taught him firsthand about diversity. With good friends from a variety of backgrounds, Ken learned how to connect with, love, and appreciate people from all walks of life.

Friends described Ken as the kid who was popular with the whole class. Ethnicity or background made no difference to him—if you were a nice person, he was your friend.

Ken had a strong role model in his father. Inspired by his dad's leadership in the Navy, he decided to run for president of his seventh-grade class. When he told his father about his plans, Ted let him in on an early leadership lesson. "You need to get everyone laughing right away," he advised his son.

"Now that you have a leadership position, don't ever use it. Leaders are great not because they have power, but because people trust and respect them." Ken never forgot his father's words, and they served as inspiration for his later work about leading through positive influence rather than position power.

Serving in leadership positions at school gave Ken a meaningful way to channel his popularity and learn about leadership and development firsthand.

The Cornellian, 1957–1961

While Ken had always been bright, he had never been particularly good at taking tests. "My mind just didn't work that way," he commented later in life. "Today, I would never be able to get into an Ivy League school on the basis of my SAT scores."

Nevertheless, at Cornell he developed an academic regimen and stuck with it, thanks in large part to his sister, who always encouraged him to be the best possible version of himself he could be.

As she had in high school, Sandy pushed Ken to aim high and be his best self, both academically and athletically. During his freshman and sophomore years, when Sandy was still on campus, she insisted that Ken meet her regularly in the library to study.

Ken worked at his studies, but not at the expense of his social life. Spending time with friends and making new ones was as important to Ken as getting good grades.

While fraternities on Ivy League campuses in the 1950s were overwhelmingly White and economically privileged, Ken did not succumb to the exclusive, us-versus-them culture of fraternity living. His high school habit of making friends from various ethnic and social groups continued during college. He had friends all over campus, and off campus as well.

Later in his life, Ken was asked to identify something he did when he was young that was considered unique. His answer was, "I liked everyone! Kids I went to school with used to kid me about that all the time. Why? Because even young kids hang out in groups and make fun of kids that aren't a part of their gang."

Ken had been taught by his father to look for leadership role models. He discovered a powerful one during his freshman year at Cornell, when Martin Luther King Jr. came to speak at Sage Chapel on campus.

The first thing Ken noticed about Dr. King was the warm and caring way the great civil rights leader greeted him and his co-usher—making Ken feel as if they were the most important people in the world.

Dr. King's sermon that day was filled with that same warmth and caring inspiration. The topic was "Loving Thy Neighbor as Thyself."

Margie, 1961–1962

At 22, Ken was no stranger to girls. He had dated in high school and college, but he had yet to fall in love.

His parents stressed the importance of saving himself for someone special, someone he could make a lifetime commitment to. Someone like Marjorie "Margie" McKee.

Margie was intrigued by Ken. His reputation preceded him: because he had served in student government, she already knew who he was when her then-boyfriend, Looper, introduced her to him. Although Ken's fraternity had a reputation for being exclusive, she knew he had friends all over campus. Ken's outgoing nature appealed to her.

As she spent time with Ken, Margie was struck by three things. First, by how much he loved people. He had a wide variety of friends, and she could see that each would have taken a bullet for him, and vice versa. Most of the guys she knew tended to stick to their own cliques. Ken was different.

Second, Margie noticed Ken was a hard worker, poised to have a robust career. Third, she was intrigued that he had his sights set on working in the university and being a dean. No matter what he ended up doing, she knew he would be successful—as a pastor, politician, educator, coach, entertainer, or something else. Somehow, she sensed that he was going to do something important.

Ken and Margie were married on June 23, 1962, at Glenside Presbyterian Church in Glenside, Pennsylvania.

Thwarted Dreams, 1962–1966

Ken's education plan involved being part of the Preceptorial Studies Program at Colgate, where he served as an academic and social advisor to about twenty-five students. During that school year, Ken and Margie had all of the students over for dinner, one at a time. Margie gradually honed her cooking skills, learning how to keep rolls from burning and have all the elements of a meal come together at one time.

Ken's love for basketball didn't wane in graduate school. He played every chance he could and helped coach the freshman team at Colgate during the 1962–1963 season.

While pursuing his PhD, Ken found a full-time position suitable for a doctoral candidate: conducting research for the School of Education with the New York State Regents Advisory Committee on Educational Leadership—a group that made leadership recommendations concerning college presidents, superintendents of schools, and their governing boards.

Meanwhile, Margie continued working as a speech therapist. She had found a position at the Cornell speech clinic, helping foreign students improve their English accents and assisting others with stuttering problems. More and more, however, she felt as though she didn't know enough to be effective. She realized that she needed to go back to school. So, she applied to the master's program at Cornell, where she continued her studies in child development and speech science.

1965 was a notable year for Ken and Margie. In June, Margie was awarded her master's degree in speech therapy, and on August 3, she gave birth to their first child, Kenneth Scott Blanchard.

As Ken was finishing his PhD coursework, he turned his attention to finding a job to support his growing family. He envisioned a career in university administration, working as a liaison between the faculty and the students.

Ken had spent the last nine years in higher education preparing to be a university administrator. Now, at twenty-seven, he had completed the coursework and dissertation for his PhD in education administration and leadership. He had a wife he adored, a beautiful son, and another child on the way. The one thing he didn't have—but desperately needed—was a job.

A Key Partnership, 1966–1970

Ken's mother, Dorothy, had instilled in him a firm belief in the power of positive thinking. She'd taught him that setbacks were a part of life and that when they came along, he shouldn't put his head down and mumble. Instead, he should keep his head up and look for opportunities.

In the fall of 1966, Ken and Margie—who was pregnant with their second child—moved with their 1-year-old son, Scott, to Athens, Ohio.

In the mid-1960s, Athens was a small municipality with a local population of about 5,000, which quadrupled when the university's 15,000 students came to town. Ken would now be working for the largest employer in town: Ohio University, located in a sprawling cluster of brick buildings on 1,800 acres.

Teaching tapped into Ken's natural talents. With his sense of humor and easygoing attitude, students liked him immediately, and he enjoyed being in front of the class. Although he had originally set his sights on university administration, he was learning that engaging with students suited his extroverted disposition far better than pushing paper behind a desk somewhere.

The most successful leaders flex their approach to match the needs of each person they are leading.

At Ohio University, Ken's interest in leadership was front and center, and he took advantage of every opportunity to deepen his knowledge of the subject.

Life in Ohio was not all academia. On March 30, 1967, Margie gave birth to their second child, Deborah Kyle Blanchard. Meanwhile, their son was growing into a curious toddler. On weekdays, Ken drove 3-year-old Scott to Ohio University's nursery school. On weekends, they would often go into town together.

Developing a New Leadership Philosophy, 1970–1976

In 1970, Ohio University was a hotbed of new and innovative ideas in just about every academic discipline.

Ken also continued to teach and refine the Situational Leadership model he had developed with Paul Hersey at Ohio University, introducing his students to the idea that there was no single best way to lead people, and that the most successful leaders flex their approach to match the needs of each person they are leading.

Fun was central to learning, as far as Ken was concerned. His goal was to help students learn, and ever since his days at Cornell, the practice of giving A grades to only a select few had rankled him.

Ken wanted as many of his students as possible to succeed—which was why he began handing out his final exams on the first day of each of his classes.

Ken wasn't impressed by the hierarchy, and he had never forgotten that early leadership lesson he learned from his father: "Now that you have a leadership position, don't ever use it. Leaders are great not because they have power, but because people trust and respect them." He thought it was ridiculous when faculty members put on airs and "sounded British" when they were in front of students, then behaved more casually among themselves.

A Company Is Born, 1976–1980

Planning to be in California for a year, Ken and Margie spent the summer of 1976 saying goodbye to friends on the East Coast.

California was a revelation to Ken. The ethos of the Golden State perfectly suited his open, free-spirited nature. In Ohio and on the East Coast, he had chafed against the rigid expectations of academia, and his freewheeling style was often frowned upon. The academic culture in California welcomed creativity and experimentation, and Ken took to it like a bird to the sky.

In October 1976, Jerry Tomas, one of Ken's doctoral students, asked Ken to do a leadership seminar in San Francisco for a group of twenty-nine executives at the Young Presidents' Organization (YPO), where Jerry was serving as director of education.

YPO opened up an entirely new world for Ken.

Ken's presentation to the young presidents in San Francisco went so well that he was invited to speak at YPO's annual weeklong University for Presidents convention, which was being held in Honolulu in February 1977.

After moving to California, Margie had the opportunity to cultivate a long-standing interest in work-life balance. Pulling together her research, she created some seminars on the topic. Her ideas found an audience, and her seminars were well received.

Margie and Ken had enough successful seminars under their belts to convince them that they could make a go of their consulting business. They headed back to the McKee family cottage on Skaneateles Lake in Upstate New York and called their UMass friends together. The group began envisioning what kind of company they might create.

As they talked about building their ideal company, they committed their ideas to paper in a document that laid out the three primary purposes of their dream organization,

The Founders' Dream:

1. To create opportunities for people that we love and care for to work together
2. To make a difference in people's lives
3. To have fun

The One Minute Manager, 1980–1983

Margie introduced Ken to Spencer Johnson, a 41-year-old MD with a curly head of hair who had done medical clerkships at the Mayo Clinic and Harvard Medical School. Spencer had coauthored with his former wife, Ann Donegan, a series of children's books called ValueTales—short biographies of well-known people who had made a positive difference in the world.

Ken invited Spencer to attend a seminar he was conducting the following Monday at the Rancho Bernardo Inn.

At the end of the day, Spencer approached Ken and said, "Forget my parenting book. Let's write *The One Minute Manager*!"

Over the next few weeks, Ken and Spencer began drafting a parable about a "bright young man who was looking for an effective manager."

Research showed that only 10% of nonfiction books were read past the first chapter, which is why Ken and Spencer decided to keep the book to no more than 100 pages in length.

They kept producing drafts until people began offering $10 for a photocopy of the book—not a hardcover, a photocopy. This was remarkable, given that $10 in 1980 was equivalent to about $32 in 2025.

Harry Paul owned a print shop called Budget Books. The company specialized in typesetting, designing, and printing, but left it up to the authors to handle distribution and marketing. Given Ken's seminar business, that was fine with Ken and Spencer.

Harry Paul printed the books and shipped them to Chicago, where Ken and Spencer introduced *The One Minute Manager* to a meeting of the National Restaurant Association. Within half an hour after the session, more than 700 copies of the book had sold in the back of the room at $15 each—an amount unheard of in book publishing at the time. Ernie Renaud from Jerrico Inc., the parent company of Long John Silver's, placed an order for 1,200 copies on the spot.

Growing a Global Organization, 1980–1989

With his gift for captivating audiences and a wildly successful book topping the bestseller lists, Ken continued to attract new clients, and Blanchard Training and Development (BTD) scrambled to accommodate them. If they were going to stay in business, Ken and Margie needed more instructors to deliver their cutting-edge training.

Gradually, the company grew its operations to meet the massive increase in demand stimulated by Ken's mega-bestseller, *The One Minute Manager.* The book served as the foundation for a host of BTD products, including a video. BTD's *One Minute Manager* training materials and seminars were flying off the shelves. New associates—now called consulting partners—were hired to deliver *One Minute Manager* seminars around the world.

The founders and early associates knew that organizations needed help teaching managers to empower, support, and encourage their people rather than micromanage, bully, or ignore them.

The company's top values were:

1. Ethical behavior
2. Relationships
3. Success
4. Learning

Finding Faith, 1986–Present

Ken Blanchard was 43 years old when he had the heady experience of becoming a publishing phenomenon. *The One Minute Manager* quickly became an iconic title, quoted in newspapers, magazines, and on television. The book was shorthand for a new trend in business, one that brought a more humanistic approach to managing people. There were no internet or social media to speak of in 1982. Nevertheless, demand for the book and for Ken as a speaker had grown exponentially, and it kept growing.

Ken's rise from college professor to mega-bestselling author happened in just three short years. While he'd always been popular, suddenly having an international, mainstream audience gave Ken pause. He couldn't believe his phenomenal success was his alone; he felt something bigger was moving in his life.

When people put you up on a pedestal, the important thing is to not go there with them.

Several months after *The One Minute Manager* hit the best-seller lists, Ken got a call from his old friend Phil Hodges, who was working as a labor relations officer for Xerox in the Los Angeles area.

Due to some circumstances around a bad investment, Phil had a newfound humility, which had led him to reexamine his life. He'd turned to the Bible and found comfort and meaning in God's love, and he was eager to share his experience with Ken.

By the late 1980s, friends and family were noticing a change in Ken, who was beginning to identify as a Christian.

"Ken did proselytize early on as he embraced Christian theology," remembers his friend from Amherst, Dick Evans. "But always, we knew that his motivation was one of love."

In his journal, Ken wrote that he wanted to reach "a place where I feel I've glorified the Lord's name; I've made a difference in the lives of others."

Chief Spiritual Officer, 1990–2001

Ken was pleased by the awards and accolades, but he didn't let them go to his head. "When people put you up on a pedestal," he said, "the important thing is to not go there with them."

In his writings, Ken encouraged people to create a picture of the future that would inspire them to live their best lives. To help them visualize their future, he recommended that people write their own obituaries.

Influenced by findings, Ken formally changed his title from Chairman of the Board to Chief Spiritual Officer. The new title more accurately described his role, which had always been more inspirational than practical.

Ken used his role as Chief Spiritual Officer to communicate the company's vision and values to everyone who worked there. He began to leave daily voicemail messages to the entire company.

He cheered them on by praising their work, sharing inspirational ideas, and sending positive thoughts to those who were dealing with hardships.

Ken often delivered encouraging messages with a touch of humor.

Ken's books increasingly reflected his growing interest in the deeper meaning of success and his conviction that there was more to business than making money.

The Servant Leader, 2001–2007

As Ken's Christian faith matured, his leadership philosophy —which had always been about uplifting people—expanded to emphasize leadership as a sacred responsibility. His speeches began to focus less on productivity and more on serving others.

His belief that Jesus, who "did not come to be served, but to serve," was the greatest leadership role model of all time.

Ken believed how someone handles authority and power is a great measure of maturity.

Since his days coaching Cub Scouts and school basketball teams, he had been practicing servant leadership—whether he called it that or not.

To inspire and educate a new generation of leaders, Ken returned to his role as a professor.

Just as he had done in his days as a full-time college professor, he focused on empowering students. The goal was not for his students to "get an A" in theoretical analysis; it was for them to become better leaders in the real world.

Refiring, Not Retiring, 2007–2020

Generosity had been modeled for Ken from an early age. His mother, Dorothy, had taught him that if he gave from the heart, he would be amazed by the results.

The Ken Blanchard Companies established multiple ways to give. A charity called Blanchard for Others was created to provide funds to those in need. A Give-Back Program encouraged employees to choose a charity to receive a cash donation from the company in their name. The Blanchard

Ambassador Program allowed associates to spend up to forty hours per year, during business hours, in service to others. The Blanchard Institute provided access to training programs and awarded scholarships to students of all ages.

The giving extended to Blanchard employees in the form of Blanchard's gainsharing program: each year, a percentage of operating income was placed in a pool and divided equally among them.

At a time when many people retire or at least slow down, Ken's productivity surged as he approached his 70th birthday.

As he looked back on *The One Minute Manager,* Ken felt that the third secret in the book—the One Minute Reprimand—needed an update.

Thirty years after their first creative writing venture, Ken and Spencer sat down together and rewrote the original edition of *The One Minute Manager*. Much had changed since the early 1980s, and the new draft reflected the realities of a 21st century workplace. In 2015, William Morrow released *The New One Minute Manager* for a fresh generation of leaders.

Leading With Love, 2020–2023

In the aftermath of the COVID-19 tsunami, the revenues of The Ken Blanchard Companies dropped over 30%. In response to the crisis, the company's new president, Scott Blanchard, began sending a series of weekly all-company emails, sharing the stark reality of the financial challenges the company was facing and the hard choices that would be required to survive.

As the weeks went on, it became evident that the company could not sustain the losses and stay in business. For the first time in Blanchard's forty-year history, the leadership team made the painful decision to furlough and, a few months later, lay off employees.

In the case of the coronavirus pandemic, the positive turned out to be a complete overhaul of the way the company did business. After forty years of relying on physical classrooms and face-to-face training, the business pivoted to digital learning and virtual training.

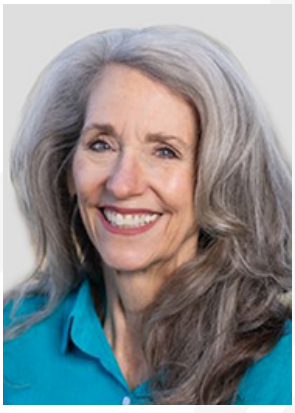
Fortunately, Margie's Office of the Future had anticipated this trend many years earlier, so the company had already begun the transition.

By 2021, Blanchard was able to hire back some of the employees it had lost. So successful were its virtual offerings that 2021 turned out to be an exceptional year, with over $58 million in revenue. At the year's end, *The San Diego Union-Tribune* once again recognized The Ken Blanchard Companies with a Top Workplaces award, spotlighting its "strong connections with employees and a strong culture of success."

After six decades in the field of leadership, Ken's philosophy had crystallized around a single idea: love.

Ken's son, Scott, who had initially thought that his father's ideas about love and servant leadership were naïve, tested those ideas and adapted them to his own leadership philosophy.

No one was more surprised than Scott to discover—through both solid research and application in the field—that leading with love resulted in business success.



Martha C. Lawrence, executive editor at Blanchard and former editor for Simon & Schuster and Harcourt Publishers, has collaborated with Ken Blanchard for more than twenty years. She has edited hundreds of books, including the multimillion-copy bestseller *Feel the Fear and Do It Anyway* and the #1 *New York Times* bestseller *The One Minute Entrepreneur*. She coauthored *Trust Works! Four Keys to Building Lasting Relationships*, winner of the 2014 San Diego Book Award, and is also the author of the award-nominated mystery series featuring private investigator Elizabeth Chase.

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Change-Friendly Leadership

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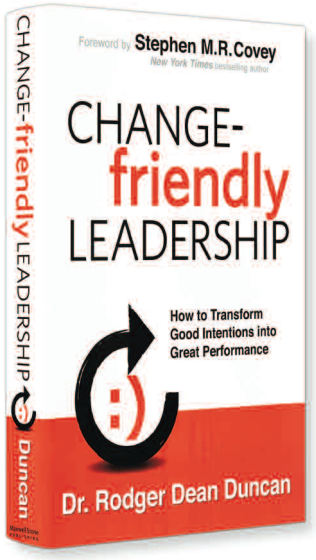
Change-Friendly Leadership

How to Transform Good Intentions into Great Performance



by Dr. Rodger Dean Duncan

THE SUMMARY IN BRIEF

Most attempts to change fall flat. Around the world, countless change efforts are underway in all kinds of organizations, spearheaded by leaders with good intentions. Despite the good intentions, the majority of these programs will fail. Why?

In *Change-Friendly Leadership*, practitioner Dr. Rodger Dean Duncan shows that humanness, approachability and friendliness are necessary, but often overlooked, elements of making change successful.

Change cannot be achieved by a press release, slogan or announcement. Effective organizational change requires the active, mindful participation of the people affected by the change. Leaders must learn how to bring their entire team on board with changes and ensure they are invested in the process as well as in the outcome.

The Friendly Factor is not just a play on words. It's the very foundation for effectively engaging people's heads, hearts and hopes. The Change-Friendly framework is based on timeless principles that are tried and true in even the toughest situations. Using this framework will enable you to create effective, lasting change in your organization.

IN THIS SUMMARY, YOU WILL LEARN:

- The three dimensions across which employees connect with an organization.
- The three critical aspects of authentic leadership.
- How to make your leadership think-, talk-, trust- and team-friendly.
- The seven steps of the Change-Friendly leadership model.

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THE COMPLETE SUMMARY: **CHANGE-FRIENDLY LEADERSHIP**

by Dr. Rodger Dean Duncan

The author: Dr. Rodger Dean Duncan is an author, consultant, executive coach and trainer who is widely known for his work in organizational performance and leadership. In 1972, he founded the consulting practice Duncan Worldwide.

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What's the Big Deal About Change?

When our children were very young, my wife and I took the family on a cross-country trip.

For each of the various stops along the way, we reserved a room at a Howard Johnson hotel. We knew that all across the country these hotels were decorated with exactly the same wall colors, lamps and bedspreads. To help our children feel more "at home" each night, we even specified that each room must have the beds on the right and the TV on the left. Sameness, we reasoned, would be comforting.

On the third night, we checked into yet another Howard Johnson hotel. As soon as we walked into our room, our four-year-old son threw up his hands and with a tone of utter despair said, "We've been driving forever and we keep coming back to the same room."

That's exactly what change can feel like. Despite your best efforts, some people will continue to ask "Are we there yet?" Some won't mind taking a trip, just not in the direction you're headed. Others will resist getting in the car at all.

The big deal about change is usually not about strategy or structure or systems. All of those things are, of course, important. But the core of it all is *feelings*. In the world of human commerce, nothing changes unless and until people's behaviors change. And the kind of behavior change that results in lasting (sustainable) change must accommodate people's *feelings* — feelings that involve trust, confidence, passion and all those other intangible, but very real, things that make us human.

You can rent a man's back and hands, but you must *earn* his head and heart. ●

The High Cost of Belly Flop: A Case for Engagement

Many so-called change efforts seem to employ the launch protocol of a belly flop — lots of noise, big splashes, a few congratulatory whoops and hollers. But then the pain sets in. Sometimes a lot of pain.

Change takes us out of our comfort zones and produces stress that people resist — not the change itself. Even positive change produces stress.

Effective change requires genuinely engaging the brains of the people expected to embrace and even champion the new state of affairs.

Effective change requires engaging people's feelings — not merely making a business case for action, but making a compelling psychological case for action.

Effective change requires engaging people's earnest hopes: their heartfelt aspirations, even their sense of self.

Discretionary Effort

By definition, a Change-Friendly work environment engages people's heads, hearts and hopes. True engagement is a function of *discretionary effort*. People don't become engaged because they've been ordered or compelled to. They become engaged because they deliberately *choose* to invest their energy, enthusiasm, ingenuity and passion in a cause that has meaning and value for them. An "engagement gap," then, is the difference between the level of discretionary effort needed to produce desired results and the level of discretionary effort actually expended.

In our work with culture and performance issues, we notice that people connect to the organization across three dimensions:

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor and Contributing Editor; **Amanda Langen**, Graphic Designer

Rational: the "thinking" part of the relationship dynamic. How well do people understand their roles and responsibilities?

Emotional: the "feeling" part. How much passion and energy do people bring to their work? To what extent are they vested in what's best for the organization's stakeholders?

Motivational: the "acting" part of the relationship. How well do people perform their roles? How much effort do they put into personal improvement?

Based on responses to our questions (as well as our observations of their actual behavior), people are clustered into four groups:

Engaged. These people are giving full discretionary effort. They have high scores on all three dimensions (Rational, Emotional, and Motivational).

Enrolled. These people are partially engaged. They score well on the Rational and Motivational dimensions, but are less connected on the Emotional dimension.

Disenchanted. These people are partly disengaged. They have lower scores on all three dimensions of engagement, especially the Emotional connection.

Disengaged. These people have disconnected on all three dimensions. They do not contribute to organizational success and they are often a noticeable drag.

As you might expect, there can be migration within and between these clusters. With the right mix of opportunity, coaching and encouragement, Enrolled people can become fully Engaged. If they perceive opportunity to be diminishing, and absent the right coaching and encouragement, Enrolled people can become Disenchanted. ●

Change-Friendly: Its Rhyme and Reason

Leading effectively is a challenge under the best of circumstances. It's especially so in an environment of change and transition. People are unsure about the future, and this ambiguity feeds the aversion to risk. In such an atmosphere, people need comfort and confident direction, not a drill sergeant.

My colleagues and I work with some of the world's best organizations to help them make change a source of advantage rather than a source of anxiety.

Our guiding principles are the foundation of everything we do. We didn't invent the principles. They are timeless. If these principles resonate with you, you're well on your way to being a Change-Friendly practitioner. Try these on for size:

Keep it simple; Back to basics. Systems thinking examines the big picture to reveal the multiplicity of causes and effects. Smart organizations use it to find simple and cost-effective solutions to a wide range of performance issues. They sort through loops and links, ask the right questions and diagnose before they prescribe.

Make results, not excuses. Denial causes smart people to do dumb things because they prefer not to see, or simply can't see, a warning signal. In most cases, it's not a character flaw. It's simply a part of being human. Worried about symptoms? Get real. Rush to the root causes. Create results, not excuses.

Control the journey. Every organization is perfectly aligned to get the results it's getting. Unsatisfied with the results? Check your map and compass.

Be a gardener. Go for growth. A first tendency of many business people is to fix things. But successful leaders invest energy in *growing* rather than *fixing*. They know the organization is a living organism with many interrelated elements, capable of extinction or growth. Successful leaders are gardeners. They create a nurturing environment and they cultivate with care.

Lead the whole person. Some managers seem to regard people as *stomachs*. They try to motivate only with salary and benefits. Successful organizations use a different approach. They lead the whole person. People have heads. They want to grow and develop intellectually. They want to learn. Give them a good reason and they'll even stretch their own comfort zones. People have hearts. They want to be treated with kindness, respect and dignity. They want good relationships. They want to feel appreciated. People have spirits. They want meaning in life. They want context. They want to be inspired. And they want to know that what they contribute really matters, that they *fit*. ●

You Make a Lousy Somebody Else: Authentic Leadership

Occasionally in a coaching session with a group of clients, I show a PowerPoint slide with a simple message: *"We are facing a serious problem! I need you to give everything you have over the next several weeks to help us solve it. I'm afraid you won't sleep much or be able to spend much time with your family until things are back to normal."*

I put a face on the request. The next slide shows photos of a wide range of people — Ronald Reagan, Pope John Paul II, Mikhail Gorbachev, Tony Blair, Martha Stewart.

I point out that each of the people has (or had) a formal leadership position. But you would not want to fol-

low them — or anyone else — unless and until you had confidence in three things:

Character: the person's integrity, motives, principles and values. Character is what a leader is.

Competence: the person's skills, gifts, talents and ability to deliver on promises. Competence is what a leader does.

Cause: the person's reason for leading, vision, goals and "end game." Cause is what most often motivates and inspires.

After some lively discussion about character, competence, and cause, I then ask the people in the room: "What about you? What are you doing to inspire confidence in your character, in your competence and in your cause?"

The Change-Friendly Framework

Behaviors and relationships in place of titles and stature is the foundation of the Change-Friendly framework. It is based on what I call the power of the Four Ts: Think-Friendly, Talk-Friendly, Trust Friendly and Team-Friendly. These Four Ts inform all the behaviors in the Change-Friendly protocol. ●

Think-Friendly: See the World Through a Fresh Lens

Sound thinking is at the center of every effective change effort. It doesn't necessarily have to be brilliant thinking, although that never hurts. It doesn't even have to be innovative or breakthrough thinking, although an occasional dose of that can certainly help. But it does need to be sound thinking — thinking that raises the right questions and elicits a range of reasonable answers.

Your brain has a mind of its own. No kidding. On its own accord, the brain tends to act more out of self-preservation than out of rationality. We have a natural tendency to tell ourselves stories that justify what we're doing or failing to do. We have a natural tendency to allow our stories to masquerade as facts. The good news is that we can teach ourselves a new set of behaviors that serve us better.

FIND-IT is an approach to challenging our own conclusions that I've discovered to be helpful. It stands for Focus, Inquire, Notice, Discern, Integrate, Translate.

To illustrate the utility of the FIND-IT model, let's consider Stephen R. Covey's classic story of his experience on a subway. At one station stop, a man stepped onto the subway along with several children. The man sat down and stared blankly at the floor, the train lurched forward and the children went nuts.

Covey stepped across the aisle, sat down beside the man and asked a couple of simple questions:

"Sir, are these your children? Are you concerned that this littlest guy might get hurt in the crowd?"

"Oh, yeah," the man replied, "I realize the children are out of hand. You see, we just left the hospital. My wife has been gravely ill for several weeks. She died about an hour ago. I've told the children that their mother is gone and I'm afraid they're kind of in shock. I certainly am. I don't know how I'm going to live without my wife."

With that fresh insight, Covey's paradigm — his "story" or frame of reference — changed instantly. Instead of viewing the man as rude and uncaring, he now saw him for what he was — a fellow human swallowed by grief and shock. And when Covey's viewpoint changed, his behavior changed.

When we sincerely *Focus* on a situation, we begin to see things that were not, at first, apparent.

When we respectfully *Inquire* — not for the purpose of playing "gotcha" but rather for the purpose of discovering possibilities we had not considered — we are often surprised by what we learn.

When we mindfully *Notice* the details of a situation we begin to see and appreciate the individual pixels that comprise the landscape.

When we carefully *Discern* what's going on in a situation, we honestly distinguish between the facts (verifiable data) and our assumptions (the unsubstantiated stories we tell ourselves).

When we *Integrate* what we've noticed and discerned, we're well on the path to appropriate and useful conclusions, decisions and behaviors.

Finally, we're able to *Translate* it all in a way that leads us to productive outcomes. ●

Talk-Friendly: Put Your Best Voice Forward

Because it requires honesty and clarity, true dialogue can be uncomfortable. And because people like to avoid discomfort, it's tempting to allow some topics to remain unaddressed. Most of us have been in situations where there's a relevant issue that nobody seems willing to talk about. We might even say to ourselves, "There's an elephant in this room, and I sure wish someone else would

tame that animal." Well, to tame an elephant, you must first acknowledge its existence.

Talk-Friendly practitioners understand the difference between *implicit* and *explicit* communication. The elephant is implicit. But until the elephant's presence is made explicit, the quality of true dialogue is limited.

Taming elephants is a three-part process:

1. Identify the elephant. Although you always want to be respectful, identifying the elephant is not the time to mince words.

2. Uncover the underlying assumptions that people have about the elephant. In a spirit of genuine curiosity and discovery, talk openly about your view of the "elephant" and invite the other dialogue participants to share their perspectives. You will be enlightened, and possibly even surprised, by the ways people have constructed their versions of "reality."

3. Make it safe to talk openly about the elephant. People are afraid of elephants because they don't want to get stomped on. Good dialogue skills, like listening with empathy and inquiring to discover, can help create an atmosphere of acceptance so people can deal openly with their concerns. Underscore the mutual interests you share with the other players. This is also an important time for participants to relinquish power. Position and status differences have a major effect on people's readiness to explore different points of view honestly. ●

Trust-Friendly: Make Trust First to Make It Last

When trust is low, you pay a "tax" because everything requires more time to accomplish and everything costs you more. When trust is high, you receive a "dividend" because you're able to get things done faster and at a lower cost. This dividend is real. It's not just a feel-good factor. It's an actual economic dividend and the data on it is overwhelming.

For example, a Watson Wyatt study showed that high-trust organizations outperformed low-trust organizations by 286 percent in total return to shareholders.

Drop the Pretense

One of the more common Trust Busters is using one's higher status to compel obedience or obtain privileges. This is guaranteed to spawn resentment. When a boss pulls rank, people respond more out of compliance than out of commitment. Besides, pulling rank often comes across not as a sign of strength, but of weakness. Here are five steps to help you drop the pretense:

1. Question your motives. Are you using your position or authority to browbeat people into doing things your way? Are you trying to stifle open discussion?

2. Examine your case. Are there leaks in the case you're trying to make for adopting your view?

3. Inspect your language. Are you using words like "Remember that I'm the boss ..." or "Just do what you're told"? These are blatant examples of pulling rank, with bullying thrown in.

4. Consider the desired outcomes. If mutual purpose and mutual respect are what you really want in your relationships, you'll realize that pulling rank introduces a tone that's contrary to mutuality.

5. Practice your Talk-Friendly skills. Remember that true dialogue cannot occur in an atmosphere where one person tries to exert power over another. Stay on the lookout for communication barriers. These sometimes influence people to shift gears from collaboration to command-and-control. ●

Team-Friendly: Finding Strength in Unity

No doubt about it, teamwork is more common as a buzzword than as an actual practice. Without the benefit of nuance, teamwork is one of those catch-all terms often extended as the magic elixir for the moment's most pressing execution issue. But when we're strategic about putting both the team and the work into teamwork, beautiful things can happen.

Creating a Team-Friendly Environment

Regardless of their composition, teams don't function in a vacuum. To help ensure success, it's critical to establish and maintain the right environment.

A team is most likely to be effective when five conditions exist:

1. It's a *real team*, not just a team in name only.
2. It has a *compelling purpose* that kindles the enthusiasm of its members.
3. It has a *reinforcing framework* that promotes and enables rather than inhibits team achievement.
4. It enjoys a *nurturing context*, not just lip service.
5. Team members have ready access, individually and collectively, to *skillful coaching* on teamwork issues.

Effective teamwork is not just a nice-to-have element in change efforts. It's a DBM — a double-barreled must. If you're serious about change, teamwork is not an option. Independence and turf protection are the

absolute antithesis of a Change-Friendly environment. As we're reminded in the Japanese proverb, "a single arrow is easily broken, but not 10 in a bundle."

Change-Friendly Leadership Model

Managing change does not mean a narrow, lock-step approach that controls all the variables. It means setting boundaries around the chaos, challenging the status quo, and providing a deliberate and proactive process for getting from point A to point B and beyond.

The Change-Friendly protocol provides the framework. Based on the foundational behaviors of the Four Ts (Think-Friendly, Talk-Friendly, Trust-Friendly and Team-Friendly), the framework's seven mutually-reinforcing action steps bring order to the tactics required for successful change.

Step 1: Validate the Journey

Change is movement *away* from the Present. Change is movement through the Neutral Zone, a place that's neither completely old nor completely new. And change is movement *toward* a Future that promises not just something different but, hopefully, something better.

The Neutral Zone is the transition from the Present to the Future. In the Neutral Zone, people are anything but indifferent. They may feel unsafe, confused, uncertain or all of the above. This is the price of change. Because the Future is not absolutely firm and fixed, simply traveling through the Neutral Zone will help alter and redefine the Future.

Your challenge is to Validate the Journey. Every change begins with an ending. People look at the Present and try to compare it to the Future by asking countless questions all related to "What's in it for me?".

When you ask people to go from where they are to someplace else, your task is to create a vision they can understand and will be willing to embrace. Defining the Future with absolute, irrevocable certainty is rarely possible. But you should try to paint a picture of it with as much clarity as is practical.

Step 2: Scan for Speed Bumps

Resistance is a force that slows movement. It can bring change to a screeching halt. It comes in a wide variety of forms. But resistance will occur. Count on it.

Change never occurs in a vacuum, neither does resistance. Both occur in the context of real people struggling with real (or imagined) issues that have real (or imagined) consequences. The better you understand that context, the better able you are to behave and lead in a Change-Friendly way.

As you scan for speed bumps, you will sometimes notice the early warning signs of an impending storm that threatens your change effort. But you have an advantage over a meteorologist: you can actually redirect or even stop the storm. Rather than ducking for cover from resistance, you can meet it head on.

Let's consider some of the common warning signs of resistance:

Confusion. No matter how carefully you've worked to validate the journey, some people simply won't get it. It's not that they're deliberately pushing back. They just don't yet understand the implications of the change you're proposing.

Silence. Silence can be tough to handle because it's sort of like lassoing a cloud. Never assume that silence means acceptance.

Diversion. Many resisters are from the Yeahbut Tribe — "Yeah, but this won't work because ..." Diversionary tactics include scapegoating, rehashing the past, and telling victim, villain and helpless stories. Some diversions are no doubt deliberate, but many are unconscious.

Resistance is covert or overt — concealed or transparent. A critical part of a Change-Friendly environment is getting inevitable resistance out in the open so you can address it. Only when you understand people's concerns can you work to find common ground. Unless and until you make it safe to disagree, you won't have a chance of engaging people's heads, hearts and hopes.

Step 3: Chart the Course

Every good change agent needs a map that shows not only where you've been and where you're going, but keeps you well grounded in the here and now.

The chart the course step is where your planning begins to morph into implementation. To enhance your opportunity for success, it's critical that you mindfully determine the what, when and where of your beginning.

Use Multiple Influence Levers

How many times have you seen someone who's reluctant to complete a task and you chalked it up to "an attitude problem" or some other personality issue? While it's possible that the person did indeed need an attitude adjustment, it's also possible that he or she simply didn't know "how" to complete the task.

This motivation/ability dichotomy should not be viewed as a problem. It is, in fact, a solution. After all,

both motivation *and* ability are crucial in every successful change effort. Here are six levers to use:

Lever 1: Link to passions. Many people think that Lever 1 is the only factor at play. When someone fails to perform to expectation, some managers automatically assume the worker is lazy or uncaring or uncommitted. The key is to change the *meaning* of a particular expected behavior from negative to positive, from something that's a nuisance to something that's gratifying.

Lever 2: Shrink the know/do gap. To translate knowing into doing, identify and focus on the vital behaviors that produce the results you want.

Lever 3: Enlist social support. This is a key to the success of programs like Weight Watchers and Alcoholics Anonymous. Research clearly validates the advantages of social support in a business setting, too.

Lever 4: Work in concert. Synergy is one of the most powerful levers we can use in accomplishing our goals. Lever 4 is also effective in helping establish new group norms. In organizations that employ networks of learning partners, personal accountability is improved, performance is boosted and other positive change is accelerated.

Lever 5: Focus on behaviors. In organizations where personal accountability for performance is highest, behaviors are not left to chance. The key is to be precise about expectations, then promptly close the gap between observed behavior and expected behavior.

Lever 6: Make it easy. Carefully scan your work environment and honestly examine every single system — with "system" defined as a procedure, process, practice or activity. Unchallenged systems tend to produce fake work. ●

Step 4: Build a Coalition

Don't kid yourself. Change does not occur in isolation. You must Build a Coalition.

To help clarify the resources available to you, you need to know the CAST of characters:

• *Champions* are people who favor the change but lack the power to sanction it. As advocates for the change, Champions must willingly work to gain commitment and resources for it.

• *Agents* are people who plan and execute the implementation of the change, including diagnosing potential problems and addressing the problems strategically.

• *Sponsors* are the people who authorize, legitimize, and demonstrate ownership for the change. You can (and should) have different kinds of Sponsors. Authorizing Sponsors have sufficient organizational power and/or influence to initiate commitment of resources. Reinforcing Sponsors help promote the change at the "local" level. Sometimes a single person can fill both of these roles, but successful change efforts usually involve multiple Sponsors. In short, Sponsors are responsible for creating an environment that enables change to occur.

• *Targets* are people whose knowledge, assumptions, attitudes, emotions and behaviors must be altered for the change to be sustainable. Targets play a critical role in both the short- and long-term success of the change. They must be educated to understand the changes they are expected to accommodate, and they must be appropriately engaged in the implementation of the change.

Use Cascading Sponsorship

An effective coalition of players can help implement change in a corporate environment. To ensure clear communication along the way and to improve the likelihood of stakeholder engagement, the Authorizing Sponsor (likely with the help of Champions and Agents) builds a network of Reinforcing Sponsors. This cascading sponsorship is an important key to any successful change effort. It's so critical, in fact, that its absence virtually guarantees failure.

Cascading sponsorship develops and maintains an infrastructure of people who continue to reinforce the integrity (business case and psychological case for action) of the change.

In your Build a Coalition work, literally create a "map" of your coalition showing each of the key members of your CAST of characters. A visual representation of roles and relationships is much easier to work with than a mere list of people. Remember that your coalition must be constantly monitored and managed. ●

Step 5: Ford the Streams

Smart change agents carefully navigate the currents of organizational change. And when the currents aren't going their way, they Ford the Streams.

In a 2011 study of multiple industries around the globe, Booz & Company concluded that "there may be no more critical source of business success or failure than a company's culture — it trumps strategy and leadership." This isn't to suggest that strategy doesn't matter, the researchers said, "but rather that the particular strategy a company employs will succeed only if it is supported by the appropriate cultural attributes."

Cultural awareness is critical for leaders. Leaders who fail to become explicitly conscious of the cultures in which they operate have no hope of "managing" their cultures. The cultures will manage the leaders.

In this world of subcultures, it makes sense to Ford the Stream rather than try to re-channel the entire river. Work for cultural alignment rather than absolute cultural integration. In most change efforts, it's much easier to draw on the strengths of the subcultures than to invest what is often fruitless energy in trying to change the subcultures. A good approach is first to agree on values.

Culture is your organization's operating system. Tend to your culture with tender-loving care and it will help you and your people get the outcomes you're after.

Diagnostics That Count

Just as a good physician gathers diagnostic data on your health condition before prescribing a remedy, so should you collect pertinent data on your culture before introducing adjustments in alignment. Solid diagnostics can help you discover and understand what's really going on.

In addition to an overall culture assessment with appropriate demographic breakouts, use 360-degree performance feedback. A good 360-degree tool provides individuals with personalized, specific data. It compares the individual's own views about his or her behaviors and performance with the views that others have of him or her. ●

Step 6: Stay on Message

Too many so-called leaders buy into the myth that simply sending a message will produce the result they want. That single mistake is at the root of most challenges with change efforts.

Change-Friendly leaders get very clear on what, how and when they want to communicate. Then they Stay on Message.

You must implement a thoughtful reinforcement system. If you can remember the word PICNIC, you'll have a helpful set of guidelines at your disposal. Reinforcement for new, desired behavior should be Positive, Immediate, and Certain. Reinforcement of old, undesired behavior should be Negative, Immediate and Certain. If people in your organization have a "this, too, shall pass" mentality about change, the PICNIC approach can help bring them around to the reality that this change is not going away. ●

Step 7: Mind the Gap

My young grandson, Duncan, loves the family trips to England and Scotland. On his first trip, he especially liked the recorded safety message played loudly as passengers stepped on and off the train: "Mind the gap!" It's also an appropriate safety reminder in managing change. After all, minding the gap is what change is all about.

The Change-Friendly leadership framework, though presented in a linear fashion, is intended for use in a flexible and fluid way. Consider this metaphor: If you were flying a plane cross country or driving a car across town, you'd likely plan a specific route. But when faced with an unexpected headwind or traffic jam, you'd make necessary course corrections. Leading in an atmosphere of change requires course corrections.

Personal behaviors, and the cultures they produce, tend to be somewhat elastic. It's sometimes easy to snap back into a previous habit or behavior. Even the most attentive performer can have an occasional relapse. Consequently, Mind the Gap work must be both personal and institutional. Individuals must be given systems and processes to help them stay on course. And the organization must provide an atmosphere that constantly reinforces the behaviors that produce the desired outcomes. Culture building is not like installing a new air conditioning system. It requires constant vigilance.

Explore, Discover, Explore

Leadership does not require a title. Many people who provide the uplifting and encouraging influence of true leadership do so without authority or position. Change-Friendly leadership is not about ordering people around. It's about engaging people's heads, hearts, and hopes. Don't diminish the importance of this by calling it "soft stuff." Appropriate engagement of people is absolutely essential to success with all the "hard stuff" of organizational performance. And it must never end. There are brief stopping off points along the way, but it's a journey, not a destination. ●

RECOMMENDED READING LIST

If you liked *Change-Friendly Leadership*, you'll also like:

1. ***The Reinventors*** **by Jason Jennings.** For most businesses, success is fleeting. There are only two real choices: stick with the status quo until things inevitably decline, or continuously change to stay vital. Jennings reveals the steps to continuous change.
2. ***Change the Culture, Change the Game*** **by Roger Connors and Tom Smith.** Learn how to build a culture of accountability in your organization. The authors reveal how to transform your entire organization.
3. ***Turnaround Leadership*** **by Shaun O'Callaghan.** Learn the warning signs of an impending crisis and how to rebuild a business after a crisis has hit.

· Book 117 of 388 ·

Changing Altitude

Dennis O'Neil and Greg Hiebert

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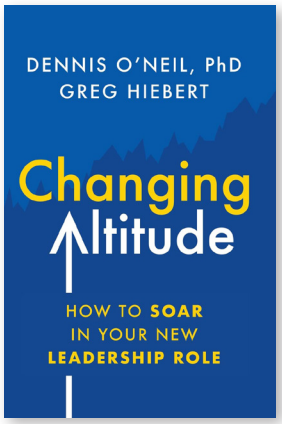
Changing Altitude

How to Soar in Your New Leadership Role



by **Dennis O'Neil & Greg Hiebert**

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THE SUMMARY IN BRIEF

When promoted, those filling new leadership positions are often caught off guard. There are a lot of new responsibilities that come with this type of role, and the best way to navigate them is by using a solid strategy – but what if you don't have one?

Holding a leadership role requires an individual to have agility when navigating a range of changing altitudes, like ability and insight. In ***Changing Altitude: How to Soar in Your New Leadership Role*** by Dennis O'Neil & Greg Hiebert, those entering these positions can learn strategies that focus on three important key elements – yourself, your people, and your environment. Both O'Neil and Hiebert dive deep into these key elements, teaching how to achieve deeper growth, understanding, and success in each of these areas.

IN THIS SUMMARY, YOU WILL LEARN:

- Strategies to build the leadership framework that will help you soar and navigate through the different altitudes of your newfound responsibility.
- The way that leadership characteristics can influence your journey, how accepting feedback can help you improve, and what your optimal altitude is so that you are performing at your best.
- How your people often share the same collective value that you do, and how to use positive communication techniques within your strategies.
- The best way to get to know your new environment and why leading paradoxically is especially important, even in crisis management situations.

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Introduction

Sometimes all it takes is a conversation to give you a different perspective on a subject. The concept of changing altitudes in leadership began while sitting on the last plane out of Miami. Talking to a fellow passenger named Rebecca, who was reading Jim Collins' bestseller, *Good to Great*, it is found that she had recently been promoted to a director position at a data analytics firm. In her previous role (manager), she felt confident, knew what she was doing, and the employees under her trusted her. However, in her new role, she described the feeling: "My head is swirling with everything I'm responsible for. Honestly, I've begun to significantly doubt my ability to do this job. I miss my old life when I was just a manager."

As a leader, you are responsible for yourself, your people, and your environment – and it is all a process that you learn to navigate when changing altitude. Like many other industry promotions, the change in altitude can be hard to navigate without context and guidance. When it comes to changing your attitude, use this mindset: you have to weather the storm, get out of the clouds, and gain a deeper understanding of growth and success in all that you do.

Part One: You

Know Thyself

The first step of creating a legacy of effective leadership – "know thyself." Self-awareness is a key factor in establishing great leadership characteristics within ourselves. By being self-aware, we are more objective and become more effective. Those with the highest levels of self-awareness are more capable of being creative and adapting to whatever gets thrown at them. As we gain confidence in ourselves, we are more likely to motivate and empower others – which is critical when flying at a higher management level.

The Seven Critical Characteristics of Leadership

If you want to get honest about yourself as a leader, you have to examine yourself to see if you are exhibiting the characteristics of a leader. You can assess yourself at any time during your journey, but at some point, you have to take a long hard look at yourself about your strengths and weaknesses. That is what the seven critical characteristics of leadership are – do you have them, or do you need to work to gain them?

1. Inspiring Engagement
2. Advocating for Experience
3. Planning and Implementing
4. Driving for Results
5. Leading Change and Innovation
6. Influencing Others
7. Practicing Teamwork and Collaboration

When you put all of these characteristics together, you get the ideal leader. You have to go through each of these and assign "strength" or "weakness" – only then will you know exactly which ones you need to work on to become a better leader.

The Importance of Feedback

One of the best ways to increase self-awareness is feedback. There are a few different ways to gain feedback, including the 360-Assessment tool. This assessment tool can help spotlight the areas for growth and give you a deeper understanding of the areas where you consistently excel. You can consider having anyone who works on projects with you complete an after-action report to let you know how you are doing or work with a specialized manager/coach who can guide you in the most efficient leadership ways.

Flying at Optimal Altitude

Changing altitude can result in downward and upward spirals. That is why self-care is of the utmost importance anytime you are changing altitudes. In fact, the recommendation is spreading about 60 minutes of self-care throughout your day. Try referencing The Powers of Full Engagement by Tony Schwartz and Jim Loehr, which offers four crucial areas for optimal performance.

These include:

1. Physical Wellbeing
2. Mental Wellbeing
3. Emotional Wellbeing
4. Spiritual Wellbeing

When these are addressed, you find yourself feeling more aligned, focused, connected, and energized. We believe that self-care strategies and important and share how it helps to remain level at any altitude.

Part Two: Your People

Form and Live Collective Values

Here we have the story of Jaclyn and Hussein – a Director of Marketing who befriended a single father, offered him a job, and the relationship turned into a romantic one. Hussein was soon the center of favoritism, which damaged the entire working relationship between Jaclyn and her team. The team soon lost respect for her and did not trust her as their leader.

The restoration process begins by implementing a team covenant – everyone would know what was expected from one another. This included Jaclyn. This "contract" brought about a "reset" for the team, as well as Jaclyn. Using the covenant you build with your team, you can change the entire dynamic. Even though leadership and team respect take work, Jaclyn worked hard and had restored a lot of her teams' confidence by the six-month mark. Having and forming collective values with your subordinates shows them how much they matter and that you are willing to earn their respect as a leader – even if you have some leadership skills to work on.

Communication

Communication goes beyond what you say; it also incorporates how you think. You might think you communicate something to an employee clearly, but their actions show that they got the wrong idea about what you were talking about. This miscommunication can happen because you were not incorporating how you think into your communication with that employee.

Your thinking forms how you interpret another person. You bring this interpretation to the conversation – which can shift how the conversation is interpreted by your employee. Do they get the vibe that you are interested in or that you find them incompetent? The way you listen only drives this point home. Are you actively listening to what they have to say, or does it look as if you would rather be anywhere else but there? You are setting the tone for the connections you make with your employees – this includes the body language you are putting out there. You want your employees to feel like it is safe to communicate with you as a boss.

Leading Change and Exerting Influence

Being a leader is more than just wielding the "leader" title. Leadership influences the behavior of those around you so that goals are accomplished and positive outcomes are realized. Effective leaders get people to go with them, not against them, when trying to achieve positive outcomes in the workplace. When projects get more complicated, it requires the use of different skills – skills that may not have been utilized in the past. As the leader, you need to be the one to drive this change and show (using influence) that these are for the better and not for the worse.

Empowering Others

True leadership requires you to utilize the strengths of others around you. The example that is used here is Shannon. Shannon was an exceptional worker, great in everything she did. When promoted, she still continued doing everyone else's jobs – rarely delegating tasks. On the rare occasion she would delegate tasks, she ridiculed her employees, letting them know that they did not do it the way she would have done it. As a result of her actions, her employees felt reigned in, distrusted, and devalued.

To be an effective leader, Shannon has to take a long look in the mirror – she isn't empowering those around her; instead, she is stripping them of their confidence. Effective leaders know how to empower those around them. While complicated to do, the consequences of not delegating and empowering employees to fulfill their roles can be devastating to the leader's mental, physical, and emotional health.

Part Three: Your Environment

Understanding The Environment

There is constant change in the world around us – but the recent influx of technological advances has sped up this process. Throw in a crisis with all this change occurring, and you are bound to end up feeling like you are flat on your face. Agility is the key for an effective leader to navigate the environment they are in. They read the cues brought to them by their environment and adapt to it, creating solutions that allow them to navigate the altitude they are soaring safely. Leaders must always anticipate the future if they want to stay ahead – effective leadership is about changing the present to correspond with what the future will throw at you. We've identified five steps to help our clients analyze their environment and identify their clear next steps:

1. What is going on in the environment?
2. What do we want the end state to look like?
3. Where do we act?
4. How do we act to achieve our desired state?
5. What are the resources we require?

When using these as a foundation to address change in your environment, effective leaders can form a strategy that works for everyone involved.

Conflict Management

Put simply – conflicts happen. Even as an effective leader, there is very little you can do to stop conflict from occurring. Conflicts don't always have to be fighting or strong disagreement; in fact, many times, it is only a difference of opinion or perspective. In most circumstances, when conflicts turn out badly, it is because the situation was handled poorly, to begin with. An effective leader doesn't pick a side, but rather listens to both sides of the conflict – essentially gaining an understanding of the problem.

Paradoxical Leadership

Here you find ten leadership paradoxes. A paradox is defined as the co-existence of two things that should not be able to co-exist logically. These are the ten we want to bring your attention as a leader:

1. The Stockdale Paradox – maintaining unwavering faith that you can (and will) prevail in the end regardless of the difficulties you face
2. Quinn's Competing Values Framework – Do things fast and do them right.
3. Collins' Level Five Leadership – Balance professional hunger with humility.
4. Be flexible and rigid.
5. Be soft and hard.
6. Hold on to your vision, but know when to change your mind.
7. Be engaging and reserved.
8. Be humble and confident.
9. Be decisive and discerning.
10. Be accommodating and directing.

The idea is that paradoxical leadership is not easy, nor should it be. Leaders who find the entire process easy are likely not doing it right.

Conclusion

We've sought to provide you with the essential tools you need to successfully change altitude. Every situation, every individual, and every organization is different. Without a framework and process to reference, leaders can find themselves flying blind. We hope that the tools and principles we have shared provide you with the means to be a more effective, profound, and capable leader. We hope these evidence-based strategies give you a richness to draw from and will serve as powerful upward drafts. Ultimately, we hope they will lead you to soar.

Dennis O'Neil has decades of applied leadership and teaching experience as an executive coach with leadershipForward, a professor of strategic leadership, and a trusted advisor to CEOs, public and non-profit boards, senior government and military officials, and multinational organizations.

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Choosing Change

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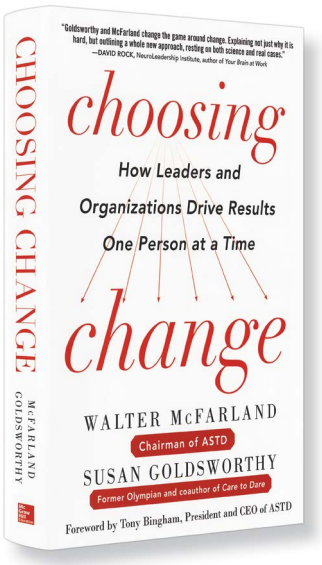
Leadership

Choosing Change

How Leaders and Organizations Drive Results One Person at a Time



by Walter McFarland and Susan Goldsworthy

THE SUMMARY IN BRIEF

If there's one certainty in business today, it's this: Change is coming your way. You have no choice in the matter. The choice you do have is either to embrace it or bury your head in the sand.

In *Choosing Change*, ASTD Chairman Walter McFarland and leadership executive coach Susan Goldsworthy offer a proven new model for not just facing inevitable change but leveraging it as a tool for long-term success. The first step is personal: You must decide that you are going to change; only then can you lead change. From there, the authors present the tactics and strategies you need to compete today.

Organized into two thematic sections, *Choosing Change* takes you step-by-step through the authors' dynamic model for leading any company to success. Part I explains how to apply the newest research findings in psychology, neuroscience and executive development to implement change in yourself. Part II focuses on organizational theory, management and organizational learning, showing you how to integrate change into your organizational DNA.

If you want to survive and flourish in today's business world, you must be prepared to adapt to changing marketplace circumstances. Sudden changes in markets, society and the economy have ruined industry-leading companies overnight — because they weren't change-focused.

Don't be one of them. Lead yourself and your organization to the top — and stay there — by *Choosing Change*.

IN THIS SUMMARY, YOU WILL LEARN:

- The Five Ds of the successful change process: Disruption, Desire, Discipline, Determination and Development.
- How to apply key findings from the field of neuroscience to maximize the success of any revolutionary change effort.
- How to implement a successful revolutionary change in yourself and in your organization.

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THE COMPLETE SUMMARY: **CHOOSING CHANGE**

by Walter McFarland and Susan Goldsworthy

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Introduction: The Choice of Choosing Change

Change is a natural part of life, so why is change so hard for people and organizations? We believe the reason lies in the fundamental approach to change taken by both individuals and organizations. In today's business world, change readiness occurs only at the moment of revolutionary change, when the threat is great and the fear is building.

We propose a different model — one that sees change as part of daily practice. And it starts with you. Why? If you want to lead others to change, you need to first be open to change yourself. So the change we're discussing is triggered by the leadership of oneself *and* an organization; it leads to putting new approaches and processes in place to achieve a goal, or growth of some sort, that has consequences and implications for everyone involved.

We use a framework called the Five Ds to compare the key elements to be aware of during both individual and organizational change.

- **Disruption:** This relates to an event or experience that triggers a conscious choice to change. The disruption creates an awareness of something that might require attention and creates a case for change.
- **Desire:** What exactly does the person or organization want to achieve; does it believe in the possibility, and how serious is it about making the change happen?
- **Discipline:** Applying those small, consistent and frequent steps required to build the momentum that delivers sustainable change. Discipline is essential in order to manage the many demands of life and to keep pressure on the processes of change.
- **Determination:** Having the resilience to focus and deliver even when faced with setbacks. Determination is a necessary requirement because any major program of change will create resistance and will have setbacks.
- **Development:** Continuous improvement, feedback and ongoing learning for the individual and for the organization.

Neuroscience and Change

An important part of implementing change is understanding how your brain works. The brain is focused on survival. For most of human history, the brain saw survival as *physical* survival — life and death. Recent research indicates that in modern times, the brain also sees survival as *social* survival.

From long experience, the brain has learned that even minor changes in the environment can mean the difference between life and death. For this reason, the brain views environmental changes with profound suspicion. Change often triggers responses in the brain similar to those triggered by physical pain.

The brain has evolved specialized systems to quickly detect and react to changes in its environment. Key ones include

- **Working memory:** This is the brain's initial holding area for new perceptions and ideas, and is associated

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Amanda Langen**, Graphic Designer; **Corbin Collins**, Contributing Editor

with the prefrontal cortex. The challenge is that working memory is quite limited — we can't process very much information at any one time. Because change efforts require a greater use of working memory, they can overwhelm it, causing physical discomfort and reducing the brain's capacity for learning, creativity and adaptability.

- **Long-term memory:** This is held in the brain's basal ganglia, which doesn't tire like the prefrontal cortex. We use this region for physical habits and activities we can do without thinking. Change requires the difficult work of changing habits — something the basal ganglia actively resist.
- **Error detection:** The brain's focus on survival causes it to continuously scan the environment (up to five times per second) for "errors"— unexpected changes in the environment. Change efforts can generate error signals, which can trigger a fear response.
- **Fear response:** This is the brain's fight, flight or freeze reaction to perceived danger. Once triggered, it is the most extreme resistance to change possible.

Change efforts can threaten multiple systems in the brain (many of which are not conscious), eliciting behaviors to avoid and/or actively resist the change effort. This is why it is vital to apply knowledge of how our brains work in focusing on change at both the individual and organizational levels.

Part I: The Change-Focused Leader

Disruption: What Conscious Choice Will You Make?

Before we choose to initiate a change, our thinking needs to be disrupted in some way, usually by an external event. The essence of a disruption that enables change lies in asking yourself the question, "Can I afford to ignore this?" Controlled change requires a conscious choice triggered by an external event that gains your attention; one that makes you reflect, stop and think; one that disrupts your normal course of thinking or action.

Brain research shows that for every move you make, you have 0.2 seconds in which you can actively, consciously intervene in the process and choose a different response. But it takes considerable energy and attention to leverage that 0.2-second choice point. If you do not have an awareness of your choice point, your habitual response will play out like a prerecorded program. So, it becomes vital for you to catch yourself in the process of making a habitual response so that you can exercise your choice point.

Habits have a three-step loop: cue, routine and reward. The cue is the trigger that tells the brain to go into automatic mode and follow a particular habit. The routine can be physical, mental or emotional. The reward helps your brain work out whether the routine is worth remembering in the future. Unless you deliberately fight a habit or replace it by finding new routines, the pattern will unfold automatically.

You must become attuned to how you are feeling and how your body is responding. Catch your cues — notice them and write them down. The more aware you can become, the more you are able to exercise your choice point at the opportune moment, and the more you are then able to change your behavior.

Desire: What Do You Really Want to Change?

Desire is the bridge between your dream and your reality. After disruption has occurred — whether it is a crisis moment in your personal life or your professional performance — you may experience an awareness that perhaps you could do something differently. The disruption shakes you, but you still have the ability to retreat back into the safety of a comfort zone. This is why the second step, desire, is so important. The essence of the desire for change lies in asking yourself, "Do I really want to apply the focus necessary to make a change or not?" If the desire is not there, then any energy expended is likely to be a waste of time.

To adapt to and drive your role in making your desired change, you need to see the difference between a "wish," which indicates a certain lack of empowerment or engagement with the goal, and a "want," which is driven by a deep consciousness of your needs and goals. A want more closely aligns your head with the desires of your heart in a way that resonates with you. The desire then translates into a belief that its achievement is possible.

Understanding Your Beliefs

Your identification of your wants — the sustainable goals that will carry you through a major change initiative — can be strengthened by doing an inventory of the beliefs you have about yourself. Consider the following questions:

- **Core belief:** If all else failed and you lost everything that is dear to you, what one truth do you believe to be true about yourself?

- **Secure bases:** Who are the people who can both support and challenge you and who have your best interests at heart? How are you engaging your secure bases in pursuing your goal?
- **Empowering beliefs:** What are your strengths — the things you know you are good at?
- **Limiting beliefs:** What are the negative things you believe about yourself — the things embodied in your critical self-talk?
- **Personal statement:** Write a sentence in the present tense about the person you want to be when you've achieved your goal.
- **Vision:** What is your desire, your goal? And what are the key actions and timelines associated with it?

Taming Your Inner Critic

To complete the process of defining and owning your desire for change, you'll need to confront your inner critic, that mental voice that raises doubts about your ability to achieve your goal by reminding you how you have failed in the past or how unlikely it is that you will succeed.

Identifying the voice of your inner critic, naming the emotion, and then separating and isolating the thought that comes from the critic is a way of managing negative thinking. By labeling your negative emotions in a few words, ideally using symbolic language, you can actually reduce the intensity of those emotions.

Using visualization is another way to tame your inner critic. Visualization is the process of creating a mental picture of what you want to achieve. It works best when you use as many of the senses as possible. The more you repeat it, the more you can train your mind and body to perform in the way you have imagined.

Your Goals Need STAMINA

To increase your chances of success, it is important that you frame your desire and make sure that your goal has STAMINA — that is, specific, time-stamped, achievable, measurable, inspiring, narratable and actionable. Your goal needs to be specific and as descriptive and detailed as possible. You need to be clear about the time frame within which you want to achieve the goal. It must be achievable — it can certainly be a stretch goal, but it should also be feasible. You need to make it measurable, meaning that you know the stages and milestones along the way. It has to be inspiring; it is important that you gain energy just by thinking about your goal. Make it narratable: What is the story that you can tell yourself and others in relation to the goal? It must be actionable. Ask yourself every day, "What can I do today to work on my goal?"

Discipline: What Are Your Small Steps to Big Success?

Our desire may be clear, but applying the necessary discipline takes energy, focus and considerable effort. Many of us start an initiative but stop when we find it too difficult to sustain the effort. Discipline involves habitual behavior, developing willpower, looking after your mind and body, and practicing mindfulness.

When change is involved, the essence of discipline lies in asking yourself the question, "What can I commit to do on a daily basis to achieve my goals?"

Taking Small Steps to Success

Learning the discipline required to make change work for you is first about taking small steps. Every day, you have the opportunity to do something that brings you closer to your goal. These small steps build day after day, week after week, month after month, until they become habits. Developing momentum is a critical aspect of successful change at both the individual and the organizational levels. Every small win that you achieve builds up your confidence that greater goals are reachable.

If you train yourself to implement different routines, you will see a gradual and sustained change result. When you repeat something over and over, you can potentially replace an old habit with a new one. The more you can create rituals that make your actions into routines, the greater your chance of success. Turn those things that you do every, day no matter what, into nonnegotiable actions.

The Discipline of a Healthy Body and a Healthy Mind

Diet, exercise and sleep are the three key practices that deliver immediate improvement in the performance of your brain, thereby helping you to have more discipline during any type of change. To perform at your best, you need to be disciplined in these three basic areas.

Leaders who wish to develop in the area of discipline and in other areas linked to self-awareness are strongly encouraged to consider mindfulness. Mindfulness is defined as awareness of one's present thoughts, emotions and actions. "Here and now" awareness contributes to mindfulness by liberating mental energy and allowing you to pay heed to your immediate experience in the moment when it happens. Mindfulness is a proven way of reducing stress and providing significant benefits.

Determination: How Can You Embrace the Setbacks?

Setbacks will happen, and when they do, you need to have *determination*, defined as "firmness of purpose; resoluteness." The essence of determination lies in asking yourself, "How will I deal with setbacks and failure?" Rejection is part of the game — you need to view it as feedback and learn not to take it personally.

Resilience, the ability to recover quickly from change or misfortune, is an essential ingredient of determination. It is about accepting the reality, learning from it, and moving on from the setback. Working to improve your own resilience involves gaining awareness of where you are today, intervening in your daily routines and habits to make a change, and getting the necessary support from others.

Managing Transitions

Change is about dealing with transitions successfully. Transition is all about letting go of somebody or something and entering a period where we allow confusion and potential chaos to be before preparing to let something new or different come in the future. The mantra of "let go, let be and let come," is most helpful in dealing with transition difficulties. When you let go of an old habit or an old way of thinking, you create space and release energy for something new to come.

Development: How Will You Keep Growing and Who Will Help You?

The essence of development for change lies in asking, "How can I continually learn and grow?" Adopting a mindset of continuous improvement is the best way to maximize your potential for continuous success.

There are several thinking skills and behaviors you must develop if you are to strengthen this frame of mind and apply it to leadership and to life. These include knowing when to go back and practice the basics and knowing how to let go of perfectionism, maintain humility, align intention with impact, give and receive nonthreatening feedback, and seek out secure bases that challenge you and hold you accountable.

For people who have been successful in one field, it can be difficult to let go, go back to the beginning, and become successful in a different walk of life. However, if they apply the learning that made them successful the first time around, are willing to go back to basics and can work with the Five Ds, they can enjoy success again.

When you pursue a life of continuous learning and development, you open up to opportunities and never quite know where the path may take you.

The learning person demonstrates self-knowledge, self-acceptance, self-respect, autonomy, and the seeking of both solitude and company. With self-knowledge, you are able to assess your own abilities, aptitudes and motives realistically. With self-acceptance, you are able to affirm the essential validity of your own being or reality and recognize and acknowledge your own feelings and reactions. With self-respect, you are able to think well of yourself regardless of your particular achievements or possessions, and you feel adequate, lovable, acceptable and worthy. With autonomy, you are able to accept your own need for others, but you are also emotionally independent, believing that you have the emotional resources needed to handle life's opportunities and crises. Finally, when you seek both solitude and company, you are willing to spend time alone and also with others.

Having Secure Bases to Support You

You cannot see yourself as others do. We all have blind spots, and we require feedback from others to become aware of them, particularly during major change events, when the pressure is greater. Secure bases can tell you things you may not want to hear, but because of the strength of the bond between you, you will listen to them and even act upon their advice, no matter how reluctant you are. Find secure bases who can support, stretch and challenge you in the achievement of your goals.

Part II: The Change-Focused Organization

Disruption: Balancing Challenge and Opportunity

The ways in which organizations experience disruptions are both similar to and different from the ways in which people experience them. Organizations experience disruption differently because of the intensity of 21st century competition. Organizations in many industries are experiencing more competitive disruptions and view these as real threats to their survival.

A disruption can elicit great performance improvements in both people and organizations. The disorienting effects of disruption can trigger the deep reflection and changes in perspective that are required for leaps in learning and performance. To lead change in yourself, you must choose

to *act* on a disruption — to use it for personal growth. To lead change in your organization, the choice is not *whether* you will act on a disruption, but *how.* Your first step is to quickly and effectively reframe the competitive disruption as the opportunity it can become.

Competitive Disruption and Revolutionary Change

Competitive disruptions are periodic occurrences that are unexpected and so significant that they threaten the very existence of the organization. Because competitive disruptions threaten survival, organizations take them seriously and often respond with large-scale change efforts that we refer to as revolutionary change. The goal of the revolutionary change effort is to quickly and effectively address performance gaps and make the organization more competitive.

The initial steps of leading revolutionary change are about refocusing your organization away from the fear and uncertainty of competitive disruption to the opportunities it always brings by taking fast and considered action. Here are some recommendations.

- **Create a guiding philosophy:** The guiding philosophy, a sort of "core values" for organizational change, works best when it is created by the senior executive team in close collaboration with the workforce. Build an organization-wide consensus on what great organizational change is and how it is implemented. The guiding philosophy should inform every decision in managing revolutionary change.
- **Establish a change leadership council:** Quickly creating a high-level management structure to lead and oversee the change effort is a critical first step. The change leadership council defines the nature and scope of the change effort and sets goals that are in line with organizational strategy.
- **Formulate a change strategy:** A great change strategy is brief, clear and inspirational. It helps build desire for the revolutionary change by increasing organization-wide understanding of the change effort, why it is important, and how it will unfold. Formulating the change strategy is a great opportunity to involve the workforce.
- **Initiate communication:** Executives we interviewed underscored the importance of great communications in the early stages of change, when anxiety and confusion are highest. Communications should begin as soon as possible, focus on informing and integrating the change effort, and be frequent, detailed and personal.

Desire: Building Motivation to Change

Making deep changes in yourself requires transforming a wish into a more powerful "want." You must choose to build in yourself a desire that is strong enough and sustainable enough to fuel real change. At the organizational level, your ability to build a strong and sustainable desire is also essential if you are to achieve real change.

Building the Desire for Change

We recommend three actions for building strong desire in your team and your workforce during revolutionary change:

1. Shape the environment during change: Your actions can help your team and workforce reframe the change effort from something to avoid to something to approach. Model appropriate behavior. No matter what happens, stay calm, focused and positive. Provide insight and context to help your team members interpret change-related events positively as they occur.

2. Develop people during change: When you focus on developing your people, every part of the change effort gets easier: Your team members handle the disruption better; they contribute more; and they find it easier to build and sustain the desire for change. Involve people immediately; train them to be proactive and adaptable; make development personal; celebrate success and reward performance, and focus on a higher purpose.

3. Create an organization-wide communications strategy: Make it transparent and objective; it should inform, enable, integrate and celebrate the change effort. It should not attempt to coerce or persuade. The strategy should be comprehensive, consistent and inclusive and should use every means available to ensure that every person in the organization is reached. Align the communications strategy with the change strategy. Ideas should be shared and openly recognized.

Your ability to actively shape the organizational environment makes revolutionary change less threatening to the brain. This enables improved thinking and builds a desire for change.

Discipline: Coordinating Energy, Focus and Effort

Achieving discipline for organizations requires you to coordinate the energy, focus and effort of many people over time. Without discipline, revolutionary change efforts fail to sustain the desire necessary for true organizational

change. When this happens, the organization, like the individual, reverts to a former familiar state, and change fails.

One reason for the inability of modern organizations to sustain desire is the continued and/or unexpected resistance of stakeholders. Another is the arrival of new high-priority problems that divert attention and resources. A third reason is poor management of the change effort. Building the management structures that are needed to develop and sustain discipline is about experimentation, persistence and insight. You must ensure that you have the right balance between control and flexibility to achieve lasting change.

Building and Sustaining Discipline

We recommend taking the following actions to create a great management structure for revolutionary change:

- **Establish a change implementation team:** This team is created by the executive change leadership council and reports to the council. The team has two primary purposes: creating the change implementation plan and using it to guide the day-to-day implementation of the change effort. The team coordinates and integrates all change-related activities across the organization.
- **Create a change implementation plan:** The plan has an overriding purpose: to provide the organization with a clear road map for the change effort. It has at least five benefits: it focuses attention on the change effort, builds understanding and clarity, builds participation and collaboration across the organization, improves performance, and balances control and flexibility.
- **Build a cadre of change leaders:** Perhaps the most important consideration in leading successful change is building a cadre of change leaders that is optimized for your organization. Great leaders enable an organization to perform change efforts better, faster and with fewer resources. Change leaders quickly reframe disruption as opportunity, build and sustain the desire for change, provide additional discipline and determination, and actively enhance the development of people, teams and the organization.

Great change leaders are proven business executives. They understand the organization, including its core business and operating model. Successful executives understand the organization's culture and how to navigate successfully within it. They have developed important relationships and trust across the organization. Great change leaders balance the technical, political and developmental aspects of leading change. They also shape the organizational environment during change and create a balance between control and flexibility.

Identifying and Integrating a Change Leadership Competency

It is the job of your organization to define a change leadership competency tailored to meet its own vision of great organizational change. The following steps provide a general guideline for formally identifying an organization-specific competency for leading change and integrating it into the overall leadership model:

- **Work with HR to define a new, organization-specific competency for leading change:** A small team of HR professionals can define this competency, ensure that it is valid, reliable and defensible, and create a development program in two or three months. The new competency should be defined for every leadership level.
- **Integrate the new competency into your organization's overall leadership model:** This means integrating the new competency "leading change" into your organization's overall definition of leadership. Adding the leadership of change to the model tells everyone that this is a priority. It says that leading change isn't something special or separate but is an integral part of leadership in your organization.
- **Identify development actions, and integrate them into your overall leadership development program:** Everyone who's seeking advancement in the leadership ranks should be required to have development and experience in leading change.
- **Modify the performance management system so that leaders are formally assessed on their performance in leading change:** Make their performance in this area a factor in their advancement. A leader's performance in organizational change efforts should inform decisions on compensation and advancement. In this way, the importance of leading great change becomes increasingly understood. Over time, these actions help to embed the leadership of change into your organization's culture.

Determination: Coping with Setbacks

Setbacks are so common during organizational change that we have invented a "best practice" when consulting on large-scale change efforts. Before the change effort begins, we advise our clients to prepare themselves in two ways:

- Build the change intervention in a way that anticipates setbacks and plans for them in advance.

- Understand that no matter how good your advance planning is, you will experience setbacks.

Expect setbacks, and commit to the determination to push through them. Your goal is not merely to push through setbacks but to recognize and exploit the opportunities that they provide.

The Nature of Setbacks

Two types of setbacks are *typical setbacks* and *derailers*. Both are important, but the approaches for managing them are quite different. *Typical setbacks* are routine occurrences that affect the performance of change efforts. By *routine*, we mean things that often occur during change efforts and therefore can be anticipated. Examples include

- **Reduced priority of the change effort over time:** New business issues and other distractions begin to challenge the effort for priority. When the priority of a revolutionary change effort begins to fall, the effort is in jeopardy, and you must act.
- **Loss of vision:** The organization loses sight of its vision for the change effort over time. If the reason for enduring discomfort is lost, reverting to old behavior is an easy way for the brain to stop the discomfort. Successful change demands that the vision stay strong over time.
- **Senior leadership conflict and/or "stonewalling":** One manifestation of this occurs when leaders become defensive and/or try to minimize the effect of the change effort on their business unit or function. This often occurs when insufficient effort was invested in building senior leadership consensus and/or when the CEO and the top management team are not directly engaged in the change effort.
- **Inconsistent and/or ineffective change leadership:** Some change leaders foster high levels of performance and collaboration, but others foster the opposite effects. It makes great sense to build a cadre of change leaders before change is necessary.

We define *derailers* as unexpected occurrences that threaten the success of revolutionary change efforts. Derailers arise from the growing complexity of the competitive environment: increasing globalization, unprecedented competition, more or different stakeholders, economic uncertainty, energy constraints, resource scarcity and political instability.

Managing derailers in a volatile, uncertain, complex and ambiguous environment is a difficult task for any organization. Even so, two things will help: improving your organization's ability to "sense" its competitive environment and creating an internal environment in your organization that is optimized for continuous change.

Managing setbacks effectively involves reducing or eliminating their adverse effects and exploiting the opportunities they provide. We recommend four actions: anticipate typical setbacks, improve environmental sensing, continually optimize the organizational environment, and manage your determination.

Development: Learning Continuously About Change

Change leaders must embrace and focus on coordinating the development of individuals, teams and the organization as an integrated system. The primary goal of this system is to develop the ability to constantly carry out organizational change better.

Developing your organization's ability to continuously improve organizational change is about learning. Enabling learning in individuals, teams and the whole organization is the key role for you as a change leader. Three actions are important in accomplishing this:

- **Enable learning in people:** Act as a coach and a mentor, providing important context and perspective. Your focus is on creating an environment that is conducive to learning about change.
- **Enable learning in teams:** Act as a facilitator, focusing on drawing out and using the best thinking of teams.
- **Enable organization-wide learning:** Act as an integrator, focusing on building the structures and processes needed to share and use learning across the organization.

Our recommendations complement two of the foundational competencies of a change-focused organization: *develop people constantly, and ensure organization-wide learning.* Without learning, there is no sustainable change.

Your role as a change leader can accelerate the learning of people, teams and your whole organization on how to constantly perform organizational change better.

RECOMMENDED READING LIST

If you liked *Choosing Change*, you'll also like:

1. ***Practically Radical by William Taylor.*** Taylor offers a handbook for successful transformation and a valuable tutorial that can help leaders effectively implement their change agendas.

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· Book 119 of 388 ·

Coaching A to Z

Haesun Moon

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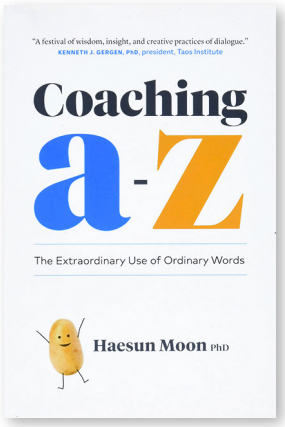
Coaching A to Z

The Extraordinary Use of Ordinary Words



by **Haesun Moon**

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THE SUMMARY IN BRIEF

Do you remember having a really good conversation? What made it so good? Some people just seem so naturally gifted in conversations; they make you feel understood, appreciated, or perhaps encouraged and valued. What stories do you live with? What stories frequently make your mind their abode? What occupies your heart-space? Habits of our heart give ears to the stories that enter our lives, and habits of our mind give voice to the stories we echo. Sometimes these stories hurt, sometimes they heal. These questions launched Haesun Moon's decade-long quest as a communication scientist to research how coaching conversations work.

Based on the thousands of hours of research that earned Moon a doctorate degree, she describes in her book, ***Coaching A to Z,*** how storying together may begin with simply using our ordinary words in extraordinary ways. It could be as easy as ABC! is the exuberant hope behind this book—that you will begin conversing with yourself and others differently as a result.

IN THIS SUMMARY, YOU WILL LEARN:

- Good questions invite stories.
- Getting to "why" can motivate "how."
- Care undergirds cure.
- Coaching conversations reveal hope.

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A to E

Already

At the heart of every coaching conversation resides an inquiry about what people want. The role of a good coach, guide, and listener in any dialogue is not to cheerlead the conversation partners with you're-almost-there messages, but to invite them to remember what they're already doing to move in that direction.

Becoming

As you sit with others in conversation, how do you respond to their hopes and dreams? As they share their preferred ways of doing their life, do your assumptions get in the way of believing that they are already well on their way? As they dream themselves into existence, in what ways do you witness and acknowledge their becoming? This "radical acceptance" of believing in the other's becoming is not just for professional coaches; it's the very glue that mends and bonds relations.

Care

Coaching involves curating stories of purpose, possibilities, and progress. "Curate" comes from the Latin noun cura, meaning care. What you are curious about will orient your conversation partner's attention accordingly. With coaching, you are inviting them on a quest to discover what they care about and what makes their heart sing.

Difference

When you listen to people daydream, what if you believe their daydreams? Based on what your conversation partner says they want to be different, you can follow the trail by asking more about the very difference those small differences might make. For example: "Suppose your family somehow changed. What difference would that make for you?" "Suppose you made a different choice. What might that do for you?" You might be surprised to see how quickly people get to what they truly care about, just by your listening differently.

Else

Many people search for the one right answer: parents second-guessing their parenting choices, leaders doubting their decisions, people searching for meaningful work. What do you say to someone looking for an answer to be either right or wrong? These curiosities invite various perspectives. "What else tells you that you're moving in the right direction?" "Who else knows and appreciates your heart for people?" "When else have you felt it?"

F to J

First

A manager might ask an employee, "What are the first few things that will signal your relationship with your team member is getting better?" A teacher might ask a student, "What could be the first sign that you're getting better at this subject?" A health-care professional might ask a patient, "What was, or what will be, the first sign of your healing?" When you ask about first things, it's like pulling the initial thread to unravel a tapestry.

Good

People often want to do more and be better. Parents want to do more for their children. Managers want their teams to produce results. Ask: "On a scale of ten to one, where ten is I feel that I am at my best in that area and one is the opposite, where would you say you are today?" "Where would be a good enough point on that scale for you within the next four to six weeks?" "What is different when you are at that "good enough" point?"

Hope

The pursuit of happiness is a popular topic. People say they'd be happier if they became richer, smarter, healthier, taller, thinner, older, or younger. Coaching provides a "language of hope." This implies an intentional and attentional choice to craft hope where happiness may or may not fit. Words carry certain impressions of the past and create new impressions as we use them.

Instead

There's always more to a story. Do you know someone who complains a lot? They find endless topics to grumble about. When this person is a family member or friend, we often tune out. If you listen closely to people telling you what's the matter, you'll find what matters to them standing right in the middle of their stories. Then ask, "So, what do you want instead of that?"

Just

People who come for coaching want to see something improve. A manager wants to build a positive culture. A parent wants to raise a happy family. A couple wants to set healthy boundaries. "How does that show up?" "Where does that begin?" The manager says it shows up when people say good morning to each other at the start of their workday. The parent says it shows up when the family is

present for dinner together. The couple says it shows up when they spend their together-time not talking about work stress. Just like that. When we follow the trail of people's hopes and dreams, we arrive at tiny signposts.

K to O

Know

Learn another's way of knowing. My mechanic's way of knowing my car might not be the same as my mother's way of knowing my heart. Unless you ask, you don't know the other person's logic for life. Listening more intentionally for what people care about makes it easier to discover their preferences and resources.

Look

How many times have we unknowingly participated in creating and perpetuating biases? When you change another person's words by adding your own, you actively shape their world. When you hear what others say, consider that as an invitation to inquire about what they mean in their world, not as permission to impose meaning from yours. Ask, "When you say that word, what does that mean to you?"

Might

People often mistake that immediate topic as the destination and start problem-solving toward it. Take that topic as another departure point on people's way to their desired direction and start building from it. Try asking questions like, "Suppose you show up at work with that peace?" instead of, "How will you get that peace?" Ask, "Suppose you walk into that interview with confidence?" instead of, "How will you gain that confidence?" Once your conversation partner supposes their preferred future, you can invite them to imagine "What might happen next?"

Notice

When you witness small-but-not-insignificant details that are working well, you become primed to notice differently. You learn to stand by, attending to the progress of others, rather than assessing them constantly. Try this as you go about your day and, after a week, take stock of what changed for the better. What do you notice now that you didn't notice before?

Opposite

To help clients visualize their progress, use a scale from ten to one. One young student described ten as her friendships deepening with two other students at her new school. At ten, they'd eat lunch together on the bench outside. A teacher described his ten as feeling confident on his first day of teaching high school, smiling and making eye contact with the students. With the scale, asking people to describe their life at ten in vivid detail, you are inviting them to perform their preferred future in their imagination.

P to T

Possible

Imagining what's possible motivates or mortifies us. Our dreams and dreads are often an expression of what we truly care about. A dream of winning a lottery was an expression of Jacob's wish for dignity. Andy, a university student, dreaded an exam because of what failure might mean to their dream. The most useful stance that you can take in your presence with others is tuning in at the frequency that amplifies their dreams.

Question

Our questions are loaded with assumptions. Within each question you ask is an embedded quest of your own curiosity. No wonder some questions feel more like an intrusion than an invitation! Observe what you are asking and what you are asking for in your conversations with others. How does the way you frame the question influence the course of the conversation?

Recent

Ivory wanted to reconcile with her brother. She wanted to be able to joke around like they used to. When invited to remember when she had seen this happening, Ivory recalled a family barbeque when they'd had fun together, playing Jenga with their nieces. In bits and pieces, people remember experiences they'd like to have more of. As you invite them to re-author a new story with those bits and pieces, you witness how they turn them into a preferred new story like turning a kaleidoscope. Their new story becomes a new way of making sense of their life.

Suppose

Behind every regret and fear lies a wish. The work is to hold on to that hint of hope, and to grow it bigger by paying attention to it, making the memory of a preferred future. Wishes show up so subtly, many times as an offshoot of a person's regrets and fears. The work is to attend to that delicate offshoot, so that it remains grafted and growing, as they

weave their resourceful past through their preferred future.

Toward

Coaching conversations, or conversations concerned with people making positive changes should begin with, "Where to?" But the tendency is to start with, "Where from?" Perhaps this happens because of the habit of asking, "What's wrong?" so that we can help others fix the problem.

All the Way to Z

Useful

When you sit with another in conversation listening into their past, you may hear difficulties, disappointments, or even disasters. Your next curiosity can be focused on how they coped with those experiences, what they learned from them, and how they are making the best use of them. You will witness something transforming right in front of your eyes.

Value

Story-listening is a highly evocative activity for both the narrator and the listener. As you sit with the other, what you listen to evokes values. There are stories about why they want something different to begin with (purpose), how they'd rather have it (preference), what may become available as a result (possibilities), and what's already working in that direction (progress).

Wonder

In coaching conversations, you are called simply to witness and wonder how another person does their living—their logic for life. Your own logic, the way you understand and organize your world, may get in the way of inquiring about theirs. If you don't try to understand their logic, your advice is, at best, a far-fetched suggestion or an irrelevant opinion.

X on a Scale

Remember the ten-to-one scale? Ask, "On a scale of ten to one, where ten is good enough and one is the opposite, where do you think you are at right now?" Draw the scale with a marker or use masking tape on the floor. Ask them to mark X with a marker or walk toward that spot on their scale. The choice is theirs, any number between one and ten. What follows is my choice of curiosity.

Yet

Conversations can position your conversation partner to be their own witnesses. People can watch their own arrival at their preferred destinations. The word "yet" creates room for anticipation. "What are some of your examples of what is yet to come?" "What have you always wanted to learn that you have not learned yet?"

Zero

You may have heard of the term "ground zero." It can be defined as the center of intense change that reminds us of what happened, what used to be, and what could have been. Often it becomes the origin of our regrets and fears, even anger. But it doesn't end there. Ground zero also calls for us to remember, remind, and rebuild beyond what was lost into multiple possibilities.

Haesun Moon is widely recognized as a leading expert and educator in evidence-based coaching and the use of language in transforming workplace dialogues. As a researcher and faculty member of The Institute of Coaching at McLean, Harvard Medical School Affiliate, she has developed coaching models and approaches that have been embraced the world over. Haesun lives in Toronto, Ontario, where she teaches at the University of Toronto and serves as Executive Director at the Canadian Centre for Brief Coaching.

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Coaching for Breakthrough Success

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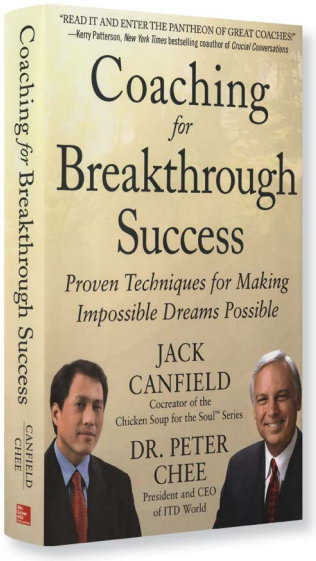
Coaching for Breakthrough Success

Proven Techniques for Making Impossible Dreams Possible



by Jack Canfield
and Dr. Peter Chee

THE SUMMARY IN BRIEF

"At the heart of a great coach is a firm belief that each person is a uniquely valuable individual with distinct giftedness and potential for greatness."

That's the premise behind this brilliant, empowering guide from Jack Canfield, coauthor of the 125 million-copy-selling Chicken Soup for the Soul series, and legendary global leadership development guru and CEO Dr. Peter Chee. Combining time-tested principles of exemplary coaches with the latest disruptive techniques used by the world's top performing leaders, this step-by-step playbook shows you how to nurture — in yourself and others — the three essential requirements of coaching excellence: heart, mind and energy.

Coaching for Breakthrough Success is packed with stirring personal stories, life-changing case studies, crucial coaching conversations, exemplary coaching questions and ready-to-use tools that equip you to achieve professional mastery in coaching.

This practical manual guides you through the top 30 principles every coach needs to succeed. You'll learn the six paradigms of Situational Coaching, the ultimate power of Achievers Coaching Techniques, and the tried-and-true secret to making impossible dreams possible.

IN THIS SUMMARY, YOU WILL LEARN:

- How the Coaching Principles (TCP), representing the Heart of a coach, unveil the secret to life-impacting values, beliefs and philosophies that permeate all aspects of great coaching.
- How the Situational Coaching Model (SCM), representing the Mind of a coach, unleashes the genius of a coach to apply the right combination of crucial paradigms in any given coaching challenge.
- How the Achievers Coaching Techniques (ACT), representing the Energy of a coach, can equip you with proven methods that enable you to deliver breakthrough results in coaching.

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THE COMPLETE SUMMARY: **COACHING FOR BREAKTHROUGH SUCCESS**

by Jack Canfield and Dr. Peter Chee

The authors: Jack Canfield is known as America's #1 Success Coach. He is the author or coauthor of more than 200 books, including the 125 million-copy-selling Chicken Soup for the Soul series with Mark Victor Hansen, *The Success Principles, Maximum Confidence, Tapping Into Ultimate Success* and *The Power of Focus*. He holds the Guinness World Record for the most books on the *New York Times* Best Seller List, with 60 bestsellers and 11 books that went to number one.

Dr. Peter Chee is the president and CEO of ITD World, with more than 26 years of experience in training and developing leaders from over 80 countries. He is the Chief Mentor Coach and master trainer of Jack Canfield and John Maxwell programs, the coinventor of the Situational Coaching Model (SCM), coauthor of *The Twelve Disciplines of Leadership Excellence* with Brian Tracy, and the coauthor of *Becoming an Effective Mentoring Leader* with Dr. William Rothwell.

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Introduction

Coaching, in a nutshell, is an empowering process of drawing out solutions from people through effective listening, asking great questions, using feedback, appreciating, and continuously supporting people to take ownership and be accountable for taking action to realize their goals. The heart of a coach, the mind of a coach and the energy of a coach build upon each other and work together to produce the best results in coaching that empower people to achieve breakthrough success and to make their impossible dreams possible.

PART I: The Coaching Principles (TCP): The Heart of a Coach

The Coaching Principles (TCP) symbolized by the heart of the coach model form a solid foundation for life, impacting values, beliefs and philosophies that permeate successful coaching relationships.

The Coaching Spirit: Principles 1-7

Developing a great coaching spirit entails believing in human potential, adding value to others, bringing out the best in people, thriving on challenges, and taking opportunities to develop oneself, not just to coach others.

In order to be a highly effective coach, you need to make believing in people, yourself and your mission one of your top priorities. When you have strong faith and belief in the potential of the people you coach, it lifts their talent and inspires them. When you believe in your own potential as a great coach, you lift your own talent and motivation. When the people whom you coach believe in your potential, it lifts their talent and motivation to be coached. The more you believe in people's potential, the more reason they will give you to believe in them.

Adding Value to Others

Great coaches understand that fulfillment comes from adding value to others. Coaches add value to people by helping them to find satisfaction in (1) achieving goals, (2) overcoming problems, (3) learning and developing, (4) installing new beliefs and habits, and (5) experiencing fulfillment in their work and lives by uplifting others. Positive emotions of true fulfillment tend to come most strongly as a result of hard work and sacrifice in the service of an end that is bigger than yourself.

One way to add value is to bring out the best in people and let them lead. A coach uses effective listening and asks the right questions to draw out solutions that lie within his or her clients. Let people lead themselves and make their own decisions, rather than providing the answers. When you stop wanting to control people, you begin to

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empower them to take responsibility for their choices and actions. Empowerment means people have the freedom to decide and to act. It also means they are accountable for the results. Coaching is about helping people realize their *own* inner wisdom and release the talent and strengths that lie within them.

Use positive influence to energize people so that they collaborate with you because they want to, not because they have to. Some strategies for using relational influence to lead, rather than positional authority, include establishing a caring and trusting relationship with the client and championing their agenda; being a good listener, showing interest and asking great questions; providing useful feedback and suggestions; providing continuous support and encouragement, acknowledging progress and showing appreciation; and helping them discover and focus on their talent and strength. Coaches must guide people to find their *own* solutions.

Thrive on Challenges

When you coach, you will inevitably come face to face with adversity. To thrive on the many coaching challenges that pop up, you need to approach coaching with the right attitude. Every problem is an opportunity to learn and rise higher. Don't take things personally, and don't let problems drag you down. Take a flexible approach. Each situation you face as a coach is unique and cannot be treated with a formula solution.

Also remember that the lack of challenge is never good for a coaching relationship. Coaches need to ensure that their assignments pose strong enough challenges to the client so as to stretch them to grow.

And as clients grow, so do coaches. Before we coach, we learn, we prepare and we reflect on how we can be an effective coach. During the coaching session, we gain hands-on experience and practice coaching skills and techniques. After coaching, we reflect on what transpired and what went well, what didn't, and how we can do better next time. This cycle of learning returns over and over again. Growing others and growing ourselves goes hand in hand.

You yourself must receive coaching so you can be a shining example of the power of coaching. *The greatest enemy of learning is thinking that you already know.* It keeps you from seeking new information and expanding. When pride sets in, people think they already know it all; they close their minds to new ideas and valuable feedback and are not willing to admit their mistakes. Such people do not make very effective coaches. The best way to master coaching is to observe how good coaching is done, to practice good coaching, and to constantly gain experience from being coached by a good coach.

Relationship and Trust: Principles 8-10

Principles 8-10 form the foundation upon which coaching conversations are built: maintaining authentic rapport and humor, touching hearts with care and sincerity, and practicing integrity and building trust.

Maintain Authentic Rapport and Humor

The coach and the client need to relate well, feel comfortable with one another's presence and find common ground. The first step in developing this kind of relationship is building rapport. A well-developed sense of humor can generate hope and optimism, improve overall mood states, and ignite joy and laughter. But you must be sincere and acting in the best interest of the client, not driven by self-interest. If people understand your true intention is to connect with them and laugh with them, this will reduce their tension, help them relax, and allow them to come up with better and more creative solutions.

To engage people and influence them, we must touch their hearts. When we care, we feel an authentic desire for goodwill and happiness for another person, a genuine concern for their well-being, and a true feeling of sincerity, openness and understanding. Although you may be nodding in agreement with what the client is saying or asking a question to clarify his understanding, a client can still sense whether these actions are something mechanical and contrived or something sincere and from the heart. Leave your agenda at the door, and focus on the client's agenda and growth.

Practice Integrity and Build Trust

Integrity is the inner sense of "wholeness" deriving from qualities such as truthfulness and consistency of character, actions, principles and values. Men and women who are imbued with integrity stand for something, make and keep commitments to themselves and others and remain open. They "walk the talk" — their actions are consistent with their words. Time and again, this may require courage and conviction. The power of integrity in coaching is the result of a relationship that is transparent. When we practice this kind of communication with our client, we become a role model for them to do the same. Trust is a relationship of reliance: the coach relies on the client, and the client relies on the coach.

Asking Questions and Curiosity: Principles 11-15

The principles focused on curiosity and asking the right types of questions can help to ignite the coaching spirit, empower clients and create buy-in.

Curiosity nurtures your innate drive to explore and discover better ways of being and acting that lead to more desirable outcomes in your coaching sessions. As a coach, acknowledge that you do not have all the answers the client is seeking. You are expected to ask great questions and be an effective listener to draw out the answers that lie within the person you are coaching. But if you're not really interested, your listening will lack depth and the questions you ask will be superficial. As you ask better questions and listen more deeply, you help people find more ingenious solutions. Your authentic curiosity helps to spark *their* innate curiosity.

Ask Questions that Empower and Create Buy-In

By asking the right questions, you can establish a strong sense of empowerment and buy-in with the people you coach. Questions that empower raise your clients' self-esteem by demonstrating your confidence in their capability and potential. When the questions you ask reflect your interest about their strengths and their passions, their achievements, and the reasons that drive them to succeed, you begin to draw the best from them. This is what truly empowers them.

When people feel a sense of ownership for the solutions and action steps that arise from the coaching conversation, they become more motivated to take those actions. If they seem reluctant to commit to action steps and target dates, ask more questions that generate empowerment and buy-in. When you ask people for their views on things that really matter to them, you are sending them an empowering message that says they are capable of coming up with great ideas and that you have faith in their ability to do that.

Some coaches try to follow the question-asking mode without realizing they are still giving people advice and indirectly instructing their clients, albeit in the form of a question. Advice-oriented questions are usually disempowering for people. Instead of trying to solve your clients' problem in your mind and formulating an advice-oriented question, leave it to the people you coach to find their *own* answers. Have faith in them and ask effective coaching questions with a curious mind. When you find yourself wanting to give unsolicited advice, check your own motives and emotions.

Powerful Questions Release Solutions

To ask powerful questions, you have to be curious and courageous on the client's behalf. The art of asking powerful questions comes from knowing the right direction to take them, having the right intentions, using the right questions and asking them in the right way, asking them about the right person and asking at the right time. Questions you need to ask others and yourself are

1. "Where are we going?"
2. "Why do we need to ask the question?"
3. "What type of question and what do we ask about?"
4. "Which question do we ask?"
5. "How should we ask?"
6. "Who should we ask?"
7. "When do we ask?"

A question is powerful when it is simple, easy-to-understand, and cuts directly to the heart of the issue. Some common mistakes include asking misplaced, distracted, repetitive, disruptive, meandering and mismatched questions. With lots of practice over time, you will know better how to ask great questions that evoke self-discovery and release creative and effective solutions.

Listening and Intuition: Principles 16-20

In the workplace, telling others what to do is the command-and-control style of management. On the surface, it seems efficient. Telling is a direct and, at times, fast way to get things done; however, *telling results in compliance rather than commitment from others*.

Too much telling and not enough listening can also short-circuit your effectiveness as a coach. Coaching is not about telling people what to do or providing simple answers or solutions to their questions or problems. Instead, coaching uses the Socratic method of helping people discover the answers for themselves. The assumption of coaching is that clients know best, even if they don't know they know it. Let them do most of the thinking and find their own solutions.

Listening and Its Importance

Listening is an intellectual and emotional act. Effective listening is an active rather than a passive activity. The key to effective listening is to turn off the focus on ourselves and place it on the other person. We need to listen more and talk less. That is the attitude and the practice that is required of a good coach and leader.

Listening positively lessens arguments, reduces stress and shows others that we care. When someone cares enough to listen to what we have to say, we feel appreciated and important. When people do not listen to us, we feel ignored, misunderstood, alone and insignificant.

In order to listen to someone, you have to be present. Being present with someone means being on his agenda, available to interact with him, able to let him know you understand his situation, challenges, resistance and fears. For coach and client to hold one another mutually accountable in a coaching session, the coach must be present not just physically but mentally and emotionally. Your mind cannot be somewhere else. Remove distractions from the environment, and turn off your inner dialogue. Take time before each conversation to relax and clear your mind of any other issues not pertaining to the coaching, and get ready to fully focus.

Avoid Jumping to Premature Conclusions, and Be Impartial

Jumping to premature conclusions means to judge or decide something without having all the facts, to reach unwarranted conclusions. When we listen to our client and think we already know the outcome, our interest is affected. We may find ourselves selectively listening only to the things we want to in order to back up and confirm our assumptions. How do we avoid doing this? The first step is to become aware when we are jumping to premature conclusions. It is better to clarify than to assume. Find out more information that is relevant to the situation before saying or doing anything.

When the coach becomes an impartial and nonjudgmental third-party observer, the perspective he can offer is clear and unobstructed. The coach should resist the temptation to judge the client's actions. One way to do this is to listen with empathy. Empathy is the ability to put one's self in another person's position. To empathize with another person does not mean agreeing or disagreeing. It is trying to see things from the other person's point of view. People know when we have truly and empathically listened. Clients are the experts on their own lives. It is not your place to judge your client or their actions.

Listen Deeply; Use Observation

When you ask great questions, you are able to draw out a lot of valuable data from your client. When that happens, you need to use deep listening, observation and intuition to make sense of crucial information, carry on asking great questions, and use your curiosity until your client discovers new insight. We call this the "Crucial Conversational Process."

Deep listening means listening to understand what the client is really saying, then being able to identify what is really important to them. Good coaches listen for what is significant. For example, you listen for underlying thought patterns, habits, critical incidents, competencies, strengths, weaknesses, beliefs and values.

Observation is the process of filtering sensory information through the thought process. The coach observes the gesture, tone, hesitation, choice of words, body language, motion, innuendo and tactics in listening to what people are saying. The coach listens not only with his ears but with his eyes and other senses to collect information. The coach gets a sense of what is going on, what is said and what is not said, and uses that to ask further without judging or jumping to any conclusion.

As coaches we need to practice and hone our ability to observe, to notice even subtle clues to what might be happening inside our clients' heads.

Feedback and Awareness: Principles 21-22

Feedback on whether the client is "on course" or "off course" based on his objectives is extremely valuable. Feedback, followed by a question, helps the client find his own solution. After the feedback is given, allow the client to address it, rather than giving a lot of suggestions. When a client asks for feedback and needs it, you can share your honest reaction with them. When the client doesn't ask for feedback but he needs it, you should find the best way and time to give it. Great coaches know when to seize a teachable moment to give feedback in the form of a statement followed by a question.

When people are not aware of what is limiting their progress and happiness, they are oblivious to what needs to change; when they are in a state of denial, they will *resist* change. An effective coach works with her clients to create awareness and acceptance so that they embrace and initiate change willingly without needing to be coerced. When you help your clients know themselves better, it also helps them better manage their thoughts, emotions and behavior.

Suggestions and Simplification: Principles 23-24

There are times when your well-intended suggestions may not turn out to be suitable or helpful to the client. Instead of giving advice, after getting consent, offer sug-

gestions. Leave it to the client to consider what he would like to do about it. The act of getting consent shows respect and a belief in the capability of the people you coach. Coaching prioritizes buy-in and motivation over giving people the right solution.

When we simplify, we get the most important things done on time. We experience clarity of thought and happy, stress-free living. One of the very important roles of the coach is to help people see through the fog that makes it hard for them to see things objectively. In coaching, it's about getting to the core of the issue, the gist of the discussion that is most important, the critical actions to be taken, and the end result that the client is looking for.

Goals and Action Plans: Principles 25-27

One of your key roles as a coach is to take people through an effective goal-setting process while letting them decide on the goals they are motivated to pursue. *You are not responsible for setting their goals.* Your role is to support them in clarifying their real needs and desires.

Help your clients to create goals that are specific and measurable, with a clear timeline for completion. The goals should be achievable and yet challenging enough, and they should enable the client to grow and develop in the process of working toward them.

Once the overall goals of the person you are coaching have been clearly identified, work to help them identify the main strategies they will employ to meet the goals. Follow this by identifying more specific action steps and tactics for each strategy. Breaking a goal down into the action steps that need to be taken helps people clarify the things that need to be done. Without a plan of action, the coaching relationship would lack direction and accountability. Develop action steps gradually. Constantly review and update plans as needed.

Keep Score of Goals and Action Steps

In the process of coaching, we need to help our clients create and use a scorecard. This will serve as a guide to show how close or far they are from accomplishing their goal, what steps are to be taken and what has been accomplished. Reviewing and visualizing past accomplishments as victories gives a boost to a client's self-esteem and motivation. When people do better than expected or are on target, celebrate with them, and challenge them to see if they want to aim even higher. When their scorecard shows that they have fallen short of their target, review their goals and action steps with them, and focus on helping them find their own solutions.

Accountability and Accomplishments: Principles 28-30

Sometimes when people begin to take action toward realizing their goals and objectives, they realize that the amount of effort and sacrifice to get what they want is much more than they had anticipated. Coaching enables people to sustain change and achieve more because it offers a support system that keeps the client motivated and on track. Help your clients come up with their own support structures rather than telling them what to do. Forms of support structures can include follow-up emails, phone calls, written progress reports, using planners to schedule tasks and reminders, and celebrating the completion of tasks that mark milestones with family, friends and coworkers.

Accountability Drives Accomplishments

People who have been well coached become responsible and committed to execute what they've agreed to and capable of accomplishing much more than previously. Constant follow-up by the coach and an accountability partner helps ensure people are kept on track. Getting regular progress reports from your client keeps them responsible and serious about getting things done. Keep an updated list of goals and action steps from your client, and ask them to review and update it with you on a consistent basis.

A great coach never misses the opportunity to appreciate people for giving good answers to the coaching questions, for making progress, and for their efforts to improve and learn. You don't have to wait until people accomplish their entire goal to acknowledge them. Do it sincerely and often as people make notable advancement in improving themselves and completing their tasks. Be a cheerleader and a huge fan of your clients' successes. Reinforce their achievements in a way that they might not do for themselves.

PART II: Situational Coaching Model (SCM): The Mind of a Coach

While the Coaching Principles (TCP) develop the heart of a coach, the Situational Coaching Model (SCM) pertains to the *mind of a coach*. It consists of six crucial paradigms that a coach can use in a flexible manner to navigate a coaching conversation, shifting smoothly from

one paradigm to another so as to best meet the needs of the client and the situation.

- **Goals Paradigm: Where are you going? What have you accomplished?** The Goals Paradigm ensures motivation, clarity and focus on goals so as to enable your client to achieve their desired results. When you shift into this paradigm, you focus your conversation on your client's goals: what they want out of a particular coaching conversation and what they want from the coaching relationship as a whole. You ask questions designed to get the client to clearly articulate their dreams and goals. In subsequent conversations, you must shift into this paradigm to review your client's goals and the progress he has made from the last conversation.
- **Exploration Paradigm: How are you going to get there? What else do you need to consider?** People need help from coaches to engage in creative and "big picture" thinking to capture a wider range of good and innovative ideas that can enable them to achieve better results in a shorter time. Allow the people you coach to explore different perspectives and viewpoints and work out the implications of their goals and actions. Be very open to stimulate out-of-the-box thinking and maximum creativity from your client. Ask for outrageous and disruptive ideas; it is often from here that the most innovative ideas emerge.
- **Analysis Paradigm: Where are you now? What is the best way of getting there?** After exploring ideas and options and listening for what is significant, identify the ones that are most important to your clients and would produce the best outcomes for them. You need to work with your client on selecting the best ideas and then more thoroughly evaluating those. Identify their current status so as to be firmly grounded in the reality of where the client is versus where he or she wants to be.
- **Releasing Paradigm: How do you feel? How can you feel better?** Remember: *Coaching is not about fixing people*. It's about helping them help themselves. In this paradigm, you focus on being present, listening, caring and understanding. You ask questions to get the client to articulate her feelings and emotions related to issues she is facing. This allows her to talk about and release any psychological pain that has been building up. You are lightening her burden and uplifting her spirits.
- **Decision Paradigm: Which path are you taking?** In this paradigm, you work with your clients so that they can make the best decision for execution. If they are ready, then move forward with them. If your clients are not ready to decide, you need to ask more questions to find out why. Shift to another paradigm as necessary, and come back to this paradigm when appropriate.
- **Action Paradigm: What action steps do you need to take? By when?** Asking questions to get your client to come up with action plans — specific steps, priorities and a timeline to establish accountability and a commitment for action — is the focus of this paradigm. The coach should not coerce a client to come up with action steps when the client isn't really ready to do so. When this is the case, shift to the other appropriate paradigms depending on the situation, and then come back to this paradigm.

The Situational Coaching Model (SCM) is designed to be flexible enough to be effectively applied to any coaching challenge. Even though there seems to be a logical sequence to the flow of the six paradigms of situational coaching, coaching conversations are more complex than many people realize. No one best configuration fits all coaching conversations. Effective coaches know how to navigate through a coaching conversation by shifting smoothly from one paradigm to another.

Practice the Rule of 5

Ron Scolastico, a wonderful teacher, once told us, "If you would go every day to a very large tree and take five swings at it with a very sharp axe, eventually, no matter how large the tree, it would have to come down." How very simple and how very true! Out of that we developed what we call the Rule of 5. This simply means that every day, we do five specific things that will move our goal toward completion. Ask questions to assist your clients to come up with the five most important things that they would like to focus on daily to realize their dreams. Then find ways to motivate them to put that into action. Help them stay accountable to establish a habit of disciplined execution.

PART III: Achievers Coaching Techniques (ACT): The Energy of a Coach

The Achievers Coaching Techniques (ACT) are symbolized by the *energy of a coach*, which resonates within eight key themes that will facilitate your effectiveness as a coach.

- **Taking Full Responsibility for Results:** If people don't like their outcomes, they need to change their responses. People have control over three main things

in their lives — the thoughts they think, the images they visualize, and the actions they take (their behavior). How they use these three things determines the outcomes they will experience. Use the coaching process to empower people to want to change. Then support them in order to make the change happen.

- **Building Self-Esteem and Removing Roadblocks:** Acknowledging successes in the past will give you the self-confidence that you can have more such victories in the future. By writing down your successes each day or week, you log them into your long-term memory. This enhances your self-esteem and builds your self-confidence. You can learn how to identify those beliefs that are limiting you and then replace them with positive ones that support your success.
- **Clarifying Your Life Purpose and Vision:** When people are clear about their purpose of being in this world, their life takes on a higher meaning. The process of discovering your life purpose means identifying your talents and strengths, then figuring out the best ways you can use them to add value and serve your family, community and the world. Keep your clients accountable for doing the things that are important in their life that for some reason they keep procrastinating.
- **Setting Effective Goals:** Start by making an "I Want" list. After choosing the goals, take the goal-setting process further by making sure their goals are effectively set. Use the SMARTEST mnemonic criteria: goals that are **S**pecific, **M**easurable, **A**ttainable, **R**elevant, **T**ime-bound, **E**ngaging, **S**atisfying and **T**eam-based. Set what we call a "breakthrough goal" that would represent a quantum leap for the client and his career.
- **Visualizing and Affirming Desired Outcomes:** Focus on thinking, talking and writing about the reality you want to create. Flood your subconscious with thoughts and images of this new reality. Think of all your goals as already complete. For example, an affirmation describes a goal in its completed state: "I am celebrating feeling light and alive at my perfect body weight of 125 pounds." When you visualize your goals as already complete for at least 30 days in a row, it creates a conflict in your subconscious mind between what you are visualizing and what you are currently experiencing. Your subconscious mind tries to resolve that conflict by turning your current reality into the new, more exciting vision.
- **Planning for Action and Taking Massive Action:** When you accomplish your toughest task early in the day, it sets the tone. It creates momentum and builds your confidence. Another valuable technique for creating an action plan for the goals is the mind-mapping process. It starts with a central theme, then branches out to encompass ideas, notes, images, tasks. Using mind maps can help identify and understand the structure of the client's goal and the way pieces of information fit together to form the action plan.
- **Using Feedback, Learning and Perseverance to Your Advantage:** Most people don't ask for corrective feedback because they are afraid of what they are going to hear. But once you know the truth, you can do something about it. When you study the feedback you get, you'll start to see a series of patterns. Make a list, and next to each item, write an action step you can take to get back on course.
- **Using the Law of Attraction and Celebrating Success:** The essence of applying the Law of Attraction is to think, imagine, feel, act and focus on what you want, and attract more of that into your life. The universe responds to whatever energy you are creating and gives you more of the same. Rewards are also important. A big part of creating more success in your life is rewarding yourself when you succeed. You don't feel complete until you've been acknowledged.

Coaching works best by focusing people on the positive emotional attractors of goals and dreams rather than on negative emotional attractors such as correcting what is wrong in people. Effective coaching takes place in the domain of achievement, not in the domain of therapy. The people whom you coach need to reconnect with their most heartfelt dreams and passions and align their daily actions with them. Coaching is the ultimate self-development and growth experience. It's about expanding people's capacity to produce extraordinary results and to make their impossible dreams possible.

RECOMMENDED READING LIST

If you liked *Coaching for Breakthrough Success*, you'll also like:

1. ***You Already Know How to Be Great by Rebecca R. Merrill and Alan Fine.*** Fine reveals his simple and proven approach to achieving breakthrough performance through an amazing process called G.R.O.W. (Goal, Reality, Options, Way Forward).

2. ***The Next Level by Scott Eblin.*** For every rising executive, Eblin's practical coaching — interwoven with frank mentoring advice from top executives — is invaluable in achieving success at the next level.

3. ***The Coaching Manager by Joseph R. Weintraub and James M. Hunt.*** Weintraub and Hunt's model encourages employees to take greater responsibility for their learning and development while forging a healthy relationship between manager and employee.

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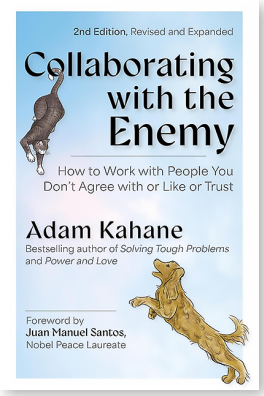
Collaborating with the Enemy

Adam Kahane

Executive Book Summaries®

Collaborating with the Enemy

How to Work with People You Don't Agree with or Like or Trust



by **Adam Kahane**

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THE SUMMARY IN BRIEF

Collaborating with the Enemy examines the increasing necessity and difficulty of collaborating with people whose perspectives, interests, or behaviors conflict with one's own, particularly in complex and polarized environments. It identifies the central problem as the widespread tendency to "enemyfy" others—casting them as adversaries and thereby narrowing the possibilities for joint action—while traditional collaboration models depend on alignment, trust, and shared goals that are often absent. Adam Kahane argues that effective collaboration under these conditions requires a shift in mindset and practice.

He introduces "stretch collaboration" as a disciplined approach that accepts disagreement, uncertainty, and partial alignment as starting points rather than obstacles. Drawing on extensive facilitation experience, the book presents collaboration as a practice of engaging across difference through three core movements: embracing both conflict and connection among participants, experimenting through action instead of relying on predetermined plans, and assuming responsibility for one's own role in shared situations.

By framing collaboration as an emergent, participatory process shaped by tension and interdependence, it outlines how collective action can proceed in conditions of persistent disagreement and limited control.

IN THIS EXECUTIVE BOOK SUMMARY

- Distinguish collaboration from forcing, adapting, and exiting
- Reframe enemies as collaborators within a pragmatic gray area of relationships
- Integrate love, power, and justice to balance unity and self-interest goals
- Apply stretch collaboration by embracing conflict and experimenting iteratively

Introduction

Most of us find it difficult to work with people we do not agree with or like or trust, so we do not. Instead, we try to work apart from or against them—to avoid or defeat them. Sometimes these alternative approaches work, but often they do not (at least not for long), or they come at a high cost.

We wrestle with this tough challenge of collaborating across difference in all spheres and at all scales: with family members, colleagues, and neighbors; in business, politics, and community affairs; and in cities, countries, and international contexts. How can we deal with this challenge?

Collaborating with "Enemies"

The *Concise Oxford Dictionary* defines an enemy as "a person who hates one and eagerly seeks one's defeat; member of hostile army or nation; hostile force or ship or aircraft; thing that harms or injures." Although this definition refers to the actions others are taking at a certain moment (they are *acting* as enemies), we often, problematically, conflate this with their permanent identities (they *are* enemies).

Usually, we do not want to work with people we think are enemies because we believe doing so would be difficult, dangerous, or wrong. Instead, we want to work away from, around, or against them. But sometimes we need to work with them, even if we do not want to, either in spite of what they are doing or to find a way to stop them from doing these things. In many such cases, we can collaborate with them if we choose to and know how.

The Enemyfying Syndrome

Enemyfying—viewing the people we are dealing with as our enemies—paints with a broad brush, making enemies of:

- those who are seriously harming or injuring us
- those we do not agree with or like or trust
- those we feel threatened by
- those we are in conflict with
- those we differ with or from
- those we are uncomfortable with

The problem with enemyfying is that we label lots of people as enemies and thereby conclude that we cannot collaborate with them and must instead avoid or defeat them. It simplistically sorts people into friends and enemies, black and white, and thereby overlooks the larger, more complex gray area. It narrows our options, reduces what we can get done, and impedes us from getting where we want to go.

Rather than generalizing, we need to choose, carefully and consciously, whom we will view and treat as enemies.

How on Earth Can We Work Together?

Collaborating across difference is becoming increasingly necessary because people, ideas, goods, money, movements, data, technologies, weapons, pollutants, and pathogens keep flowing across organizational and geographic borders, despite our on-and-off efforts to limit these flows.

Collaborating across difference is also becoming increasingly difficult. We always have differences and conflicts among us, which are sometimes violent and destructive and sometimes creative and productive. But these days, many people are more vocal about their opinions and identities and less willing to tolerate and engage with those who are different from themselves.

As a result of all of these trends, we are experiencing a pandemic of enemyfying and thereby creating a world of separation and violence.

Two Ways to Address the Challenge

Collaborating across difference is neither easy nor impossible. It is not straightforward, and it does not always work, but it is often necessary, possible, and productive. Crucially, however, it requires us to dial down our enemyfying and find ways to live and work patiently with our differences.

There are two realistic and complementary ways to narrow the gap between the collaborating we need and the collaborating we are willing and able to do:

1. **Conventional collaboration**: we limit the scope of our collaboration so that it matches our current willingness and ability to collaborate.
2. **Stretch collaboration**: we expand our willingness and ability to collaborate so that it meets our need to collaborate.

Each approach works in different contexts. In any given situation, we need to choose which to use or how to combine them.

Stretching to Collaborate Across Difference

We become more able to work with conflict and complexity and across larger domains by stretching in three dimensions:

1. **Engaging with our collaborators**: stretching away from focusing only on the collective goals and harmony of our collaboration, toward embracing both conflict and connection among us.

> Enemyfying narrows our options, reduces what we can get done, and impedes us from getting where we want to go.

2. **Engaging with our context**: stretching away from insisting on clear, sequential agreements about the problem, solution, and plan, and who will do what, toward experimenting with different hypotheses and options.
3. **Engaging with ourselves**: stretching away from only taking directions from others and giving directions to others, toward taking responsibility for our own role.

To collaborate across difference, we need to stretch in all three of these dimensions: in conventional collaboration, we make limited stretches, and in stretch collaboration, we make extended ones. This approach is challenging because it requires us to do the opposite of what feels obvious and natural in working together.

These shifts enable us to move away from enemyfying others whom we differ with and from, toward living and working alongside them.

CHAPTER 1

When to Collaborate

The first and most basic thing we have to understand about collaboration is that we do not have to do it; it is a choice. Sometimes we think or sense that we need to collaborate, that it is our best option, and at other times that another way forward would be better.

Collaborating and Its Three Alternatives

Our potential collaborators are not neatly divided into black and white; they exist in many shades of gray, so we have more potential collaborators than we might think. We may make this decision rationally or intuitively, but in any case, we need a clear understanding of the opportunities and risks of each option.

Collaborating

We try collaborating when we want to change the situation we are in and believe we can do so effectively only by working with others. But collaborating is not a panacea: it risks producing too little too slowly, leading us to compromise too much, or even co-opting us and causing us to betray what matters most.

Forcing

We try forcing when we think that we ought to change our situation and may be able to without working with others. We think that we, alone or together with our colleagues and friends, know best what needs to be done, and can impose this on others, regardless of what they want.

Adapting

We try adapting when we think we cannot change or escape our situation and need to find a way to live with it as it is. Adapting may require intelligence, ingenuity, and courage, but we do this within our existing context. We therefore focus on doing the best we can, ignoring, avoiding, or fitting into what is happening around us.

Exiting

We try exiting when we think we cannot change our situation and are no longer willing to live with it. We can exit with fear, determination, or dignity by quitting our job, divorcing our spouse, severing trade ties, emigrating, going off the grid, or tuning out. Sometimes exiting is easy, but often it requires us to make significant sacrifices.

Choosing When to Collaborate

Most of us use these four options at different times in different situations. Forcing, adapting, and exiting are more straightforward than collaborating because, with the former, we decide and act by ourselves, whereas with the latter, we decide and act together with others. Some people enjoy or are more comfortable with collaboration and reach for it as their first choice; others find it frustrating and try it only when they think none of the other options are workable.

None of these options is necessarily stable or permanent, so we need to move among them as our situation changes. Because they involve different orientations and mindsets, moving among them requires stretching. We need to learn to choose skillfully and fluidly among these options:

- based on power
- reactively
- with others
- based on preferences
- based on ability

CHAPTER 2

With Whom to Collaborate

It is impossible to collaborate with everybody, so choosing to collaborate includes choosing whom to do it with. Enemyfying frames this choice in black and white, dividing people into those we can collaborate with and those we cannot. We therefore need to choose pragmatically whom to work with, whom to work without or apart from, and whom to work against.

A World in Black and White

These days, as always, war produces enemyfying, and enemyfying produces war: a front line dividing friends from enemies. Yet I have observed this same black-and-white perspective spreading into every kind of conflict, not only in actual wars. In many places I have been over the past few years, I have noticed increasingly ferocious enmity against others—political and geopolitical opponents; people of other races, religions, and genders; and foreigners and outsiders.

The Gray Area

Enemyfying treats many people we do not agree with or like or trust, who are different from us or who differ with us, as enemies. We enemyfy in all spheres and at all scales.

I am not saying we must collaborate with everyone we consider an enemy. What I *am* saying is that there is not a simple, principled, fixed line between those with whom we must collaborate and those with whom we must not. We must choose, pragmatically, whom to collaborate with in each particular situation.

Navigating the Gray Area

To make choices and advance in the gray area, we must first clarify its boundaries. We cannot get much done entirely by ourselves, or by only ordering others around (forcing) or taking orders from others (adapting), so we need to collaborate with some people on some things.

And we cannot collaborate with everybody on everything. Within this broad gray area, replete with the opportunities and risks created by diversity, difference, disagreement, complexity, contradiction, and conflict, we have many options as to whom we can work with, many more than simply with friends and against enemies.

We collaborate with certain people in certain domains when we think we need to. And we do not collaborate with them when we think it would be better to force, adapt, or exit.

CHAPTER 3

How to Collaborate

Collaboration works through the integration of three universal and complementary drives: the drive to come together and unite, the drive to meet their own needs, and the drive to be in good relationship with one another. I call these three drives *love*, *power*, and *justice*.

Most of us are more comfortable with one or two of these drives, so we tend to favor and rely on them. But all three are required for collaboration to work.

Love: The Drive Towards the Unity of the Separated

I use the definition of love given by theologian Paul Tillich in his seminal 1954 book *Power, Love, and Justice*: "the drive towards the unity of the separated." This captures precisely what I have experienced—that collaboration involves participants yearning to unite themselves, and the parts of the system they represent, into larger wholes.

Love in this sense is the drive to make whole what has become or appears fragmented. It arises from the reality that all of us are parts of larger wholes and expresses itself as community and belonging.

Collaboration must work with love. Ignoring love means ignoring the reality that we are interdependent and need to work together to get things done. Denying or shying away from love and belonging produces estrangement and enemyfying. On the other hand, focusing only on love and unity, while ignoring power and justice, produces sentimentality and anemia—or worse, a cynical reproduction of the status quo.

Power: The Drive Toward Self-Realization

Tillich defined power as "the drive of everything living to realize itself, with increasing intensity and extensity." In this sense, power is the drive to achieve one's purpose: *power to*.

It is the power that "guerrilla gardeners" harness when they plant seeds in vacant city lots, relying on the drive of the seeds to realize themselves and thereby create green spaces. This definition differs from the common understanding of power as *power over*.

Collaboration, then, is driven by the participants' yearning not only to unite but also to realize themselves. Power arises from the reality that each of us is a whole in ourselves. It expresses itself as identity, purpose, ambition, and agency.

> Our potential collaborators are not black and white—they exist in many shades of gray.

Collaboration must work with power. Ignoring power means ignoring the obvious everyday reality of self-realization, self-centeredness, and self-interest. Denying or shying away from power and agency produces impotence and passivity.

Justice: The Structure That Enables Love and Power

Tillich defines justice as "the form in which the power of being activates itself . . . and through which love performs its work." This means that the power and love of collaborators (their drives to realize themselves and to unite) can be expressed only if they see the form or structure of the collaboration as fair and just. In the absence of justice, power and love cannot be balanced or reconciled.

Justice arises from the reality that we are all related. It expresses itself as solidarity and reciprocity: the Golden Rule of treating others as we would want to be treated.

CHAPTER 4

Conventional Collaboration

Conventional collaboration is the way most collaboration is done (although not always well or successfully) and the way most people think collaboration has to be done.

It addresses the challenge of collaborating across difference by limiting the scope of the collaboration to activities that are low in conflict and complexity, or can be made so, and by limiting the collaborators to those willing to prioritize the interests of the team over their own. It works in contexts where these limitations are feasible.

What Conventional Collaboration Looks Like

Conventional collaboration looks like well-executed teamwork, as practiced in many "teams," whether in robotics labs or families, on concert stages or sports fields, or in business, government, or nonprofit organizations. It functions like any group with clear limits and boundaries and a directive boss: an orchestra with a conductor, an operating room with a lead surgeon, a football team with a coach, a clan with a matriarch, a corporation with a CEO, or a nation with a ruler.

Conventional collaboration is, in many contexts, simply a familiar and reliable way of living and working together. Some of us find this way comfortable and obvious, and others find it confining and oppressive.

The Structure of Conventional Collaboration

The primary characteristic of conventional collaboration is that it is hierarchical, in that the team or organization as a whole is prioritized over its members: the collaborators are, sometimes eagerly and sometimes reluctantly, aligned with and subordinate to the collaboration.

It applies in both clear and complicated contexts where, for every technical problem, there is a best solution. It works in contexts that are, or can be made to be, low in conflict and complexity—in other words, relatively simple.

But beyond that limit of management or control, this approach does not work. We also cannot make it work beyond the limits of the organization or system that we manage or control.

CHAPTER 5

Stretch Collaboration

Stretch collaboration is not the conventional way to work together, so many people think it cannot accomplish much or is not even possible. But this is not so. It is possible, and it enables us to work together even in contexts with high conflict and/or high complexity. It is a valuable option that complements conventional collaboration and requires stretching beyond what is comfortable, thereby offering additional opportunities and risks.

The Structure of Stretch Collaboration

The primary characteristic of this approach is that it is horizontal: collaborators see themselves primarily as wholes in themselves and only secondarily as parts of the collaboration or subordinate to it. They work together without having a single directive boss; they each are or have their own boss. They understand themselves to be on different "teams," with their differences and disagreements out in the open and on the table for everyone involved.

Stretch collaboration is needed for alliances of independent organizations to work together. It is also needed within organizations that have cultures that emphasize the agency and equity of individual persons and teams and that de-emphasize hierarchy. Because this form of collaboration is looser than conventional collaboration, it enables us to work with a broader range of collaborators across and within organizations: not only "friends" we agree with and like and trust but also "enemies" we do not agree with or like or trust.

It abandons the assumption of control. It gives up nostalgic, unrealistic fantasies of harmony, certainty, and compliance and instead embraces the messy realities of discord, trial and error, and cocreation.

It is often cluttered and confused, so many people find it daunting. But it can be done and, in conflictual and complex contexts, is perhaps the only workable way to work together.

How to Make Stretch Collaboration Work

The operating manual for stretch collaboration, as for conventional collaboration, explains how to make choices that integrate love, power, and justice, but now in their "stretched" (more expansive, complex, and unstable) forms.

In practice, this means working differently across all three dimensions:

- **Working with love**: rather than expecting collaborators to fit into the collaboration, we nurture their sense of belonging within it.
- **Working with power**: rather than subordinating individuals to a hierarchical structure, we recognize each collaborator's autonomy and agency and organize horizontally.
- **Working with justice**: rather than focusing on security and fairness alone, we structure the collaboration for equity and reciprocity.

These more complex manifestations of love, power, and justice enable stretch collaboration to work in more conflictual and complex contexts than conventional collaboration and to include a broader range of collaborators, including those who do not agree with, like, or trust one another.

Where Stretch Collaboration Doesn't Work

When we are in a context we find dangerous or complicated, authority- and expert-led conventional collaboration can be a good option. Stretch collaboration requires us to stretch, but in some contexts with high conflict and/or high complexity, this can feel too risky.

When we think we have gone, or might be going, too far, we reverse and contract our collaboration and our collaborators to levels we consider workable. Within this smaller domain, we then employ either stretch or conventional collaboration; outside it, we force, adapt, or exit.

CHAPTER 6

The First Stretch: Embrace Conflict and Connection

The key challenge of collaborating is obvious but not easy: how to align the needs of each of the diverse collaborators with those of the others and of the collaboration as a whole. In practice, this means working with multiple "wholes," not a single unified team.

In conventional collaboration, this is more straightforward, because collaborators are expected to act as players on a single team, aligning and subordinating their own needs to those of the collaboration.

In stretch collaboration, achieving such alignment is more difficult, because collaborators see themselves as members of other, different teams and are not willing to subordinate themselves to the collaboration.

The first stretch—embracing both conflict and connection (that is, employing both asserting and engaging)—requires getting beneath the surface of the collaboration to expose and work with the different perspectives and interests of individual collaborators, in order to discover how to align these sufficiently to move forward together. The key to this is understanding that, in practice, there is no such thing as "the whole." Every social system consists of multiple wholes that are parts of larger wholes.

Alternating Power and Love, Enabled by Justice

When we collaborate, we exercise love and power alternately. First, we engage with others. As our engagement continues and intensifies, it can produce an uncomfortable feeling of fusing and capitulating, of having to subordinate or compromise what matters to us to maintain the engagement.

This discomfort is a signal that we need to shift to asserting or pushing for what matters to us. But as that asserting continues and intensifies, it can produce in us an impulse to block, push back, or resist. This reaction is a signal that we need to return to engaging.

The key to alternating between engaging and asserting is to

> We need to focus on deciding what we ourselves will do next.

know when to employ each so as to keep the cycle generative rather than degenerative.

The Challenge of Living Together

When we notice ourselves overemploying love, we need to employ power and live with the conflict that comes with it, which can feel uncomfortable. When we notice ourselves overemploying power, we need to employ love and live with the collectivism that comes with it, which can feel limiting.

In this context, justice is the structure or quality of our relationships that enables this fruitful alternation between love and power. Therefore, the first stretch requires us to employ all three drives together.

CHAPTER 7

The Second Stretch: Experiment a Way Forward

The second dimension of collaborating is engaging with our context—the problematic situation we are trying to address through our collaboration. Conventional collaboration does this in low-conflict, low-complexity contexts by agreeing on the problem, the best solution, the plan for implementing it, and who will do what.

But in contexts with high conflict and/or high complexity, we cannot agree in advance on solutions, both because we do not see eye to eye with our collaborators and because the results of our actions are unpredictable. The second stretch is to try out multiple options, one move at a time, to discover what actually works and enables us to advance.

Discovering the Path Along the Way

In stretch collaboration, we cannot know our route before we set out. We cannot predict or control it—we can only discover it along the way. Such learning by doing can be both exciting and unnerving. It requires trying things that might not work at first.

Participants in stretch collaborations often do not agree with or like or trust one another enough to be willing to commit to any plan of action other than one that is modest, short-term, and low risk. They participate voluntarily and provisionally, with no one having control over the others. As a result, they usually have the option of exiting. Collaborators do what they want to do, so attempts to force or cajole them into doing otherwise do not work.

Stretch collaboration therefore involves more than making a deal or an agreement. It is an ongoing and emergent process in which it is more important to act than to agree. What is crucial is to create conditions that enable collaborators to act freely and creatively across a portfolio of different experiments supported by different people, and in doing so create a path forward.

Emergent Strategy

Management professor Henry Mintzberg points out that there are two opposite ways to realize an objective:

1. **Deliberate strategy**: one that succeeds in realizing an intention
2. **Emergent strategy**: one that is realized despite or in the absence of an intention

He observes that in organizations, few managers can or do implement purely deliberate strategies.

In stretch collaboration, we advance through processes that are primarily emergent rather than deliberate. We realize emergent strategies through experimentation. We try out ideas we think might work and then learn from the results.

CHAPTER 8

The Third Stretch: Step into the Game

The third dimension of collaborating is engaging with ourselves. In conventional collaboration, we focus on doing our job and getting others to do theirs. This approach works in contexts with low conflict and low complexity, where we can be confident that we can influence others' actions and that these actions will produce the intended results.

But in contexts with high conflict and/or high complexity, where neither of these assumptions holds, we need to shift more of our focus onto what we ourselves are thinking, feeling, and doing. We need to examine how we are contributing

to things being the way they are and what we can do differently to help change them.

Enemyfying Is Focusing on Others

When we are faced with a challenging or stressful situation, we focus our attention first and foremost on what other people are doing, not doing, or ought to be doing. Our habitual thinking is that *they* need to change.

We blame and enemyfy others, both to defend and define ourselves. We are frightened of losing or being hurt, so we separate and shield ourselves by asserting that we are right and others are wrong.

The problem with enemyfying is that it distracts and unbalances us, which makes it harder to choose to collaborate with people we differ from and easier to choose to force, adapt, or exit. We cannot avoid others we find challenging, so we need to focus on deciding what we ourselves will do next.

Be a Pig Rather Than a Chicken

The essence of the third stretch is assuming responsibility for the role that we play in the situation we are trying to change and for what we need to do differently to change it.

This stretch is challenging because it requires us to take the risk of engaging fully in the situation and, in doing so, being changed or hurt by it. It requires us to be more open and vulnerable, and more willing to sacrifice some of what feels known, familiar, comfortable, and safe.

"In a ham omelet," the quip goes, "the chicken is involved, but the pig is committed." Stretch collaboration requires us to be pigs rather than merely chickens.

When we notice ourselves blaming or enemyfying others, we need to bring our attention back to what we are thinking, feeling, and doing, and what we need to do differently.

CONCLUSION

Choosing to Collaborate

The world we live in has few flat, clear, straight roads, so it is often difficult to find our way forward. It is made even more difficult by the fact that, to get where we want to go, we often need to work with people we do not agree with, like, or trust. We make it harder still by enemyfying these people—viewing them not simply as people we differ from or oppose but as enemies we must avoid or defeat.

When we dial down our enemyfying, we move from blaming others for what is happening toward acting with agency to change it. We move away from trying only to force things to be the way we want, regardless of what is going on around us, or to adapt to the forcing of others, or to exit—and toward trying to collaborate.

Choosing only to force or be forced is choosing to participate in creating a degenerate world of dog-eat-dog, tit-for-tat, and might-makes-right. Choosing to collaborate, with all the arduous and liberating stretching this demands, is choosing to participate in creating a generative world of flourishing.

The recurring theme is the need for us to shift the way we are in the world, away from reacting to what is happening with separation, hurriedness, arrogance, certainty, anger, and fear, toward responding with engagement, patience, humility, creativity, curiosity, and faith. To collaborate across difference, we must choose to abide.

Adam Kahane is a practitioner and author focused on helping people collaborate across differences to address complex challenges. He cofounded Reos Partners, a global social enterprise supporting leaders in government, business, and civil society. His work has contributed to initiatives in South Africa, Colombia, Mexico, the United States, Canada, Europe, India, and Thailand, addressing issues including democracy, health equity, and climate resilience. Kahane has written six bestselling books translated into more than twenty languages. A member of the Order of Canada, he has held fellowships at Oxford and other institutions. He lives in Montreal and Cape Town with his wife, Dorothy, four children, ten grandchildren, and a cat named Gata.

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Compassionate Capitalism

Marc Benioff and Karen Southwick

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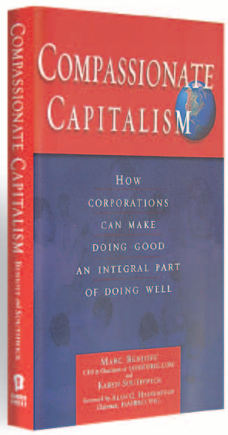

By Marc Benioff and Karen Southwick

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How Corporations Can Make Doing Good An Integral Part of Doing Well

COMPASSIONATE CAPITALISM

THE SUMMARY IN BRIEF

Businesses have much to contribute beyond dollars and equipment: They have their expertise, their leverage, and the enthusiasm of their employees. In Compassionate Capitalism, *Salesforce.com's CEO Marc Benioff and veteran journalist Karen Southwick describe a new model of philanthropy that is so ingrained into every fiber of a company's existence that it becomes integral to the company's culture and a part of what holds the corporation together. Benioff and Southwick explain that corporations that have service as a core value of their culture will see both intrinsic and external returns. To be able to give is simply part of being human, they write, and companies that provide philanthropic community service will find that it energizes employees and executives.*

Compassionate Capitalism *shows companies, large and small, how they can use all of their resources to help their communities and, in doing so, help themselves and their employees as well. By using real-life examples from dozens of corporations and nonprofits, including Hasbro, IBM and Levi Strauss, the authors show corporate leaders how they can dare to be great by integrating community service within their organizations. They also demonstrate that there is no need to wait to be philanthropic, and describe how many companies have reaped many benefits for themselves and their communities by incorporating service into their businesses.*

What You'll Learn In This Summary

- ✓ The best ways to establish a culture of philanthropy.
- ✓ How you can define your company's mission.
- ✓ Better ways to involve employees in your company's mission.
- ✓ Ways to sustain philanthropy in good times and bad times.
- ✓ How to expand your company's philanthropy globally.
- ✓ How to forge strong partnerships with nonprofits.

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Establish a Culture of Philanthropy

Hasbro is the maker of such famous toys and games as Mr. Potato Head, Tonka trucks, Monopoly and Scrabble. Chairman Alan Hassenfeld, who stepped down as CEO in mid-2003, is the third generation of his family to lead the 80-year-old company. As chairman, Hassenfeld continues to lead the company's philanthropic endeavors. Hasbro allows employees four hours a month of paid time off to do community service. When it hires senior managers, "we look at what they've done" in areas outside business, says Hassenfeld. "Has their own concern been only for profits, or has there been a sense of caring?"

Hasbro's primary philanthropic mission, both through its charitable trust and its foundation, is to make the world a better place for children. "It's always been kids, because that's where our success as a company has come from," says Hassenfeld. "This is our payback. We're so close to the needs and plight of children that we have to be a force in improving their world." In 18 years of giving, the Hasbro Children's Foundation has awarded more than $40 million in grants to agencies benefiting disadvantaged families and helped more than a million young children. Employees have racked up thousands of hours volunteering at agencies and helping to build playgrounds and other facilities.

Leadership From the Top

How does a firm establish a culture of philanthropy? As with any company cultural issue, leadership must come from the top. The CEO must make philanthropy a centerpiece of the company's mission, just like manufacturing a great product, earning profits, or giving shareholders a good return. It must be more than just a means to generate PR. The CEO must demonstrate a commitment to philanthropy in good times and bad times by establishing policies and processes that foster corporate service, such as employee time off for charitable work, recognition of employees who do such work, matching gifts, and other incentives.

The CEO's attitude must permeate the company; middle managers must recognize that allowing employees reasonable amounts of time off to perform community service is not a loss to them, but a gain in overall productivity and balance. Employees must be convinced that senior management is truly dedicated to the notion of philanthropy and will not somehow penalize those who don't spend every waking hour either working or thinking about the company's products and marketing.

Philanthropy can play a vital role in a company's effort to stay viable by attracting the types of employees and customers and other stakeholders who value a whole company and a full life. Community service also builds loyalty to the company, aligns ethical values with business values, allows employees to learn more skills, and fosters interdepartmental bonding. ■

Define a Mission

At most companies, corporate philanthropy typically gets started in one of two ways. The first way occurs when the CEO gets passionate about a particular cause and decides to donate personal and/or corporate money to it. The second way is when the company decides that it needs to do philanthropy for PR/marketing reasons and begins making grants, either through a corporate giving program or a foundation.

There are obvious flaws with both of these approaches. In the first, philanthropy never really becomes part of the culture, but is based on the CEO's whim and can be turned off or on depending on his or her devotion to

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Veteran journalist Karen Southwick has covered Silicon Valley for more than a decade. She has written several books, including *High Noon: The Inside Story of Scott McNealy and the Rise of Sun Microsystems*.

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Define a Mission

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the cause. In the second case, commitment is superficial and easily dislodged in difficult times.

Many companies are finding that, in today's economy, it makes more sense to sit down with senior management (and, perhaps, with customers and community leaders) and work out a defined mission before undertaking a formal giving program. Having a defined mission can save much grief and misunderstanding.

LensCrafters Inc.

LensCrafters, whose 860 stores made it the largest optical retail chain in the United States, practically stumbled onto its mission: giving the gift of sight to needy people by delivering free optical services and recycling used glasses. That mission is one that has worked well, both in involving employees and in drawing extraordinary attention for a company now buried within an Italian multinational, Luxottica Group. Most corporate philanthropy champions would say that it works better to decide on a focus for giving first and then start laying out the money, and indeed that is a more efficient approach in most cases.

LensCrafters' 10 Principles for Making Philanthropy Successful

1. We focus our community service on our product, involving employees in hands-on giving experiences.
2. We keep our program nonpromotional.
3. We brand our program with a strong, single identity — the Gift of Sight (GOS).
4. We push program ownership to the individual store level by empowering stores to choose their own charitable partners and invent their own local variations.
5. We have learned to forge partnerships, especially a long-term relationship with Lions Clubs International.
6. We set and track lofty program goals. Everyone knew the GOS goal was to help 3 million people by 2003. We have treated this as a corporate goal just like sales and profits.
7. We have developed and shared a GOS folklore to give the program emotional legs. We make a point of capturing magic moments and sharing them.
8. We harness our business expertise to fulfill charitable objectives.
9. We have recognized and built upon unexpected program benefits, such as extraordinary team-building and leadership experiences.
10. We weave this into the fabric of the company.

Susan Knobler, vice president of the LensCrafters Foundation, admits that when she was in corporate communications in the mid-1980s, she was "fishing around for how to connect to a cause. My earliest motivation was not pure. I was trying to get ink," she says. She gave away 25 pairs of glasses from a local store, which earned some ink. The program expanded to a bus load of kids coming to the store to be fitted, and then expanded via a voucher program to other U.S. stores.

Finally, LensCrafters teamed up with Lions Clubs International, which already had a program of collecting used glasses for people who couldn't afford to buy them. Since then, Gift of Sight has become an international program that, in 2002, delivered 39,000 pairs of new glasses to disadvantaged people who needed them; performed 20,000 eye exams for people in need; sent 286,000 employees and physicians into the community to deliver vision screenings, eyeglass adjustments and repairs; sent Vision Vans to deliver optical services to 17,000 children in North America; performed 18,000 vision screenings in its hometown of Cincinnati; and hand-delivered and fitted newly cleaned, recycled glasses to 153,000 people in many poor countries.

LensCrafters' experience shows that you can refine a mission on the fly, and ultimately come up with a satisfying program. LensCrafters' Give the Gift of Sight program has received two awards from the prestigious Points of Light Foundation; in 1994, for volunteer action, and in 1999, for excellence in corporate service.

The operative word today in corporate philanthropy is focus. Defining a mission first of all helps the corporation figure out where it will give, and why, and enables the giving to have greater and more lasting impact. It also helps the nonprofits that might seek grants from the company to determine where they fit and how to structure their proposals.

A Well-Defined Mission

Even with a very well-defined mission, corporations are never going to become entirely proactive in their giving. They'll still listen to their employees and provide funding to causes that inspire workers, customers and other stakeholders. They'll still respond to emergencies in the communities they serve, such as natural disasters or an economic reversal.

Companies with focused philanthropy tend to keep a certain percentage of unallocated funds on hand for such events. Salesforce, for example, devotes 80 percent of its funding to its designated mission — technology and youth — and reserves 20 percent to match employee giving to respond to emergencies. After all, we live in an unpredictable world and companies don't want to become so rigid that they can't respond to the crying needs of that world. ■

Involve Employees

A corporation gains when its employees are engaged in philanthropic endeavors. "There are a range of business benefits for employee involvement, including leadership development, such as taking shop-floor personnel and giving them coordination or management responsibility that sharpens and develops new skills," says Bob Goodwin, executive director of the Points of Light Foundation. Employees involved in these activities gain increased esteem and better morale. Furthermore, "having people from up and down the organization working side by side in a community project will serve to lessen tensions that might develop between union and management," Goodwin adds, "diminishing barriers that could confound workplace dynamics and making it easier to relate to one another as peers."

Involving employees in philanthropic endeavors is a pure win-win for a corporation. There could be slight trade-offs in the hours that employees spend on the job, but four hours a month or so spent in community service — a typical benchmark — is hardly going to impact performance. It might even improve it by giving employees some much needed "time out" to rediscover other aspects of life beyond the job. Even in an economic downturn, people are still motivated to do good, perhaps even more so than during boom years. Offering an opportunity for service may not be sufficient to retain a good employee, but it certainly helps. Such opportunities not only help employees gain new skills in leadership, teamwork, and thinking out of the box, but create a more well-rounded human being. ■

Start Small

Smaller companies have to get real about what they can do in terms of philanthropy. Business for Social Responsibility's Dinah Waldsmith advises small companies to sit down and decide what they can actually afford to spend on philanthropy. You can either do this on a percentage basis — say, 1 percent of profits or equity — or as a predetermined sum: We're going to spend $10,000 this year on philanthropy. However, employee time and in-kind giving may be the most valuable contributions that small companies can make. If you can encourage half of your employees to spend four hours a month at a nonprofit by offering paid time, those hours quickly add up to significant community service. Surveying employees on their own philanthropic interests — and then providing matching dollars for their time or money — builds rapport and loyalty.

Started in 1999 to speed up dial-up access to the Internet, Propel is a company that now has about 35 employees. The main source for Propel's philanthropy is employee volunteerism. Propel allows employees to take up to 20 hours a year in paid time off to do volunteer work at schools and other nonprofits. Propel's chief financial officer Mary Korn says, "Just creating this opportunity has significant impact on the culture." The company also does concerted volunteer work such as Food Bank drives and a Family Giving Tree, where employees bring a gift for disadvantaged families.

Propel executives have gone into local schools as "principal for a day," to learn about the issues facing education and so educators can learn about the issues facing business and technology companies as well. "Part of our philosophy is that work is an extension of the community," Korn says. "You have to make volunteerism accessible to employees." Another way to aid nonprofits is to allow your facilities to be used for meetings and other activities, she adds. She also says she joined Propel partly because the company's executives appreciated the importance of her nonprofit work. ■

Maintain Philanthropy Through Tough Times

The real measure of a corporation's commitment to philanthropy happens when the company runs into trouble: Profits are falling or nonexistent, revenues may be shrinking, layoffs are occurring, employees are demoralized, and management is scrambling to meet financial targets. Philanthropy may be even more important to a corporation during these kinds of times, as a signal to employees, customers, partners and other stakeholders that things will get better, and the company is taking a long-term view of the world that includes community service.

Susan Colby, a partner with the Bridgespan Group, concedes that the inclination, when earnings are dropping, is to go after philanthropy — often a juicy target with high-dollar contributions. She advises many clients to undertake smaller projects that can exist under the radar of financial scrutiny, things like funding a day-care center or supplying books to a community center. Expect the philanthropic budget to take its lumps along with other cost centers, Colby adds, "but you don't want to just cut willy-nilly if you can help it," because that sends a message of desperation and panic.

Levi Strauss & Co.

The apparel maker Levi Strauss celebrated its 150th anniversary on May 1, 2003. Its philanthropic tradition is nearly as long-lived. Founder Levi Strauss, a Bavarian immigrant to San Francisco, donated $5 (the equivalent of $100 today) to a local orphanage shortly after arriving in 1853. When the Levi Strauss Foundation got started in 1952, "the company immedi-

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Maintain Philanthropy Through Tough Times

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ately started building a reserve," says Theresa Fay-Bustillos, executive director of the foundation. A privately held company, Levi didn't endow its foundation with stock, nor does it take outside donations. "It's only what the company gives us," she says. "The philosophy is that we're going to give you this in good times, and you build a reserve against bad times."

Even as it was forced to close plants worldwide and lay off thousands of workers in the late 1990s, Levi continued to fund its foundation, which established special programs in areas affected by layoffs. Levi's goal is fighting poverty on a worldwide basis, by focusing on preventing the spread of HIV and AIDS and providing economic development and educational opportunities to socially disadvantaged women and youth.

Fay-Bustillos explains that the company and the foundation contribute directly to communities. The company has donated, annually, about $3 million to communities in the last few years — far below what it previously gave but still significant. "Our benchmark is 2.5 percent of pretax earnings, for direct corporate giving to communities and for the foundation to build its reserve," she says. The foundation, with $70 million in assets, has been giving around $10 million to $12 million a year, down from its peak of $20 million in the late 1990s.

She says the commitment to philanthropy is especially important in tough times. "When we talk to our employees who are getting laid off, they still feel that this was a great company to work for, in part, because of everything we do in the community," Fay-Bustillos says.

If at all possible, corporations for whom community involvement becomes a part of the culture do not eliminate philanthropy in bad years. They may shift priorities, as Levi Strauss did, but they keep intact the spirit of giving by leveraging their resources, including employee volunteerism and expertise. That sends an important signal that the company stands for long-term values not only to the outside world, but to employees as well. Such a signal can shore up morale and help employees believe that there are better times ahead. ■

The 1-Percent Solution

The *integrated* corporation creates value for its shareholders and its stakeholders alike. Its size and the location of its headquarters do not dictate a centralized return on its value; rather, its value is fully distributed not only to its leadership, but to the communities in which it operates, and the global community as a whole. Integration is a new architecture for globalization.

Under this architecture, globalized corporations can leverage employees, equity, products, alliances and relationships to support stakeholders in a way that smaller, local companies could not, demonstrating the company's value to the community while turning protesters into advocates. But it will take leadership, creativity, innovation and the investment of resources to make this vision a reality.

How to Leverage Service

A CEO can look at his or her corporation and ask, "Where do I have the most leverage to serve?" Four areas are: corporate value, profits and products, employee time, and government influence. Accordingly, four models have emerged:

1. **Place a percentage of corporate equity into a public charity.**
2. **Return a percentage of profits to the global communities served.**
3. **Encourage a percentage of employee time to be used for community service activities.**
4. **Use influence with governments to positively affect policies for global communities.**

Forward-looking companies have implemented these models, validating the concept while demonstrating the dramatic results this new architecture of globalization can achieve. In the integrated corporation, successful philanthropy is organic. It meets community needs, responds quickly, partners with other organizations, and is driven by employees. Almost no one has done all of this, which is why the integrated model is unique.

While it was an independent company, Ben & Jerry's took the idea of integrated service furthest of all, fully integrating philanthropy into its products, marketing and HR practices. Giving away 7.5 percent of its pretax earnings, Ben & Jerry's funded community service in three ways: through the Ben & Jerry's Foundation, through employee Community Action Teams at five Vermont sites, and through grants made by the director of social mission development. No other company had such an explicit program for donating profits and time. The foundation, managed by a nine-member employee board, looked at proposals relating to children and families, disadvantaged groups, and the environment.

The 1-1-1 Model

The 1-1-1 model — 1 percent each of equity, employee time, and profits — is now the evolution of the integrated corporation. Corporate leaders can come forward and use their hard-earned leadership skills for a higher purpose — to fully integrate their globalized companies into the systems of which they are already a part. ■

For Additional Information on how Timberland promotes volunteerism, go to: http://my.summary.com

Innovative Models

There is no single *right* way to make philanthropy a part of a business. Firms that take chances on their philanthropy, by introducing an unexpected design, leveraging their expertise in unusual ways, or being inventive in tapping into their employees' knowledge and interests, can find themselves amply rewarded. Companies that pride themselves on innovative products or sales techniques should also pride themselves on innovative philanthropy. Ideally, the two go hand-in-hand.

IBM Corp.

Louis Gerstner, a former management consultant for McKinsey & Co., became CEO of IBM in 1993. Under Gerstner's leadership, IBM rebounded from an $8.1-billion loss in 1993 to $7.7 billion in profits in 2001, while its share price increased almost tenfold. Gerstner shifted IBM from a "products" company to a "solutions" company, focusing on making things work together for its customers. Although it still supplied hardware and software, IBM also became a major consultant to technology users, utilizing its own and other companies' products to create smoothly functioning IT centers. Gerstner brought the same sensibility to IBM's philanthropy.

The company had a long history of fairly traditional support of cultural and social programs, but Gerstner wanted to enable real change — bringing solutions to large, unmet needs. He seized upon education, long a favored project for technology companies. But Gerstner's thinking went way beyond delivering computers to schools or wiring them for the Internet. He actually wanted to develop tools and solutions for deep, systemic change. He called this endeavor Reinventing Education (RE), threw IBM's formidable resources behind it ($75 million to date, plus the expertise of the company's product developers and consultants), and tapped a former political aide/educator to run it.

Digital Connections

In one school district in North Carolina, IBM created tools that allowed parents to connect to teachers digitally, letting parents view their children's schoolwork from home or a community center and compare it with the district's academic standard. According to the president of the IBM Foundation, Stan Litow, 45 patents or patent applications have resulted from its work on RE.

What IBM has gained from RE is internal knowledge about how to apply technology tools (some newly developed) and solutions to tackle huge, complex issues in meaningful ways. The RE project has proven that technology is not just a quick fix that boosts productivity or enables people to make prettier presentations with Microsoft PowerPoint, but an important tool for social change. As IBM and the schools with which it worked refined the approach, IBM was able to transfer that learning to its business customers as well.

Innovation is a tool that can be used anywhere to solve many different kinds of problems. Teach your executives and your employees to innovate in a world of severely constrained resources and large problems, and you've got a better executive or employee for your own needs. At companies for whom philanthropy is a core value, performance of service within the community only enhances performance at the corporation. ■

Go Global

In today's increasingly integrated multicultural world, you lose competitive advantage by not entering every possible market. The same reasoning extends to philanthropy: In defining your community, you can't confine your service merely to the United States, North America or other cultures with which you are comfortable. "Community" expands to encompass locations where you have plants or sales outlets, or maybe where you just have customers.

Extending philanthropy into overseas locations definitely has risks as well as rewards. "Philanthropy" does not mean the same thing in India or Albania as it does in the United States; in Japan, there is no word at all for philanthropy. When companies extend a helping hand in these places, they must be even more careful about communicating expectations up front — to governments, nonprofits and the people they are trying to help. Otherwise, well-meaning intentions, sadly, could backfire, leading to misunderstanding and tension.

Look at the Whole World

Companies must look at the whole world as their potential community, and then thoughtfully select areas where their philanthropy is most needed and can have the greatest impact, based on their mission and program focus areas. Levi Strauss & Co., which operates owned or leased plants in about 60 countries, has not been afraid to teach workers about their rights, even when they may voice complaints about Levi itself. Starbucks Coffee Co. works with farmers to set up buffers around biodiversity preserves in coffee-growing regions. LensCrafters, all of whose retail optical stores are located in North America, nonetheless saw such an opportunity for service in the Third World that it started missions there to deliver glasses. Those missions have now reached 1 million people in about 25 countries.

These companies' efforts demonstrate that, while the idea of formalized philanthropy might not be universal, the willingness to help one's fellow human beings is. Companies can reap goodwill for themselves and their employees by tapping into that powerful sentiment. ■

Strategic Philanthropy (or Not)

How much should a company exploit the public relations benefits of doing good? Some companies prefer to do what they call "pure philanthropy," which they consider philanthropy that does not have a marketing component built in. Others go to the other extreme with cause-related marketing — backing high-profile, popular events such as the Olympics. And there are gradations in between. Ultimately, corporations do philanthropy because it has benefits to them, whether in making the CEO feel good, in retaining employees and teaching them new skills, or in garnering public admiration. How far should corporations go in combining philanthropy with their own business goals?

To answer that question, Michael Porter, a business strategist and author of *Competitive Advantage*, and Mark Kramer, a former nonprofit fund-raiser turned consultant, wrote an influential article in the *Harvard Business Review* titled "The Competitive Advantage of Corporate Philanthropy." In the article, they state flatly that corporate philanthropy should be designed to give corporations a leg up on competitors. For example, the authors approvingly describe Cisco's networking academies, which train young people to be network administrators, giving them needed job skills while, at the same time, enhancing Cisco's ability to grow by providing essential IT support for users of its technology.

Some corporations have embraced this so-called strategic philanthropy, such as Hewlett-Packard, Microsoft and Coca-Cola, while others, such as General Motors and Adobe Systems, have not. Whether it's Avon going door to door to raise money for breast cancer or Microsoft putting its software in libraries, companies (or people) don't do anything out of unadulterated altruism. They do it because they figure it will help them in some way. However, the spirit of helping the community should permeate corporate philanthropy, even when it is predicated on business goals. Considering those goals when drafting a philanthropic mission can be useful in allowing the company to utilize its resources in the most effective manner. Human needs are seemingly endless, so any corporation has to find some method of picking its spots. Going with "strategic philanthropy" can be one of those methods, although it's not the only one. ■

Tackle the Big Project

Putting corporate expertise and resources behind energetic community leadership has become the new recipe for helping to solve some of society's biggest problems, such as poverty, unequal education, and homelessness. Most corporate philanthropy programs are reluctant to take on anything too overwhelming out of fear that they won't be able to make an impact and will just get lost in the crowd. But a few companies have been willing and able to tackle massive, multiyear projects that require serious commitments of money, people and resources.

Big projects are where big companies can truly shine because they have not only the dollars, but also the in-house people power to make a difference. Thus, HP lends its Digital Village partners full-time personnel for three years to help manage and coordinate the projects aimed at empowering poor communities with technology and training. IBM detaches consultants and programmers to work with school districts in its Reinventing Education program. Levi Strauss & Co. spends a decade working with several rural communities in the United States to combat racism in its Project Change program.

These are not problems that lend themselves to quick solutions. For companies that get involved, they require more than dashing off a check for a single-year grant. These companies' efforts provide a pattern for how corporations can undertake major, multiyear philanthropic efforts and deliver definitive progress. Some of the commonalities in these efforts include a willingness to devote significant resources over a long-term period; participation of key people within the corporation, both in advocating for the projects and in staffing them; strong partnerships and two-way communication with nonprofits that will be involved in the work; flexibility in readjusting priorities and methods; and, above all, the belief that meaningful change is possible. ■

Good Partners Make Good Philanthropy

The importance of forging good partnerships cannot be overestimated. Corporations that think they can simply dive into the nonprofit world with the same techniques and timetables that they've used successfully in the business world can find themselves sadly disillusioned. Many of the issues with which nonprofits are wrestling — homelessness, poverty, discrimination, lack of access to health care or other services — are the biggest challenges facing society. Before corporations can be effective philanthropists, they need to build their own capacity for community service. This means they must hire effective people internally to run the foundation or corporate giving organization; it also means finding effective partners in the nonprofit world. Examples of strong alliances include LensCrafters' partnership with Lions Clubs International to donate eyeglasses to the Third World, and Starbucks' partnership with Conservation International to encourage coffee growers to use environmentally sustainable practices.

Typically, the corporation contributes funding, personnel and expertise in planning and prioritizing. The non-

(continued on page 8)

Good Partners Make Good Philanthropy

(continued from page 7)

profit partner provides opportunities to do good and advice as to how to apply these corporate resources. The biggest complaint that nonprofits have about corporations is that they rush in thinking they know how to do it all in the nonprofit world. Then they get frustrated when their timetable does not match what is happening in the nonprofit world, and back off. Firms that build up partnerships with nonprofits and listen to their input are far more effective and less likely to run into brick walls.

Few corporate executives understand the many issues that confront nonprofits — not just the societal problems they try to correct, but also the need to constantly raise money and fund operating expenses along with project-based work. Similarly, nonprofits don't always comprehend the pressures that confront executives of public companies, especially the requirement to balance shareholder demands with community needs. Serving on each other's boards and participating jointly in projects can help corporations and nonprofits to enhance and improve their communities and themselves. ■

For Additional Information on the intermediary's role, go to: http://my.summary.com

THE TOP 10 BEST PRACTICES IN CORPORATE PHILANTHROPY

Call to Alms

Here are the 10 "best practices" that make corporate community service do good and do well for the company and the community:

1. Start developing a program today, if you haven't already. No matter how small or strapped you are, helping someone else will raise morale and make you feel like you are in charge of your destiny. If you don't think you have enough people to make a difference, invite others to join you. "Collaboration is a powerful model," says Jeff Swartz, president of the Timberland Co. "We invite our suppliers to serve with us. We invite other companies. I believe small companies can be big companies by applying this model of leverage and engagement. It's an opportunity to access joy."

2. Define a mission by establishing priorities and communicating them to executives, employees, customers, nonprofit partners, and others. Have clear guidelines about what you do and don't fund, but be flexible enough to respond to emergencies. Dinah Waldsmith, senior manager for Business for Social Responsibility, says, "Help nonprofits to understand what you want from them, but don't create a process that's too burdensome."

3. Integrate service with your corporate culture. Make it a part of your "brand." Many companies have done this successfully, including Timberland, Levi Strauss, Hasbro and LensCrafters.

4. Demonstrate commitment from the top down, and involve employees from the bottom up. Senior managers must show support for community service by doing it themselves, and publicly championing its importance.

5. Define your community broadly, in ways that make sense for the corporation. Don't forget the rest of the world outside of North America, even though local customs and cultural barriers might make it more difficult to reach out.

6. Forge strong partnerships with nonprofits, and give them the respect you would any other business partner. Corporations love to talk about leverage, and community service is an area ideally suited to it. Once you've identified your long-term vision of philanthropy, "use that to select nonprofits that will help you achieve that vision," advises Bill Shireman, CEO of the Global Futures Foundation. Look at how the nonprofit partners relate to each other and "make sure they're complementary and won't be competing with each other."

7. Consider your business goals in developing your philanthropy, but don't be too rigid. Treat philanthropy as an investment as important as any other. IBM and Hewlett-Packard have shown how investing in the community reaps value for the corporation in the form of patents, new customers, and positive media coverage.

8. Find ways to measure and celebrate the impact of your philanthropy. LensCrafters' goal was to help 3 million people through its Gift of Sight program by the end of 2003. "Gift of Sight has elevated our daily work and given us an energizing higher purpose," says Susan Knobler, vice president of the LensCrafters Foundation, which runs the Gift of Sight program.

9. Sustain your philanthropy even when the company is going through tough times. Responsible companies that plan to be around for a long time should pace their philanthropy inversely to the marketplace, advises Global Futures Foundation's Shireman. That is, they should maximize their philanthropic efforts during economic downturns. The worst thing you can do during a layoff period is to reduce service programs, because that will further diminish the morale of the remaining employees.

10. Don't be afraid to change and try new things. You need to continually tweak and improve philanthropic programs, to ensure that they are as impactful as they can be. ■

For Additional Information on measuring philanthropy, go to: http://my.summary.com

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Compelling People

Soundview Executive Book Summaries

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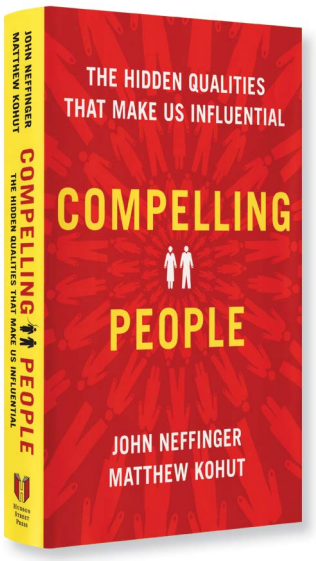
Leadership

Compelling People

The Hidden Qualities That Make Us Influential



by John Neffinger and Matthew Kohut

THE SUMMARY IN BRIEF

When people size you up, what do they see? We would all like people to appreciate us for our positive qualities, but most of us don't think we can muster the personal magnetism of a Bill Clinton or an Oprah Winfrey. In *Compelling People*, John Neffinger and Matthew Kohut reveal the basic framework we all use to judge each other, drawing on cutting-edge social science as well as their own work with Fortune 500 executives, members of Congress and Nobel Prize winners.

These character judgments revolve around two qualities: strength (the root of respect) and warmth (the root of affection). The ability to project both strength and warmth at once is rare — so rare, in fact, that we celebrate, elevate and envy those few people who manage it.

Compelling People demystifies this process, detailing all the subtle but critical signals that make some people irresistibly engaging and others forgettable. Just as they have with hundreds of clients and in regular lectures at Harvard and Columbia Business schools, Neffinger and Kohut show us not only how to appear both strong and warm but how to internalize the attitudes that will earn you both respect and affection.

Authoritative and entertaining, *Compelling People* will forever change the way you see people — and let you change the way people see you.

IN THIS SUMMARY, YOU WILL LEARN:

- The dynamics that make it tricky to project both strength and warmth at once.
- Which factors we have control over and which ones we don't.
- Nonverbal cues that broadcast strength or warmth.
- How to use language to connect and then to lead in conversation and writing.

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THE COMPLETE SUMMARY: **COMPELLING PEOPLE**

by John Neffinger and Matthew Kohut

The authors: John Neffinger and Matthew Kohut are founding partners in KNP Communications, which specializes in preparing speakers for high-stakes audiences. Their clients include corporate executives, elected officials and media personalities, and they regularly lecture at universities and serve as commentators on air and in print.

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Preface

When we decide how we feel about someone, we are making not one judgment, but two. The criteria that count are what we call "strength" and "warmth." Strength is a person's capacity to make things happen with abilities and force of will. When people project strength, they command our respect. Warmth is the sense that a person shares our feelings, interests and view of the world. When people project warmth, we like and support them.

But understanding the signals you send is not the biggest challenge. The trickiest thing about strength and warmth is that it is very hard to project both at once. This is because strength and warmth are in direct tension with each other. Most of the things we do to project strength of character — wearing a serious facial expression, flexing our biceps or flexing our vocabulary — tend to make us seem less warm. Likewise, most signals of warmth — smiling often, speaking softly, doing people favors — can leave us seeming more submissive than strong.

The Big Idea

Strength

Strength gets things done. As a personal quality, strength is a measure of how much a person can impose their will on our world. Strength consists of two basic elements: the ability to affect the world and the gumption to take action. If having ability means you have the tools to make things happen, will is the strength of character it takes to act. People who project strength command our attention, in part because we need to know if they are going to use their strength in ways that help us or in ways that harm us. Grudgingly or gladly, we respect people who project strength.

Leadership and strength are inextricably bound together. We look to strong people as leaders because they can protect us from threats to our group. Strength is essential to effective leadership, whether the organization is a submarine crew or a school clique.

Warmth

But strength alone can only take us so far. To move beyond respect to admiration, we also need to be liked. And to do that, we need to project warmth. For our purposes, warmth is what people feel when they recognize they share interests and concerns. It is the sense of being on the same team. If strength is about whether someone can carry out their intentions, warmth is about whether you will be happy with the result. When people project warmth, we like them. Warmth encompasses several related concepts:

Empathy. Displaying empathy means putting oneself in the shoes of others, but empathy is not just about feelings. There is also a cognitive dimension to it: The shared feeling is tied to a shared perception. This is captured in the expression "I get it," meaning "I understand why you feel a certain way."

Familiarity. When someone or something is unfamiliar, we are on guard — poised to react with strength (or fear) — until we determine that there is no threat. When we meet people who are similar to us, we gravitate toward them because they feel so familiar to us. Similarity essentially works like a social magnet.

Love. When we feel a whole lot of warmth for some-

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Asheigh Imus**, Senior Editor; **Amanda Langen**, Graphic Designer; **Jeannette Scott** Contributing Editor

one, we say we love them. Researchers have identified three different biological systems that get labeled "love," each of which generates a different set of hormones that produces different kinds of feelings: one for romantic love, one for sexual attraction, and a third for general feelings of attachment. But it is this third feeling — basic affection and attachment — that best fits our idea of warmth.

Strength vs. Warmth

If you cannot project both strength and warmth, which one should you choose? In fact, strength and warmth are complementary, not mutually exclusive opposites, and there is a lot of interplay between them. When you project a whole lot of either strength or warmth, an interesting thing sometimes happens: You can start to project the other trait as well. You may have colleagues who want to be like you because you are known for being great at what you do — so your strength fosters warmth. On the flip side, if you are beloved by the people you work with, most of them will side with you if you get crosswise with someone — so your warmth also gives you strength. And if you are doing any job in which you have to be liked to be effective, your ability to project warmth is a key strength you bring to that role.

The Hand You Are Dealt

Quick and Dirty Judgment

Among the first things people learn about you are the physical basics: gender, body type, looks, ethnicity and age. As quick and superficial as this initial glimpse is, these attributes already convey the silhouette of a strength and warmth profile.

We humans have evolved a whole lot of neural circuitry for making split-second judgments based on basic physical factors. These rapid-fire calculations happen automatically, below our conscious awareness, with very little effort. Being thorough and precise are not the top priorities; making good enough assessments quickly do.

Jumping to conclusions about people makes us feel more confident and less uncertain about the world around us. But once we start to think we understand someone, we filter incoming information and tend to dismiss things that do not fit in our hastily drawn picture as meaningless aberrations. We become prisoners of our preconceptions. And so do the people we stereotype.

It is possible to resist being slotted into someone's preconceived notion of "people like you" by doing things that do not fit the stereotype. This is best done early on, both because first impressions formed tend to last, and because people often do not like it when you upset their expectations later. The technical term for this upsetting of expectations is a "stereotype violation." When you show them something that makes them reconsider their comfortable worldview, you make their life a little bit harder, and that can leave you seeming less warm. And when people are emotionally invested in a particular view of the proper social order, if you show a lack of appreciation and respect for that social order, they lose respect for you, see you as less strong, and regard you with contempt.

Since strength and warmth perceptions are in the eye of the beholder, people's judgments of you depend on where they sit in the social hierarchy. As a general rule, people in higher-status groups are seen as competent, while those in lower-status groups are assumed to be less competent. But the full story is more interesting than that, and there are plenty of stereotypes to go around. Everybody stereotypes, and everyone is stereotyped. It is just how our brains work.

Talking Across the Divide

Imagine a block party on a summer afternoon in a city neighborhood that has a mix of black and white families. Neighbors who usually only pass each other briefly on the street are now meeting each other more formally for the first time. What do those conversations sound like?

When people of different races talk, each group is often concerned about addressing their stereotypical shortcomings. White people want to be viewed as likable and moral, while people of other ethnicities want respect. White people understand that their socially privileged position generally checks the box on strength, so to make a good impression they want to project warmth. Some also worry about appearing prejudiced, so they want to be seen as open. People who are not white want to project warmth too, but they also want to project strength to earn respect. The groups also prefer different conversation topics. White people tend to focus on commonalities among groups, hoping to foster good feelings that will enhance their likability. Black people, on the other hand, prefer to acknowledge and talk about power differences.

This played itself out recently at a block party in John's rapidly gentrifying neighborhood in Washington, D.C. Young white residents admired the gardening skills of their black neighbors, and everyone played with each other's kids and had a good time. In the conversations that ran long enough to get past the basic pleasantries, black residents would often steer the discussion to the impacts

of rising property values and the dynamics between the police and the black teenagers who hung out in the park.

When white people miss these dynamics in interracial conversation — when they talk only about common ground and tiptoe around power dynamics — the outcome can be precisely the opposite of their goal: Instead of demonstrating warmth, the white folks demonstrate just how little they understand other people's experiences, creating frustration and disappointment on all sides. Real dialogue involves give-and-take, and that includes giving others the opportunity to put uncomfortable topics on the agenda.

Playing the Hand

The Choice Is Yours

The signals you send with your gender, ethnicity, looks and age are more or less fixed: Short of surgery, you cannot do much about them. But that is exactly why these physical attributes are far from the last word on how people judge your character. At the end of the day, character is a matter of who you choose to be, not the way you happen to be born. People judge your character by the way you act, and especially by the way you interact with them.

Even if a lot of behavior is unconscious, nearly all of it can be subject to conscious choice. You can *choose* not only to behave differently but also to learn how to behave differently: You can take steps that change the way you react unconsciously in the future. Some of these changes require a lot of practice, but others just take a little imagination.

Nonverbal Communication

How we *feel* is conveyed more by nonverbal behavior than by the words we choose. Nonverbal communication goes directly to the issue of trust. When all the signals — facial expressions, posture, gestures, vocal tone and the actual words — line up to tell a consistent story, then we can be confident those signals are an accurate expression of how that person feels. By contrast, when different signals are telling different stories at the same time, we suspect that a person is conflicted, uncomfortable, or maybe even trying to hide something.

Space

The way you use space in a room says a lot about how much strength you project. In general, strong people make themselves at home anywhere, occupy a lot of space, and move about freely rather than getting locked in one place. Above all, they exert control over space, making it clear who is in charge. Closing distance is also what we typically do when projecting warmth. Conversely, keeping your distance from someone almost invariably comes off as a lack of warmth, even if it is done out of respect.

Good, upright posture projects strength. This also is about owning a lot of space, only vertically: Standing tall demonstrates confidence. If you are more concerned with projecting warmth than strength, tilting your head slightly to the side projects more warmth than keeping it straight up and down.

If posture is how you hold your body when you stand in one place, gait is how you hold it as you walk. A short, quick gait with the head angled down sends a very different message than a gait with the head level, the chest open and the stride long.

If we consciously force ourselves to adopt certain postures, our emotions change to align themselves with that posture. Anytime you are heading into a situation where you want your body and mind to feel powerful, adopting strength poses a few minutes in advance will help make that happen.

The key to projecting strength with gesture is not to flail around excitedly but to move deliberately, discreetly, gracefully. That presents poise. The aim is to demonstrate complete control of where your body is in space. As with music, the pauses between the gestures themselves are important: You gesture intentionally, and when you are done, you are still. That stillness demonstrates your physical control as much as the motion itself does.

Both posture and gait are to a large degree under your conscious control: You can force your muscles to do whatever you tell them in the moment, no matter how you are feeling. Gesture is significantly more subject to the dictates of your own anxiety level, and facial expression is more susceptible still.

Face

A flexed lower eyelid is the purest form of facial projection of strength. Colloquially, we speak of this expression as showing "steely" eyes to reflect the unyielding will beneath. Sometimes we say this look seems like the person is boring holes into you with their eyes.

In roles like Dirty Harry and in his Westerns, Clint Eastwood wore this expression with flexed eyebrows to convey intense disgust. But even in pictures of him smiling or not making any particular expression at all, his lower lids are always flexed, always signaling intensity.

The best place to begin decoding the visual elements of warmth is the face, and the number one way we project warmth is by smiling. Smiling is a fundamental means of

nonverbal communication that is deeply rooted in human behavior around the world. We attribute all kinds of good things to people who smile at us, such as happiness, attractiveness, sociability, flirtatiousness and success, among others. Smiling can even create a halo effect, which causes us to make a wide range of positive associations with people who smile at us. Smiles are also contagious.

Smiling is a very good thing for many reasons, but all smiles are not created equal. We don't smile only to project warmth. We also smile to express joy, politeness, dominance, anger, ridicule, concern and a host of other emotions. Some of these project strength rather than warmth. Where warmth is concerned, think of smiles that demonstrate agreement, familiarity, empathy, concern and attraction. It's relatively easy to imagine a range of facial expressions that convey each of these emotions.

Voice

While visual signals are the most powerful means of communicating emotion, the voice also conveys a great range and depth of feeling. The basic elements of vocal delivery include pitch, volume, rate and tone. A metaphor for thinking about the different parts of the voice is a synthesizer keyboard, which allows you to manipulate each element in isolation and change the blend among them.

Pitch refers to how high or low a note someone's voice sounds. A low-pitch delivery conveys strength, while a high pitch can signal excitement ("We won!"), uncertainty or nervousness.

While strength corresponds with low pitch, we recognize warmth through variation in pitch. Imagine the melody to a lullaby; it goes up and down in pitch before resolving somewhere in the middle. At the other end of the spectrum, the vocal delivery that projects the least warmth is a monotone.

Volume is generally connected with strength, as we expect loud voices from traditionally strong figures, such as members of the military or police. Softness can signal either compassion or timidity. It can be soothing, which we perceive as warmth, or it can simply come across as a lack of strength.

Rate refers to how quickly a person speaks. It is more than simply a measure of raw words per second because it also includes the use of silence or pauses and fluency. Rate of speech by itself does not necessarily project strength or warmth. Together with using low pitch and good volume, however, adopting a slower rate to deliver a key point is very effective.

Tone is perhaps best understood as the musical quality of a voice. Think again of a synthesizer: It can make a note sound brassy, muted, smooth, choppy or any number of different qualities. Is a speaker barking his words like a seal, or is he employing a breathy delivery that suggests a candlelight dinner for two?

While each of these elements contributes to the strength or warmth of our voices, there is more to it because most of the talking we do is in dialogue with others, not monologue. MIT researchers have identified distinctive patterns of vocal variation, such as influence, mimicry and consistency, that serve as social signals in a conversation.

Influence in this context can be thought of as control of the conversation. Who sets the pace and dictates the direction? Who asks the questions, and who gives the answers? How long does each person hold the floor?

Mimicry is copying the patterns of another person and will often include both vocal and visual cues, such as nodding. Mimicry is a means of establishing empathy by literally sounding similar to our conversational partner. This is a very practical warmth technique.

Consistency refers to how much a speaker sticks to a single pattern of tone, rate, pitch and volume variation throughout a conversation. Great consistency projects strength, whereas vocal variability signals openness to others' ideas — warmer and less strong.

There is no one ideal combination of vocal elements; the best approach depends on how much strength and warmth a particular situation calls for.

Style

Style is a reflection of more than your tastes — it is a reflection of your attitude. Done right, your style complements the signals you send with your gender, ethnicity, age and looks, allowing you to adjust the strength and warmth profile that comes as your birthright.

Pay attention to the way clothes make you feel when you wear them, because that will affect how you carry yourself and project strength and warmth nonverbally. No matter what you look like, those nonverbal impressions are still the most powerful piece of the overall impression you make.

Words

Just as your nonverbal cues signal warmth or strength, so do your words. Verbal strength is something that we know when we hear it (or read it). Direct, active verbs add force, clarity, immediacy and vigor to speech. We also equate a rich vocabulary with verbal strength, though too much of a good thing with SAT words can cost some warmth points.

The absence of verbal strength has a different recognizable sound. For instance, hesitations or phrases like "kind of," "sort of," "like" or "you know" lead us to doubt the competence of a speaker. Qualifiers such as "I think" and "I believe" also diminish certainty and credibility, as do various kinds of vagueness.

Complex sentence structure does not necessarily translate as strength. For reasons having to do with cognitive ease, we do better understanding simpler sentences than complex ones and positive constructions rather than negative ones. Occasional use of rhetorical devices such as metaphor, analogy, repetition, wordplay and famous quotations are very effective ways of bolstering verbal strength.

Verbal Warmth: The Circle

When we work with our clients, one of the first concepts we introduce is something we call "the circle." Imagine your audience as a person you are trying to persuade to support you in something. Not having much by way of art skills, we usually just draw a stick figure to help visualize this person. Next we draw a big circle around our little stick figure. This divides the world in two. People who understand the world the way your audience does belong inside the circle, next to the stick figure.

It is a simple picture that reminds you what you have to do to communicate effectively with any audience: Your first job is to get into the circle. You can talk all day long, but if your audience does not see you as belonging in that circle with them, they will not listen.

What your audience is looking for is to know that you are on the same emotional page as they are. The key to getting in the circle, then, is simple: Show your audience that you feel the same way they do. Validate their feelings. If your audience is frustrated about an issue and you are too, show your frustration. If your audience is happy about something and so are you, share your happiness.

When you do not agree with an audience or even necessarily feel the same way they do, then getting in the circle is even more important, but definitely not so easy. First and foremost, you need to empathize. You have to identify something that your audience is feeling that you can feel, too, and then show them you feel it, too. If you want people to take your point of view seriously, you first have to be willing to take their point of view seriously. That is the deal, and it is totally, brutally fair.

Don't tell other people how they feel. Show them how you both feel, and tell them about the common ground you share.

Create "Yes Momentum"

If you want to appear to be a reasonable person, the kind of person who usually gets things right, you are going to help your cause if the first sentiment you express (the only sentiment your audience has ever heard you express) is one your audience recognizes as being reasonable.

When you start by saying something that makes your audience respond mentally with a yes, you create what you might call "yes momentum"— the natural inclination for one yes to lead to another and another and another.

Unlike in the nonverbal realm, where projecting more warmth undermines your perceived strength, projecting warmth verbally by getting in the circle opens the door to projecting strength verbally by compellingly presenting new ideas. In addition to nonverbal signals, skillful use of techniques such as sound combinations, names, storytelling and humor are some of the ways you can dial strength and warmth up and down.

Strength and Warmth in the World

A friend of ours once had meetings with senior executives at two Fortune 500 companies — a bank and a media conglomerate — in the same week. For her bank meeting, she presented herself very conservatively: dark suit, hair up, plenty of poise in her demeanor and grace in her movements. Not surprisingly, this fit their culture and expectations, and her meeting went well. Later that week she went to the media company, and she showed up dressed and carrying herself the same way. It took her a few minutes to realize something was not right. Initially she thought it was great how friendly everyone was to her. But it slowly dawned on her that they were also very skeptical of her steely demeanor. She found herself tap-dancing quickly to convince the people at the media company that she was a good fit with their culture, which placed a premium on openness, creative expression and collaboration.

Looking at our friend's experience through the lens of strength and warmth, we see a few different dynamics in play. While both companies place a premium on strong market performance, the bank's culture is colder, and the media company's culture is warmer. Our friend showed up at both places looking and acting all business, which projects strength. At the bank, that helped earn their respect, and it also helped show that she shared their sensibilities. At the media company, her appearance and demeanor suggested that she was out of sync with their culture. Her hosts likely saw her as strong but not warm.

There are some organizations that see themselves as all business, with no time for warmth. But many organizations see some form of warmth as key to their effectiveness, whether it is good client service, appealing marketing and branding, or attracting top talent by keeping employees happy.

Communicating Up, Across and Out

Nearly all of us have a complicated set of relationships to navigate at the office. The first is communicating up, or managing direct and indirect bosses and senior influencers.

With Bosses. There are obvious limits to how much strength you can bring to this task, and every boss is different. An insecure boss may interpret a show of strength as a threat. At the other extreme, a friend in middle management at a global technology company has been told repeatedly by his very aggressive boss that he is not forceful enough when making his case in their conversations.

One of the tried-and-true techniques for projecting warmth with just about any personality type is appealing to concerns that will help your boss either look good or stay out of trouble. If, for instance, you are able to pass along useful intelligence because you have an ally in an office higher up the food chain, your boss can prepare for incoming fire before it reaches her desk through formal channels. The "no surprises" rule is another golden oldie; most bosses appreciate advance notice about developments that may wind up on their desks. This projects warmth by demonstrating your loyalty to the team.

If your boss gives you a fair amount of free rein, proactive engagement can be a good way of shaping your own agenda and demonstrating your competence as a self-starter. With micromanagers, many respond well to a steady flow of information about your activities. Micromanagers are typically high in two aspects of strength: assertiveness and competence. Regular reminders that you also value competence can be a good way to set your micromanager's mind at ease. Whether your organization talks in terms of shareholder value, key performance indicators, project milestones, or team goals and objectives, the micromanager will appreciate hearing that you care about hitting those same targets.

With Subordinates. When communicating with people at lower levels in the organization, keep in mind that they see you differently than you see yourself. If you are an unknown quantity, it can be important to establish a basis for respect. This can be achieved through a combination of the words you choose and nonverbal cues, including posture and dress. In other cases, your position may confer status that gives you a halo, or it may make you the source of envy or even resentment. This is common in organizations where there is a clear line between "the suits," or management, and "the field." One potential way to inoculate against this is to acknowledge it in a lighthearted way at the outset. By demonstrating that you know how they feel about you, you can disarm skeptics and help establish warmth that can serve as a basis for a solid working relationship.

The Big Pitch

In high-stakes situations like a big pitch, whether for a venture capital investment, a hefty contract from a client or a partnership, you are being evaluated on a number of dimensions that correspond to strength and warmth. Your would-be partner wants to know you have something of significant value to offer, that you have a strong sense of the relevant business dynamics, and that you can deliver — all strength factors. They also want to know your interests are aligned and that there is a good personal fit for a long-term relationship.

To close the sale, your story will have to include both a compelling way of establishing a shared interest as well as the business case for the proposal. The rest — a character judgment — will depend on earning the confidence of the other party and demonstrating that you are their kind of person.

Depending on what kind of people they are, this may not call for high-wattage gregariousness — it may be about making clear your commitment to providing return on investment to shareholders, or some other serious concern that determines personal fit from their perspective. The warmth challenge in a big pitch is first and foremost about getting in the circle.

Leadership

When we consider how organizations select leaders, there is often an imbalance between strength and warmth. Not only are the people involved in the selection process typically most concerned about choosing someone who can get things done; they are likely to have seen only the sunniest side of the subordinates they are considering promoting. In a hierarchy, everyone is taught to kiss up to those above them, but not everyone is so nice to those below. So warmth often gets shortchanged or is undervalued.

Yet when we look at the skills good leaders need, it is clear that warmth and strength both count. Harvard political scientist Joseph Nye created a taxonomy of five principal leadership skills: emotional intelligence, communications, vision, organizational skills, Machiavellian political skills and contextual intelligence.

Emotional intelligence enables leaders to understand themselves and others in a way that allows them to move people to action. Self-mastery projects strength. Outreach to others, on the other hand, is about warmth. The ability to get in the circle, for instance, requires the emotional intelligence to read your audience before making an appeal to shared concerns or interests.

Communications can project both strength and warmth. The skill of being an effective communicator is an aspect of a leader's strength, while the ability to connect with stakeholders is an exercise in warmth.

Vision is a leader's way of describing the present and articulating an idea for how to arrive at a (presumably better) future state. The ability to create a compelling vision is a powerful way to establish a sense of shared interests that we equate with warmth.

Machiavellian political skills are perhaps the most easily identifiable manifestation of strength. It is the ability to size up others for wheeling and dealing in what Nye calls "hard power" situations that require either incentives or coercion, carrots or sticks. People who prioritize this skill at the expense of others are viewed as cold and bloodless.

Contextual intelligence is the ability to read a situation and determine an appropriate approach to the leadership challenge that it poses. This requires aptitude in dealing with organizational culture (warmth), power politics (strength), the needs of people within an organization (warmth) and information flows (strength).

Leading people ultimately demands satisfying two primary needs for the group: projecting enough strength to protect it from threats and keep it on track and projecting enough warmth to recruit and retain others who will help realize the group's vision. Leadership resides in the ongoing balancing act between strength and warmth, and leaders need to project both actively in the presence of people who work for them. The most admired leaders are the ones who project consistently high levels of strength and warmth and have the contextual intelligence to know how to use it.

In Public Speaking

Of all the moments of judgment we face in our lives, few feel as momentus as standing in front of a large group of your fellow human beings, seeing all their faces and speaking to them. Whether it is a logistical announcement, a wedding toast or a persuasive speech, most of us are not accustomed to facing the glare of that much attention all at once. Even if you are just communicating rote information, you know that at some level, the way you express yourself leads everyone in that audience to make some sort of character judgment about you. On top of that, when a lot of people are asked to pay attention, usually the topic is important, and occasionally big outcomes ride on whether you do a good job or not.

We divide the challenge of speaking well into two buckets: first, managing your nerves, and second, everything else.

When you are at the front of the room, whatever emotions you project into that room strongly influence how everyone in your audience feels. If you are uncomfortable being at the front of the room, your audience will be uncomfortable watching you. Whether they like you or not, if they are sitting there, they want you to own the room, so they know that their experience will at least be a comfortable one. The heart of projecting strength is projecting confidence — and nowhere is this more true than at the front of the room.

Epilogue

In the end, strength and warmth are not just character traits in tension. They are energies, basic life forces, and they work together, too. Strength gives us a sense of mastery, and warmth gives us a sense of belonging. Both strength and warmth have their individual benefits, but it is when they happen together that life gets good.

This is the last step, where everything comes together. It is more than not being afraid of your own shadow, more than learning the moves. It is actually emotionally engaging in the moment, understanding and feeling your own actions as expressions of your strength and warmth. In those moments, you feel powerful and deeply connected to people. That makes you compelling to others, because it makes you compelling to yourself.

RECOMMENDED READING LIST

If you liked *Compelling People,* you'll also like:

1. ***360 Degrees of Influence by Harrison Monarth***. Monarth provides advice on how to gain the trust and respect of those around you and how to expand your influence well beyond your immediate environment.

2. ***Just Listen*** by Mark Goulston. A veteran psychiatrist and business coach, Goulston reveals the secret of how to get through to anyone, even when productive communication seems impossible.

3. ***The 360 Leader*** by John C. Maxwell. According to Maxwell, you can learn to develop your influence from wherever you are in the organization by becoming a 360-degree leader.

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Connection Culture

Michael Lee Stallard

Career &
Self-Development

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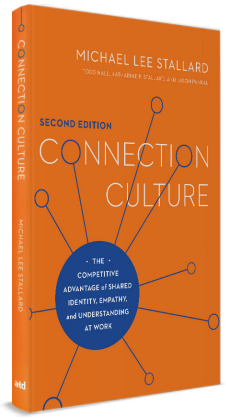
Connection Culture

The Competitive Advantage of Shared Identity, Empathy, and Understanding at Work



by **Michael Lee Stallard**

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THE SUMMARY IN BRIEF

What makes a company culture effective? Is it a strong core of well-paid leaders, or perhaps a workforce that's expected to do their work and keep quiet about it? Neither—the key to a company culture that makes employees and leaders happy and leads to financial success is connection.

In ***Connection Culture***, Michael Lee Stallard draws on data and research from the world's most successful company cultures to find out exactly what makes them so effective. The answer? Connection—between people, between teams, and across the organization as a whole. So why do so many individuals and organizations fail to create cultures of connection? Stallard explores the answers, then sets about the task of guiding leaders toward more effective connection. He shares insights into some of the world's best cultures and how they maintain such a high level of connection. And he shows the many risks of poor connection within organizations, and how it can completely derail a company's potential.

IN THIS SUMMARY, YOU WILL LEARN:

- The three types of company culture, and why a culture of connection is the only path forward.
- How to use the Vision, Value, Voice model to assess and improve your company's culture.
- The superpowers of connection and the dangers of disconnection.
- A plan for taking action to make your company culture a culture of connection.

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Meghan P. Kozak, Editor-in-Chief • Kylie Waytuck, Graphic Designer

A New View of Leadership and Organizational Culture

If a leader's sole focus is on seeing that tasks are accomplished, then success will be unsustainable. Leaders must create an environment where people thrive. What does it take for you to thrive at work, and what is the role that culture plays in whether or not you are able to give your best effort?

There are seven universal human needs required for people to thrive at work and three types of culture everyone should know about, including the type of culture that best promotes the health and productivity of individuals and organizations. You'll learn these in the following sections, as well as a vocabulary of culture and a simple, memorable, and actionable model to create the best culture. This knowledge will help you understand what type of culture you need to thrive, and it will begin to equip you to cultivate a workplace culture that brings out the best in the people you are responsible for leading or whom you lead through your influence.

The X Factor

Is there a 'best' team and organizational culture? Is there an X factor in culture that brings out the best in people and propels the success of groups?

Scholars are finding that organizations comprise a web of relationships best capture by theories of complexity. Meanwhile, effective leaders care about people and foster positive relationships. Connection is cited as an emerging general theory of leadership and organizational culture that integrates these trends.

Applying a one-size-fits-all culture isn't realistic in today's increasingly diverse and global working world. That said, organizations that have sustainable high performance will have common elements to their culture that enable them to be their best. Although the tasks will differ depending on the industry, when it comes to the relational aspects, there is a best culture: a culture that has a high degree of human connection.

Reflect on a time when you were energized by your work. What factors were present that contributed to your energy? Next, reflect on a time when your work felt draining. What factors were present that contributed to your fatigue or your feelings of being burned out? How would you describe the current culture you're experiencing? Does it draw you in and connect you with your colleagues and organization, or does it push you away and leave you feeling disconnected?

Connection Culture provides a new way of thinking about leadership and organizational culture. In the sections ahead, you will learn about this new approach and discover how to tap into the power of human connection.

Connection, Control, and Indifference

You can decode a culture by looking at the predominant attitudes, uses of language, and behaviors. As we explore what it takes to establish and strengthen connection cultures, it is instructive to understand how cultures differ in ways that affect the health and performance of individuals and organizations.

There are primarily three types of relational cultures: cultures of control, cultures of indifference, and cultures of connection.

In cultures of control, people with power, influence, and status rule over others. A culture of control breeds an environment in which people fear making mistakes and taking risks. It is stifling—killing innovation because people are afraid to speak up. Employees feel left out, micromanaged, unsafe, hyper-criticized, or helpless. Cultures of control tend to exhibit a number of common attributes. They're often hierarchical and formal in nature, with an inner circle that develops and is comprised of favored individuals who have the most power, influence, and status and receive the most recognition, responsibility, and compensation.

Cultures of indifference are predominant today. In this type of culture, people are so busy with tasks that they fail to invest the time necessary to develop healthy, supportive relationships. Some leaders don't see value in the relational nature of work. Whether they voice it or not, their attitude is, "You are being paid to do a job. I don't care how you feel or if you have friends here. All I care about is your work." People in cultures of indifference often come to feel like they are thought of and treated as mere means to an end rather than as human beings who are valuable in and of themselves. They may feel like a cog in a machine, unimportant, underappreciated, uncertain, or invisible. Many struggle with a lack of connection.

Leaders may have good intentions, but suffer from blind spots. This leads to a lack of organizational focus and workloads for those under them that are unreasonable and may cause people to feel overwhelmed.To achieve sustainable superior performance, every member of an organization needs to intentionally develop both task excellence and re-

lationship excellence. A culture of connection produces task and relationship excellence.

In a connection culture, people care about others and care about their work because it benefits other human beings. They invest the time to develop healthy relationships and reach out to help others in need. They embrace that every individual has something to bring to the table based on their experiences and background, and that a diverse marketplace of ideas and perspectives is a strength. This bond of connection helps overcome the differences that historically divided people, creating a sense of community and unity that is inclusive and energized, and spurs productivity and innovation.

The Vision + Value + Voice Model

The first element of a connection culture is vision. It exists in a culture when everyone is motivated by the mission, united by the values, and proud of the reputation. When people share a purpose or set of beliefs, it unites and motivates them. Vision is more than identifying and articulating a mission. It also includes understanding how an organization goes about accomplishing its mission. In other words, vision encompasses the organization's values or beliefs about what is right and, by implication, what isn't right in how it conducts its business. An organization's mission and values, including how it lives up to them or doesn't, produces the reputation that employees are proud of, indifferent to, or embarrassed by. When employees are proud of their organization's reputation, they feel more connected.

The second element of connection culture is value. It means that people are truly valued as individuals, not merely for what they produce. Value exists in a culture when everyone understands the needs of people, appreciates their positive unique contributions, and helps them achieve their potential.

The third element of a connection culture is voice. It exists when everyone seeks the ideas and opinions of others, shares opinions honestly, and safeguards relational connections. In a culture in which voice exists, decision makers have the humility to know that they don't have a monopoly on good ideas, and they need to seek and consider the opinions and ideas of others in order to make the best decisions.

When people's ideas and opinions are sought and considered, it helps meet the human needs for respect, recognition, and belonging. Being in the loop makes people feel connected to their colleagues, whereas being out of the loop does the opposite.

The Superpower of Connection and Dangers of Disconnection

Connection is a 'superpower,' a turbocharger, that makes people 'smarter, happier, and more productive.' At least, that's how UCLA neuroscience professor Matthew Lieberman, author of Social: Why Our Brains Are Wired to Connect, has described it.

Most people don't yet recognize connection as a superpower that can protect them and propel them forward, therefore, they miss out on its benefits. In their defense, they may be living and working in cultures that have conditioned them not to see, feel, or experience connection as much as they should to live the most productive and enjoyable lives possible. People thrive when they experience connection, as it impacts everything from confidence and curiosity to social skills, enthusiasm, persistence, and ability to cope with stress.

Disconnection, meanwhile, has a ripple effect. When people feel disconnected, they are vulnerable to stress. And as the pace of change speeds up and competition increases in today's hyper-competitive global marketplace, stress levels will naturally rise, too.

In summary, human connection matters to the health, happiness, and productivity of individuals. Disconnection sabotages human flourishing by increasing a host of negative outcomes including ill health, anxiety, depression, addiction, and suicide. For our own sake, and because of the impact we have on those around us, each of us needs to make sure we have sufficient connection in our lives.

Taking Action: Connecting Through Vision, Value, and Voice

What follows is a set of 15 building blocks, a collection of actions for building and maintaining a connection culture—five for each of the three connection culture elements of vision, value, and voice.

Vision

This element is present when everyone is motivated by the mission, united by the values, and proud of the reputation.

- Develop an inspirational identity phrase that connects.
- Set the top five annual priorities.
- Identify and establish core values that connect.

- Continuously reconnect people to the inspiring identity.
- Hire, develop, and promote for competence and connection skills.

Value

This element is present when everyone understands the needs of people, appreciates their positive unique contributions, and helps them achieve their potential.

- Make and encourage connections that are personal.
- Get people in the right roles.
- Create personal development plans.
- Provide training and mentors to support personal development.
- Help people develop connection skills.

Voice

This element is present when everyone seeks the ideas of others, shares their ideas and opinions honestly, and safeguards relational connections.

- Create forums for organization-wide communication.
- Hold knowledge flow sessions for decision input and idea development.
- Conduct knowledge flow sessions to evaluate events and activities.
- Provide training to safeguard relational connections.
- Maintain staff connection and development.

The Five-Step Process to Operationalize a Connection Culture

Developing a connection culture involves changing from cultures of control or indifference. Effective lasting change takes effort and consistency. The following are five essential steps to developing and maintaining a connection culture:

Step 1: Develop a connection mindset among the members of your group.

Step 2: Cultivate vision, value, and voice by intentionally developing habits of attitude, language, and behavior that connect.

Step 3: Measure connection in each subculture to identify connected leaders, connected members, and individuals who need help connecting.

Step 4: Mentor and coach individuals to become connected members and connected leaders.

Step 5: celebrate and disseminate acts of connection (both stories and practices).

Like the great organizations, be intentional and action-oriented about developing a connection mindset, connection skills, and connection character—both within yourself and your organization. Start local, and see how it grows from there.

Michael Lee Stallard, co-founder and president of E Pluribus Partners and Connection Culture Group, offers keynote speeches and workshops on leadership, team and organization culture. He also wrote, *Fired Up or Burned Out: How to Reignite Your Team's Passion, Creativity and Productivity.* He has spoken or taught at many leading organizations, including Costco, Google, Johnson & Johnson, M.D. Anderson Cancer Center, Memorial Sloan Kettering Center Center, and NASA Johnson Space Center.

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Conscious Leadership

John Mackey, Steve McIntosh, Carter Phipps

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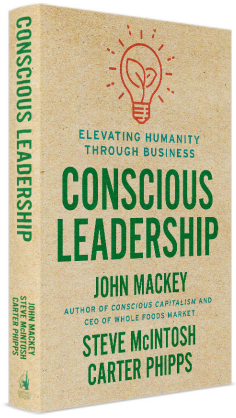
Conscious Leadership

Elevating Humanity Through Business



by **John Mackey, Steve McIntosh, Carter Phipps**

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THE SUMMARY IN BRIEF

John Mackey started a movement when he founded Whole Foods, bringing natural, organic food to the masses and not only changing the market but breaking the mold. Now, for the first time, ***Conscious Leadership*** closely explores the vision, virtues, and mindset that have informed Mackey's own leadership journey, providing a roadmap for innovative, value-based leadership—in business and in society.

In this follow-up to the groundbreaking best-seller ***Conscious Capitalism,*** Mackey argues that if businesses want to become more conscious, leaders themselves must also become more conscious. Each chapter of ***Conscious Leadership*** will challenge you to rethink conventional business wisdom through anecdotes, case studies, profiles of conscious leaders, and innovative techniques for self-development.

Conscious Leadership culminates in an empowering call to action for entrepreneurs and trailblazers—to step up as leaders who see beyond the bottom line.

IN THIS SUMMARY, YOU WILL LEARN:

- The nine characteristics of a conscious leader.
- What it means to lead with love.
- To go beyond win-win deals and solutions.
- How and why leaders must constantly evolve their teams.
- Strategies to continuously learn and grow.

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Introduction

Leadership has always presented challenges, but today, amid our rapidly changing global economy, those challenges are truly monumental. Technology is proving increasingly disruptive, global competition is ever present, generational shifts in the workplace are complicating organizational culture, and changing attitudes about the responsibilities of business are putting more pressure on leaders.

The sheer diversity of issues that any CEO must respond to requires the wisdom of Buffett, the assertiveness of Churchill, the creativity of Jobs, the emotional intelligence of Oprah, and the patience of Mandela! No individual perfectly meets these multiple demands, but the best learn an invaluable lesson: that leadership is an ongoing journey of service, not a static position of power. Most important, there is always room for further development.

It's a well-established truth that an organization's potential is constrained by the abilities of its leader. So if our goal is for business to become more conscious, there is no escaping the imperative for leaders to step up to the challenge personally.

The Meaning of Conscious Leadership

Being a *conscious* leader means embarking upon an intentional journey of development. It means purposefully stepping up to a much higher level of integrity and responsibility.

It isn't easy to become a more conscious leader. It's not enough to simply follow rules or adopt the latest leadership fashions. The term "conscious" implies being more thoughtful, more awake, and more intentional in our embrace of our role and the responsibilities it confers. It's a word one might more readily associate with personal growth, spirituality, or philosophy than with professional development.

And that's precisely the point: conscious leadership is first and foremost an inner journey of character development and personal transformation, informed by a powerful understanding of human nature and human culture.

To some extent, what conscious leadership means and looks like for each individual will be different. However, conversations and interactions with hundreds of men and women have uncovered nine distinguishing characteristics and behaviors that unite those leaders who are striving to be more conscious. These nine characteristics are categorized into three categories:

- **Vision and virtue:** put purpose first, lead with love, always act with integrity.
- **Mindset and strategy:** find win-win-win solutions, innovate and create value, think long term.
- **People and culture:** constantly evolve the team, regularly revitalize, continuously learn and grow.

When leaders become more conscious, the organizations they lead become more conscious, creating an ever-widening circle of purpose-driven cultures and communities. We elevate business through our humanity, and we elevate humanity through business. Let's now learn the nine characteristics of a conscious leader.

PART I: VISION & VIRTUE

Put Purpose First

The first and foremost job of every conscious leader is to connect people to purpose. A leader's job is to ensure that, amid all the complexity of daily activity, purpose shines brightly—that it remains vital and relevant, a guiding context, both ethically and practically. This entails more than just believing in our organization's higher purpose. A conscious leader embodies it, and lives it out in a way that makes that purpose vivid and exciting.

Conscious leaders infuse their organization's purpose with authenticity and meaning. They make it come alive, in little ways and big ways, every day. Their passion for purpose can become a touchstone for those around them. They demonstrate and embody the "why" of an organization. And they show a reasonable pathway to "how."

A Leader's Journey to Purpose

Before there are organizations, there are individuals. Before there was a company called Patagonia, there was a young man named Yvon who cared deeply about climbing and wilderness, and struggled to find the right clothes to match his hobby. In the days before there was a movie studio named Disney, there was a young animator named Walt, hawking his wares in Hollywood, who was passionate about sketching and cartoons.

For every company purpose statement that adorns the lobby wall or company website, there was once an individual nurturing inner visions and fumbling around with novel ideas and approaches. But how does one discover a higher

Instead of thinking of business as a battlefield or a jungle, what if we think of it as a community?

purpose? How does a future conscious leader take the first step on that journey?

For most, that process begins with some type of passion or curiosity, the natural pursuit of one's life interests. At some point along the journey of self-discovery, a purpose begins to reveal itself. A "true north" begins to appear on one's internal compass. It might be bright and vivid, or it may slowly emerge, frame by frame, over time. But eventually a path, or at least a direction, can be seen. A critical journey has begun.

The long and winding road taken by many entrepreneurs is testimony to the fact that discovering our purpose and finding a way to express it in the world of business is a journey and not simply a destination.

Phil Knight had the inspiration, back in his days at Stanford, to sell inexpensive, quality shoes to running enthusiasts like himself. But he had no idea of the extraordinarily circuitous route that would eventually lead him all around the world before he founded the most successful and inspirational sports brand in history, Nike.

The key to discovering an organization's higher purpose entails discerning the intrinsic good that is at the heart of its value proposition. For Whole Foods, the intrinsic good behind its value proposition is health and vitality—both for people and for the planet.

For an information company like Google, their essential value is found in the growth of knowledge, in helping humans skillfully negotiate the burgeoning world of data in the information age. For an outdoor retailer like REI, connecting people with the beauty of nature is the intrinsic value behind their work.

Lead with Love

In principle, few would argue with the statement that love is extremely important in every domain of human life. And yet, when it comes to business, this core human virtue is striking in its absence. Love rarely makes the list alongside traditional leadership virtues like integrity, hard work, and courage.

As a consequence of this omission, corporations are far less satisfying places to work than they should be, organization cultures are suboptimal, and their highest potentials are stunted. Love is very much in the corporate closet.

But it doesn't have to be that way. We need to practice the virtue of love in all domains of our lives—including when we show up at work. And leaders who do so will discover that in fact, as consultant and author Steve Farber likes to say, "Love is just damn good business."

If we want to bring love out of the corporate closet, if we want to be conscious leaders who skillfully practice this powerful human virtue not just at home but at work, then we are going to need to think about business in entirely new ways. Instead of thinking of business as a battlefield or a jungle, what if we think of it as a community?

If we think of business as a community of stakeholders that are connected through mutual interests and benefits, then we can appreciate that leadership's job is to create value for every member of that community in a continuous series of win-win-win decisions.

The Many Faces of Love

Love isn't really one thing—it's a many-splendored virtue. We don't fully understand love unless we also understand and practice its many manifestations. For example, generosity is an expression of abundance; it's not an expression of self-sacrifice, which is a common point of confusion.

True generosity is an overflowing, a movement of the heart that wants to share what we have and help others. It arises not from a feeling of guilt or duty but from our own awareness of abundance in both ourselves and in the larger universe we are part of. We can be generous with our time, attention, money, knowledge, and even our spirit.

One of a leader's most important jobs is to salute excellence—to see it, recognize it, and appreciate it, as leaders do in meetings at Whole Foods. But remember, appreciation needs to be authentic. People have highly tuned antennas for misleading or disingenuous compliments. When we authentically appreciate somebody, it not only makes the

person receiving the appreciation feel good; it also helps build trust and break down barriers between people.

Always Act with Integrity

Integrity is a virtue that every leader should aspire to, but we won't pretend that it is easy or common. In some sense, we can more easily define integrity by what it's obviously not. It's not lying. It's not stealing. It's not fudging your accounting, or mistreating your team members, or greenwashing your marketing. It's not making unsubstantiated claims and false comparisons. It's not misleading your customers or hiding facts from the public. All of those are easily grouped into the "lacks integrity" bin of failed leadership.

But what goes in the "act with integrity" pile? Perhaps the best way to understand and ultimately embody this critical virtue is to separate the white light of integrity into its many-colored components.

Five Qualities for Integrity

Five qualities are core to understanding and practicing the virtue of integrity when it comes to leadership: truth-telling, honor, authenticity, trustworthiness, and courage.

For example, "tell the truth." There are few more basic moral injunctions. Truth is powerful, but it's not always popular, which means truth-telling can be an uncomfortable endeavor.

The leadership virtue of integrity requires **honesty** not only in what you say but also in what you allow yourself to hear. An anecdote from Ford describes this well. Alan Mulally, who was CEO of the auto maker from 2006 to 2014, described a first meeting with his senior executive team, one that would be critical to changing the culture of the struggling car company.

In those days, Ford was actually losing billions of dollars, yet the message the new CEO was receiving about the company was bizarrely positive. After a few minutes, he stopped the meeting. "We're going to lose billions of dollars this year," he remarked incredulously. "Why is every line green? Isn't there anything that's not going well here?"

As it turned out, the tendency of the executive culture at Ford was to put a positive spin on things and try to please the boss, not to tell the honest and sometimes brutal truth. In the next business review meeting, things looked different as the Ford team began to get the message—honest communication was expected, even demanded, by their new leader.

Authenticity means being true to ourselves and straightforward with others, whatever situation we may find ourselves in. Of course, this doesn't mean being blind to circumstance. Obviously it's not appropriate to speak out on every subject whenever someone asks us a question, and that's even more true if we represent a larger institution. Some things are private; some are personal.

But conscious leaders aren't obsessed with a need-to-know secrecy, and they don't parse out information at every link on the chain of command as if national security was at stake. Whenever possible, frankness and transparency guide their actions.

PART II: MINDSET & STRATEGY

Find Win-Win-Win Solutions

We all know the archetype: the dealmaker, the negotiator, the shark, the supposedly savvy businessman or -woman who always seems to get the better end of the stick—51 cents or more on the dollar when the deal is made. Their goal is to always "win" the deal. After all, it's a war out there in the business world—isn't it? The overriding goal is to survive and prevail, and crush the other party in the process. There is one winner, and the others are losers. That's just the way it works. Deal with it, sucker.

Now imagine there was a different way. What if there was an alternative ethical strategy that we could use in both leadership and life that would result in positive outcomes for both ourselves and everyone around us?

You've probably heard the term "win-win"—creating positive outcomes for both ourselves and the people on the other side of the table.

Conscious leaders, however, take this mindset one giant step further and simultaneously seek positive outcomes for the larger community—a third win. This community can be defined as widely as we wish to define it. In some contexts, the additional win could be for our families, our religious community, our city, our state, our nation, all humans, all animals, or even the health of the biosphere.

The key ethical idea in win-win-win thinking is that we are seeking to find strategies and solutions that benefit us, the parties we are directly interacting with, and the larger communities that we exist within. In business, that third win typically represents the larger stakeholder group for which the business is creating value—customers, team members,

suppliers, investors, and local and global communities.

The premise is that all the stakeholders are connected and interdependent. By managing the entire system with win-win-win thinking, we create positive synergies that benefit everyone.

Practicing Win-Win-Win: The Power of Intention

When you're stuck in a difficult situation, one of the best things you can do is to repeatedly affirm your desire for a win-win-win solution to the specific challenge. Hold that intention in your heart and mind, with great conviction. This doesn't mean you immediately jump to a solution—that's different. Rather, focus on your desire for a win-win-win solution to emerge. This practice activates your subconscious creative mind to go on an inner "search process" that can yield powerful, unexpected results.

When your focus is this clear, your deeper, subconscious algorithms are tasked to work on the problem, and sooner or later a solution emerges. Often, it will do so in unforeseen ways—a sudden insight, a wisdom-laden dream, a breakthrough in the shower, an early-morning intuition, a creative leap. A win-win-win solution presents itself. It may feel like magic, but it's not—it's the power of your own intention.

Innovate and Create Value

Ideas. Creativity. Resourcefulness. Imagination. Innovation. That is the real secret of our collective success.

Capitalism is at its best when we deeply appreciate that it's more about the application of human creativity than about the allocation of financial capital. That's why the successful innovator, entrepreneur, and even executive needs to focus on creating value rather than simply creating profits.

Here, "value" simply means the quality of product or service that encourages someone else to want to do business with you. Yes, value is tested in the marketplace, in the crucible of actual trade. But always remember that profits are downstream from created value, not the other way around.

The ability to innovate and create value for your fellow human beings (and sometimes for other secondary stakeholders, like animals or the environment) is a fundamental element of conscious leadership. Leaders have an outsize influence, and conscious leaders think carefully about how to use that influence to inculcate innovation and value creation in individuals, teams, and the organizational culture that connects them.

Innovation Loves Company

We often imagine that the path to innovation involves a heroic individual doing a deep dive into their own unique vision and emerging with some incredible novelty, but the iconic image of the lone creative genius may be oversold. In his book about the beginnings of the personal computing revolution, ***From Counterculture to Cyberculture***, Stanford professor Fred Turner made the astute observation that "ideas live less in the minds of individuals than in the interactions of communities."

> Innovation, creativity, and breakthrough ideas require more than networks of interacting neurons in our brains.

Innovation, creativity, and breakthrough ideas require more than networks of interacting neurons in our brains. They depend on interacting networks of actual people—engaging, refining, inventing, imagining, sharing, and building on one another's work.

How can we influence organizational culture to be more creative and dynamic? Here are some strategies for your consideration.

Create the right incentives. Humans are social creatures, constantly looking for feedback, affirmation, and cues from our social tribes. As a leader who is helping to set the tone of a business tribe, be aware of the "possibility field" that you are incentivizing and rewarding. Incentives can be monetary, but they can also be much more than that. One should never underestimate the power of authentic appreciation. If you genuinely reward creativity, new thinking, and innovative ideas, you'll get more of the same over time.

Encourage healthy competition. At Whole Foods, one of the reasons the stores have kept pushing the edge in terms of the customer experience is that they allow a great deal of freedom to innovate at the regional and store levels. Each regional and store team brings new ideas to the table, building and improving on what has come before. A healthy

competitive dynamic is born, with each team trying to outperform the others and come up with more innovative ideas. The best ones get replicated across the company, and the ones that don't work fade away.

Embrace the edges. If you're looking for innovation, you probably won't find it at the heart of the establishment. Genuine evolution and novelty creation often happens on the borders, at the boundaries, in the in-between zones. It thrives in those places where different cultural patterns can mix and mingle, where established rules and conventions hold less sway, and where experimentation and invention can take place free of restrictive oversight.

Think Long Term

If we are going to build a business, an economy, and even a nation that creates sustainable prosperity over the long term, then it's imperative that we look to a longer horizon, understand the dynamics of change, and invest with a multi-year—even multi-decade—timeline.

To do that, we must resist the always present temptation to maximize short-term gains at the expense of longer-term investment. Of course, the short term is always an important part of the picture—that's never going to go away. But when we start harvesting tomorrow's potential value and spending it today—in the form of significant debt, environmental unsustainability, or financial sleight of hand—we are constraining and diminishing the prospects of the future.

As conscious leaders, our goal should always be the opposite: to enlarge and expand the opportunity set of tomorrow in both economic and social terms. We can accomplish this only by keeping one eye on the long term.

Success over the long term, today more than ever, means understanding the relationship between early investments and later rewards. And in our era, like none before, thinking long term requires that we do this in the midst of tremendous uncertainty, unpredictability, and accelerating change.

Thinking Exponentially

Some of the most important leadership mindsets are specific to our time, and none more so than the ability to "think exponentially." It's a critical subset of long-term thinking.

Thinking long term requires not only stretching our minds further into the future but also learning to think "developmentally." That means learning how to cognize change over an arc of time. We don't just see discrete products or services staying the same as time moves ahead, but we see a process—from a version 2.0 to a 3.0 to a 5.0.

What did transportation industry executives think in 2009 as they looked at the picture of the founders of Google with the silly-looking Toyota Prius self-driving experimental car, with its huge, expensive Lidar sensor on top? Did they dismiss it as impractical technology? In that particular moment, it was just that.

How many of them had the developmentally informed foresight to see that only a decade later the technology would be where it is today? Thinking exponentially and developmentally encourages us to explore the trajectory of a given technology over a decade or two, and the perspective we adopt is very different. No longer under the spell of the local and linear, we grasp the process in time, not simply the object in space.

What Business Are You In?

In a world of accelerating change, long-term thinkers must be resolutely attuned to the question "What business am I in?" This is true for the simple reason that business categories are changing much faster than they did in previous decades. Define the answer to the question too narrowly, and you may miss opportunities or fail to see important disruptive developments.

A decade ago, if you had asked this question of Netflix, you might have expected to get the answer "We're in the mail-order DVD rental business." After all, they practically invented that sector. Luckily for Netflix, however, founder Reed Hastings had a different answer. He knew that Netflix was in the entertainment business. That's why he was able to pivot his company to online streaming and eventually to content creation as technology rendered its previous business model obsolete.

PART III: PEOPLE & CULTURE

Constantly Evolve the Team

In the real world, everything we accomplish is done with and through other people. As leaders, we are only as good as our teams. That may be a cliché, but it's no less true because of it. Given that truth, attracting, hiring, inspiring, developing, and retaining the very best team possible is critical for the success of an organization and its leaders.

For a conscious leader, the health of the team around them is a never-ending project, a living, three-dimension-

At its core, revitalization is all about energy—how we use it, how we can have more of it available, how we understand it, and how we manage it.

al, ever-evolving puzzle that they are always working to complete. They know that the development of the team is not simply something they can outsource to the HR department. Yes, it may take help and support from others, but it also takes care and real engagement.

The journey of a great team begins with good hiring decisions. There are several things to look for when considering the best candidate. Obviously being smart and having a high IQ is important, particularly if the role involves intellectually demanding work. But that's not enough anymore. We also need to carefully evaluate the following:

- **Emotional intelligence**. Team members need to be able to connect with people, listen well, and empathize with what others are feeling.
- **Character**. Does this person have good ethical character? Are they fundamentally going to act with integrity? If not, it doesn't matter how brilliant and capable someone is.
- **Cultural fit**. Just because someone has the relevant experience and was successful in another company in the same role doesn't mean those skills will translate across the cultural divide. A team reacts to a bad cultural fit the way the body's immune system reacts to what it perceives as harmful bacteria or viruses—it creates an immune response to repel the foreign invader.

Once we've hired the right people for the team, the next challenge is to continue to develop a culture in which individuals and teams can grow and thrive. Here are some suggested leadership practices for developing a truly conscious culture:

- Make team member happiness a core value.
- Practice what you preach.
- Create an environment of safety and trust.
- Provide clear goals and reviews.
- Value mentorship.
- Build community.

Regularly Revitalize

For leaders in any field or area of expertise, the power of rest, repose, relaxation, and rejuvenation should never be underestimated. It might seem counterintuitive to suggest that such passive, quiescent activities can be the fount of dynamism and creativity, but that's exactly the point.

At its core, revitalization is all about energy—how we use it, how we can have more of it available, how we understand it, and how we manage it. For high-performance leaders in most fields, these are essential issues.

Sleep, revisited. The foundation of any path of deep revitalization begins with sleep. We absolutely need good, consistent sleep, and not getting it fundamentally compromises the self in ways that science is only just beginning to measure. In fact, trying to be a conscious leader without getting adequate, consistent sleep is like trying to win a football game with an injured defensive line. It makes everything else that much harder. Seven to nine hours: That's what experts are recommending.

Demystifying nourishment. Whole Foods Market always considers healthy eating to be the first line of defense against sickness, burnout, fatigue, and so many other physical difficulties that can lead to unhappy team members and underlie poor performance. That is why they incentivize healthy behaviors—for example, they offer a discount on in-store food purchases that increases as team members reach certain health markers and adopt good health practices, such as not smoking.

Continuously Learn and Grow

In the year 1716, in the city of Boston, a 10-year-old boy was pulled out of school and told he would now be working full time in the family business. He'd been in school for only two years and had shown great promise, but it was little surprise that his father, a soap- and candlemaker, could not afford the luxury of an education for the fifteenth of his seventeen children.

Two years later, the boy was sent to work at his brother's printing press as an indentured apprentice. You might think that was the end of this young man's education—that, like so many of his peers, he became a career tradesman, getting by on basic reading, writing, and arithmetic skills.

But no. An unusual passion for learning had awakened in his young mind, and he spent every penny he earned on books, even forgoing meals so he could buy new ones. He taught himself to compose articles and essays through rigorous study and practice. This young man would grow up to become one of the most renowned polymaths in American history, despite less than two years of formal education. His name? Benjamin Franklin.

Franklin, one of the greatest conscious leaders of all time, provides an excellent example of what can be achieved through a lifelong commitment to continuous learning and self-improvement.

The Liberation of Lifelong Learning

What does it mean to learn, grow, and develop as an adult? Learning is perhaps the simplest of those concepts, though science is now discovering that there is more to it than meets the eye. A conscious leader does not limit their learning to the immediate demands of their job or industry. Many of the greatest leaders are voracious learners, reading and studying widely in fields that are seemingly unrelated to their own. They read literature, history, science fiction, biographies, comic books, philosophy, and more.

One of the goals of learning and growing is integration—the capacity to better integrate insights from a wide range of ideas and disciplines in sensible, thoughtful ways. The ability to allow one's intellect to range widely across fields, to cross-pollinate diverse ideas, to find patterns across disciplines, and to "see the forest" is crucial in our data-saturated age. If you are at the helm of a company, team, project, or group of people, you need to know a little—even more than a little—about a lot.

If we truly want to learn, in all the many dimensions of what that word means, we also need to occasionally set aside quantity for quality. We must dive more deeply into the long-form article, the absorbing book, the engaging documentary, the enriching dialogue, the inspiring inquiry, the edifying conversation.

A life of conscious leadership demands that we find ways to express our deepest convictions and highest calling in the actions we take every day.

If we walk this path with integrity, purpose, and love; if we're in it for the long haul and we approach the journey with a great spirit of creativity and mutual benefit; and if we care deeply for ourselves and the teams we share the journey with, we will discover the essential spirit of conscious leadership. Our lives, our organizations, and our world will be better for it.

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Contagious You

Anese Cavanaugh

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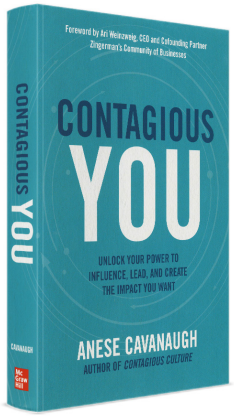
Contagious You

Unlock Your Power to Influence, Lead, and Create the Impact You Want



by **Anese Cavanaugh**

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THE SUMMARY IN BRIEF

Everyone in an organization is a leader—for good or for bad—and leaders have tremendous power to influence those who follow their example. In ***Contagious You***, author Anese Cavanaugh shows that the quality of our leadership is based upon our intentions, energy, and presence. By emphasizing authorship, self-care, and response-*ability* (not responsibility) as leadership skills and cultural amplifiers, Cavanaugh shows you how to walk the path of more effective leadership while navigating the roadblocks in your way.

Whether these roadblocks are working with negative co-workers with secret agendas and unrealistic expectations or just the general "busyness" of life, ***Contagious You*** will take you on a journey to create more space, more courageous leadership, and stronger collaboration to influence others and create the impact you desire.

The common denominator is you. No matter what level you're on, your intentions, energy, and presence impact your ability to do anything within your life. ***Contagious You*** is an invitation to unlock your own power. So show up, lead, and intentionally become the change you wish to see.

IN THIS SUMMARY, YOU WILL LEARN:

- What it means to be contagious and how to amplify your own energetic state to create positive impact.
- Why self-care is an essential leadership skill.
- How great leaders enable and encourage positive and contagious energy.

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Part I—Contagious You: Claim Your Power

You Are Contagious. Own It.

Have you noticed you have the ability to influence other people's outlooks, decisions, and moods—not necessarily through the words you say but through your presence and the intentions behind your words? Or that you can change the mood of a room by the energy you bring into it (for good or bad)? Or that you can be in a meeting that feels great and productive but you have one negative person in there—and before you know it, the whole meeting sucks?

Most of us can relate to these scenes in our lives. Why? Because we are human. And we're contagious. Our intentions, energy, presence, and state of being are all contagious.

We put energy out there; we take energy on. This happens at work, at home, at the coffee shop, on the train, and everywhere else we go. Whatever we put out there and whatever we take on affects our ability to influence, lead, and create the impact we want.

So the real question becomes, what kind of contagious do you want to be? What do you want to put out there? What do you want to take on? And in service of what?

So, What Is Contagious?

Simply put, contagious means something, a disease or an emotion, feeling, or attitude that can be spread from one person to another by direct or indirect contact that is likely to spread and affect others. For good or bad.

Great news; this is all your choice. And whatever you decide will be contagious.

At the root of your contagiousness are your intentions, energy, and presence, and your *Intentional Energetic Presence*® (your IEP). You control all of these things. They're yours; nobody can do them for you; no one can take them away. Make any of them better, and you level-up your ability to create influence.

Leadership and culture are something that we *be*, not that we *do*. The being, which is our intentions, energy, and presence, is like food coloring in water—you can't separate the being from the doing. It infuses and colors everything. It's contagious. The doing is important, absolutely—but the being is what people respond to and are inspired or repelled by.

If we lead intentionally with the being and doing working together well, we're more likely to have a positive impact.

It is easier to put culture out there—to hold culture as something to be done or something that everyone else is responsible for. Holding culture as internal—something that you are and that you are accountable for—can be confronting. It requires you to be present and aware. It requires connection with others. It requires vulnerability.

And it requires self-reflection and accountability, posing the questions, "How am I showing up to create the experience I'm having? How am I contributing to my situation? What help might I need?"

This is a tremendous gift and superpower, and like any good superpower it comes with opportunity and also great responsibility.

More Credibility, Success, and Influence Is Within You. Get It.

If you want it, go for it. The only question is, are you willing to do the work? And an even more important question that will fuel your work is *why*? What is the desire that will make this all worth it?

There is a bigger reason, a bigger "why," for doing what we do than just doing what we do. If there isn't, our goals and intentions can fall apart fast. If our why is strong enough and the thing we want is important enough—we will do it. The more connected we are to our why, the more sustainable our leadership becomes. Especially when it gets hard to do the work. So what do you want and why?

If you are having a hard time connecting with this idea or accessing what you want, start small—start with "a cup of coffee," or "a day off," or "a new pencil." Then work your way up: to have a better relationship, to run a 5K, to be a better parent, to get a promotion, to impact 10,000 people next month, and so on. You'll come up with a list. When you have all the "wants" out in front of you, go back and circle the top five to focus on for now.

The "Want It/Love It Up" Five-Step

Now that you know what you want, we can go deeper to lock it in and bring it closer to reality. Do the five-step.

- **See it**. Envision yourself doing it or being it, see the result of it, and see the people around you benefiting from it.
- **Want it**. Connect with the feeling of having this thing.

The Portal of Purpose results from clarity of intention, powerful proclamation, true presence, commitment to service, and openness to magic.

Feel where success lives in your body, the energy of having it, the feeling of connection and aliveness that comes with it, the importance of it. Really feel this. Feel it? Great, now turn the want dial up. Want it more. Breathe. Good.

- **Know it**. What will this do for you? What will it give you? What will you be able to do because of this? Who will you become? Now, tap into what will happen if you don't create this. What's the cost? Feel that. Now come back to what's possible when you've created it. Stay there.
- **Decide it**. Once you see it, want it, and know it—it's time to decide to create it. No kidding. Make the full-body decision to make it so. It's on you to lead.
- **Love it**. Now all you have to do is love it up, partner with it, stay conscious in it, and get ready to do the work.

Desire, Intention, Impact. Clarify It.

Let's talk about how to create intention and open the "Portal of Purpose" so you can unlock the next level of your ability to lead, influence, and create the impact you want.

The Five Steps to Intentional Impact Framework supports crafting intentional impact, in its simplest form, to create tangible and intangible results in any conversation, project, relationship, or experience.

1. **Outcome**. What is the outcome you want to create? This should be tangible and something you can see or touch. You would not have created this outcome without the meeting, conversation, project, and so on.
2. **Impact**. What is the emotional impact you want to have? How do you want people to feel? How do you want to feel? You will create an emotional and energetic experience with your presence and actions either way. Being intentional about it is highly useful.
3. **Show up**. How will you have to show up to create the outcome(s) and emotional impact you desire? What will your presence be? Your quality of listening? Your body language? Your attire? Anything that impacts how you show up goes here.
4. **Believe**. What will you want and need to believe in order to show up that way? Make this authentic. If you're having a hard time finding something useful and real to believe, go deeper. What's the truest thing you can believe to help you show up well and be congruent?
5. **Actions**. What actions will you need to take to make it all so? What will you actually have to do? Before, during, after?

You will find that magic happens when you are clear on what you want, have a strong why, put these five steps together, and do the work. You need all five steps. Don't skip or take any of them for granted.

The Portal of Purpose and the Power of Intention and Proclamation

These steps strengthen your intention and make it real, which is core to opening the Portal of Purpose for even more powerful and exuberant impact. The intentions we set create a portal for our reality. The Portal of Purpose results from clarity of intention, powerful proclamation, true presence, commitment to service, and openness to magic.

The portal opens up when your IEP is clear, when you listen, when you're in service of, when you come from love, when you honor your intuition, and when you're willing to say "yes" to really scary stuff because your soul demands it. The portal opens up when you're willing to be on your edge and to devote to service and creating an impact that is bigger than you.

Stories abound in which an intention is set, a proclamation is made, the purpose is strong, and magic unfolds—stories of serendipitous meetings; people attracting the right business partners, employees, agents, clients, or spouses; colleagues landing serendipitous speaking gigs and book deals; even money or clients "showing up" at the perfect time—all accessed in the Portal of Purpose.

The portal can only be accessed if we are taking excellent care of ourselves, owning our impact, holding the intention of service, and listening. Add in magic, proclamations, and true presence (which requires great IEP)—the possibilities are limitless.

Part II—Contagious Presence: Unlock and Nourish Your Superpowers

Design Your Intentional Presence. Be It.

Every interaction we have has a "vibrational energetic" impact. The difference in being successful (or not) in any engagement can be as simple as the impact our vibe creates. We can invite responsiveness—or resistance. We can create inspiration—or obligation. We can evoke doom and gloom—or light up a room. We can inspire authenticity—or fakery. We can open a conversation up—or shut it right down. All with our energetic presence.

The most important work leaders can do is strengthen our IEP. The more we tend to this proactively, the stronger it becomes and the easier it is to command our energetic presence at will. This ultimately allows us to respond and lead in the most appropriate, helpful, and effective ways possible. This is leadership.

The IEP Method®

As your Intentional Energetic Presence, your IEP is how you show up in the world (for yourself and for others). It is also your intentions—what you want to have happen; your energy—the energy and stamina you have to do so and the energy you bring to the table; and your presence—how you show up, how present you are, and what you bring to the now.

There are three parts of the IEP Method:

Reboot your presence. This is your ability to reboot your presence in the moment and shift state, no matter what. You check your presence and the energy you're bringing into a room or conversation. If it's not what you want it to be or what will best serve what you're there to do, you reboot. You breathe. Intend. Shift. Show up. And go.

Build a strong, energetic foundation and field. Building your energetic field is the biggest component of the methodology. Our first intention is to build your energetic field so you can come fully to your life, feel solid, clear, and energized, and have the capacity and range for even more.

Our second intention is to build your field so well that when others step into it, especially the people who may be more challenging to work with, you can better serve, navigate, and lead them with clarity, grace, and effect—without burning yourself out, getting sucked into their stuff, or giving yourself away. The stronger the field, the easier it is to hold these two intentions. It also becomes easier to reboot, shift state, and create intentional impact.

Create intentional impact. Part of this involves the Five Steps to Intentional Impact, noted above. The better you are at rebooting (part 1) and the stronger your energetic foundation and field (part 2), the easier it is to create intentional impact (part 3). The three parts of the method all work together.

Strengthen Your Immunity: Self-Care, Self-Kind, Self-Full. Nourish It.

Two desires—lead well and take care—are often held as mutually exclusive and working against each other, when really they need each other. One cannot survive without the other. Impact needs self-care for power and sustainability. Self-care needs impact for power and inspiration.

Self-care is not a "thing" you do; it is something you "be." It's a mindset that can inform every decision we make. When we "be" self-care, it doesn't matter if we have three weeks for vacation off the grid, two minutes of silence, or no time at all and only a moment of presence with ourselves and a kind thought we can choose—we can access self-care immediately.

The illusion of what "self-care" is often deters people from participating in it. Self-care happens "in the cracks." It doesn't have to mean eight hours of sleep each night, two hours a day in the gym, a nutritionist, a personal trainer, decadent vacations, and a massage therapist following us around.

Self-care is being kind to yourself, taking care of yourself, and being your own best friend and advocate. It happens when you've had a hard day or moment and, instead of armoring up and forcing your way through, you admit it—and let yourself have a minute.

It happens when you opt out of a toxic conversation or relationship. It happens when instead of being unkind to yourself and beating yourself up for that last "fail" or "dumb thing you just said," you offer yourself grace and even an acknowledgment for being brave. It happens when you ask for what *you* need. It happens when we give ourselves a moment to breathe, get present, and connect with our intention.

We can build our resiliency and immunity proactively and reactively. The more we're exposed to negative contagions and react or respond well (by holding our space, taking care of ourselves, bouncing back, and continually learning from it), the more we are able to build our resiliency and immunity reactively. On the flip side, we can build it proactively

via self-care, intention, and using the strategies discussed here. Think of it like eating your vegetables, taking your vitamins, and choosing your thoughts—doing these things builds your immunity and resiliency.

The Mindset of Building Your Immunity (Being)

The following are eight incredibly helpful principles for shifting mindset, building immunity, and strengthening IEP. Own and embody any of these, and you shift the field:

- My presence is my impact. How I show up matters.
- Showing up for myself first is vital to be able to show up for others.
- My relationship with myself is the most important relationship I have. (This includes any spiritual beliefs I hold and my relationship with a higher power.)
- The combination of trust, credibility, and leadership is an inside-out job.
- The clarity of my intention equals the power and quality of my impact (and the ease of doing anything).
- I matter. I have my own space. (I am "response-able" for holding and nourishing it.)
- I create my experience. I author my story. I lead me.
- Presence, not perfection.

Which feel most important to you? Whether you are a top-level executive or entry-level administrator, teacher or principal, wine-maker or grape picker . . . these principles strengthen the essential you and build your field. Choose one, embody it for a day, keep rebooting back to it, and see what opens up.

The Seven Ps of Personal Burnout and Transforming "Bad" Things Into "Good." Do It.

There's a reason for the saying "It's lonely at the top." Leadership can be lonely. The further up the ladder we go, the more opportunities and responsibilities we have, the more people look to us for guidance, and the more expectations we have imposed on us or by us.

Additionally, as we grow in leadership, we may surpass friends, colleagues, team members, and even bosses we've worked with and are now responsible for leading. Our interests and priorities can change, creating shifts in relationship dynamics that can be disconnecting and jarring. We may worry what our peers think, what this growth and disconnect means, or that we simply no longer fit in.

The following seven Ps of burnout invite us to tend to our personal nourishment and burnout prevention more rigorously:

Lack of connection to presence and the pause. Presence is about being present in the moment, to our lives, in our bodies, and to our current reality. The pause is about taking a time-out (between projects, meetings, wins, fails, and even thoughts) to regroup, reboot, rethink, reassess, and go. People are not going to let you pause (not because they're evil but because they're managing their own stuff), so you have to create presence and the pause for yourself. It is a choice.

Presence is about being present in the moment, to our lives, in our bodies, and to our current reality.

Lack of connection to purpose and the portal. It's essential that we stay connected to why we're doing what we're doing to create impact (for the sake of what and for whom?), and also that our "why" grows with us. When we're connected with purpose, service, and the humans we impact, our mission becomes clearer and stronger. From here, we're not alone but, rather, in the portal of purpose together.

Lack of connection to people. Not feeling seen or cared for, not seeing or caring for others, being separate and inferior or superior to others, or forgetting we're in relationship with the people we are with, creates separation and resistance, disconnects us from love, and violates a core human need to be a part of tribe. We have to "see" each other. Our humanity frees us.

Lack of connection to pleasure and pain. Accessing pleasure—playing, acknowledging delight, appreciating the moment, celebrating wins and failures, and taking time outs for fun—is essential for regeneration. Accessing pain and authentic emotion is just as important. In order to have our full range of experience, more of our authentic selves, and clean energetic hygiene—permission for pain and true emotion is vital.

Lack of personal power. With a lack of personal power or accountability, energy gets heavy and mucky and tends

to spiral, creating more of the same. Owning our power is contagious. Holding clear boundaries and taking accountability clears energy and empowers and supports others in doing the same as well.

Lack of partnership with oneself. The most important relationship we'll ever have is the one with ourselves. When you are present to your needs, honor your internal agreements with yourself, and trust you have your own back, you are stronger for everything else.

An overabundance of pleasing others at the compromise of oneself. Do not compromise your well-being or beliefs to please others. Do be in service of, support, or even help others—but let go of pleasing.

Part III—Contagious Relating: Build, Heal, and Optimize Your Relationships

Other People's Problems, Projections, and Expectations. Rise Above Them.

Other people's problems, projections, and (contagious) expectations (OPPPE) are things we deal with every day—on both the sending and receiving end. They are easy to get hooked into and one of the greatest causes of resentment, confusion, exhaustion, blame, judgment, and lost time and energy. We're often so close to them, we don't realize they're happening. Yet with awareness, we can start to discern what's ours, what's not, and what energy we choose to expend appropriately.

HELP: A Formula for Navigating the "Problem P" of OPPPE. The next time someone comes at you with the first P in OPPPE, asks you for support or to "have a chat," or anything in this domain that feels "off" or heavy, HELP:

Hold/Honor. Don't respond instantly to everything. Take a pause. Ask yourself, "Can I serve best in this moment? Am I in the right space to contribute?" Hold the energetic state and boundary of service and intention.

Engage/Enroll. When you do respond, ask the other person to be specific. What's the topic? How much time would he or she like? How can you be most helpful? And what are some potential times to talk so you can both be present? Getting clear here allows you (and the person) to plan and to be more fully present and in the right headspace to contribute.

Love/Lean in. When you do talk, give the person 100 percent of your presence and care—100 percent. Contribute as best you can. Love the heck out of the person. Be generous. Be there.

Plan/Parameters. Be clean about the conversation and your role. Is it something you are qualified for and the best person to support him or her in? If yes, great. If not (because it needs specific expertise from another team member, professional, or even a therapist), communicate that.

Other People's Projections. We project our experiences, feelings, thoughts, and judgments—good and bad—on each other all the time consciously and more often unconsciously. Projection is energy and a form of communication through presence and a way of being that is usually communicated nonverbally. Projection is the mechanism of a contagion, either positive or negative.

The trick is not to never do it but, rather, to be conscious of it, to catch it, to breathe, to be responsible for it, to get curious, and to get into right relationship with ourselves and others as quickly and consciously as possible. This is a practice—it is a leadership muscle.

To project is human. To have awareness and to be responsible for what we put out there in service of other humans is leadership.

Other People's (Contagious) Expectations. We have expectations of how people should show up for us, how they should perform, what they should hold as important, and what they should do for us. We have assumptions about what people agree to, how they feel about us (or anything), how busy they are, what's going on in their lives, and why they did something. Both expectations and assumptions are a form of projection.

Neither work out so great. Trying to live up to someone else's expectations and assumptions sets the tone for burnout, takes us out of presence, and diminishes trust and credibility on both sides.

So how do we navigate expectations and assumptions (those of others and our own)? We stay present and clear. We stay tuned in. We remember we all have unconscious expectations and assumptions; so then we stay in our lane, show up in a way that is true for us, check ourselves, and name our expectations and assumptions as clearly, cleanly, and proactively as possible.

Part IV—Contagious Leadership: Inspire and Grow Others

Bring People With You. Enroll and Serve Them.

Masterful leadership inspires, enables, and creates more positively contagious leaders, who inspire, enable, and cre-

The intention of service can help us focus on what matters most, get out of our own way, and unleash the most potent version of ourselves in service of others.

ate more positively contagious leaders, and on and on and on—all in service of creating positive impact.

So how do you grow other leaders? How do you inspire, enable, and enroll them not only in being more positively contagious, purpose-driven leaders but in paying it forward?

Consider the following five core components of creating other leaders.

#1. The Powerful Intention of Service. If you're on purpose, driven, and feeling in flow, it's probably not just because your leadership is directing you to be or because you're supposed to for your job. It's something way bigger than yourself or your desire for comfort. Underneath it all is likely the intention of service. The intention of service can help us focus on what matters most, get out of our own way, and unleash the most potent version of ourselves in service of others. From here, our leadership is no longer about surviving or looking good or being right or careful—it's about people. Any conversation, feedback, or act of leadership when tied to the intention of service becomes easier, clearer, and more compelling to whomever you're doing it for.

#2. Don't Empower Them: Hold a Big Container and Set Them Up to Win. One of your greatest duties as a leader is to hold space for the people you lead. The container is the energetic space you hold for someone to grow, do the best work in, and show up as powerfully as possible. The size of the container we hold for another can impact who that person becomes. If we don't believe in someone and hold a small container, he or she will likely sense it—and show up accordingly. If we believe in the person and hold a large container, he or she will sense that too—and show up accordingly.

#3. Give Productive Feedback. To lead well, you must get good at feedback. This includes giving it and receiving it. Make sure the feedback is in service of your person, clean, clear, and specific. See the humans you are giving the feedback to—they are just like you with hopes, dreams, fears, heart, and a desire to do well. Love them. Remember that their growth (and your honesty) is more important than your comfort.

#4. Enroll, Recognize, Honor, Value, Trust, and See the Humans You Lead. Remember that you are leading human beings. You must see them, their values and their value. You are "response-able" to them, not responsible for them. You may be their boss or their mentor, but you are not responsible for their success. They are. You are "response-able" to lead them, to be direct and clear, to help them navigate their path, and to help them learn, fall down, get up, and become the best leader they can be.

#5. Let Them Lead. Your job as leader is not to be followed. It's to create, nourish, and grow other leaders. One of the ultimate forms of contagiousness is contagious leadership. In order to do this you will need to take care of a few things: your ego (i.e., your pride), your congruency, your growth, your mentorship, and your presence, purpose, and play.

Part V—Contagious Impact: Be a Force for Good in the World

Create a (Positively) Contagious Culture. Live It.

Now we move into impact. If you're living Parts 1 through 4, impact is easy. It's happening. But is it sustainable? Is it real? And how do a bunch of contagious yous do it all together?

Organizations that have been integrating this work during the past few years were interviewed about where they are now, how they have applied this work, how it has grown, and what works. Best-practice beliefs and mindsets emerged in the following five areas:

- Simple awareness, being present, knowing we're contagious, "seeing" people, acknowledging and honoring them, and taking a pause were part of the magic sauce that got them started and made this work real.
- Taking care of themselves really did make them better for others.
- Being a positively contagious culture didn't just stay at work—it followed people home, impacting their

marriages, kids, families, and other aspects of their personal lives.

- Little things mean a lot. It's often not a huge overhaul or initiative that's needed. Sometimes it's simply owning (and shifting) presence, connecting with intention, being kind, and/or choosing to integrate one idea at a time that makes the most real and sustainable changes.
- It's a journey. Creating or changing culture takes intention, time, and practice. You've got to do the work, and the work starts with you.

Vivayic, a learning services company with the purpose of "building others' capacity to do good in the world," has been integrating the IEP Model over the past three years. All new employees are introduced to IEP during the two-week onboarding process, and they attend a two-day live IEP event as quickly as possible. Components of the IEP Method are written into Vivayic competency models and creative operating procedures so that IEP will be part of ongoing processes, growth, and development conversations.

Emily Kueker and Carrie Derner, two of the owners, reflected on what they've learned to build a positively contagious culture for their team of 30-plus employees all working virtually.

"Creating awareness about the contagious nature of energy has been essential in giving us a common language to address the presence each of us brings into conversations," shares Emily. "We know we've been successful in establishing the IEP Method when a teammate volunteers, 'I need to reboot,' during a meeting."

The company has excellent employee engagement scores, which has led to extraordinary client engagement. The company recorded a Net Promoter Score of 82 in its most recent survey. This has led to Vivayic earning a spot on the Inc 5000 list for fastest-growing private companies four years in a row.

Our best bet for leadership is us. It's being the change we want to see. It's leading ourselves so we can lead others. It's getting command of our state, thinking, and well-being. It's loving ourselves and each other so much that we can't help but show up and lead better. It's having a mindset that we are in service of others. It's being clear and rooted in our intention.

Choose what you want to be contagious for, and get out there and lead.

IF YOU LIKED THIS SUMMARY, YOU MIGHT ALSO LIKE:

- ***Contagious Culture: Show Up, Set the Tone, and Intentionally Create an Organization That Thrives*** by Anese Cavanaugh
- ***The Power of Presence: Unlock Your Potential to Influence and Engage Others*** by Kristi Hedges

Anese Cavanaugh is an award-winning speaker, teacher, advisor, and thinking partner to some of today's most innovative organizations and business leaders around the world. She is devoted to helping people show up and bring their best selves to the table in order to create significant positive impact in their lives and organizations. In addition to creating and teaching the IEP Method® (Intentional Energetic Presence®), she speaks on leadership, showing up, being positively contagious, nourishing our relationship with ourselves, and creating a healthy culture.

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Creating The Accountable Organization

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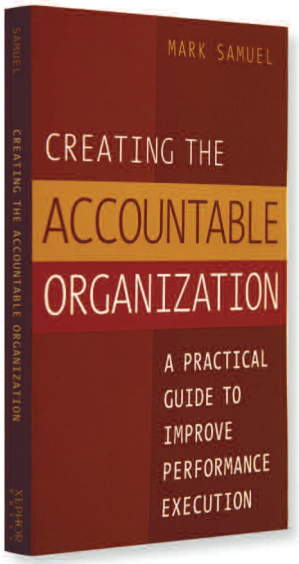
Creating the Accountable Organization

A Practical Guide to Improve Performance Execution



by Mark Samuel

THE SUMMARY IN BRIEF

Creating the accountable organization means developing a culture where people at all levels of the organization can be counted on to keep their commitments and agreements. Author Mark Samuel describes strategies and techniques for increasing both individual and shared accountability. This includes within and between teams as well as between different departments.

The guidance offered is for leaders and change agents at any level within an organization who are ready to move to the next level of excellence and success.

Based on practical experience — more than 20 years of implementing change, research and learning from mistakes as well as successes — *Creating the Accountable Organization* challenges preconceived notions of leadership and accountability and shows readers how to lead a business so it remains effective, competitive and successful in the face of continual pressure to perform at higher levels. It also provides practical strategies and tools used by leading organizations in diverse industries to achieve breakthrough results.

IN THIS SUMMARY, YOU WILL LEARN:

- How to transform meaningless activities, such as ineffective meetings, overused task forces and never-ending restructuring, into meaningful actions.
- How to develop a culture where people at all levels of the organization can be counted on to keep their commitments and agreements.
- How to address nonperformers who survive at the expense of hard-working top performers.
- How to achieve what matters most to you and your company by understanding the principles and realities of accountability.

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THE COMPLETE SUMMARY:
CREATING THE ACCOUNTABLE ORGANIZATION

by Mark Samuel

The author: Mark Samuel is a leader in the Personal and Organizational Accountability Movement, firmly committed to inspiring excellence using the principles found in this book. He is president of IMPAQ, a California-based, worldwide consulting firm that teaches organizations how to thrive in the competitive 21st-century global marketplace.

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PART ONE: BREAK AWAY FROM OLD LEADERSHIP PARADIGMS

Unleash Ability Through Accountability

Personal accountability is a key driver for organizational accountability. However, organizational accountability goes beyond personal accountability.

Within your organization, you will find some managers and employees functioning at lower levels of accountability and others functioning at higher levels.

There are five levels of accountability:

Level 1: Entitlement. When an organization is plagued by an attitude of entitlement, employees are paid for showing up on the job regardless of performance. Convenience determines effort. Morale is low from the indifference that everyone has for his or her own performance and for each other's performance.

Level 2: Individual Accountability. Individual accountability is an improvement on entitlement. At this level, employees take responsibility for completing their own assignments based on their own job descriptions, without concern for the impact they may have on others. People are competitive with their teammates and support is minimal.

Level 3: Work Unit Accountability. Teams are another stage on the route to organizational accountability. At this stage, the success of the team is more important than any particular individual's success. Competition among team members is lower, but territorialism between teams is high. Teams address individual poor performance and behaviors that keep the team from being successful.

Level 4: Cross-Functional Accountability. Business outcomes determine the makeup of the team to get the job done regardless of function. Decisions are made to include as many functions or departments as are affected. Achieving defined outcomes is more important than the success of any one team or individual. Coordination among teams and individuals is high. Territorialism doesn't exist and individual competition is minimal.

Level 5: Organizational Accountability. Business outcomes still drive performance and decision making, but they now include cross-divisional decisions, knowledge sharing and sharing of resources. All levels of the organization are accountable to each other, creating a "fluid" organization. Any person can act as the leader to

Increasing Organizational Accountability

Here are three principles for increasing organizational accountability:

1. Accountability increases one level at a time. It takes six months to a year to solidify each new level.

2. As levels of accountability increase, performance and behavioral expectations increase. As levels of accountability increase, it becomes less acceptable to accomplish individual performance goals without considering the effect on other people in the organization who need to accomplish their goals.

3. The further removed an individual is from the organization's current level of accountability, the greater the pressure will be for that person to leave the organization. This is true whether an individual's level of accountability is higher than or lower than that of the organization.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor In Chief; **Chris Lauer**, Senior Editor; **Chris Bienick**, Graphic Designer

any other person, regardless of position, when it is necessary for accomplishing business outcomes.

Create an Accountable Culture

You need only look at organizational breakdowns and failures to see that *culture* is anything but a "soft" issue. For example, when one organization lost its competitive edge because it didn't release its new product in time to head off the competition, the issue was cultural, not technical. The organization had a culture of independence where people didn't show up at meetings on time, people constantly checked their e-mail using Blackberries and some would leave the meetings before they were concluded. This resulted in a lack of decision making and not taking the action necessary to complete the new product line.

Culture: The Backbone of an Organization

The culture of an organization involves more than the style, attitude, communication and skill of its managers and employees. The reason it has been treated as a soft issue is that it seems to affect people and morale more than it affects business results. Consequently, we debate which culture is best — team-based, self-directed, empowered, diverse or something else — without reflecting on the primary purpose of any culture, which is to achieve the business outcomes.

An organization's culture involves a *collective mindset* and the linkage between people in the form of *behavior patterns* that support the collective mindset. These behavior patterns between people represent "habits of performance execution" that result in business outcomes. Performance execution is comprised of *habits* that represent the automatic behavior demonstrated on a consistent basis in the organization.

Five Steps to Create Organizational Accountability

Developing a culture that produces breakthrough results involves more than changing behaviors or attitudes or adding new skills to the work force. It involves developing new habits of performance execution. Although it may take years to change all the bad habits of an organization, with focused attention and deliberate methodology, it only requires three to six months to change enough significant habits to achieve measurable impact on an organization's desired business outcomes.

Step 1: Introduce a New Mindset. When any change is implemented in an organization, start by *clarifying the new mindset* in terms of expanding roles and new responsibilities; *identifying how the relation- ships in the organization may be altered* based on the change and desired outcomes being accomplished; and, finally, *clarifying any new expectations* for improved performance or productivity as a result of the change you are implementing.

Step 2: Identify and Reverse Dysfunctional Habits of Performance Execution. The organization needs to identify the "bad" habits of performance execution that have kept it from achieving its previous desired outcomes. Once the dysfunctional habits have been identified, it is necessary to develop descriptions of the desired habits so that people can get a true sense of the ways of successful functioning in the organization.

Step 3: Measure the Effectiveness of the New Habits of Performance Execution. To successfully change a habit, you must *repeat* the new habit until it becomes *automatic* behavior. Although most organizations use measurement to evaluate results, the first purpose of measurement is *focus*. What you measure, you focus on.

For example, top athletes measure how much water they drink, the quantities and combinations of food they eat, and how much they sleep. This doesn't evaluate their skill or performance as an athlete, but it does keep them focused on the aspects of performance execution that lead to top performance.

Step 4: Establish Recovery Systems Prior to Implementation. This is the most important step for ensuring sustained results. You must be prepared with a *recovery strategy* so that you can act when a crisis occurs, when you regress to old habits of behavior or when you discover that the new behavior isn't working as well as desired.

Step 5: Recognize Results and People. Successful recognition involves recognizing the impact that eliminating dysfunctional habits had on the organization's business outcomes. It also involves recognizing people's efforts when appropriate and linking them to the actual improvements and progress made by the organization.

Three Traps of Ineffective Leadership

To develop accountable and effective organizations, you must follow the following guidelines: Focus on the desired outcome rather than on the process; create safety, not comfort; and focus on recovery, not on perfection.

Beware of the three traps of ineffective leadership:

Trap #1: Seeking the perfect process and getting stuck in analysis paralysis.

Trap #2: The desired progress to achieve results comes to a halt because of disagreements regarding the purpose or direction of the goal or project.

Trap #3: Failing to hold people accountable when they are not achieving the outcome.

Benefits of Creating a Recovery System

Creating a recovery system is a way to stay in the game rather than forfeit the game altogether. Mistakes will occur and unexpected events will take place, but for the organization that has a recovery system in place, adjustments can be made swiftly and effectively to achieve the desired outcomes.

Recovery systems are the key to creating an environment of safety that leads to greater accountability. We can solve only those problems that we know about. Without an effective recovery system, problems remain hidden, conflicts remain unresolved and the resulting culture of nonperformance continues as the norm within the organization. ●

The Formula to Achieve Breakthroughs

Guiding people to action helps them move through their fear of change. Before people can be more accountable and take action to pursue a new direction, they must have a sense that, like the beginning skier, they are safe enough to risk action that catapults them out of their comfort zone. Otherwise, taking action in a new direction will feel punishing. Paradoxically, the only way for them to increase their level of safety is for them to be accountable and to take action. As our safety increases through taking action, so does our comfort.

Being safe to take risks does not mean that you feel no pain or discomfort. In a workplace of constant change and pressure to achieve greater results, people tend to respond either with discomfort and pain, or numbness and denial.

When an individual (or group) is in denial, there are three steps to facilitate taking accountability. The first step is to increase accountability by telling the truth about the situation. Once the truth is realized, people will tend to experience the pain or discomfort of the situation.

The second step is to increase safety for the person to experience his discomfort and to prepare for taking action by acknowledging his discomfort without judging him for being uncomfortable and by believing in him and encouraging him to take action.

The third step is providing the person in denial with guidance using specific steps for taking action. By taking action, the person builds his own "safety" and self-confidence to continue taking more accountability. ●

Leadership Roles That Produce Breakthrough Results

Success is more easily sustained when each level of an organization assumes accountability for its distinct role. Here's how success happens when everyone works together:

1. *Senior managers* (catalysts for results and change) should lead and guide the organizational direction and the culture in response to external drivers. This includes translating external drivers into a clear strategic business plan and monitoring and guiding middle management in achieving operational priorities.

2. *Middle managers* (change agents) should guide the culture and operations to ensure effective linkages and the removal of unnecessary obstacles. This includes translating the strategic business plan into a strategic operations plan

Ten Ways to Create Safe Accountability in Your Organization

1. *Set clear and mutually agreed-upon expectations* with people with regard to both performance and behavior.
2. *Share information* openly and at appropriate times to avoid unnecessary surprises.
3. *Surface any conflict directly* with the person involved.
4. *Provide encouragement, guidance and other forms of support* to individuals who need to make a change.
5. *Focus on functional roles and processes* rather than position and power to accomplish outcomes.
6. *Support the development of people and systems* to respond to the needs of tomorrow and to avoid reacting only to crises.
7. *Monitor and measure the results* of each team and individual so that people know exactly where they stand.
8. *Do not allow people to perform or behave poorly* without making it clear that their performance or behavior is unacceptable.
9. *Follow up on commitments* so that people can depend on your words and your consistency.
10. *Let others know the care, appreciation and compassion you feel,* instead of holding back.

by aligning efforts around the operational priorities.

3. Employees (customer activists) should be dedicated to improving their relationships with others and their performance as it impacts the customer as well as the organization. This includes identifying and meeting customer expectations and improving technical processes and individual performance to meet operational priorities.

Ultimately, your goal is to be accountable for your own actions and dedicated to your own improvement so that you can achieve your desired outcomes. With an accountable environment in place, the organization is able to recover quickly — through focus, involvement and dedication at all levels — from any dips in success that may occur. ●

PART TWO: SIX STRATEGIES FOR LEADING WITH ACCOUNTABILITY

Strategy #1: From Empty Platitudes to Clear Direction

The purpose of an effective vision statement is to provide a clear and meaningful direction, inspiring people to attain a new level of excellence. A vision statement represents the intention of the organization, department or team based on the aspirations, values and clear sense of purpose of the authors. When a vision is clear, it reads like an action-oriented story that provides clear accountability, expectations and outcomes that could be measured. The vision statement is your intention.

Creating a Clear Vision Statement

A vision statement needs substance. It must be stated so vividly as to be almost tangible.

A vision statement is characterized by four essential elements. It should be:

1. Responsive. It identifies the external drivers affecting the organization and how the organization needs to change in order to meet these challenges.

2. Customer-driven. It focuses on the organization's distinctiveness and how it wants to be perceived by its customers.

3. Action-oriented. It defines the internal environment that is required for the vision to become a reality.

4. Practical. It describes the contribution to the financial and long-term viability of the organization, its stockholders and the community at large.

Goals are necessary for translating the vision of the organization into meaningful and measurable performance objectives. However, goals must always be subordinate to the *outcomes* described in the organization's vision.

Bottom Line: Accountability

A vision statement sets up accountability. That is its key purpose. As long as the direction remains vague or unclear, people don't have to be accountable for changing their behavior in order to be consistent with it.

Once the vision is clear, the challenge is developing priorities to ensure that you stay focused and clear on what you need to accomplish to be successful. ●

Strategy #2: Translating Clear Direction Into Non-Negotiable Priorities

A midsized biotechnical company went through the process of strategic planning. It approached strategic planning in a comprehensive manner involving an external consultant who helped the company analyze its industry and conduct a SWOT (strengths, weaknesses, opportunities and threats) analysis.

After several months of careful analysis, senior managers identified the business outcomes and deliverables they were expecting. They identified 53 projects and carefully developed objectives and action plans for each.

After six months, the management team found that little progress had been made and that people were feeling overwhelmed and confused about the real priorities. Besides, as the business environment changed, the team had added new priorities and now were up to 65 priorities!

In just a few hours of working with senior management, another consultant firm identified the top 10 priorities and established meetings to track these 10. Within six months, the management team had completed 80 percent of their top 10 priorities and were making great progress on the other 20 percent.

Establishing the Top 10 Priorities

It is the role of executives and senior management to establish direction for an organization. Accordingly, it is important for them to be clear on the "non-negotiable" priorities that must be accomplished for the organization to progress and succeed. Based on strategic goals, managers must agree on the top priorities to ensure alignment and focus for the rest of the organization.

Leaders who have mastered accountability accomplish this role by having managers identify all the possible top priorities. Next, they narrow the list down to what is most

important for the larger organization. This requires each manager to step outside of the box of his or her particular line of authority and to take responsibility for the success of the entire organization. Although the organization is accomplishing more than 10 priorities, the executive team (as a team) stays focused on the top 10 to ensure success.

Cross-Functional Accountability

Each of the top 10 priorities must have a project owner. However, the entire team of managers is accountable for the success of all 10 priorities. That means if any of the projects fail, it is the entire team that is held accountable.

The entire team monitors the progress of these top 10 priorities to make sure the project is on track, and acts as troubleshooters and problem solvers when issues surface that might prevent the success of the projects.

A team's purpose is to accomplish business outcomes in the most effective and efficient way possible. The way a team achieves its purpose is to ensure "shared accountability" is in place so that each person completes his or her commitments of performance and communication so that all the business priorities are accomplished. ●

Strategy #3: Execution: The Key to High Performance

Although ropes courses, experiential retreats and training programs can raise the awareness of working in teams and understanding the impact people have on each other, by themselves, they rarely change habits of performance execution.

Changing habits of performance execution to raise the level of team performance is achieved over time in a systematic way that is tracked and measured until the new habit becomes "the way things are done in this organization." The following three steps are used to improve performance execution:

Step 1: Develop a Team Vision of Excellence — a Stretch. Using the approach previously discussed, your team develops a vision statement representing the highest levels of excellence regarding your reputation with customers, your teamwork and your value to the organization.

Step 2: Develop Success Factors of Performance Execution. Once the vision is clear, the team identifies a list of Success Factors of performance execution, which describe in detail everything that the team will be doing to fulfill its vision.

Step 3: Prioritize Success Factor Improvement Goals. Once Success Factors of performance execution are agreed on by all team members, each team member chooses the top three Success Factors he or she feels would have the biggest impact if improvement took place. As a result, the department agrees on three Success Factors that they turn into *improvement goals*. Team members develop action plans for improving each of the chosen Success Factors and agree to review progress at each of their team meetings. ●

Strategy #4: Proactive Recovery: The Secret to Accountable Performance Execution

What do top-performing basketball teams focus on when they practice? *Proactive recovery*. The coach sets up "what if" scenarios in which the team must deal with the unexpected. What happens when things break down? What happens when the team's outside shots aren't going in or when its star player gets hurt? The coach makes sure that the team practices its ability to *recover* when
various breakdowns occur. Everyone develops the skills to respond to difficult situations, as well as the ability to mobilize the team to recover from breakdowns in the most effective manner.

The team with the fastest and most effective recovery will be the highest-performing team. Its members can respond both to crisis situations and to changes more effectively, because they are best-equipped with the *flexibility* required to continually adjust to change and unforeseen situations that take place.

The Five Stages of Recovery

When a problem surfaces, either a team can recover by surfacing the problem and responding as a seamless operation or drag out the problem by hiding and blaming others for mistakes. To create enough "safety" for people to admit mistakes, raise concerns and hold others accountable, it is useful to understand the five primary stages of proactive recovery. They are:

Stage 1: Self-Correction. First, you have to *become aware* that a problem exists. The fastest way to do that is for you to be aware of your own mistakes as soon as they occur.

Stage 2: Observation by Co-Worker. The next fastest route to recovery is to have a team member observe and point out the problem to the person who is responsible for it.

Stage 3: Coaching by Co-Worker. In an accountability-based organization, a team member will offer to provide guidance or coaching.

Stage 4: Coaching by Manager. Sometimes it is

necessary for the manager to step in and offer his or her perspective, skills, encouragement, and the articulation of clear expectations and deadlines.

Stage 5: Corrective Action by Manager. If the problem continues, the leader needs to move into corrective action with the specific nonperforming team member to ensure that his or her performance improves and that he or she becomes a contributing team member. This corrective action process involves documentation as well as contact with human resources to ensure fairness both to the employee as well as to the employee's co-workers.

Ultimately, the goal is to create teams in which members have the safety to challenge each other in a supportive way and to surface and resolve conflict without getting stuck in hurt feelings, resentment or retaliation. Once teams know how to recover with grace, speed and a united focus, no crisis or change is too great to handle. ●

Strategy #5: Create a Plan for Change That Guarantees Results

Whether the change you are planning involves organizational restructuring, introducing new technology or implementing a culture change, there are certain steps that must be followed to ensure accountability during the change process. Including people in the change without following the steps to ensure accountability creates breakdowns that prevent success. In this case, you are setting people up for failure.

Creating a Plan

Here are nine steps to creating a plan that achieves results:

Step 1: Define a Clear Outcome. Prior to initiating a plan, it is important to have a clear picture of success.

Step 2: Determine Measurable Indicators for Success. The measurable indicators are necessary for acknowledging success afterward and assisting the "naysayers" to come into alignment with the change.

Step 3: Identify Success Factors of Performance Execution. It is important to have a clear idea of what needs to happen during the change effort in order to ensure success afterward.

Step 4: Set Milestones and Timing for Success. Milestones present a road map for accomplishing the plan and provide the means for tracking the results as progress is made.

Step 5: Recognize Challenges, Obstacles and Constraints. Too often, we wait to identify obstacles until implementation begins only to find that it is too late to deal with them.

Step 6: Take Actions to Achieve the Milestones. These actions must not only assist in achieving the first milestone, but they must also be proactive to address future milestones if appropriate.

Step 7: Develop a Recovery Process. Various types of breakdowns are identified and then a recovery plan is established that outlines what resources are needed and how they will be mobilized to get back on track.

Step 8: Assign Follow-Up Accountability. Once a plan has been documented, it is important to establish a regular follow-up system to ensure that each milestone is being completed on time as agreed.

Step 9: Evaluate Results and Recognize Who's Responsible. Once the implementation is complete, it is critical to measure the results in comparison with the desired outcomes. ●

Strategy #6: Communicate to Influence 'Nonbelievers'

When a *mindset change* is necessary for implementing a new organizational structure, new technology or new global processes and procedures, then making buy-in the purpose of communication can be a "death trap." What makes a mind-set change different from other changes is that it requires you to view the project from a new perspective. When you are stuck in your old familiar perspective, you won't necessarily see the *value* of the new mind-set. You have to experience it to grasp its value.

It is only through experiencing the solutions that we will achieve breakthrough results and prevent the natural resistance associated with adopting the new mind-set. This is one of the great paradoxes of leadership.

Stop Selling Change

The term *buy-in* has always carried with it a notion of *selling*. A "sales-oriented" approach creates skepticism, misunderstanding and confusion about the solution once it is implemented. Often, people go through the motions of the change without really understanding why it is being made. Honest and open communication is at the core of accountability.

The following six steps provide a road map for presenting a change effort:

Step 1: Explain the Context for Change.

Ultimately, you want people to understand where the change is coming from and what direction it is supporting in terms of the vision of the organization.

Step 2: Present the Positives and Negatives of the Current Situation. It is important to list both

the positive and negative attributes of the current situation, especially in context with the external drivers that need to be responded to and the vision of a better future.

Step 3: Present the Positives and Negatives of the Proposed Change. Be truthful and provide people with a clear comparison between the current situation and the change.

Step 4: Present the Strategy and Action Plan. Present the strategy and action plan for minimizing the challenges and costs of making the change. Let people know that the negatives of the change effort are temporary as compared to the negatives of the current situation, which are more permanent (because they have never been addressed).

Step 5: Elicit Involvement. For the negatives that still remain to be addressed, you will create task forces made up of volunteers from the group implementing the change.

Step 6: Offer the Final Choice. Give people a clear choice about participating in the change. This is where accountability is established. ●

Get Started: Your Next Steps to Achieve Breakthrough Results

You cannot create an accountable organization through a training program on personal accountability. Although this can help to make everyone aware of being accountable, it won't address the issues of performance execution that involve teams of people working together to define accountable practices and habits. Nor can you achieve an accountable organization by having managers create contracts with each other, because this won't address the issues that arise when someone breaks a contract and doesn't address lower levels in the organization.

If you want to develop an accountable organization, you must improve *personal* accountability, *team* accountability and *cross-functional* accountability.

Creating Organizational Accountability

There are six steps to creating organizational accountability:

Step 1: Clear Directions From Executives. They must be clear on the vision and business strategy for change based on external drivers, internal goals and values of the organization.

Step 2: Shared Accountability With Middle Management. Middle managers are the change agents for creating an accountable organization. They must work together as a team of leaders, directing the organization from an operational standpoint.

Step 3: Personal Accountability for All Employees. Supervisors and employees at nonmanagerial levels must be introduced to accountability and gain clear understanding of the benefits to them and the organization in being accountable.

Step 4: Shared Accountability in Departments, Work Units and Project Teams. When these teams create a clear vision of excellence, followed by the Success Factors of performance that they commit to improving, performance and morale increase at lightning speed.

Step 5: Accountable Performance Management. Managers must have a system for managing performance that enables them to effectively diagnose the improvement needs for each direct report, prioritize the focus of improvement and develop effective "nondefensive" forms of communication to coach people.

Step 6: Measurement, Celebration and Renewal. Having a system to share bottom-line results so the entire organization can benefit from all its successes is necessary to solidify accountability.

Achieving Results

Organizations need to demonstrate accountability to achieve results. It is the core of employee satisfaction and high performance. Without organizational accountability, an organization cannot adapt to change effectively.

Whatever problems are solved by being more accountable, you will create new problems in their place. They will be "higher level" problems, and when those are resolved as you become more accountable, you will have new "even higher level" problems to resolve. The good news is that as you develop higher levels of accountability, you will be able to solve all of those problems and more — resulting in greater strength and much greater success. ●

RECOMMENDED READING LIST

If you liked *Creating the Accountable Organization*, you'll also like:

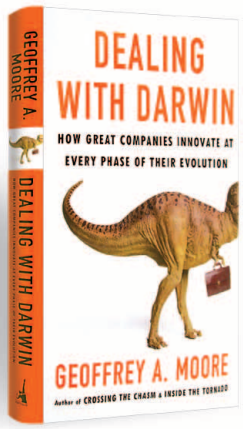
1. ***A Leader's Legacy*** **by James M. Kouzes and Barry Z. Posner.** Powerful essays for leaders to consider that cover significance, relationships, aspirations and courage.
2. ***The Leader of the Future 2*** **by Marshall Goldsmith and Frances Hesselbein.** For leaders who must be able to successfully adapt to the latest trends and marketplace opportunities.
3. ***The Starfish and the Spider*** **by Ori Brafman and Rod A. Beckstrom.** Two different organizational styles are discussed, centralized and decentralized. A smart business model contains parts of both.

· Book 128 of 388 ·

Dealing With Darwin

Geoffrey A. Moore

SOUNDVIEW Executive Book Summaries®



By Geoffrey A. Moore

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How Great Companies Innovate at Every Phase of Their Evolution

DEALING WITH DARWIN

THE SUMMARY IN BRIEF

Business is becoming increasingly competitive — globalization, deregulation and commoditization have taken their toll everywhere you look. Companies are forced to innovate or fold; it's a constant pressure that goes beyond mere competition — it's about survival. Who will the survivors be? They will be the ones that win the scarce resources of customer purchases; the ones that gain customer preference because of their innovation; the ones creating next-generation offers and raising the bar for the future. It's evolution in every sense of the word. Survival of the fittest. Dealing with Darwin.

In this summary, bestselling author and consultant Geoffrey A. Moore puts into clear relief the fact that innovation is not an optional "nice-to-have" in business — to innovate forever is a design specification. It's no longer a strategy; it's a requirement. Those companies that survive over the long haul must not only innovate, but they must also deal with the cyclical inertia that affects all organizations. How can you extract and repurpose resources to feed and foster new product offers? How do you differentiate your company's products and services from those of your competition, creating sufficient separation to win revenue? According to Darwin, evolution took millions of years — you don't have nearly that long to build a strong competitive position. You must evolve and innovate now or suffer the consequences down the road.

In addition, this summary will describe the following:

- ✓ ***The Economics of Innovation.*** *Innovation can help you neutralize a competitor's advantages in the marketplace, improve your overall productivity and avoid waste in your business.*
- ✓ ***The Maturation of Offer Categories.*** *Understanding the category-maturity life cycle will help you determine where your offers are in their development before you set your innovation strategy.*
- ✓ ***Recognizing and Managing Innovation.*** *Knowing the types of innovation is the first step toward managing innovation successfully.*
- ✓ ***Extracting Resources From Context.*** *You must build resources for core differentiating activities by repurposing those resources from other areas of various mission-criticality.*

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Foundational Models

The economic argument in favor of innovation focuses on pricing power — avoiding commoditization and the resulting vendor price wars brought about by consumers simply searching for the best deal. Over time in these situations, the market stabilizes at prices at or below cost, creating returns for investors below the cost of capital. Investors do not stay in marketplaces like these very long. When innovation is applied, however, offers become more and more differentiated from one another, leading to different ones becoming the preferred choice for different market segments. Vendors in those segments then have pricing power, and the markets stabilize at prices well above cost, creating returns above the cost of capital, attracting more investment.

The Economics of Innovation

When innovation creates differentiation, it creates attractive economic returns. This is not, however, the only possible outcome from innovation. In addition to differentiation, there are three other possible outcomes:

- **Neutralization.** The goal of neutralization is to eliminate differentiation by catching up either to a competitor's superior performance or to a market standard one has fallen short of. Netscape, for example, achieved differentiation with the Internet browser; then Microsoft achieved neutralization with its own browser: Explorer. Neutralizing is an important adaptation to changing competitive dynamics, and it does call for innovation. It does not, however, create as great a positive return as differentiation, in part because its function is to eliminate a negative return.
- **Productivity Improvement.** Here the intent is not to affect market outcomes but rather to achieve them at a lower cost. While productivity improvements can create differentiation if they are radical enough, the majority of them are simply designed to cost-reduce a set of existing processes in order to either invest the savings elsewhere or increase profits. Productivity improvement is essential to evolutionary adaptation because it frees resources that other forms of innovation can use. It requires significant innovation focused largely on reengineering existing processes based on either a better understanding of their dynamics or a better set of tools.
- **Waste.** Waste innovation falls into a number of classes. The first simply comprises those attempts at any of the other three goals that don't succeed. This is just part of business.

The other forms of waste are more pernicious. Neutralization efforts that go beyond the good-enough goal have lower returns because you overspent the market requirement. Productivity efforts that go beyond cost-reduction or cycle-time improvement and branch into nice-to-have enhancements also represent waste. The worst kind of waste, however, occurs when an innovation project actually succeeds in meeting its specified targets but fails to achieve competitive separation in the

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Sliding Down the Commoditization Curve

Sliding down the commoditization curve has been the fate of the Chevrolet division of General Motors and the personal computing division of HP, not to mention a whole host of airlines and telecommunications service providers. It is not that these companies do not innovate. It is that their offers do not achieve separation — and here is the kicker — *they were never designed to!*

It's probably hard to picture in your mind a Chevrolet sedan from the past 10 years, but it's easy to recall a Chrysler PT Cruiser, a Hummer or a Mini Cooper. Innovation for differentiation must be bold enough that, if it wins, it achieves separation. That's why Chrysler's failures are more memorable than Chevrolet's successes — the Viper and the Prowler, for two.

The author: Geoffrey A. Moore is the author of four bestselling business books: *Crossing the Chasm*, *Inside the Tornado*, *The Gorilla Game*, and *Living on the Fault Line*. He is a managing director with TCG Advisors and a venture partner with Mohr Davidow Ventures.

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Foundational Models

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marketplace because it *did not go far enough*.

Underperformance

There are two deep-seated causes for innovation underperformance. These are:

1. Risk-Reduction Mentality. This encourages people to shun bold actions that jeopardize existing assets and relationships. It is based on staying close to norms, thereby leveraging the experience of the herd. As such, it is actually a positive evolutionary response to situations that do not reward differentiation. These situations are called *context*. Risk reduction is the sensible strategy for managing context, but it is a horrible tool to deal with core. *Core* describes innovation that creates differentiation. To succeed with core, you must take your value proposition to such an extreme that competitors either cannot or will not follow. That's what creates the separation you seek. So risk-averse behavior here is a losing strategy.

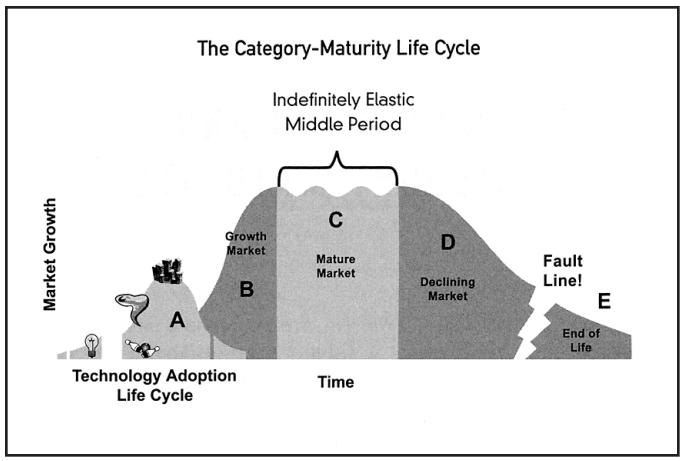
2. Lack of Corporate Alignment. To achieve breakaway differentiation requires a highly coordinated effort across the entire enterprise. At the end of the day, every function in the corporation has to realign its priorities in order to amplify the innovation to breakaway status. Anything less is simply too easy to neutralize.

In order to break away from the herd, we must overcome risk-reduction mentality and lack of corporate alignment. Neither is a natural act.

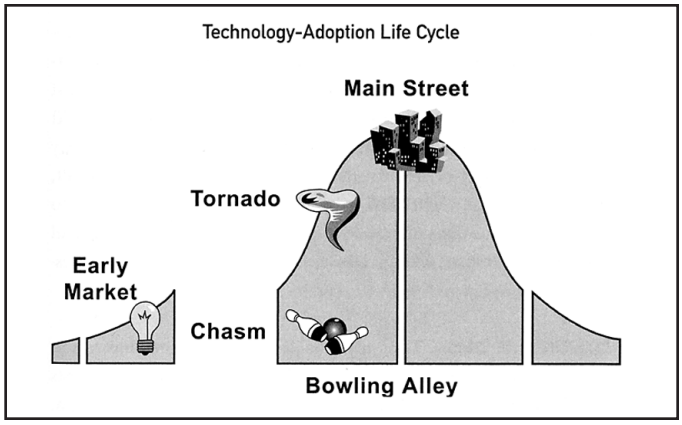
Innovation and Category Maturity

To be successful with innovation, you have to understand that different categories reward different types of innovation at different points in time. It is important to locate where your category is in its life cycle before you set your innovation strategy. The framework for this process is the category-maturity life cycle.

The model comprises five phases: (A) New Category Initiation, (B) Growth Market, (C) Mature Market, (D) Declining Market, and (E) End of Life.



The first phase covers the coming into being of a new category. In the development of any specific market, individual choices are masked in the statistics of the group, resulting in five strategies interacting to create a pattern described by the technology-adoption life cycle.



Here are the six stages to consider:

- **Early Market.** When a disruptive innovation is first introduced, it initially attracts the attention of technology enthusiasts (who see it as cool) and visionaries (who see it as potentially disruptive). The category is given a name, but it is not yet clear if it will be just a flash in the pan.
- **The Chasm.** Having now been in the marketplace for some time, the offer has lost its novelty; visionaries no longer see it as a source of dramatic competitive advantage and pursue disruptive opportunities elsewhere. As a result, the market stalls.
- **Crossing the Chasm.** The only reliable way to exit the chasm is to target on the other side a niche market made up of pragmatists united by a common problem for which there is no known solution. These pragmatists are motivated to help the new technology cross the chasm if it is packaged as a complete solution to their problem.
- **Bowling Alley.** In this phase, the technology has gained acceptance among pragmatists in multiple-niche markets where it enables genuine solutions to uncommon problems. Within adopting niches, the new paradigm builds a loyal following among those who see a market in the making. Outside the niches, it is becoming more widely accepted by the general public.
- **Tornado.** The technology has proved its usefulness in niche markets and, in the process, a killer app has emerged — something that makes it both broadly applicable and highly attractive to a mass audience. Overnight it becomes perceived as necessary and standard.
- **Main Street.** The initial surge of hypergrowth subsides, leaving behind a market-share pecking order that is likely to persist for a long time to come. Customers have selected their vendor of choice and are now focused on deploying the technology more broadly.

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Foundational Models

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After Assimilation

The technology-adoption life cycle comes to an end once the marketplace has completely assimilated the disruption that triggered it. In the case of automobiles, this happened sometime between World War I and World War II. Once assimilation has occurred, a new set of dynamics emerges. These are reflected in the remaining phases of the category-maturity life cycle. They are:

Phase B, Growth Markets. Even though the technology has been thoroughly assimilated, the offerings it has spawned remain in high demand for a while longer. This is an exceedingly pleasant time to be a manager because you are presiding over what is essentially category growth generating superior economic returns while entailing little company-specific risk.

Phase C, Mature Markets. Category growth has flattened, and commoditization is under way. In Darwinian terms, the boundaries of the niche have been reached and the category is experiencing the condition of scarcity for the first time. Growth must come from increasing the yield from the current customer base, or growing it at the expense of another competitor. Natural selection ensues with a wave of consolidation thinning out the bottom of the pecking order.

Phase D, Declining Markets. The category has become completely boxed in, innovation opportunities harder to find, and even those that dominate the market are experiencing difficulty in creating attractive returns. The market is ripe for some form of disruption, either through an obsoleting technology or radically innovative business model.

Phase E, End of Life. A disruptive technology has emerged and made significant inroads. As a consequence, the incumbent technology has been rendered obsolete. The only customers left are conservatives and laggards. This is a classic time to take a company private to harvest the remaining economic value in the category, brand, distribution channel and customer relationships. ■

Managing Innovation

It is important for you and your colleagues to come to a unanimous consensus around the single most compelling question driving innovation strategy: What type of innovation will we so excel at that we will leave all our competition behind?

Consider each innovation type as an independent vector, an arrow pointed in its own unique direction. Any vector sufficiently amplified will achieve breakaway separation from your competitive set. What would cause you to choose one over the other? Here are three factors to consider:

1. Core Competence. Different companies have different assets to exploit — some latent, some realized, in part a function of their business architecture, in part a function of their particular histories.

2. Competitive Analysis. Different sets of competitors leave different openings to exploit, either by neglecting them altogether or by strategically targeting them.

3. Category Maturity. Different stages of the category-maturity life cycle reward different forms of innovation. As categories mature, certain forms of innovation become outmoded and new ones are called for.

You should commit to an innovation type appropriate to the maturity of your category and forgo types that are not. Consider each innovation type and debate their relative attractions on your way toward choosing one for a strategic focus.

Types of Innovation

To better understand the various types of innovation, it helps to organize those types into clusters. The innovation types fall into these four clusters or innovation zones:

1. Product Leadership Zone.
2. Customer Intimacy Zone.
3. Operational Excellence Zone.
4. Category Renewal Zone.

Product Leadership Zone

A focus on product leadership is intended to contrast with strategies that do not differentiate the offer but rather the customer's experience of it, or *customer intimacy*, or the value chain's effectiveness at delivering it, that is, it's *operational excellence*.

There are four primary types of innovation that leverage product leadership as an underlying value creation engine. These are:

- **Disruptive Innovation.** This type of innovation creates new market categories based on a discontinuous technology change or a disruptive business model. Examples include the technological discontinuity of digital photo processing introduced by Shutterfly and Ofoto and the business-model disruption of digital media distribution heralded by Napster and made far more palat-

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Boston Scientific: Disruptive Innovation in a Growth Market

Stents are plastic tubes that are inserted into blocked arteries to open them and keep them open. The problem is that blockages often reform around the stent, requiring additional intervention. Boston Scientific pioneered the introduction of drug-eluting stents that release plaque-reducing chemicals at the point of use. These stents have revolutionized the treatment of arterial sclerosis, and the company dominates the market.

Xerox and Medtronic: Product Innovation in a Growth Market

Xerox introduced the photocopier in 1960, building the franchise in both a complex-systems direction, with copy-center systems like DocuTech, as well as in the volume-operations direction with desktop copiers. Despite failing to commercialize on many of its other product innovations, including Ethernet, Smalltalk and graphical user interface computing, this one major success has led to a $15 billion global corporation.

Another similar story belongs to Medtronic, which introduced the pacemaker the same year Xerox introduced the copier. The company remains the worldwide market leader today, earning about half its $9 billion in revenue from cardiac rhythm management products.

Managing Innovation

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able by Apple iTunes. Disruptive innovations are incompatible with existing standards and the existing value chain, and they develop fresh markets.

- **Application Innovation.** Also known as solution innovation, this type develops new markets for existing products by finding unexploited uses for them, often by combining them in novel ways. One example is the adaptation of the Macintosh to desktop publishing in advertising and media. Application innovations introduce new standards but leverage existing value chains, albeit by giving them a new focus.
- **Product Innovation.** This innovation type focuses on existing markets for existing products, differentiating through features and functions that current offers do not have. This form of innovation depends on fast time to market, although patents sometimes keep competitors at bay.
- **Platform Innovation.** This type of innovation interposes a simplifying layer to mask an underlying legacy of complexity and complication, thereby freeing a next generation of offers to focus on new value propositions. The most successful platform innovations reposition an already ubiquitous product to take on this new role. For example, Oracle repositioned its relational database from a component ingredient of the minicomputer to a universal enterprise application software enabler.

Customer Intimacy Zone

Innovation types in mature markets all have an optimizing flavor. They are either leveraging customer intimacy to make the offer a little bit more attractive to the customer or leveraging operational excellence to make it a little bit more profitable to the vendor. There are four innovation types in this zone, arranged in a sequence migrating from closest to the product to closest to the customer:

- **Line-Extension Innovation.** This type of innovation makes structural modifications to an established offer to create a distinctive subcategory. The goal is to expand a maturing market by engaging with a new customer base or re-engaging more compellingly with an old one. For example, when the minivan and SUV were introduced in the automotive sector, the underlying infrastructure of the sector remained unchanged, thereby allowing the vendor to leverage amortized investments and keep development risks low.
- **Enhancement Innovation.** This type of innovation continues the trajectory begun by line extensions, driving innovation into finer and finer elements of detail, getting closer and closer to the surface of the offer with less and less impact on the underlying infrastructure. The goal is to improve existing offers in existing markets by modifying a single dimension, thereby reawakening customer interest in what was becoming an increasingly commoditized category. One example is cherry flavoring in Coke.
- **Marketing Innovation.** This type of innovation focuses on differentiating the interaction with a prospective customer during the purchase process. The goal here is to outsell your competitors rather than "outproduct" them. One example is the use of viral marketing on the Web to create buzz about a new movie.
- **Experiential Innovation.** The ultimate refinement in this trajectory of customer intimacy is experiential innovation, where the value is based not on differentiating the functionality but rather the experience of the offering. This is particularly suited to consumer markets where the product has become a commodity, and the purchase decision has become risk free. Examples include business hotels that remember your newspaper preference, and restaurants that supply patrons with pagers so they can roam while waiting for a table.

Operational Excellence Zone

Complementing the customer intimacy zone's focus on differentiating the offering on the demand side of the market, the operational excellence zone focuses on differentiating on the supply side. Here the primary reward is a lowered cost structure that enables either price reductions, capital reinvestment or higher profits. Innovation types in the operational excellence zone include the following, organized in a sequence migrating from closest to the product to closest to the processes that enable it:

- **Value-Engineering Innovation.** This type of innovation extracts cost from the materials and manufacturing of an established offer without changing its external properties. It usually calls for substituting low-cost standard parts and preintegrated subsystems for an earlier design's high-cost manually integrated custom components. Examples include the television, PC and cell phone, all of which have seen reduced costs from value engineering.

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Managing Innovation

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● **Integration Innovation.** This type of innovation reduces the customer's cost of maintaining a complex operation by integrating its many disparate elements into a single, centrally managed system. Typically it permits backward compatibility with existing systems.

● **Process Innovation.** This type of innovation focuses on improving profit margins by extracting waste not from the offer itself but from the enabling processes that produce it. The goal is to remove nonvalue-adding steps from the work flow. Examples include Dell's direct-retail model and Wal-Mart's vendor-managed inventory process.

● **Value Migration Innovation.** This type of innovation consists of redirecting the business model away from a commoditizing element in the market's value chain toward one richer in margins. A good example of this is the switch in focus from products to consumables, as with razors to razor blades or printers to ink-jet cartridges.

Category Renewal Zone

Sooner or later all market categories enter into a decline. It is important to remember that when you are faced with a declining market, any market that is still an ongoing concern is in itself a valuable asset. From the vendor's point of view, there are two basic options to explore, usually in tandem: Renew your franchise by refocusing the majority of your resources on a new category while simultaneously optimizing returns for the remainder of the present category's useful life following a harvest-and-exit strategy. The pertinent types of innovation are:

● **Organic Innovation.** On this path the company uses its internal resources to reposition itself into a growth category. In industrial markets, this repositioning typically involves reconnecting with its most valued customers and finding new problems to solve for them, following the approach laid out in application innovation. IBM did this when it repositioned itself as an e-commerce-enabling company. This represents a return to product innovation. The vendor stays within the same sector but repositions its product line.

● **Acquisition Innovation.** This type of innovation solves the problem of category renewal externally through merger and acquisition. One can play this game either as an acquirer or an acquiree. When BEA bought WebLogic, it repositioned itself from the Unix market to the Internet and dramatically improved its performance. On the other hand, when Lotus could not renew itself organically via its Notes platform, it sold itself to IBM, thereby acquiring the sophisticated distribution and services capabilities that Notes required to be successful. ■

Nokia: Organic Renewal in a Declining Market

For most of the 20th century, Nokia was known as a diversified corporation in paper and pulp products, rubber manufacturing, and cable. It was through the cable side of the house, first with coaxial cable for computer networks, that it entered the electronics sector. In the 1990s, it entered the mobile-phone business. The company invested heavily in building handset manufacturing capability, drawing on the cash cows of paper, pulp and rubber products. Once it completed the transition, Nokia divested itself of those other businesses, and today it is the leading mobile-phone supplier in the world.

For additional information on Dell's process innovation in a mature market, go to: http://my.summary.com

Managing Inertia

You have just crafted a superb innovation strategy, one that gives every promise of creating the separation you need from your direct competitors, earning the customer preference your profit margins require. Now you must overcome the inertia of your own organization that fosters resistance to making the changes necessary to implement it.

Inertia is not the enemy of innovation, but it does resist it at the point of change. Therefore, at that very point, management must learn to deconstruct inertia in order to reconstitute it elsewhere. You must extract resources from context in order to repurpose them for core. Context includes most of the things you do to meet commitments to key stakeholders and to comply with industry laws and standards. Core is that which differentiates your company to create sustainable competitive advantage.

Extracting resources from context to repurpose for core accomplishes three key objectives:

1. It solves your balance sheet problem, enabling you to fund your future from your current asset base.

2. It solves your income statement problem, enabling you to increase the revenues and margins earned by your current asset base.

3. It solves your inertia problem. By taking mass out of context, you reduce its inertial resistance to core. The more mass you move from context to core, the more powerful this change dynamic will be.

Extracting Resources From Context

We know that we want to prioritize resource allocation for core, but our decision is complicated by the presence of mission-critical risk. As managers we must allocate resources to guard against this downside. Mission-critical context — product shipments, financial transactions, computer security, inventory supply, etc.

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The Five Levers

The five levers represent a sequence of management actions that systematically reengineers mission-critical workloads to first extract risk so that one can then extract resources.

Here's how the five levers play out:

1. Centralize. Bring operations under a single authority to reduce overhead costs and create a single decision-making authority to manage risk.

2. Standardize. Reduce the variety and variability of processes delivering similar outputs to further reduce costs and minimize risks.

3. Modularize. Deconstruct the system into its component subsystems and standardize interfaces for future cost reduction. This requires specialized support, such as consultants or an in-house six-sigma team.

4. Optimize. Eliminate redundant steps, automate standard sequences, streamline remaining operations, substitute lower-cost resources, and instrument the process for monitoring and control.

5. Outsource. Drive processes out of the enterprise entirely to further reduce overhead, variabilize costs and minimize future investment.

Managing Inertia

(continued from page 6)

— is laying claim to the very resources we need to deploy to the next generation of core, but we dare not release them from their current assignments.

To ensure that mission-critical context components do not fail, we assign experienced employees to these tasks and experienced managers to supervise their work. We build systems that track this work and escalate problems should they arise. We tie up many valuable resources to guard against the downside of a mission-critical failure.

What the Future Should Look Like

A desired future state is one in which valuable resources are being extracted and repurposed. Innovation begins where the focus is on core, but the project is contained to minimize risk. This is the domain of nonmission-critical core, an experimental side of the business where risk is encouraged in the quest for differentiation, and the rest of the enterprise is protected by restricting the scope of consequence.

When the innovation is judged ready for wider rollout, it moves into the domain of the mission-critical core. This is the time to release the next generation product line, launch the next new marketing campaign, etc. It is where enterprises expect to make their highest returns because they have distinctive competitive advantage, and they are exploiting it at maximum scale. Innovations stay here for as long as competitive differentiation is sustained, the longer the better.

Eventually, however, Darwinism has its day, and competitors find a way to neutralize the advantages being exploited at their expense. When this happens, the work migrates to the domain of mission-critical context.

Once management realizes that a class of work no longer contributes to competitive advantage, its attitude toward it must change. The work must still be done, but the focus now shifts from differentiation to productivity. Management attention shifts to systems, automation and any other tool that will free up talented people for other tasks.

To maximize resource extraction, companies must convert mission-critical context into non-mission-critical context, wringing out the risks that lay claim to high-value resources. Organizations will still retain a thin veneer of management to oversee pertinent relationships, but the bulk of once-committed, scarce resources can now be released and used to fund the next cycle of innovation.

Repurposing Resources for Core

In the move toward a global economy, work forces in developed economies have been threatened by offshore outsourcers leveraging low-cost labor. This trend shows no signs of subsiding, and companies who do not avail themselves of this opportunity are severely challenged to price their goods and services competitively.

The problem of creating alignment must be solved by the corporations themselves: management and labor collaborating with each other for the collective good of customers, employees and investors. Together they must build a solution that actively embraces both outsourcing and offshoring while simultaneously building a stronger in-house domestic work force compensated commensurately with its local standard of living.

Outsourcing

The essence of the problem with outsourcing is highlighted in the diagram below.

The human resources that are freed up in the context-enabling quadrant IV do not generally have the skill sets required to be repurposed in the core-enabling projects in quadrant I. When layoffs occur, it is Darwinism at its meanest and most parochial, eroding culture and values, devaluing experience and dismissing loyalty. It sends shock waves

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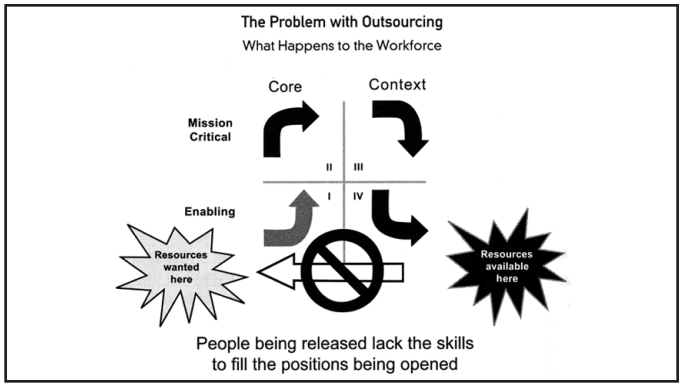

Managing Inertia

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through the entire work force, diminishing productivity everywhere. This is a very bad model indeed.

But what else can be done? Resources need to be properly recycled. What people in quadrant IV bring to jobs in quadrant III is experience and expertise in managing context. By freeing up someone in quadrant IV, a company can reasonably expect that person to have the aptitude for work in quadrant III.

What people in quadrant III bring to tasks in quadrant II is experience and expertise in managing mission criticality. Whether the work is core or context, if it is mission critical, it must be done on time, on spec and on budget. The class of people who thrive under this kind of pressure are the ones who were getting stuck in quadrant III managing mission-critical context and thus were unavailable in quadrant II to help deploy the next generation of mission-critical core. By recycling people from quadrant IV back into quadrant III to pick up their current workload, these people are freed up to bring about the next generation of innovation in quadrant II.

Finally, what people in quadrant II can bring to tasks in quadrant I is experience and expertise in managing core. Core work is always in some sense unprecedented, or else it would not be differentiating. That typically requires outside-the-box thinking and ongoing iterative experimentation. Quadrant II people don't have to be trained for quadrant I because what they do precedes what trainers would know.

Managing Inertia in Your Enterprise

An aggressive agenda can redirect the inertial momentum of your enterprise from context to core. The seven essential steps of that agenda are as follows:

1. Conduct a core/context analysis of your current business. Begin with categorizing your various market segments in terms of the four quadrants. In complex systems enterprises, these will typically consist of multiple grids to represent how core and context play out by product category, customer industry and geography. In volume-operations businesses, one is likely to develop views by product category, consumer demographics and sales channel. These placements help guide resource-allocation decisions downstream.

2. Conduct a resource-allocation analysis to complement your core/context analysis. Do not get distracted by budgets here. Focus on head count, specifically on identifying and locating your top performers in invention, deployment and optimization, whose leadership or functional expertise can change the outcome of a project. You want to leverage these people's skills to the maximum.

3. Set a more ambitious agenda. Once you have mapped out how things are, turn to determining how you want them to be. How would you improve your enterprise's current performance?

4. Plan out your moves as a team. Extracting resources from context to repurpose for core is a collaborative effort. Don't withhold even a single key resource. Get the timing right — it does no good to free up resources if the work they are meant to do is not yet ready to be done.

5. Focus on time to market. Create a necessary and proper sense of urgency. Make a direct assault on the scheduling assumptions of your plan of record.

6. Get the gears moving. Focus initial efforts on freeing up top-performing deployers from their current mission-critical context assignments. Assign optimizers to attack their workloads with a five-levers approach. Set a date for their last day in their current roles.

7. Keep the gears moving. Once resource recycling has begun, do not let it stop. Each new learning curve is paid for by the margins created by the last curve and in turn is expected to generate high-margin returns to fund the next one.

Evolution in Action

Natural selection is a game with no time-outs. It does, however, allow for unlimited substitutions. Resource recycling not only delivers efficiency; it also provides refreshment. There is respite for the weary as long as it is followed by an energized willingness to re-engage. Communities need abiding sources of employment. Customers need stable sources of supply. Governments need a vital tax base. Investors need opportunities to create attractive returns. We are all more or less strategically aligned. We are just being asked to execute at a new level of competitiveness.

That's what evolution is all about — a continual raising of the bar. It's how countries raise their standard of living. It's why new companies get formed every year. It's why each of us must learn new skills throughout our careers. We may get tired, but we are not likely to get bored. Mostly we just have to perform. ■

For additional information on setting a more ambitious agenda, go to: http://my.summary.com

SOUNDVIEW RECOMMENDED READING LIST

If you liked *Dealing With Darwin*, you'll also like:

1. ***Innovation by Design*** **by Gerard H. Gaynor.** Gaynor provides advice to help you determine whether your organization is doing what it takes to develop innovation as a core competence.
2. ***The Innovation Premium*** **by Ronald S. Jonash and Tom Sommerlatte.** The authors present a framework for capturing innovation's value based on strategy, process, resources, structures and cultures.
3. ***Product Innovation Strategy*** **by Michel Robert.** Robert covers finding ideas and opportunities, picking out those with potential, analyzing risks and creating a master launch plan.
4. ***Innovation and Entrepreneurship*** **by Peter F. Drucker.** The guru of management explains ways to identify opportunities and test their worth.
5. ***The Change Masters*** **by Rosabeth Moss Kanter.** Kanter tells how to create a business environment that encourages innovation, ensuring a company's survival in the midst of rapid change.

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Delivering Happiness

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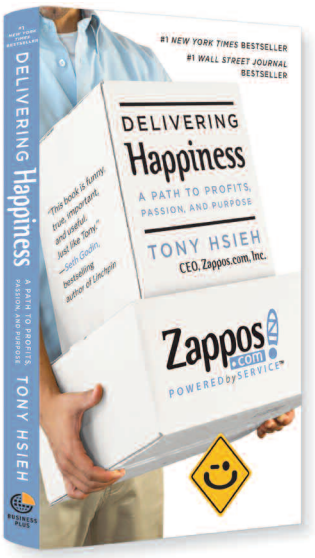
Delivering Happiness

A Path to Profits, Passion and Purpose



by Tony Hsieh

THE SUMMARY IN BRIEF

In 1999, Tony Hsieh (pronounced *Shay*) sold LinkExchange, the company he co-founded, to Microsoft for $265 million. He then joined Zappos as an adviser and investor, and eventually became CEO.

Zappos is an online retailer that's doing more than $1 billion in gross merchandise sales annually. After debuting as the highest-ranking newcomer on *Fortune* magazine's annual "Best Companies to Work For" list in 2009, Zappos was acquired by Amazon in a deal valued at more than $1.2 billion.

In *Delivering Happiness*, Hsieh shares the different lessons he has learned in business and life, from running a pizza business, through LinkExchange, Zappos and more. Fast-paced and down-to-earth, *Delivering Happiness* shows how a very different kind of corporate culture is a powerful model for achieving success — and how by concentrating on the happiness of those around you, you can dramatically increase your own level of happiness.

Ultimately, Hsieh shows how using happiness as a framework can help leaders in organizations of all sizes and types produce profits, passion and purpose both in business and in life.

IN THIS SUMMARY, YOU WILL LEARN:

- How to make customer service the responsibility of the entire company — not just one department.
- How to help employees grow — both personally and professionally.
- How to apply research from the science of happiness to running a business.
- How to focus on company culture as the No.1 priority.
- How an emphasis on corporate culture can lead to unprecedented success.

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THE COMPLETE SUMMARY: **DELIVERING HAPPINESS**

by Tony Hsieh

The author: In 1999, at the age of 24, Tony Hsieh sold LinkExchange, the company he co-founded, to Microsoft for $265 million. He then joined Zappos.com as an advisor and investor, and eventually became CEO. He helped Zappos.com grow from almost no sales to more than $1 billion in gross merchandise sales annually, while simultaneously making *Fortune* magazine's annual "Best Companies to Work For" list.

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Introduction: Finding My Way

Wow, I thought to myself. The room was packed. I was on stage at our all-hands meeting, looking over a crowd of 700 Zappos employees who were standing up cheering and clapping. A lot of them even had tears of happiness streaming down their faces.

Forty-eight hours ago, we had announced to the world that Amazon was acquiring us.

In November 1998, LinkExchange, the company that I'd co-founded, was sold to Microsoft for $265 million after two and a half years. Now, in July 2009, as CEO of Zappos.com, I had just announced that Amazon was acquiring Zappos right after we had celebrated our 10-year anniversary. (The acquisition would officially close a few months later in a stock and cash transaction, with the shares valued at $1.2 billion on the day of closing.) In both scenarios, the deals looked similar: They both worked out to about $100 million per year. From the outside, this looked like history repeating itself, just at a larger scale.

Nothing could be farther from the truth. To all of us in the room, we knew it wasn't just about the money. Together, we had built a business that combined profits, passion and purpose. And we knew that it wasn't just about building a business. It was about building a lifestyle that was about delivering happiness to everyone, including ourselves.

Time stood still during that moment on stage. The unified energy and emotion of everyone in the room was reminiscent of when I'd attended my first rave 10 years earlier, where I'd witnessed thousands of people dancing in unison with everyone feeding off of each other's energy. Back then, the rave community came together based on their four core values known as PLUR: Peace, Love, Unity, Respect.

At Zappos, we had collectively come up with our own set of 10 core values *[see sidebar, page 2]*. Those values bonded us together and were an important part of the path that led us to this moment. Looking over the crowd, I realized that every person took a different path to get here, but our paths somehow all managed to intersect with one another here and now. I realized that the path that got me here began long before Zappos and LinkExchange. I thought about all the different businesses I had been a part of, all the people who had been in my life and all the adventures I had been on. I thought about mistakes that I had made and lessons that I had learned.

As all the eyes in the room were on me, I tried to trace back to where my path had begun. In my mind, I was traveling backward in time searching for the answer. Although I was pretty sure I wasn't dying, my life was flashing before my eyes. I was obsessed with figuring it out and I knew I had to do it this very moment, before the energy in the room dissipated, before time stopped standing still. I didn't know why. I just knew I needed to know where my path began.

And then, right before reality returned and time started moving again, I figured it out. ●

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Edward O'Neill**, Graphic Designer; **Chris Lauer,** Contributing Editor

Section I: Profits

During my junior and senior year in college, I took over the Quincy House Grille, which was an eating area on the ground floor of the Quincy House dorm. Our dorm housed about 300 students and the Quincy House Grille was a late-night gathering spot for students to play foosball and pinball, and satisfy their late-night cravings.

One of my roommates, Sanjay, ran the grill with me. We were responsible for setting the menu and prices, ordering from suppliers, hiring employees and occasionally making the food ourselves.

At the time, a city ordinance prevented fast-food establishments from opening up anywhere near campus, so I decided to take the subway to the next stop to the nearest McDonald's. I talked to the manager there and he sold me 100 frozen McDonald's hamburger patties and buns, which I loaded into a taxicab and brought back to our dorm. For a couple of months, this was part of my daily routine. Because there was no other place on campus to get McDonald's burgers, I was able to charge $3 for burgers that cost me $1 to buy.

I eventually got tired of making the daily runs to McDonald's, so I decided to see what it would take to turn the grill into a pizza business instead. I learned that pizzas were very high-margin. A large pizza costs less than $2 to make but could be sold for $10 (or more with additional toppings). And even more money could be made by selling pizzas by the slice. After some research, I discovered it would cost about $2,000 to invest in pizza ovens. It seemed like it was worth the risk, so I took a deep breath and wrote a check for $2,000.

I also wanted to make the grill more of a place where people wanted to hang out, so I spent many nights recording music videos from MTV onto videotape, pausing the recording anytime a commercial came on because this was the pre-TiVo era. The videos playing in the background turned out to be a big hit and, combined with the new pizza offering, we ended up tripling sales at the grill compared with the previous year. The $2,000 investment was recouped within a couple of months.

It was through the pizza business that I met Alfred, who would eventually join Zappos as our CFO and COO. Alfred was actually my No. 1 customer, and he stopped by every night to order a large pepperoni pizza.

I found out several years later that Alfred was taking the pizza upstairs to his roommates and selling it off by the slice. So I guess that's why we ended up hiring him as our CFO and COO at Zappos.

Zappos Core Values

While there are many subcomponents to each value, we've distilled the most important themes into the following 10 core values:

1. Deliver WOW Through Service.
2. Embrace and Drive Change.
3. Create Fun and a Little Weirdness.
4. Be Adventurous, Creative and Open-Minded.
5. Pursue Growth and Learning.
6. Build Open and Honest Relationships with Communication.
7. Build a Positive Team and Family Spirit.
8. Do More with Less.
9. Be Passionate and Determined.
10. Be Humble.

Ideally, we want all 10 core values to be reflected in everything we do, including how we interact with each other, how we interact with our customers, and how we interact with our vendors and business partners.

This Thing Called the World Wide Web

As the end of my senior year in college approached, Sanjay introduced me to this thing called the World Wide Web. I thought it was a pretty interesting and fun thing to explore at the time, but I didn't pay too much attention to it.

Sanjay and I decided to interview mostly with technology companies. My goal was to find a high-paying job. I didn't really care what my specific job function was, what company I worked for, what the culture of the company was like or where I ended up living.

I just wanted a job that paid well and didn't seem like too much work.

You Win Some, You Lose Some

Sanjay and I both got offers from Oracle.

On the first day of my real job at Oracle, I was shown my desk and told what my ongoing tasks and responsibilities would be. I was making good money. And within a week, I learned that it was actually easy money too.

I felt that I had lucked out because I had such an easy schedule, whereas Sanjay usually wouldn't get home until 7 p.m. I would occasionally ask him how his job was, and he'd shrug and say something like "It's OK. Not that exciting."

I told him that my job was really not that exciting either, but maybe we could work on something during the evenings and weekends together for fun to help combat the boredom.

The Idea Behind LinkExchange

The idea behind LinkExchange was pretty simple. If you ran a website, you could sign up for our service for free. Upon signing up, you would insert some special code into your Web pages, which would cause banner ads to start showing up on your website automatically.

Every time a visitor came to your website and saw one of the banner ads, you would earn half a credit. So, if you had 1,000 visitors come to your website every day, you would end up earning 500 credits per day. With those 500 credits, your website would be advertised 500 times across the LinkExchange network for free. This was a great way for websites that didn't have advertising budgets to gain additional exposure for free. The extra 500 advertising impressions left over would be for us to keep. The idea was that we would grow the LinkExchange network over time and eventually have enough advertising inventory to hopefully sell to large corporations.

Sanjay and I finished all of our computer programming for our experiment in one weekend, and then we sent e-mails to 50 of our favorite small websites that we found while surfing, asking them if they'd like to help test out our new service.

To our surprise, more than half the websites we e-mailed signed up to help us test out the service within 24 hours. As people visited their websites and saw the banner ads, word started to spread about LinkExchange. Within a week, we knew that our project, which was initially meant to fight boredom, had the potential to turn into something big. We decided that we should focus all of our energy on making LinkExchange a successful business.

Rapid Growth

The good news was that the people we hired were smart and motivated. The bad news was that many of them were motivated by the prospect of either making a lot of money or building their careers and résumés. They wanted to put a few years of hard work into LinkExchange and then move on to their next résumé-building job at another company. Or, if things worked out well, make a lot of money and retire. We continued to grow and hire more and more people, and eventually in 1998 we had more than 100 employees in the company.

One day, I woke up after hitting the snooze button on my alarm clock six times. I was about to hit it a seventh time when I suddenly realized something. The last time I had snoozed this many times was when I was dreading going to work at Oracle. It was happening again, except this time, I was dreading going to work at LinkExchange.

This was a really weird realization for me. I was the co-founder of LinkExchange, and yet the company was no longer a place I wanted to be at. It wasn't always like this. How did things change so quickly? What happened? How did we go from an "all-for-one, one-for-all" team environment to one that was now all about politics, positioning and rumors?

Bidding War

Over the previous two years, we had built pretty good relationships with people from Yahoo!, Netscape and Microsoft. Each of those companies had shown a lot of interest in what we were doing and was interested in figuring out strategic partnership opportunities.

To our surprise, all three of the companies said they were interested in possibly investing in our mezzanine round of financing. Even more surprising, Netscape and Microsoft both said that they were even more interested in buying the entire company outright.

We told them that the price tag was going to be at least $250 million. I'm not sure how we came up with that number, but it sounded good to me, and I guess it was a good sign that Netscape and Microsoft both said they wanted to continue talking.

They ended up getting into a bidding war.

In the end, Microsoft offered the biggest number — $256 million — but there were some strings attached to it. They wanted Sanjay, Alfred and me to stay with LinkExchange for at least another 12 months. If I stayed the entire time, then I would walk away with close to $40 million. If I didn't, then I would have to give up about 20 percent of that amount.

Even though LinkExchange was no longer fun for me, I figured that I could stick around for another year at that rate.

The deal was signed a few weeks after our negotiations with Microsoft began. Compared with other acquisitions that Microsoft had done, the LinkExchange acquisition was done in record time, despite some behind-the-scenes drama internally.

Diversify

Although connecting with my new tribe of friends played a big role in increasing my level of happiness, I missed not actually being part of creating something. Just sitting on the sidelines and investing was boring. I wanted to be part of building something, and creating the Venture Frogs Incubator *[an incubator and investment firm]* was an important piece to building my own universe.

Creating a Universe

In addition to signing the lease for the office space of our future incubator, Alfred and I also signed a lease for a restaurant in the same building, which we would call Venture Frogs Restaurant. We hired a handful of employees to keep the incubator offices up and running.

We were creating our own universe.

With the Zappos crew moving into our building (initially into the converted party loft, and then eventually into the incubator office space), I started spending more and more time with the company.

In April 2000, the high-flying dot-com stocks started to crash in the stock market, causing widespread panic throughout Silicon Valley. Many companies went out of business, and the venture-capital firms that we were counting on to take our portfolio companies to the next level scaled back and refused to provide additional funding for almost all of our investments.

A couple of companies moved into our new incubator office space, but without additional funding, they stopped paying their bills and went out of business a few months after that.

Eventually, Zappos was the only company left in the incubator and we weren't optimistic about the prospects of any other companies moving in anytime soon. It was a bad situation for our fund, for the incubator and for Zappos.

A Success Story

Even though LinkExchange had been a bad experience from a culture perspective, financially it was a success story. Alfred and I had used our credibility from the LinkExchange sale to raise the $27 million for our first fund, so we naturally assumed that it wouldn't be that hard to raise money for our second fund.

We were wrong.

I started to have feelings of self-doubt. I wondered whether I had just gotten lucky with LinkExchange. Was I just a dot-com lottery winner who happened to be at the right place at the right time?

Alfred and I had continued to keep in touch with Michael Moritz at Sequoia Capital about Zappos, and despite the progress that Zappos was making, Sequoia was still not interested in investing.

I believe with all my heart that Zappos had a great shot at succeeding. I felt that I needed to prove to myself and to Sequoia that the financial success of LinkExchange was not a fluke, that it wasn't just dumb luck. I wanted to prove to the world that I could do it again.

So I decided to take off my investor and adviser hat and put on my entrepreneur hat again. I joined Zappos full-time later that year. I decided that Zappos was going to be the universe that I wanted to help envision and build. It would be the universe that I believed in.

My search during the past few months was finally at an end. I had figured out what I wanted to focus on for at least the next few years. I had discovered my new passion.

I was passionate about proving everyone wrong.

Section II: Profits and Passion

The next two years were stressful at Zappos. We were just focused on survival. We knew we had no choice but to succeed. We went through a recession, the dot-com stock market crash and 9/11. At every turn, it felt like the universe was testing our commitment and our passion.

Looking at the company's financials, it became pretty clear that just focusing on cutting expenses wasn't going to get the company to profitability. We needed to figure out a way to grow sales.

As I sat in the office at my desk pondering what to do next, I turned to Fred *[Mossler, a Zappos executive]*.

I broke the ice. "So … any ideas on how to increase sales more quickly?"

Fred looked pensive. "I come from a merchandizing background. I like to say that all we need is the right product at the right time in the right quantity and the sales will take care of themselves. The problem is that we don't carry the brands or the styles that I know will sell. We just don't have the right products to offer our customers."

"How do we get the right products?"

"The problem is that a lot of the brands that we want to carry can't drop ship," Fred said. "Their systems and warehouses aren't set up to send the orders from their warehouse directly to our customers. And even for the brands that can drop ship, usually they're sold out of their best stuff, so we wouldn't be able to offer those styles to our customers."

I paused for a moment to think about what Fred was saying. "So how come all the brick-and-mortar stores are able to offer all the best-selling brands and styles?" I asked.

"Because they hold and own the inventory," Fred explained. "The brick-and-mortar retailers future out their orders ahead of time, pay for the inventory and take the inventory risk. If a retailer isn't able to sell something, then that's the retailer's problem, not the brand's or wholesaler's problem. But we can't do that because that's not our business model."

"So … what if we did that?" I said, thinking out loud. "What if we carried all the inventory of the brands and styles you wanted? How much do you think our sales would go up by?"

"Oh, we'd easily triple sales, no question," Fred said without hesitation. "Probably even more than that."

"OK, let's figure out what we need to do to make that happen. If changing our business model is what's going to save us, then we need to embrace and drive change."

Improvising Inventory

Fred was right. By a lot. Our sales did much more than just triple. In 2000, we did about $1.6 million in gross merchandise sales. In 2001, we ended up doing $8.6 million in gross merchandise sales. Our growth rate surprised even us, and everyone was excited about our new business model, which combined drop shipping with selling inventoried products.

Even though our sales were up, we still weren't cash-flow positive because we had to pay for all the extra inventory that we were buying in order to fuel our sales growth. But we knew we were on the right path.

Our strategy of combining inventoried product with drop shipped product continued to drive our sales growth. We ended up doing $32 million in gross merchandise sales in 2002 — almost four times what we had done in 2001.

Internally, we set an audacious long-term goal for Zappos: $1 billion in gross merchandise sales by 2010. It was a big number, but based on our growth rates so far, we felt confident that we could get there. Everyone could feel it: We were at a turning point for the company.

Whatever was going to happen over the next year would either make or break Zappos. ●

Platform for Growth: Brand, Culture, Pipeline

Over the years, the No. 1 driver of our growth at Zappos has been repeat customers and word of mouth. Our philosophy has been to take most of the money we would have spent on paid advertising and invest it into customer service and the customer experience instead, letting our customers do the marketing for us through word of mouth.

So what is great customer service?

It starts with what customers first see when they visit our website. In the United States, we offer free shipping both ways to make the transaction as easy as possible and risk-free for our customers. A lot of customers will order five different pairs of shoes, try them on with five different outfits in the comfort of their living rooms and then send back the ones that don't fit or they simply don't like — free of charge. The additional shipping costs are expensive for us, but we really view those costs as a marketing expense.

365-Day Return Policy

We also offer a 365-day return policy for people who have trouble committing or making up their minds.

At most websites, the contact information is usually buried at least five links deep and even when you find it, it's a form or e-mail address that you can only contact once. We take the exact opposite approach. We put our phone number (1-800-927-7671) at the top of every single page of our website because we actually want to talk to our customers. And we staff our call center 24/7.

It's kind of funny when I attend marketing or branding conferences and I hear companies talk about consumers being bombarded with thousands and thousands of advertising messages every day, because there's usually a lot of discussion among companies and ad agencies talking about how to get their message to stand out.

Customers Remember the Experience

There's a lot of buzz these days about "social media" and "integration marketing." As unsexy and low-tech as it may sound, our belief is that the telephone is one of the best branding devices out there. You have the customer's undivided attention for five to 10 minutes, and if you get the interaction right, what we've found is that the customer remembers the experience for a very long time and tells his or her friends about it.

Too many companies think of their call centers as an expense to minimize. We believe that it's a huge untapped opportunity for most companies, not only

because it can result in word-of-mouth marketing, but because of its potential to increase the lifetime value of the customer.

Marketing departments usually assume that the lifetime value of a customer is fixed when doing their ROI calculations. We view the lifetime value of a customer as a moving target that can increase if we can create more and more positive emotional associations with our brand through every interaction that a person has with us. ●

Section III: Profits, Passion and Purpose

In early 2009, we made *Fortune* magazine's "100 Best Companies to Work" list. We were the highest-ranking debut in 2009. At our offices, we were thrilled because that was an internal goal we had set in the early days of the company, and it came just one month after we hit our $1 billion in gross merchandise sales goal, well ahead of schedule.

Jeff Bezos, founder and CEO of Amazon, first contacted me back in 2005 and paid us a visit in Las Vegas. Even before he flew down, we let him know that we weren't looking to sell the company.

When we started talking to Amazon in early 2009, however, both sides seemed to have a different perspective compared with several years ago.

On the Amazon side, they seemed to be more open to the idea of us continuing to run as an independent entity so that we could continue building the Zappos culture and business the way we wanted to. They had been following our progress over the years and saw that our approach to business was working for us.

On the Zappos side, what mattered the most was continuing to do what we were doing for our employees and our customers while gaining access to Amazon's vast resources.

In our minds, we thought of a potential acquisition scenario more as a great marriage than as selling the company.

Even though our original goal was to buy out just our board of directors and the shares that they held and represented, the more we thought about it, the more that joining forces seemed to make sense. By doing so, all parties would be 100 percent aligned, which was the whole challenge that we were trying to overcome with our current board of directors.

We had originally been resistant to the idea of exploring an acquisition scenario with Amazon, but Michael Moritz convinced us that it could end up being mutually beneficial and the best possible outcome for shareholders and employees. (And, as it would turn out, he was right.)

Halloween Toast

On Oct. 31, at 11:59 p.m. Pacific Time, after months of waiting for regulatory approval, the deal with Amazon officially closed. The total value of the transaction for Zappos shareholders was more than $1.2 billion, based on Amazon's closing stock price the day before.

I happened to be in New Delhi, India, at the time. Alfred, Fred and I had scheduled a conference call together to commemorate the event. In Zappos' tradition, we had planned to take a shot of Grey Goose vodka together over the phone.

We all toasted. It was official. Zappos and Amazon were married. We could finally start working together to combine our respective strengths of art and science, of high-touch and high-tech.

We were excited about the possibilities of what was yet to come.

We were excited about what we were about to build together.

The future was waiting for us. ●

End Game

In 2007, I started getting interested in learning more about the science of happiness.

I started reading more and more books and articles about it.

And then one day, it hit me. It had everything to do with Zappos.

Happiness is really just about four things: perceived control, perceived progress, connectedness (number and depth of your relationships) and vision/meaning (being part of something bigger than yourself).

Happiness Framework

What's interesting about this framework is that you can apply these concepts to your business as well.

- **Perceived Control.** In our call center, we used to give raises once a year to our reps, which they didn't really have any control over. We later decided to implement a "skill sets" system instead. We have about 20 different skill sets (analogous to merit badges in the Boy Scouts), with a small bump in pay associated with each of the skill sets. It's up to each individual rep to decide whether to get trained and certified on each of the skill sets. If someone chooses not to get any, then he or she simply stays at the same pay level. If someone is ambitious and wants to

gain all 20 skills sets, then we let the rep decide on the right place to achieve that. We've since found that our call center reps are much happier being in control of their pay and which skill sets to attain.

- **Perceived Progress.** In our merchandising department at Zappos, we used to promote employees from the entry-level position of merchandising assistant to the next level of assistant buyer after 18 months of employment (assuming that they met all the requirements to qualify for the promotion). We later decided to give smaller incremental promotions every six months instead that together were the equivalent of the previous single promotion. After 18 months (three six-month periods of smaller promotions), the end result was still the same — in terms of training, certification and pay — as the previous promotion schedule. We've found that employees are much happier because there is an ongoing sense of perceived progress.
- **Connectedness.** Studies have shown that engaged employees are more productive and that the number of good friends an employee has at work is correlated with how engaged that employee is. This is one of the reasons why we place so much emphasis on company culture at Zappos.
- **Vision/Meaning.** The books *Good to Great* and *Tribal Leadership* discuss how a company with a vision and a higher purpose beyond money, profits or being No. 1 in a market is an important element of what separates a great company (in terms of long-term financial performance) from a good one.

Delivering Happiness to the World

My hope is that through *Delivering Happiness*, established businesses will look to change the way they are doing things, and entrepreneurs will be inspired to start new companies with happiness at the core of their business models, taking with them some of the lessons I've learned personally as well as the lessons that we've collectively learned at Zappos. My hope is that more and more companies will start to apply some of the findings coming out of the research in the science of happiness field to make their business better and their customers and employees happier.

My hope is this will not only bring *you* more happiness, but also enable you to bring other people more happiness.

Hopefully I've succeeded in getting you to start asking yourself the right questions.

Are you working toward maximizing your happiness each day?

What is the net effect of your existence on the total amount of happiness in the world each day?

What are your values?

What are you passionate about?

What inspires you?

What is your goal in life?

What are your company's values?

What is your company's higher purpose?

What is *your* higher purpose?

I hope you are now inspired to …

… make your customers happier (through better customer service) or …

… make your employees happier (by focusing more on company culture) or …

… make yourself happier (by learning more about the science of happiness). ●

Epilogue

As a guiding principle in life for anything I do, I try to ask myself, *What would happen if everyone in the world acted in the same way? What would the world look like? What would the net effect be on the overall happiness in the world?*

This thought experiment has been useful to me when thinking about whether to share how we do things at Zappos, or whether to get upset at the waitress who accidentally got my order wrong, or whether to hold the door open for a stranger who's a slightly inconvenient distance away.

The same questions are just as important for deciding what *not* to do, even if not doing anything is the default choice.

Join the Movement

The ideas for delivering happiness could end here. You can choose to do nothing and move on with the rest of your life or you can be a part of a movement to help make the world a happier and better place. The choice is yours. ●

RECOMMENDED READING LIST

If you liked *Delivering Happiness*, you'll also like:

1. ***Enchantment* by Guy Kawasaki.** The entrepreneurial expert and former Chief Evangelist for Apple reveals how to change hearts, minds and actions in a series of captivating tales from real-world successes.
2. ***Overpromise and Overdeliver* by Rick Barrera.** Barrera teaches readers the art of making sure that every point of contact between a company and its customers is well executed and fulfills an over-the-top brand promise.
3. ***Change the Culture, Change the Game* by Roger Connors and Tom Smith.** The authors reveal how to transform your entire organization through each level of the Results Pyramid: Experiences, Beliefs, Actions and Results.

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Doesn't Hurt to Ask

Trey Gowdy

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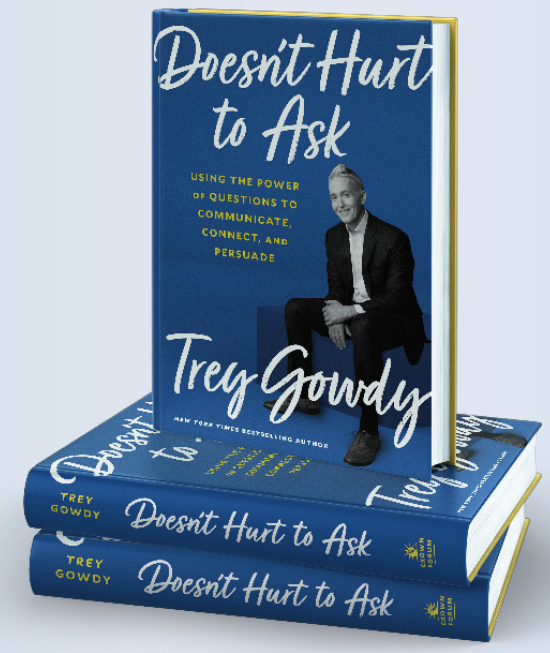

Doesn't Hurt to Ask

By Trey Gowdy

Trey Gowdy is a former state and federal prosecutor who experienced the criminal justice system firsthand for nearly two decades. In 2010, he was elected to Congress, where he chaired the House Committee on Oversight and Government Reform and the Select Committee on Benghazi. After serving four terms, he decided to leave politics and return to private law practice. Gowdy is the co-author of the New York Times bestseller Unified.

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Using the Power of Questions to Persuade

Trey Gowdy spent sixteen years as a prosecutor, advocating for victims in a courtroom. He went on to spend eight years in Congress, where he did his level best to advocate for his constituents. In those realms he had to become competent at moving people towards a desired conclusion. He had to persuade others to see his perspective, analyze their own, and come to believe wholeheartedly what he believed. Gowdy's persuasion happened mostly in courtrooms and legislative hearings, but this communication skill is "every bit as essential" in homes, conference rooms, classrooms, or front porches. Gowdy says, "The skill set needed is the same whether the issue is murder, marketing, or motherhood."

Convincing a jury that the person sitting before them committed a heinous crime is difficult, to say the least. The most important act Gowdy used to get jurors to go his way was to ask questions. Questions allowed him to get jurors to "arrive at the truth of their own accord." No one likes to be told what to do or what to think. People want to convince themselves, not be convinced by others. This is why questioning someone "is an indispensable part of persuasion at the highest level." Asking "the right questions, at the right time, in the right order" can move someone towards a position or move people towards each other.

People who want to be heard, be understood, or compel someone to see things a different way need to sharpen their skills of persuasion. In ***Doesn't Hurt to Ask,*** Trey Gowdy teaches readers "how to persuade, why it is the most worthwhile skill set to adopt, and all the tools readers can use to become persuasive on the issues that matter in life." Persuasion moves people to change their beliefs and in doing so, it can change lives. Gowdy invites readers to "get moving."

The Essentials to Know Before You Start Speaking

Before learning specific strategies for persuading effectively, you need some foundational understanding of how people are persuaded and why questions are such an important component of bringing others around to your way of thinking. In the first part of the book, Gowdy shares how he came to rely on questioning

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so heavily, why stupid questions are better than stupid statements, what conditions need to be met in yourself and others for persuasion to take place, and the single most important piece of advice he ever received from another person.

Gowdy discovered the efficacy of questioning when he began employing it as a defense mechanism to mask his own gaps in knowledge. He never felt he was "smart enough to participate in conversations with smart people" but somehow he managed to surround himself with the highly intelligent. When in these situations, he had a choice. He could sit in awkward silence, ruminating internally about his lack of contributions to the dialogue, or he could ask questions.

He started doing the latter, to great effect. He found that asking questions accomplished two things: he was able to cover up any inadequacies in the subject matter and he filled up his side of the conversation. Everyone desires to be heard. When you use questions in conversation you leverage this great need that all humans have.

The old adage says that there is no such thing as a stupid question. Gowdy doesn't think that is entirely true, but he does believe that stupid questions are way better than stupid declarations. When you ask questions you are only guilty of seeking more information. When you make false declarations, you discredit yourself immediately. "The minute you make a false declarative, you lose credibility with the person with whom you are talking or whoever might be listening."

Learning how to effectively persuade people is not simply about "winning people over." It is also about "bringing people together." When handled the right way, persuasion through questioning involves both participants in a give and take where both are listening and speaking in equal measure. Over time with this type of discourse a person can be moved incrementally from one position to another. Change is not sweeping and quick. It takes time.

In order to persuade others, we have to be open to persuasion ourselves. We have to be willing to consider a different perspective, alter our own viewpoints, or take a new position inside ourselves before we can hope to accomplish the same with another person. Those who are persuadable themselves have the ability to become the most persuasive. Persuadable people have asked themselves "difficult questions and have looked at every side of the argument in an effort to seek truth." This ability and practice "makes them not only empathetic but master persuaders."

If you stand a chance at persuading someone to come to your side, you must know every aspect about the position you are taking. You must carefully consider every angle with thoughtful examination. You must gather facts, which are "the single most foundational element for constructing a winning argument or position." You cannot present what you feel or think. You have to present verifiable facts. Feelings and opinions and emotions are "subordinate to facts." Facts have the capacity to "change your entire perspective on an issue." They "impact conclusions," so we must keep uncovering them until they are all revealed. Facts will not make you persuasive in and of themselves, but they are necessary evidence to support your position.

If you hope to move any people you have to learn to understand all people. You have to meet your audience where they are, not where you want them to be. People hold different values, fears, prejudices, biases, and strengths. We come from a variety of socioeconomic, educational, familial, and cultural backgrounds. We are motivated, inspired, challenged, and moved by different things. The successful persuader will learn to understand these differences and seek to communicate with their own "jury" in the most effective way. "We do not have the luxury of unpicking our jury in real life, as we can in a courtroom. We should embrace the complexity and simplicity of the human experience, and this is best done by listening and trying to understand how someone got to where they are."

When your objective is to persuade, you have to determine how hard you may have to work to win the position. You have to ask yourself, "How much evidence and advocacy will I need to win this discussion and accomplish my objective?" Gowdy calls this "marrying the burden of persuasion or burden of proof with your end objective" and it is essential for success. The good news is that most of us have a solid gut feeling for this decision. Small movements require less on your part than those "big asks" that have greater consequences.

David Stephens is a mentor of Gowdy's who was a state and federal prosecutor who litigated better than anyone Gowdy has ever seen before, during, or since Stephens' illustrious career. He gave Dowdy a piece of advice that is "the single best advice you will ever get about effective communication and the hardest to perfect." Stephens said, "The secret to being a good communicator, Trey, is sincerity. Once you learn to fake that, there is nothing you cannot do." Now, Gowdy does not encourage his readers to find a way to fake it. In fact, if you try, it will lead to harsh reactions. Rather, he compels us to put forth only that which we are passionate about. If we really believe what we are saying, everyone else will believe it, too. "Real emotion moves. Contrived emotions repel."

Two Intentions of Questions

Gowdy has laid out a compelling case for the use of questions to drive a persuasive point. He dedicates the second part of the book to teaching readers "specific types of questions you can use as well as tools to help formulate those questions." In some cases, you will be trying to gain information from the person you are questioning. At other times, you will be attempting to "elicit a reaction." Gowdy's direction guides you in how to do both with concrete, specific strategies.

Questions have one of two objectives. They are asked either to corroborate or contradict. "They either advance your own point or slow down the other person's point." Asking questions instead of making value statements allows you to covertly prove or disprove the point in question. It is also the best way to ensure that you are "accurate, fair, and complete."

Softball questions are easy questions that are "designed to credit, corroborate, or advance a position of person. Those who ask them can increase their "credibility, believability, or likabil-

> You can communicate more effectively in general and be more persuasive specifically when you understand when and how to use the different types[of questions].

ity" in the eyes of the person they hope to persuade. Hardball questions are difficult questions that "contradict, undercut, or impeach" the position of another person. Those who ask hardball questions seek to shine a negative light on the person they are questioning. They can result in a decrease in "credibility, believability, or likability." If you are questioning a friend or ally, throw softball questions. When encountering a foe, hardball questions are warranted.

At many points in our lives, we will find ourselves pulled into a conversation that bears weight. When engaging in a discussion that is important and significant, Gowdy highly recommends that your "opening utterance be a question." Most people are tempted to begin with something along the lines of, "let me tell you what I think." Resist that temptation. In some cases, the exact same wording of a question can be used with "decidedly different" intent. Gowdy reminds us that there are only ever one of two intentions when asking questions: to corroborate or contradict. Now that we know "the two purposes or objectives in asking questions, we can move on to the two and a half types of questions."

Two and a Half Types of Questions

There are two main types of questions we can use to move someone towards our position. Those two types are leading and non-leading questions. Gowdy "adds a (nearly) third category" called the "why questions." You can communicate more effectively in general and be more persuasive specifically when you understand when and how to use the different types.

Non-leading questions are what you encounter most frequently in daily life. They "usually begin with who, what, when, where, and how." These types of questions are seeking information and thus the focus is on the answer, not the questions themselves. Non-leading questions are affirmative and proactive because they are direct. There are several benefits to using non-leading questions. The person you are questioning will be more likely to develop a good rapport with you when being asked non-leading questions. They are by nature "open-ended" and so they tend to not inflame or offend the person being asked. They also "allow the person to make his or her point in an uninterrupted way."

There is also a downside, however. You give up control over the direction of the conversation when you stick to non-leading questions. Sometimes the person answering non-leading questions starts talking and doesn't want to stop. When they finally do, you may well have forgotten what you asked in the first place.

Leading questions are those that "suggest the answer, put the focus on the person asking the question rather than the person answering, and are oftentimes confrontational." These are the types of questions you hear in courtroom cross-examinations. Leading questions can scarcely avoid being confrontational and argumentative. They state an "assertion" that the person answering can either affirm or refute. The person asking the questions is in complete control, asking questions that are designed "to pin someone down." Within the question itself, the answer is given and the person being questioned is asked to simply agree.

"Why" questions belong in a half category all to themselves. In countless circumstances, "why" can be the absolute most important question in the world. It can "mitigate a killing from murder to self-defense," "a lie to a necessary evil," or a crime like theft to a justified act for one's survival. Gowdy illustrates this with a pertinent example. If you killed someone to protect a child from an act of violence, your act is no longer a crime. Your "why" elevates you to hero status, not criminal. But you must be careful. Asking "why" opens you up for a loss of control as to the direction of the conversation. You have to balance that risk with the potential benefits you can achieve, such as discovering a person's motive, intent, or reason.

Doesn't Hurt to Ask accomplishes two great feats for readers. It explains how we can become more persuasive and why doing that matters. Gowdy knows that most of us want to see change in the world. We look around and notice that there are things that are heading in the wrong direction. We can see the oncoming train but feel powerless to change its direction or stop it from running us down. Gowdy asserts that we are more powerful than we think. We can be the change we wish to see in the world. We just have to know how to pull people in our direction and understand that it is our right and in fact, our duty, to step up and do just that.

Gowdy leads readers to a foregone conclusion, employing his own tactic of questioning and proving its efficacy once and for all when he asks, "If I believe strongly, passionately, and logically about an issue, why is it not also my responsibility to advocate for the change I want others to effectuate? Why would I wait for someone else to do it?" You should not wait. You should start questioning now, in all matters, big and small, and see things incrementally change in your direction thanks to the power of persuasion.

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Drucker on Leadership

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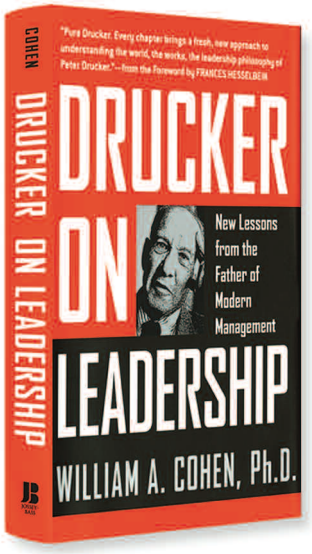
Drucker on Leadership

New Lessons from the Father of Modern Management



by William A. Cohen, Ph.D.

THE SUMMARY IN BRIEF

Although Peter Drucker, "The Father of Modern Management," died in 2005, his timeless teachings are studied and practiced by forward-thinking managers worldwide. His lessons and wisdom on the topic of leadership — the central element of management — are in constant demand, yet he wrote little under that actual subject heading.

In *Drucker on Leadership*, management expert and author William A. Cohen, Ph.D., explores Drucker's lost leadership lessons — what they are, why they are important and how to apply them.

While Drucker struggled with the concept of leadership, he was well aware that it had a critical impact on the accomplishment of all projects and human endeavors. There is no book from Drucker specifically dedicated to leadership, but a wealth of information about leadership can be found scattered throughout his 40 books and hundreds of articles.

Many of the leadership concepts revealed in *Drucker on Leadership* will surprise, and perhaps shock, Drucker's followers. Written for anyone who values the insights of the man whose name is synonymous with excellence in management, this summary offers a deeper understanding of what makes an extraordinary leader.

IN THIS SUMMARY, YOU WILL LEARN:

- Why Drucker believed that the best book on leadership was written almost two and a half millennia ago.
- How to predict your organization's future by creating it.
- Why leaders must determine what business they are in and who their customers are.
- How Drucker's teachings about leadership can save many corporations from failure and help guide others to outstanding success.

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THE COMPLETE SUMMARY: **DRUCKER ON LEADERSHIP**

by William A. Cohen, Ph.D.

The author: William A. Cohen, Ph.D., is the president of the Institute of Leader Arts. A retired major general in the U.S. Air Force Reserve, he was the first graduate of Drucker's executive Ph.D. program. He is the author of many management books, including *The Art of the Leader* and *A Class With Drucker*.

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Introduction: Peter Drucker and Leadership

There is little doubt that Peter Drucker, the "Father of Modern Management," considered leadership the essential management skill. As early as 1947, he declared, "Management is leadership." Seven years later he wrote: "Leadership is of utmost importance. Indeed there is no substitute for it." However, despite these clear early statements, Drucker did, at times, seem to equivocate about leadership. Only a few short sentences after the statement about the importance of leadership, for example, he added, "Leadership cannot be taught or learned."

Clearly, Drucker was ambivalent about leadership — or at least the idea that it could be taught — and he remained so for much of his career. In 1973, he reiterated, "There is no substitute for leadership. But management cannot create leaders."

Drucker's Evolving Attitudes Toward Leadership

By 1996, Drucker had reversed himself completely. In his foreword to *The Leader of the Future*, he wrote, "Leadership must be learned and can be learned."

Toward the end of his career, Drucker concluded not only that leadership could be learned, but also that it *should be presented* as a topic separate and distinct from management.

While Drucker did not leave us with a unified model of his concepts about effective leadership, *Drucker on Leadership* presents a distillation of his published work to provide readers with a clear and cohesive presentation of Drucker's views on leadership that, until now, have been widely scattered.

Drucker's Model for Effective Leadership

Drucker believed effective leadership rested on five basic components:

- **Strategic planning by the leader as a foundation.** The leader has to make decisions *now* to create a desired future.
- **Business ethics and personal integrity as necessary conditions.** If strategic planning was the foundation of leadership, ethics and personal integrity were necessary conditions for leadership effectiveness.
- **Leadership as taught in the military as a baseline model.** Drucker wrote, "The Army trains and develops more leaders than do all other institutions together — and with a lower casualty rate."
- **Correct perception and application of the psychological principles of motivation.** The best way to motivate employees is to treat regular, paid, full-time staff as if they were volunteers.
- **The marketing model as an effective general approach.** By describing leadership as a marketing job, Drucker meant that leaders must know and understand those they wished to lead, and lead in a way followers could relate to.

Part One: The Leader's Role in Shaping the Organization's Future

In Drucker's view, a leader's primary responsibility was to think through the organization's mission clearly and then promote it throughout the organization, setting goals, priorities and standards to measure progress along the way.

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Drucker taught that determining what business you are in is essential to creating an organization's future and, therefore, is any leader's primary responsibility.

Leaders must make choices and concentrate their always limited resources where they will do the most good.

Today, we call this definition a "mission statement." Drucker's favorite mission statement, though not recent or short, came from a very old business, Sears Roebuck. Simply stated, it was to be the informed and responsible retailer, initially for the American farmer and, later, for the American family. It changed Sears from a struggling mail order house, which was sometimes close to bankruptcy, to the world's leading retailer, all within 10 years.

Of course, there is only one leader, and ultimately this leader is responsible for the final mission statement and the business.

The Process: Creating a Strategic Plan

Drucker's definition of strategic planning was "the continuous process of making present entrepreneurial *(risk-taking) decisions* systematically and with the greatest knowledge of their futurity; organizing systematically the *efforts* needed to carry out these decisions through *organized systematic feedback*." Implicit in this definition is that the leader is responsible for everything that happens or fails to happen in the organization.

Drucker stressed that the leader's view of the future must represent what he called "the entrepreneurial view"; that is, a willingness to think in terms of contribution, customer satisfaction and benefit to the market and the economy.

He believed that leaders must have the courage to make the future happen and that this courage must not be wasted. The decisions taken must meet the test of practicality and operational and economic validity; that is, these decisions *must be actionable* and be *able to produce* real economic results. Finally, Drucker stated that leaders must be personally committed to what they envisioned. In addition, he believed that whatever reaching the future entailed, it must be risky because the one idea about the future that was certain to fail was the riskless idea.

Look, Listen and Analyze: The Information the Leader Needs

Drucker said he "looked out the window" and noticed what was going on in order to predict the future. When asked how this worked, he answered, "I listen." After a dramatic pause of a couple of seconds, he added, "to myself." Pressed on this issue, Drucker answered that you had to go one step further and ask yourself what the things you had seen or heard would mean for the future. Thus, leaders need to observe what is going on, and then take the additional step of analyzing this information and deciding what is likely to happen as a result of what has taken place.

Drucker recognized that analyzing only internal information — cash flow, liquidity, productivity, competency, resource allocation and so on — was useful only as a short-term tactic. Drucker knew that strategy of any sort had to be based on information about "markets, customers and non-customers; about technology in one's own industry and others; about worldwide finance; and about the changing world economy."

Methodology: Developing Drucker-Based Strategies

Although Drucker never revealed his methodology for developing strategy as a step-by-step process, the following 10 principles have been developed from his work:

1. *Commit fully to a definite objective.*
2. *Seize the initiative and keep it.*
3. *Economize to mass your resources.*
4. *Use strategic positioning.*
5. *Do the unexpected.*
6. *Keep things simple.*
7. *Prepare multiple simultaneous alternatives.*
8. *Take the indirect route to your objective.*
9. *Practice timing and sequencing.*
10. *Exploit your success.*

To develop strategy, Drucker saw that three elements — the principles of strategy, the resources of the firm

Drucker on Staffing

Drucker suggested the following decision steps to help leaders in their staffing decisions:

1. Think through the assignment so that you understand what needs to be done.
2. Look at a number of potentially qualified people.
3. Decide who can actually do the job best, ignoring irrelevant weaknesses.
4. Discuss each of the candidates with several people who have actually worked with them.
5. Make certain that the appointee understands the job.

and what he called the "fixed certainties" — needed to be brought together.

Taking Action: What It Takes to Implement Your Plan

Implementing your plan means initiating and putting your plans into action. As with any project, your strategic plan needs leadership and management. This requires that tasks be broken down, assigned and scheduled. Resources must be allocated, performance expectations defined, metrics established, and a system for periodic and ad hoc reviews and feedback implemented. In short, as leader you are responsible for and must implement the plan.

To do this, a leader needs controls, which, according to Drucker, have three major characteristics. They can be neither objective nor neutral; need to focus on results; and must consider measurable and non-measurable events.

Both choosing the correct metrics and making the correct decisions about them are incredibly important to achieving any goal, whether strategic or everyday. ●

Part Two: Ethics and Personal Integrity

Drucker saw strategic planning as the foundation of leadership for all organizations, and ethics and personal integrity as necessary conditions for successfully building this foundation. In his earliest writings on the subject, he stated that leadership was exercised through character, and though followers might forgive a leader much, they would not forgive a lack of integrity.

Drucker believed social responsibility was part of a leader's ethical behavior, but cautioned that, under certain conditions, what was considered a corporation's social responsibility should not be undertaken and was unethical. Drucker's positions form the basis of his ideas about leadership.

Drucker believed that leaders should adopt the following two concepts into their personal philosophy of ethics:

1. The ethics of personal responsibility from the physician Hippocrates: "*Primum non nocere*," which translates as "above all [or first] do no harm."
2. The mirror test: What kind of person do I want to see when I look into the mirror every morning?

Effective Leadership and Personal Integrity

Drucker made a clear distinction between the law and personal integrity. Personal integrity, he felt, had to be a part of everything that a leader did; without it, leaders had no legitimacy and their followers would eventually desert them. He wrote, "In military training, the first rule is to instill soldiers with trust in their officers, because without trust they won't fight."

The need for personal integrity is integral to all of Drucker's views of leadership. Integrity means adherence to a moral code; particularly, adherence to such a code under all conditions and regardless of whether anyone knows it. To Drucker, integrity is critical because "the spirit of an organization is created by the people at the top." The proof that leaders mean what they say is uncompromising integrity of character, which permeates through the organization.

The Seven Deadly Sins of Leadership

Drucker counseled leaders to avoid these Seven Deadly Sins of Leadership:

1. The Sin of Pride. Generalized pride — as opposed to being proud of specific things — is the most serious leadership sin because it can easily lead to the other six.

2. The Sin of Lust. In any workplace, this sin creates jealousies, feelings of favoritism and lack of trust, damaging people, relationships and more.

3. The Sin of Greed. This is a sin of excess. Leaders have power and, unfortunately, having power has a tendency to lead to corruption.

4. The Sin of Sloth. The sin of sloth is often an unwillingness to do work the leader considers beneath the dignity of the office.

5. The Sin of Wrath. Leaders need to avoid repeated and uncontrolled anger because it can damage their leadership and destroy morale.

6. The Sin of Envy. With the sin of envy, the leader is envious of what is enjoyed by someone else. This sin usually leads the leader to make decisions and to take actions that will harm the object of the envy.

7. The Sin of Gluttony. Drucker drew a parallel between high executive salaries and the demands of unions for more and more benefits without an increase in productivity. He said we would pay a terrible price for these examples of gluttony and that it is never pleasant to watch hogs gorge.

Effective Leadership and Corporate Social Responsibility

Drucker recognized and was one of the first to teach that people were not a cost — they were a resource. In

his view, workers in and out of the workplace were as much the responsibility of the corporate leader as profits, survival and growth of the business or organization. Social responsibility and leadership went hand in hand.

As Drucker saw it, even a company's negative impacts could and should be examined to turn, if possible, something that the company was doing that was causing harm into something positive. He saw that in the early 1920s, DuPont, a major chemical company, set out to eliminate some of the poisonous and unwanted byproducts of its manufacturing. In the process, it invented a new system of toxic control that was so successful it was developed as a separate business. Yes, it is the old lemons-into-lemonade idea, but it has been very successful for the companies attempting it.

The Responsibility of a Corporation: First, Do No Harm

Drucker summarized what he expected from the leader with *primum non nocere*; in plain English, "above all, do no harm."

Frequently, well-intentioned acts of leaders can do precisely what Drucker cautioned against. The harm done can be much greater than the good originally sought.

Moreover, Drucker taught that good intentions were not, in themselves, socially responsible. When social responsibilities are undertaken that hurt the organization's ability to accomplish its mission, the resulting harm is the reverse of social responsibility. ●

Part Three: The Military: Drucker's Model Organization

One of Drucker's five components of effective leadership had to do with following the recommendations of a classic book on military leadership.

Drucker believed that the best book on leadership was written almost two and a half millennia ago by Xenophon, a Greek general who had fought in Persia. In *Kyropaidaia*, Xenophon wrote about leadership in battle. Thus, the "Father of Modern Management" recommended a book on combat leadership as the best book written on leadership for business leaders, simply because it taught good leadership.

Leadership Lessons From Xenophon

After becoming commander and creating subordinate generals, Xenophon called the new generals together and instructed them on leadership. He said:

1. Leaders set the example.
2. Leaders need to be braver than those they lead and must be the first to do hard work.
3. Leaders must be in control and exercise discipline, otherwise nothing useful ever gets done.
4. Leaders train their soldiers to think about positive action that each must take to be successful, otherwise they think about "what is going to happen to me?"

The basis of leadership about which Xenophon wrote, the lessons of his experiences, the principles of integrity, commitment, duty and other concepts, are in no way altered by even the most recent research on leadership. Whatever the leadership challenges in whatever organization, much can be learned from Xenophon's experiences and writings.

Training and Developing Leaders

Drucker came to appreciate that not only was leadership learnable, it was up to the organization to teach these skills.

Drucker cautioned not to focus only on skills for the immediate future, but to build for the leader's entire career and life. He emphasized that mentoring and training, both theoretical and practical, are critical in that they focus on what the developing leader is doing right rather than what had been done wrong. He quoted the pastor of a church from which many successful leaders had emerged, who tried to provide four things to newly developing leaders:

- A mentor for guidance.
- A teacher to develop skills.
- A judge to evaluate progress.
- An encourager to cheer them on.

This is a good description of how the military develops leaders and how any organization can and should develop them as well.

Promotion and Staffing

Drucker argued strongly for a rational system of promotion. He recognized that undeserved promotion not only resulted in higher incidences of failure and mediocrity, it also tremendously de-motivated both those more deserving who were passed over and those who simply observed dysfunctional management promotion decisions. He cautioned against two common errors: promotion to get rid of someone performing poorly and failure to promote someone considered indispensable in a current position. Finally, he listed several characteristics of a rational system:

- Consideration of all eligibles, not just those highly

visible.

- Consideration of all functional backgrounds.
- Normal promotion from within, but consideration of desirable outsiders.

The Heart of Leadership

If you follow these eight universal laws, your chances of leadership success are much increased:

1. **Maintain absolute integrity.** Drucker said, "A leader can be well-liked and popular and even competent and that's all well and good, but if he lacks integrity of character he is not fit to be a leader."
2. **Know your stuff.** Drucker wrote, "Leadership rests on being able to do something others cannot do at all or find difficult to do."
3. **Declare your expectations.** Drucker wrote: "Each manager, from the 'big boss' down to the production foreman or the chief clerk, needs clearly spelled out objectives …"
4. **Show uncommon commitment.** Drucker said, "Commitment comes from a worthy mission and then strong commitment."
5. **Expect positive results.** "One cannot be negative and succeed in anything," Drucker explained.
6. **Take care of your people.** Drucker wrote: "A leader has responsibility to his subordinates, to his associates."
7. **Put duty before self.** Leaders have a duty to accomplish the mission and a duty to take care of those for whom they are responsible. Addressing a leader's own needs must come only after fulfilling this duty.
8. **Get out in front.** "… as junior leader or as CEO the leader must be where the work is the most challenging," Drucker said. ●

Part Four: Motivation and Leadership

Although he continued thinking and writing about motivation over the years, Drucker did not make a connection between motivation and leadership, probably because he did not attempt to unify his theories of leadership until relatively late in his career. Yet Drucker did list *motivating* as one of the "basic operations" of a manager's work.

Leadership Style as a Motivator

Douglas McGregor was a professor at the MIT Sloan School of Management. McGregor concluded that managers led by one of only two general theories of motivation. Leaders following Theory X (which closely resembled the carrot-and-stick approach) assumed that employees primarily work for money or when threatened with punishment and will avoid work if possible. As a result, such employees must be closely supervised and controlled, using incentives to reward those who perform adequately and punishment for those who do not.

Theory Y leaders' assumptions and style of leadership were quite different. They assumed that employees were ambitious, self-motivated and eager to accept greater responsibility for work outcome, if only encouraged and allowed to do so. Tight control and supervision was not the way to motivate them. In fact, it was counterproductive.

Drucker agreed that Theory X was not the final answer. Drucker's "knowledge workers," equipped with brainpower and a constantly expanding universe of intellectual and experiential resources, were increasingly needed for the organization to be competitive. Drucker concluded that the carrot-and-stick approach no longer worked for knowledge workers and, in developed countries, it didn't work for manual workers either.

Each worker must be treated differently, and there are times when each must be treated differently from his or her norm. Without this, the organization will never achieve the maximum productivity sought.

Motivating to Peak Performance

The goal and outcome must be *outstanding performance*, achieved, of course, through worker responsibility.

Drucker said a leader must create "a responsible worker," and suggested four ways to accomplish this task. These aren't alternative approaches; all four must be used to achieve the desired results:

1. **Place workers carefully.** Drucker taught that a systematic, serious and continual effort to put people in the right jobs was a prerequisite to high motivation.
2. **Demand high standards of performance.** For peak performance, workers need work that engages and challenges their abilities and motivates them with high standards.
3. **Provide the worker with information needed.** Only with information can workers control, measure and guide themselves to reaching the goal and accepting complete responsibility for it.
4. **Encourage managerial vision.** Drucker's main

reason for encouraging managerial vision had to do with workers' seeing their work as contributing to the survival or success of the enterprise.

Charisma as a Motivator

Drucker was not a fan of charisma, despite its known power to motivate. He wrote, "Indeed, charisma becomes the undoing of leaders. It makes them inflexible, convinced of their own infallibility, unable to change." Yet, in writing about what effective managers should do, Drucker provided a description that closely parallels many of the actions of charismatic leaders.

Drucker recommended that the leader motivate by actions clearly characteristic of a charismatic leader:

- Lead, don't manage.
- Know who you are leading.
- Treat each individual differently depending on what motivates each.
- Treat groups differently depending on what motivates each.
- Lead individuals and groups differently, at different times, depending on the situation.
- Remember that those led need to know the organization's mission and believe in it.

The Volunteer Paradigm

Drucker spent the last 15 to 20 years of his life focused on nonprofit organizations, many of which had more volunteers than paid employees. From his experience with these organizations and their members, he formulated a concept that he articulated in the book *Management Challenges for the 21st Century*, where he stated that full-time employees must be managed as if they were volunteers.

He reasoned that the workplace, even in non-volunteer-staffed corporations, had changed to such an extent that a complete makeover in how workers were treated and motivated was needed.

He noted that pay was no longer the main motivator except under extreme economic circumstances. "We have known for 50 years that money alone does not motivate to perform," he wrote.

Change was necessary because, unlike their counterparts in the past, knowledge workers had mobility; they could leave one firm and go elsewhere with relative ease. Moreover, they had their own means of production, that is, their knowledge. From these facts, Drucker concluded that what motivates unpaid volunteers should be used to motivate regular full-time employees.

Part Five: The Marketing Model of Leadership

Drucker stated unequivocally that leadership was "a marketing job"; however, he did little to develop this concept.

Modern marketing rests on something called the "marketing concept." The basis of the marketing concept is that firms should seek to discover and then satisfy the needs of their customers rather than persuade customers to purchase existing products or services in which they might not be interested. Since Drucker taught that if marketing were done perfectly, selling would be unnecessary, to practice marketing correctly, it would be necessary to understand the needs of each group or customer segment, including their values and behaviors, so as to approach them in their preferred manner and allow them to relate to the product or service without interference. In Drucker's terms, if the marketing aspect of leadership were done perfectly, the persuasion element would be unnecessary.

Applying Marketing to Leadership

The marketing concept states that organizations must analyze the needs of their customers and then make better decisions than their competitors' to satisfy those needs.

Certain elements are required, including focusing on the buyers and satisfying their individual wants and needs, viewing the entire organization as part of marketing, supporting the marketing effort, having what the buyers want and attending to the welfare of both the buyers and society. This is the ideal. When organizations fall short, marketing is deemed less than optimal and, in the case of lapses in considering buyer or societal welfare, even unethical or illegal. One can easily say the same about leadership.

Leaders must begin with a mission they believe in, one that is believable by those they lead. Making this mission believable, communicating and promoting it, is a continual process. At the same time, leaders must proceed to developing the strategies to reach the goals and objectives required to achieve, communicate and promote that believable mission.

Applying Segmentation to Leadership

The marketing concept of segmentation coincides with Drucker's belief that human beings are different and must be treated differently.

The concept of appealing to different groups in their preferred way and in accordance with their interests is

correct. However, the leader must be careful to maintain a consistent story, even if the story is presented with a different emphasis to different groups. What a leader or marketer says or promises can't change with different groups or the leader loses credibility.

The basic idea of one-on-one segmentation is to concentrate on providing services or products to one customer at a time by identifying and then meeting his or her individual needs. It then aims to repeat this many times with each customer, thereby forging powerful lifelong relationships. One-on-one segmentation is a near-perfect example of segmentation and the marketing approach to leadership.

Applying Positioning to the Organization and the Leader

The marketing concept of positioning has to do with the communication process and how to use that process effectively to persuade a target audience.

To develop your position or to reposition yourself or your organization, you must start with two vital pieces of information:

- Where are you now?
- Where do you want to be?

It is critical that you be congruent with the position you want to occupy.

Drucker wrote that leadership is marketing because he knew that leadership dealt with people and influencing them to achieve their maximum potential. He knew that this could not be accomplished without communication. The concept of positioning is cutting-edge communication technology for the leader.

The Role of Influence and Persuasion on Strategy and Tactics

The basic difference between *influence* and *persuasion* is that influence is an act that produces an effect without apparent effort, whereas persuasion requires effort to produce a desired effect. In both cases, an effect is sought.

Influence and persuasion focus primarily on the tactical implementation of both marketing and leadership, but they affect decisions at the strategic level as well. As leadership tactics, direction and permissiveness are corollaries to influence and persuasion.

A leader who is thinking ahead rather than responding to a problem must first consider the environment in which these alternatives will be implemented at the tactical level, which makes it part of a strategic decision. ●

Ten Ways to Motivate Employees

Here are the top 10 factors employees consider most important in their jobs and therefore what motivates them to peak performance:

1. Work with people who treat me with respect.
2. Interesting work.
3. Recognition for good work.
4. Chance to develop skills.
5. Work for people who listen if you have ideas about how to do things better.
6. Chance to think for myself rather than just carry out instructions.
7. Seeing the end results of my work.
8. Working for efficient managers.
9. A job that is not too easy.
10. Feeling well informed about what is going on.

Epilogue: Drucker's Legacy

Drucker was passionately devoted to his profession. He did not quit thinking, analyzing and perfecting his powerful ideas and concepts because he never considered them complete and finished. As he wrote, "Anyone who continues to do what made him successful in the past is doomed to failure." Times change; new technologies are developed.

Although Drucker asserts that the basics of leadership haven't changed over the millennia and that Xenophon's book on leadership written 2,000 years ago is still the best, not all of Drucker's vision can be applied without first adapting it to present conditions.

Much of Drucker's work on leadership must be continued by others. Hopefully others will seek to continue his legacy through further development of his work, especially on leadership — the most important aspect of management. ●

RECOMMENDED READING LIST

If you liked *Drucker on Leadership*, you'll also like:

1. ***The 360 Degree Leader* by John C. Maxwell.** Maxwell teaches you how to develop your influence regardless of your position in an organization.
2. ***What Got You Here Won't Get You There* by Marshall Goldsmith.** Goldsmith details the 20 subtle nuances that make the difference between reaching a plateau and reaching the top.
3. ***Winning* by Jack Welch with Suzy Welch.** Management legend Welch address his own management techniques honed during his tenure as CEO of General Electric.

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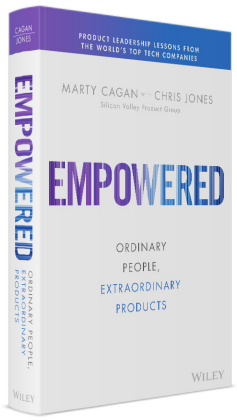

by **Marty Cagan with Chris Jones**

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THE SUMMARY IN BRIEF

What is it about the top tech product companies such as Amazon, Apple, Google, Netflix, and Tesla that enables their record of consistent innovation? Most people think it's because these companies are somehow able to find and attract a level of talent that makes this innovation possible. But the real advantage these companies have is not so much who they hire but, rather, how they enable their people to work together to solve hard problems and create extraordinary products.

The goal of ***Empowered*** is to provide you, as a leader of product management, product design, or engineering, with everything you'll need to create just such an environment. A natural companion to the best-seller ***Inspired, Empowered*** tackles head-on the reason that most companies fail to truly leverage the potential of their people to innovate: product leadership.

Empowered puts decades of lessons learned from the best leaders of the top technology companies in your hand as a guide. It shows you how to become the leader your team and company need to not only survive but thrive.

IN THIS SUMMARY, YOU WILL LEARN:

- The difference between "feature" teams and empowered product teams.
- Why coaching is essential to innovating at scale—and how to do it.
- To redefine the relationship of product teams to the rest of the company.
- To transform your organization into empowered product teams.

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Lessons from Top Tech Companies

In so many companies—even companies trying to do true, technology-powered products and services—product teams are too often not *allowed* to work the way they need to. It's not just the techniques that strong product teams use to discover successful products, but the differences between how great product companies work and the rest run much deeper.

So many companies still have the old IT mindset when it comes to technology. It's viewed as a necessary cost rather than the core business enabler it needs to be.

There is little if any active coaching of the people on the technology teams. And even if they wanted to coach, the managers often don't have the experience themselves. So problems perpetuate.

Most of these companies recognize that they don't have the staff they need, but they have very misguided ideas about how to correct that and what to look for in product staff. Moreover, these companies rarely have an inspiring, compelling product vision.

It's not that these companies don't want to transform, it's that transforming is hard, and they just don't know how. Or even what it really means to transform.

What they need is to move to empowered product teams.

Behind Every Great Company

Let's highlight the differences between how the best companies create technology-powered products and how most companies create products.

Culture is extremely important, but there is something about great product companies that is more fundamental. There are three critically important differences between the strongest product companies and the rest:

The first is how the company views the role of technology. The vast majority of companies view technology as a necessary expense. They know it's important, but they think of it more as a cost of doing business. In most companies, technology teams exist to serve the business.

In contrast, in strong product companies, technology is not an expense; it *is* the business. In strong product companies, the purpose of the product team is to serve customers by creating products customers love, yet work for the business.

That is a profound difference, which impacts nearly everything about the company and how it works, and results in much higher motivation and morale. And most important, it results in a much higher level of innovation and value for customers and the business.

Pixar has shown the film industry what is truly possible when technology is at the core of an animated feature film, rather than just a necessary cost. Pixar uses technology in ways far beyond traditional film-making, and the technology teams are as valued as the creative teams.

The second is the role their product leaders play. In most product companies, the role of true product leadership is largely missing in action. In most companies, there is no product strategy.

In strong product companies, the product leaders are among the most impactful leaders in the company. They are responsible for staffing and coaching the product teams; they are responsible for the product strategy and converting the strategy into action; and they're responsible for managing to results.

Empowered product teams depend on skilled product managers, product designers, and engineers, and it is the leaders and managers who are responsible for recruiting, hiring, and coaching these people.

The third is how the company views the purpose of the product teams—the product managers, product designers, and engineers. In most companies, the technology teams are not empowered product teams; they are feature teams. Feature teams look superficially like a product team. They are cross-functional, with a product manager, a product designer, and some number of engineers. The difference is that they are all about implementing features and projects (output) and, as such, are not empowered or held accountable to results.

In contrast, in strong product companies, teams are instead given problems to solve rather than features to build, and most important, they are empowered to solve those problems in the best way they see fit. And they are then held accountable to the results.

Coaching

Coaching is more essential than ever. If you hope to innovate at scale, it is simply not optional. Problems escalate faster, relationships are damaged much more easily, and collaboration is harder.

Coaching is what turns ordinary people into extraordinary product teams.

In the technology industry, we focus so much on the core skills and competencies used by product managers, designers, and engineers but so little on the skills and competencies of managers and leaders. Yet it is these managers and leaders who are responsible for molding people into effective teams.

The logic is simple: Your company depends on successful products. And successful products come from strong product teams. Coaching is what turns ordinary people into extraordinary product teams.

More than anything, good coaching is an ongoing dialog, with the goal of helping the employee to reach her potential.

The Coaching Mindset

Let's talk about the necessary mindset of you as coach. A coaching mindset provides a foundation of intent. It is the framing that directs your application of coaching techniques, and your guiding principle for taking action and making decisions around developing a team.

Developing people is job #1. If you are a manager, you should be spending most of your time and energy on coaching your team. This means expending real effort on things such as assessing your team, creating coaching plans, and actively helping them improve and develop.

Empowering people produces the best results. Many new managers see their job as driving their team's task list. But empowering means creating an environment where your people can own outcomes and not just tasks. This doesn't mean less management—it means better management.

Beware your own insecurities. Be aware of your insecurities, and understand how your behavior can interfere with empowering your team. Most good managers have a healthy level of humility and are always exploring and working to improve their own performance and growth.

Cultivate diverse points of view. Good leaders know that they will get the best results when they are able to consider diverse points of view. They also know that they don't have a monopoly on good ideas and that the best ones may come from others.

Seek out teaching moments. Reaching potential requires working through adversity. As a coach, you are always looking for opportunities that encourage your people to stretch beyond their comfort zone.

Continually earn the trust of your team. None of your coaching efforts will be effective without trust.

The One-on-One

This is the foundation of coaching. The primary purpose of the 1:1 is to help the product person develop and improve. This is a relationship that depends on trust. The product person must understand and believe that you as the manager are genuinely and sincerely committed to helping her reach her full potential.

Onboarding. With most new product people, there is a necessary and critical onboarding period where the person acquires the skills and knowledge required to get up to speed (reach competence). Normally, this period of close oversight lasts on the order of two to three months, and it is a much more intense coaching relationship than the ongoing coaching that happens once the product person is deemed capable.

Frequency. The 1:1 should be no less than 30 minutes, once per week, and this session is sacred and not to be another one of those "You okay with skipping this week?" kind of meetings.

Sharing context. If you are to empower your product person to solve problems in the best way her team sees fit, as a leader and manager you must provide her with the strategic context.

Homework. There's simply no substitute for the product person doing her homework. It is the foundation for competence, and it's the main activity during the onboarding period. What does homework really mean? For a product manager, it means learning the product inside and out.

Thinking and acting like a product person. What

does it mean to think like a product person? It means focusing on outcome. Considering all of the risks—value, usability, feasibility, and business viability.

What does it mean to act like a product person? Listening. Collaborating. Shared learning. Evangelizing. Inspiring. Giving credit and accepting blame. Taking responsibility. Knowing what you can't know and admitting what you don't know. Demonstrating humility. Building relationships across the company. Getting to know customers on a personal level. Leading.

Providing feedback. Also known as "tough love" or "radical candor," honest, constructive feedback is the main source of value you provide as manager. Feedback should be frequent and as timely as possible (at the first opportunity to discuss privately). Remember to praise publicly but criticize privately.

Staffing

It's important to coach and develop your people. Now let's talk about how to find these people. Staffing is one of the clear and essential differences between strong product companies and the rest.

There are three higher-order problems in companies when it comes to staffing: The first is that there is often very fundamental confusion about what to look for when hiring strong product people. Too often the company thinks that, if they want to compete with the likes of Google and Amazon, they need to hire exceptional people. This is a dangerous misconception.

The best product companies hire competent people of character and then coach and develop them into members of extraordinary teams.

The second is that, in far too many companies, the leaders equate staffing with hiring. But it's a much larger problem than just hiring, and in fact, if you focus just on hiring, you will dramatically reduce your chances of building the organization you need.

The third higher-order point is to realize that staffing is the responsibility of the hiring manager. Hiring managers often believe this is the responsibility of HR and think of themselves as just a passenger on the journey and not the driver.

Competence and Character

Let's discuss the characteristics you should consider when recruiting and assembling strong, cross-functional, empowered product teams.

Competence. Table stakes for any of your hiring onto an empowered product team is competence. The person must have the necessary skills—as an engineer, a product designer, or as a product manager. Without competence, the person and the team cannot expect to be trusted by management or leadership. So there is no lasting empowerment without competence.

Character. Once we know the candidate has the required level of competence, most companies focus on what is usually referred to as "cultural fit." This is probably one of the most damaging concepts for your efforts to build a great organization.

For too many organizations, cultural fit is the politically correct term for what essentially translates into "Hire people who look and think like we do." It's not that the way we think is bad; it's that what we really need are people that think differently from us. The chances of solving hard problems goes up substantially if you can approach the problem from several perspectives.

So, rather than looking for people like yourselves, make it an explicit point to look for people that are clearly not like yourselves. People who come from different environments. People who were educated differently. People with different types of work experience. People with different life experiences.

When candidates are viewed through this lens, there are many excellent candidates to be found, all over the world. Often, they are hiding in plain sight in your own company. Just make sure they are competent.

Recruiting

Most people think that staffing begins with sourcing, but in strong product companies staffing begins with active recruiting. In an HR-driven approach to hiring, a hiring manager might provide a job description, but things don't really get going until HR starts providing resumes (known as sourcing).

For strong managers, it's the opposite. The hiring manager identifies what she wants, and then she goes out and recruits. The truly strong manager knows that, through recruiting, she is crafting product teams and not just a collection of people.

So, where do you find these people? Building your network

of potential recruits is an ongoing activity—not something you start doing once you have an opening. You meet people at industry conferences and professional meetups, at competitors, during visits to partners and customers, via introductions from referrals, and even socially.

You can host talks at your office with selected industry speakers who can attract candidates and also help build the reputation of your organization. Another great technique is a company blog written to demonstrate your dedication to the craft of great product.

> The product vision is one of our primary tools for keeping the organization truly focused on what the customer cares about.

Hiring

Much of the hiring process will be dictated by HR compliance and compensation, but there are some essential points for the hiring manager.

First, if you have found a truly strong candidate, then it's critical to move quickly. Strive to produce an offer in 24–48 hours. Beyond that, you may lose a good candidate. And even if not, it demonstrates to the candidate that the company has a hard time making decisions, which is not a good look.

Second, take reference checks seriously, and do them personally—don't delegate this to anyone else. Be sure to ask if the person would hire the candidate again. One of the most important goals of a reference check is to try to identify candidates that are going to prove toxic due to their personality.

Go beyond a reference check. One of the surest ways today to spot toxic personalities is to explore the candidate's behavior on social media. Find their profiles and look at how they interact with others.

The official offer may come from HR or from the hiring manager, but in either case, what is most important is that the hiring manager call the candidate, and explicitly tell the candidate that if she joins and commits to putting in the effort, then you will promise to personally invest in coaching and developing the candidate to reach her potential.

If the candidate is especially good, it's very possible that she will receive multiple offers, so you should request that the CEO or other key leader reach out and offer to talk. This sends a very valuable message to the candidate and can also help get the relationship off to a good start.

Product Vision and Principles

Most companies have some sort of mission statement that summarizes the purpose of the business, but a mission statement typically says nothing about how we plan to deliver on this mission.

This is the critical role of the product vision. An inspiring and compelling product vision serves so many critical purposes that it is hard to think of a more important or higher-leverage product artifact:

- A good product vision keeps us focused on the customer.
- A good product vision serves as the North Star for the product organization so that we have a common understanding of what we are hoping to accomplish together.
- A good product vision inspires ordinary people to create extraordinary products.
- A good product vision provides us with meaningful work.
- A good product vision leverages relevant industry trends and technologies that we believe can help us solve problems for our customers in ways that are just now possible.

When done well, the product vision is compelling, inspiring, and empowering—leaving the product teams feeling excited to begin the hard work of making this vision a reality.

Creating a Compelling Vision

So, what makes a strong and compelling product vision? The product vision is one of our primary tools for keeping the organization truly focused on what the customer cares about. While we need to understand the impact on our company, we need to never forget that all of the benefits derive from providing real value to our customers.

When we tell the story of the product vision, we do so from the perspective of our users and customers. The idea is to demonstrate how their lives will improve in some meaningful way.

North Star. The product vision, done well, serves as the North Star for the product organization. Just as the North Star can guide people to their destination even when they're scattered across the globe, the product vision provides this purpose for all of the product teams, no matter where they are in the organization or on what piece of the larger product they're working.

Scope and time frame. Many companies make the mistake of describing a product vision that is not ambitious or meaningful enough. The product vision stands little chance of being perceived as compelling or meaningful if the team thinks it's just a matter of a few features. The product vision describes the future you are trying to create. In what ways will you improve the lives of your customers?

Normally, the time frame for the product vision is between 3 and 10 years out. Very complex products and devices are at the longer end of this range.

Leveraging industry trends. There are always emerging trends, typically enabled by new technology. There are also fads that get some hype for a while, then fade away. As product leaders, you need to decide which are trends and which are fads and, most important, which trends have the opportunity to substantially help you deliver innovative solutions for your customers.

Remember that customers don't care about our technology—they care about how well we solve their problems. So, while we may make a bet on specific technologies, we must always keep in mind the purpose of that technology is to solve problems in ways that customers love.

Product Strategy

Ultimately, empowered product teams are all about giving teams hard problems to solve and then giving them the space to solve them.

But how do we decide which problems they should solve? Answering that question is what product strategy is all about. An effective product strategy is absolutely essential to enabling ordinary people to create extraordinary products, because it focuses and leverages their talents.

Whatever the goal is, your strategy is how you're planning to go about accomplishing that goal. Strategy doesn't cover the details—those are the tactics we'll use to achieve the goal. Strategy is the overall approach and the rationale for that approach.

Product strategy means, how do we make the product vision a reality, while meeting the needs of the company as we go?

Why is product strategy so hard? Because it requires four things that are not easy for most companies:

1. The first is to be willing to make tough choices on what's really important. Choices mean focus. Deciding what few things you really need to do, and therefore all the things you don't do. Focus comes from realizing that not everything we do is equally important or impactful, and we must choose which objectives are truly critical for the business.

2. The second involves generating, identifying, and leveraging insights. While product strategy starts with focus, it then depends on insights. And insights come from study and thought. These insights come from analyzing the data and from learning from our customers. The insights might pertain to the dynamics of our business, our capabilities, new enabling technologies, the competitive landscape, how the market is evolving, or our customers.

3. The third involves converting insights into action. Once we have decided what's critically important (focus) and studied the landscape to identify the levers and opportunities (the insights), then we need to convert those insights into action.

In a company that's serious about empowered product teams, this means deciding which objectives should be pursued by which product teams, and then providing those teams with the strategic context necessary for them to solve the problems we need them to solve.

4. The fourth involves active management without resorting to micromanagement. Reality is never static or predictable. As product teams pursue their objectives, some make more progress than others, some need help or encounter major obstacles, some find they need to collaborate with other teams, some realize they're missing key capabilities, or any of a hundred other possible situations. Properly managing this activity requires smart, engaged leaders practicing servant leadership.

The bottom line is that product strategy requires choice, thinking, and effort.

Ultimately, the only thing that will truly motivate a company to change to the empowered team model is results—business results.

Business Collaboration

Having strong product leaders and empowered product teams is necessary, but it's usually not sufficient. That's because product work happens in the context of the broader company. Your CEO matters, as do the rest of your key executives and the various stakeholders representing other key areas of your business.

However, establishing the necessary working relationships with the rest of your business is a different level of hard. It requires a lot more sensitivity and nuance.

Realize that your company is currently used to feature teams that exist very clearly to serve the business, and now you're trying to replace them with empowered product teams that exist to serve your customers in ways that work for the business.

What this really means in practice is that you need to move your product organization from a subservient model to a collaborative model.

At a very human level, you're asking very senior executives to think differently about teams comprised of ordinary people—individual contributors—who have been coached into extraordinary teams.

This is a very significant change, especially as it impacts the rest of your business. So let's discuss the implications of this change and how you, as a product leader, can guide your company through this change in mindset and responsibilities.

The Role of Product Leaders

Moving the product teams from the subservient feature team model to the collaborative empowered product team model begins with trust—especially between the product organization and the rest of the leaders of the business. The keys to that trust are the product leaders, especially the head of product.

Without a strong head of product who inspires confidence and is trusted by the CEO and the other key executives, it will be a long and very difficult road.

Note that there is a big assumption here, which may not be true in your organization: The assumption is that the product leaders are generally at the same peer level with the other key executives and stakeholders in the organization.

In any case, the product leaders must establish a direct relationship with the CEO (or general manager in a very large company) and the other key executives. That's usually the heads of sales, marketing, service, finance, legal, and business development. But this list varies at each company.

The basis of this relationship is that the executives need to believe the product leaders have a deep understanding of the business and are committed to ensuring that the solutions provided will work for the various aspects of the business.

This is table stakes for the product leaders. Beyond that, there are three aspects the product leaders will be judged on:

Business results. Ultimately, the only thing that will truly motivate a company to change to the empowered team model is results—business results. The reason the company even began on this journey is very likely because the old way was not delivering the necessary results. So it's important that the product organization deliver the results. And to do that, it's important that the organization have an intentional and focused product strategy, and that the product teams are empowered and accountable to the results.

Product strategy. It's important that this strategy be shared with the executives because that will communicate the reason for the focus and for the decisions on what to work on. Note that it's common that one or more of the most important insights were first discovered by one of the key executives or stakeholders, and in such cases, it's important to be generous in crediting the source of that insight. You want to build a culture that encourages the constant seeking and leveraging of these insights.

Product teams. Companies in the empowered product team model quickly learn that the real work occurs in these product teams, and their ability to solve hard problems for the business depends very much on the people on the team, especially the product manager. So be aware

that they will be judging the product managers and, indirectly, the product leaders.

Product leaders are only as strong as their weakest product manager, and this is why. This is also why it's so important during new-employee onboarding that the manager make sure that the new employee (this mostly pertains to new product managers) has done her homework and truly understands the customers and the business before she interacts with the key executive or stakeholder. Without this deep knowledge of customers, there will be no trust.

Inspired, Empowered, and Transformed

Great teams are made up of ordinary people who are inspired and empowered. They are inspired with ideas and techniques for quickly evaluating those ideas to discover solutions that work—that are valuable, usable, feasible, and viable. They are empowered to solve hard problems in ways their customers love, yet work for their business.

Empowered teams that produce extraordinary results don't require exceptional hires. They do require people who are competent and of character so they can establish the necessary trust with their teammates and with the rest of the company.

Meaningful Transformation

Inevitably, once you realize the scope and scale of what is necessary to work the way the best companies work, it raises the question of how to change from the way you're working today to the way you believe you need to work tomorrow. And this is essentially a question of transformation.

What does it really mean to transform to empowered product teams? The prerequisite for this transformation is getting your senior leaders—typically starting with the CEO—to understand the necessary role of technology as the key enabler of the business and not just a necessary cost of doing business. Without this understanding, your chances of success are low.

At the highest level, there are three major steps. And as a general rule, they need to happen in the following order. First, you'll need to ensure you have strong product leaders in place. Second, you'll need to give those strong product leaders the ability to recruit and develop the staff required for empowered product teams.

Third, for the product teams that are ready to operate in the empowered product team model, you will need to redefine the relationship with the business. With the empowered product team model, the idea is to be true partners with the business—collaborating to come up with solutions that customers love, yet also work for the business.

You will always have strong competitors that covet your customers—but now you are equipped to not just fight back but to grow and thrive by continuously innovating on behalf of your customers.

IF YOU LIKED THIS SUMMARY, YOU MIGHT ALSO LIKE:

- ***Unstoppable Teams: The Four Essential Actions of High-Performance Leadership*** by Alden Mills
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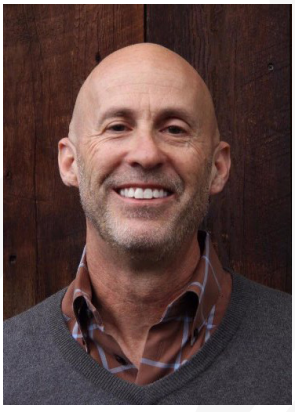

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Everyone Deserves a Great Manager

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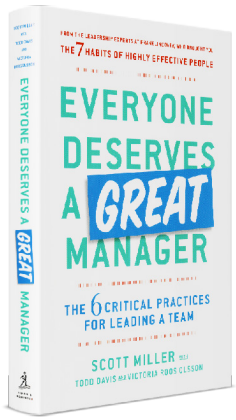
Everyone Deserves a Great Manager

The 6 Critical Practices for Leading a Team



by **Scott Miller with Todd Davis and Victoria Roos Olsson**

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THE SUMMARY IN BRIEF

If you've made the challenging but rewarding leap to first-time manager, you might not be sure what your next move is. What made you a successful employee won't necessarily make you a great manager, and most people don't receive formal leadership training until 12 years after their promotion into management.

FranklinCovey's ***Everyone Deserves a Great Manager*** delivers the guidance you need when you're promoted: the support, understanding, strategies, and tactics to develop as a leader and turn your people into an engaged, high-performing team. Based on nearly a decade of research, the six critical practices will give you a head start in building the competence and confidence you need to succeed as a first-time manager.

The FranklinCovey leadership experts not only teach you how to think like a leader; they also give you practical tools and actionable steps to implement on the job. Approachable and engaging, ***Everyone Deserves a Great Manager*** provides the blueprint for becoming a great manager.

IN THIS SUMMARY, YOU WILL LEARN:

- To develop a leader's mindset.
- To stop monitoring your people and, instead, coach and support them.
- To use the FranklinCovey Change Model to steward your people through challenging organizational changes.
- To manage your time and energy and coach your team to do the same.

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Introduction

First-level leaders have never been more relevant. Executive adviser and best-selling author Ram Charan observes that the rapid digitization of information has eliminated massive layers of leadership in organizations. Work is collapsing down, not up. Which means that the vast majority of people are reporting to first-level leaders, who now assume unprecedented influence and responsibility.

In the "olden" days, first-level leaders had multiple managers above them who had steadily climbed the leadership ladder, accumulating experience along the way. Junior managers could draw on their expertise for mentorship and feedback. But today, most of those layers are gone, often leaving first-level leaders without sufficient resources or support.

In this role, you're supposed to know the strengths and weaknesses of your team members, appear to have all the answers, and transition from focusing on your own results to achieving the team's results. Overnight.

Despite being the new performance linchpin in your organization, you're often the least experienced and least trained. You're learning by trial and error because you have no other choice. Researchers in the *Harvard Business Review* found that, on average, people take on their first leadership role at age 30—but don't receive their first leadership training until they're 42.

Imagine a physician, a pilot, or an engineer operating untrained for a decade—it's unfathomable. Why would we tolerate a lower standard for the linchpins of our organizations?

To give you the confidence and competence you need to meet the inevitable challenges of managing, FranklinCovey has shrunk the bewildering world of first-level leadership down to the six most critical practices for leading a team. These practices have been field-tested by thousands of actual leaders working with real teams. This content expands upon FranklinCovey's leadership solution ***The 6 Critical Practices for Leading a Team***, now adopted by thousands of companies, governments, nonprofits, school systems, and universities around the world.

Employees often report that their relationship with their direct leader is the most meaningful relationship in their professional lives, and determines whether they stay with a company or move on. If you become a great leader using the following insights and skills, you'll find greater job satisfaction, opportunities for advancement, and the chance to affect the lives of others for the better. You'll become the manager you and your team deserve.

Practice 1: Develop a Leader's Mindset

Paradigms are the lenses through which we view the world, based on how we were raised, indoctrinated, and trained to see everything in front of us. We all wear these metaphorical pairs of glasses, and they vary in accuracy. They might be the right prescription or slightly off. In some cases, you might have a metaphorical cataract.

Your job as a leader is to continually assess your paradigms for accuracy and ensure they reflect reality. So ask yourself what you believe about leadership, your team, and yourself. Maybe you believe that the colleagues who think like you are high potentials and those who challenge you aren't. Perhaps you believe you're not really leadership material and someday everyone will find out.

As Dr. Stephen R. Covey taught, if you want to fundamentally change your results, if you want long-term sustainable impact, you have to challenge your mindset.

From Individual Contributor to Leader

Most high-performing, driven people promoted into leadership realize that they must now fundamentally change their approach. But many of the paradigms that got you promoted won't make you successful as a leader.

Practice 1 mindset shift. When you become a leader, your definition of results needs to change. When you were an individual contributor, your results were the work you did. But now you're a first-level leader, so you own the results of everybody on your team. Your first job is not to get results alone but with and through others. In other words, your people are your results.

You might be thinking, "I didn't even hire these people!" But part of your job is to discern the talent, coachability, and potential of each member of your team, whether you hired or inherited them. You have to learn who can—or can't—rise to the new standard you're requiring. But before you consider dismissing an employee, remember that they might just need a leader who can challenge and inspire them to a new level of contribution. That leader might be you.

Keep the following questions in mind:

- What kind of leader does your team need right now?

One of the ways to assess and strengthen the collective capabilities of the team is to get to know them better.

- What kind of leader does your organization need you to be?
- What do you need to learn (or unlearn) to become the leader they need?
- Picture yourself 10 years from now. What results will you and your team have delivered? How would you want your team to describe your leadership?
- What do you need to do in the coming months to make your vision happen?

The only way to check your paradigms is to compare them to reality. One of the ways to assess and strengthen the collective capabilities of the team is to get to know them better. Pick a few of the following questions and go through this activity once a year as a team or whenever a new member joins the team. It's an exercise to challenge your paradigms.

- What's something about your background that others at work may not know about you? For example, something about where you grew up, your family, culture, or beliefs.
- What's important to you outside of work? For example, being physically active, community service, trying new restaurants, relaxing, or other hobbies.
- Tell us about a prior job that had a big influence on who you are today. What did you like or not like about it?
- Tell us about one of your goals. For example, a short-term goal related to your current role, a long-term career goal, or a personal goal.

Practice 2: Hold Regular 1-on-1s

People rarely quit their jobs based on compensation; rather, they quit their manager. Or they quit the culture. So it's imperative to consider the conditions you are creating for a compelling work environment.

Because you're a leader, you're noticed. Every time you communicate, every time you open your mouth, you create culture. And 1-on-1 interactions are one of your best tools to build and reinforce the type of culture every team member deserves. Strategically planned and executed, 1-on-1s are arguably the best way to create the conditions for high engagement and ensure your team members are connected to you as their leader.

If our main interaction with our team members is to check that they've hit key benchmarks, we become our team's monitor. You might get incremental improvements this way, but you're just as likely to deflate people's energy, zap their creativity, and drive them to do the minimum.

Effective leaders use 1-on-1s to coach. They create the conditions for engagement by meeting regularly with each team member, drawing out issues through open-ended questions and empathic listening, and helping people solve problems.

Skill 1: Prepare for Your 1-on-1s

Let's establish some best practices for 1-on-1s. Schedule them in advance as recurring calendar appointments. Reserve at least 30 minutes, because it's difficult to have meaningful conversations in less time. Hold them regularly—the gold standard is weekly—and commit to that date and time without moving the appointment if possible.

Don't cancel unless absolutely necessary. Canceling a 1-on-1 is a huge withdrawal—it clearly communicates to the team member that they're not important.

Prepare an agenda. Collect your thoughts ahead of time and ask your team member to do the same. Avoid talking about the same things over and over. Remember that the purpose of this meeting is to lift the engagement of your team member. Let them be part of creating the agenda, or invite them to take the lead.

Account for your energy. Ask yourself at what point of the day are you at your highest levels of energy—physically and intellectually? At what points are you at your lowest? Don't schedule 1-on-1s when your energy wanes or schedule them back-to-back without a break.

Skill 2: Coach During the 1-on-1

In this practice, we're shifting from monitors of actions

to coaches of people. That requires you to no longer tell people what to do, but to ask them how they would do it. When you make this transition, you'll move from directing and informing to inspiring and engaging.

Coaching means respecting your team members' abilities and believing they have the capacity to grow. It means encouraging them to problem-solve, think in new ways, and develop their talents. Some colleagues will resist solving their own problems because they lack confidence. Coaching builds that confidence and minimizes dependencies.

Ask coaching questions. Coaching questions are open-ended and can't be answered with a simple yes or no. They encourage reflection and invite team members to do the majority of the talking and solve their own problems. Instead of "Are you liking your job?" ask "What do you like about your role? What would you like to see change?"

Listen with empathy. Empathic listening is listening with the intent to understand. The essence is not that you agree or disagree with someone; it's that you fully, deeply understand that person emotionally as well as intellectually. Suspend your thinking long enough to get inside another person's frame of reference, looking out through it, and trying to sincerely see the world the way they see it. You understand their paradigm and begin to understand how they feel.

Create commitments at the end of the 1-on-1. 1-on-1s also require you to share insights, ideas, and frameworks to coach, support, and develop your team members. Wrap up by reviewing action items from last week. If they didn't complete the previous week's commitments, you should listen, understand the reason, and coach your team member about how to move forward. Don't fall into the trap of telling your team member what to do; let them articulate their commitments.

Practice 3: Set Up Your Team to Get Results

Many people come to work every day and have no idea why they're doing what they're doing. If people are doing their jobs solely because their boss told them to, it sucks engagement right out of a team.

If you're not delegating, you're an individual producer masquerading as a leader. You may think nobody knows. In fact, they do . . . everyone knows.

In contrast, the effective mindset helps your team become invested in decisions and understand the big picture behind the daily grind. But it does require an ongoing investment of time, patience, and maturity. Great leaders plan goals with their teams rather than for them and delegate tasks without abandoning or micromanaging. They shift from telling team members what to do, to aligning their work to greater purposes and supporting their efforts.

Skill 1: Align Goals to Organizational Priorities

By focusing on the right priorities, you can achieve amazing results; but with the wrong focus, you can take the ship down.

Choose a few measurable goals. Limit your goals to the most important. If you have discretion about setting your goals, involve your team in formulating them. Not only will they be doing the work, they'll often have a perspective you don't. Your goals must be specific and measurable. They usually contain a starting line, a finish line, and a deadline. For example, "increase customer-satisfaction scores from 88 percent to 90 percent by January 31."

Use a scoreboard. A scoreboard can help people see where they are against their goals relative to where they should be. It can be a fun way to motivate people—and keep your goals top of mind. Four key traits of an effective scoreboard are to keep it simple, visible, updated frequently, and as engaging as your culture allows. For example, one scoreboard featured leaders slowly sinking into quicksand unless metrics improved.

Hold team accountability meetings. Bring the team together regularly for brief team accountability meetings, dedicated to moving the needle on the scoreboard. Don't discuss anything unrelated to your goals, the scoreboard, or your commitments. Keep the meeting as short as possible, 10 to 20 minutes max, and have a consistent agenda.

Skill 2: Delegate

How you handle delegation affects your team's growth, engagement, and motivation. Consider using the following process to delegate effectively:

Define the project. What are the objectives and deadlines? What skills will someone need to complete the task? How much time will it take? Have you defined what success looks like and identified key metrics to pursue?

Decide if the project should be delegated. You might be tempted to hoard things, because you want to own them and get them done according to your standards. On the other hand, if you overdelegate, you can get a reputation of not doing any of the work. Be delib-

erate about delegating authentically.

Decide whom to delegate the project to. For each team member you are considering delegating a task to, think through this quick checklist: Do they have the time? Is this something they've expressed interest in? Do they have the skills needed? How much coaching will be required? Do they typically meet deadlines?

Scope the project with the team member. The clearer you describe the purpose, vision, and expected results, the less you have to manage the process itself. In other words, explain the "why" and let the team determine the "how."

Support. Support your team member in their new assignment, calibrated to their experience and confidence. Remember, it's healthy for your team to make some mistakes—that's how people learn. Even when you've been enormously clear, there are going to be less-than-perfect results as people level up their skill sets and knowledge.

People want to have fun in their jobs. They want to feel appreciated. So after you've worked your heart out to achieve a goal, take some time to celebrate.

Practice 4: Create a Culture of Feedback

As a leader, your job is to summon the courage and consideration to provide actionable, specific, and sometimes tough feedback to your employees. It's an art, not a science, and it's learned through repetition. It isn't just a nice-to-have skill; if you want to be an effective leader, you *must* learn to do this.

The common manager mindset is to think of yourself as "the fixer": your team has problems, so you think it's your job to point out what they are doing wrong through feedback. In contrast, the effective mindset is all about unleashing the potential in others—including yourself, when you seek feedback.

Giving feedback comes down to motives. Your team has to know your intent is to help them develop their skills and talents. They have to feel secure and safe with you. And that doesn't happen overnight; you have to build a reservoir of trust.

Skill 1: Give Reinforcing Feedback

Positive feedback is encouraging but doesn't provide specific enough information about what the person did well. Reinforcing feedback clearly communicates that a team member's behavior, attitude, or work is outstanding and that they should keep it up. It can influence behavior change and increase engagement.

Find the right frequency and format. Notice and learn how people prefer reinforcing feedback: through email, in private, verbally, during your 1-on-1s, in public during a team meeting, to their peers, to your boss—and how often.

Giving feedback comes down to motives. Your team has to know your intent is to help them develop their skills and talents.

Praise specific behavior and describe the impact on the team, goals, or project. "Great job" isn't instructive. Help your employees know exactly what they did right so they know what to keep doing.

Connect the behavior to their intrinsic motivation. During your regular 1-on-1s, you've hopefully uncovered what motivates your team members and revealed their vision for long-term development. Show how their good work is helping them get there.

Skill 2: Give Redirecting Feedback

Redirecting communicates that the employee is capable of a stronger performance with some guidance. It's feedback intended to let someone know that a behavior, an attitude, or a result needs to improve—and you believe it can.

Decide if you should give feedback. Here are a few instances where redirecting feedback is a no-brainer: if a team member's behavior is a serious infraction or has immediate, substantial, and recurring negative consequences; if you believe the team member isn't likely to correct the behavior on their own; if reinforcing feedback and modeling haven't worked.

Prepare. Carefully plan how, when, and where you will share your feedback and how you will handle the response. Identify the specific behavior you've observed and its impact. Omit any judgments of the person's character

and stick to the facts. Plan what you'll say so you eliminate ad-libbing, which can take you down a rabbit hole.

Begin the discussion by stating your intent and priming the team member to listen. Be absolutely clear that your intent is to build the team member up, in an atmosphere of trust.

Ask the employee what they think about the particular situation. You can save a lot of time and energy by first checking if the person is already aware of their behavior.

Describe the specific behavior you noticed and its impact. Redirecting feedback is about behavior, not character. What you say should feel neutral and nonjudgmental so the other person doesn't feel shame or become defensive. You're keeping it professional, not making it personal. Use terms like "I noticed that . . ." and be specific about the impact.

Listen carefully to the recipient's response, and react appropriately. It's hard to predict how someone will respond to redirecting feedback, though the more you know about your people, the better you can anticipate their reactions.

Help your employee take responsibility for changing their behavior. If the person avoids taking any responsibility, continue to present examples about the extent of the problem and its negative impact.

Codevelop an action plan. Develop an action plan together. The person should understand what behavior you expect and should find that expectation reasonable. In most cases, you'll get better results if the action plan comes from that person rather than from you.

Summarize the discussion and thank the team member. Once you have both agreed to an action plan, recap what was agreed on, both verbally and in a follow-up email.

Provide support. Heading in the right direction is the key here, not overnight perfection. Give them time to make adjustments. Provide reinforcing feedback every time they change their behavior.

Practice 5: Lead Your Team Through Change

When change comes your way, it is arguably one of the strongest tests of your leadership capability. Nothing will shape your team's ability to adapt to change more profoundly than the way *you* approach it. If you resist change or feel overwhelmed, confused, or skeptical, your team will adopt that same frame of mind.

The FranklinCovey Change Model is a tool to help all of us move through four common zones of adopting change, based on our natural emotional responses:

Zone 1: Status quo. You and your team are doing business as usual before the change occurs, and everyone is relatively comfortable.

Zone 2: Disruption. Emotions run high and results suffer as everyone reacts to the news and its implications for them personally. It's a time of great stress and uncertainty. As information is shared and the process becomes somewhat clearer, you stop reacting and begin consciously developing a plan of action for your team and yourself.

Zone 3: Adoption. Resistance and stress turn into acceptance, and for others, resignation (sometimes literally). You and your team identify ways you can adapt to the change and learn new ways of doing things.

Zone 4: Better performance. The change initiative has largely been implemented and, ideally, you and your team are getting better results. But even if the change initiative fails (and many do), you and your team have likely increased your resilience and earned a brand of leading out when the next change comes your way.

Change is a sloppy process, but it can be better adopted with awareness of these four zones, especially if you can help make them short and shallow. You can also use the model to diagnose where each team member is on the emotional curve at a given time.

Skill 1: Prepare for change in Zone 1. Communicating change simply, clearly, and with respect for the concerns and experience of your direct reports is key to kicking off a change initiative in a positive way. Preemptively address messaging with your boss and/or the appropriate stakeholders. Follow up on news of a company change with the whole team, preferably in person. Be candid, comprehensive, clear, and fair. Use "we" and "us," not "they" and "them." Clarify how the change will affect your team. Explain why the change is happening, and acknowledge people's feelings.

Skill 2: Manage the disruptions in Zone 2. This zone can be the toughest. All change creates disruption on some

To feed your brain, you need to manage your time and energy, and for long-term results, you must coach your team to do the same.

level—from lost time and increased costs, to intangibles like increased stress or damage to your culture. Even when employees feel positive about a change, factors like uncertainty and a steep learning curve can decrease productivity, increase downtime, and replace motivation with frustration. Check in with each team member frequently. Walk your talk. Address cynicism, and confront chronic resistance and regression.

Skill 3: Adapt quickly to change in Zone 3. This is where stuff gets real. When you begin this zone, you're in a results abyss. Your people have spent all their time adapting to new rules, technologies, procedures, culture—essentially reinventing how they work. And now your job is to help them pivot from learning back to execution in this new reality.

Reset and reprioritize expectations at both the team and individual levels. Focus on what matters (and say no to the rest). Use a scoreboard to track progress. Learn from mistakes. Create and celebrate early wins. Have regular, open conversations about the change and its effects with your team as a group and/or in 1-on-1s. Don't "spin" or downplay the difficulty of the situation. Ask your leader for feedback and help.

Skill 4: Seek feedback and celebrate success in Zone 4. You begin to see real benefits from the change that you've struggled through. You take control of the change and use it to your advantage. Here, the results you get begin to look better than when you first started out. Chart key learnings about what worked and what didn't during the change initiative; do it with your team if you can.

Seek feedback on how to better lead change. Make new goals, if needed. Build team capability for future changes. What mistakes could have been prevented? What best practices should be preserved for future changes?

Practice 6: Manage Your Time and Energy

To feed your brain, you need to manage your time and energy, and for long-term results, you must coach your team to do the same—especially because we're now working more than ever, burning out more than before. Gallup reports that about two-thirds of the workforce is now struggling with professional burnout.

As you progress on your leadership track, you must decide how you're going to work, balance your life, and renew yourself. Establish the patterns now that will serve you long term.

Skill 1: Manage Your Energy

The five energy drivers are sleep, relax, connect, move, and eat. Understand how vital sleep is to your overall health, specifically your brain health. Seven hours of sleep is the standard; don't be shamed into believing the myth that four hours of sleep is sustainable.

Don't confuse relaxation with numbness. If your idea of fun is primarily TV binges, gaming marathons, or long naps, your relaxation might be draining rather than renewing you. Note how you feel afterward. Do you truly feel better? If not, try swapping those "relaxing" activities for a hobby that actually increases your energy.

Connect by volunteering, investing in your social network, creating special moments, and reaching out to someone in need.

For movement, think outside the gym. Research shows that it's not how much time you spend there that counts, but how much movement you incorporate into your everyday life. So get up and move from your desk. Pick any activity you enjoy that increases your pulse. Having a training partner increases the likelihood that you'll actually work out.

Remember the main purpose of eating is to fuel yourself with energy. We eat to boost brainpower, not just to satisfy hunger. Inventory your food choices last week. How much of your diet consisted of energy-sustaining foods vs. energy-depleting foods? If you're not where you want to be, try one of the great tools and apps that track your nutrition.

Skill 2: Manage Your Time

Many of us spend our time and energy reacting to whatev-

er stress, demands, or urgencies come our way—whether or not they help us achieve our highest priorities. Managing time in this environment is as much about choosing what not to do as choosing what to do.

Define the leader you want to be. To know what to say no to, you must first define your big yes—what's most important to you. Years from now, what do you wish your team would say about you? What are your leadership values and priorities?

Stay flexible when urgencies arise. Even if you've carefully structured your time, the day will not go as planned and urgencies will arise—more or less depending on the nature of your work. So leave some space in your schedule for unexpected emergencies.

Make time for your priorities through weekly planning. At the beginning of each week, put the "Big Rocks"(your priorities based on your values) in your schedule first, and let the gravel (smaller tasks and minutiae) fill in the schedule around them. Take 10 minutes each day to modify your plan based on current conditions.

Skill 3: Coach Your Team to Manage Their Time and Energy

Just as you are responsible for the results of your team, you are also in some ways responsible for the energy of the team. Leaders need to be mindful of when creativity has lapsed or when people simply need a break to recharge.

Be a role model. As a leader, your behavior by default becomes the standard for everyone else. Unless you deliberately, clearly, and repeatedly set expectations, your team will interpret how *you* work as how *they* should work.

Create more energy. In your meetings, pay attention to the task at hand and your team's energy level. If you sense a gap, set the tone, pace, and engagement level. Don't think you need to be the cheerleader and muster up the energy for everyone. Instead, simple activities can boost energy, like beginning the meeting with quick life updates from volunteers, asking everyone to stand up, or getting into pairs to brainstorm about a solution to a key project.

Researcher and leadership expert Liz Wiseman asks, "Are you the genius in the room or the genius maker?" This is one of the most insightful questions in leadership. You can't be both at the same time—you have to choose.

Leaders with enduring careers are genius makers. You have to figure out what kind of leader your people need, which could be different from the leader you might have been trying to be.

Becoming a great leader takes time, repetition, successes, and failures—they're all equal parts of the formula. So relax, and give yourself some space. It's a journey, and it's worth it.

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Execution

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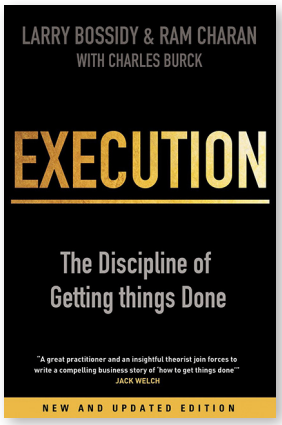
The Discipline of Getting Things Done



by **Larry Bossidy and Ram Charan**

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THE SUMMARY IN BRIEF

Organizations face many challenges in today's shaky economy — com-petitive battles, increased costs, decreased margins, and a host of other internal and exter-nal forces. In order to shore up their companies' respons-es to these factors, today's leaders must be able to take the goals they set for their organizations and turn them into results. Unfortunately, too many companies struggle to bridge the gap between goals and results — they cre-ate solid, logical, even bold plans, but are unable to execute properly.

Honeywell CEO Larry Bossidy and management advisor Ram Charan contend that the reason for this gap is that businesspeople do not think about execution as a discipline or a cornerstone of a business' culture —and they must. From middle management all the way up to CEO, a compa-ny's leaders must recognize execu-tion as the most important collective set of activities in which they can engage. No more is there room for leaders who rely merely on their vision to get from goals to results; to survive, they must get more involved in the details of execution. There is much work to be done, and ***Execution*** shows you how to do it.

IN THIS SUMMARY, YOU WILL LEARN:

- Why Execution Is Necessary.
- Seven Essential Behaviors.
- Creating the Framework for Cultural Change.
- The Three Core Processes of Execution.

Why Execution Is Necessary

While there exists an enormous amount of scholarship and research on management techniques and strategic thinking, hardly anyone speaks of execution in the same terms. To understand execution, you must keep three things in mind:

1. **Execution Is a Discipline.** No worthwhile business strategy can be planned without taking into account how to execute it. Execution is a systematic process of rigorously discussing hows and whats, questioning, tenaciously following through, and ensuring accountability.
2. **Execution Is the Major Job of a Business Leader.** Many business leaders like to think that the top dog is exempt from the details of actually running things, that setting strategy from the mountaintop is enough. In reality, only a leader can make execution happen, through deep personal involvement.
3. **Execution Must Be a Core Element of a Business Culture.** Execution must be embedded in the reward systems and in the norms of behavior that everyone practices.

The Forgotten Skill

Every truly great leader has an instinct for execution, but that instinct is not typically cultivated in the selection, training and development of leaders. A high proportion of those who actually rise to the top of an organization make their mark as high-level thinkers, uninterested and (as a result) uninvolved in the "how" of getting things done. Many do not realize what needs to be done to convert a vision into specific tasks.

The crucial component of dialogue between leaders and those subordinates who help them execute a strategy is typically lacking. Leaders don't know to involve people from all affected areas of a strategic plan's outcome in the initial shaping of the plan. They don't think to ask those people about the hows of the plan's execution. As a result, leaders never set milestones for the progress of the plan, nor do they put contingency plans into place to deal with unexpected issues.

In other words, when leaders are allowed to remain detached and rendered incapable of developing skills and experience related to execution, efforts at creating and running an execution strategy will fail, from the top down.

Compaq Vs. Dell — Execution Made the Difference

Former Compaq CEO Eckhard Pfeiffer had an ambitious strategy — before any of his competitors, he saw that the so-called Wintel architecture (the combination of the Windows operating system and Intel's constant innovation) would serve for everything from handheld computers to linked networks of servers. Pfeiffer broadened Compaq's base through numerous acquisitions in an attempt to serve all the computing needs of enterprise customers. He moved at breakneck speed on his bold strategic vision and, by 1998, was poised to dominate the industry.

In the end, though, the strategy failed to achieve such stellar results. Integrating the acquisitions and delivery on promises required better execution than Compaq was able to achieve. In addition, neither Pfeiffer nor his successor pursued the kind of execution necessary to make money as PCs became an increasingly commodity business.

Michael Dell, on the other hand, understood that kind of execution. His directsales and build-to-order approach formed the core of his business strategy, and stands as the chief reason Dell passed Compaq, both in market value and as the biggest maker of PCs.

Building Block 1: The Leader's Seven Essential Behaviors

What exactly should you as a leader who is in charge of execution do? How can you keep from being a micromanager, caught up in the details of running the business? The answer is to exhibit the seven essential behaviors of successful execution management:

- **Know your people and your business.** Leaders have to live their businesses. In companies that don't execute, the leaders are usually out of touch with day-to-day realities. The bulk of information that reaches them is filtered — presented by direct reports with their own perceptions and agendas.
- **Insist on realism.** Many organizations are full of people who try to avoid or shake reality, because it is

Jack Welch's Hands-On Management

In the mid-1990s, a friend told Jack Welch, General Electric's CEO, about a new methodology for making a quantum increase in inventory turns in manufacturing operations. It was thought that GE could generate cash if it could increase its inventory turns across the company. The leading practitioner of the methodology was American Standard, whose plants had achieved as high as 40 inventory turns per plant, compared to the average of four at most companies.

Welch wasn't content to just get the concept, or to send some of his manufacturing people out to investigate it. Instead, he paid American Standard CEO Emmanuel Kampouris a visit, in order to understand the workings personally. He also accepted an invitation to speak at the company, and spent the better part of one evening's dinner querying two successful American Standard plant managers about the details of their respective operations — the tools, the social architecture, and how they overcame resistance to the new methodology.

By involving himself deeply and personally with the subject, Welch learned what it would take to execute such an initiative at GE, and was able to get the necessary changes rolling quickly throughout his huge company. By the time of his retirement in 2001, Welch saw GE's inventory turns double.

uncomfortable, or too revealing of mistakes made. Yet, realism is the heart of execution, and must be made a priority in every organization.

- **Set clear goals and priorities.** Leaders who execute focus on a very few clear priorities, for a number of reasons: 1) focusing on fewer (three to four) priorities will produce the best results from the resources at hand; and 2) people in contemporary organizations need a small number of clear priorities to execute well.
- **Follow through.** Clear, simple goals mean little if nobody takes them seriously. The failure to follow through is widespread in business and a major cause of poor execution. Leaders must surface conflicts that stand in the way of achieving results, and create follow through mechanisms, such as follow-up meetings, to ensure everyone will do what they're supposed to.
- **Reward the doers.** If you want people to produce specific results, you must reward them accordingly. Many corporations do such a poor job of linking rewards to performance that there's no correlation at all. When companies don't execute, chances are they don't measure, don't reward, and don't promote people who know how to get things done.
- **Expand people's capabilities.** One of the most important parts of a leader's job is passing on his or her experience and wisdom to the next generation of leaders, thereby expanding the capabilities of the entire organization.
- **Know yourself.** Everyone pays lip service to the idea that leading an organization requires strength of character; in execution, however, it is absolutely critical. Without such emotional fortitude, you can't be honest with yourself, deal honestly with business and organizational realities, or give people forthright assessments. This emotional fortitude is comprised of four core qualities: authenticity, self-awareness, self-mastery, and humility.

Building Block 2: Create the Framework For Cultural Change

When a business isn't doing well, its leaders often think about how to change the corporate culture. While they are correct in their assertion that the beliefs and behaviors of their people are at least as important as the strategies they execute (or, in some cases, fail to execute), most efforts at cultural change fail, in part because they are not linked to improving the company's outcomes. Cultural change gets real only when your aim is execution.

A New Way of Thinking

There's an adage that holds true in this discussion —we don't think ourselves into a new way of acting; we act ourselves into a new way of thinking.

This begins with demystifying the word culture. Stripped to its essence, the culture of an organization is the sum of its shared values, beliefs, and norms of behavior.

Some who endeavor to change an organization's culture often start with the intention of changing its values — its fundamental principles and standards, such as integrity or respect for the culture. What they should instead focus on changing are the beliefs within a company that influence

specific behaviors, things that are conditioned by training and experience. Behaviors are beliefs turned to action, the things that deliver results. To deliver better results, start with examining whether your organization's ingrained beliefs are helping the business perfect its execution.

Change Behavior by Changing Rewards

A business' culture defines what gets appreciated, respected, and, ultimately, rewarded; those rewards and their linkage to performance are the foundation of changing behavior. If a company rewards and promotes people for execution, its culture will change. However your organization determines rewards, the goal should be the same — your compensation and reward system must have the right yields. You must reward not simply on strong achievements on numbers, but also on the desirable behaviors that people adopt. Over time, your people will get stronger, as will your financial results.

The Importance of Dialogue

Another cultural factor to recognize is the importance of robust dialogue. You cannot have an execution culture without such a dialogue — one that brings reality to the surface through openness, candor, and informality. Your people must enter into such a dialogue with open minds, uncluttered by misconceptions or propaganda. Everyone must be open to speaking candidly, and to receiving the real opinions of others as well.

Building Block Three: Have the Right People In the Right Place

An organization's workers are its most reliable resource for generating excellent results year after year; their judgments, experiences and capabilities make the difference between success and failure.

Yet, the same leaders who exclaim that "people are our most important asset" usually do not think very hard about choosing the right people for the right jobs. Typically this is because they're thinking too much about how to make their companies bigger or better positioned globally. Over time, however, it's choosing the right people that creates competitive advantage.

Why, then, are the right people not in the right jobs? Here are some of the reasons — and what you can do about them:

- **Lack of knowledge.** Leaders often rely on sometimes fuzzy or prejudiced staff appraisals when placing people into positions. They should, instead, define the job in terms of its three or four nonnegotiable criteria —things the person must be able to do to succeed.
- **Lack of courage.** There are innumerable cases of the wrong person being kept in the wrong job, simply because the person's leader doesn't have the emotional fortitude to take decisive action, confront the person, and make a change. Such failures do considerable damage to a business; indeed, if the non-performer is high enough in the organization, he or she can be particularly destructive.
- **The psychological comfort factor.** Many jobs are filled with the wrong people because the leaders who promote them are comfortable with them, and the employees are loyal to those leaders. However, if that loyalty is based on the wrong factors (social reasons, rather than professional, etc.), it could be damaging. Often, breaking free of this comfort factor is exactly what a leader must do to bring about change.

When Reginald Jones — a cerebral, well-spoken person — selected Jack Welch — a blunt, irreverent, from-the-gut leader — to replace him as CEO of General Electric, many questioned the move. Jones, however, knew GE had to change, and that Welch possessed the right kind of personality and professional approach to get the job done. Jones broke free of the comfort factor, to the benefit of the company and its shareholders.

The People Process: Linking Strategy and Operations

The people process is more important than either the strategy or operations processes; if you don't get the people process right, you will never fulfill the potential of your business. A robust people process does three essential things:

- Evaluates individuals accurately and in depth.
- Provides a framework for identifying and developing the leadership talent the organization will need to execute its strategies in the future.
- Fills the leadership pipeline that is the basis of a trong succession plan.

A robust people process provides a powerful framework for determining the organization's talent needs over time, and for planning actions that will meet those needs. It is based on four building blocks: 1) linkage of people to strategy and operations; 2) development of the leadership

Strategy Milestones

NEAR TERM (0-2 YEARS)	MEDIUM TERM (2-5 YEARS)	LONG TERM (5+ YEARS)
• Expand beyond existing product line toward selling solutions • Launch new initiative to expand services to installed base • Secure new expertise in technology	• Further expand penetration in existing customer segments • Develop intermediate approaches to selling solutions to new customer segments • Evaluate and engage alliance partners	• Become pioneers of leapfrog technology • Build more useful alliances • Develop low-cost sourcing ideas

pipeline; 3) dealing with nonperformers; and 4) linking human resources to business results.

Linkage of People to Strategy and Operations

The first building block of the people process is its linkage to the strategic milestones (see example at right) over the near (0-2 years), medium (2-5 years) and long terms, as well as the operating plan targets. Business leaders create this linkage by making sure they have the right kinds and numbers of people to execute the strategy.

Be prepared to make tough decisions. The strategic milestones you set might necessitate a reevaluation of your leadership team, should you determine that the skill sets required to meet your near-, medium- and long-term goals will be beyond the reach of your current staff. This is a difficult social process — no one wants to tell good people they aren't capable of moving to the next level — but it must be done.

Development of the Leadership Pipeline

Meeting medium- and long-term milestones depends largely on having a pipeline of promising and promotable leaders. To determine the ability of current staff to take on larger responsibilities, you must conduct an assessment of their skills. This will reveal the adequacy of your leadership pipeline in terms of quantity and quality.

Analyzing succession depth and retention risk analysis is the essence of talent planning and building a leadership pipeline of high-potential people. The retention risk analysis looks at a person's potential marketability, as well as the risk a business faces if he or she leaves. Succession depth analysis determines whether the company has enough high-potential people to fill key positions. It also looks at whether there are high-potential people in the wrong jobs and whether key people will be lost if a job is not unblocked for them.

Such analysis helps an organization avoid two dangers: organizational inertia (keeping people in the same job too long) and moving people up too quickly.

Dealing with Nonperformers

Even the best people process doesn't get the right people in the right jobs 100 percent of the time; like-wise, it can't make everybody into a good performer. The final test of a people process is how well it distinguishes between those who have been promoted beyond their capabilities and need to be moved to other positions, and those who simply must be moved out.

Linking Human Resources to Business Results

Human Resources has to be integrated into the business process. It must be linked to strategy and operations, and to the employee assessments, across the enterprise. This is a different approach than many companies have taken in the past. At one time, managers might assign HR personnel to recruit or execute specific elements of a strategic plan, such as negotiating with a union if a plant would need to be shut down.

In today's execution-minded companies, HR is different. Personnel within the department are expected to have a point of view about how one achieves a business objective or strategic plan, just like any other participant in the management process. HR people must not only be well

trained in how to develop and retain people —they must also possess the business acumen, critical thinking skills, and ability to link strategy and execution. In other words, they must have the same tactical skills as any business leader.

The Strategy Process: Making the Link with People and Operations

A good strategic planning process requires the utmost attention to the hows of executing a strategy. A robust strategy is not a compilation of numbers, nor is it a

"crystal ball" forecast of extrapolated numbers for the next ten years. It must be an action plan that business leaders can rely on to reach their business objectives.

You need to identify and define the critical issues behind your strategy. You need to question the assumptions on which your strategy is based, and determine whether you have the organizational capability to execute the plan. You also need to link your strategy to your people process (to determine whether you have the right people in place to execute the strategy) and to your operating plan (to get your organization properly aligned to move forward).

Key Questions

A strong strategic plan must address several key questions:

1. What Is the Assessment of the External Environment? Every business operates within a shifting political, social and economic context. Your strategic plan must explicitly deal with those external forces and the assumptions they generate.

Examine everything from economic and demographic trends to new technologies and alliances between competitors, in order to anticipate changes that can affect your business.

2. How Well Do You Understand Existing Customers and Markets? People tend to look at their businesses from the inside out, choosing to focus so strongly on making and selling products and services that they lose awareness of the needs and buying behaviors of their customers.

Who makes purchasing decisions for your customers?It's likely different from customer to customer. In large companies, for example, purchasing agents might do the buying, while at smaller companies, your buyer might be the CFO. Each requires a different approach, which you can only take if you have that intimate customer knowledge in hand.

3. What Is the Best Way to Grow the Business Profitably? What are the obstacles to growth? Does your business need to develop new products or does it need to take existing ones into new channels and to new customers? Does it need to acquire other businesses to meet key customer needs?

Finding your best growth opportunities is key to building on successes and staving off failure.

4. Who Is the Competition? Sometimes businesses miss the emergence of new competitors who have more attractive value propositions for their customers.

Most often, companies underestimate the responses of competitors, or are so consumed by dealing with one set of competitors, they fail to see new competition come on the scene. Sometimes, however, they have the opposite problem — they overestimate the competition because they haven't asked the right questions, and they miss valuable opportunities to gain advantage.

5. Can the Business Execute the Strategy? An astonishing number of strategies fail because leaders do not make a realistic assessment of whether their organization can execute the plan. That won't be a problem if you're intimately involved in your business' three core processes. You should also be listening to your customers and suppliers, and encouraging your leaders to do the same.

6. Are the Short Term and Long Term Balanced? Strategy planning needs to be conducted in real time,

Dell Addresses The Future of the PC

In 2001, Dell Computer was beginning to face its critical issue — the dim long-term outlook for PCs. No matter how much market share Dell stood to gain, the market itself had no foreseeable heady growth. Initially, the company formed an alliance with EMC to market EMC's storage equipment. An even stronger option was to expand into the adjacent segment — servers — where the growth potential dwarfs that of PCs.

But the question remains — can Dell's low-margin, high-velocity model, which works so well for PCs, be effective with more technologically sophisticated servers? The jury, at this time, is still out.

Cross Pens and Market Segmentation

One way to effectively find your best growth opportunities is by mapping your market segments. To illustrate, consider A.T. Cross' segmentation of the luxury pen market. A simple map of Cross' market segments identifies three different consumers:

- **The individual who wants to buy such a pen for him or herself**
- **The person who buys a pen as a gift for another individual**
- **The corporation that buys thousands of pens, with its logo on them, for use as institutional gifts**

For each market segment, the product is essentially the same, but demand is different, as is the strategy. Each requires Cross to deal with different competitors, channels, economics and pricing.

connected to shifts in the competitive environment and the business' own changing strengths and weaknesses, which means you must define your company's mission in the short to medium term, as well as the long term.

By breaking down the plan in this manner, you bring reality to the plan and give your business an anchor for continued growth.

7. What Are the Critical Issues Facing the Business? Every business has a half dozen or so critical issues — the ones that can hurt it badly or prevent it from capitalizing on new opportunities or reaching its objectives.

8. How Will the Business Make Money on a Sustainable Basis? Every strategy must lay out clearly the specifics of the anatomy of a business — how it will make money now and in the future. This means understanding several key pieces of information — the drivers of cash, margin, velocity, revenue growth, market share, and competitive advantage. What pricing model will you follow, and are customers willing to pay a premium for your goods? How much cash do you require for working capital? What will your competitors' reactions be?

The Operations Process: Making the Link with Strategy and People

The strategy process defines where a business wants to go, and the people process defines who will get it there. The operating plan provides the path for those people, breaking long-term output into short-term targets.

An operating plan includes the programs (product launches, marketing plan, sales plan, etc.) that your business will complete within one year to reach the desired levels of such objectives as earnings, sales, margins, and cash flow. The assumptions on which the operating plan is based are linked to reality and are debated among the finance people and the line leaders who must execute. Indeed, while the leader must be intimately familiar with each of the processes involved in executing the strategy, he or she is not the only one who must be present and involved in operations planning; all of the people accountable for executing the plan must help construct it.

The starting point in creating an operating budget is a robust dialogue among all the relevant business leaders, who sit down together to understand the whole corporate picture, including all of the relationships among its parts. All leaders and their direct reports have been given the initial cut of the budget, as well as the assumptions for the external environment, competitor analyses, and targets for the year.

The plan is then built roughly as follows:

- Those present focus on the roughly 20 budget lines that typically account for 80 percent of the impact on business outcomes, such as product mix, operating margins, manufacturing costs, and so forth. Each function represented presents its action plans for meeting the proposed budget.
- With each presentation, the leader questions the assumptions to test their validity and asks how each action plan will affect the other businesses.
- After every function has its say, the group breaks up into subteams. Each subteam discusses alternatives and the effects other plans will have on their operation.
- The groups reconvene and load all their information into a common spreadsheet program. They can then see a picture of the budget, what makes sense, and what doesn't, as well as how each component synchronizes with all the others.
- The group repeats the process again, to reshape and refine information and alternatives, until the basic

budget and operating plans are complete. Typically, it requires four such cycles to come up with a winner.

As you go through the process above, keep in mind two important issues:

- **Synchronization**. All the moving parts of the organization must have a common understanding of the external environment and other crucial factors — in other words, the left hand must know what the right hand is doing. Synchronizing includes matching the goals of the interdependent parts and linking their priorities with other parts of the organization. That way, when conditions change, synchronization realigns the multiple priorities and reallocates resources.
- **Assumptions**. An operating plan addresses the critical issues in execution by building the budget on realities. How well your business leaders understand these realities is a key factor in the success of your plan. Debate on underlying assumptions is one of the most critical parts of any operating review — you cannot set realistic goals until you have debated the assumptions behind them.

Once you've built an operating plan, you must then monitor its outcomes over the course of the year. One outcome of the operations process is identifying targets that clearly and specifically reflect not only what a business wants to achieve, but what it is likely to achieve —because they are based on the most realistic assumptions and on the hows of achieving them.

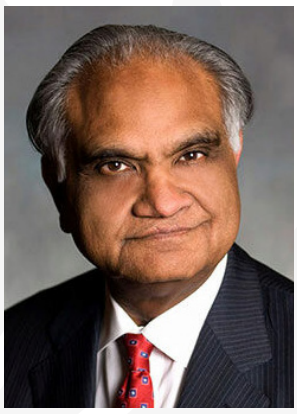
In addition to establishing clear targets, you can learn a lot from building an operating plan. When you participate in such a review, you debate the very guts of your business. All involved parties get to see the company, both as a whole and as a collection of independently moving parts. They also learn how to allocate and reassign resources when the environment changes.

GM's Synchronized Response To September 11

The events of September 11, 2001, created real concern in Detroit that demand for vehicles would significantly decrease. In response, Ron Zarella, General Motors' vice president for North America, conceived of zero percent financing, and implementing it put demand into high gear. His timing was perfect — in November, the Federal Reserve reduced interest rates to a 40-year low of 1.75 percent. Consumers were able to refinance and gain cash for down payments, which sent demand skyrocketing.

The move required an operating plan to reprogram and reallocate resources to synchronize GM's various moving parts, helping the company determine what kinds of vehicles to build, in which plants, and where to send them, how much advertising money the company should spend, where they should spend it, and on which products. Synchronizing production and advertising was crucial — with margins cut by the zero percent financing, an imbalance between production and advertising would both lose sales and raise costs.

As it turned out, the program opened up a big opportunity for GM. Though other automakers joined the financing bandwagon, GM's swift execution and pinpoint synchronization gave the company an immediate boost in market share.



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Expand the Circle

Matt Poepsel

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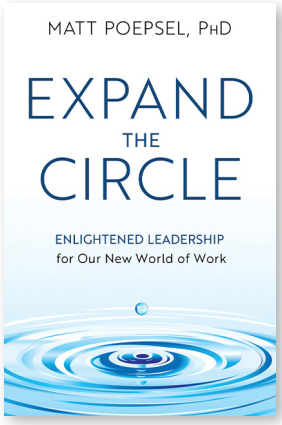
Expand the Circle

Enlightened Leadership for Our New World of Work



by **Matt Poepsel**

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THE SUMMARY IN BRIEF

The way we work and what we expect from our work is not the same as it was a few decades (or centuries) ago. So, why does the way we lead continues to remain the same?

The book, ***Expand the Circle: Enlightened Leadership for Our New World of Work*** gives us a kaleidoscopic view of what modern leadership looks like. It gently peels the layers of the "Expand the Circle" framework. Throughout our voyage across the book, we learn how to lead ourselves, others, our teams, our organizations, and finally, the world.

Author Matt Poepsel ushers us into the next era of leadership by helping us learn the enlightened leadership principles, aspire to bring them to our organizations, and make the necessary effort to move beyond our self-imposed limitations. He familiarizes us with a comprehensive set of hard-hitting truths and actionable tools to help us take on the enlightened leadership approach.

IN THIS SUMMARY, YOU WILL LEARN:

- About the Expand Your Circle Framework.
- How to overcome your self-imposed limitations.
- How to cultivate an enlightened leadership approach.
- How to Assess, Aspire, and Act your way toward enlightened leadership.

Introduction

Many workers today find they can adequately meet their basic and even mid-level needs through virtually any employer. Beyond that, the work they do fails to satisfy them and kills their productivity, engagement, performance, and intent to stay.

This view of the work and the worker implies that an inherent disconnect exists in the modern workplace. What's missing is something that can help workers meet their existential needs while performing meaningful and necessary work in organizations. Fortunately, enlightened leadership can make that critical connection. It is a leadership approach characterized by opening oneself to new beliefs and practices inspired by ancient wisdom and grounded in modern science.

In the chapters that follow, we'll see the benefits that stem from the techniques I've incorporated into my Expand the Circle enlightened leadership framework. This framework includes five progressive layers: Lead Yourself, Lead Others, Lead Your Team, Lead Your Organization, and Lead the World.

Part 1: The Map

Chapter 1: Lead Yourself

As a leader, before you effectively lead others, you must learn to lead yourself. This involves investing in personal reflection and self-mastery to deepen your leadership capacity. Leading yourself is about building the pillars of awareness, acceptance, confidence, authenticity, and transcendence.

An enlightened leader is a self-aware leader. Examine your personal values, guiding beliefs, strengths, limitations, and motivation to lead. Make checking in with yourself a regular habit. Shift from avoiding negative experiences to appreciating them. Remember, no leader is perfect. Rather than hide away your perceived flaws, accept that they're an essential part of you. Learn from your setbacks and your shortcomings.

The road to confidence starts from the expectation that you will succeed. Build on that foundation by appreciating the value you create as a leader. Remember that self-confidence and self-esteem precede competence. Be fully authentic. Strive to exhibit the values, attitudes, and behaviors that align with your most authentic self. Understand that transcendence is about thinking bigger. Your willingness to transcend self-absorption and self-limiting boundaries will unlock your next leadership level.

Chapter 2: Lead Others

When we Expand the Circle beyond ourselves alone, we arrive at our relationships with Others. This step requires mastering the art of empathy, altruism, trust, fairness, and connectedness. Move beyond your self-interest by concerning yourself deeply with others' experiences, objectives, strengths, limitations, and circumstances. Put their welfare and success on par with your own.

Exercise your empathy muscles by pausing to consider what those around you may be feeling. Push past any reservations and take steps to improve the well-being and circumstances of others. You may not directly experience a corresponding benefit in the short term, but leadership is about the long game. Remember, trust increases speed and reduces effort. Extend trust early and willingly by making yourself trustworthy and investing in building and maintaining trust in your relationships with others.

Enlightened leadership is also about equanimity and exchange. Seek equity in your relationships with others, not by pretending that you have no biases but rather by being aware of them and offsetting them to your best ability. Increase your awareness and appreciation regarding how we're all intrinsically connected in ways we don't always consider. Finally, tap into our unique human bond to boost the flow of positive intent and action between us.

Chapter 3: Lead Your Team

When we Expand the Circle beyond relationships, we reach the level of our Team. Enlightened leadership helps balance complex team dynamics while improving the team's performance, welfare, and commitment.

Recognize that a team can accomplish exponentially more than isolated individuals. Create conditions for team success by applying enlightened leadership principles at the collective level. Clarify your objective to create energy and momentum. Hone your ability to craft compelling stories and make a habit of sharing them with your team to keep them moving in the right direction.

Remember, humans are wired with a need to belong. Foster a tangible identity for your team and ensure that team members see the inherent benefits in group membership and the collective pursuit of the team objectives. Enhance collaboration and mutual sacrifice in pursuit of team objectives and the overall welfare of team members.

Psychological safety is a prerequisite to effective teamwork.

Create an environment where team members are unafraid of the repercussions of membership, offering a counterpoint, or highlighting risks and challenges. Difficult times can either pull your team apart or bring it together. Strengthen the bonds between team members through recognition, appreciation, and honesty to create an enduring connection.

Chapter 4: Lead Your Organization

When we Expand the Circle beyond a single team, we reach the level of the Organization.

But an organization is like a freight train. It takes a great deal of energy to get it started, and its momentum can make it difficult to maneuver. So always stay vigilant at the controls. Be intentional when defining and supporting your mission and purpose. Its magnetic qualities will keep you on track and propel your forward.

Always stick together and act as one. With culture, consistency and reinforcement are key. Communicate your culture broadly and take steps to ensure attitudes and behaviors constantly reflect it. You can only achieve a multiplier effect from aligned efforts. Be mindful of the competing goals and splintered interests that naturally crop up in complex situations.

Focus on the wellness of the workplace. By making employee wellness a priority, you care for those who make everything possible. Their health and happiness will show up in the workplace and beyond it.

Chapter 5: Lead the World

Just when we feel we can't Expand the Circle any further, we discover that we can pass beyond the boundaries of our organizations and out into the world. Make an impact on the world at large by extending your leadership beyond the traditional confines of your organization and let it repay you for your effort. Rather than attempt to leave work behind, consider what lessons, tools, and techniques may help you leverage your leadership. A little creativity will go a long way.

Remember, your community is full of people who work together to support one another. Bring enlightened leadership into your everyday interactions and exchanges. While it may seem as if we are separate from one another, we share a common bond of humanity. This is a time when it pays not to mind your own business.

We are also imposing an increasingly high toll on our planet. Shift the balance by making it a priority to create and participate in sustainability programs and education. Finally, don't ignore the existential questions that shape our lives and our work. Go beyond. Push past the boundary and connect with your enlightened leadership potential.

Part 2: The Path

Chapter 6: Becoming An Enlightened Leader

The path toward becoming an enlightened leader comprises three steps: Assessment, Aspiration, and Action. The following pages will guide you through each of these steps toward enlightened leadership.

The Assessment guide will help you pinpoint areas where you'd most like to improve. Creating an Aspiration framework (or goal setting) will help you set realistic and achievable goals. Taking Action will help you make real progress and gain confidence in your capabilities.

Chapter 7: Assessment – Know Thyself

The self-assessment area presents Yes or No questions related to the topics found in each layer of the Expand the Circle framework. These layers include: Lead Yourself, Lead Others, Lead Your Team, Lead Your Organization, and Lead the World. By responding to these questions, you can raise your awareness of specific layers or elements where you would like to concentrate your focus and improvement efforts. Considering "today" as your baseline, you can return to this assessment later to compare how your responses may have evolved.

Chapter 8: Aspiration – The Will Before the Way

Becoming an enlightened leader is a transformative experience. A successful journey requires three key elements I refer to as know, how, can do, and want to. We're each presented with opportunities to practice an enlightened leadership approach nearly every moment, which means any of us can do it. The aspiration we declare signifies we want to improve and grow.

It will help you know how to Expand the Circle. You can do it based on your opportunity and ability to practice enlightened leadership every minute of every day. If you develop your want to by cultivating a sincere wish to liberate yourself and serve others, you will prepare yourself to follow through on your aspiration.

Chapter 9: Action – Steps Along the Path

Now that your preparation work is complete, you're ready

to take action.

The exercise for increasing your self-awareness involves identifying your most closely held personal values: Accountability, Courage, Creativity, Dedication, Discipline, Efficiency, Empathy, Enthusiasm, Humor, Persistence, Positivity, Resilience, Support, Transparency, Trustworthiness, and Vision.

Choose your top ten values from the list. Narrow your values to the top five, top three, and so on. Finally, choose your single most closely held personal value, the one you would most like to amplify in your leadership.

The exercise for boosting your capacity for acceptance involves identifying self-judgment triggers. It involves asking the Who, What, and When questions. Who made you discount your own achievements by accomplishing something? What characteristic of thought or behavior do you dislike about yourself? When did you experience a failure that caused you to discount your self-worth? After determining these triggers, focus on accepting the totality of yourself, including your less desirable characteristics.

The exercise of confidence involves assessing forces that erode your confidence and determining how you can remedy them in your leadership. It is all about gaining clarity about what it means to live a life that is in harmony with our true selves and involves answering the Person, Project, and Purpose questions:

- "Who is a person in your life who you thoroughly wish to be successful?"
- "What is a project or initiative that you would like to see be successful?"
- "What is a movement or a change in the world that you would like to see be successful?"

After uncovering the first layer of the Expand the Circle framework, it's time to progress through the other layers until you finally become an enlightened leader.

Part 3: The Lamp

Chapter 10: Lighting A Lamp for Other Leaders

Enlightened leadership can transform your approach, but you don't have to stop there. Engage other leaders and invite them to step onto the path as well. Take time to fully immerse yourself in the framework and exercises.

Be prepared to connect the dots for decision-makers. Use your organization's current challenges and opportunities to highlight the framework's business benefits and corresponding elements. Consider beginning with a small-scale pilot program; your executive leadership team may be an ideal place to get things moving. Always think big. Even after you've built sufficient momentum, simply keep going.

Chapter 11: Tips for Executives

As an executive, you have three significant advantages: your voice is heard the loudest, you're the chief decision-maker when it comes to time, money, effort, and attention, and finally, you establish the priorities for your organization.

Your aspiring leaders look to you to set an example. So, use your elevated position to bring enlightened leadership into your organization. Remember, business issues are an indication that a better leadership approach is needed. Give your level-down leaders the resources and support they need to rise to the challenge. Tap into your position to create better operating efficiencies, more flexibility, and an attractive landing spot for high performers. Provide mechanisms where leaders can learn and apply new skills without fear of failure. Remember, when it comes to people, fast is slow, and slow is fast. Although changing longstanding patterns of thinking and doing is difficult, always be patient and celebrate continuous improvement.

Chapter 12: Tips for Team Leaders

As a team leader, your leadership as well as that of your team members is required for collective success. Take advantage of your proximity to your team members. Give them constant feedback and support and offer autonomy to increase your team's enthusiasm and follow-through. Look for team-oriented improvements that will allow everyone to work together in each area of development. When you've been inspired by something that helps you raise your game, consider sharing it with your team. Remember, professional growth takes time. So be sure to reinforce development exercises and topics until they become automatic.

Chapter 13: Tips for HR Leaders

As a Human Resources leader, you play a critical role in helping your organization and leaders at every level perform at their collective best. Do everything you can to create a people-first perspective. Executives are paying significantly more attention to people issues that affect the business. Take advantage of the shift by being strategic and opportunistic in your approach. Ask thoughtful questions

about the business and look for those areas where an enlightened leadership approach could pay dividends. Rather than fixate on the here and now, imagine how the organization will need to operate differently in the future.

Conclusion: The Formula

The final formula for increasing our capacity as enlightened leaders is:

Enlightened Leadership Capacity = (Mindfulness + Compassion + Wisdom)/Self-Interest

Our new world of work asks leaders to be more selfless than ever before. While minimizing our self-interest is far from easy, we must strive to do exactly that if we're to embrace an enlightened leadership approach. Minimizing our self-interest helps us heighten our mindfulness, compassion, and wisdom.

Pause for a moment to ponder what's possible and what's next. Your very next interaction can reflect an enlightened leadership approach if you're willing to seize the opportunity. You now have everything you need to send out wave after beneficial wave as you Expand the Circle.

Matt Poepsel is a writer and speaker focused on leadership, organizational performance, and personal growth. He holds a PhD in Psychology, an MBA, and a Certificate of Management Excellence from Harvard Business School. He's built a reputation of crafting stories and techniques that are as engaging as they are informative. Over the past two decades, Matt has motivated and inspired leaders at every level to boost their performance and positivity. He draws on his experiences as a software executive and consultant, a US Marine, an IRONMAN triathlete, and a student of Buddhist philosophy.

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Extraordinary Influence

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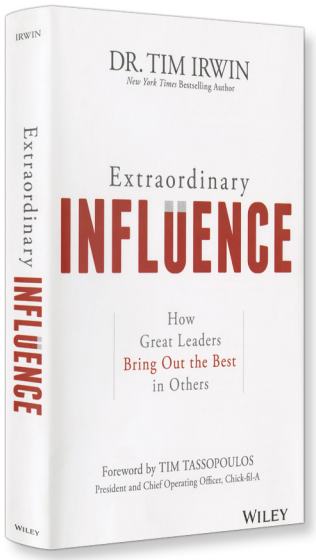
Leadership

Extraordinary Influence

How Great Leaders Bring Out the Best in Others



by Dr. Tim Irwin

THE SUMMARY IN BRIEF

Leaders have long searched for the key to help others excel and realize their potential. What if we could transform those under our influence and light fires of motivation? What if those we lead found great purpose in what they do and worked at their jobs with all their heart? Ultimately, don't we hope to foster intrinsic motivation so that the individuals we lead become better employees?

Recent discoveries of brain science and the wisdom of top CEO's that Dr. Tim Irwin interviewed for *Extraordinary Influence* provide exciting new answers. Irwin reveals that in most organizations, the methods used to provide feedback to employees, such as performance appraisal or multi-rater feedback systems, are not up to the task. Top CEO's confirm that these methods tend to engage a natural "negativity bias" that is hardwired in us all.

Instead, science in recent years has discovered that affirmation sets in motion huge positive changes in the brain. It releases certain neurochemicals associated with well-being and higher performance. Mobilizing this discovery, *Extraordinary Influence* offers a compelling new approach to align workers with an organization's mission, strategy and goals.

IN THIS SUMMARY, YOU WILL LEARN:

- Research showing that affirmation works better than constructive criticism.
- How to use Words of Life to strengthen people's core.
- The meaning of Alliance Feedback and how to use it most effectively.
- To motivate high-potential people and reinvent performance feedback.

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THE COMPLETE SUMMARY: **EXTRAORDINARY INFLUENCE**

by Dr. Tim Irwin

The author: For over 25 years, Dr.Tim Irwin has assisted corporations in diverse industries. He has authored three other critically acclaimed books, including *Impact: Great Leadership Changes Everything,* a *New York Times* best-seller; *Run With the Bulls Without Getting Trampled;* and *Derailed: Five Lessons Learned from Catastrophic Failures of Leadership.*

Tim Tassopoulos, author of the book's foreword, is the President and Chief Operating Officer of Chick-fil-A.

Extraordinary Influence: How Great Leaders Bring Out the Best in Others by Dr. Tim Irwin, copyright © 2018 by Dr. Tim Irwin, has been summarized by permission of the publisher, John Wiley & Sons, Inc. 208 pages, ISBN 978-1-1194-6442-6.

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Part I: The Science of Extraordinary Influence

Many Leaders Create an Effect They Did Not Intend

The age-old question for every organization is, how do we bring out the best in those we are responsible for leading? How do we get them to care? How do we ensure productivity, quality, timeliness and great attention to customers? How do we help them love their jobs? The answer to these questions seems to vary widely among different employees.

How we motivate another person or group of people to do something and do it well is a conundrum. It is surprising how often we resort to a default position of a negative consequence for not doing something versus an approach that actually results in a better worker and a better person.

We gain an extraordinary ability to transform others when we affirm them versus when we apply what might euphemistically be called "constructive criticism." Here are some phrases we hear routinely from the task-driven style of leadership.

- "I need to light a fire under her." — A phrase originally used to motivate chimney sweeps who feared climbing to the top inside a high chimney.
- "I'm going to hold you accountable." — Accountable is derived from the Old French word *acont*, such as counting money. The connotation is the thinly veiled threat that "You better do what I said to do."

The inherent belief reflected in these sayings is that "I'm going to get you to do something you are fundamentally resistant to doing." They suggest that workers or students or players or children are lazy, irresponsible, lacking ambition, and less intelligent and, therefore, require constant scrutiny to ensure that work gets done.

We might say, "That's a bit harsh." True, but in our drive to get results out of the people we manage or teach or coach or parent, we may adopt methods that appeal to our fundamental need to control outcomes.

It's now clear from a growing body of research that for a leader to be effective, it's vital that we spend time and energy in both task-oriented management as well as a framework that values the emotional and relational dimensions of the people we lead.

Here's the challenge: Recent brain research argues that many of the things we do to motivate others, in fact, accomplishes the exact opposite of what we intend. We inadvertently engage the wrong part of the brain, thus short-circuiting what influence we might want to have.

What if we could get people to work with all their heart? What we want as leaders, parents or teachers is to transform the attitudes, the work habits and the passion of those we influence — to get them to do the assigned task with a sense of commitment and energy.

New Brain Research Explains How We Bring Out the Best in Others

Why do we want affirmation? Of course, it feels good, but why? Aristotle observed that every person is drawn by a telos, or purpose, in their lives. Deep down, we want to know that we gave it our all to pursue high and noble ends and to realize a deep sense of significance in our lives. We long for confirmation that, in fact, our lives count for something more than just fighting gridlocked traffic.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Kylie O'Connor**, Graphic Designer; **A. Imus**, Contributing Editor

The right kind of affirmation satisfies this compelling need. Deep affirmation gets to our core and affirms who we aspire to be. Although it is very satisfying to know deep down that we are pursuing purpose, perhaps the most powerful personal affirmation occurs when another person acknowledges the strength of our character.

When someone of significance affirms us particularly in a deep way, certain beliefs are formed. These beliefs are stored in our core — that person living inside us who thinks, feels, forms opinions and quietly speaks to us. As opportunities and circumstances occur, beliefs direct our actions. Affirmation from others whom we respect forms beliefs in our core that guide our actions.

Our brains benefit dramatically from affirmation. They *light up* with electrical activity. We feel more optimistic and work more productively. Conversely, criticism activates different parts of the brain that metaphorically make us go dark.

Brain research indicates that affirmation

- Buffers stress and improves higher cognitive thinking and problem-solving.
- Positively affects a region of the brain associated with subjective value, that is, the location of self-worth. The ventromedial prefrontal cortex evaluates how we subjectively feel about ourselves.
- Improves self-control and makes us more efficient.
- Makes us happier and more productive.
- Activates the ventromedial prefrontal cortex, which is related to positive behavior changes.
- Activates brain circuits that are affected by the release of hormones like oxytocin and vasopressin, both known for their role in trust and attachment.
- Fosters innovation — it activates areas of the brain associated with calmness and openness to new ideas.

In most organizations, the methods used to provide feedback to employees, such as performance appraisal or multi-rater feedback systems, often accomplish directly the opposite of what was intended because the recipients unrelentingly focus on their deficits. Brain science tells us that these methods tend to engage a natural *negativity bias*, which is hardwired in us all. In many respects, it also just seems easier to criticize.

There are methods to engage parts of the brain that are inherently better at problem solving and innovation. Great leaders work hard at not tapping into the negativity bias inherent in our brains and, instead, focus their energy on accessing the parts of our brains that make us innovative, better at solving problems and more resilient.

There is a clear case for discussing and remedying the behavior of followers who are out of alignment with the goals we've set, but we now have irrefutable evidence that how we bring about alignment makes a huge difference in the motivation and effectiveness of workers.

Let's establish that positive influence is the outcome we seek. If we want to exert extraordinary influence and bring out the best in those around us, we must master the art of affirmation. We must learn how to affirm individuals, teams and even whole organizations.

Part II: How Extraordinary Influence Works

Tactical Affirmation: Affirming Style and Competence

Affirmation must be thoughtfully directed to three dimensions in the human psyche, which makes any transformative influence we might exert with another person more effective. Affirmation varies according to

1. **Customary style** — those observable patterns that consistently characterize us. Our style determines how well others receive us and our ideas.
2. **Competence** — our skills, abilities and knowledge behind effective actions. Our competencies determine what we are able to do.
3. **Core** — our inner person — the leader inside us. Our core determines who we are — our character.

Affirmation of our style and competence belong in the category of *tactical influence*. These dimensions are the ground level, daily, transactional initiatives we use to do our jobs. Leaders use affirmation day-to-day, week-to-week.

Affirming someone's core is *strategic influence*. Strategic means far reaching, deeper, transformational and overarching. Strategic influence potentially changes those we lead in their inner person. Leaders use affirmation less frequently and more opportunistically.

Great leaders create an intentional culture of affirmation using the appropriate content of tactical and strategic affirmation. A healthy, well-functioning organization (or a family or a team) needs both tactical and strategic influence.

We all have our customary style, which defines us in fairly consistent ways others come to expect. Our style

exerts a huge impact on how well we wear on others. Most importantly, it determines how others receive us and our ideas. Our style also wraps around our abilities and skills — our competencies — and substantially determines how effectively those abilities can be deployed.

To affirm the style of those we lead, we must develop a vocabulary of style. As in most areas of human behavior, our customary style contains a light and a dark side. The four types of style — doer, advocate, idealist and challenger — include characteristics that tend to wear well with others as well as those that interfere with effectiveness.

For example, the doer uses focused action to accomplish tasks. Upsides of the doer include being practical, organized, focused and rational. The possible downsides include lack of attention to the interpersonal dimension, being low on passion and creativity, and displaying disrespect for those who lack technical skills and logic. Typical affirmations include, "Thank you for your focus on meeting the deadline" and "Thank you for bringing the discussion back to the real issues."

Our competencies, like judgment, make a huge impact on our success in work and in life. Praising the competence of anyone we seek to lead is vital. A number of CEOs interviewed spoke about how to affirm the work of our subordinates. These recommendations are summarized in the following five guidelines:

1. Show appreciation for the competencies underneath the actions.
2. CEOs recommended accomplishments be affirmed but also kept in context — why it mattered at the time.
3. Affirmation must be timely — real time.
4. Trust must precede feedback, particularly if the feedback is contrary.
5. Affirmation must emanate from an authentic place when feedback is given.

When a boss affirms a worker's style or competence, he or she grows in the conviction, "I am competent. I can do this." When new or more challenging circumstances arise, the affirmed person acts in concert with these beliefs.

Strategic Influence: How to Give Words of Life

To truly bring about personal transformation, we must reach a person's core with Words of Life. Our core has a voice, which social scientists sometimes call self-talk. Whether we are aware of it, there is a steady conversation going on inside us, and when we learn to pay attention to that voice, the revelations about ourselves can be at least informative if not startling.

Our core learns, forms opinions and serves as the chief repository of our beliefs. Our beliefs provide a major governance factor in our behavior. When our beliefs are sound and true, they lead to effective leadership. When those beliefs are errant, and we act on those errant beliefs, the results can be catastrophic.

Words of Life transform us, because they speak the language of the core. They are significantly different from the words we might use to affirm another's style or competence. Words of Life transform us and bring out the best in the important people we long to influence.

The act of affirming someone with Words of Life implants redemptive beliefs in a person's core, which, in turn, produces redemptive actions. Redemptive here means lifesaving, liberating, nurturing and transformative.

What is the common thread in Words of Life? These powerful words speak about our character — the unassailability of our inner person. They involve qualities such as integrity, courage, humility, judgment, authenticity, self-regulation, wisdom, candor, resilience and influence.

For example, one might praise another's authenticity by saying, "Your team really respects and trusts you. I believe that results from being truthful and realistic with them. You don't try to manipulate them with rosy forecasts not grounded in reality. Your peers really trust you as well. They believe whatever you tell them is true. Your authenticity is a huge asset, and I wish more people followed your example."

In most cases, leaders tend to affirm an action someone has taken. A far more powerful step is to affirm some dimension of a person's core which prompted the desired action.

How do we best convey Words of Life?

- We must have an intact core ourselves.
- We must be authentic.
- Our words must be carefully considered.
- We must use the right vocabulary — Words of Life draw from the well of character.
- Words of Life are conveyed upon a foundation of trust between the giver and the receiver.
- Words of Life may be given spontaneously or planned, as long as they are thoughtful and sincere.
- Words of Life must be given when the receiver is the sole focus at the moment.

Words of Death: Constructive Criticism Fails Because Our Brains Are Hard Wired for Something Better

Even if we possess an emotionally stalwart constitution, our spirit can still be crushed when we are the recipient of withering criticism, ridicule or shame from an important other, such as a parent, a coach, a teacher, a peer or a boss.

When we give feedback to a subordinate absent concern about his or her person, we bypass the parts of the person's brain that powers innovation, problem solving, creativity and self-worth. What's worse, we engage the part of the brain that shuts out any positive influence we might intend!

Here are some findings from brain research about what happens when we diminish people with criticism:

- Criticism engages our amygdala, the part of the brain that houses the "fight or flight" response.
- During criticism, our brains have less access to some of the most positive resources of the brain, such as higher order thinking, self-reflection, creativity, problem solving and stress regulation.
- During criticism, the recipient absorbs the negative emotions of the critic.
- Abusive supervision leads to extreme negative consequences such as decreased creativity, productivity, commitment and increased depression and anxiety.
- When employees don't see criticism as accurate and relevant to themselves, they become hostile and fail to see validity even when the feedback is applicable.
- There is a trickle-down effect wherein abusive department leaders create abusive team leaders.

Whether intended or not, the recipient of critical feedback hears that it's not *what we did*, but it's more about *who we are*. Disapproval and disparagement from an important person sends us a fundamental message that we're not okay. Criticism diminishes our self-worth, and our brains react with profound negativity. A key to happy and productive employees is a leader's consistently supportive behavior.

Like a family unit, positivity and negativity are often carried on across generations. A negative leader is more likely to groom negative leaders under his or her charge. Negativity is contagious, so it perpetuates negativity among those over whom we have influence.

Culture significantly influences our leadership behavior. An organizational culture that emphasizes structure, obligations and punishments for deviant behavior further diminishes followers' creative insight and attention span.

One of the phrases that we've heard all our lives is "constructive criticism." What it usually means is that "I'm going to gut you emotionally, but my motives are positive." There is usually nothing constructive about it and telling us in advance puts us on hyper alert. The term "constructive criticism" should be eradicated.

Alliance Feedback: What Seasoned CEOs Know About Helping Others Change

Without the use of negative feedback or criticism, how do we persuade those we lead to change what they are doing when they are off track, being ineffective, making mistakes or not acting consistently with the mission, goals or values of the organization?

Alliance Feedback describes how to get people in line with their own espoused values and aspirations and/or the mission, strategy, goals and values of their organization. Alliance Feedback points out contradictions between a person's intentions and his or her present behavior in a supportive manner.

There are two types of Alliance Feedback.

Aspirational Feedback tends to be focused on an individual's hopes and dreams. "You are more likely to achieve your aspirations if you do this." The fundamental idea is to be sure we create a linkage between something the person aspires to achieve and a change he or she needs to make.

Missional Feedback builds upon a boss and employee's mutual or collective desire to accomplish our organization's mission and mutually determined performance goals that they both believe are valuable contributions to the overall enterprise. When an employee departs from actions that support the mission and goals, it provides an opportunity to point out these incongruities.

The most important feature of the Missional Feedback conversation between a boss and subordinate is the establishment of a connection between the employee's work and the mission and goals which they mutually agree are relevant and important. There are eight conditions that make the above approach effective. These perspectives will galvanize our perspective and lay the groundwork for effective Alliance Feedback:

1. **Remember that our amygdala possesses an ever-present negativity bias**. It's wired to detect threats. In war zones, enemy combatants sometimes lay out trip wires with transparent fishing line connected to the detonator of an explosive charge.

When we want to help someone grow, we avoid their trip wires and are intentional about making the conversation feel safe.

2. **Be sure that we stay grounded ourselves.** We need to set aside distractions and make sure the recipient knows that he or she is our only focus at that moment. We need to prepare for the conversation and to make sure the timing is right for both of us.
3. **If we know deep down that a person is for us, we can hear just about anything they convey to us.** One way to avoid engaging the defensive side of a person's amygdala is to make sure the person feels safe.
4. **Attribute positive motives to the recipient** of Alliance Feedback.
5. **A critical aspect of Aspirational Feedback is that we want to help those we lead to become more self-aware** about how their actions potentially create a barrier to their aspirations.
6. **Some CEOs stressed that feedback should be encouraging and challenging** at the same time.
7. **The tone of the Alliance Feedback conversation must be professional** and adult at all times.
8. **There is a huge difference between discussing an action versus criticizing a person.** Alliance Feedback should be helpful without being demeaning.

Extraordinary Influence for Underperformers: Bringing Out the Best in Someone Who Has Lost His Way

Though not always, performance problems are typically rooted in a person's ineffective style, their lack of competence, or a breached core or some combination of the three.

One problem we all experience in vetting the talent and condition of someone's core is that a person's real self surfaces only with time and stress. We are always who we are given enough time and enough stress. Still, we must be good stewards of our organization's resources (time, energy and, often, money). We must be able to quickly size up whether we should deploy resources to get a person in line with the mission, strategies, goals and culture of the company.

When a person works in our organization and exhibits poor performance, how do we make the distinction between a person with a problem and a problem person? A series of questions help to get to the right answer quickly.

- Is the person performing their job overall with excellence? (Yes or No.)
- How well do the person's skills, ability and temperament fit the requirements of the position? (Great Fit/Adequate Fit/Poor Fit.)
- Does the person's poor performance seem to be temporary, circumstantial or more enduring? For example, does the person need to acquire technical knowledge or other skills to perform well in their job? Are there circumstances that account for an individual's temporary drop in performance, such as an ailing parent who needs special attention? Does the person work under a perpetual cloud of tension or constantly seem out of synch with the team?
- What is the likelihood that the person in question can perform well in their job in the future within a reasonable time frame? (High Likelihood/Low Likelihood.)

In answering the fourth question, it behooves us to be brutally honest.

A major dilemma is that we cannot exert extraordinary influence over everyone. Some individuals struggle within themselves such that no amount of affirmation or Alliance Feedback or other developmental resources can bring them in line inside the boundaries of our organization. Any number of resources may help heal a person's core, but any job with even normal day-to-day stresses is not the best place to get well, especially when their problems impose themselves on others. No one is perfect, and we all have a shadow in our core. We must have compassion for all while also recognizing that even healthy organizations are fragile. Compassion must be married to judgment and courage when dealing with a problem person.

Helping problem people leave the organization is, in fact, a key element to bringing out the best in others. The impact of a problem person can be so toxic if not removed that a leader forfeits the opportunity to bring out the best in those needed to conduct the vital work of the organization.

Part III: Special Applications of Extraordinary Influence

Extraordinary Influence for Teams: Three Levers for High Performance

A constant interplay exists among three dimensions in our lives — the I, the We and the It.

The I represents our individual hopes, dreams and concerns. The We represents the collective aspirations, interests

and potential conflicts among the group members. The It expresses our purpose, mission, task or quest.

A lever can be thought of as a great effect from a small cause. For a leader, these three dimensions function as levers. A leader's attention to the individuals, the group and the task constitute levers a leader uses to manage a team or even a whole organization. For a team to perform with excellence, all three require balanced attention. When any of the three is over or under emphasized, problems ensue. Despite the constantly shifting needs of a normal team, a skilled leader must learn to lever all three dimensions to restore the team to balance.

Individual team members — the I. We might ask, "Why do individual concerns need attention — we're building a team?" Individual team members must also be developed according to their specific needs and acknowledged for their individual contributions. Compensation, titles, special recognition and career paths represent just a few examples of actions that can be considered for individuals on even the most healthy and well-functioning teams. Attention to individuals does not reflect inattention to the team.

Asking a question or two that each team member answers about himself/herself gets a meeting rolling. For example, where did you grow up? What did you do after high school? Give a 60-second summary of your career highlights. What is an interesting but unknown fact about you? Who has been the person of greatest influence in your life? A warm-up exercise, such as these sample questions, engages the I and creates a readiness to attend to the We and the It.

Extraordinary influence on the We. To harvest the benefits of teamwork, an effective team leader must generate a strong sense of the We. Like any enduring relationship, the potential synergy of working with others does not spontaneously materialize. It requires disciplined intentionality.

The We also has a collective core, which reflects the team's character. When a team is healthy and well-functioning, Words of Life should be spoken to the team's core. When a team is dysfunctional, Alliance Feedback is in order.

Extraordinary influence on the It — the mission or quest of the team. When thoughtfully formed and skillfully communicated, a purpose or mission (the It) provides motivation for the team. A great mission becomes a quest. A team leader exerts extraordinary influence with this powerful tool. It contains the potential to take even the most mundane work or project and lifts the collective self-esteem.

The leading hotelier in the world and founder of the Ritz Carlton Hotel Company and Capella Hotels, Horst Schulze, makes a practice of personally opening all his new hotels. We would probably agree that public perception ranks some hotel jobs lower on the desirability scale, such as housekeepers. Yet, Schulze urges his housekeepers to be the best in the world. During training, he stresses to housekeepers, "We are ladies and gentlemen serving ladies and gentlemen."

Along with many other supporting policies and expectations, housekeepers are empowered to make many decisions in the interest of providing a superior customer experience to all guests. Schulze's mission to be the best, supported with hundreds of other quality practices, led to the Ritz Carlton receiving the prestigious Malcolm Baldridge award, not once but twice, thus making it the only company in the hotel industry to achieve such a distinction.

The accomplishment of a great mission provides the leader with tremendous opportunities to affirm the team.

Motivating High Potentials: The Four Transformations to Extraordinarily Influence the Best

One of the great tests of leadership is the development of other leaders. The senior leaders of many organizations know that some subset of their workers is more talented, smart, clever, hard-working and has better people skills than others. Many organizations refer to these individuals as high-potential employees/leaders, or HiPos.

The general view is that HiPos should be given an enriched or higher octane set of job experiences and development or training resources to prepare them for bigger jobs in the future. In addition to whatever technical skills might be important to acquire, there are four actions we must take to accelerate our HiPos' development.

1. **Affirm HiPos' style and competence but especially their core**. Give HiPos Words of Life. Provide frequent Alliance Feedback, and be sure to connect the feedback to HiPos' personal aspirations — their hopes and dreams. Encourage self-affirmation. We foster self-affirmation by asking questions like, "Tell me what you feel you did well in the meeting today."
2. **Encourage HiPos to actively build and guard their core**. A strong core comprises the most important element of great leadership. The condition of our core determines the course of our lives, in general, and our effectiveness as a leader, in particular. In most cases, a strong core is the differentiator between those who build a great legacy versus those who end up in cataclysmic failure, such

as those who were fired from their organization because of a breach of their core.

3. **Urge HiPos to lead from influence and not from position or power**. Position power is overrated! Leaders must thoughtfully place HiPos in positions that require they learn to lead by influence and not by position power. We want to mentor our HiPos to lead with influence for one main reason. It engages those workers we lead to adopt higher levels of commitment to the mission, strategies and goals. It creates ownership, whereby followers take ownership of the outcomes.
4. **Help HiPos develop courage**. Our affirmation of someone we mentor is highly effective in transforming that person, especially when we speak Words of Life into their core. In particular, we want to foster the development of courage, a vital attribute for senior management roles. By the very nature of the job, leaders must take risks. Our HiPos will not achieve their potential without developing courage. To develop great leaders, we must encourage them. Words of Life result in the *encouragement* of the recipient.

Performance Appraisals That Lead to Extraordinary Influence

Performance feedback meetings are probably the most universally hated experiences in many organizations, both from the giver's and the receiver's perspective. In most cases, managers intend their feedback to improve employees' performance and increase their value to the organization. The reality is that most performance appraisals accomplish the exact opposite of what's intended. They close off communication and create stress and resentment on the receiver's part.

It seems obvious that the basic premise of most performance appraisal systems throws the hyper-defensive part of the brain (the amygdala) into overdrive. Some large companies are addressing common problems with the traditional systems. For example, Microsoft, Lilly, GE, Dell, The Gap, Accenture, Adobe, New York Life and others are getting rid of rating categories. Goldman Sachs, known for their highly mathematical 1-to-9 scales, recently stopped rating employees with numbers.

What must any reinvention of performance feedback include? A check-the-box system may inform, but it will not transform. Ultimately, a leader's transformational influence depends upon *the person of the leader*. It's the personal deepening of the leader who must learn to connect with his or her followers in a more substantive way. A leader's solid core makes transformation of others possible.

The perspectives and practices to be valued when an organization wants to reinvent its performance review system include timeliness and affirmation of the core.

One of the most profound changes is frequency. There are a few irrefutable laws of human behavior. One law maintains that the closer to the occurrence of a certain behavior feedback ensues, the more effective the feedback.

The most important opportunities for transformation occur in our core. Affirmation of someone's core is likely less frequent but highly impactful when given. Affirmation of style and conduct lend themselves to frequent feedback. Affirmation of a person's core is likely more opportunistic.

The What, How and Who dimensions must be included in any re-engineered performance management system. Most legacy systems focus on *what* a person accomplished. The *how* may sometimes be included, but the *who* is where true transformation occurs. Brain research makes it clear that the most powerful Alliance Feedback ties performance comments to the standard of an employee's personal hopes, dreams and aspirations.

Tying development to the achievement of personal career goals connects with the parts of our brain responsible for innovation and resourcefulness.

Build trust. Have a foundation of trust, and be sure that the recipient of your feedback knows that, down deep, you are really "for them." This is particularly important when giving Alliance Feedback.

Think about the amazing world we could create for our organizations, our families and our communities if affirmation flowed freely and criticism became rare.

Let's just start by making a lot more affirming statements and a lot less diminishing ones.

MORE SV CONTENT ON LEADERSHIP

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Summary: *Impromptu: Leading in the Moment* by Judith Humphrey. Leaders who can tailor a message in a meeting, in the corridor or in a tweet that influences and inspires an audience will shine in that moment. It is a skill that can be learned, and *Impromptu* will show you how.

Webinar: *How You and I Can See It My Way* by Mark Rodgers. In this SoundviewLive webinar, Mark Rodgers merges research and real-world application to reveal what really drives decisions and introduces readers to the persuasion equation — a powerful combination of factors proven to speed agreement.

· Book 137 of 388 ·

Extreme Ownership

Jocko Willink, Leif Babin

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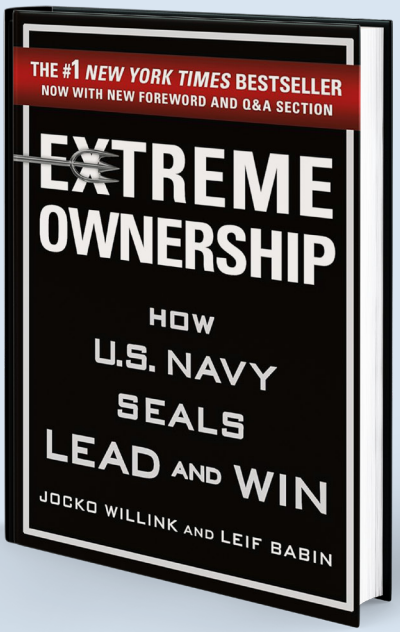

Extreme Ownership

How U.S. Navy SEALs Lead and Win

By Jocko Willink and Leif Babin

Jocko Willink was a Navy SEAL for 20 years, rising through the ranks to become commander of Task Unit Bruiser—the most decorated Special Operations unit of the Iraq War. After retiring, Willink continued on the disciplined path of success, co-founding Echelon Front, a premier leadership and management consulting company, writing several #1 New York Times bestsellers.

Leif Babin served 9 years as a Navy SEAL. He was in combat in Iraq during the Battle of Ramadi, a conflict that resulted in numerous medals for his efforts. After his tours, Babin served as a Navy SEAL instructor before forming Echelon Front with Jocko Willink, a leadership training group that uses the lessons and expertise the pair learned as SEALs to train leaders beyond the military.

A Book Review by Soundview

Fulfill Your Ultimate Purpose

In ***Extreme Ownership: How U.S. Navy SEALs Lead and Win***, Jocko Willink and Leif Babin explain and illustrate how good leadership relies on a set of concrete principles. These principles stand whether the leader in question is leading SEAL teams in Iraq, leading in the boardroom of a Fortune 500 company, or is leading a small non-profit. The skills Willink and Babin acquired in the military helped them launch their own civilian company in which they help struggling leaders turn their teams around by changing their own actions.

As retired SEALs, they do not allow leaders to pass the blame on to their team members. They believe in the concept of extreme ownership, and they expect every leader to take full responsibility for their team and the actions and outcomes that are derived from the work of the team. While this is true of the people at the top of the leadership chain, it is also true of leaders all the way down the ranks. As Willink and Babin believe it is important for people to understand what it is they are asked to do, they provide plenty of examples to help explain to their reader how and why these principles work. To do this, they begin each chapter with a detailed anecdote of a situation they encountered in Iraq or through training that demonstrates the need for the principle. They then describe the principle and finally conclude the chapter with an example of how the principle works in businesses in the real world. Their book also contains numerous photographs taken in Iraq during wartime.

Winning the War Within

The first of three parts of *Extreme Ownership* deals with winning the war within and explains the concept of extreme ownership. Throughout their book, Willink and Babin discuss the difficulty of urban combat in Iraq. The environment they were in where streets and buildings were not marked made determining who the enemy was and where both the enemy and friendly troops were difficult. On one night, hindered by darkness and the confusion of the presence of many troops, the tragedy of blue-on-blue assault ensued. This means that American and Iraqi forces were firing on soldiers on their own side. Willink describes it as "the worst thing that could happen." Afterwards, people

up the chain of command wanted to know why and how this could happen. Such a breakdown occurred because people at all levels made mistakes. When attempting to piece together what happened, Willink came to one final conclusion: "I was responsible for everything in Task Unit Bruiser. I had to take complete ownership of what went wrong. That is what a leader does - even if it means getting fired. If anyone was to be blamed and fired for what happened, let it be me." When meeting to discuss the incident, Willink took full ownership of what happened. Because he took ownership on himself, the leader, and because he took full responsibility for his people, his commanding officer and master chief developed more, not less, trust in him, and relevant parties were able to review the situation and make changes that could make such an incident less likely to happen again in the future.

Willink and Babin believe that quality leadership is vital, and that leads to the title of their second principle: "No Bad Teams, Only Bad Leaders." In this section, they write about the importance of standards. They do not believe what a leader says is as important as the behavior they either will or will not tolerate from those beneath them. This is so important because poor performance can ensue if leaders do not hold their subordinates accountable for high performance. To exemplify how important leadership is to a team, Willink and Babin discuss the performance of boat crews during Hell Week. During the competitions of one particular Hell Week, one team continually performed well, and one consistently performed poorly. Babin explains how they switched the leaders of these two teams, and suddenly the performance of the lower performing team came up on par with that of the previously best team. The good leader elevated his new team while the cohesion he developed in his previous team did not slack once he left. In short, the problem was not the team, but the leader.

Willink and Babin's third principle states, "In order to convince and inspire others to follow and accomplish a mission, a leader must be a true believer in the mission." In short, this means that leaders must understand why it is they are engaging in the mission they are in, so they can communicate that to others and so that they will be willing to take the risks necessary to carry out the task. They describe one business client that rolled out a new compensation plan for employees. Managers became angry at the new plan because they believed their people would seek out employment elsewhere when the plan rolled out. Once the CEO explained the rationale for the new structure and how it would help both individuals and the company, the managers came on board with it. Willink and Babin maintain that it is important for leaders to understand why they are asking their subordinates to perform certain tasks, and if they do not understand the rationale themselves, then they must ask those above them for clarification, so they can lead their team well.

The fourth and final principle related to "winning the war within" is to "check the ego." Willink writes about how one SEAL commander suggested letting Iraqi troops figure out how to manage the space themselves rather than train them because he was afraid that the Iraqi troop was getting so well prepared that they could outperform the SEALs. This could lead to the SEALs losing their mission. Willink insisted that they must do what is best for the mission even if that means the SEALs being relocated. This was not an isolated incident with one commander as Willink saw it elsewhere as well. He insists that "Ego clouds and disrupts everything: the planning process, the ability to take good advice, and the ability to accept constructive criticism." While everyone has an ego, he insists that people keep it in check so groups can perform optimally.

Laws of Combat

The first law of combat the authors discuss is entitled "cover and move." They explain that the basis of cover and move is teamwork. Teams must avoid performing in silos and pay attention to those around them. Since even the best member of a team fails if the team fails, teamwork is important for all. To illustrate this concept, they discuss a company in which the production manager has serious issues with a subsidiary company his team must use for transportation. In his estimation, this subsidiary company was incompetent and hurt his own objectives. Willink explains that the fact that both companies are owned by the same parent company should help them rather than hinder them because their objectives should be the same. He then explains how since their overall mission, what is best for the parent company, should be the same, and they should be working together to achieve that mission. He recommended that the production manager speak with the other team and find out a way to work together. When the production manager did this, he learned that the other company was seriously understaffed. Because he now understood that this company was not out to sabotage his own, they were able to work together to find solutions. They started working together for the betterment of all.

Willink and Babin's second law of combat is to simplify. In this chapter, they discuss a proposed patrol that Willink found to be unnecessarily complex, especially in the dangerous area they were operating in. Because they simplified the patrol, when the patrol was attacked, they were closer to support and were able to get the help they needed. He explains that a more complicated plan could have been catastrophic. He also explains that it is not just in combat that things go wrong especially if they are too complex. Things go wrong all the time in all sorts of contexts, and simplified plans help people deal with these unexpected problems. Along with this, a leader's team must understand the plan clearly. If they do not understand the plan, it may need to be simplified. He writes, "You must brief to ensure the lowest common denominator on the team understands."

Next Babin goes on to explain prioritizing and executing, the third law of combat. To explain this law, he describes a situation in Iraq in which the troops were in a building, and when they went to leave it, they learned that there was an IED near their only viable exit. The fighters made their way to an uncovered roof top, and one of the men fell many feet to the ground between buildings and needed rescue. To get out of this predicament safely, leadership had to prioritize and execute. In short, they had to determine what needed to be done first, and then do it before moving on to the next objective. Because they used this technique, all of the fighters were able to get out of the situation safely, including the man who had

> *The idea of prioritizing and executing can help when people find themselves overwhelmed."*

fallen. He explains how problems can snowball in combat, and it is the job of the leader to remain calm. To remind themselves of this, they say, "Relax. Look around, make a call." It does not work to try to complete multiple tasks at one time. The idea of prioritizing and executing can help when people find themselves overwhelmed.

The last law of combat they describe is that of decentralized command. Willink explains how he expects his subordinate officers to lead when they are in the field, and he expects them to lead aggressively. This is an important concept because if subordinate leaders lead well where they are with their teams, that leaves Willink and other more senior leaders to focus on the bigger picture. He explains that there is no one to look at this bigger picture when he, himself, becomes tangled up in problems his subordinate leaders can and should handle. To enable this, frontline leaders must trust their senior leaders, and they also must understand their mission. It also requires senior leaders to trust their subordinate leaders. Willink explains how military leaders throughout the centuries have learned this task, and he observed the principle in MOUNT training undergone by Task Unit Bruiser. During this training, the SEAL leaders attempted to control everything. At times, this meant one person was overseeing over thirty soldiers. People simply cannot control that many people. To correct this problem, they broke the soldiers up into smaller groups containing between four and six SEALs. This allowed for multiple levels of leadership, and each leader had a manageable number of soldiers to lead. Willink and Babin maintain that "Human beings are generally not capable of managing more than six to ten people, particularly when things go sideways and inevitable contingencies arise." When teams are broken down into multiple levels, it becomes important that leaders at all levels understand what it is their teams must do and why. In addition, junior leaders must understand which decisions they do and do not have the authority to make, and they must communicate this with their more senior leaders.

Sustaining Victory

The first principle relating to sustaining victory is to plan. In this section, Babin discusses a hostage rescue. The SEALs worked with an Iraqi security force to complete this rescue. They were able to successfully complete this mission because they planned well and executed the plan. He describes mission planning as "never taking anything for granted, preparing for likely contingencies, and maximizing the chance of mission success while minimizing the risk to the troops executing the operation." He explains that SEALs can never be sure there is no danger in what they are setting out to accomplish. When performing the hostage rescue, his team learned that there were deadly threats, but this did not hinder them because they had already taken these threats into account during their planning process.

Willink and Babin assert that "planning begins with mission analysis." A clear understanding of the mission is key if leaders are to have a strong focus and solid execution. A solid mission "must be carefully refined and simplified so that it is explicitly clear and specifically focused to achieve the greater strategic vision for which that mission is a part." This mission then must be explained to leaders down the line. Leaders at different levels must understand both the purpose and the desired result of the mission if planning is to be effective. That means the mission must be clearly articulated and then clearly communicated to the leaders at various levels. Willink and Babin maintain that if a brief is to be successful, "all members participating in an operation will understand the strategic mission, the Commander's Intent, the specific mission of the team, and their individual roles within the mission." They will also understand various contingencies and what they should do when faced with those contingencies. It is important that even the busiest of groups takes the time to analyze its plans continuously in order to improve future missions or projects. This planning process should be standardized across an organization. Babin explains that he took this principle to a business he was aiding. He helped them standardize their processes using some of the tools that SEALs use.

Willink and Babin then move on to discuss both leading up the chain of command and leading down the chain of command. Babin first discusses leading down the chain of command. To explain this, Babin discusses his thought processes when his time in Iraq was coming to an end. He and Willink discussed all they were able to accomplish with their team in Iraq. Despite the crushing loss of fellow combat warriors, they understood that they had successfully taken control of important neighborhoods from insurgents and that populations were now more safe from insurgents. Despite this, when he returned to the States, Babin heard pundits discussing those lost in ways that made them seem like they were just numbers. SEALs themselves would at times criticize the work of those on the front lines. Babin was sure that if anybody truly understood what they accomplished in Iraq, they would see the tremendous benefit of the work they did. When Willink put together a presentation of their accomplishments in Iraq, Babin realized that even as second in command, he did not fully understand the work they did. This made him realize that if even he did not understand the full implication of what they did, then surely his frontline troops who were not privy to such information would struggle to understand it. Willink and Babin both learned that they needed to lead better down the chain of command by asking

more questions of those above them and giving more plan ownership to those down the chain of command on the front lines. It is imperative that senior leaders communicate to junior leaders everything it is they need to know to be successful. This is what they mean by leading down the chain of command.

When discussing leading up the chain of command, Willink and Babin state that a person should take direct responsibility if their boss "isn't making a decision in a timely manner or providing necessary support for you and your team." This means that a leader must look to his or her superior for the information or resources needed and ask for them clearly. They acknowledge that leading up the chain of command takes more tact than leading down because a person does not have the authority that comes from rank when dealing with those of a higher rank. Leading up also requires the humility to understand that a person may not have all the information their leader has and that a person's team or objective might not be the highest priority at the moment to the leader. People need to ask questions of those above them in order to understand more while still understanding that one of their most important jobs is to support their own leader.

The two last principles discussed are decisiveness and uncertainty and discipline equals freedom. Regarding uncertainty, they maintain that a leader very frequently does not have all the information they need to be sure of their path. Despite this, they must avoid letting fear paralyze them and must act with decisiveness. They must make this decision with the information that is available. In regards to discipline, Willink discusses the searches his people were tasked with completing in Iraq. These searches could take considerable time and at times resulted in missed details because they were not carried out with discipline. Once this problem was realized, they worked to create a structured process for these searches. While his people were at first reluctant to carry out searches in this manner, fearing they would take too long, they learned that they shortened the time it took to perform the searches and made them more effective. Discipline ultimately gives people freedom, Willink and Babin maintain. Discipline makes it easier for teams to adapt and be flexible.

The principles Willink and Babin discuss in their book were learned through their time in combat and while training the SEALs. The principles helped them lead in the most dangerous parts of Iraq during critical periods in the war. The principles do not just apply to warfare, however. They apply to leaders at all ranks. They share these principles both in their book and with the companies they consult for, taking wartime principles to companies and organizations of all sizes. Because of this, Willink and Babin are able to demonstrate that great leadership is great leadership wherever it is found, especially when it is centered around the concept of extreme ownership.

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FBR0218B Leadership and the One Minute Manager

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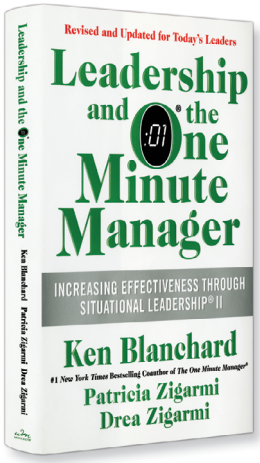
Featured Book Review

LEADERSHIP AND THE ONE MINUTE MANAGER

Increasing Effectiveness Through Situational Leadership® II

by Ken Blanchard, Patricia Zigarmi and Drea Zigarmi

© 2013 Harper Collins, 143 pages



Ken Blanchard first developed the concept of Situational Leadership® in collaboration with the late Paul Hersey at Ohio University in the late 1960's. Additional research combined with feedback from practicing leaders led to the development of a revised model — Situational Leadership® II — in the 1980's that was presented in the first edition of *Leadership and the One Minute Manager* in 1985, co-authored with fellow founding associates of The Ken Blanchard Companies, Patricia and Drea Zigarmi. The first edition featured the One Minute Manager as part of a series of books and training materials designed to teach effective management and leadership skills. This newly revised and updated edition, released in 2013, presents the Situational Leadership® II model in the form of a business parable featuring an entrepreneur who is eager to improve her leadership abilities and an organizational leadership team, led by the One Minute Manager (OMM), who guide her through the principles and tenets of the model.

The entrepreneur, who is never named, is overworked and frustrated by her apparent inability to find leadership team members who were "willing to work as hard as she was." As a result, she finds herself unable or unwilling to delegate tasks because she doesn't have the confidence in her direct reports to complete those tasks to the same high level of quality that she could deliver if she did them herself. Through a series of conversations with the OMM and individual members of his leadership team (each one representing a specific leadership model component), the entrepreneur is introduced to a leadership philosophy that challenges her own preconceptions and presents alternative methodologies to better manage her people. In place of distinct chapters, the story is told primarily through dialog vignettes, interspersed with quotes and motivational aide-mémoires.

Different Strokes for Different Folks

The writers introduce the foundational concept of Situational Leadership® by inverting the traditional top-down organizational pyramid in favor of a bottom-up leadership approach. From this vantage point, the entrepreneur is challenged to consider leadership as a position of service rather than of responsibility. Rather than having employees responsible for helping leaders to achieve their goals for the areas for which they are held accountable — "planning, organizing, and evaluating everything that happens in the organization" — effective leaders should, it is argued, focus on providing those employees with the skills and resources needed to achieve the goals that are agreed between them. Since those goals will be agreed with individual employees, leaders will then need to be responsive to the specific needs of each employee, rather than just enforcing company-wide command-and-control policies that are more concerned with catching employees doing something wrong.

The entrepreneur is understandably reticent to embrace the concept of being responsive to each individual member of her team — "I don't have time to be responsive to the needs of all my people." — but the OMM quickly clarifies that each of those team members will need varying levels of direction and support to be effective, and that by following a model of Situational Leadership®, those varying levels can be identified, prepared for, and managed in a more efficient manner than her current frustrations with simple task delegation.

Leadership Styles

The first conversation between the entrepreneur and the OMM reverses her perception of leadership from consistent enforcement of policies and procedures to: "how you behave over time, when you're trying to influence others, as perceived by them." How your team perceives your leadership style can be very different from your intent, and the larger the disconnect, the more likely it is that your communication and your team will struggle.

The writers extrapolate this point by having the OMM make members of his leadership team available for one-on-one conversations with the entrepreneur. She meets the first three as a means of reviewing different leadership styles:

• Larry McKenzie, recently appointed VP for people and talent development for the OMM's company, benefits from a directive leadership style from the OMM. Since "people development is [the OMM's] baby," Larry expects a direct approach from his boss and is happy for his expert input. Since Larry was promoted from compensation and benefits, he is appreciative of the OMM's willingness to trust Larry's knowledge and experience in those areas.

The Four Leadership Styles

Style 1 — Directing
Style 2 — Coaching
Style 3 — Supporting
Style 4 — Delegating

• Cindy Liu, director of finance, describes a very collaborative leadership style from the OMM with a lot of support and encouragement in recognition of her more than fifteen years of experience in finance.

• John DaLapa, director of operations, describes a less definitive leadership style from the OMM, where the approach varies according to different aspects of John's complex role in the company. Areas where John is left alone with minimal oversight are, from his perspective, reflective of trust, respect and confidence in him based on proven performance. In areas where John has less expertise and confidence, the OMM takes a more supportive role and can be directive if needed.

The Skills of a Situational Leader

Once the entrepreneur has been introduced to Situational Leadership® in action, the OMM simplifies the model into three skills:

1. Goal Setting (as part of an overall performance management system).
2. Diagnosis of the individual development needs of your team members.
3. Matching — learning to use the appropriate style of leadership for individual team members in providing specific combinations of direction and support in multiple scenarios.

Performance Management

The writers introduce the entrepreneur to the importance of goal setting through a meeting with a fourth OMM leadership team member – Randy Rodriguez in the people and talent development group, who designed the company's performance management system. The system is divided into three parts – performance planning, day-to-day coaching, and performance evaluation. He discusses goal setting as a critical component of performance planning and contrasts the emphasis on clear and mutually agreed goals as a foundation for successful performance as being distinct from the traditional approach of formal performance evaluation as a starting point. The former maps out a plan for positive achievement with clear expectations on both sides, whereas the latter tends to emphasize promissory goals that are never agreed upon and usually ignored when, for whatever reason, performance targets aren't met.

Once goals are agreed upon by both the team member and the leader, performance standards are then set for each goal through an alignment conversation that uses the acronym S.M.A.R.T to ensure that the goals are both attainable and motivational. SMART stands for:

• **S**pecific — so that each person knows what they are responsible for and when it needs to be done.

• **M**otivating — so that your people are inspired to do their best work.

• **A**ttainable — so that each person feels that the goals can be achieved as opposed to being a de-motivating exercise in futility.

• **R**elevant — ensures that the employee sees his or her role in the greater organizational framework.

• **T**rackable — this element is a critical part of the agreement reached by both employee and leader. Knowing what is expected of you and when depends on regular feedback on your progress, but too frequent feedback using metrics that don't seem to relate to the goal can be perceived as controlling and even punitive.

The writers address any confusion over the difficulties in reaching agreement on every goal with every

employee by presenting their own Golden Rule — "Whoever owns the gold makes the rules." In other words, the company is committed to a collaborative goal-setting process but since ultimate responsibility for the achievement of those goals lies with the leader, there has to be a final word.

Diagnosis

The second skill of Situational Leadership®, diagnosis, underlines the importance of day-to-day coaching in reinforcing the successful achievement of goals. Without the coaching element, the leadership style simply reverts to what the OMM describes as 'seagull management.' "After goal setting, seagull managers are never around until you make a mistake. Then they fly in, make a lot of noise, dump on everybody, and fly out."

In a conversation with a fifth OMM leadership team member, Kathy Gupta, leader of the IT Group, the entrepreneur learns how to diagnose an individual's development level for a specific goal or task. That level is measured using two factors: skill, experience and past performance are recognized as competence, with a combination of confidence and motivation recognized as commitment. Using these two factors, Kathy outlines four development levels:

1. D1: Low competence and high commitment
2. D2: Low to some competence and low commitment
3. D3: Moderate to high competence and variable commitment
4. D4: High competence and high commitment

The writers flesh out these four development levels with labeled examples of each one:

• D1 (low competence and high commitment) is labeled as an "enthusiastic beginner," with lots of confidence and motivation but lacking enough skills and experience to know what you don't know.

• D2 (low to some competence and low commitment) is labeled as a "disillusioned learner," where you have picked up just enough skills and knowledge to identify just how much more work lies ahead of you, which lessens your motivation.

• D3 (moderate to high competence and variable commitment) is labeled as "capable but cautious contributors," who have developed some competence and experience but still lack the confidence to work independently of direction from their leader.

• D4 (high competence and high commitment) represents the "self-reliant achiever," who is highly motivated and can be counted on to work without direction.

The writers make an important distinction in presenting these levels as a scale. While D4 is aspirational, being a D1 or D2 for a particular task or goal should not be seen as a negative assessment, but rather as a pragmatic acknowledgment that no one can be good at everything and that everyone will be presented with a task for which they have limited experience. Situational Leadership® enables leaders to provide the appropriate amount of direction and support for that specific task, rather than the traditional scenario of leaving the employee to sink or swim. If that employee is already overwhelmed, he may be desperately trying to 'fake it until he makes it,' which could have negative consequences for the company. This perspective is summed-up in a simple statement: "Everyone has peak performance potential — you just need to know where they are coming from and meet them there."

One Minute

Take a minute out of your day to look into the faces of the people you lead and realize that they are your most important resource.

Matching

The third Situational Leadership® style, matching, is introduced in a conversation with the OMM that revisits the entrepreneurs' meetings with his leadership team as a means of explaining the four leadership styles. In the same way as development levels are a combination of competence and commitment, the four leadership styles represent different combinations of two leadership behaviors: Directive behavior, defined by such terms as "decide, teach, observe and provide frequent feedback", and Supportive behavior, defined as, "listen, involve, facilitate and encourage":

1. S1: Directing — High directive and low supportive
2. S2: Coaching — High directive and high supportive
3. S3: Supporting — Low directive and high supportive
4. S4 Delegating — Low directive and low supportive.

The four styles are further explained by demonstrating how three of the OMM's team members can be seen to align to a specific style:

• Larry McKenzie needs an S1 (Directing) approach because he is self-motivated but lacks the experience in his new role to be fully independent.

• Cindy Liu needs an S3 (Supporting) approach because she is highly competent, needs little direction, and is supported through a collaborative relationship with her leader.

• John DaLapa, by contrast, has a complex role that warrants a combination of styles according to the specific task or goal.

As the conversation between the OMM and the entrepreneur continues, the natural alignment between the four development levels and the four leaderships styles is explored:

• The D1 enthusiastic beginners need a S1 (Directing) approach where the high directive style balances their low competence, and the low supportive style allows their high commitment to flourish.

• The D2 disillusioned learners benefit from a S2 (Coaching) approach where the directive involvement continues to support their growing competence, and the high supportive style provides reassurance for their reduced confidence.

• The D3 capable but cautious contributors benefit from a S3 (Supporting) approach where the low directive allows their developed skills and experience to shine, and the high supportive style offers encouragement to test their growing skills.

• The D4 self-reliant achievers benefit from a S4 (Delegating) approach where they have clearly earned your trust and confidence and therefore need a low directive style with a collaborative relationship that makes you available when they need you.

Communication and Transparency

The writers present a clear and logical development of employee competence and commitment managed by a carefully balanced combination of directive and supportive leadership behavior. However, a successful implementation of Situational Leadership® depends on open communication as to what is happening in the company. As the OMM warns, if a diagnosed D4 employee suddenly sees less of you as you adjust to a S4 leadership style, your perspective on that transition would most likely be positive, since you would be, in effect, delegating more responsibility to that employee. From his perspective, however, your sudden absence could be interpreted as abandonment or abdication rather than increased trust and confidence. At the other end of the scale, a D1 employee might interpret your increased presence as micromanagement and a clear sign of a lack of confidence in him, as opposed to a sincere effort on your part to be more supportive and committed to his success.

One Best Way

The entrepreneur begins her journey in search of one best way of leadership that will accommodate all of her current delegation headaches and basically make her life easier. Situational Leadership® may not be easier, but it clearly delineates a leadership approach that is more representative of her earnest desire to provide clear direction to those who need it while giving greater freedom and opportunity to those who do not. Beneath it all, there is a clear commitment to supporting the success and personal development of her team.

WHY YOU WILL LIKE THIS BOOK

This parable approach to leadership succeeds in presenting a well-traveled topic from a fresh perspective. The use of a practical setting with recognizable business characters facilitates both comprehension and adoption of the material. The Situational Leadership® II content can easily be adapted to graphical presentation for visual learners, and the examples used would resonate with a diverse audience across a range of industry sectors.

The authors: Ken Blanchard is the co-author of *The One Minute Manager®* and over fifty other books. He is the chief spiritual officer of The Ken Blanchard Companies, a full-service global management training and development company that he and his wife, Dr. Marjorie Blanchard, founded in 1979. **Patricia Zigarmi** is VP for business development at The Ken Blanchard Companies. With her leadership, ongoing initiatives for SLII® training have been implemented with several major corporations. **Drea Zigarmi** is the president of Zigarmi Associates, Inc., and the director of research and development for The Ken Blanchard Companies. He has co-developed several Blanchard training and development products, including its "Leader Behavior Analysis" instruments.

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FBR0218C Who Killed Change?

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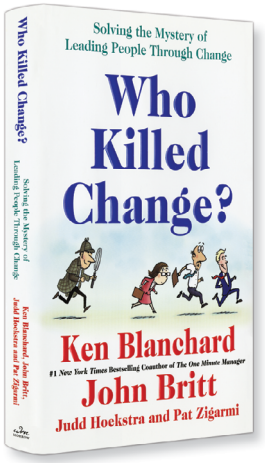
Featured Book Review

WHO KILLED CHANGE?
Solving the Mystery of Leading People Through Change

by Ken Blanchard, John Britt, Judd Hoekstra and Patricia Zigarmi

© 2009 Harper Collins, 143 pages

Change initiatives are among the most difficult projects to manage. Launched with much fanfare and exhortation, the shelf-life is often short before the project either dies on the vine or is overtaken by yet another newer initiative. The post-mortem (assuming there is one) usually reveals a string of causes so that no one person can be held solely accountable. In *Who Killed Change?* Ken Blanchard and his co-authors explore the challenges of effective change management through the experienced eyes of Agent Mike McNally in this humorous and insightful business parable. Written in the style of a 1930's film noir whodunit with McNally as the cynical detective who has seen it all before, the failure of a change initiative at the ACME organization is examined as a homicide — the third that McNally has seen this month. In fact, McNally is an expert in "Change fatalities," and it is his insights, derived from years of experience in investigating organizations, that provide the core tenets of this book.



Scene of the Crime

The events that typically precede McNally's arrival have established a clear pattern over the years:

"Change would be introduced to an organization with varying degrees of reception. From all appearances, Change would begin to integrate into the organization and then, without warning, Change would be found dead, quite often with no apparent injury. The evidence was always scant and a sole perpetrator had never been identified."

The Usual Suspects

With an initial assessment from the medical examiner of death by poisoning, McNally is assigned an assistant, Anna, and begins his investigation by rounding up the usual suspects — the primary drivers in any Change initiative. Each alliterative character is interrogated, with McNally's expertise and experience revealing significant weaknesses and dysfunctionality. Each character professes innocence of the crime, but McNally's tough interrogation style pushes beyond their superficial summaries of their involvement with and responsibility for Change to identify critical failures in how Change was introduced, integrated and supported:

1. Carolina Culture: Rather than defining the: "predominant attitudes, beliefs and behavior patterns that characterize the organization," Carolina is timid and reticent, blending into the background of every department, and only coming to life when asked to recite ACME's value statement, which she does in her loudest possible voice:

- **V** is for Very Efficient
- **A** is for A Customer Focus
- **L** is for Lots of Teamwork
- **U** is for Understanding
- **E** is for Excellence

2. Chase Commitment: Chase misinterprets his responsibility to the Change initiative as motivating the organization through inspirational sermons rather than motivating each individual to engage in the new behaviors required by the new initiative. He sees himself as being passionate about Change and about the "fairly predictable concerns" his employees have when Change is introduced. Even though ACME has had multiple Changes over the years, Chase has consistently

been unsuccessful in leveraging his knowledge and experience to convince leadership to fully resource and support each project. He sees his own exhaustion as a sign of the amount of communication needed, but McNally sees it as a case of commitment not being supported by active engagement.

3. Spence Sponsorship: As a senior leader, Spence has the authority to deploy the necessary resources to support the successful implementation of Change. This should include modelling the appropriate behavior to reflect the organizational commitment to Change — "walking the talk" — as well as selecting the right members of each department for the Change Leadership Team. Spence's interpretation of his role is more inspirational in design — kicking off the initiative with a speech that incorporates all the relevant keywords and mantras, and then delegating the remainder of the workload to his direct reports. McNally's assessment is very direct: "You're over-estimating the power of your words. As Sponsorship, you must do more than introduce Change. You must be visible and supportive way beyond the introductory meetings. Your actions are much more powerful than your words."

The Primary Suspects

Culture, Commitment, Sponsorship, Change leadership team, Communication, Urgency, Vision, Plan, Budget, Trainer, Incentive, Performance management, Accountability

4. Chester (aka "Pecs") of the Change Leadership Team: In the absence of proactive leadership from Spence and the support of team members who have an established track record of successful Change initiatives, Chester's role has been relegated to supporting Change by simply holding him up, rather than carrying him forward and out into the organization. The consequences of this for Chester's physical appearance are significant, leaving him with "pencil legs" and the upper-body strength of a professional bodybuilder, earning him the nickname "Pecs." The lack of direct engagement from both Spence and the Change Leadership Team leads to a failure to overcome the usual cynicism and resistance to yet another Change initiative. From McNally's perspective: "The key is balance — doing some of the heavy lifting at the front end and then continuing to support Change throughout the change process."

5. Clair Communication: With dead batteries in her hearing aid and chronic laryngitis, Clair's ability to support Change in getting the word out to those members of the organization who would be directly impacted by the new work environment is severely limited. That absence of information is quickly filled with mixed messages that become: "an easy excuse for people to ignore Change."

6. Ernest Urgency: Ernest's lack of concern for the murder of Change because of all the other: "things on my plate that I have to take care of," is a clear indicator of misplaced priorities. Rather than outlining the nature of the business crisis that prompted the need for Change, he spends more time trying to convince people to just accept change as a necessary evil. By investing time with those managers and employees and asking them why they thought the organization needed Change, the emphasis on the pain of the status quo would have provided a positive introduction instead of needing a pushy sales pitch.

7. Victoria Vision: The fact that Victoria wears rose-colored glasses gives McNally the same concerns as Clair Communication with her chronic laryngitis and a non-functioning hearing aid. Her overly-optimistic perspective fails to deliver a clear and detailed vision of what would be happening before during and after the arrival of Change at ACME. As a result, there is no buy-in to a detailed picture of how the organization would operate after the Change initiative had been completed.

8. Perry Plan: Since Change cannot take place in isolation as the sole priority of the organization, the responsibility for clarifying: "the priority of the Change relative to all other initiatives and responsibilities," should fall to Perry. As a pilot, however, Perry interprets his role as a "big picture" strategist preparing ACME for the Changes that are coming. The equally important tactical component, from his perspective, can be delegated to others — in this case, Prioritization, Infrastructure, and Measurement — to do the detail work with Bailey Budget and Peter Performance Management. As a result, Perry is happy to attach his name to any and all strategic Changes without any concern for the minutiae of implementation. The irony of a pilot needing the support of an air traffic controller and experienced ground crew to complete a successful flight is completely lost on him.

9. Bailey Budget: Bailey takes her responsibilities at ACME very seriously. She acknowledges the work that the managers do: "in their respective areas," but she sees her job as: "carrying the weight of fiscal responsibility for ACME on my shoulders." Her interpretation of that role involves rescinding the funding of any given Change if she determines that the work being done by all of the other primary drivers is insufficient to deliver a successful outcome: "If these characters aren't doing what's necessary to enable Change, there is no reason for me to commit any funds to a Change that's destined to fail." Taking a leadership role in determining the appropriate allocation of limited resources to ensure a positive return on Investment (ROI) before Change is initiated, seems to be beyond her comprehension, and it comes as no surprise to McNally that several of her colleagues think that she murdered Change.

> "Change can be successful only when the usual characters in an organization combine their unique talents and consistently involve others in initiating, implementing and sustaining change."
>
> — *Who Killed Change?*

10. Terry Trainer: Terry, the gum-chewing, sloppily dressed trainer, sees himself as being stuck between Change wanting as many practice sessions as possible and Bailey Budget refusing all requests for funding for those sessions. He would like to "play the game" and coach the employees in the new skills and commitment they will need to play on the new field that Change is building, but in the absence of funding, all he can do is watch ESPN highlights in his office. Any obligation to get everyone on the same page in support of the follow through needed for Change to be successful is, from his perspective, out of his hands.

11. Isabella Incentive: Isabella's role, while dismissed as "cheerleading" by Terry, is vital to the reinforcement of desired behaviors and results to enable Change. Recognition and rewards typically have a monetary component, but with Bailey Budget watching the checkbook, all requests were denied. From McNally's perspective, while Isabella may not have been a prime suspect, her choice not to engage any of the other team members to go to bat against Bailey qualifies her as an accessory to murder.

12. Peter Performance Management: Visiting Peter's office and seeing the stacks of paperwork on every surface gives McNally valuable insight into the highly stressed environment of Performance Management. Peter was supportive of Change but constantly worried about everyone staying on top of their regular tasks while dealing with the new responsibilities that Change usually brings. His documentation reveals that the resources Change was asking for were not outrageous — "just the basics" — but they were automatically denied by Bailey Budget.

13. Aidan Accountability: The responsibility for follow through should fall squarely on Aidan's shoulders. Behaviors and results should be closely measured to make sure they are in line with goals and expectations. If there are any deviations, it should fall to him to institute consequences to get Change back on track. Aidan's interpretation of the role is a little different. He built a department that included Delegation (a minimum-wage role), Follow-up (an unpaid intern), and Consequences who is: "here on some kind of grant." The result was that Aidan was able to move a lot of issues off his plate with no concern for resolution. This, in turn, gave him the objective insight to determine that Change was not murdered but rather committed suicide in the face of a failing project initiative. It falls to McNally to point out the irony that Aidan sees no sense of accountability on the part of his department in Change's struggle.

Super Cops & Stakeholders

After spending a day-and-a-half investigating the usual suspects, McNally realizes that he has made a mistake by not interviewing any of the stakeholders who were directly impacted by Change at ACME. He identifies two employees from a project that was going well, and two from a project that was struggling in the hopes of getting a more detailed picture of what went wrong. What McNally finds instead are four other characters that contributed to the death of Change:

- **Super Cop:** Any employee who blocks forward progress with any new idea by posting barriers and signs reminding everyone involved that: "We've Never Done It That Way Before."
- **Reprimand:** Shows up: "only when an employee makes a mistake…informing everyone how stupid they are."
- **Hypocrite**: A chameleon character who sings from the "we, we, we" hymn sheet and then goes off and does his own thing — usually the exact opposite of "we, we, we."
- **Convertible:** Wants to drive everything his way or the highway, without involving anyone who really understands the impact that Change will have in the running of his department.

The Autopsy Report

McNally finishes his investigation with a conversation with the medical examiner over the comprehensive autopsy report. Change, it turns out, wasn't deliberately poisoned. He suffered heart failure as a result of the build-up of a toxin known as C-15 (named after the 15 other Change deaths that had occurred when the toxin was finally identified.) A thorough review of Change's medical records revealed that he arrived at ACME in good health, but within six months he had lost twenty-five pounds and was struggling with insomnia, anxiety, nervousness and fingernails that were: "chewed down to the quick."

Whodunit

In true whodunit fashion, McNally calls all of the suspects together in one room to review the results of his investigation and, everyone assumes, to reveal the murderer of Change. The result is a detailed assessment of how Change was allowed to fail at ACME. McNally brings his extensive experience to bear in critiquing each of the usual suspects by outlining how they should have supported Change in comparison to what they actually did (or didn't do) here. It falls to Ernest Urgency to demand to know who killed Change, but McNally's answer is not what any of them wanted nor expected to hear:

"All of you killed Change…The poison that killed [him] did so very slowly. I can't prove it but I believe the poison was neglect — your neglect. He tried to survive without the support he needed from you but ultimately, his is not a one-man job. He finally lost his heart."

The book concludes with McNally getting a call that another Change character is in the hospital after being stabbed in the back. He is still alive, and McNally rushes to his aid. The reader is left with a comprehensive summary of McNally's extensive investigative techniques, including the recommended questions to ask of your usual suspects if you are committed to helping Change thrive in your organization.

WHY YOU WILL LIKE THIS BOOK

The use of a business parable built around a whodunit mystery is a very creative and humorous approach to a classic business problem. Each alliterative character is given enough of a unique personality for the reader to recognize similar character traits in their own organization and the timeline that McNally builds during his investigation is very accurate. The damage done by these characters, often in the naïve or oblivious belief that they are helping Change, will resonate with both novice and experienced managers alike.

The authors: Ken Blanchard is an international bestselling author and motivational speaker whose books include *The One Minute Manager®*, *The One Minute Entrepreneur™*, and *Leading at a Higher Level*. **John Britt** has provided change leadership management guidance to large organizations for over 20 years. He is a partner with Mountjoy and Bressler, LLP. **Judd Hoekstra** is one of The Ken Blanchard Companies' leading experts in leading change and coauthor of its Leading People Through Change program, as well as coauthor of *Leading at a Higher Level*. **Pat Zigarmi** is a founding associate of The Ken Blanchard Companies and serves as vice president for business development. She is the coauthor of *The One Minute Manager®* and *Leading at a Higher Level*.

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· Book 140 of 388 ·

FINDING Allies BUILDING Alliances

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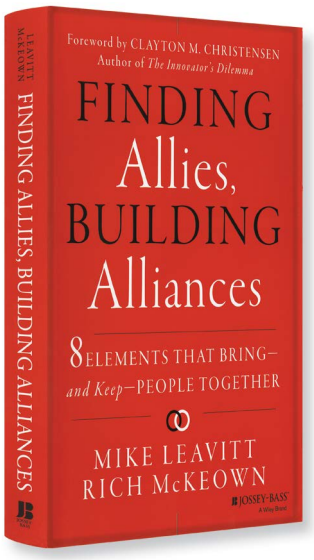
FINDING Allies, BUILDING Alliances

8 Elements that Bring – and Keep – People Together



by Mike Leavitt and Rich McKeown

THE SUMMARY IN BRIEF

The challenges facing your organization extend far beyond your employees and your business. From the competitors within your industry to the regulators outside, solving large issues in today's complex world requires cooperation among diverse stakeholders. Solutions to even the most complicated problems are attainable for leaders who learn how to turn competitors into collaborators.

Finding Allies, Building Alliances is a guide for anyone tasked with fostering and maintaining an effective, productive and collaborative venture. The first step is to carefully choose a network of participants that will become a powerful alliance. With the right team in place, a framework of eight elements will help your group work together for the mutual benefit of all parties.

Mike Leavitt and Rich McKeown base this framework on their distinguished work building collaborative networks both in government and in the private sector. Their unique and proven methodology will not only generate lasting solutions for any business issue but also boost competitiveness and resilience in all sectors.

Whether you're launching a new partnership or rehabilitating one already in progress, *Finding Allies, Building Alliances* will help you find workable solutions to even the most complex problems.

IN THIS SUMMARY, YOU WILL LEARN:

- The benefits and key elements of a value alliance.
- The differences between conveners and leaders.
- The importance of finding representatives of substance.
- How to brand your alliance as a "northbound train."
- How to recognize and use collaborative intelligence.

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THE COMPLETE SUMMARY: **FINDING ALLIES, BUILDING ALLIANCES**

by Mike Leavitt and Rich McKeown

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Rich McKeown is cofounder, president and CEO of Leavitt Partners, which advises clients in the health care and food safety sectors. Before serving as chief of staff during Leavitt's terms as governor of Utah, administrator of the EPA and secretary of HHS, McKeown was an educator, a lawyer and a mediator.

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Introduction

Today, competing global economies engage in contests to produce the best value — the best product or service at the lowest cost. The old models — huge, bureaucratic and singular — are increasingly disadvantaged, as they are unable to provide the value, speed and innovation people need. Collaborative alliances or networks, however, can do so. The best of them open new frontiers of productivity, and perhaps even more important, they're able to solve challenging problems that single entities cannot crack. A diverse alliance, well led and well managed, can bring resources to bear on a problem that no organization can match.

Technology makes collaboration feasible, connecting diverse organizations and individuals around the world. The sociology of collaboration, though, is the tricky part of the equation. Connecting people, unlike connecting networks, is much more art than science. Assembling a diverse group of individuals and organizations, facilitating their work together, and sustaining it long enough to get the job done is an ambitious goal — but it is a more achievable goal if eight key elements are present.

- *A common pain*: A shared problem that motivates people and groups to work together in ways that could otherwise seem counterintuitive.
- *A convener of stature*: A respected and influential presence who can bring people to the table and, when necessary, keep them there.
- *Representatives of substance*: A group of collaborative participants who bring the right mix of experience and expertise for legitimacy, along with the authority to make decisions.
- *Committed leaders*: Individuals who possess the skill, creativity, dedication and tenacity to move an alliance forward even when it hits the inevitable rough patches.
- *A clearly defined purpose*: A driving idea that keeps people on task rather than being sidetracked by complexity, ambiguity, and other alternatives or distractions.
- *A formal charter*: A set of established rules that create stability and help resolve differences and avoid stalemates.
- *The northbound train*: An intuitive confidence that an alliance will get to its destination and achieve something of unique value and that those who aren't on board will be disadvantaged.
- *A common information base*: A shared pool of information that keeps everyone in the loop and avoids divisive secrets and opaqueness.

Creating or joining a value alliance should be every leader's goal. To achieve this goal, though, you need to understand what a value alliance is and how it can confer competitive advantage on its members.

The Collaborative Foundation: What It Is and Why It's Essential Today

Any organization seeking to increase the efficiency of its problem-solving efforts needs to understand the foundational concept of a value alliance. A *value alliance*

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Rebecca Clement, Publisher; **Sarah Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Amanda Langen**, Graphic Designer; **Janet Lloyd Murphy**, Contributing Editor

is a group of participants with aligned interests pursuing an outcome with value for each of them. It is a formally organized entity following a process that has been deliberately designed to achieve a collective advantage. In such an alliance, the pursuit of *value* is the purpose, and *alliance* is the platform. Collaboration is the means.

While value alliances can be formed in pursuit of joint opportunity, they most often coalesce in response to a complex but common problem. Once groups get past the initial challenge of dealing with the tough issues, they begin to realize that they're not just eliminating a negative; they're also capitalizing on a positive. In collaborative terms, this simply means that when organizations come together to solve a complex problem, they may well discover that it is an opportunity in disguise.

It turns out that even bitter competitors can work together and achieve a goal that benefits all participants. Five key traits exist in every value alliance. Collaborative efforts often lack one or more of these traits, and their absence hampers the group's effectiveness from its inception. Therefore, before embarking on any formal collaboration, make sure these traits are in place:

- *Multiple interests.* While multiple interests can create tension in a value alliance, they also produce creative conflict along with a range of resources and perspectives.
- *Self interest*. Self-interest is what drives participants to work long and hard and, with multiple parties, to come up with solutions.
- *An incremental surrender of independence.* From a psychological perspective, a shift from independence to mutual dependence is necessary, or participants will engage in power politics that will destroy the alliance.
- *A free-standing governance process.* Executives operate with no strings attached (to their other companies). The executive committee makes decisions on its own and not in consultation with the participants' other employers.
- *Value that continues.* It doesn't matter whether the value alliance is temporary or permanent. Its benefits are ongoing. If it solves one problem, the value of that solution continues long after the value alliance dissolves. And permanent value alliances provide a series of solutions year after year.

The Value of a Value Alliance Today

Since the 1990s, the world has experienced a confluence of new economic forces. In this environment, people and organizations no longer have the luxury of inefficiency. No one can afford to operate slowly or at a financial disadvantage globally. With these new financial parameters, efficiency has become a matter of survival.

The problems facing organizations today have become so complex that it's unrealistic to expect any single company — even one as large and dynamic as General Electric, Wal-Mart or IBM — to solve them on its own. When affected parties collaboratively gang up on complex problems, value alliances produce superior results for at least four reasons:

1. Multiple perspectives provide a more complete picture of a problem, creating more options, synergies and solutions.
2. Trust produces efficiency.
3. Shared investment and reduced litigation help limit financial risk.
4. Speed improves when agreed-upon standards reduce friction.

A Common Pain

When people are motivated by their own problems, they often discover that they can find solutions to them by responding to the interests of others. Value alliances, therefore, exist at the intersection of self-interest and common interest. Typically, individuals become collaborators when they realize that they cannot solve a problem on their own.

While a collaboration can seek to capture an opportunity, success is most likely when the motivator for an alliance is shared pain that requires mutual action to bring about relief. Pain is the catalyst that helps people overcome their natural distrust of outsiders.

Three Types of Motivation

Common pain drives people to collaborative groups for three reasons:

- *Fear.* The calculation or feeling that the odds are too high that something unacceptable will take place.
- *Greed*. The calculation that people will make more by collaborating with others than by going it alone.
- *Touch the hand of greatness.* This phrase is used to suggest that people are motivated by being part of noble and influential undertakings.

All three of these factors may be active in the formation of any value alliance, but fear is the primary catalyst. In the business world, little motivation exists to form a value alliance when profits are high and the status quo seems likely to maintain itself. When change strikes, however, leaders feel a motivating and intuitive anxiety about growing problems or missed opportunities.

The Common Pain Index

Measuring the pain felt by essential collaborators is a litmus test of how committed the key parties will be to a shared effort. The more intense and widespread the pain, the more firm the commitment. The Common Pain Index can help you gauge pain in your organization as well as in prospective collaborators.

Assign yourself a numerical value between 1 and 10 for each of the following factors (10 being the highest pain), and then average the total:

- *Significance of the problem*. What is the impact of the problem on an enterprise's success? A problem must cause significant pain for an enterprise, or its people will not give up the independence and control that collaboration requires.
- *Dependence on others.* A problem is not particularly painful if you believe you can solve it through your own resources. Even if the pain is significant, you are going to be reluctant to cede control to others to solve it if you are confident you can handle it on your own. Leaders of enterprise need compelling reasons to cooperate with others.
- *Relative influence.* Influence is the trickiest factor in that you must assess not only the importance of your own involvement to the collaboration but that of others as well. Not all collaborators are equal. If they won't come to the table, then the pain level could be too low.

Score each participant on a scale of 1 to 10. A score of 8 to 10 indicates intense common pain; four to 7 suggests significant pain; three and below implies tolerable pain. Look at the scores as a whole, and make a determination of whether you believe this proposed alliance passes the common pain test — and be sure to factor your own score into the mix.

A Convener of Stature

At its core, a value alliance requires a convening power: someone with the stature to bring together a group of independent parties and have them work in an aligned way to create something of value. While common pain may provide the motivation for various groups to participate in a collaboration, they still need a convener of stature to capitalize on that motivation, providing credibility and cohesion.

What Makes a Convener of Stature?

Conveners of stature can have three forms: an individual, an organization, or a combination of individuals and organizations.

Combinations are sometimes necessary to secure participation from a critical mass of groups that a single convener couldn't secure alone. For instance, in his work on the Clinton Health Access Initiative, President Clinton co-convened various efforts in Africa with the administrators of local hospital districts because their stature had greater resonance in those remote areas.

At times, organizations are more effective conveners than individuals. A variety of organizational types — a company, a trade group, a community-based entity, a think tank — can use organizational structure and reputation to provide convening power to solve complex problems. For instance, a local PTA convenes leaders from various parts of the community to combat the growing problem of gang violence.

In some instances, multiple organizations can act as conveners. A few insurance companies, two hospitals, a large medical clinic, a long-term care facility and a local community health organization all helped convene a value alliance that established a more efficient way to manage patient care in their community.

Seven Essential Qualities

Conveners may have very different personalities and leadership styles and may be either individuals or organizations. Nonetheless, the most effective ones share seven traits:

1. *Trusted brand*. Prospective conveners, whether individuals or organizations, come to the task with a personal brand — a reputation that defines expectations of potential participants. For successful conveners, this brand must include fairness — the reputation for being even-handed and honest in their dealings with employees, the community, competitors and others.
2. *Relevant reach*. When conveners recognize intuitively or through investigation that their influence is too limited to get the value alliance going on their own, they may wish to partner with another convener (an individual or organization) to fill in the gaps in their influence.
3. *Adequate independence.* Those who come to a collaboration with a solution that benefits their own company far more than other collaborators will not be viewed as credible. Similarly, those who are seen

as being beholden to special interests or as having a reputation for favoring one group over another will lack the independent stature necessary to be effective conveners.

4. *Diplomatic skill.* Because the main function of conveners is to bring the right parties to the table, they must be proficient in the art of diplomacy. Perhaps most important of all, conveners must gain contingent agreements among separate parties to join the collaborative entity and then bring them together into a functional whole.
5. *Instinct for stage setting.* A sense of stage management also comes in handy for conveners in need of a dramatic demonstration of the importance of the alliance. Sometimes using a prestigious setting to make an invitation does the job.
6. *Astute perception.* Whether by intuition, instinct or a learned skill, conveners need to be perceptive of what motivates people to participate in an alliance of people or entities.
7. *Ability to apply pressure.* The convener of a value alliance sometimes needs to skillfully apply action-motivating pressure to clarify and create the reality of the common pain strong enough to make collaboration an attractive alternative.

Five Responsibilities of a Convener

Convening a group of people to create value collectively is an act of leadership. Conveners must complete the following tasks:

1. Define the problem and consequences of inaction contrasted with what the value alliance aspires to accomplish.
2. Organize a structure that furnishes the alliance with people, perspectives and an orderly method of operation.
3. Create a system of accountability.
4. Mold a culture of productivity.
5. Recognize good performance and respond to poor behavior.

Representatives of Substance

The top priority for conveners is identifying the right people and securing their participation in a value alliance. Finding the right ensemble of people — individuals with talents that blend well — is essential. We refer to participants in a value alliance as *representatives of substance.* As a group, they need to possess the collective influence in the marketplace of ideas to bring about a solution to a shared problem. We look for participants who possess at least one and ideally all three varieties of substance: authoritative, cognitive and reputational.

People with authoritative substance possess the legal capacity to make or influence decisions on behalf of their organizations. Cognitive substance involves special knowledge that is sometimes needed to understand the implications of certain alliance issues. This may include scientific understanding or a working knowledge of process. Reputational substance suggests those for whom respect is more important than likeability or collaborative intelligence. Such representatives often hold strong views that may be controversial or unique.

Observing the Representatives in Action

Sometimes substance can be an illusion. You assume a given individual possesses expertise, then discover that you're wrong. You figure that an organization has many resources that it can lend to a collaborative effort and discover that those resources are already stretched tight. Observation can play a critical role in reconfiguring the group you recruit for collaboration. For this reason, holding a preliminary meeting of representatives can provide insights that will help you determine if you need to add or subtract members to achieve the right collective substance.

Warning signs to watch for during early meetings include negativity, key functions that aren't being covered, or participants who aren't fully invested in the mission.

Committed Leadership

Indecisiveness often accompanies collaborative problem solving, and value alliances need clearly designated and committed leaders who will push, pull or cajole progress through the muddle.

Be aware that leadership does not emerge naturally within a collaborative framework. One of two scenarios generally occurs. In the first, no one steps up and takes charge; participants limit their involvement to attending meetings and carrying out definable tasks. In the second, most if not all representatives compete for control of the alliance.

The typical scenario comes closer to the first one, where people want to be in charge during meetings, but their commitment isn't necessarily strong enough to keep them involved and energized between sessions, or when the collaboration encounters roadblocks, or when their regular jobs demand their attention.

In some ways, committed leadership is even more important in value alliances than in established hierarchical organizations. As a new entity, an alliance lacks a history, culture and decision-making structure to facilitate implementation. More important, a new network is generally a collaboration among equals. Lacking a clear pecking order, networks need leaders to step forward and facilitate the decision-making process, and they require leaders who display a flexibility that may not be needed in more traditional corporate structures.

Committed leaders often need to wear a number of hats, use their influence to keep the collaboration together (at least until a problem is solved), and work very, very hard.

The Consensus Question

A value alliance is a powerful instrument for the same reason it is a fragile one — voluntary participation. If participants ever feel their best interest is served by leaving, they can and will leave. If at any point the consensus tips too far in one direction, a critical mass of participants will withdraw, and the value alliance will quickly die. Yet if committed leaders can consistently achieve consensus, they will move the alliance forward. Finding consensus is an art form that leaders must master.

Think about the collaborative environment as different from the traditional organizational one, and recognize that the role of leader changes somewhat in this environment as they try to stimulate discussion and ensure that all have been heard, rather than making decisions.

A Clearly Defined Purpose

Without a clear, well-defined purpose, collaborations fail or drift into unproductive and endless discussions. More specifically, the collaborations experience "purpose creep" — an inexorable broadening of scope that eventually makes it impossible to relieve the common pain that drew the group together in the first place or that creates lethally low morale as the collaboration struggles with overly ambitious and varied goals. Without a clearly articulated and written purpose (which will then be incorporated in the formal charter), each representative of substance may define the purpose differently. Unless the real purpose is articulated, memorialized and ratified by the participants, they will all shape it with bias toward their own parochial interests.

To use purpose so that a collaboration becomes a value alliance, you need a guide. Here are seven steps that will help you develop a purpose in a collaborative setting:

1. Begin with a problem-solving, pain-mitigating mindset.
2. Frame problems and pain judiciously.
3. Match purpose to representatives' capabilities.
4. Create the purpose through discussion and consensus (rather than brainstorming and politicking).
5. Be flexible in the type of purpose statement you create.
6. Put the purpose in writing and in participants' consciousness.
7. Have a process in place to revise or reformulate the purpose.

A Formal Charter

If participants lack common expectations about how the alliance will go about its business, they are unlikely to accomplish anything. Hence the need for a written charter. A formal charter confers official status on the group and also creates the structure necessary for productivity.

A prerequisite to writing the formal charter is developing a sufficient degree of camaraderie and purpose. Until participants relieve the tension that naturally builds at the beginning of the process, conveners, leaders and representatives of substance will find it difficult to accept a charter.

Creating a formal charter gives participants an opportunity to vent their self-interest and move forward with the greater work of the collaboration. Perhaps as much as anything else, creating and signing a formal charter provides a moral buy-in. The formal charter cements the purpose, creating a moral commitment. Charters function like a combination of bylaws and operating plan.

Here are the matters a charter must address: who the members will be, who the leaders will be or how they will be chosen, how meetings will be called, how decisions will be made, how to make financial arrangements, what time frames are relevant, who is responsible for what tasks, how members share information, what level of confidentiality is acceptable, and how to amend the charter.

The Northbound Train

People want to invest their time, money and reputation in things that will make a difference. The phrase "northbound train" is shorthand for "Decisions that matter to me are going to be made, and I need to be there. The train is headed north, and I want a seat on it."

Every value alliance has a brand in the community of interest it serves. That brand is shaped by the degree to

which people believe the alliance is a northbound train, likely to reach an important destination. At the same time, conveners and committed leaders need to recognize when that brand is being diminished in any way. What can stall, even kill momentum? In short, failure to meet expectations. Sometimes, participants can point to a particular metric — a beta test that failed, for instance. In other situations, it's less tangible — a waning of enthusiasm from both the leaders and participants.

Whatever causes this perceived stall in momentum, it robs the collaboration of energy and sense of mission, and it often spells the beginning of the end if the northbound perception isn't restored.

You can monitor your progress toward creating a northbound train through tangible and intangible means. From a tangible standpoint, assess and determine that you're receiving the resources necessary for the alliance to solve the problem it faces — resources that range from money to equipment to facilities. If your resource levels are at least adequate and at best abundant over a sustained period, then it's likely that the alliance has momentum on its side. Less tangibly, there's a clear sense of purpose and optimism surrounding the alliance. This sense of a northbound train is a hallmark of a value alliance, and it's what can sustain the collaboration over the rough patches and provide the momentum to implement its problem-solving plan.

Defining Common Ground

Defining common ground, the eighth and final element of a value alliance, is often a predictor of success. To function effectively, the parties need to develop trust in each other and the processes that govern them. Achieving trust requires an unusual degree of transparency as the parties determine the underlying assumptions, sources of information and standards upon which they will rely. Effective collaboration requires that these be part of a common information base, permitting everyone the chance to operate with the same information.

When a convener and committed leader identify common linchpin issues involving assumptions, standards, and sources and resolve them early, the chances of alliance success increase dramatically. Among other advantages, such early resolution is a strong indication that participants are willing to work collaboratively to solve problems.

Mitigating Disagreement

When an alliance cannot reach consensus or near consensus on a critical assumption, source or standard, the leader must find a way to move the alliance forward. When disagreement exists over assumptions, sources or standards, the momentum diminishes. If this lack of commonality isn't addressed, the alliance will probably topple.

Here are some techniques to regain momentum in the face of disagreement:

- *Operate on a non-consensus majority.* In the absence of consensus or near consensus, the leader can simply move forward (rather than stay mired in momentum-killing disagreement). Acknowledge the objection of dissenters, making it clear to them that the alliance can revisit the issue as new ideas or options come on the table.
- *Allow the convener or another trusted third party to decide.* In situations where the alliance is divided among multiple options, the leader can propose that the convener be asked to make a decision, thus enabling the work to go forward.
- *Put together a blended decision.* Sometimes it is possible to integrate input from differing participants to achieve acceptable assumptions, standards and sources.
- *Operate in a range.* This means that you regain momentum by agreeing to a range of acceptable standards with an understanding that a more precise decision will have to be made in the future.
- *Hold a focused session to reengineer the problem.* Sometimes, representatives disagree about an assumption, standard or source because of misunderstanding or bias. Through a facilitated discussion, people can view the problem differently and understand it better, or they can recognize how their unconscious bias is causing them to resist agreement on commonalities.
- *Strike a grand bargain.* Here, the leader's strategy is to foster agreement by finding a way to reposition an assumption, standard or source so that it makes concessions to both sides in a dispute. When each side gets something they want, it is easier for them to accept something they initially didn't want.

Collaborative Intelligence

Not everyone has a natural aptitude or appetite for collaborative problem solving. Though effective collaboration requires a skill that can be learned and improved, some people are naturally better at collaboration than others.

Alliance success is threatened when the wrong people — those lacking collaborative intelligence (CI) — participate. CI, the ability to work productively together for a common goal, is a critical ingredient for successful value alliances. If an alliance possesses a sufficiently high level of CI, it can

overcome participants' natural resistance to ceding control to an independent entity, and it can facilitate productive interactions among diverse individuals and organizations.

It's not just the capacity of one individual that matters, but the collective CI of the group. Invariably, a diverse group will possess representatives with varying degrees of CI. Therefore, your assessment of CI needs to focus on the whole rather than the parts. You need to look at the collective CI of the group and determine if it's sufficient to solve the complex problem the group has been convened to address.

This factor is key to determining if you should become involved in building or joining an alliance. Increasingly, the world is organizing itself into collaborative networks as a means of achieving competitiveness. In the future, success will be defined by the collaborative alliances you form or join. Participation in an alliance is an investment decision because it allocates your resources, including time, money and people. Not every alliance is worth your time and effort, so you need to be astute in your assessment.

What Does Collective Collaborative Intelligence Look Like?

In environments where high CI exists, people react differently to common work situations. For instance, when low-CI work groups face a crisis, failure or serious problem, people tend to react with cynicism, negativity and blaming. In a high-CI group, the typical reaction is increased productivity. This group understands that the solution to the problem resides in applying their collective knowledge and skills to help each other work toward a solution, and that means that problems or setbacks catalyze a greater output of energy and effort. Another characteristic of collectively high CI is that people share ideas and information all along the way, not just at the end. Doing so helps the group work more productively and with less friction.

Low-CI people hoard information for a number of reasons. If they're in a group with competitors, they fear what their competitors will do with the information they share. Information hoarding often prevents the group from functioning effectively.

An effective collaborative group works smoothly in the face of tension between self-interest and the interest of the group. Don't assume that when you see a gathering of high-CI individuals you're viewing an altruistic, self-sacrificing group. What's distinctive is that they are sufficiently solution-oriented that they overcome their reluctance to share information, ideas and resources with outsiders. They reach across the aisle and initiate discussions, volunteer assistance and listen receptively.

Alliance Enterprises

Value alliances are created to solve problems, so logic suggests that when a problem is solved, the need for the value alliance is gone. In some instances, the value alliance dissolves even when the problem isn't completely solved but the common pain has eased sufficiently. In other instances, it ends when the problem has changed in scope and type and requires a new value alliance. And in still other situations, the collaboration closes up shop because the problem has proved too intractable for participants to resolve.

Some value alliances, however, put down roots. We call these long-term arrangements *alliance enterprises.* People or organizations band together to ease the common pain, then recognize that the new network is better than any of them at solving a range of present and emerging problems.

Three characteristics differentiate permanent alliances from temporary ones: legal status, business model and self-perpetuation corporate governance. These characteristics don't necessarily make alliance enterprises better than value alliances, but they do make them better suited to certain groups in certain situations.

A Time for Great Collaborations

The opportunities to collaborate are numerous and multiplying, but capitalizing on them requires reliance on a structured and disciplined methodology. Collaboration is a skill or competency that can be improved with study, practice and experience. Current business environments dictate that now is the time when honing this skill is essential. Good collaboration is not a casual undertaking. It requires effort, leadership, structure, process and commitment.

RECOMMENDED READING LIST

If you liked *Finding Allies, Building Alliances*, you'll also like:

1. ***360 Degrees of Influence*** **by Harrison Monarth.** Monarth provides advice on how to gain the trust and respect of those around you and how to expand your influence well beyond your immediate environment.

2. ***Leadershift*** **by Emmanuel Gobillot.** Gobillot offers a business model that will allow leaders to engage successfully with communities, recognize and develop talent, and win customer loyalty.

3. ***Power of 2*** **by Gale Muller, Ph.D. and Rodd Wagner.** The authors detail the eight elements that prepare partners to succeed in their most important endeavors.

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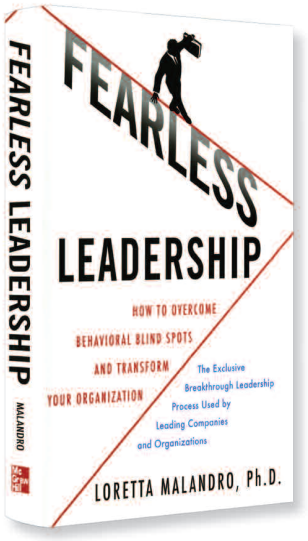
Fearless Leadership

How to Overcome Behavioral Blind Spots and Transform Your Organization



by Loretta Malandro, Ph.D.

THE SUMMARY IN BRIEF

Do you want to move your company in a new direction? *Fearless Leadership* provides you with the tools to successfully drive change, overcome obstacles, and engage and align people to achieve your business objectives.

Leadership guru Dr. Loretta Malandro has developed a groundbreaking behavior-based methodology that is used around the globe to create top-performing leaders and high-performance organizations. It is based on a simple but profound concept: In order to change your organization, you must be willing to alter your behavior and help others choose to change their behavior. This means demanding 100% accountability™ from your people — and yourself.

In today's ultra-competitive business environment, a new leadership approach is needed. *Fearless Leadership* takes readers step-by-step through the process of raising behavioral standards that directly impact the bottom line. It shows you how to act courageously when faced with uncertainty, take bold stands and engage with people in very real ways.

Too many people in leadership positions attempt to enact change through systemic means such as restructuring or altering processes. The secret to real and lasting change lies in changing behavior — how people work together. Change the level of ownership and performance of people and you will transform your organization.

IN THIS SUMMARY, YOU WILL LEARN:

- How to confront the blind spots that sabotage success.
- How to overcome the success-strangling "need to be right."
- How to build committed partnerships.
- How to gain full support and alignment.
- How to confront difficult situations head on.

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THE COMPLETE SUMMARY: **FEARLESS LEADERSHIP**

by Loretta Malandro, Ph.D.

The author: Loretta Malandro, Ph.D. is president and CEO of Malandro Communication Inc., a firm with 30 years' experience working with clients worldwide across diverse industries. The company is known for rapidly transforming organizational effectiveness and business results through high performance leaders, teams and cultures.

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For additional information on the author, go to http://www.summary.com or www.malandro.com.

Introduction

CEOs, executives and leaders want to know how to take intellectual abstraction and turn it into practical action that can be integrated into the fabric of their organizations.

By the time executives and leaders call on Malandro Communication, they are either frustrated with the slow pace of change or completely unhinged by the fact that change isn't happening at all. They tell Malandro's experts that they have tried everything but still have unaligned leaders, disengaged employees, silos and unhealthy competition. These leaders are unwilling to settle for less; they know exactly what they want: the shortest and most effective route to mobilizing people to deliver unprecedented business results.

Malandro's leadership experts identified and documented common blind spots of leaders and teams that derailed major initiatives, process and system changes, careers, and long-term organizational success. What became evident was the courage required of leaders to successfully transform their organizations. These fearless leaders confronted their blind spots, turned values into explicit behavioral standards, provided people with the tools to learn and apply new behaviors, and integrated those tools into how business was conducted on a daily basis.

PART I: IDENTIFYING BLIND SPOTS AND WHAT TRIGGERS THEM

We need fearless leaders. Not one but many. In times of chaos and uncertainty, as well as in good times, we need leaders who take a bold stand, act decisively and engage with others in an extraordinary way.

You have the power to shape the future. This is not in question. But do you have the courage to take a bold stand and transform the capacity and capability of people and an organization to achieve much more?

Fearless leadership is not a concept; it is an action. It is defined by the choices you make, how you take accountability for results and people, and how you interact with others.

Fearless Leadership: *The courage to take a bold stand, act decisively and engage with others in an extraordinary way.*

The Promise and Results of Fearless Leadership

Your business success as a leader is measured by the speed at which you produce results and bring new realities into existence. Fearless leadership provides you with the methodology and tools to unite and mobilize people to work together effectively in a way that drives change throughout the organization.

The promise of fearless leadership is fast individual and organizational transformation. You have the ability to influence change and dramatically increase engagement, alignment and business results. As a fearless leader, you have:

- The capacity to eliminate barriers that block your leadership effectiveness.
- The courage to take a stand and act decisively with renewed confidence and passion.
- The freedom to choose a new level of participation and engagement.
- The methodology and tools to transform individuals, teams and organizations.

Organizations move rapidly from an ad hoc

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Edward O'Neill**, Graphic Designer; **Chris Lauer,** Contributing Editor

management approach to building a standard process and foundation for a world-class company. People, strategies and operations come together in a simple, fast and effective manner as everyone applies a shared methodology for working together as committed partners.

"What is holding leaders and organizations back?" Transformation begins when leaders *choose* to change their behavior. The frequently misunderstood barrier to change is *behavioral blind spots* — automatic and unproductive behavior that blocks leadership effectiveness, organizational change and business results.

Behavioral Blind Spots: *Unproductive behavior that undermines business results and working relationships.*

The Blind Spots That Derail Leaders

Here is a list of the 10 most common blind spots that derail leaders:

1. Going it alone. When you go it alone, you create a high level of stress and frustration in others. While you are internally focused on what you need to do, others experience an elevated state of anxiety. Because you are not focusing externally on others, your ability to pick up cues about their needs and reactions is greatly diminished.

2. Being insensitive to your impact on others. Leaders who are insensitive to their impact on others do not have a clear understanding of how they come across. They miss completely how their choice of words, tone of voice and nonverbal behavior send a message of disapproval and dissatisfaction.

3. Having an "I know" attitude. Leaders with an "I know" attitude have an answer for everything. Others perceive them as petty tyrants, solution machines, human bulldozers and command-and-control autocrats. They leave others feeling exhausted, diminished, angry and insignificant.

4. Avoiding difficult conversations. When leaders avoid tough conversations, problems remain unresolved. Poor performance continues, less-than-acceptable products and services are produced, and morale plummets. When leaders soften the message, the other party walks away confused.

5. Blaming others or circumstances. Pointing the finger at others is much easier than taking accountability. Blame is often used as an offensive tactic to avoid defending one's position. Blame in an organization creates a volatile environment.

6. Treating commitments casually. When people cannot trust your words, they judge you as unreliable. People notice when you break a promise.

7. Conspiring against others. When you conspire against people or ideas — whether by participating or by silent endorsement — you are perceived as weak, deceitful and dishonest. Others withdraw their trust, and your credibility takes a nosedive.

8. Withholding emotional commitment. When you claim to be aligned or supportive but withhold your emotional commitment, others perceive you as disengaged and disingenuous. People know when you are not fully on board. They see it in how you behave and how you speak.

9. Not taking a stand. People lose confidence and their desire to contribute when you are indecisive and unwilling to take a stand. Without your stand, forward motion comes to a halt, and critical actions are delayed.

10. Tolerating "good enough." People are discouraged when leaders apply personal preference to leadership initiatives and ignore critical needs of the business or delegate them.

As a fearless leader, you must be willing to help individuals and teams talk openly about honest mistakes and learn from them.

The Need to Be Right

There is nothing wrong with the need to be right; it is instinctive and natural. The problem rests with our inability to recognize when we become stuck in unbending and unyielding views and do not know how to move beyond them.

The mechanism that explains the need to be right and keeps it in place is automatic listening. Automatic listening is the process of unconsciously filtering and distorting information to support your views and beliefs. From start to finish, the entire process is designed to give validity to your interpretations. It ultimately shapes how you behave and the choices you make.

Automatic listening starts in the mind as a "wonder about," such as "I wonder if I can trust Jack" or "I wonder if the company will really succeed." But early doubts pave the way for fixed thinking and harsh judgments. Since there is not enough time to do exhaustive research on every situation or person you encounter, you pay attention to trigger features — small aspects of a larger situation used to infer additional information. Trigger features are an automatic means of eliminating ambiguity, making a decision or inferring a judgment.

When you stop "wondering," you euphemistically say,

"I have made up my mind." It would be more accurate to say, "I have made up my story," because what you have done is invented your own interpretation of reality.

The automatic listening cycle is a closed loop. Once it has begun, all information and evidence are distorted to support your beliefs. The cycle is self-fulfilling — you get what you believe. If you do not intervene and break the cycle, it gains momentum and rigidity over time.

How Assumptions Become the Truth

Automatic listening starts the moment you notice a trigger feature — a single point of data — and make assumptions. In the mind, assumptions are treated as the truth, and they gather steam as you gather evidence.

Your automatic listening prevents you from seeing any other interpretation, and your freedom to invent the future is gone.

Fearless leadership provides you with the road map for gaining immediate access to transformation. When you can truly understand how others experience your behavior, without defending or judging, you then have the ability to produce a breakthrough in your leadership and team. Everything starts with your self-awareness. You cannot take charge without taking accountability, and you cannot take accountability without understanding how to avoid it.

As a fearless leader, you must learn how to bring compassion and understanding when you and others are stuck in your point of view. We must understand that the need to be right is automatic and learn how to recover quickly when it occurs.

Victim Mentality and Playing Small

Fearless leadership begins when you choose to *play big* — without limits on what is possible — despite difficult or challenging circumstances. When you play big, your behavior is consistent with your values and beliefs; you throw your hat in the ring and fully engage.

However, even with your zest and commitment, you will fall into automatic behaviors that keep you playing small.

Defining Your Personal Context

The first step in transformation is to move beyond denial. When you are in denial, the problem will either not appear on your radar or will appear as the fault of others or circumstances. With this limited view, you lose the ability to act, and you are left only with the ability to react. Denial not only impacts decision-makers, but it also slows the organization to a snail's pace. But when you acknowledge that there is a problem and that you are part of the problem, you can take action.

In order to play big, you must (1) move beyond denial; and (2) expand your personal context or framework for how you relate to yourself, others and your company. Here's what is essential to understand:

1. You have a personal context — a framework of thinking and beliefs — that defines whether you play big or small and determines your capacity to succeed.
2. You vacillate between playing small and playing big depending on how you interpret a given situation.
3. Your personal context shrinks when you are willing to confront your blind spots, your need to be right and your victim mentality.

Providing the Organizational Context

As a leader, you provide organizational context every time you speak about the purpose of the organization and what you want to achieve.

Similarly, your personal context is the framework for how *you* relate to the organization, other leaders and colleagues. A small personal context limits you, while a big context gives you access to a new domain of thinking and the power to break down barriers and shape the future.

Taken together, organizational and personal context define the potential of the enterprise to excel by powerfully connecting people to its strategic objectives. Your challenge is to ensure that organizational and personal context converge so that people are emotionally engaged and act with urgency to achieve the mission of the organization.

How Resignation Creeps In

Playing small occurs when resignation sets in and you believe that the status quo — people, circumstances, or the organization — is more fixed than it actually is.

When you become resigned you continue to work hard, but your personal context shrinks; the game becomes smaller; and you lose interest, heart and enthusiasm. To the outside world, you are still highly committed, but *you* feel the difference.

The Victim Triangle

Victim mentality and resignation go hand in hand. When you become resigned, you inadvertently adopt victim thinking and behaviors that lead to viewing others as the opponents. Because victims see others as adversaries, they feel as if outside agents or forces control their actions and their future.

Victim mentality is based on three interdependent roles: the persecutor (the person or circumstance you are blaming), co-conspirators (people who agree with you and your point of view) and the victim who has been unjustly wronged.

The roles constantly change in the victim triangle, and you may find yourself in any one of the three roles in different situations. There is a fourth role that takes you outside of the victim triangle: the role of a fearless leader. The victim triangle is sustained by being right and not taking accountability, but when you add fearless leadership, the cycle is broken and victim mentality cannot endure.

The salient point to bear in mind is that a victim triangle can form in an instant, creating silos and "enemies" where there should be none. Any group or individual can unwittingly become the persecutor, victim or co-conspirator. That of course, leads to resignation and the loss of focused and aligned people. This jump is automatic and seriously damages the ability of the organization to perform.

PART II: TAKING A STAND AND TRANSFORMING YOUR ORGANIZATION

Fearless leadership is not the absence of fear. It is the courage to confront fear and solve problems from a radically new direction.

Think of your behavior as fitting into one of two categories: moving toward generating something or moving away from discomfort and fear. Avoidance takes considerably more energy than creating a new reality.

Consider the amount of time you spend worrying or thinking about a sensitive conversation, a difficult person, a potential conflict, a tough decision, misalignment of leaders or an unresolved situation. It takes a substantial investment of energy to defend, be right and avoid — much more than is required to step into your discomfort, take a bold stand and act decisively. When you change your direction, you change what is possible for you and others.

The Price of Admission: Five Requirements to Becoming a Fearless Leader

Fearless leadership is a big game; it has a higher purpose and operates with a different set of rules. The price of admission is based on five choices only you can make:

1. Take *100% accountability* and act as an owner.
2. Take a *bold stand* and act decisively.
3. Be *courageous* and openly discuss your blind spots.
4. Build *committed partnerships* to achieve business results.
5. Be *unreasonable* and make the tough calls.

How to Take a Bold and Compelling Stand

When you take a stand, you commit yourself emotionally and intellectually, and you ask others to learn with you so that together you can achieve the business objective. People want a challenge, and they need new tools and skills for expanding their capacity. People enthusiastically engage when they discover that they have the power to make a difference. When you provide people with the tools to learn how to work effectively together and quickly eliminate barriers, they will surprise you with their results.

To gain a fuller understanding of what it means to take a bold stand, let's break down the elements for uniting and aligning people to take productive action. The primary elements are these:

- Be open and talk about blind spots.
- Call for committed partnerships first and engage people emotionally and intellectually.
- Focus the committed partnerships on your mission-critical objectives.
- Learn how to be a committed partner and ask others to do the same.
- Leave them with an inspired vision of the future.

Standing for the Success of Each Other

To raise the level of performance, you must foster an environment in which aligned leaders and engaged people are bursting with enthusiasm to help the organization excel. For this, you need *committed partnerships*: people who act as owners and stand for the success of each other and the organization.

The causal chain is clear: It is the relationships that people have with one another and the organization that drive business results and make system and process changes viable. The success of your organization or team depends on the willingness of people to change their behavior and expand their capacity to work together in a focused and disciplined partnership.

It is troubling that most business-as-usual associations are relationships of convenience or unstable alliances in which people work together only when absolutely required. These traditional relationships, for the most part, are politically motivated or pursued for reasons of

personal gain. What is disturbing is that they are pervasive throughout organizations and representative of the low quality of relationships. The debilitating downside is that most businesses operate with an inherently defective platform for aligning and mobilizing the very faction that determines what the organization can achieve: people.

Without committed partnerships throughout your organization, you cannot achieve the interconnection and synergy needed among people, strategy and operations. But when you provide people with a disciplined methodology for working together, they will successfully navigate any challenges and achieve the objectives of the company.

Committed Partnerships: *Standing for the success of each other both privately and publicly.*

Because relationships are in a constant state of flux, often vacillating between breakdown and recovery, leaders must have the ability to talk about concerns and fully resolve them so they are not carried into the future. Decision-making and alignment must be effective and swift so that flawless execution is ensured.

The Five Agreements of Committed Partners

There are five agreements that committed partners align on and use daily to hold each other accountable:

1. We stand for the success of each other both publicly and privately.
2. We honor and fulfill commitments.
3. We talk straight responsibly.
4. We align emotionally and intellectually.
5. We hold each other accountable.

Committed partners agree to stand for the success of each other in all conversations — one-on-one, in meetings and electronically. They master specific skills for strengthening the working relationship: conspiring *for* each other, listening for positive intention, and cleaning up and recovering quickly when breakdowns occur. ●

Honoring and Fulfilling Commitments

In a culture of 100% accountability, there are only authentic commitments. Committed partners either commit or do not. "Yes" is a clear and unconditional statement with no strings attached. In this type of culture, committing is not a weak promise; it is a high-performance action. When people commit in a high-performance culture, others take the commitments seriously and respond with full support.

Honoring Your Commitments: *Doing what you say you will do and communicating responsibly when you don't.*

Committed partners learn to quickly recognize casual, slippery or pie-in-the-sky promises. In their place, such partners insist on authentic commitments without conditions or an escape hatch. They ensure that commitments have clear actions and deadlines and a responsible way to revoke them, when appropriate.

Let's start by defining what a commitment is in a high- performance culture. A commitment is an action designed to turn ideas into reality. It is a clear stand to deliver a specific result within an agreed-upon time frame, regardless of unforeseen circumstances or challenges. Manage commitments and you manage results.

One of the reasons people do not commit is that they are worried about failing. This is another example of backward thinking: In order to bring a new reality into existence, *you must first commit.* A commitment is a stand and an action in high performance. It is not elusive and vague. Commit first and then work out the complete plan on how to fulfill your commitment. A commitment — big or small — sets new thinking and behavior in action. For example, if you commit to your team that you will be on time to meetings, and you authentically communicate this, you have taken an action. You have publicly declared your intent and stand, and your committed partners will support you and hold you accountable.

In a culture of 100% accountability, commitment drives results and circumstances do not get in the way. An authentic commitment means, "We will deliver in spite of challenging and tough circumstances." So-called good reasons and excuses are not used to avoid fulfilling a commitment. ●

Talking Straight Responsibly

Talking straight responsibly in precise terms is being emotionally honest and communicating responsibly as soon as you recognize there is an unresolved issue. There are two criteria for measuring your success:

1. Your communication advances the business objective.
2. Your communication strengthens the relationship with the individual or team.

Talking straight responsibly is a learned skill that demands a high level of accountability and trust. Not only are you accountable for the content of your message, but you are also accountable for its emotional impact. If you are saying to yourself, "How people react to what I say is beyond my control," remember that you are accountable for making sure your message is under-

stood in the way in which you intend it. Of course, you cannot control how people react, but you can make an extra effort to ensure that you are doing everything possible so that your message paves the way for a more effective partnership.

Be Willing to Be Uncomfortable

Your discomfort is not an acceptable excuse for avoiding what needs to be said. Your mission is not to eliminate your discomfort but rather to increase your comfort with being uncomfortable. This is another marker of fearless leadership — the ability to persevere even when a situation is unpleasant or disquieting. At all times you must remember that fearless leadership is not the absence of fear or discomfort; it is doing what needs to be done in spite of these feelings.

When you leave communication to chance, you are saying, "I am not accountable for the accuracy, precision and impact of my message." People need to know where you stand and how you feel. The question that must be answered is this: "*Are you willing to talk straight responsibly even when you are uncomfortable?*"

Be Emotionally Honest

Leaders who talk straight responsibly leave nothing to interpretation. They know that saying something or writing it in an e-mail does not mean that others heard or understood their message. You must act as the responsible agent for how others respond to your communication. Everything you communicate must be consistent with your agreements as committed partners and with your stand for the success of one another. ●

Aligning Emotionally and Intellectually

If you rely on group agreement, you will be disappointed. Agreement is fleeting. Its temporary nature leaves you with unsustainable action and the half measure of compromise. But with authentic alignment you gain sustainable commitment and coordinated action even when people do not agree.

Authentic alignment is an indispensable leadership behavior that requires teams to learn how to interact in a new way where they set aside their personal preferences, political agendas and pet projects. These teams innovate and discover solutions without compromising the quality of decisions to appease dissenting group members.

In the alignment process, committed partners fully dialogue for the purpose of supporting the decision both emotionally and intellectually, as if they authored it themselves. They agree to (1) dialogue responsibly without holding anything back; (2) support the decision emotionally and intellectually, both privately and publicly; and (3) communicate immediately to the appropriate person if they discover they are no longer aligned. Leaders are committed to sustaining alignment and are quick to take action the moment they realize they are off track.

Authentic Alignment: *Setting aside your personal preference to support the decision from an enterprise perspective — emotionally and intellectually — as if you authored it yourself.*

Authentic alignment is an extraordinary behavior that harnesses the power of people — their energy, passion and vitality — and focuses it where it belongs: on business objectives. When alignment is used as a technique where people agree but do not emotionally and intellectually commit, it is ineffective. This false sense of alignment lacks the glue for sustainability.

Strengthen Relationships

High-performance teams learn how to constructively intervene and keep the group on track while simultaneously strengthening relationships. They are imperfect but committed teams who never stop learning and practicing. ●

Holding Each Other Accountable

A culture of 100% accountability is a self-correcting environment in which leaders at all levels actively coach one another and intervene in unproductive behavior. They accept nothing less than what an individual or team is capable of achieving. They hold people up to high standards of behavior instead of focusing on their limitations.

In a high-performance culture, holding one another accountable is an essential behavior to help others excel. By calling for the best in performance, committed partners transcend perceived limitations and go beyond past successes. When people are motivated by this greater purpose of being the best, barriers dissolve quickly and people energetically push one another to achieve more.

High-performance teams, like any other teams, become trapped in automatic behaviors. The difference is the speed at which they recover.

Holding each other accountable is a high-level skill that committed partners master through practice. It is the final agreement of committed partners and is by far the most challenging because of our fear that we will make things worse instead of better. ●

100% Accountability: A New Canvas on Which to Paint the Future

The following actions do not require the approval or agreement of others. They are within your power and sphere of influence:

1. **Make a purposeful choice to play big.** You have two choices in front of you: You can choose to play big and expand your purpose so you can *be* more, which is the key to achieving more, or you can choose to play small and sacrifice the ability to shape the future.

When you act as an owner and take a bold stand and decisive action, the future alters. You behave differently, you make different choices and your actions create a ripple effect in the organization.

When you choose to play big, the behaviors with which you meet your challenges are taking 100% accountability, regardless of what others choose, working together as committed partners, and taking a bold stand and acting decisively.

Stop wishing for others to change and transform yourself.

Fearless leadership is a transformational methodology for excelling and achieving results. You can apply it to a team, business group or the entire organization.

2. **Elevate the context and engage others at the highest level.** One of the most powerful tools for engaging people is a compelling context that captures both hearts and minds. Every time you speak to a group or an individual, you have an opportunity to provide them with a framework that powerfully connects them to the larger purpose.

Context determines how people perceive reality. Context defines focus, meaning, purpose and direction, and it defines what people observe, act upon and produce.

When you provide only an intellectual context, you will engage some people but lose the majority. However, when you provide an emotional and intellectual context, people are inspired to act.

3. **Learn together and step into greatness.** When people learn how to be committed partners, they discover a new way to communicate with one another that they did not have access to before. This is far more impactful than leaders realize. When people discover that they have the power to influence others and shape the future, they apply new skills and behavior to all areas of their lives — at work and at home. The positive results they produce drive them to learn and achieve more. The new behaviors become embedded because people make a *life choice* to change their behavior. This crossover between work life and personal life is a powerful testimony to what people want and need: a way to be more effective in all areas of their lives.
4. **Build networks of committed partnerships everywhere.** Does your group or business unit have committed partnerships with both your internal and external customers? If this is something you believe will add value to the bottom line, then start by building committed partnerships within your group. Everyone must operate with the same methodologies and skill sets.

When your group genuinely accepts ownership of the problem or breakdown, you are ready to engage with the customer group. Being a fearless leader lets you think big and build committed partnerships with customers, the community and other stakeholders.

5. **Measure your success.** Teams and individuals often lose sight of how radically they have changed their behavior unless they measure their progress and record their breakthroughs. Record team breakthroughs so that everyone can see how their behavior directly impacts business results.

Your New Canvas

As a fearless leader, you must be proactive and continually ask questions that expand your scope of vision: What am I not seeing? What opportunities and possibilities are right in front of me? What can I learn from this breakdown or situation?

What is right in front of you, which is often missed, is the fact that you have the choice and capacity to play big at any time. You have the ability to transform yourself and move people and the organization to a higher level of effectiveness. Your willingness to be relentless in changing your behavior and modeling how leaders are expected to behave is your ticket to success.

Be fearless and lead the way for others. The footstep of one person creates a path for everyone. ●

RECOMMENDED READING LIST

If you liked *Fearless Leadership*, you'll also like:

1. ***Open Leadership*** **by Charlene Li.** Li offers the next-step resource that shows leaders how to tap into the power of the social technology revolution and use social media to be "open" while maintaining control.
2. ***Leading Outside the Lines*** **by Jon R. Katzenbach and Zia Khan.** The authors explore the modern workplace and how to handle the formal and informal factions that combine in the office.
3. ***The Truth About Leadership*** **by James Kouzes and Barry Posner.** This summary examines 10 time-tested fundamental truths about leadership and becoming an effective leader.

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Featured Book Review

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How to Lead Change Effectively

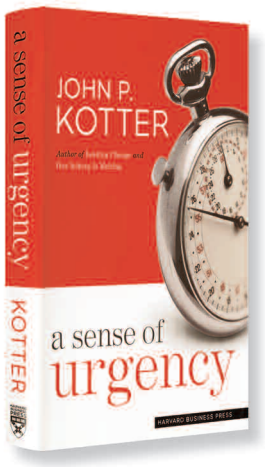
Review by Tom Moore

A SENSE OF URGENCY

by John P. Kotter

Harvard Business Press, ©2008
196 pages, $22.00 (ISBN 978-1-4221-7971-0)

"The only constant is change, continuing change, inevitable change," opined science fiction writer Isaac Asimov. Although this quotation often is invoked in outright capitulation to the convulsive forces sweeping through our economic, social and political worlds, it has profound implications for every organization. For it is our response to change — and not change itself — that determines our future. Either we can choose to react to change and play the victim or we can respond to change in a purposeful and effective manner.



John P. Kotter, widely regarded as one of the world's foremost authorities on leadership and change management, in his provocative new work, *A Sense of Urgency*, clearly prefers the proactive approach and compellingly urges us to follow suit. Not only does his meticulous analysis demystify the origin and impact of change, it offers a road map for how we can successfully navigate the shifting currents of change. But he takes us beyond simply crafting a timely and appropriate response to change; he provides the tools and techniques to initiate that change. Embracing the "if it ain't broke, break it" school of thought, he fervently believes that the best organizations are those that drive constant and profound change.

His insightful analysis, based on years of research involving hundreds of companies, demonstrates that attachment to the status quo is a silent but deadly killer. He introduces this research, brought to life with real-world case studies, using pinpoint accuracy and laser-like intensity to demonstrate how ideas and necessary change elements stall, and how atrophy afflicts organizations of all shapes and sizes. In so doing, he holds up a mirror to painfully reveal our own attachment to these shortcomings.

It doesn't have to be this way, according to Kotter, who in his professorial style shakes us by our lapels and snaps us from our doldrums with a provocative program to instill a sense of urgency in all that we do. Properly led, organizations — and the people who work in them — come alive and respond with clarity, creativity, energy and engagement when faced with challenges as pedestrian as installing a new information technology system or as formidable as exploring an acquisition or reorganization.

The underlying theme that runs throughout *A Sense of Urgency* is that these responses can — and should — be programmed. What's missing, he argues, and is needed in almost all organizations today is a real sense of urgency — an intentional attitude that leads people to view change as an opportunity and to seize the initiative while avoiding the inevitable hazards along the way.

Listening to a Favorite Professor

If all this sounds familiar, it's because it is. Creating this sense of urgency is the first step in Kotter's eight-step process for implementing successful transformations, which he first articulated in one of his earlier books, *Leading Change*. Other steps he advanced were to form a guiding team, to orchestrate visions and strategies, to communicate effectively, to empower committed individuals, to achieve short-term wins that pave the way for even greater progress, to relentlessly pursue the

> "All too often, people get caught up in the activity ... assuming that it represents true urgency, only to encounter problems and setbacks that are distracting at best and destructive at worst."

vision while, at the same time, fighting complacency; and to institutionalize change in the corporate culture.

Leading Change was based on the analysis of about 100 efforts in organizations to produce large-scale change. Incredibly, Kotter found that in more than two-thirds of the situations where substantial changes were clearly needed, the change efforts failed. He also found that in about 10 percent of the cases, people achieved more than would have been thought possible. He followed that seminal treatise with *Our Iceberg Is Melting*, a business parable that dealt with organizational change from the fun and refreshing perspective of a penguin colony.

But Kotter's absorption with change is no laughing matter. He has discovered that not only was increasing urgency the toughest of the eight steps to implement, it lacked the comprehensive treatment needed to drive fundamental change. Thus, Kotter revisited this seemingly narrow issue — shoring up central tenets and management practices that ensure its vital importance in today's fast-moving, turbulent era.

Yet, while Kotter infuses *A Sense of Urgency* with all the intellectual gravity of a graduate level business course, take comfort in the fact that it comes across in such a fashion as if we were listening to a series of lectures from one of our favorite professors who knows how to get a message across in a memorable and effective way. The narrative forces us to pause frequently as we unpack Kotter's findings, pose questions of ourselves and our organization and challenge our individual status quos. But just as quickly as the able-minded professor sends us off into the wilderness of self-analysis, he ropes us back in with his insightful program. Whether by design or default, Kotter has created a companion on our change journey.

The Evil Enemies of Urgency

Kotter sets the stage for his analysis with a compelling, if haunting, review of complacency and false urgency — what he terms the greatest barriers to creating a sense of urgency and progress. Compelling in the sense that if these evils are not eradicated from our companies, they become a cancer that consumes our potential. Haunting in the sense that through the judicious deployment of examples from his research, Kotter forces us to confront our often ineffective effort to keep these attributes at bay.

The dictionary defines complacency as "a feeling of contentment of self-satisfaction, especially when coupled with an unawareness of danger or trouble." For Kotter, two words in that definition emerge especially important. The first is *feeling*. In other words, people usually treat complacency as a state of mind that can be changed solely with "the cold, hard facts." The second key word is *self*. Complacency is a feeling that a person has about his or her behavior, about what needs to be done or not done. Properly diagnosing complacency and overcoming it becomes essential for any change initiative.

A more insidious deterrent to change is false urgency, according to Kotter. While complacency embraces the status quo, false urgency often is disguised as a flurry of frenetic activity and "drop-everything" tasks, both of which threaten to undermine legitimate performance and progress.

The problem is confusing false urgency as real urgency. All too often, people get caught up in the activity (running from meeting to meeting, endless PowerPoint presentations, long to-do lists) assuming that it represents true urgency, only to encounter problems and setbacks that are distracting at best and destructive at worst. *A Sense of Urgency* is designed to guide us in recognizing false urgency and complacency and, by so doing, to transform each into a true sense of urgency and, ultimately, value for the organization.

Why Kotter's obsession with urgency? His answer is simple: because change is shifting from episodic to continuous and he wants to ensure that organizations adopt a proactive mindset that equips them for excellence. "With episodic change, there is one big issue, such as making and integrating the largest acquisition in a firm's history," he writes. "With continuous change, some combination of acquisitions, new strategies, big IT projects, reorganizations, and the like comes at you in an almost ceaseless flow. With episodic change, the challenge of creating a sufficient sense of urgency comes in occasional spurts. With continuous change, creating and sustaining a sufficient sense of urgency are always a necessity."

From the Outside Looking In

A Sense of Urgency provides a precise road map to counteract the twin enemies of complacency and false urgency that, if followed diligently, will bring purpose, direction and improvement to any company.

The first step is to train our organizations to look through the opposite end of the telescope. Kotter

rightfully believes that underperforming, reactive organizations tend to spend too much time navel gazing. In so doing, they lose sight of both the threats and opportunities that exist in the outside world. They get lost in the internal processes without fully grasping how these translate in the real world.

"An inwardly focused organization inevitably misses new opportunities and hazards coming from competitors, customers, or changes in the regulatory environment," Kotter explains, using his enviable logical prose. "When you don't see opportunities or hazards, your sense of urgency drops. With less urgency, you are even less inclined to look outside for the new possibilities and problems. Complacency grows."

If, on the other hand, we vigilantly scan the horizon in search of any potential problems that could change the way we do business or we expose ourselves to best practices that could enhance the way we do business, we overcome complacency by infusing a sense of purpose and urgency into our culture. The attitude of being open to a world of exciting, new possibilities (as opposed to rejecting them with "not invented here" condescension) not only helps to enhance job satisfaction, performance and security, it helps us to create a call to action, even in enterprises that have been totally content with the status quo.

Again, Kotter offers a prescription to dissolve the barriers that typically exist between the inside and the outside of an organization. These include listening to the junior level associates who often have the most interaction with the customer; using the power of video to bring important issues alive; sharing news — good and bad — with all members of the organization; sending people out as scouts to gather intelligence; and bringing key customers, prospects, new hires and information into the organization.

Aligning Words and Actions

The context of what we say — when, how and where we speak — is even more important. Do meetings start on time? How are alternative viewpoints received? What actions take priority?

Kotter decouples the attributes of speed and urgency. Behaving urgently "does not mean constantly running around, screaming 'faster, faster,'" he writes. Not only does that create additional stress, it ultimately leads to frustration when initiatives aren't accomplished on time. "People who fail to understand the basics — a faster-moving world, the need for more urgency — fall into this false-urgency trap far too often," according to Kotter.

Rather, successful organizations in Kotter's research separate accomplishments from activity. They adopt what he terms "urgent patience," an almost Zen-like attitude of working each day with purpose and intentionality on important goals (as opposed to busywork) but having a realistic view of time.

Setting the Floor on Fire

Kotter's research reveals that most people hold one of two perspectives on the nature of crisis. The first group, which he says is by far the larger, takes on a victim mentality. People in this group view crises as harmful, even malicious events that can hurt people and cause devastating damage to an organization or a community. So pervasive can be this damage that whole industries and management theorems have been established to mitigate the effects of crisis.

> "Properly understood and managed, any crisis forces us to re-evaluate our current practices and make improvements that ... may actually be necessary to succeed in an increasingly changing world."

However, a more effective response — and one employed by the most effective change agents — is to look beyond the crisis to discover potential opportunity. "They don't panic and make the situation worse," according to Kotter. "They don't automatically go into crisis management mode and hand the reins over to damage control experts. They take carefully considered action to convert initial anxiety and anger into a determination to act now and win."

Kotter describes this perspective with the vivid metaphor of a "burning platform." In this perspective, a crisis should not be viewed as evil. In fact, properly understood and managed, any crisis forces us to re-evaluate our current practices and make improvements that, under certain conditions, may actually be necessary to succeed in an increasingly changing world. Complacent organizations are seen to be the real danger, and even people who are most solidly content with the status quo will begin to act differently if a fire starts on the floor beneath their feet.

Using the inherent logic of the burning platform, if the platform doesn't catch fire, we should torch it ourselves, says Kotter. That way we spark a sense of urgency within our teams. This can be accomplished through a number of efforts, such as setting goals that cannot be reached using business as usual, proactively taking the pulse of customers and prospects, listening to customer-facing employees, and looking beyond the corporate walls.

Deal With Naysayers

Although Kotter peppers his book with real-world examples to help create an emotional link with the reader, NoNo, a fictionalized character introduced in *Our Iceberg Is Melting*, makes a return appearance in *A Sense of Urgency* to drive home another of Kotter's tenets. NoNo represents those people whose reaction to any new idea is "No, no, you see …" Although endearing, the character embodies all the characteristics of employees who undermine progress and discredit people who are trying to make improvements.

To sidestep the toxic environment left in the wake of NoNos, Kotter recommends three effective solutions: actively distracting these distracters, expelling them from the organization and exposing their behavior in ways that allow natural organizational forces to reduce or stop it.

An Appeal to Emotion

What makes Kotter's prescription so compelling is that in developing a strategy to combat the malicious undercurrents of complacency and false urgency, *A Sense of Urgency* aims not just at the head but also at the heart. He provides countless strategies and tactics — validated through his casework — for making an emotional connection that creates a sense of urgency and energizes employees, including sharing good and bad news, eliminating time-consuming meetings, and empowering our people. Kotter's program helps to inoculate businesses against many of the common diseases that consume many a business such as the allure of interesting but unimportant issues, a lack of execution, turf wars, time-consuming activities, and irrelevant goals.

"Mindless emotion is not the point," he writes. "Generally, the challenge is to fold a rational case directed toward the mind into an experience that is very much aimed at the heart. The winning strategy combines analytically sound, ambitious, but logical goals with methods that help people experience new, often very ambitious goals, as exciting, meaningful, and uplifting — creating a deeply felt determination to move, make it happen, and win, now."

"Thanks in no small measure to Kotter's groundbreaking work, we can understand that although urgency is an important motivator for change and improvement, it does not, and cannot, remain strong without conscious effort."

Properly conveyed, these emotional connections lead us to set and achieve higher goals, to challenge the status quo and to work beyond our comfort zones. Ultimately, we chafe at the gap that exists between where we want to be (our potential and our possibilities) and where we are, and we are compelled to act.

Thanks in no small measure to Kotter's groundbreaking work, we can understand that although urgency is an important motivator for change and improvement, it does not, and cannot, remain strong without conscious effort.

In other words, rare are those organizations that have successfully ingrained it in their culture. Natural forces tend to push us toward stability and contentment. "The basic pattern is simple," Kotter writes. "Urgency leads to success leads to complacency."

Armed with his insights, our job is to break that cycle and to sustain a strong sense of urgency over time and realize the potential to become a high-performance machine, where results go from good to great and beyond. What are we waiting for? ●

The author: John P. Kotter, the Konosuke Matsushita Professor of Leadership, Emeritus, at Harvard Business School, is the author of the international bestseller *Leading Change*, which outlines an actionable eight-step process for implementing successful change efforts, and *Our Iceberg Is Melting*, a business parable based on the same principles. He has written 16 previous books, 12 of which have been business bestsellers and six of which have won awards or honors. These books have been published in more than 100 foreign-language editions.

He is also the author of several articles in the *Harvard Business Review*. A graduate of MIT and Harvard, he joined the Harvard Business School faculty in 1972. In October 2001, *Business Week* magazine named Kotter the top "leadership guru" in America.

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How Ups and Downs Move Us Forward

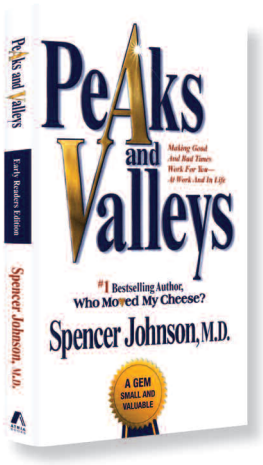
by Chris Lauer

PEAKS AND VALLEYS: MAKING GOOD AND BAD TIMES WORK FOR YOU — AT WORK AND IN LIFE

by Spencer Johnson, M.D.

© 2009, Atria Books, $19.95, 103 pages, ISBN 978-1-4391-0325-8

Business fables are more than simple fairy tales placed in a business setting. While both genres are fictitious, imaginative and entertaining, the element that separates the two is the extent of their link to reality.



A good fairy tale gracefully removes readers from reality by exploring magical realms where anything is possible, even the unbelievable. But a good business fable serves a completely different purpose. Instead of taking its readers away from reality, it helps them to get closer to it through a smart story that connects them to the deeper meanings that real-life stories can sometimes miss because of the specificity of their details. The best of these fables leave us with relevant wisdom we can apply directly to our organizations, our careers and our lives. In his latest book, *Peaks and Valleys*, best-selling author Spencer Johnson shows readers what a great business fable can do by providing volumes of wisdom in a short story that fills just 101 pages.

Business fables have been around for many years, helping people focus their skills and ideas so they can become more successful in their organizations. There was a time when publishers wondered whether business fables would ever grow beyond a niche and move into the mainstream of the business book market. Johnson is one of the authors who settled all doubts about the validity of the business fable as a bestseller.

Johnson co-authored *Who Moved My Cheese?* with Ken Blanchard. In that book — perhaps the world's most widely read book on change — the authors use fictional people and mice in a maze to demonstrate how we can all improve the ways we cope with life's inevitable changes.

Who Moved My Cheese? also helped millions of readers realize just how valuable a good business fable can be to those seeking an entertaining way to learn strategies to excel personally and professionally rather than reading case studies and best practices in non-fiction business books.

Proliferation of Business Fables

After the success of *Who Moved My Cheese?* dozens of other writers began dabbling in business fables to transmit their own business acumen to the world. Many of these fables have become valuable learning tools because their general tales about business struggles and successes allow them to transcend specific circumstances so they can be applied to innumerable situations.

For example, one author whose books have become bestsellers because of his succinct business fables is consultant Patrick Lencioni. His many books, such as *Silos, Politics, and Turf Wars; Death by Meeting; The Three Signs of a Miserable Job*; and *The Five Dysfunctions of a Team*, have all helped businesspeople understand their work and their lives better by presenting fictitious char-

acters who deal with very real organizational issues. The lessons they pass on transcend the fictitious nature of their stories and help real people in the real world improve their professional work and their personal lives.

Lencioni is only one of dozens of writers who have turned to the business fable as a way to help them share their unique ideas. Although several other book authors have made successful careers out of writing business fables, Johnson remains one of the most respected authors and self-help gurus in the world because he has mastered the art of writing business fables that tell important stories using fictitious characters whose make-believe adventures reflect the journeys that many people take through the real business world.

A Story Within a Story

In *Peaks and Valleys*, Johnson tells the story of a man who is looking for help during a tough time in his work and life. In a small café, he meets a friend of a friend who has had similar experiences, but she is now in a better spot because she found a useful, new philosophy. She tells him how she was once at the top of the world, but she soon found herself losing steam when her team at work began to become complacent after recent successes. When the stress at work became too much, she found an antidote to her doldrums in the form of a story she was told by someone who helped her solve many of her problems. She then tells that story to her new acquaintance.

The story she tells fills *Peaks and Valleys* with a parable about a young man in a valley who seeks a better way to live and work. To improve his position and gain a better perspective, he ventures to the top of a nearby mountain that looms above his valley. After some struggles, he finds himself at the top. Not surprisingly, he finds a wise man living there. As they talk, the old man shares some sage wisdom with the young man that he can take back into the valley to improve his work and life. The old man calls his way of thinking his "Peaks and Valleys philosophy."

After the young man returns to the valley, the old man's advice works for a little while, but the young man finds himself losing ground once again, so he climbs back up the mountain for a refresher course in the old man's philosophy. During both trips, the old man on the mountain, who is a peaceful and successful businessman who has had his own ups and downs in life and business, helps the young man develop a better way to deal with the peaks and valleys he finds in his life. The old man plays the role of sage to his younger counterpart.

The Universal Principles Are Basic

Johnson's story within a story breaks down the complexities of business and personal life into a parable that offers many principles that are universal in their application. While some might say they are too simple or abstract for the highly complex digital age of the 21st century, critics need only look at the list of salient points that Johnson encapsulates throughout his book to understand that these universal truths are important, yet so basic that they are often forgotten in the whirlwind of daily life. The simple reminders Johnson provides about what is important and how to get from a low spot to a higher spot, and how to stay at a higher spot for longer, are wonderful remedies to the complicated information overload we often experience during the daily business grind.

"Part Buddhist master, part shaman and part business guru, Johnson uses his simple tale to distill daily and corporate life into a straightforward business treatise, offering all readers a basic philosophy that can help them both personally and professionally."

Part Buddhist master, part shaman and part business guru, Johnson uses his simple tale to distill daily and corporate life into a straightforward business treatise, offering all readers a basic philosophy that can help them both personally and professionally.

Johnson's message transcends the parable in which it is contained because the circumstances faced by his characters are as real as any difficulties we experience in our own lives. By showing how our perceptions of situations influence the duration of our good times and our difficult times, Johnson helps readers deal with the challenges they face at work and at home. The stories he reveals demonstrate how a longer-range perspective can improve both work and life by making them more peaceful and productive.

Arrogance Pushes Us Off the Peaks

In a recent interview with Jerome Ritchey on Studio 10 TV in St. Petersburg, Fla., Johnson explained several of the pieces of wisdom that he develops in *Peaks and Valleys*. One of them is the idea that "arrogance, masquerading as confidence" can be one of the reasons why somebody on a peak loses his or her place, only to sink back down into a valley. Similarly, he explained, the inverse is just as profound. The reason why people get stuck in valleys for too long is because

of fear, which can feel like comfort to the valley dweller and keep him or her down longer than necessary.

During the interview, Johnson said, "All of us have ups and downs. But if we realize that arrogance takes us off the peaks, we'll stay humble. We'll be grateful. We'll not spend all of our money. We'll look at the truth. We won't become self-centered. That's a mistake that many of us make when we're on a peak, and we pay a big price for it because we create more of our valleys than we think.

"We've been raised to think peaks and valleys happen to us, but it's the mistakes you make on a peak that create your valleys, and it's the wise things you do in a valley that take you to your next peak," Johnson continued. "And fear immobilizes you. Fear is not realistic."

Fear Keeps Us in the Valleys

Johnson admits that some fear can be useful because it helps us remain awake and aware, but it can be harmful when it keeps us from seeing the truth in a situation that can take us out of a difficult time.

Johnson's book is not the first to tackle the impact of fear in the pursuit of excellence. There have been other titles in the past that acknowledge the role of fear as a motivator, even going so far as to suggest that it is necessary for reaching greater levels of success. Johnson does a great job of separating the existence of fear from the idea that it's an integral part of self improvement. His musings on fear in *Peaks and Valleys* will provide executives with a better base from which to handle a very common hurdle.

Another message Johnson shares in his book is the idea that we can learn much about the Peaks and Valleys philosophy by looking at the tracings of a heart monitor. The line of a heartbeat goes up and down with small, flat lines in between. He points out that this heart tracing is very indicative of the way life works.

First, peaks are always followed by valleys, and valleys are always followed by peaks. Neither is permanent. Second, there are times when a flat line appears between peaks and valleys. These times represent the short plateaus of rest and renewal we need in order to perform better during our ups and downs. And third, as the old man in Johnson's story says, the heart tracing is a reminder that the Peaks and Valleys approach must be used with your heart. In other words, how you *feel* about the insights gained during peak or valley experiences is as important as what you *do* with those insights.

We Need to Be Realistic About Life

Throughout *Peaks and Valleys*, Johnson describes how humility is key to the Peaks and Valleys philosophy. He explains that this merely means being realistic about your life.

The old man at the top of the mountain reminds our protagonist that he must stay focused on what is true, and not get bogged down in either irrational fear, which keeps people down in a valley for too long, or ego-driven arrogance, which can knock anyone off a peak too early.

The humility of realism also helps people who are in a valley because it allows them to see past their current difficulties. One of the ways people can get out of a slump is

Five Business Fables

The business fable has proven popular in the 21st century. Here are a few of the most popular titles in this genre:

- Fish! A Remarkable Way to Boost Morale and Improve Results by Stephen C. Lundin, Ph.D., Harry Paul and John Christensen. Hyperion (2000). This business fable offers a philosophy that helps people at all levels of a company bring more energy and passion to their work.
- The Five Dysfunctions of a Team: A Leadership Fable by Patrick Lencioni. Jossey-Bass (2002). In this business fable, Lencioni offers leaders a model they can use to overcome the common hurdles that prevent them from building effective teams.
- High Five! The Magic of Working Together by Ken Blanchard, Sheldon Bowles, Don Carew and Eunice Parisi-Carew. William Morrow (2000). Management guru Ken Blanchard and his three co-authors describe how teamwork can be built in any kind of organization.
- The Paradox of Excellence: How Great Performance Can Kill Your Business by David Mosby and Michael Weissman. Jossey-Bass (2005). This groundbreaking book describes how the more good work you do in your job, the more invisible you can become.
- Walk Softly and Carry a Big Idea: A Fable — The Seven Keys to Finding Meaning, Passion and Balance in Your Life and Work by Don Jones. John Wiley & Sons Canada (2002). This fable is about the soft skills that make a hard difference at work and in life.

to ask one of the primary questions Johnson poses in his book, "What is the truth in this situation?"

Instances like the above are what lend strength to the business fable as a teaching tool. Johnson is able to use the plot of his fable to express his exact point. He doesn't have to attempt to draw parallels that may or may not hold water upon further scrutiny by readers. Additionally, the business fable prevents him from having to use case studies from recent events. The business fable, much like its fictional counterpart, has a timeless quality that won't lose its shine once certain companies are no longer making headlines.

Valleys and Peaks Are Temporary

One of the underlying truths about valleys, Johnson points out, whether they come in the form of economic recessions, difficult times at work or family struggles, is that they will pass. This is also true about peaks. Remembering this and remaining realistic during peaks and valleys is a key to staying peaceful. For example, when everything is going well at work, instead of letting the ego take over and create the arrogance that can push people away, looking truthfully at a situation can remind the person at the top of his or her game that this peak is only temporary. In other words, don't alienate other people by bragging about your peak experience because you might need those people when you are back down in a valley.

During a peak time, Johnson explains, celebrate your success, but remain humble by staying grounded in reality. Likewise, during your time in a valley, learn from your mistakes, but don't get scared. We all make mistakes. The people who learn from their mistakes and see them as steppingstones to better decision-making are the people who spend less time in a valley.

"During a peak time, Johnson explains, celebrate your success, but remain humble by staying grounded in reality. Likewise, during your time in a valley, learn from your mistakes, but don't get scared. We all make mistakes. The people who learn from their mistakes and see them as steppingstones to better decision-making are the people who spend less time in a valley."

Time in a valley can actually be very useful if it is spent creating a sensible vision of a better future, Johnson adds. By remembering these realities, we can become less stressed and more successful.

Today Affects Tomorrow

In today's turbulent business and economic climate, Johnson's message is a relevant reminder of truths that are easy to forget when we get wrapped up in our daily struggles: What we do today affects how well we do tomorrow. By demonstrating the interconnected nature of our ups and downs — our mistakes connect to our successes, and our successes can lead to our failures — *Peaks and Valleys* provides pertinent principles that help us create a more realistic view of our long journey through work and life. ●

The author: Spencer Johnson, M.D., is the author or co-author of 11 internationally best-selling books. In 1998, he published the bestseller *Who Moved My Cheese?® An A-Mazing Way to Deal with Change,* which has sold more than 10 million copies worldwide, becoming the most widely read book on change. He is also the co-author (with Kenneth Blanchard, Ph.D.) of T*he One Minute Manager,* the world's most popular management method for more than two decades.

Johnson received a bachelor's degree in psychology from the University of Southern California and M.D. status from the Royal College of Surgeons. He completed his medical clerkships at the Mayo Clinic and the Harvard Medical School. Johnson has served as Leadership Fellow at the Harvard Business School and is currently Advisor to the Center for Public Leadership at Harvard's John F. Kennedy School of Government.

The Associated Press, the BBC, CNN, *FORTUNE* magazine, *the New York Times*, the *Today* show, *Time* magazine, *USA Today* and United Press International have all featured Johnson's work. More than 46 million copies of his books are in print worldwide in more than 47 languages.

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Make Leadership History

Learn From the Past to Forge Your Path to Future Success

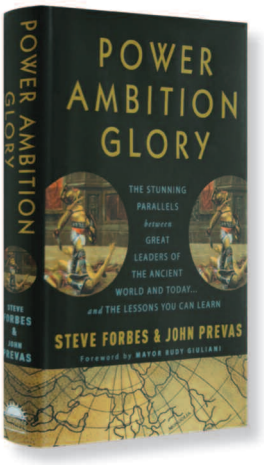
Review by Andrew B. Clancy

POWER, AMBITION, GLORY

by Steve Forbes and John Prevas

Crown Business, © 2009, 308 pages, $26.00, ISBN 978-0-307-40844-0

In 1818, the poet Percy Bysshe Shelley published his short poem "Ozymandias." The rhyming lines detail the dilapidated remains of a giant statue upon whose base were written the words, "My name is Ozymandias, king of kings: Look on my works, ye mighty, and despair." The fact that the shattered statue is all that remains of what the reader assumes was a once-great kingdom reveals that every empire — and its emperor — one day fall to ruin. This lesson, repeated time and again, is never completely learned. Every era of human history has seen the rise and fall of kingdoms and empires. At the forefront of each has been a leader, in some cases benevolent, in others tyrannical, but mortal on all counts.



Steve Forbes, chairman and CEO of Forbes Media, and author John Prevas see the strong comparisons between the empires of the ancient world and the corporations that rule modern society. In their new book, *Power, Ambition, Glory: The Stunning Parallels Between Great Leaders of the Ancient World and Today … And the Lessons You Can Learn*, the pair set out to provide modern executives with a leadership course that's more likely to take place at an archaeological site than a boardroom.

The backstory of the book is as interesting as the content itself. Forbes never intended to write a history-based business title. He is, after all, the author of previous works such as *Flat Tax Revolution: Using a Postcard to Abolish the IRS* and *A New Birth of Freedom*, books rooted in solving the problems of the present. Whether the Greek deities known as the Fates were involved in Forbes' plans is anyone's guess, but something moved his hand toward a book on Carthaginian general Hannibal one day while he was browsing in a Florida bookstore. The book, *Hannibal Crosses the Alps*, was written by John Prevas. Forbes was impressed by Prevas' bravery in researching and writing the book. Not content to limit his research to the wilds of an academic library, Prevas climbed the Alps in an adventurous journey for the truth behind Hannibal's legendary accomplishment. Prevas' efforts produced an excellent book, and Forbes expressed his opinion as such in a review in *Forbes* magazine.

This led Prevas to contact Forbes about the possibility of a collaboration. Originally, according to a *Soundview* interview with Forbes, the intention was for Prevas to write a book about figures from the ancient world and Forbes would contribute a page or two concerning a figure from today's business world that paralleled the historical counterpart. The pair rapidly found that limiting this comparison to one or two pages was impossible.

Over the next three years, Forbes and Prevas carefully crafted *Power, Ambition, Glory* in an attempt to provide executives with the best possible examples of the importance of character, the need for teamwork and the destructive power of ego.

Executives who have an interest in history will be instantly drawn to *Power, Ambition, Glory*. The biogra-

phies of each historical figure are condensed for purposes of brevity, but readers will enjoy learning about individuals from history that may be less well known. One unique note is the examination of the Persian empire, which today forms parts of Iran, Iraq, Afghanistan and Pakistan. This may be the only business book where readers can read language that isn't politically charged about this region. Forbes and Prevas do an excellent job of giving the history of Persian emperor Cyrus the Great and demonstrating the necessity of tolerance when one has plans to expand globally.

> "Great leaders are known for their aggressive pursuit of more customers, more stores and, ultimately, more sales. What separates the great leaders from the select few at the highest peak of management is the ability to know a company's limits."

The Power of Parallels

The obvious question that critics of the book ask is whether or not the parallels are as "stunning" as the authors' subtitle proclaims. This is answered through the selection of modern figures to whom the ancient leaders are compared. The book is not a "Who's Who" of industry giants. It would have been easy for Forbes and Prevas to type up a list of the CEOs with the highest name recognition and simply try to match them up with Caesar or Alexander. Yes, there are comparisons involving former GE CEO Jack Welch. The names of Google founders Larry Page and Sergey Brin appear in the book. However, readers can get to the end of *Power, Ambition, Glory* without reading about Virgin CEO Richard Branson or, and this may shock some people, Microsoft founder Bill Gates. The fact that Gates, Branson and several other notable names are not included demonstrates that Forbes and Prevas wanted to offer more than just convenient comparisons for the sake of audience approval.

After all, not every comparison in *Power, Ambition, Glory* is positive. One of the great aspects of the book is the cautionary tales it tells about dangerous behavior patterns. The sections on Alexander the Great and Julius Caesar are important for their examples of unchecked ambition and raging egomania. Again, there may be some critics who would scoff at the notion of comparing anything in the modern world to men who proclaimed to be living gods, but look closer at the time period in which *Power, Ambition, Glory* hit bookshelves. The world economy saw glimpses of its own potential apocalypse as the United States experienced the subprime mortgage crisis. Forbes and Prevas detail the role Countrywide Financial founder Angelo Mozilo played in contributing to the overall disaster. The lure of making money in a market that was concerned with volume rather than quality easily compares to an emperor who worries more about acquiring territory and less about being able to manage his conquest.

The mortgage crisis comes up more than once in the book, as does the danger of overexpansion. The chapter on Alexander the Great offers executives an important insight into the latter. Growth is an essential and necessary part of the success of any business. Great leaders are known for their aggressive pursuit of more customers, more stores and, ultimately, more sales. What separates the great leaders from the select few at the highest peak of management is the ability to know a company's limits. Alexander suffered from an inability to halt his desire to conquer more and more territory. This eventually led to even his own soldiers begging him to return them to their homes. Forbes and Prevas do a great job in comparing this folly to the efforts of former Time Warner CEO Gerald Levin, whose successor Richard Parsons was forced to unload many of Levin's acquisitions as a means of reducing Time Warner's tremendous debt at the time.

A Seamless Collaboration

The structure of *Power, Ambition, Glory* is such that executives will find the authors' lessons tucked neatly amongst interesting bits of history. The book does not suffer from the segmented feeling one often sees in books that make historical comparisons. It's not a case of story-lesson-story-lesson. Instead, the work flows with a nice narrative. This will prevent anyone from being able to read the book piecemeal, but Forbes and Prevas' choice of subject matter is likely to erase any thoughts of skimming anyway. Prevas' strengths are brought to the fore during the biographies, while anyone familiar with Forbes' previous books will see that he's lost none of the forthrightness that made *Flat Tax Revolution* such a success when it was released in the 1990s. The pair's writing styles are well suited to one another and there aren't any ill-fitting passages to lead the reader astray from the main focus of the book.

As the book's title suggests, ambition plays a key role in the lessons taught by the study of history. The authors use Julius Caesar as the model of how a leader's ambition and ego can evolve over time. For Caesar, as for many CEOs over the course of the last 50 years, the very per-

sonality traits that allowed him to push the parameters of success also led to his eventual downfall.

Despite the warnings offered in the book, it's important to make the distinction that Forbes and Prevas don't take some sort of monastic stance against ambition. They acknowledge it as a necessary trait for achieving one's goals. The difference, they note, is the ability to recognize when ambition begins to exceed the needs of the company. Too often, unchecked ambition leads an executive to a critical fork in the road and pushes him or her down the path to ruin.

Forbes and Prevas could have looked to Petronius, a philosopher who lived during the era of the emperor Nero, for an explanation of the importance of knowing one's boundaries. "Moderation in all things," Petronius is alleged to have written, "including moderation." Ignoring the moderate path when it comes to ambition leads executives into dangerous territory, as it did for Caesar. While, thankfully, this no longer involves finding oneself facing literal daggers from one's colleagues, backstabbing of the modern variety is a certainty.

Caesar: the CEO of Rome

The authors cite the disastrous path taken by former Macy's CEO Edward Finkelstein. At the dawn of the 1980s, Finkelstein took control of the underperforming department store chain with hopes of removing it from the public. While this initial effort was deemed a success by those allowed to purchase the private stock, Finkelstein used the credibility he gained to pursue riskier ventures. As the authors write, "Macy's creditors finally did to Finkelstein what the senate did to Caesar."

The discussion of Caesar creates an interesting point for executives reading *Power, Ambition, Glory*. Executives are encouraged to use the chapter on Caesar to spur a look at their own ambition. Caesar and Finkelstein both lacked the ability to be open to the suggestions of the people who surrounded them. An integral part of the ability to lead is the ability to listen.

For all of Caesar's greatness, regardless of the end to which he came, his successor Augustus rivals or surpasses the former's achievements in the eyes of many historians. The period of history in which Augustus operated would cause many readers to think they were in for another disaster story from the annals of history. Augustus presided over the end of the Roman republic and the foundation of the Roman empire, serving as its first emperor.

Forbes is quick to point out that despite taking part in situations that would have caused others to go mad with power, Augustus maintained a level of clarity about his situation and responsibility to the people.

"One of the things Augustus did, after seeing what happened to his uncle Julius Caesar, was to make it a point to consult people," Forbes told *Soundview* in a recent interview. "He knew, human nature being what it is, he could go down that power path. It's like an addiction, a drug addiction, the intoxication of having supreme power."

Forbes recognized that Augustus' unique standing among Roman leaders offered a point of reference for today's CEOs. "With leaders," he suggests, "recognize what your shortcomings are and put together a team where you can get feedback."

Teamwork is a principle that is often overlooked in books discussing what separates legendary leaders from run of the mill executives. Forbes and Prevas work diligently to foster understanding of the importance of the individuals behind the scenes to the growth of any leader and his or her company. All of the leaders covered in *Power, Ambition, Glory* have military experience to some extent. Their ability to command troops in an era when manpower alone conquered countries may seem to some to not mesh with today's management world. It's important to remember that while technology gives today's leaders the ability to quickly reach anyone, large organizations still deal with the same spatial issues that caused many an empire to disintegrate.

The repeated theme of empires crumbling will lead readers to rightly ask what it takes to maintain a large organization once it reaches a considerable size. In the case of Augustus, he tried to break down the divisive aspects of the traditional class systems and culture of Roman society. The authors point to the emperor's decision to award to common men the purple sash that had previously been the sole right of the aristocracy. Today's leaders can translate this into the need to spread power to a diverse and multi-faceted leadership team.

Augustus is the last figure examined in *Power, Ambition, Glory* and executives reading the book will get the impression that he is seen by the authors as the best representation of the qualities that make a great leader. The chapter dealing with Augustus and his contributions to the Roman empire seems to contain a few more superlatives. This is likely due to the fact that Augustus maintained a level of humility that could have well served the individuals behind the recent global financial crisis.

Forbes reveals that there is some truth to this speculation. He told *Soundview* that not only were Augustus' achievements and diplomacy admirable qualities, but it was the context in which he began his leadership career that served as an inspiration point.

"For [Augustus Caesar]," Forbes says, "seeing what

happened to Julius Caesar was a cautionary tale. That's one of the reasons why John and I wrote this book. Instead of a leader having it happen as closely [to himself] as Augustus did with Julius, leaders can see what happened to these leaders of the past. Recognize that this can happen to you. Times may change, but human nature does not."

The notion that human nature remains unchanged is given a great deal of support as readers make their way through *Power, Ambition, Glory*. The book will very likely cause executives to perform their own comparisons, on a micro and macro scale, between historical figures and today's leaders. Media outlets with a more political bent will doubtless apply the book's themes to both the current president and his immediate predecessor. What's humorous is that both men will likely be compared to the same figures from history depending on which network or blog is drawing the line.

Forbes and Prevas smartly avoid bringing current American politics into the mix. The temptation must have been great, particularly for Forbes. His established opinions of the ineffectiveness of the American tax collection system could have led him to use a fallen empire as a metaphor for the Internal Revenue Service. Instead, readers will be glad to see that the book remains unclouded by rhetoric. What the authors propose is a straightforward system of beliefs.

An important part of staying on the ethical path is dispelling what Forbes and Prevas refer to as the "Heroic Myth." This is the tendency for an organization to pin its success and chances for further advancement on the work of one individual. While this type of problem has existed during the entire length of corporate history, the glare of the spotlight seems to have turned this into a modern phenomenom.

The problem grew to absurd heights during the 1990s with the appearance of the media label "rock star CEO." This was the leader whose resume needed to include a list of panel appearances on CNN, CNBC and any number of talk shows, as well as a list of completed objectives that lined shareholders' pockets. Unfortunately, many of the best examples of the "rock star CEO" profile were at the helm of Internet companies whose star fell as quickly as it rose during the early part of the current decade.

The Need for Self-Examination

Much of what executives take away from *Power, Ambition, Glory* will depend on the reader's strength at self-examination. The pace of modern business puts leaders in an unenviable position of needing to deliver results in an ever-narrowing window of time. In some respects, this time-crunch for success may be partly to blame for creating a modern Caesar or Alexander. Those CEOs who are able to outlast the predicted executive lifespan of less than five years are quickly lionized by their constituents, and the ego train starts to barrel downhill shortly thereafter.

This is why one cannot fault the authors' insistence that character lies at the heart of what makes a leader great and, more importantly, sustainable. Critics will dismiss the assertions of Forbes and Prevas as simplistic, but if character is so easy to comprehend as a key for great leadership, why is it so elusive? The fact that it requires putting the best interests of others before one's own opportunities for success provides a hint as to why too many executives are unable to last.

Forbes points to Xenophon as a leader who held the understanding of the importance of character. "He knew when to be out front and when to pull back," Forbes told *Soundview*. "Character is the hardest thing to win and the easiest thing to lose."

Fortunately for readers, *Power, Ambition, Glory* provides enough examples, both good and bad, that today's leaders will not have to search high and low to find a reputable guide to the top. The book should help prevent executives from suffering the fate of Shelley's Ozymandias, whose statue stands shattered while "the lone and level sands stretch far away." ●

The authors: Steve Forbes is chairman, CEO and editor in chief of Forbes Media. He twice campaigned for the Republican nomination for the presidency. He is the author of *Flat Tax Revolution: Using a Postcard to Abolish the IRS* and *A New Birth of Freedom*. He is widely considered an expert in the areas of finance and corporate leadership.

John Prevas is an author and classics professor. He is the author of *Hannibal Crosses the Alps, Xenophon's March* and *Envy of the Gods*. Prevas' exploits include climbing the Alps in search of the pass used by Hannibal to invade Italy.

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Featured Book Review

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Sustaining Emotional Intelligence Over the Long Haul

How to Infuse Your Workplace With Hope, Compassion and Caring

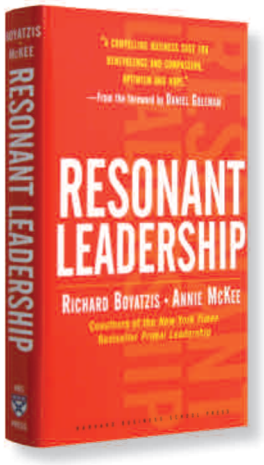
Review by Chris Lauer

RESONANT LEADERSHIP

by Richard Boyatzis and Annie McKee

Harvard Business School Press, © 2005, 286 pages, $25.95, ISBN 1-59139-563-1

More than a decade ago, Daniel Goleman published his seminal business book *Emotional Intelligence*, which finally put into words one of the most important concepts that many successful leaders had been thinking about for years but had difficulty finding the proper vocabulary to discuss. With his best-selling book, Goleman helped to give business leaders a new set of workplace competencies that improve how they manage their feelings, interact with each other and communicate.



Goleman's work described how ultimately, people's emotions play a pivotal role in leadership, and how those who master their emotions and use them in their work with others can create the positive relationships that lead to organizational and personal success. The "domains" of emotional intelligence Goleman describes in *Emotional Intelligence* are awareness of one's self, the management of one's self, being socially aware and the ability to manage relationships.

Several years later, Goleman followed up his best-seller with *Primal Leadership*, which he co-authored with fellow leadership experts Richard Boyatzis and Annie McKee, two professors who share Goleman's belief in the importance of emotionally intelligent leadership in the workplace and beyond.

In *Resonant Leadership*, Boyatzis and McKee follow up their previous work with more guidance on how to improve leadership by breaking through stress with the skills that create hope, compassion, mindfulness and connecting with others. They call the people who master these skills "resonant" leaders.

While the emotionally intelligent, resonant leader offers organizations many positive benefits, outlined with new research and compelling stories throughout *Resonant Leadership*, the emotionally ignorant, "dissonant" leader is the antithesis of the leader who works hard to capture the benefits of emotional connections. Instead of creating harmony within their organizations, the authors write, dissonant leaders become ineffective because the job stress they internalize quickly spreads throughout their organizations. This dissonance takes the form of distress, exhaustion, anger, fear, frustration and antagonism. These volatile, negative emotions lead to reactivity that can deeply damage relationships and organizations.

Mastering the Cycle of Sacrifice and Renewal

By dismantling the "power stress" that comes with leadership into its basic components, such as complex decision making and the loneliness it breeds, the authors describe how power-related stress can lead to chronic stress, which can hurt leaders and the people around them. While power stress usually comes with the territory of leadership, the authors point out that its chronic nature can force leaders into unhealthy habits that display themselves in such detrimental ways as constant distress and burnout. They write that the key to managing stress, dissonance and what they call "the Cycle of Sacrifice and Renewal," is

returning to the healthy benefits of resonance.

Positive messages pour out from every chapter in *Resonant Leadership*. Boyatzis and McKee are such seasoned veterans of the leadership realm that each page of their book exudes confident management wisdom. Their stories and research demonstrate the joys of resonance in the workplace and the home. Building strengths in the supposedly "soft" regions of leadership is often the most difficult part of a leader's journey to excellence, so their advice is a welcome addition to the leadership lexicon.

> **"Mastering one's emotions can be a daunting task, but these leadership experts offer a welcome guide to tapping into the power of some of the most basic and overlooked tools for work and life satisfaction."**

Mastering one's emotions can be a daunting task, but these leadership experts offer a welcome guide to tapping into the power of some of the most basic and overlooked tools for work and life satisfaction. They skillfully use science and experience to describe relationship-building tools that hit the reader deeply, thanks to many fascinating stories and research results. The enduring power of self-renewal and relationship growth through hope, compassion and caring is a subject the authors deliver with beautifully balanced grace.

For starters, they appropriately define the challenges leaders face in this tumultuous world of rapidly shifting business changes. Then they describe how crises and chronic stress often create exhaustion, fear and anger, and how these emotions in a leader can harm an organization and its people, or at least become detrimental to its goals.

Two Very Different Leaders

To exemplify the challenges people face in their daily work, the authors look closely at two very different leaders: the fictionalized "Eduardo" and Southwest Airlines' Colleen Barrett. Eduardo represents the leader whose successes helped him rise up the corporate ladder, but when he loses sight of the real goals of his organization and falls into dissonant patterns that drive people away, his bad behavior eventually leads to organizational failure. Through his story, readers get a realistic view of the damaging effects of stress and negative emotions in the workplace. On the other hand, the story of Barrett's experiences as a leader at Southwest Airlines shows readers what the resonant leader does to create a positive workplace culture that succeeds through even the toughest times. Her story shows how a resonant leader puts time and effort toward creating and sustaining healthy working relationships. By contrasting the work styles and approaches of these two leaders, the authors offer readers a compelling view of how dissonant leaders prevent success and resonant leaders breed it.

Along with true stories from the front lines of leadership, the authors present the latest research that backs up their case studies with hard data. For example, after presenting the stories of Eduardo and Barrett to demonstrate the importance of the work cultures leaders create, the authors support the ideas in their book with the results of a study showing that "the culture of an organization, and in particular the way people feel about the climate, can account for nearly 30 percent of business performance." Hard facts show that the "soft" skills of the resonant leader are vital to his or her organization's success.

Although hope, compassion and caring are not the usual terminology used by the tough-minded leaders from the command-and-control era of organizational management, the authors of *Resonant Leadership* break these lofty yet vital concepts down into terms anyone can understand.

Inspiration and Challenges

Everyone can recognize that stress, dissonance and burnout at work can be hazardous to people and their organizations. Working to move groups of people in a common direction tends to create chronic stress in leaders, the authors write, but it doesn't have to lead to negative results like it did when Eduardo lost his way and failed to use emotional intelligence in his work. The authors recognize the chronic nature of a leader's stress, but they also offer a solution to the problems it creates. The trick is to add renewal to the mix.

Renewal for the resonant leader entails taking time to address one's emotional and personal needs, which requires a deeper awareness of what those needs are. The authors write that knowing one's self is the only way to know how to create the renewal that allows a leader to stay effective in his or her role. Finding the parts of the job that offer a leader hope, inspiration and challenges is a first step on the road to renewal. Creating time in the day to be alone and reflect is another way to sustain the resonance that helps a leader succeed. By offering leaders tips on creating and sustaining resonance in their lives, the authors present a variety of tools they can use to avoid dissonance and counteract the stress that comes with a leader's job.

The Sacrifice Syndrome

The underlying mission of *Resonant Leadership* is to keep leaders from becoming the ineffective, irritating,

abrasive and oblivious people who can run a company or a relationship into the ground. It can happen to even the best leaders. Even the most experienced leader can become overwhelmed by the daily pressures of a difficult job when he or she loses resonance. The authors call this problem "the Sacrifice Syndrome," and explain that it occurs when a leader gets overwhelmed by the stress of his or her job.

When the day-after-day pressures and sacrifices of a power position become too much, a leader can fall victim to the stresses, crises and exhaustion leadership can create. Once the Sacrifice Syndrome kicks in, defensive routines can keep the leader from recognizing what is really going on inside him or her as well as within the organization. As a result, the entire organization begins to exhibit dissonant behaviors that can even become institutionalized. This negative spiral can lead to the negativity and dissonance that can destroy a leader and even an organization.

A Pernicious Affliction

The trouble with this downward spiral is that, although everyone notices it, nobody is willing to step up and tell the truth to a leader who is in denial about the results of his or her behaviors. This "CEO Disease," the authors write, leads to overly cautious underlings tiptoeing around a leader whose habits are wreaking havoc on the workplace. The authors write that most leaders are susceptible to catching the CEO Disease. When they do, communication breaks down, the leader becomes distant and the malady gets worse. When leaders deny their vulnerability to this pernicious affliction, the stress of leadership can slip out in negative behaviors. When resonance is lost, relationships crumble and even the best leaders become less effective. Over time, anxiety and tension rear their ugly heads and destructive dissonance dominates where resonance once reigned. As a result, leaders stress out their managers, managers spread their tension to front-line workers and the entire organization suffers.

Dissonance can take many shapes. By telling the pertinent stories of people who have suffered from dissonance, the authors reveal its manifestations as well as the sources of renewal to counteract its power to drive people and organizations into the ground.

The rising expectations that come with leadership roles can become sources of "power stress," the authors write. When ignored, this stress can lead to the dysfunctional coping mechanisms that ruin families and friendships. Resulting problems can sap confidence and cause people to shut down. Denial pushes leaders deeper into disengagement, which, according to the authors, is another sure sign of dissonance.

Renewal

Boyatzis and McKee write that renewal is the key to fighting power stress. They explain that some kind of renewal process is vital to keeping a leader energized. To back up their remedy for dissonance, they present the results of many recent scientific studies from a variety of fields. For example, they explain that new research shows how renewal has positive effects on our mood because it releases helpful hormones in the brain and takes our brain pattern to a healthier place. Once our perceptions begin to shift, our behavior begins to change. The authors explain that the effects of renewing the mind, body and heart are critical for improved relationships and effective leadership.

Through a variety of experiences and studies, the authors offer leaders a straight path to greater resonance. The story of Reuters chairman Niall FitzGerald describes the tale of a resonant leader at the top of his game who slipped into the Sacrifice Syndrome and found himself sliding down toward dissonance. The wake-up calls that alerted him to his problems consisted of problems at work, lost friendships, a broken marriage and the last words of a dying friend. Suddenly, he realized he was not living the life he wanted. This self-awareness opened the door for FitzGerald to seek resonance by engaging in real change in his life and work.

The authors explain that wake-up calls are only the first step toward creating change. They write that engaging in real change requires capturing dreams and plotting a path toward them. Research shows that articulating a compelling dream for the future is the next step. Then, the authors write, a leader needs to look at what he or she needs to change in order to improve. Finally, they add, renewal needs to become a way of life.

"Dissonance can take many shapes. By telling the pertinent stories of people who have suffered from dissonance, the authors reveal its manifestations as well as the sources of renewal to counteract its power to drive people and organizations into the ground."

Mindfulness, Hope and Compassion

The authors' prescription for renewal and resonance has three active ingredients: mindfulness, hope and compassion. This powerful triad offers a clear path to good feelings and healthier relationships that lead to the resilience needed to face

difficult challenges. Cultivating these habits helps renewal become a continuous source of power to fuel a leader's journey to effectiveness and resonance. Although finding his path to resonant leadership cost Niall FitzGerald his first marriage, the authors' advice helps others prevent his mistakes.

The authors point out that being honest and true to one's self helps a person get in touch with the values that often get left behind in the pursuit of ambitious career objectives. Old habits die hard, but the authors include a variety of exercises and research results that offer leaders the support that encourages resonance. Simple reflection points and personal exercises, such as a worksheet for determining the rhythm of changes in an active career, offer readers opportunities to interject themselves into the authors' scenarios for growth so that deeper learning about emotional intelligence and resonant leadership can take place.

The Ideal Self

Once a leader is ready to change, the authors write, he or she needs to develop an image of his or her *ideal self*. This image of what a person wants out of life, and who the person wants to be, then leads to a personal vision of the differences between the ideal self and the real self, including strengths and weaknesses. By showing leaders how to capitalize on their strengths in order to move closer to the ideal self, the authors help them experiment with new habits, reinforce positive attributes and develop and maintain the positive personal relationships that help people move toward the renewal leading to resonance.

When the authors discuss mindfulness, the first element in their cure for dissonance, they are writing about the "capacity to be fully aware of all that one experiences *inside the self* — body, mind, heart, spirit — and to pay full attention to what is happening *around us* — people, the natural world, our surroundings, and events." Tuning in to ourselves, our environment and other people keeps us mindful, they add. When a leader remembers to be mindful, he or she can better avoid uninformed decisions that lead to negative results.

Hope is the second part of the antidote that helps leaders fight the disease of dissonance. According to the authors, studies show that hope leads to other good feelings, more positive thinking, better coping skills and less depression. Better coping skills and positive emotions lead to improved reasoning, interactions with others and personal effectiveness. The authors write that these attributes lead to more openness, "cognitive flexibility, problem-solving abilities, empathy, willingness to seek variety and persistence." All of these terrific results stem from the clarity, goal setting and sense of well-being that are part of what hope is all about.

Empathy and Caring

The authors explain that the third active ingredient in the remedy for dissonance is compassion. Through real-life stories of empathy and caring put into action with creativity and resilience, the authors complete their potent formula for resonance. By adding the virtue of benevolence to their work and lives, leaders gain a valuable way to connect with others, help them meet their needs and also enjoy the benefits of the renewal that results from their individual efforts. One tip the authors offer as a starting point for compassion is as simple as it is effective: listen. By pointing out the sometimes obvious benefits of becoming an in-tune, listening and caring person, the authors remind us about the basic human values that often get overlooked when people get more power in their jobs.

Throughout *Resonant Leadership*, powerful neuroscience, physiology, psychology and true business tales support the authors' process for creating organizational and personal success. Compelling data and fascinating results give *Resonant Leadership* a solid backbone of facts and humanity to support the many counterintuitive techniques proposed by the authors. By helping to inject the difficult yet vital subjects of hope, compassion, caring and renewal into the daily lives of leaders, Boyatzis and McKee offer welcome relief to those struggling with dissonance in their lives. ●

The authors: Richard Boyatzis is a professor in the departments of Organizational Behavior and Psychology at Case Western Reserve. He is also Visiting Professor of Human Resources at ESADE in Barcelona.

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Featured Book Review

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Leadership Lessons for the Realistic Optimist

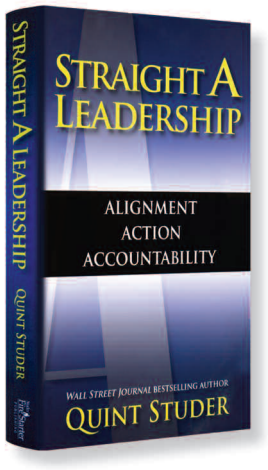
Review by Chris Lauer

STRAIGHT A LEADERSHIP: ALIGNMENT, ACTION, ACCOUNTABILITY

by Quint Studer

Copyright © 2009 Studer Group, LLC.
Fire Starter Publishing. 264 pages, $28.00, ISBN 978-0-9840794-1-4.

The title of best-selling author Quint Studer's latest book on leadership in the healthcare field could have easily been *The Realistic Optimistic*. With *Straight A Leadership*, Studer continually advocates level-headed optimism as well as a realistic perspective on organizational leadership. He also explores the idea that great leaders must be adept at shifting from "long-term optimism to short-term realism." By showing leaders how to do this quickly, he helps them keep up in the rapidly changing field of healthcare as it is being bombarded every day with more and more changes.



Humility is another key ingredient in Studer's prescription for better leadership because acknowledging weakness is an essential skill for people who want to grow. Being humble also helps leaders build the trust they will need to implement the best practices that he proposes throughout the book. Adaptability is also a major part of his recipe for leadership success in the healthcare field. Without it, a leader will probably just keep doing the same things in an industry that is undergoing more change these days than just about any other field. With an underlying foundation of realistic optimism, humility and adaptability, leaders will have a better chance at transforming the valuable strategies, tools and tactics Studer prescribes in his book into growth and success.

Beyond Titles

Studer continues to rise above his titles. As the CEO and founder of a world-renowned coaching company, he continues to make a name for himself in the healthcare field by helping leaders implement systems and practices for better results. By staying on the cutting edge of organizational improvement, Studer has proven himself to be a valuable corporate adviser and executive coach. While helping leaders improve their businesses, he has become a master of gathering and spreading best practices from hundreds of organizations and thousands of other leaders. In fact, he has been so successful as a hunter, gatherer and transmitter of great ideas that *Inc.* magazine named him a Master of Business. When he received this honor, he became the first recipient of the award who works primarily in the healthcare field.

Studer has also been recognized internationally for his first book, *Hardwiring Excellence*. With more than 350,000 copies sold so far, it has become one of the best-selling leadership books ever written about the healthcare field. His second book, *Results That Last*, is also a best seller.

The primary obstacle that Studer aims to help leaders tackle with his suggestions and ideas in *Straight A Leadership* is the leadership crisis that is taking place within many of the best healthcare organizations. The problem, he explains, is not a shortage of a workable plan. The real problem is the difficulty of executing that plan since it has become harder and harder for healthcare organizations to face changes in the external envi-

ronment. Internal operations must be brought into line with those changes while also being made more flexible so leaders can deal with those changes every day.

Consistency

One of the main points Studer makes throughout his book is that healthcare leaders need to get on the same page. They need to create a cascading communication channel that moves all ideas and information throughout the company. Nobody can be left out, because gaps between executives, middle managers and employees create the types of misalignment that crumble organizations. The key to a great system of communication is consistency, Studer writes. To keep results predictable and people throughout the system working toward the goals set by top leaders, a consistent approach is vital. Consistency creates collaboration and coordination, which is how better results are built.

All of the alignment in the world is not going to do much good for your organization if you and your people fail to take action.

How do you get all of the leaders in an organization on the same page? Alignment. This is the first "A" on which Studer focuses in his book.

Alignment

When Studer writes about alignment, he's talking about connecting the dots within your organization. The best way to do that, he explains, is by always looking at your organization as "a continuous performance improvement process." In other words, you should always be striving to be better than you are right now. Healthcare organizations can never rest on their laurels. Since new technologies will always be important, great employees will always need raises to keep them on board, and new equipment will always be necessary, healthcare organizations are always fighting an uphill battle. Standing still is not an option. Staying the same in a turbulent industry, Studer explains, simply means getting worse.

That's why leaders must always be working together toward common goals. One way to do that is by creating systems through which top leaders can obtain and send information to supervisors and managers, who will then spread that information to their people. Newsletters are a great way to share ideas, Studer writes, but they must be done correctly. A poorly executed company newsletter can become a dull photo op for senior leaders, or a place to dump disconnected information. On the other hand, a well-executed company newsletter connects the dots for everyone in the organization by not simply mentioning the external environment, but describing how those in the organization can respond to outside events. Success stories about role models can help employees feel that they are empowered to take action. Another way leaders can use a newsletter to connect the dots within their organization is by sharing it with their direct reports. When employees see that their boss is sharing the newsletter's articles and information in his or her rounds with staff, they will recognize its importance.

Other effective tools for promoting alignment include company bulletin boards and employee forums, Studer writes. A communication board can connect people to the organization as well as its external environment by exposing everyone to recent data, news and studies that pertain to their jobs. Employee forums can also be used to explain changes in the external environment, share ideas, discuss plans and provide new perspectives. Through stories about successfully conducted employee forums, Studer shows leaders how these meetings can help them gain support for their initiatives while also obtaining new ideas about ways to improve their organizations.

Action

All of the alignment in the world is not going to do much good for your organization if you and your people fail to take action. This is the second "A" in Studer's recipe for leadership success. Execution is essential to becoming a high-performance healthcare organization. To help healthcare leaders improve how they focus their actions, Studer presents his coaching company's performance assessment. By completing the Studer Group's assessment, leaders can learn where they are performing at their best, and where they need to improve. The survey not only helps leaders document where they are today, but it also helps them set realistic yet challenging goals for the future, devise better systems for performance counseling and address performance issues.

Some of the most important things that leaders need to do, Studer writes, is "deal with low performers, move middle performers up and reward high performers." Without a system in place that charts how well people are doing their jobs, he adds, an organization will soon find itself filled with low performers at all levels.

Accountability

The best way to avoid this tragedy is to create the third "A" in Studer's prescription for better performance: Accountability. No organization is going to improve if its people are not held accountable for their

work. The solution to the problem of low-accountability is leader evaluations, Studer writes. Getting people to sign a "Standards of Behavior" contract is not enough, he adds, since most organizations these days have their people sign these contracts, and very few are performing at higher levels.

A leadership assessment is a better way to find the gaps between leaders' knowledge and the organization's ability to tackle tough challenges from the external environment, Studer explains. When that gap is evaluated, solutions can be found and the gap can be bridged with new learning and behaviors.

Assessment

The first part of *Straight A Leadership* delves deep into the 16 questions of the Studer Group organizational assessment by working through each of the questions and providing insight into the types of information that an organization can gain by answering them. For example, the first question asks a leader to define his or her role. This information can help the organization find out what top executives, managers, doctors, department directors and other groups feel about their roles and the direction of the organization.

Once leader groups are identified, then the rest of the information that the assessment brings to the surface can be better understood. For example, the second question on the assessment asks respondents to list the "top three things your organization does well and should continue to do." Studer presents a sample grid from one organization that demonstrates how different the perspectives of leaders can be. For example, all groups list "quality of care" as something their organization does well. But the groups diverge from there, with senior leaders focusing on financial performance, physicians focusing on educational opportunities and managers focusing on patient safety. This wide variety of responses demonstrates the dramatic differences between what senior leaders see in their organizations and what others judge to be important.

Closing the Gap

Similarly, when leaders are asked to look at what they would improve in their organizations, most leader groups from one sample survey list communication and accountability as areas where there are opportunities for improvement. Studer points out an interesting theme that occurs when the responses of senior leaders are compared to those of their managers and supervisors: Senior leaders are less likely than managers and supervisors to list communication as a top area for needed improvement. This could mean that top leaders see themselves as terrific communicators while their underlings see greater room for improvement in that area.

Senior leaders are less likely than managers and supervisors to list communication as a top area for needed improvement.

By encouraging their leaders to take the survey, organizations can get a deeper sense of where they should focus their efforts and actions. By seeing the gaps between what an organization wants to do well and what it views as lacking, any organization can find better ways to close real and perceived gaps between each of its groups of leaders. When the distance between leaders' perceptions and reality decreases, Studer writes, organizational performance increases.

Studer's assessment also draws out the barriers to improvement that prevent an organization from moving forward. By showing leaders how to analyze results, he helps them overcome obstacles. For example, when the assessment reveals problems with how people spend their time, Studer takes that information and shows leaders how they can improve the productivity of their people. If you think you are wasting your time in too many dull meetings that seem to get nothing accomplished, Studer writes that your problem might not be your number of meetings. Maybe your meetings are just poorly led. Studer suggests creating a more efficient standardized meeting template. Training your leaders to facilitate meetings better can also help, he adds.

Battle Mediocrity

As an industry insider, Studer understands how difficult it is for organizations and people in the field to perform at the top of their games. But he also understands how vital it is that they do so if they want to continuously improve. That's why he offers leaders some helpful advice for dealing with all of the different types of performance they will encounter while struggling through good and tough economic times. He explains that there are three types of conversations that leaders will need to have with their people.

The first kind of conversation is with high performers. He reminds leaders that these are the people who they want to keep, so leaders must always be re-recruiting them. To keep them involved and interested, Studer writes, ask them to mentor others to pass along their skills. Help them see that they are part of a winning organization during one-on-one coaching sessions, and be specific with all feedback. Learn what you can do to keep them around. Giving them more

responsibilities or better opportunities can encourage them to stay, he adds.

The second type of conversation leaders must have with their people is with middle performers. These people, who make up the majority of employees, must be made to feel that they are valuable parts of the organization, Studer writes. The more specific you can be with your feedback, the better. To help middle performers move up to the ranks of the high performers, help them grow by setting up professional development programs. This will demonstrate your commitment to them as well as your belief that they can improve. When they feel good about themselves and the organization, Studer adds, they will be more motivated to get better at their jobs.

Poor Performers

The most difficult conversations leaders must have are with low performers. Although these people usually make up about 8 percent of the average workforce, Studer writes, they often take up a much larger percentage of a manager's time. You don't want these people to drag down your middle performers. That's why Studer encourages leaders to get good at the tough conversations that are required to move these people up or out of the organization. Don't let these people blame others for their shoddy work, or use their personal problems as excuses. Go to Human Resources to discover what options are available when dealing with these low performers, Studer suggests. He writes that one way to get better outcomes is by using the "D-E-S-K Approach":

- **D**escribe the poor performance.
- **E**valuate processes, steps, procedures and standards not followed.
- **S**how what needs to be done and how.
- **K**now the consequences of continued low performance.

Deadlines for performance improvement will help you follow up on low performers, Studer explains. When somebody refuses to improve, consider termination.

External Environment

The key to continuous improvement and "Straight A's" is staying tuned in to the external environment, Studer writes. This basic leadership trait is vital to a leader's ability to adapt to industry and organizational changes. That's why he dedicates so much of his book to advocating better ways for leaders to remain vigilant about how the external environment is affecting the organization's actions and goals. By showing leaders how to connect their daily operational tactics to a regular influx of information from the external environment, Studer helps leaders stay in line with the realities they must face today and the challenges that the future will undoubtedly bring.

How can a leader stay connected to the external environment? Studer describes many ways. For example, leaders can create scouting reports with which they track their people and determine who should be recognized and what issues in the organization need to be addressed. Rounding for external environment issues is another best practice that can help a leader gather more information than can be found by simply waiting for information to filter its way up the organization's hierarchy. Regarding rounding, Studer offers this tip: Capture the information that is found while walking among your people. A "rounding log" can help you keep track of any issues that get brought up during conversations with employees.

With many suggestions like these, and hundreds of examples from the real world to back them up, *Straight A Leadership* goes beyond best practices by walking healthcare leaders through the steps that will lead them to high performance. With positive encouragement along the way, and numerous tools for building a sturdy organization that is firmly planted in the realities of the external environment, Studer's latest book offers leaders the principles that can help them succeed. With an optimistic long-range vision that also maintains a realistic perspective on short-term goals along the way, Studer's expert advice provides valuable help where and when it is needed most.

The author: Quint Studer is founder and CEO of the coaching firm Studer Group. He is also the author of *Hardwiring Excellence* and *Results That Last.* Studer was chosen on two occasions by *Modern Healthcare* as one of the 100 Most Powerful People in Healthcare.

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Featured Book Review

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How to Master the Challenges of Change

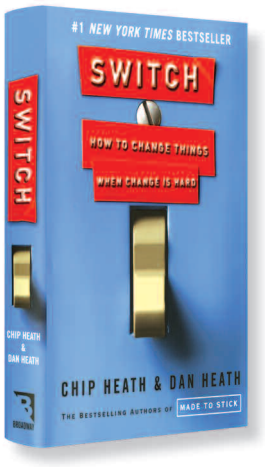
Review by Chris Lauer

SWITCH: HOW TO CHANGE THINGS WHEN CHANGE IS HARD

by Chip Heath and Dan Heath

Copyright © 2010, Broadway Books, 305 pages, $26.00, ISBN 978-0-385-52875-7

As two thought leaders who dwell at the juncture where research converges with daily life, Dan Heath and Chip Heath have mastered the language of change while adding many ideas of their own to the lexicon of shift. While digging under the surface of why change can often be so difficult, they have exposed a variety of easier ways we can accelerate and improve the change process.



Most changes are tough to accomplish because we are always engaged in a constant balancing act between our emotions and our logical brains. Promoting changes at home or new initiatives at work can be complicated tasks, but the Heath brothers have figured out how to simplify the steps of making change happen into some thoughtful visual images and ideas that can help us find a better way forward.

The Elephant and the Rider

One of the ideas that the co-authors describe in their latest book, *Switch*, is the wonderfully descriptive metaphor of the elephant and the rider, which they glean from psychologist Jonathan Haidt's book *The Happiness Hypothesis*.

The human brain is not simply an emotional hurricane or strictly a rational machine, and the conflict between our emotions and logic is not a simple tug of war. Instead, the brain is like an elephant with a rider on top. Our emotional side is like a 20,000-pound elephant being tenuously controlled by a much smaller rider, who represents our rational side. The size difference makes it very difficult to be the rider, and struggling with an unruly animal can be very tiring. In the same way as the rider needs a break after working to keep the elephant in check for any length of time, our brains get worn out from too much emotional strain and need some time to recover. The next time you are faced with an important decision remember that scientific research has found that holding back our emotions for too long can make us extremely susceptible to the powerful effects of our untamed emotions.

Initiate a Change

The theory works both ways, so if we want to change how other people behave we cannot forget that they have their own elephants and riders with which to contend. If you want to help people change their habits or initiate a change initiative in your workplace, keep in mind that you will need to address both their elephants and their riders when motivating them to change their work or their behavior.

That's just the type of metaphor that epitomizes the insights on change that the Heath brothers bring to light in *Switch*. While presenting several different ways of looking at problems in our personal and professional lives, and showing us how to put into practice the ideas

found in the latest research studies and product breakthroughs, they help us improve our chances of success when change is needed to get us to a better place.

The authors move the theoretical results of new scientific studies into helpful daily practices by providing an easy-to-use framework on which to build any needed change. Taking the elephant-and-rider analogy to the next level, they turn it into a three-part framework that explains the most important things to keep in mind when trying to wrangle our erratic elephants and their weary riders.

How You Can Shape Paths

To start, the Heaths explain, if you want to motivate people to make a change, embrace a change or become involved in a change, remember that they will need some help. Elephants and their riders benefit when you "shape the path" they are on. In other words, working with the environment in which you want a change to take place will make it easier for you to get other people's riders and elephants moving in the right direction. The path is the situation you are in, and there are always ways that you can change a situation so people will have more tools to help them stay on course. Paths can come in a variety of forms, so keep your eyes open for the unexpected ways you can smooth a route to the change you desire.

Switch presents guidance for anyone with a desire to make any type of change. The change principles the Heath brothers present ... are universal in scope and application.

For example, movie popcorn can teach us something important about shaping paths. Studies show that if you give people larger buckets of popcorn at the movie theater, they will eat more popcorn than people who are given smaller buckets of popcorn, even if the popcorn is terrible. We might not want to eat more popcorn, and we might not even realize that we are eating more popcorn, but researchers have found that we tend to eat more popcorn from giant tubs than from little buckets. And if you want people to eat less popcorn, telling them to eat less is not as effective as simply giving them a smaller bucket. What does this research teach us about change? By shaping a situation to motivate people to change their behavior, we get better results than we do by merely telling them to change how they act.

The Heath brothers dedicate a large portion of *Switch* to showing us how different types of people and organizations have shaped the paths of others to help them facilitate changes. Although business leaders can benefit greatly from its many lessons, one of the great things about *Switch* is that it is more than a how-to manual for marketers. *Switch* is designed to help people who do not have the authority or resources to simply command a change into existence. Filled with dozens of examples of people at all levels who were able to implement and promote effective changes in their lives and organizations, *Switch* presents guidance for anyone with a desire to make any type of change. The change principles the Heath brothers present throughout their book are universal in scope and application.

Take Steps to Deal with Emotions

The second element in the Heath brothers' three-part framework for change is the idea that the elephant needs to be motivated. In other words, never forget about the emotional side of people's brains when you are trying to make an appeal for change. The Heaths explain that sometimes what you are seeing when you are looking at the emotional response of others is not what it seems. Since there is always an emotional element to the choices people make, including a decision to change, it is useful to address those emotions when trying to motivate them to adopt a change in behavior.

For example, in *Switch*, the authors describe a public health campaign in West Virginia that used social marketing methods to try to reduce the consumption of whole and 2 percent milk, and increase the consumption of low-fat and no-fat milk products. One way the Center for Science in the Public Interest (CSPI) sought to do this was by making people aware of the massive amount of saturated fat that they could eliminate from their diet each year by simply switching from whole milk to 1 percent milk. To make the emotional side of its appeal, the CSPI ran evocative television, newspaper and radio ads for two weeks. During one press conference, CSPI scientists demonstrated the amount of fat in a half-gallon of whole milk by presenting a tube full of fat. This is the type of emotional appeal that gets people to take notice of a change that could really help them, the Heaths point out. The positive results of the group's media campaign showed that the "emotional elephant" had been greatly motivated, and the change in milk-purchasing behavior was still apparent after six months in both of the West Virginia communities where the media campaign took place.

The CSPI scientists are not the only people to use such an appeal to help people change their diets. The New York City Department of Health recently used similar emotion-laden imagery in its campaign to promote healthier choices among New York City residents.

Public health officials wanted to help city residents become healthier by spreading the word that sodas and other sweet drinks are part of an obesity epidemic. Through posters placed in the city's subway system and in a multilingual health bulletin, the agency ran the campaign for three months in 2009. Knowing that vague appeals to become healthier are not as effective as more specific messages, the agency used emotional imagery to make its point. In the posters, a flowing drink from a soda bottle turns into disgusting blobs of yellowy, gelatinous fat by the time it reaches the overflowing glass below. The advertisement's copy asks readers, "Are you pouring on the pounds?" This question is followed by the simple admonition, "Don't drink yourself fat." Then it advises readers to "Cut back on soda and other sugary beverages. Go with water, seltzer or low-fat milk instead."

The poster campaign was so effective that the agency created a matching video campaign in 2010, in which viewers see a man pour and drink globs of flowing fatty fluid from a glass. Along with the poster's tag line, a statistic is added: "Drinking one can of soda a day can make you 10 pounds fatter a year." Why did the ads have such an effective impact on the people who saw them? In their *Fast Company* column describing the ads, the Heath brothers write, "Change comes from feeling, not facts. Furthermore, the ad is masterfully simple: Sugary soda equals fat." With this combination of emotional and rational appeals, the New York City Department of Health's ad campaign also followed the third part of the Heaths' framework for change: "Direct the Rider."

'Direct the Rider'

Getting back to the elephant-and-rider metaphor, the co-authors explain that motivating the elephant and preparing the situation so change can be adopted more smoothly are only the first two parts of the three-prong approach they describe throughout *Switch*. The third element in their framework addresses the need to make a straightforward rational appeal as well.

Be clear about the directions you give your people. Sometimes they just need to know the facts so they know their emotions are leading them in the right direction. Without a clear look at the reality behind a change, people are likely to resist a change rather than embrace it. We recognize that animal fat looks disgusting and makes us want to cringe when we see somebody drinking it out of a glass or pouring it out of a soda bottle, but also stating the fact that soda has been proven to make people fatter helps to complete the formula for helping people embrace the move from soda to a healthier choice.

Be clear about the directions you give your people. Sometimes they just need to know the facts so they know their emotions are leading them in the right direction.

Tweaking the Environment

While trying to motivate other people to change, it is easy to imagine that the people who resist making the change are simply being defiant. But this can be a mistake. Studies show that sometimes the situation surrounding a change initiative is the culprit that is preventing people from making a desired change. By simply "tweaking the environment," the Heaths write, you can make your change initiative more effective.

For example, the co-authors describe one study in which two groups of students are defined as either highly altruistic or unlikely to give to a charity. After both groups were given a request for a canned food donation, the results of the canned-food drive were just as the researchers expected: Some of the "saints" made the donation and none of the "jerks" gave a thing. But, when more specific and detailed instructions were given to both groups so they knew exactly what, when and how to make their donations, the researchers were surprised by their findings: Five times as many of the "saints" made a donation and 25 percent of the "jerks" also donated. In other words, one quarter of the worst donators were inspired to donate because they were simply given a little help along the way. This is just another example of how a simple "tweak" to a situation can guide people to change their behavior. The lesson here is that what we think is a people problem might really be a problem with the situation we've created. Since situations are usually easier to control than people, focusing on the environment surrounding a change is a great place to look for opportunities for improvement.

Another way to promote change and keep that change in place is to help people build better habits, the co-authors write. And since our environment deeply affects our habits, a shift in our environment can make all the difference when promoting a change in behavior. For example, studies show that smokers often find it easier to stop smoking when they are on vacation. This is because there are fewer things around them that remind them of their usual smoking habits.

Action Triggers

Like shifting the environment or breaking a change down to specific actions, laying the "mental ground-

work" for a change can also be a very effective way to help people make a shift in their behavior. One example of this is what researchers call an "action trigger." An action trigger, according to psychologist Peter Gollwitzer, is something that sets off a preloaded decision. This means trying to associate a common action with doing something else that might be a little more difficult to motivate. For instance, one study showed that action triggers had a dramatic effect on the recovery time of patients who had undergone hip- or knee-replacement surgery. Those who were told to plan their therapeutic walks ahead of time — by writing down specifically when and where they planned to walk — recovered in half the time as those who did not write down their plans. According to Gollwitzer, action triggers create "instant habits" that help people adopt changes more quickly. New behaviors can be made into habits by applying this type of "behavioral autopilot" to make the changes more likely.

Compelling case studies coupled with clearly defined actions for getting the most from the latest science fill every chapter.

Switch is filled with a slew of strategies like these for getting change to stick. Compelling case studies coupled with clearly defined actions for getting the most from the latest science fill every chapter. Finally, after all of the examples and experiences are woven into a fascinating tapestry of change inspiration, the Heath brothers offer a one-page cheat-sheet for recalling their advice on making a switch. Along with this useful document, the Heaths have also included a list of common obstacles to change and the ways they can be overcome. These types of resources, along with all of the stories that fill *Switch* from end to end, offer readers dozens of lessons that can help them work through any change initiative.

Made to Stick

The Heath brothers have obviously figured something out. As columnists for *Fast Company* magazine, the Heaths have made a name for themselves as change experts while honing their ability to translate the latest science, business research and real-world experiences into applicable change strategies.

Their first book, *Made to Stick: Why Some Ideas Survive and Others Die* was an incredible success for exactly the same reason that *Switch* is so compelling: It is fun to read. That's why *Made to Stick* spent 25 months on the *BusinessWeek* Bestseller List, became the top book in the *Globe and Mail* newspaper and has been translated into more than 24 languages. Stellar reviews in *Time*, *People*, the *Washington Post* and *Psychology Today* turned *Made to Stick* into a worldwide hit.

Stickiness

By simplifying the ideas that anyone can use to promote change, whether it comes in the form of change initiatives at work or efforts to change oneself, the Heath brothers have created a winning formula for enhancing the stickiness of the latest advances in behavioral and business sciences. While the work of Malcolm Gladwell follows a similar path into new science, as do the works of Steven Levitt and Stephen Dubner, the Heath brothers offer a relevancy and clarity of focus that surpass their predecessors.

Throughout all of their work, whether in their magazine columns or their books, the Heath brothers translate the metaphors and studies from today's top scientists into basic steps that can be used by anyone to safely navigate a changing world of life and work that becomes more complex every day.

In *Switch*, Dan Heath and Chip Heath have translated the best work and research on the subject of change into witty stories, pertinent lessons and illuminating images we can all use to improve our change-filled work and lives. ●

The authors: Chip Heath is a professor at the Graduate School of Business at Stanford University. Dan Heath is a senior fellow at Duke University's Center for the Advancement of Social Entrepreneurship (CASE). Previously, he was a researcher and case writer at Harvard Business School, as well as the co-founder of a college textbook publishing firm called Thinkwell.

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Featured Book Review

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Champion of Capitalism

Alan Greenspan's Memoir Is an Endorsement of Free-Market Economics

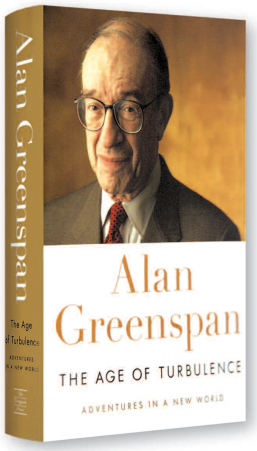
Review by Stephen Wolter

The Age of Turbulence

by Alan Greenspan

The Penguin Press, $35.00

In the year 2000, one of the country's best-known journalists, Bob Woodward, wrote a book-length profile of Federal Reserve Board Chairman Alan Greenspan; he called his book *Maestro.* The title was appropriate, for not only was Greenspan the person so many economists, business people and Wall Street investors looked to as a source of economic guidance, he was also considered a master in his field. How exactly a self-confessed math geek, who rose to the top post of an institution most Americans know little or even nothing about, became someone whose name is recognized by nearly every informed American remains something of a mystery, even to Greenspan himself.



In his new memoir, *The Age of Turbulence: Adventures in a New World,* the man who served as the Federal Reserve Board's chairman for 18 years still seems puzzled by the amount of influence his pronouncements in his former position seemed to have. Nevertheless, his book, for which he reportedly received more than $8 million dollars, is probably the most discussed Washington-insider memoir of the last few years, giving credence to the notion that his word still carries a good deal of weight.

For a man who was lampooned by pundits and cartoonists as someone who spoke the language of economic mumbo jumbo whenever he testified before Congress in his role as Federal Reserve chairman, Greenspan's book is surprisingly readable, written in clear, concise, almost workmanlike prose. He displays flashes of self-deprecating humor throughout. He also demonstrates, for this day and age, a remarkable amount of civility in his assessment of the many powerful figures he crossed paths with during his years of public service. Those readers looking only for the typical tell-all autobiography, in which criticism is freely assigned to everyone the author dislikes, will come away disappointed.

That's not to say Greenspan is afraid to recount the disagreements he had with government leaders, including presidents. But it's just not part of his intent to tear down the reputations of the individuals he interacted with during his time in Washington.

Greenspan states in the book's introduction that his memoir is divided into two parts. As such, it is really only the first half of the book that qualifies as memoir, where he describes the entire arc of his life, from his birth in 1926 until his final days as chairman of the Federal Reserve Board.

No doubt it is the first half of the book that many readers of Washington memoirs will be drawn to, but to consider only that portion of the book as relevant would be a mistake. Greenspan's mission in telling his life story in the book's first half is not just to write an autobiography, but also to present the history of our world during an "age of turbulence," as seen through a specific lens — that of an economist dedicated to free-market capitalism.

In doing so, he sets the stage for the second half of the book, where he describes the challenges that capitalist societies will have to face in order to raise the standard

of living for everyone and, in the process, defeat those extremist forces that seemingly wish to see the world's great economic powers spiral downward into anarchy.

Beginnings

The introduction to Greenspan's memoir recalls one specific day in his 75th year of life. He writes about where he was and what he was doing on September 11, 2001. It's not uncommon in the last few years for autobiographies to begin with 9/11 as a jumping-off point, and apparently Greenspan was drawn to this way of beginning his book as well. And why not? Not since World War II has there been such a defining moment in American history. Along with the fear, outrage and sadness that affected all Americans as a result of 9/11, Greenspan — in the most significant position an economist in the United States can hold — was faced with dealing with the economic impact that would ripple throughout the world as a result of the terrorist attacks. "The possible economic crises were all too evident," Greenspan writes. "The worst, which I thought highly unlikely, would be a collapse of the financial system." For the record, on 9/11, Greenspan was flying back to the United States from Zurich, Switzerland, where he had attended a meeting of international bankers.

After this brief introduction into what America was facing in a post-9/11 world, Greenspan continues his autobiography in a chronological fashion. His description of his early life is written in an almost conversational tone, and the reader senses that even though this is a published memoir, Greenspan still wants to keep parts of his life private.

"It's also telling and somewhat humorous when Greenspan, describing his days as a musician, shares that when the rest of the band was in the backroom partying between sets, he was reading books about J.P. Morgan or, on occasion, working on his bandmates' tax returns. 'I was known as the band's intellectual,' he writes."

For example, he covers his brief first marriage and subsequent divorce in the space of a single paragraph, declares that he was the main problem for the marriage's failure and writes that the woman he was married to is an extraordinary person with whom he remains friends to this day. Despite several shallow passages like this one, we still glean some interesting aspects of Greenspan's early life.

The Education of an Economist

Greenspan's parents divorced before he could even remember them being together as a family. He credits his mother with instilling in him her love for music, and when he was still in high school he took up playing clarinet and saxophone in jazz bands.

Rejected from military service during World War II — an X-ray revealed a spot on his lungs that indicated a possibility of tuberculosis — Greenspan studied clarinet for a year at Juilliard before hitting the road with a 14-man jazz ensemble called the Henry Jerome Orchestra. Who but the most dedicated Greenspan watcher could picture the chairman of the Federal Reserve playing in a jazz band? It's an interesting revelation into Greenspan's life that helps to humanize him to the general reader. It's also telling and somewhat humorous when Greenspan, describing his days as a musician, shares that when the rest of the band was in the backroom partying between sets, he was reading books about J.P. Morgan or, on occasion, working on his bandmates' tax returns. "I was known as the band's intellectual," he writes.

As the war came to an end, Greenspan watched as former soldiers, many the same age as he was, headed off to college on the GI Bill. Several years before, he had not had any interest in higher education, but now, cleared of any signs of tuberculosis, Greenspan realized he might live a healthy life after all and decided to enroll in New York University's School of Commerce, Accounts and Finance.

Greenspan writes that in the early post-World War II years, economics was a hot topic, because the world appreciated the way the U.S. economy had responded to the industrial challenges during the war. It was also a time, as Greenspan puts it, when "new economic institutions were being created and a new economic order was taking shape right before our eyes."

Many of his classmates were followers of the ideas of the 20th century British economist John Maynard Keynes, whose writings would eventually be given the label of *macroeconomics.* Keynes' theory, as Greenspan puts it, provided the "intellectual underpinning" for Roosevelt's New Deal. Simply put, Keynes argued that free markets, left to themselves, did not always deliver the greatest good for societies. There were specific times, such as periods of high unemployment, when government intervention was needed to improve the economy.

Greenspan admits that while he found Keynes' mathematical innovations fascinating, he was not interested in his economic policy ideas. It is a theme that is repeated throughout the book, as Greenspan remains an ardent defender of the free market, with as little government

interference as possible.

Perhaps the most interesting story Greenspan tells about his education in economic theory was his relationship with author Ayn Rand, whom he writes was one of the two most influential teachers he had. (The other was Arthur Burns, his faculty advisor when he began work on his Ph.D.) Rand — whose books *The Fountainhead* and *Atlas Shrugged* have an almost cultlike following today — was a Russian immigrant who despised Soviet-style communism. Greenspan met Rand through a friend of his first wife and soon became part of a small social group that would meet at Rand's apartment once a week to debate any number of topics involving society and economics.

Although Greenspan was working on a doctoral degree in the 1950s, he abandoned his studies in 1953 and founded an economic forecasting firm with William Wallace Townsend, a man 38 years his senior. He seems to have been quite happy in his work as an economist over the next 14 years.

He may never have left his firm, but in 1967, the finance professor at Columbia University — with whom Greenspan was co-authoring an economics textbook — was asked by Richard Nixon to join his presidential campaign in the role of chief policy advisor. Not long afterward, Greenspan was invited by this same professor to help write speeches and develop policy for Nixon, and so began a career of nearly 40 years in government service.

The Public Servant

Greenspan's time in Washington forms the core of his autobiography. From Richard Nixon to George W. Bush, he would serve in some capacity under six presidents. His service to Nixon, however, was brief and limited almost entirely to the presidential campaign.

He tells the story of a meeting a week before the Republican convention in 1968, when Nixon called for a gathering with 15 members of his staff. Greenspan, who was present, sat down for what he assumed would be a policy discussion. Instead Nixon launched into a profanity-laced tirade about how the Democrats were the enemy. Greenspan writes that he was stunned; this was his first exposure to Nixon's dark side. After the election in November, Greenspan turned down an offer from Nixon to join the White House staff. It was Nixon's dramatic personality shifts that steered Greenspan clear of wanting to work for him. Nevertheless, he claims that Nixon was one of the two most intelligent presidents that he worked with; the other president was Bill Clinton.

In 1974, at the height of the Watergate scandal, Treasury Secretary Bill Simon asked Greenspan if he would take over as chairman of the Council of Economic Advisors (CEA). The CEA chair, according to Greenspan, was one of the top three jobs an economist in Washington can hold (the other two are Treasury secretary and chair of the Federal Reserve). Despite the importance of the position, he resisted accepting it because he didn't want to be part of Nixon's administration. After an appeal from his old graduate school professor Arthur Burns, who told Greenspan that the government was paralyzed and he should take the job for the good of the country, Greenspan reluctantly agreed. As it turns out, his confirmation hearing before Congress was on August 8, just hours before Nixon announced his resignation on nationwide TV.

So began a three-year stint under Gerald Ford, serving on the CEA. His appraisal of Ford is the most touching portrait in the book, especially in light of Ford's death in late 2006. Greenspan has great admiration for this president who was never elected and looks back on Ford's administration with a sense of nostalgia. Specifically, he misses the civility with which Ford led the government and the general good will between politicians of the day. Greenspan longs for a return to that kind of political discourse. He also praises Ford for his actions toward deregulation, which he calls the administration's "great unsung achievement." As a disciple of free-market trading, Greenspan writes that it is hard to overestimate the benefits of deregulation — even if some of those benefits took years to unfold.

With Ford's defeat by Jimmy Carter, Greenspan was once again a private citizen. But four years later he served as an advisor to Ronald Reagan during the 1980 presidential campaign, and after Reagan became president, Greenspan was appointed to chair a commission that explored ways to keep Social Security solvent. But it was his appointment by Reagan in 1987 to chair the Federal Reserve Board that would make Greenspan the best-known economist in America.

"So began a three-year stint under Gerald Ford, serving on the CEA. His appraisal of Ford is the most touching portrait in the book, especially in light of Ford's death in late 2006. Greenspan has great admiration for this president who was never elected and looks back on Ford's administration with a sense of nostalgia."

The Federal Reserve and Beyond

In the second half of the book, Greenspan turns more philosophical as he examines

numerous issues facing the global economy today and in the near future. If timing is everything, then Greenspan's appointment to the Federal Reserve in mid-1987 could not have been more dramatic. Just a few months later, on October 19, the stock market took its greatest one-day drop in history — 508 points, which at the time was 22.5 percent. "The Fed's job during a stock market panic is to ward off financial paralysis," Greenspan writes. He details the steps he and his staff took in the aftermath of the crash to prevent an economic disaster. By early 1988, he writes, the economy had stabilized and the Dow had reached the same level it had been at in early 1987.

Greenspan admits that even now he is still unable to identify any single factor that led to the market crash on Black Monday in 1987. His only explanation is human nature — investors were gripped with an irrational fear that made them sell off shares even if it didn't make financial sense.

Readers continue to follow Greenspan through his years at the Federal Reserve as he describes the stagnant economy that plagued the first President Bush (Greenspan reveals that Bush blamed him for his election loss in 1992), to the boom years of the 1990s, to the recession of 2001, and finally, to the challenges the country faced in the wake of the 9/11 terrorist attacks.

Readers also get a detailed explanation of his speech from December 5, 1996 to the American Enterprise Institute, which contained what is probably his most famous quote: "But how do we know when irrational exuberance has unduly escalated asset values…?" It was "irrational exuberance," of course, that the press latched onto, and which became a sort of catchphrase for the economic outlook of the day.

As mentioned earlier, the second half of the book contains Greenspan's observations of where the world economy is heading. Chapters are devoted to China, Russia and Latin America. Greenspan addresses the relationship between education and income equality, and why Americans must be ready to accept the costs of education reform. And he concludes the book by giving some predictions about where America's economy might be in 2030. Much of this has been covered by other authors — Thomas Friedman's *The World Is Flat* being one notable example — so some readers may find this portion of the book less interesting than the biographical section. But there's no reason why someone with Greenspan's knowledge shouldn't weigh in on these topics, especially when his arguments and observations are so clearly written and convincingly presented.

If there is one theme that runs throughout the entire length of the book, it is Greenspan's belief in the necessity of the free market. He is vehemently opposed to the concept of "central planning," that tool of government that interferes with the natural ebb and flow found in a capitalistic system.

His strongest example of the failure of central planning is how the economies of East and West Germany stacked up against one another during the era of Soviet dominance. Greenspan describes the economic disaster that East Germany had become after the fall of the Berlin Wall — one that was worse than even the most dedicated capitalists had imagined.

He is not so naive as to think that all the world is about to embrace free-market capitalism anytime soon. Even in the United States, he still finds a "latent protectionism" that could hurt our free-market economy. Nevertheless, he writes that after the fall of European communism, "the verdict on central planning has been rendered, and it is unequivocally negative."

In his public appearances, Greenspan may not have come across as the most demonstrative character in Washington. However, his book reveals a true passion for his chosen field of economics, a passion that can't be faked. *The Age of Turbulence* is rousing celebration of the capitalist system and an entertaining look into one man's richly led life. ■

The author: Alan Greenspan earned a Ph.D. in economics from New York University. In 1954, he co-founded Townsend-Greenspan & Co., an economic consulting firm. He served as chair of the Council of Economic Advisors under President Gerald Ford from 1974 to 1977. In 1987, he was appointed chairman of the Federal Reserve Board by President Ronald Reagan. Greenspan served as chair until his retirement in 2006.

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Featured Book Review

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How to Lead a Million Employees

Life at the Top of the World's Largest Restaurant Company

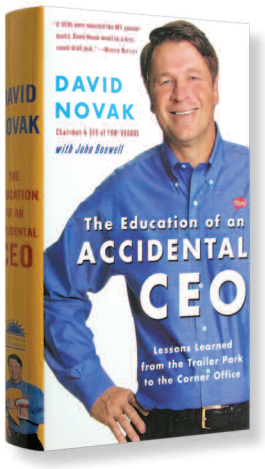
Review by Chris Lauer

THE EDUCATION OF AN ACCIDENTAL CEO: Lessons Learned From the Trailer Park to the Corner Office

by David Novak with John Boswell

Crown Business, © 2007, 303 pages, $25.95, ISBN 978-0-307-39369-2

Don't let the title of CEO David Novak's autobiography fool you: His rise to the top of Yum Brands is no accident. Although there is plenty of education taking place in the story of his life in *The Education of an Accidental CEO*, the story written by Novak (and seasoned co-author John Boswell) describes a climb up the corporate ladder that was nothing less than a calculated effort to reach solid goals set along the way through a remarkable professional career.



While the stories Novak tells are all reality-based, the subtitle of his book — *Lessons Learned from the Trailer Park to the Corner Office* — is almost as deceptive as its title. The trailer parks of Novak's memory were not the impoverished homes of struggling families implied by the stereotype of an American trailer park. Instead, Novak remembers the trailer parks of his childhood as wonderful places to be raised. His family lived in trailers only because it traveled from town to town while his father worked for the U.S. Coast and Geodetic Survey. Poverty had nothing to do with the trailer parks from Novak's childhood. Alternatively, he describes an early life filled with adventures from a journey around the nation that took him to more than 20 states before he was in the sixth grade.

Mobility and Mentors

Despite its truth-stretching title and subtitle, Novak's exceptional book imparts a captivating story about a man who made the most of the natural people skills he cultivated while changing schools on a regular basis throughout his mobile childhood. Moving around the country with 14 other families on his father's survey team started Novak on a life filled with new people. These early experiences helped him eventually master the social skills a CEO needs to create a successful business.

What makes Novak's journey from student to leader so engaging is not his ability to create a whole new set of rules to make a business hum. Instead, his story shows one man's keen ability to learn from a variety of people and put into action the best lessons he learns while moving through a variety of professional roles.

Novak's unusual upbringing is filled with mentors and family members who help him see his potential and master his strengths. He explains how both his father and his love of sports helped him learn about leadership during his youth. Novak describes how he still motivates his people with humor and recognition using the same skills his father taught him in Nebraska while coaching his baseball team.

Natural Adaptation

This kind of natural adaptation of leadership skills from others is really what *The Education of an Accidental CEO* is all about. Novak's story offers numerous ways anyone can become a leader without an MBA. Novak's tale provides a detailed description of how smart philosophies, listening

"Throughout his book, readers follow Novak's unique journey through a career that taught him many guiding principles he applies to his work every day."

skills and good advice can be incorporated into a leadership role. For example, when Novak was the editor of his high school's newspaper, he learned the importance of brevity and a supportive leader from his teacher, Mr. Harp, who encouraged Novak's writing talents. He also learned the value of "breaking through the clutter" to get a message through.

The clear style found throughout Novak's book shows how his supportive teacher was right when he pointed out young David Novak's exceptional writing skills. Novak's simple yet direct style, filled with affability and self-deprecating humor, balances out the sheer authority he has over his topics. Since it is both autobiography and business book, *The Education of an Accidental CEO* reflects the life story of a man who took the lessons he was taught by the positive influences in his life and turned them into an impressive career filled with many valuable experiences worth sharing. Those experiences provide a compelling backdrop for the important people-centered lessons Novak delivers.

Reward and Recognize

Throughout his book, Novak continually explores specific moments in his life that taught him how to be a better leader. Sprinkled throughout those remembrances are solid bits of advice from other leaders whose lessons helped Novak grow.

For example, while writing about his time in an ad agency, Novak takes the opportunity to share some wisdom from advertising guru David Ogilvy about how employees can be demoralized when incompetent employees continue to fail and how important it is to fire bad eggs. Ogilvy's advice leads nicely into one of Novak's key tenets: Employees must be rewarded and recognized. Much of the rest of Novak's book extols the virtues of employee recognition and motivation while offering dozens of practical ways to keep people happy and productive.

While describing his early advertising copy writing job, Novak also recalls his admiration for the account executives he saw working closely with the firm's customers. This is where his long-term goal for the greater financial rewards of higher positions first materialized.

Engelbert Humperdinck

Throughout his book, readers follow Novak's unique journey through a career that taught him many guiding principles he applies to his work every day. For example, a night job at Holiday Inn taught him the power of "service with a smile." At that job, he also learned from Engelbert Humperdinck the importance of feeling appreciated at work. This lesson arrived when Novak was given no tip by the superstar after he stayed at the hotel. This lesson helped to bolster Novak's understanding of the immense value of rewarding people for doing their best work. Thus, *The Education of an Accidental CEO* is the only book where readers will find Engelbert Humperdinck's stingy behavior transformed into the cornerstone of the leadership philosophy of one of the world's top CEOs: Recognize and reward people.

After a stint in an ad agency near Washington, D.C., Novak was hired by a top firm in Pittsburgh as an account executive, which gave him the chance to work with marketing guru Tom James. James taught Novak lessons that would help him rise higher in his career than he ever imagined possible. Those lessons included the art of critical analysis, which he still uses to keep his words and memos brief and to the point. James also taught Novak the marketing mantra he continues to use today: "What consumer perception, habit or belief do you have to either change, build or reinforce in order to grow the business?" Novak explains that he used this marketing lesson at Taco Bell to help its customers break the hamburger habit and "think outside the bun."

Frito-Lay

A few years later, people in the marketing industry began to notice Novak's skills. With James' help, Novak got his foot in the door of a bigger marketing agency in Dallas. This job soon connected him with Frito-Lay and the brand's parent company, PepsiCo. While working on the Frito-Lay account, Novak was on the team that came up with the taste sensation of Frito-Lay's Cool Ranch Doritos.

After being put in charge of Frito-Lay's account at the age of 27, Novak writes that he learned more valuable rules of leadership from the image consultant Jack Byrum. These lessons included ways to exude authority through personal style and self-awareness, such as remaining conscious of the image he was trying to project. He writes that he also learned the value of controlling his ego, not intimidating others and not being intimidated by others. Judging by the down-to-earth way he describes his own personal style with subordinates and others, it is clear that Novak took Byrum's messages to heart.

Beyond Advertising

When a position opened up in PepsiCo's restaurant division for senior vice president of marketing at Pizza Hut, Novak tapped the connections he had made while

working with Frito-Lay, another one of PepsiCo's brands. Based on the impressive work he had done for Frito-Lay, Novak got the job. This experience exposed him to another valuable business lesson: "It's not what you know or who you know — it's both."

At Pizza Hut, Novak made a name for himself with smart decisions and long-term thinking. His experiences in the large corporation led him to another lofty goal: to become a company president before he was 40 years old. Novak attributes this desire to the questions other people asked him about his future plans. One day, when somebody else got a division president seat at PepsiCo, he was asked by several people whether he was disappointed by the board's decision to pick somebody else. Although Novak writes that he hadn't really thought about becoming a president until that moment, the notion planted a seed in his mind that would grow into his goal to attain a top leadership position.

Team Building

While waiting for his chance to move up, Novak kicked his management skills into high gear. At Pizza Hut, he created a top-notch team of experts by recruiting the best people in the business. Soon Novak and his newly assembled group of high-profile marketers created the advertising campaign "Makin' it great," which caught on quickly with the public. Then they improved Pizza Hut's prices to compete with Dominoes and other competitors. Then they developed a number of specialty pizzas, such as the Meat Lover's Pizza and the Cheese Lover's Pizza. Suddenly the company went from a struggling enterprise with slow sales to a booming business filled with new devotees.

Novak writes that during this time, he discovered that making the customer happy is at the core of any customer-centric business. He also began to understand how his own enthusiasm as a leader could energize his people to excel in their jobs. While capturing what he had learned in his role as a leader at Pizza Hut and sharing it with the company's franchisees in creative group presentations, Novak began to develop a knack for turning his unbridled enthusiasm into inspirational messages for his people.

"At Pizza Hut, Novak made a name for himself with smart decisions and long-term thinking. His experiences in the large corporation led him to another lofty goal: to become a company president before he was 40 years old."

But enthusiasm is only part of Novak's leadership tool kit. He learned that sustaining enthusiasm among team members and franchisees requires more than spirited presentations. He explains that he also learned the importance of getting everyone involved in problem solving and company improvements. By starting monthly department meetings, he learned that brainstorming sessions and recognition awards truly energized his people. Next, he began to institutionalize feedback sessions, formal recognition programs and corporate rewards. Powerful results showed him that his efforts were paying off for the company.

Success at PepsiCo

After doubling sales at Pizza Hut and turning around its lagging profits, Novak was offered the job of executive vice president of marketing and sales of PepsiCo's beverage division, which included more visibility and responsibility than his job in the company's restaurant division. After taking the job, he learned more about the value of finding a way to get something done, which he explains might be a leader's most important leadership skill.

In the beverage division, Novak's team developed Mountain Dew's "Do the Dew" advertising campaign. His highly successful efforts earned him the respect and recognition from his superiors that helped him grow. Soon his team created its first bottled water product, Aquafina, which has become the biggest brand of bottled water in the world.

While working in PepsiCo's beverage division, Novak writes that he also learned vital lessons about keeping his own ego in check. One experience that showed him the value of listening to critics was his foray into creating a Pepsi spinoff called Crystal Pepsi, a clear, lighter-tasting version of the company's most visible product. When the product failed miserably after a brief initial success, Novak writes that he learned the importance of staying open to feedback from critics. Although he could have been fired for the debacle, he writes that he also learned how much PepsiCo values innovation and the risk-taking that it requires.

Make Things Happen

The next decision in David Novak's career that helped propel him to an eventual top spot was his choice to pursue a chief operating officer (COO) job when the company was restructuring its organization chart. As one of two company COOs, he writes that he learned how to make things happen. He explains that this requires focusing on the things that matter the most by getting the fundamentals in place, as well as finding the right

answers by looking to people within the company rather than seeking outside experts.

After getting the results sought by PepsiCo's top brass, Novak was offered the job of president of KFC. When he agreed, he was suddenly put in charge of 5,000 restaurants with 100,000 employees. After success in his new role, PepsiCo made the decision to spin off its restaurant group as a new company. Having already headed up two of PepsiCo's three restaurant brands, Novak was in a perfect position to lead the spinoff company.

The Birth of Yum

To help Novak make the transition from division president to the CEO position of a whole new company, PepsiCo's CEO and chairman Roger Enrico chose Andy Pearson to be the first CEO of the new company. Pearson had earned the distinction of one of the "10 toughest bosses to work for in America" from Fortune magazine thanks to his tough-as-nails reputation in the business world. The original plan was for Pearson to step down as CEO after three years of shaping Novak as his successor. After only two years of working (and sometimes living) together as chairman and vice chairman, Andy Pearson handed over the CEO position to the 46-year-old David Novak. What began as Tricon Global restaurants, which included Taco Bell, KFC and Pizza Hut under its umbrella, soon became Yum Brands with the addition of Long John Silver's and A&W All American Food to its roster.

By centralizing the company's culture, Novak helped Yum and its million employees become a powerful global corporation. Some of the lessons he learned during his first year as CEO became the building blocks on which his company's success are based. These include basics such as "recognition works everywhere"; "show your face" by making appearances at your franchises; "surround yourself with opinionated people" who aren't afraid to voice their ideas; and "celebrate performance, but perform before you celebrate."

Admirably, throughout his book, Novak keeps his messages down to earth by revealing many of his fears and toughest moments. For example, he describes the time he was left shaking after he was attacked in Germany by animal rights activists. One day, two activists who were posing as journalists dumped a bucket of red dye on him and covered him in feathers. They said they targeted Novak because he was the head of KFC, the internationally recognized chicken brand.

While describing the incident, Novak addresses his feelings about People for the Ethical Treatment of Animals (PETA), such as his agreement with their desire for KFC to kill chickens as humanely as possible. He writes that he also believes that PETA has unfairly singled out his company as a target of attacks. By including the traumatic incident in his book, Novak gives readers a deeper look into the personal trials and tribulations of a 21st-century CEO.

Feeding Hungry People

As an executive in the restaurant industry, Novak also describes his belief in the importance of feeding hungry people, including the poorest people in the world. That's why all the money he makes from *The Education of an Accidental CEO* is sent to the United Nations World Food Programme as part of Yum's philanthropic giving efforts. As the director of the Friends of the World Food Programme, Novak follows another one of the business principles he extols throughout his book: walk the talk.

The Education of an Accidental CEO offers readers a revealing look into the inner thoughts of a powerful leader as well as the inner workings of a powerful company. Thanks to David Novak's superior storytelling skills and leadership acumen, the lessons found inside present readers with an education of their own. By applying the skills and advice Novak describes, any leader can improve how he or she works with people and builds the strong foundation on which a thriving business can succeed.

The authors: David Novak is chairman and CEO of Yum! Brands, Inc., home to KFC, Pizza Hut, Taco Bell, Long John Silver's, and A&W All American Food. All of his proceeds from the book will be donated to the United Nations World Food Programme in conjunction with Yum's global hunger relief efforts.

John Boswell is a literary agent as well as an author or coauthor of 17 books including the *New York Times* bestseller *What They Don't Teach You* at Harvard Business School.

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· Book 150 of 388 ·

Featured Book Review

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The Ups and Downs of Turnarounds

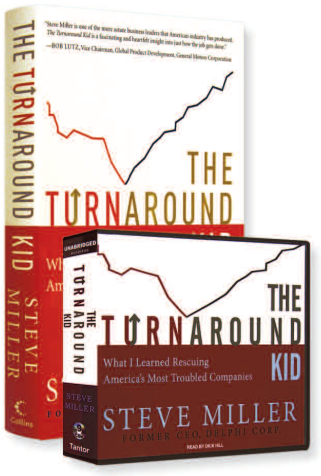
Review by Andrew B. Clancy

THE TURNAROUND KID

By Steve Miller

Published by Collins © 2008 252 pages, $25.95
Unabridged Audio CD published by Tantor Media, Inc.
© 2008 Robert Stevens Miller, 9 CDs, $34.99

Newspapers around the globe enjoy a good rescue story. Whether it's climbers found shivering but alive hundreds of miles from civilization, or a lifeguard braving a riptide to save someone who wandered too far from shore, a rescue is welcome news. In the business world, the process of resuscitating a failing enterprise is big news on the financial pages. The news isn't always pleasant, as creditors, executives and employees sweat out months of negotiations and decision making. Sometimes, despite everyone's best efforts, the business cannot be salvaged and the impact, at least economically, can be felt around the world.



Over the last two-plus decades, Steve Miller has frequently sat at the glowing core of many a corporate reactor verging on meltdown. Hundreds of jobs and millions (if not billions) of dollars have hung in the balance as he attempted to avert disaster for a number of big-name corporations. In his book *The Turnaround Kid: What I Learned Rescuing America's Most Troubled Companies*, Miller offers a rare glimpse into the pressure-packed world of business turnarounds. He also balances the black-and-white world of number-crunching with a moving story of dedication and the enduring love he shared with his late wife Maggie.

Heartache and Hard Work

While many executives start their memoirs with an anecdote about meeting a foreign dignitary or giving a commencement speech at an alma mater, Miller gives readers and listeners a view from where he's so often been forced to stand. *The Turnaround Kid* begins with a description of the last moments of his beloved wife's life. Miller is unafraid of recounting what is certainly one of the darkest moments of his life. He shows a humanity that is often called into question when the public imagines the life of a CEO or top executive.

The author himself makes this point in a memorable way. He describes his effort to take care of the mind-numbing details that follow the loss of a loved one, all while protestors shouted for his head outside the windows of his office at troubled auto parts maker Delphi, where he served as CEO at the time. It caused Miller to hearken back over the many years he had spent in the eye of one corporate hurricane after another. He muses on whether or not the many banks, executives and workers with whom he dealt ever stopped to consider that he is, in fact, as human as the rest. This question does a great deal to break down any negative preconceived notions readers may have about someone in Miller's position and makes the narrative very palatable. It is an advantage of the audio edition of the book that listeners can hear Miller's tale told with emotion.

While some might feel Miller had it relatively easy growing up, he truly wasn't spared a hard day's work. His grandfather, owner of a lumber mill on the southern

coast of Oregon, instilled a work ethic in Miller from the moment he was able to lace his work shoes. Miller even spent time as a logger, and the arduous demands of the job gave him eternal respect for the efforts of the worker. This admiration most likely remained in the back of his mind while negotiating corporate survival strategies that usually didn't leave workers in the unemployment lines. He never forgot the place from which he came, and readers get the feeling that the author operated a good deal of the time with the specter of his grandfather peering over his shoulder.

It is easy to see the tremendous impact that this period of Miller's life had on his future. He gives vivid descriptions of the sights and sounds of life in the mill and the little community that surrounded it. Sadly, as frequently occurs in *The Turnaround Kid*, Miller's observations serve as a reminder of the state of American industry. Perhaps the loss of a factory town to globalization like Miller's Bandon, Oregon, is what makes him miss it all the more and fight harder than most to preserve domestic businesses when possible. He is a believer in the American spirit, and readers may find themselves inspired by Miller's reaffirmation of the "can-do" attitude. It is particularly beneficial in trying economic times to be open to change and exploration, something the author reminds readers of in several spots.

"He is a believer in the American spirit, and readers and listeners may find themselves inspired by Miller's reaffirmation of the 'can-do' attitude."

Eye to Eye with Iacocca

After business school, Miller, his wife and their children began a globetrotting life on par with a military family. Taking a position with the Ford Motor Company, the young executive held positions at outposts in Mexico, Australia and Venezuela. While he relished traveling and working on the fringe of the traditional corporate ladder, Miller could not have predicted the way in which he found himself wandering back to Detroit. He had been contemplating a move to a position in a less stressful industry. Instead, an old boss who had recently been lured to Ford's competitor Chrysler called with a major opportunity. Miller didn't necessarily jump at the chance, and his description of why not would quicken the pulse of any CFO.

By 1979, Chrysler had drawn dangerously close to making Detroit the home of the "Big Two." Long considered the third-place finisher in a three-horse race, the automaker was drowning in debt. Its dynamic new CEO, Lee Iacocca, took what was considered an unprecedented step by petitioning the federal government to guarantee a complicated bail-out package. Miller, after much deliberation, accepted the offer to become Chrysler's CFO. He had the daunting task of restructuring more than $1 billion in debt spread across hundreds of banks. All this was taking place during the economic malaise of President Jimmy Carter's administration when, as Miller points out, the demand for new vehicles was down 30 percent.

Miller's time at Chrysler fills a good portion of *The Turnaround Kid*, and it provides some of the most riveting reading. It becomes obvious that the author's incredible intellect is equaled by his ability to seemingly parachute into a company and within 10 days time master its industry and financial situation. He paints an amazing picture of the state of the auto industry and Chrysler's production and spending philosophies in the early 1980s. Time and again Miller breaks the number-cruncher stereotype by providing interesting passages that simplify issues involving billions of dollars. One gets the feeling that a CEO, CFO and director of human resources could each read the book and find unique takeaways from the same set of pages.

In the work that began his legendary career, Miller first helped Iacocca win over the federal government. He then began the painstaking process of restructuring the entirety of Chrysler's massive debt. It seems as though Miller's life in this period became one eternal meeting, as he visited one bank after another. The sheer labor of saving one of America's largest employers (at the time) resonates from the page and it is impressive to note that all the work was done in the pre-Internet, pre-cell phone world of business.

No punches are pulled as Miller depicts his relationship with Iacocca, whose level of public visibility was in the 1980s what Jack Welch achieved in the new millennium. The audio edition of the book is particularly enjoyable, as the narrator's voice gives one the fly-on-the-wall feeling of sitting in secret strategy sessions. Iacocca and Miller tussled on several occasions during the initial period after Chrysler achieved its government backing. Many of the decisions, particularly the choice to debut a new vehicle that critics dubbed the "minivan" and the purchase of the Jeep brand, helped Chrysler catapult back into a position of profitability. In fact, Chrysler's new products and smart, ruthless cost-cutting strategies gave the company the potential to pay off its debts seven years in advance.

For Miller, the choice was an obvious one. He wanted to rid Chrysler of any involvement with the federal government. In his opinion, having observed similar

government bailouts in Great Britain, governmental caretakers tended to create a welfare state where the business becomes dependent rather than independent. Something about the prospect of Congress dictating Chrysler's moves seemed un-American to Miller. What seemed un-American to Iacocca was forgoing the windfall destined to land in stockholders' laps for the sake of early payment on a few loans. Common sense, thanks to Miller's determination, won out, and it's certain that members of Chrysler's board were thankful in a decade's time when the auto market in the United States again began to slide.

"While not all of his efforts led to success, he fought hard in every case to see that customers, workers and even shareholders benefited equally. Perhaps this underlying theme of equal prosperity is the greatest lesson to CEOs."

"Need to Knows" for CEOs

The problems between Miller and Iacocca continued until a seemingly innocuous story in a business publication led Miller to find himself in the CEO's crosshairs. The downward spiral continued when Miller wrote a letter concerning the succession of the CEO position. The letter's damning prose, no matter how truthful, caused it to be known in auto circles as "The Black Letter." The damage was done, and by the early 1990s neither Iacocca nor Miller would be involved with the company they jointly saved from destruction.

The issues between CEO and CFO in *The Turnaround Kid* are not unique to the Chrysler story. Accountants, bookkeepers and controllers, regardless of industry, will likely be drawn to the audio version of the book, if for no other reason than to hear their common plight given voice and emotion. It would seem that CEOs are often the target for much of the criticism generated by the author. However, he admits that some of this may be undeserved. In many corporations, leadership decisions are spread out across such a great number of individuals, all of whom are beholden to stockholders, that pinning the tail on one man or woman is unfair.

The Turnaround Kid does offer executives an interesting set of ideas to help keep their power and decision making couched in responsible business practice. Miller devotes an entire chapter to disastrous decisions made by power-hungry leaders, and one would hope that readers will be able to scan the checklist of warning signs without seeing their organization's leader reflected in it. It is clear from his anecdotes that communication and the removal of silos are essential to keeping a business, particularly a troubled one, from crumbling to dust. Many of the CEOs detailed in the book appear to have either walled themselves off from the realities of what was occurring or had intimidated staffers to the point where bad news was purposely hidden to avoid the boss's wrath. Neither of these practices puts the news (good or bad) up front where Miller believes it belongs. The truth needs to be told, he muses, even if it hurts.

A great takeaway for leaders is Miller's repeated emphasis on information gathering from all levels of an organization. As noted earlier, his career was based on dropping into a troubled company and needing to master its operations, budgetary methods and brand as quickly as possible. It is a key point that he did not rely solely on reports from advisors or a mixture of earnings reports and press releases to guide him. The author showed willingness to explore opinions from workers in every corner of a company. During his time at ailing construction company Morrison Knudsen (MK), Miller pursued a mission of independent fact-finding by heading to the company cafeteria, piling up his tray and sitting amongst the workers. Not only did it help him gain a better understanding of what was going wrong on a ground level, but it also helped to dispel suspicions that he was a grim reaper looking to mow down lower-level jobs to preserve high-paying executive positions.

Truth is continually referenced as the single most essential element to success in *The Turnaround Kid*. Beyond even employees, Miller attests that there is no greater source of this verbal gold than the minds, hearts and mouths of a company's customers. While this can make for painful listening to many an executive, the author would encourage readers to bear the brunt. Inevitably, he points out, even somewhat disgruntled customers have positive things to say. Part of what led to their anger is a sense of disappointment because they believed in the problem company at one point in time. Miller demonstrates repeatedly that he is counted among the believers with each company that he elected to aid. While not all of his efforts led to success, he fought hard in every case to see that customers, workers and even shareholders benefited equally. Perhaps this underlying theme of equal prosperity is the greatest lesson to CEOs.

Navigating Dark Skies Ahead

When one considers the time period covered by Miller in *The Turnaround Kid,* the book is as much a history lesson in American industry as it is a memoir.

The causes of the crises that beset many of the companies Miller attempted to rescue could easily be lumped under a single banner. The firms operated under the industrial practices that led to their initial success, even after the evolution of the marketplace called for change. By leaving it too late, changes that could have been implemented for a consistent cost became massive undertakings that required nearly all of a company's assets to achieve.

It may be hard to imagine, considering the shambles that Miller often saw around him, but the author remains optimistic throughout the book. The only area where he loses some of his cheerfulness is the section that deals with his involvement at Delphi. In part due to the personal tragedy of his wife's brain cancer diagnosis, Miller also suffered with what many economists hold up as the iceberg waiting to sink the Titanic of American manufacturing: the auto industry. A three-way collision of a powerful union, a sinking global economic position and a crippling benefit system made Delphi perhaps the most daunting challenge of Miller's career.

The last two chapters of the book may prove to be the most beneficial to readers. The problems at Delphi could be viewed as the plaque that lines the arteries of the American economy. Miller is more than willing to rub the paddles together and provide defibrillation in the form of brutal honesty, but it remains to be seen whether or not the country will be able to respond to the shock. The Delphi battle is a microcosm of problems that politicians and doomsday business scribes deem pandemic to the United States. Pension and health care promises were made with the best of intentions by companies. However, they were made in an era when retirement took place at 65 and death followed at 67. In today's economy, retirement can take place as early as 52 and life expectancy continues to creep closer to the century mark. Footing the bill for this set-up drains company coffers faster than an IRS audit. In some cases, there are more retirees drawing a check from a company than current full-time employees.

In addition, Miller adds a third timely flashpoint to the explosive problems plaguing businesses. Since many of the positions he held were at companies in the auto industry, he is acutely aware of the energy crisis. Auto manufacturers feel the pinch from every side; they face skyrocketing fuel costs to build their product, potential government intervention on efficiency and consumer demands to immediately offset the rising costs at the pumps. Now try to imagine solving these problems with every step having to go through prolonged negotiations with labor unions that are bent on protecting the interests of workers despite the damage that it may cause in the long run. Not a pretty picture, to be certain.

The Turnaround Kid concludes with Miller attempting to answer the three-dimensional pension/health care/energy riddle that even he admits comprises government's daily struggle. Could this challenge be so great that it defies even the heroic strength of a legendary business savior? Miller's solutions are certain to cause lengthy debate. For example, one feels that the audio edition of the book probably should have required the narrator to whisper the caustic phrase "national health care." The food for thought provided by Miller should give executives plenty to chew on while examining the giant holes that pension plans rip into their companies' budgets. Still, in the end, Miller remains confident that a combination of honesty, respect, integrity and empathy can lead any company, and hopefully the nation, out of any crisis. ●

The author: Robert S. Miller is former chairman and CEO of Delphi Corporation. He serves on the boards of Symantec and United Airlines. In 1979 he was recruited by Lee Iacocca to lead the financial negotiations with 400 banks and the federal government to orchestrate the bailout of Chrysler. That led him to become the vice chairman and CFO of Chrysler. From that point he began a succession of restructuring efforts at various corporations, which earned him the reputation of "the turnaround kid." The book is dedicated to his wife of 40 years, Maggie Miller (1937-2006), with whom he shares the credit for his success.

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· Book 151 of 388 ·

Fisch Tales

Bob Fisch

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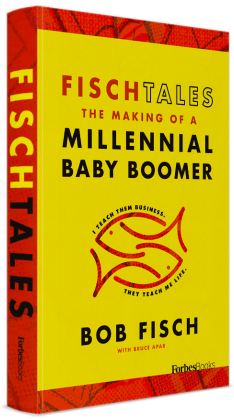
Fisch Tales

The Making of a Millennial Baby Boomer



by **Bob Fisch**

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THE SUMMARY IN BRIEF

After discovering data showing 76 million babies were born in the US between 1946 and 1964, a researcher gave the generation a name--Baby Boomer. And following were Gen X, Millennial, Gen Y, and Z. It doesn't matter what generation you belong to. What matters is how we get along, so we can stay strong and move along.

In ***Fisch Tales***, Bob Fisch shares motivational lessons learned from his years in retail, notably as CEO of Rue21. Millennial Baby Boomer captures the idea of staying ageless. An MBB is a bit of a chameleon, someone with a survival instinct. Each of us is a one-of-a-kind creation who never stops being a work in progress. If you're not always moving forward, you stop growing.

That is part of what being a Millennial Baby Boomer is about: shared values that can, and should, connect generations more closely and more productively. If separate generations can learn to empathize more openly with other generations, their shared values have a chance to benefit everybody.

IN THIS SUMMARY, YOU WILL LEARN:

- Lessons for passing on what you have learned.
- The role of good listening to influence others.
- The necessity of measured risk-taking for success.
- To help new leaders own their vision and their future.

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Sarah T. Dayton, Editor-in-Chief • Meghan Kozak, Director of Content • Kylie Waytuck, Graphic Designer

Introduction

Vision is vital. If you have a vision to build something, it won't happen unless you can get people to go along to see and execute your vision. If it sounds simple, it's anything but. It takes constant pushing in motivating people. People want to feel they belong. You need to create a culture that supports your business vision. Fisch's lessons for leaders guide the way.

People

Whether hiring or aligning, value authenticity, dedication, curiosity, and tribal knowledge. Tribal knowledge is based on authentic wisdom that accumulates over time, from experience. It requires a strong work ethic. It feeds on reliable information and intangibles. It's organic, as in hard-won knowledge; it's not synthetic, as in assumed or imagined expertise.

Get a Mentor

One way for millennials, or someone of any age, to achieve their goal is to seek the guidance of a mentor. Learning the ropes from the right person is a proven way to increase your value to your employer. It's like being an apprentice. Even if you are not totally new at your job, there's always something to learn from more seasoned people willing to share their professional knowledge and street smarts. It is one of the best ways to move past colleagues who may be competing with you to land a coveted position.

If you don't make a focused effort to find a mentor, the alternative is to hope that maybe someone will take you under his or her wing. Wrong! "Hoping" gets you nowhere fast. "Maybe" doesn't cut it. Don't wait to seek help from those ahead of you in the journey.

Persona Versus Personality

It takes all kinds of personalities to make a company succeed. No manager should try to change someone's personality to fit in with others. If the person is skilled enough to keep on board, but challenging to work with, that's a behavioral issue that you try to work out. Someone's persona, however, is a different story. A persona can be developed to help someone communicate and relate better with colleagues. A persona is not always a precise mirror of personality; a persona may, in fact, mask it. Work closely with people to help them solidify a persona. Push them to do things they don't think they can do.

It's essential to be aware of how people perceive you. It's perfectly OK to have a personality that is shy or soft-spoken. What's not OK is to let it hold you back from speaking up for yourself, for your ideas, and your accomplishments.

Culture

Culture describes how a company's attitude and behavior are demonstrated in day-to-day business dealings. Relationships are a vital part of culture.

Could You Care Less. . . Or More?

Caring genuinely about people is a desirable core value, but caring is only half of it. The other half is not hiding it. Show them that you care. It's therapeutic. For those not in a leadership role, show your boss that you care about more than a paycheck. Demonstrate clearly that you have a personal stake in the performance of the whole company by asking questions, offering to help with tasks not in your job description, or volunteering to help a coworker. The simple act of offering assistance sets you apart from your peers.

Praise people who deserve it. By making everybody believe they are critical to the company's success, a manager helps others reach their goals. Some believe millennials are especially sensitive to being recognized for their efforts. But that's a legitimate expectation by people of all ages. It's never a bad idea to show people working for you some love. That doesn't always involve a monetary reward or a title change. An achievement award goes a long way too. Meeting associates halfway in recognizing a job well done is an excellent way to encourage their positive attitude and amp up their output at the same time.

Think Like a Bezos

Whether you're in charge of a company, a division, or a project team, the most important thing to remember is this—there is no secret sauce for success! People at the top of their game, such as Amazon founder Jeff Bezos, tell us it is not genius that creates game-changing projects, products, and business models. It is good, old fashioned sweat and the iron will to do whatever it takes to put your vision into action.

Bezos invested countless hours in years of relentless experimentation and unbridled imagination to create Amazon. The company he built continues to take risks in pursuit of profitable new ideas because Bezos' knows that as hard as it is to get to the top, it's even harder to stay there. If you only do things where you know the answer in advance," Bezos says, "your company goes away." He adds, "It's the lessons you learned along the way."

Alignment

All team members must be on the same page, pulling in the same direction, carrying their weight. The key to alignment is communication.

Speak Plainly and Directly

No matter who you are communicating with, whether it's a subordinate or a boss, speak plainly and directly. Walk around every day to interact with as many people as possible. Keep the lines of communication open. You can't give direction once, walk away, and think your expectations magically will be met to your satisfaction. It requires repeated back and forth, always digging deeper to work it out. You set goals, delegate authority to achieve them, and monitor progress. That's the way to succeed in business.

Learn to Listen Critically

Listen analytically to make better decisions. There will be differences of opinion. Being selective in how you listen and who you listen to is critical. Listening to the wrong advice or misinformation can turn dangerous. It takes some practice to learn to detect that the people talking maybe don't know what they're talking about, or have a hidden agenda that is at cross purposes with your best interests.

How to Weaponize Listening

You can weaponize listening. Let's say you were dealing with people inside your own company. Make a point of using your listening powers to move the company ahead. One time, a CEO stunned a senior executive. He asked him about his wife and kids—by name. The executive couldn't believe the big boss would remember the names of one person's family members in a company of thousands. The CEO's secret was writing down such details after first meeting someone. The concern for each individual creates a powerful personal connection. He was an empathetic listener. Being a good leader is more than crunching numbers.

Risks and Diversification

Playing it safe may keep you securely in place, but also will get you nowhere fast. The road to success is paved with risks worth taking. Trends and markets are in constant flux, so reinvention and innovation must be constant.

Dig Beneath the Data

Accumulate as much information as possible to guide your decisions. Understand how things work in every corner of the company. A smart manager immerses herself in the collective tribal knowledge of the entire company. Information is more than data. It includes intangibles that don't show up in hard numbers. Know which intangibles create success.

To get that hidden information, you have to read between the lines. Don't let data be your only guide to making the best decisions. There is always more to the story that you need to know.

Prepare, Don't Panic

Take advantage of your experience to guide your decision-making process. Bring your tribal knowledge into play. Whatever you do, do not panic! Yes, the world changes, but it usually returns to its previous position. Much about the business world marketplace is cyclical. Position yourself to be in a position of strength when a course correction restores normalcy to your business. Success belongs to those who dig in their heels and trust their instincts.

Speed to Market

A good rule for time management: move toward your goal as quickly as you can without being deterred.

It's Disruptors Against the World

Being a disruptor means being an innovator, the proverbial mover and shaker. Disruptors blaze new trails by going against the flow. By definition, then, they are in the minority. Everybody else falls into one of two camps. There are the interrupters. They get in the way of the disruptors for one reason or another. Or it may be competitive, with both vying to move up the corporate ladder when only one position is open. Or the interrupter may be a contrarian with a stubborn streak. But the disruptors and the interrupters are activists.

The other, and most common, type of person in this scenario is the passive bystander. Rather than rock the boat, bystanders are content to hang back, watch the disruptors and interrupters duke it out, and then go with the flow riding the coattails of whoever prevails. They're the opposite of risk-takers. In short, the disruptor acts, the interrupter reacts, the bystander spectates.

Hit 'Em Where They Ain't

There once was a New York Yankees Major League Baseball player who explained his success at the plate with the quirky remark that he hit him where they ain't. What he

meant was that the way for a batter to reach base safely is to hit the ball anywhere in the field except where there is someone in a position to catch it for the out. It's the same for success in business.

Confidence

Confidence in yourself and your business allows a strength of focus that refuses to allow the doubts and criticisms of others to weaken your resolve.

You Can Go Your Own Way, Or. . .

People who possess tribal knowledge don't try to dazzle with fancy footwork. They move with focus and with purpose in a straight line. They deliver results reliably by doing whatever it takes. It's hard to do that alone, though.

A mentor can't create instincts but can help refine them. Sometimes, it means holding the person's feet to the fire, pushing him or her hard toward the goal line. Whether you are the mentor or the one being mentored, the key is to harness the passion and instincts already there to help both the employee and the company.

Capturing Confidence

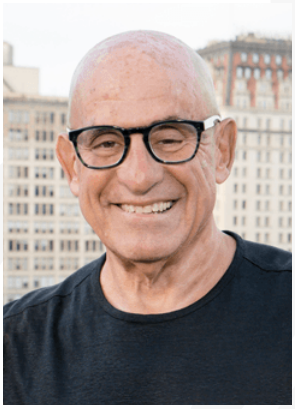
You need to overcome doubts to sell yourself . . . to you. Confidence comes from two places: your head and your heart. Sometimes they don't see eye-to-eye. In your heart, you may feel an intense passion that you have what it takes to get the job done. Your confidence fills you up with energy. Then after a couple of missteps or disappointments, your head starts playing tricks on you. You begin to doubt yourself. Stop! Trust the confidence you began with.

Confidence means focusing on what is important and ignoring unimportant nonsense that doesn't move you closer to your goal. Confidence means not letting the criticisms or doubts of others undermine your strength of purpose. Car pioneer Henry Ford put it this way, "Whether you think you can, or you think you can't. . . you're right."

Don't Doubt Yourself Just Because Others Might

Baker Mayfield virtually willed himself to be a superstar athlete. As a football quarterback in high school, he wasn't recruited by big-name colleges. One reason was his height: Six foot one isn't that big among today's towering quarterbacks. "No problem," thought Mayfield. Without being invited, the Texas native walked on the field to try out for Texas Tech. He not only made the squad; He became the first freshman to start a season-opening game for a major college football team. What motivates Baker Mayfield? He says, "I hate losing more than I love winning."

Life is like a puzzle. When all the pieces come together, you can see the big picture. Each one of the pieces shapes the journey. You determine when the puzzle is complete—more pieces can and will fall into place. Whether Millennial, Baby Boomer, or both, The Best Is Yet to Come!



An innovator in specialty apparel retailing, Bob Fisch orchestrated one of the most dramatic turnarounds in recent retail history. As Founder and CEO, he led rue21 from Chapter 11 to the largest specialty apparel retail chain in store count with over 1200 stores. Always eager to raise the bar through new challenges and opportunities, his varied roles currently include author, mentor, investor, consultant, and motivational speaker. "I push people to take charge of their own destiny," he says, "so they have no regrets and can enjoy life to the fullest. It worked for me."

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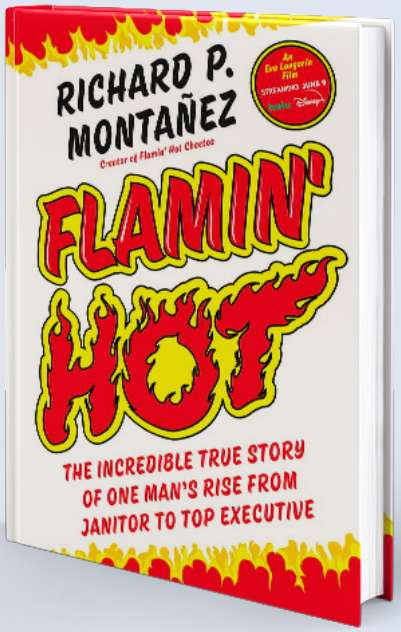
Flamin' Hot

Richard Montanez

BOOK SNAPS™

Zooming In On Your Next Read



Flamin' Hot

The Incredible True Story of One Man's Rise from Janitor to Top Executive

By Richard Montañez

Richard Montañez is an inventor, entrepreneur, philanthropist and business executive whose inspirational journey has taken him from the barrio to the boardroom. A sought-after motivational speaker, he may be best known as the creator of Flamin' Hot Cheetos—the billion-dollar brand and worldwide phenomenon. Hailed as the Godfather of Hispanic Marketing, Montañez began his tenure as a janitor at Frito-Lay/PepsiCo before rising up through the ranks to head his own division. He serves on several nonprofit boards and is widely recognized as one of the most influential Latinos in corporate America.

From Janitor to Top Executive

In ***Flamin' Hot: The Incredible True Story of One Man's Rise from Janitor to Top Executive***, author and businessman Richard P. Montañez traces his journey from janitor to top executive. Always thinking outside of the box, Montañez was responsible for bringing to life Flamin' Hot Cheetos, a snack treat that he intended to essentially be a Cheeto covered in chili. He was able to achieve all of this while overcoming numerous obstacles including institutional hierarchy, saboteurs, and a lack of formal education. Because of where he started, many people did not want to listen to him or listened to him with disdain believing he was stepping out of his boundaries. Despite this, with ingenuity and a belief in both himself and his product, he created a phenomenally successful brand, and in this book, he shares what he learned along the way in the hopes to help others unlock their potential and achieve their wildest dreams. *Flamin' Hot: The Incredible True Story of One Man's Rise from Janitor to Top Executive* is part biography and part business book that equips the reader with both a belief in the possibility of greatness and some of the tools to help them achieve that greatness.

Montañez had a rough childhood. The son of poor people and brown skinned, he had all of the odds stacked against him. Montañez maintains, however, that all that a person was in the past can help them become what they will in the future. All of his difficulties as a child and as a young man helped him focus on the very things he needed to do in order to achieve his destiny. In his view, all of the different jobs he took and learned from provided him with "a graduate degree in survival education on the streets." He felt empowered to write his own future. Eventually when he got the job at Frito-Lay it was a big deal because it was quite a jump from working in the fields. When his grandfather heard about the job at Frito-Lay, he gave him valuable advice: to put his name on all that he does until he becomes "a person of value to your company and to yourself."

Think Like an Executive Act, Like an Owner

One of the major principles Montañez lives by and encourages others to live by is to "think like an executive and act like an owner." This was a lesson he learned early on that helped unlock his own creativity and a desire for more. In businesses

where most frontline workers do not feel empowered to think in these ways, this can be a risk. Montañez was not afraid to take risks from the very beginning, and he used his hunger to alleviate his fears. As he writes, "let your hunger be your guide and see just how far you can go."

Montañez, the son of migrant workers, always saw the value of and took pride in hard work. In his early twenties, he acquired a job as a janitor at Frito-Lay. Despite working hard his whole time on the job, he was almost let go early on for showing no initiative. This surprised him, but he realized what he was doing wrong. Instead of finding new things to work on when he finished his own tasks, he would just go back and redo them. This is not what the company wanted. Luckily he was given another chance and was able to demonstrate his value to the company, and Montañez started doing everything he could to figure out where he could add value to the company, and he learned about as many different processes as he could. He was always eager to learn more and willing to put in the time to acquire ever expanding insights into how his company worked.

When Montañez started to think like an executive, he started to get some pushback. Supervisors and others would caution him that he better not be on the clock when he was on his mission to learn all that he could about the company. Montañez believes that people do not need permission to start carving out their own future. He recommends that his readers learn the history of the company they work for. He also urges people to "learn the difference between excellence and competence." Excellence refers to a person being the best they can be whereas competence refers to being the best at something in particular.

Childhood Story

Montañez tells a story about his mother. When he started going to a school with many white kids, he felt out of place at lunch because he brought a burrito instead of a sandwich. When he asked his mom to give him sandwiches instead, she decided to give him two burritos: one for himself and one to share. Within a few days, Montañez was bringing many burritos to school and was selling them to interested classmates. He believes that in order to succeed wildly, a person needs to be willing not to fit in. Many people are afraid of doing this because they do not want to appear foolish. Montañez offers numerous pieces of advice to overcome this, but in short, he recommends people lighten up and stop being so afraid of failure. He recommends people let their hunger guide them.

A Winning Idea

His life changed when future PepsiCo CEO Roger Enrico made a video for all employees urging them to start to act like owners of the company. Instead of going to outsiders to solve problems, Enrico wanted to tap internal resources. Things were getting bad for Montañez because workers' hours were being cut, and he hated to see his family go hungry. Montañez saw this as an opportunity. He believed that if he could come up with a solution to help the company grow, then hourly workers like him would have more access to working hours. It was not long before Montañez got the idea that would, after a lot of time and hard work, launch him to career heights he had never dreamed of. After seeing a street vendor selling elote, Montañez got the idea of putting chili on a Cheeto. The next day, he brought home some unflavored Cheetos from work, and he and his family set about creating Montañez's vision. Eventually they managed to find a winning combination, and they shared some of their product with people close to them. Everyone loved them. Not knowing the proper etiquette for contacting higher ups, Montañez took the bold step of calling Enrico directly with his proposal. Enrico liked his idea and said he would travel to the plant in two weeks to hear his presentation. Throughout his journey, Montañez has come to believe that "when you allow yourself to imagine a better future, your vision will show you the way to that awesome destiny."

Obstacles and Empowerment

At Frito-Lay Montañez started to learn ways that waste was being created. Montañez brought these ideas to the people with the power to make changes, and he was pleased to discover that these ideas were implemented, and he was given credit for them. Other people, however, were threatened by ideas coming from below and told him to stay in his own lane. These detractors are just one obstacle he had to overcome in his career.

Some people fear they do not have the ideas necessary to make change. To these people, he suggests starting to think like an executive. Some of his recommendations for doing this are to focus on being a problem solver and to come up with creative solutions to problems. Sometimes mistakes can lead to great opportunities for creative solutions. Once a person comes up with an idea, they should consider whether it is the right time for the idea and whether it is a hot idea. Then he recommends creating demos or prototypes. With his Flamin' Hot Cheetos, he did this in his own home with his family and loved ones. He does not believe people need permission to act on their ideas; people should take the chance.

There are two important questions Montañez urges people to ask: "what if" and "what then." He thinks that almost all important business ventures began when someone had the courage to ask what if. These words, he claims, can lead to self-empowerment and creativity. Once a person comes to grip with their answers to their what if questions, they can then proceed to question what then and lay out a plan for what the next steps should be. Montañez believes deeply that people need to feel empowered to be key actors in their lives. This empowerment can help shield people from those who seek to work against their success. People also, he says, need to learn to trust their instincts.

Sales Pitches and Novel Marketing

Montañez then turns his attention to sales pitches. His own sales pitch was important for his success because he needed those higher up to buy into his idea of Flamin' Hot Cheetos or else he would have to look for some other avenue with which to bring his idea to fruition. He learned that in order to sell

> . . . in order to sell someone on an idea, he would need to focus on a problem that his product could solve."

someone on an idea, he would need to focus on a problem that his product could solve. This problem for his company was that there was a large and growing Hispanic buying population, and the company had no snack directed to them and their considerable purchasing power.

Once a person matches a need with a solution, they then need to make sure to match the novel with the familiar. These are the general principles he used in crafting his presentation to the highest executives in his company. While he was nervous presenting in front of all of these people, all of whom had more corporate power and education than he did, he realized that the other key to a successful presentation was for him to be himself. By the end of the presentation to a group of largely hostile listeners, he was able to win over those he needed to.

Despite having a winning idea, Montañez faced many obstacles to getting his product the attention it deserved. Many were working against him, and one way they did this was by not giving his product the budget or launch it would need. Instead of letting his product fail, Montañez and his family went out to local stores in the LA test market and purchased products themselves. They would then ask the store owners to stock more of the item. This was crucial because since the owners only were given small quantities of the product, they did not have the motivation to order more until what they had was selling and was in demand. Once Montañez started to do this, growth in the product expanded, and then he moved on to African American communities with the same tactics. He created personal relationships with people and got his product into the hands of those who made the decisions in the family. Without these moves, Flamin' Hot Cheetos very well may have been dead before it was ever truly launched to the world.

Leading Others

In his penultimate chapter, Montañez turns his attention to leadership. "Leadership," he says, "comes alive when you begin to become as invested in the success of others as you are in your own success." Montañez sees two types of leaders: Pharaohs and Deliverers. Pharaohs expect to be served while Deliverers try to bring people to greater "freedom and growth." Not unsurprising coming from his own background, Montañez stays committed to the idea that frontline workers should be allowed to be leaders. One of the most important aspects of leadership, he maintains, is the ability to communicate. This communication includes the words people use to describe themselves and the self-talk they allow themselves to indulge in. His second leadership lesson involves leading by example. Through his accomplishments, he hopes to be able to show others what is possible.

Montañez ends his book with a discussion about the importance of believing in oneself. He had all of the odds stacked against him coming from a century of poverty in his family line. Slowly he started to believe in himself, and when he finally realized he was worthy of and capable of greatness, he was able to unlock what was inside of him. He was blessed with a family who believed in him, and he was able to find mentors who helped him along the way. He believes in the concept of "faith it until you make it" which requires a person to believe in their worthiness of greatness and then take a leap of faith to act on that.

Richard P. Montañez started out his life in the barrio, and before his retirement, he made it all of the way to the boardroom. He achieved high levels of success that led him to be invited to the White House by numerous presidents. As the executives he was mostly closely aligned with started to leave the company, Montañez decided that it was his time, too, to leave.

He now dedicates him time to helping others. Montañez's book, *Flamin' Hot: The Incredible True Story of One Man's Rise from Janitor to Top Executive*, is his story of rags to riches, but it goes further than that. While his story is meant to inspire, the business wisdom he conveys in this book gives practical advice to his reader. He believes all people are meant to be leaders and are capable of greatness. In his work with local communities and in the text of his book, he hopes that his life and his actions can help pave the way for others to follow him from the barrio to the boardroom and beyond.

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From Bud to Boss

October 2012

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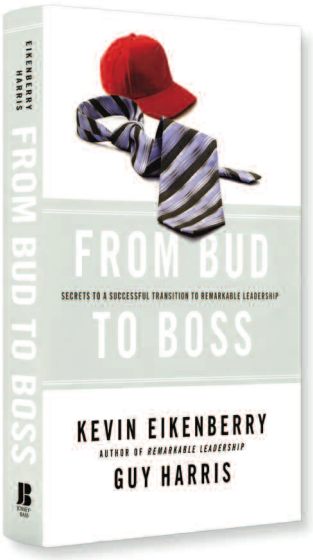
Leadership



From Bud to Boss

Secrets to a Successful Transition to Remarkable Leadership

by Kevin Eikenberry and Guy Harris

THE SUMMARY IN BRIEF

The most challenging leadership experience anyone will face isn't the one at the top but the *first* promotion to a leadership position. It can be overwhelming to deal with the change and uncertainty that come with a new job, requiring new skills and the promotion from peer to leader.

If you (or someone you work with) have been promoted to a position of leadership for the first time, *From Bud to Boss* is an important book that offers insight from the best leadership and management thinking, and puts the focus on the challenges faced by novice leaders. In down-to-earth terms, the authors show how to adopt the mindset of a leader and develop the skills needed to communicate change, give feedback, coach employees, lead productive teams and achieve goals.

Authors Kevin Eikenberry and Guy Harris fill *From Bud to Boss* with practical ideas and helpful advice. Their book offers readers a clear road map to leadership success.

IN THIS SUMMARY, YOU WILL LEARN:

- How to get a clear understanding of your new role as a leader.
- How to develop your ability to solve complex leadership problems.
- How to talk about the expectations you have of your new reports.
- How to ask people about their expectations of you and request their help and patience.
- How to get beyond the stress and fear of leading employees for the first time and put your energy into becoming the most effective leader you can be.

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THE COMPLETE SUMMARY: **FROM BUD TO BOSS**

by Kevin Eikenberry and Guy Harris

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A Note from the Authors

Congratulations! You are now the supervisor. The manager. The foreman. The boss.

Your role has changed and you are being asked to be a leader.

Before getting into all the specific principles, techniques and ideas, we need to talk about *you and your belief in yourself.*

- Someone (or many people) think you can succeed or you would not have the new role.
- Those who care most about you think you can succeed — if you aren't sure, just ask them.
- We believe you can succeed — because we believe that anyone can bring his or her unique strengths to the role and be successful.

The Toughest Professional Transition

You are embarking on perhaps the toughest professional transition you will ever make. Going from being an individual contributor to being the leader, especially when those you are now leading are your former peers (and perhaps your friends), is tough.

It isn't going to be easy. And since it isn't going to be easy, it is extremely important that you bolster your belief in yourself.

However you feel about what is in front of you, remember that your confidence in your ability to succeed is important. We aren't talking about an outward "of-course-I'm-a-rock-star" bravado, but a quiet, modest belief that while you may not get it right the first time, or every time, over time you can and will become a very successful (we'd say remarkable) supervisor/manager/leader.

The two most important building blocks for your success in the transition from Bud to Boss are the *desire to succeed* and the *belief that you can succeed.* ●

Succeeding in Your Transition to Leadership

Developing your ability to solve complex leadership problems, such as those that you will face as a leader, demands that you have a large "leadership toolbox." We suggest that you learn multiple change management, communication, persuasion, coaching, team-building, conflict resolution and goal-setting skills and techniques, and that you practice applying them in different situations so that you can learn to identify the best approach to use in your environment.

In *The Psychology of Science*, Abraham Maslow, a sociologist and organizational behavior researcher, said: "I suppose it is tempting, if the only tool you have is a hammer, to treat everything as if it were a nail." In this statement, Maslow points to a common challenge we face when we approach complex problems: We tend to limit our view of the problems to make them fit neatly within the limits of the tools we have. So that you do not exemplify the thought behind this quote, keep building your leadership toolbox. Make it big and full.

Remarkable leaders learn to use a wide range of communication, conflict resolution and team-

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Amanda Langen**, Graphic Designer; **Chris Lauer**, Contributing Editor

building approaches and techniques so that they know the best tool to use for a given situation.

Role Changes

When you moved from an individual contributor position to a leadership position, the entire focus of your role within the organization changed. You have gone from being responsible for yourself and your work output to being responsible for the work output of a team. This dual responsibility means:

- You represent the organization to your team.
- You represent your team to the organization.

The Organization's Mission, Vision and Values

As the organization's representative to your team, you are responsible for communicating and representing the organization's mission, vision and values to your team. You can only successfully fulfill this role to the extent that you understand and accept the organization's mission, vision and values.

We start with the assumption that you buy in to the overall direction and mission of your organization even if you have concerns about some details or specifics on a few issues. If you cannot accept the overall mission and vision of your organization, you will experience a constant struggle in your role as leader.

In those situations in which you encounter difficulty understanding or accepting a specific decision, task assignment or rule change, we recommend that you adopt this policy for your communications up and down the organizational structure: *disagree in private and agree in public.*

Recognizing the dual nature of your role as a leader, you need to do the work in advance with your boss before you speak with your team to make sure that you understand the changes or directions you need to communicate, and that you can deliver the communication with authority and conviction.

Relationship Changes

The role changes you confront and work through often lead to major changes in several professional relationships. This includes your relationship with your former peers. You were part of the team, now you aren't.

One of co-author Guy Harris' friends noticed this upon his promotion to plant manager. After the promotion his former peers stopped calling. No dinner party invitations. No barbecues. No ball games.

Although your experience might not be this drastic, there is no denying that the change can be difficult.

The Decision to Accept the Change

When people feel that they are a part of the change, and when they are more engaged, they will accelerate the decision to accept the change. The goal of your change communication should be to create that feeling. The goal of your behavior should be for that feeling to be more than just a perception, it should become reality. How do you do that? People must take ownership of the vision of the changed state. Remember that one of the keys to a successful change vision is that it is personal.

As you begin this transition into your role as a leader, you might experience some tension and friction in your relationships with the people you now lead and once worked with as peers. The good news is this: You can manage this transition successfully. Some will expect special favors or treatment. Some might resent your promotion. On average, though, most people will accept your new position well.

The Impact of the Change

You must constantly be aware of the impact and the magnitude of this change on and in these relationships. This relational change plays a role in everything you do as a new supervisor-leader — especially until you get these relationships stabilized in a new comfort zone for all of you.

One temptation for many leaders is to work to be friends with the people they lead. Be on guard for this temptation.

Work to create a positive, supportive and friendly environment. Be willing to spend time talking with and listening to people. Show an interest in them and their families. And know where to draw the line between personal and professional relationships. ●

Change

Change is emotional.

- Change can be associated with loss:

"When I got promoted, I felt like I lost the friendships of my peers." The loss may or may not be factually so, but the feeling of loss can have an impact on our thinking and actions.

- Change can be associated with the unknown:

"When I got promoted, I was scared — I wasn't sure what was next." Change events may be fact based, but our response is often about our emotions. If we are

scared or anxious, it will change how and what we think and do.

• Change can also be associated with excitement and anticipation:

"When I got promoted, I was excited! I have been looking forward to a new challenge. I don't know exactly what it all means, but I am excited." There really isn't a question that excitement will affect our behavior and thinking, is there?

So our emotions in a change situation are real. *And they are real for everyone else, too.*

There is an emotional component to change. If we deny or ignore it, change will be drastically slowed or it won't happen at all.

Change Is Situational

What we think and how we feel about change (and therefore how we will behave in the face of it) depends both on the context and our recent personal experiences with change.

Context matters. Some people are more comfortable with changes in certain situations (like at work) — even if they are less so in other situations (like at home). The opposite is also true.

If someone has recently gone through, or is in the midst of, a difficult change situation in one part of his or her life, that person will be more cautious and hesitant with other changes at the same time or soon after. Alternatively, people who are feeling good about things that are changing in their lives will generally look more favorably on other changes at the same time and soon thereafter.

The Leadership Implications

All of this is true for everyone. But not everyone has the same recent experiences, and not everyone has the same thoughts and emotions about a given change. This difference between personal perspectives explains why change for an individual is one thing, and why crafting a change across a group, whether of three or 300, is much more challenging. Each individual within the group is in a different place mentally and emotionally about the change.

So think about this: As a new leader, you need to manage, lead and somehow get everyone on board to make a change really happen. Welcome to leadership.

The good news is that there are tools, strategies and actions you can take that will make all of this complexity less confusing and more doable. At the same time, this complexity is real and must be noted.

How to Communicate Change Most Effectively

Though change affects all parts of your life, when you become a leader you are often the mouthpiece for change or the instigator of it. From a leadership perspective, the real bottom line often comes down to this: How well can you communicate the change to those you wish to influence?

To address this important concern, we've developed 10 specific steps to help you. These steps can be a lesson plan for your growth in these areas, but, more immediately, they can be a checklist to help you with a specific situation of communicating change.

Here are the steps:

1. "Sell" individuals. To sell change requires one-on-one, personal conversations. Remember, people choose to change based on their perceptions. So, to help them feel the dissatisfaction, see the vision, understand the steps and reduce the risk requires less PowerPoint and more conversation.

2. Help people take ownership. You must help people create their own vision of the personal benefits for the change situation.

3. Let people in on your process. One of the biggest mistakes in communicating change that leaders make is waiting too long to communicate.

4. Call it a journey. Especially if the change is big and relatively complex, help people see that this won't be like a light switch. Let them know that the change will take time to implement, and that they will have time to learn and adjust to the changes.

5. Ask questions. Use questions to open others up and get them talking about the change. Ask questions to understand their feelings about the change. Talking openly about the change often helps people adjust more quickly.

6. Sell small — build a new status quo. Help people make small changes. Advance the status quo a little bit at a time. Not only is this approach the easiest way to help people through changes, but it makes the sell easier too.

7. Ask questions. Why is this here again? Because you must ask questions to be an effective change communicator.

8. Give it words. When you can label the change, you help people grasp it and make it easier for everyone to communicate about it.

9. Celebrate progress. One way you can communicate is through celebration. Celebrate *progress*, not just

completion. If you want to maintain and build momentum, if you want to keep people on track, you must celebrate progress.

10. Take responsibility. As a leader, you have a responsibility for making your change happen. ●

Communication

Would you have a larger circle of influence if your communications were powerful, persuasive and memorable? We think you would.

Here are our top communication tips:

- **Speak *with* people, not *to* them.** Ask open-ended, non-accusatory questions and make fewer statements. Open-ended questions engage people and invite conversation.
- **Speak with people the way that they want to be spoken with.**
- **Demonstrate unqualified respect.** Always show respect for people regardless of their behavior. "Unqualified respect" means that you do not require that people earn the right for you to communicate respectfully with them. Remember that you can treat people with respect and still hold them accountable for their behaviors.
- **Speak about what you want rather than what you don't want.** To really make your communication powerful and persuasive, say what you *do want* people to do rather than what you don't want people to do.
- **Use *And* more than *But*.** Imagine that you are in a conversation with someone and that you have just shared your opinion with him or her.
  Compare these two possible responses:
  1. "You know, that's a good point, but …"
  2. "You know, that's a good point, and …"
  With the first reply, it almost doesn't matter what the speaker says next. Hearing the word "but" probably triggered your defensive mechanisms.
  The second reply creates a more positive lead-in to the second part of the statement. Even if the speaker offers an interpretation of the facts that is different from yours, he or she has avoided triggering your defensive mechanisms early in the process so that you might receive what he or she has to say with an open attitude.
- **Tell them, give them "What's in it for them."** When you communicate with your team members, you will often be asking them to take an action of some kind. When they take the action, it will cost them something in the form of time, effort and energy. In return for that investment, they are looking for a corresponding benefit.
  When you communicate in direct and specific ways about how a decision, corporate goal, organizational objective or request for help affects people personally, you improve the odds that you communicate in a powerful and persuasive way.
- **Engage them in the conversation by listening to their responses.** When you have a dialogue with people rather than two simultaneous monologues, you improve your persuasive power.

A Kick Start to Winning Presentations

Moving into a leadership role sometimes means that you need to make presentations to groups of people. In general, people with the ability to stand before others and speak well are perceived as more powerful, persuasive, capable and intelligent.

Six important points to get you started are: use purposeful stories, simplify statistics and data to make them memorable, show less PowerPoint and more you, make it personal, close strong and include a clear call to action. ●

Coaching

Ken Blanchard, best-selling author of *The One Minute Manager*, said, "Feedback is the breakfast of champions." Feedback is required for anyone to continue to improve his or her performance in any skill and in any setting.

A Practical Coaching Model to Help You Succeed as a Coach

In real life, most coaching happens in some sort of meeting, whether formal or informal, long or short. One of the most important keys to any meeting is to have a plan. The coaching model shown in this summary as Figure 31.1 (*reprinted from From Bud to Boss, p.191*) is that planning tool for coaching.

Consider this model a roadmap for your success in coaching others. It can be used in a micro way to help you determine what you need to do right now in a conversation, and it can be used in a macro way as a roadmap for helping an individual improve (or overcome a performance issue) over a period of days, weeks or months.

About the Model

This model is circular to show that while there are steps, coaching and learning are more fluid than that. In a given moment you may recognize you need to move

to a different place in the model. That is OK. It was built it in a circular way to remind you of and reinforce that fact.

The six steps sit on top of a bed of support. The steps, individually and collectively, work better when done in supportive and caring ways. Whether you use this exact model or not, this concept of using supportive behaviors is critically important to your success in coaching.

Executing these steps successfully requires your communication skills — including thinking about the style and approach of the other person, your listening skills and more. To coach successfully requires understanding why people choose to change and how to help them do so.

About the Steps

Take what you already know and apply what you are learning to this model as you continue to master the craft of coaching:

Step 1: Identify expectations. In order to coach someone successfully, you must be clear on where you are coaching him or her to. What are your expectations for this person's performance and/or behavior? What are your short-term and long-term expectations for him or her? You need answers to these questions, but you need more than this — you also need to understand this individual's expectations.

Step 2: Define impact. Remember that people do things for their reasons, not yours (and not the organizational reasons either). The key is to help them develop personal benefits for moving to the new level of performance.

Step 3: Plan for success. Now you have clear expectations and a reason to move toward them. The next logical step is to build a plan to get there. The best plan will be one that is co-created with the people being coached, because it is harder for them to resist or defer a plan they helped create.

Step 4: Gain commitment. Once a plan is in place, you want to gain their commitment to follow it to its intended results. The only way to gain commitment is to ask for it. If you don't get it, or if you sense there is hesitancy or resistance, stop, slow down and explore the resistance. Your goal is for them to state their commitment to you.

Step 5: Follow up. Once a plan is in place and there is commitment to implementing it, it is your responsibility to check in, to see how things are going, and to offer assistance and feedback as necessary. This is your chance to provide encouragement and reinforcement.

Figure 31.1 A Coaching Model

Step 6: Don't give up. Your people are worth your best efforts. You need their performance, and when you know they are capable of it, you will stick with them. People may start to lose momentum or hope. Their attention or focus might get diverted, but by following the process you should minimize this likelihood.

Collaboration

Groups and teams are both made up of individuals. We contend that the biggest difference between a group and a team is organization around and alignment with a common goal. Teams are focused on achieving a common goal. Groups are not. **Every team is a group, but not every group is a team.**

One of your responsibilities as a leader is to help the group you lead to become a team. Maybe you already have the good fortune of leading a highly functioning team that knows how to get things done. If this describes you, you are in the lucky minority!

The more common case is that you have inherited a group of people that is somewhere between all individuals working totally on their own and the whole group working collectively and collaboratively as a team.

Both together and separately, there is a wide range of behaviors — good and bad — that contribute to overall team performance.

Understanding What Happens When Groups Become Teams

The team, or group, that you have is what you have. It is where it currently is because of a number of factors. If you want to lead that team to a new way of working together and interacting, you first need to assess where it is and where you want it to go. In other words, you have to clearly define the starting and ending points of your "trip" together as a team.

There are predictable patterns of team development. When you understand their patterns, you can use them as guides for diagnosing or evaluating your current situation more objectively, and for mapping where you want to go and how you want to get there.

Tuckman's Stages of Team Development

One of the patterns you can use to better understand team dynamics comes from a model describing the stages of team development proposed by Bruce Tuckman. His model, introduced in 1965, says that small groups go through four stages of development as they start to focus on a common goal and become a team.

To paraphrase Tuckman, in the ***Forming stage*** people begin the process of coming together; learning about each other's likes, dislikes and preferences; clarifying the tasks to be accomplished; and defining the roles to be filled. The most significant issues before the team at this stage stem from interpersonal, or people-related, concerns.

The ***Storming stage*** is when interpersonal conflicts start to develop as people start to wrestle with the relationship dynamics; the differences in perspective, problem solving and approach to tasks among people; the assignment of specific roles; and the tension of determining group or team expectations and rules. There is some shift toward a task focus in this stage, and the biggest team issues are still interpersonal ones.

In the ***Norming stage***, teams start shifting their focus away from each other and more toward task accomplishment. The team is getting things done, and they are still a little tentative in their approach. The relative tentativeness of the team's approach comes from some sensitivity left over from the Storming stage and some continuing relationship development. The focus at this stage seems to be pretty evenly split between issues of task accomplishment and relationship development.

When a team reaches the ***Performing stage***, they have developed an approach that sounds like: "Get it done. What's next on the agenda?" Team members generally operate at a high degree of trust and cooperation, and their relationship issues have mostly been addressed. As a result, the team is now ready to focus almost exclusively on the task.

Most Teams Go Through Predictable Stages of Development

In general, most teams go through similar and predictable stages of development and —

- *The stages are not rigid, well-defined boxes.* Instead, they are general descriptions of what happens within a team over time.
- *The stages are cyclical and fluid.* Any change in membership, role assignment, goal or work process can move a group that has become a team back to the Forming stage.
- *The stages do not necessarily happen exactly as shown.* For example, a team at the Performing stage might revert back to Storming on a given topic or situation.
- *You need to focus on people issues first.* While the purpose of a team is to accomplish a common task or achieve a common goal (task accomplishment issues), the initial factors that limit or hinder task accomplishment are mostly relational (people issues). ●

Commitment to Success

Many goal-setting resources talk about and teach SMART goals. In case you have never heard of it, SMART is an acronym that suggests all goals should be:

Specific

Measurable

Action-oriented

Realistic

Time-bound

As a leader with massive potential, you should go beyond SMART.

Nine Keys to Better Goal Setting

1. Write goals down. Clarity comes in writing goals down, and this is just as true for individual goals as for team goals.

2. State goals in the present tense. Our subconscious minds, which are exponentially more powerful than our conscious minds, like to solve problems. When you state your goals as if they have already occurred, you stimulate and challenge your subconscious mind to seek opportunities to reach the goal.

3. Visualize the purpose — personally and organizationally. Our minds can't tell the difference between something real and something vividly imagined, which means that

the more vivid, multi-sensory and real you can make the picture of how things will be when you have achieved the goal, the more powerfully drawn to it you will be.

4. Focus on the "Big Why." The goal isn't enough; you need to know why you want to achieve it. It is your why that will keep you motivated and moving forward.

5. Align goals with your values. If your goals aren't aligned with your personal or organizational values, they are likely to be weak and unsuccessful. Chances are your goals will be aligned with your values, and as you set your goals make sure they are.

6. Find the Bigness Balance. Although you need to find a balance, generally speaking, when in doubt, go bigger.

7. Consider the timeline now. When you set the goal, start your planning process, including a rough timeline of the steps and when you need to reach them in order to achieve your desired outcome on time.

8. Think about barriers now. You won't know all of the challenges you will face, but you probably know some of your barriers now. Write them down. If you have ideas for overcoming them, write them down too. By identifying some of the barriers, you expedite your planning and improve your chances for success.

9. Commit to an action plan. Now you must commit to completing the plan and implementing it. If you aren't willing to do these two steps, how likely are you to achieve the goal?

Moving From Goal Setting to Goal Getting

Once you have set the goal and built the plan to achieve it, there is that little thing called doing the "work" that still needs to happen.

Knowing that it will take effort and knowing human nature, we can understand why many goals are never reached — people don't put in the requisite effort.

Leadership Steps for Goal Achievement

As a leader, there are a number of things you can do to improve the likelihood that the goals set by and with your team are reached. The steps that follow are specific and direct things you can do to improve the success of your team in achieving their goals:

- *Visualize.* Visualization will help make the goal more real, and realizing our goals allows us to realize our goals. The bigger the goal, the more important visualization becomes. As goals get bigger, it is important to make even more effort to help people visualize not only the end goal, but also the major milestone points along the way, and even to visualize success in managing the plan itself.
- *Flex.* You need to be willing to flex your plan and your timeline to meet new realities, and maybe even flex the goal itself. Plans are important and they will be more effective when they are flexible.
- *Implement consistently.* As a leader, if you are serious about goal achievement, you must feverishly focus on implementation.
- *Provide time.* Google is famous for giving people one day per week to work on whatever projects they want — outside of their "regular" job. Although you may dismiss the idea out of hand as Silicon Valley silliness, the practice has led to innovations that are significant contributors to their bottom line (Google Mail is just one example).
- *Schedule time.* If you are serious about achieving the goals you have set, and you want your team to be serious too, put goal time on the calendar. Until you schedule it in everyone's calendar (including yours), you won't achieve as many of your goals as you could.
- *Provide resources.* As a new leader, you may not realize all the resources you have at your disposal, but you have them. Use them abundantly in support of goal achievement.
- *Make it a priority.* If the goals aren't a priority for you, they certainly won't be for your team. If they are a priority for you, make sure you are showing obvious and outward proof of this fact.

Ultimately what matters isn't goal setting, it is goal *getting*.

A Final Thought

Now it's your turn. Now that you're engaged in goal setting to successfully transition to leadership, it is time to show your commitment to success through your actions. You have to do the things necessary to improve if you want to turn those goals into reality.

Your work will be richly rewarded when you do it. It's time to get to work. ●

RECOMMENDED READING LIST

If you liked *From Bud to Boss,* you'll also like:

1. ***The 21 Indispensable Qualities of a Leader* by John C. Maxwell.** In the tradition of his million-seller *The 21 Irrefutable Laws of Leadership,* Maxwell provides a concise, accessible leadership book that helps readers become more effective leaders from the inside out.
2. ***Open Leadership* by Charlene Li.** Li offers the next-step resource that shows leaders how to tap into the power of the social technology revolution and use social media to be "open" while maintaining control.
3. ***The 2020 Workplace* by Jeanne C. Meister and Karie Willyerd.** The authors help readers handle the multi-generations that will make up the workforce in 2020 and the new demands placed on employers.

· Book 154 of 388 ·

Generating Buy-In

Mark S. Walton

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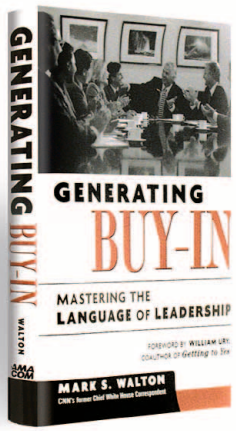

By Mark S. Walton

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Mastering the Language of Leadership

GENERATING BUY-IN

THE SUMMARY IN BRIEF

A former senior correspondent and anchorman at CNN, Mark S. Walton draws on his rich communications background to help leaders master the language of leadership with Generating Buy-In.

Walton describes "buy-in" as getting understanding, commitment and action from others in support of a person, idea, proposal, product, service or organization. He explains that buy-in is the essential emotional ingredient needed for any collaborative effort to be successful.

Generating Buy-In *shows leaders how they can get buy-in by recognizing situations that call for renewed commitment from others, creating strategic stories that generate enthusiasm, and calling for action to get the job done.*

Walton stresses that generating buy-in isn't done haphazardly, and provides an overall framework and step-by-step procedures for building momentum by getting people on your side.

What You'll Learn In This Summary

✓ **The human mind thinks in stories.** Telling strategically created stories that project a positive outcome is essential for generating buy-in.

✓ **Capture people's emotions, not just their intellects.** Stories that cause an emotional response in others help get buy-in. Simply providing heaps of information won't do the trick.

✓ **Follow the rules when creating persuasive stories.** Go step-by-step as you determine your objective, establish your story line, target your audience's agenda, and call your audience to action.

✓ **Follow the Rule of Threes.** "When people ask me about this company, I tell them three things," says Steve Ballmer, CEO of Microsoft. The mind retains information best when it's presented in a group of three.

✓ **Use real-life examples.** Vivid, authentic examples influence decision-making more than abstract information, and are more helpful in generating buy-in.

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GENERATING BUY-IN

by Mark S. Walton

— THE *COMPLETE* SUMMARY

UNDERSTANDING THE LANGUAGE OF BUY-IN

What Triggers Buy-In?

The term "buy-in" can be defined as understanding, commitment and action in support of a common goal.

Companies that advertise on television are masterful at generating buy-in for their products: cars, clothes, investments, vacations, you name it. What's at the heart of their success at generating buy-in? They speak to us in *strategic stories* designed to project a positive future.

To illustrate this, think about this phrase for a moment: a perfect summer afternoon. What does this simple phrase conjure up in your mind? For most people it is a mental story with images of warm weather, bright sunshine, a clear blue sky, and enjoyable activities with friends and family.

We think in stories filled with pictures — images of life — that are the language and currency of our minds.

Aristotle Knew: Stories Trigger Buy-In

In his essay *On Memory and Reflection*, Aristotle said, "It is impossible to even think without a mental picture."

The human mind is like our own private screening room that continually shows complex mental stories that have the power to soothe, frighten or stimulate us. If it's true that the mind thinks this way, the most effective way to stimulate the mind is to communicate with it in its most basic language: a story.

If our goal is to trigger buy-in from people for a creative idea or a new product or business proposal, the story that is most likely to succeed is one that projects a positive future that happens because of that idea, product or proposal. ■

The Story of McDonald's

The McDonald's hamburger chain had about 700 stores in the mid-1960s, with sales of $171 million. By 1972, sales totaled more than $1 billion from the company's 2,200 outlets. What happened? A national TV advertising campaign that said virtually nothing about food.

Instead, it used music and images, reinforced by a clown named Ronald, to tell a strategic story of a positive future: McDonald's is "Your Kind of Place" where "You Deserve a Break Today."

McDonald's is now the world's largest fast-food chain, with more than 30,000 restaurants and annual sales of nearly $4 billion. Despite ongoing refinements, the central story line remains the same.

Every Leader Tells a Story

When he was running for president, Ronald Reagan verbally painted a picture of a national renewal, a "Morning in America." Many voters bought into Reagan's strategic story and elected him president in a landslide.

In his inaugural address, Reagan made sure that Congress, the next audience whose buy-in he needed, heard his story loud and clear. "It is time to reawaken this industrial giant," Reagan declared, "to get government back within its means, and to lighten our punitive tax burden. And on these principles, there will be no compromise."

Reagan's "Morning in America" story was so compelling and projected such a positive future for the country that it was difficult, even for his political opponents, not to buy into.

From his inauguration to the end of his time as

(continued on page 3)

The author: Mark S. Walton is chairman of the Center for Leadership Communication and a professor of leadership in the U.S. Navy's Advanced Management Program. He also teaches at the University of North Carolina. Walton is a former correspondent for CNN and the recipient of a Peabody Award.

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Every Leader Tells a Story

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President, Reagan literally governed with this story, won re-election with it, and never strayed from its basic structure.

In his farewell address on Jan. 11, 1989, Reagan said, "I won a nickname: 'The Great Communicator.' But I never thought it was my style or the words I used that made a difference. It was the content. I wasn't a great communicator, but I communicated great things."

In the 1920s, Coca-Cola president Robert Woodruff created a strategic story for the company's employees. His objective was to increase their commitment and productivity and subsequently increase Coca-Cola's market share. Woodruff's storyline was to make sure that Coke is always "Within an Arm's Reach of Desire."

Donald Keough, a former president of Coca-Cola, explains why Woodruff's storyline worked so well: "That story created vending machines. In my day, when we traveled by car, you'd go into a gas station and the first thing you'd do is pull open that box that had ice and cold Coca-Cola in it. That's one way that they put Coca-Cola within an arm's reach of desire."

Over the years, Woodruff's strategic story passed from employee to employee and nurtured an almost evangelical corporate loyalty. ■

For Additional Information on other leaders who generated buy-in, go to: http://my.summary.com

'Neutron Jack' Brings Good Things to Life

Jack Welch became CEO of General Electric Corp. at a time when the company was drowning in its own bureaucracy. In order to rekindle the passions of GE's thousands of workers, Welch had to craft a story they could buy into.

If GE could embrace the massive layoffs and restructuring he recommended, Welch reasoned, it would become number one or number two in all of its businesses.

From the day he started at GE, Welch told his story, which was built around three key messages:

- ✓ **GE is a place where ideas win.**
- ✓ **At GE, people flourish and grow.**
- ✓ **At GE, the excitement of our employees' work life is transferred to their whole lives.**

Welch made certain his story of the future never changed, regardless of current circumstances. Over the 20 years that Welch was its chairman and CEO, GE's stock price climbed 2,876 percent.

Strategic Stories Will Get You 21st Century Buy-In

Why is the "language of buy-in" more relevant and powerful today than it has ever been? And how will mastering that language give you a competitive advantage in the marketplace?

The answer is *access* and *impact.* Strategic stories will give you the key to people's attention, emotions and memories.

In the age of cell phones, cordless phones, telemarketers, pagers, voice mail, e-mail, junk mail, FedEx, faxes, newspapers, 24-hour news networks, newsletters, news magazines and news groups, it is not easy to grab people's attention. Stories are the key. As Ken Sacharin, media director at Young and Rubicam, explains: "Stories offer fast access. They can get attention any time, any place."

Why else would tens of millions of overcommunicated, overstressed people glue themselves, night after night, to TV sitcoms, dramas and "reality-based" stories?

You Will Influence People's Emotions

When strategic stories capture people's attention, it's important to capitalize on the situation.

Today, people are deluged with information — statistics, graphs, charts and facts — so giving them more information will not make them notice you. The way to achieve real buy-in — getting people's understanding, commitment and ultimately, their behavior — is to impact their emotions, not just their thinking.

And that's exactly what stories do. For example, people in a movie theater will laugh, cry, cringe and cheer, even though they're only watching a movie. Then, they'll go out and purchase millions of dollars in merchandise related to the movie.

"This is not a touchy-feely prescription," says neuroscientist Antonio Damasio. "Emotions are a very intelligent way to drive an organism toward certain outcomes."

Strategic stories can evoke practically any emotion or feeling. Here are some prime examples:

In 1996, President Bill Clinton's campaign strategists created a storyline that characterized Clinton as "a bridge to the 21st century." That story helped to give voters enough confidence in Clinton to get him re-elected by a landslide despite growing evidence of personal misdeeds.

In its advertising, the Motel 6 chain creates an image of friendliness, security and a pleasant experience with its "We'll leave the lights on for you" campaign. The

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Strategic Stories Will Get You 21st Century Buy-In

(continued from page 3)

chain's success is largely due to the effectiveness of this story.

The U.S. Navy's strategic story reminds prospective recruits that a stint in the Navy is "not just a job, it's an adventure." Every year, this story of an exciting Navy career convinces thousands of volunteers to enlist.

In the 21st century, appealing to people's intellects might pique their interest, but it won't close the deal. To accomplish that, you must appeal to their emotions. "The essential difference," explains neurologist Donald Caine, "is that reason leads to conclusions, while emotion leads to action."

You Will Program People's Memories

The impact of strategic stories never ends. They automatically replay themselves, generating buy-in for days, years and even decades into the future.

Think of how many Bible stories still influence your behavior. How many stories of successful people still affect the daily decisions you make? And how many sports or love stories affect your emotions?

"A story is like mental software," says researcher Annette Simmons, who adds that strategically designing a story "is as close as you can get to programming someone else's brain." ■

The Coca-Cola Story

In 1886, a chemist named John Styth Pemberton concocted a drink of gooey brown syrup mixed with carbonated water and carried it in jugs to an Atlanta drugstore. This new soft drink, soon to be known as Coca-Cola, became popular in the years to follow. But in 1929, it emerged as a national phenomenon.

As America's economy crashed during the Great Depression, Coke's marketers transformed their product's image from a soda pop into a sunny story, a "Pause That Refreshes" in an otherwise gloomy world. It was a stroke of brilliance that, even now, remains the fundamental story line behind the number-one brand on earth.

SPEAKING THE LANGUAGE OF BUY-IN

A Framework for Buy-In

Developing strategic stories is not complicated. In our personal lives, maybe without even realizing it, we develop strategic stories all the time. It's our natural way of relating to and getting buy-in from others.

People, all people, are much more likely to do what you want them to do if it leads to a future they want.

The following step-by-step guide illustrates the story development process:

Goal Setting: Determine your buy-in objective. What action do you want your audience to take regarding your idea, proposal, product, service or organization?

First Step: Establish your strategic storyline. To generate the action you want, what is the "big picture" or vision of a positive future you want your audience to see?

Second Step: Develop your storyline in three chapters that target your audience's agenda. What are this particular audience's needs, wants and future goals? In the future you are projecting, what are the three most important ways in which this audience's agenda will be fulfilled?

Third Step: Call your audience to action. Ask for a commitment or first step toward the action you want. ■

For Additional Information on other leaders who generated buy-in, go to: http://my.summary.com

Developing Your Strategic Story

Imagine owning the number-one product in your industry — a brand that has earned your company billions of dollars in sales year after year. Then one day, your competitors come along and legally take it away. Not only do they manufacture your product, they sell it for a fraction of the price your company has been charging for it.

It would be like General Motors building Toyota Camrys and selling them for $5,000 each, or Seven-Up brewing Coke and charging a nickel a bottle.

That's the real-life nightmare the leaders of one of the world's premier pharmaceutical companies lived as they gathered in New York for their annual sales meeting. Months before, their patent on a blockbuster drug had expired and generic, less-expensive copies of the drug were being produced by rival pharmaceutical firms.

The company's revenues were already decreasing because of "generic erosion" as more drug companies rushed to market cheaper versions of the product. Sales projections indicated things would only get worse.

Entering the Buy-In Zone

Many top executives finding themselves in this type of situation would feel demoralized or even devastated,

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Developing Your Strategic Story

(continued from page 4)

but not this company's newly appointed CEO. As a former pharmaceutical sales rep, he had faced tough audiences before. He saw this challenge as another test — the biggest one he had ever faced — of the buy-in skills he had honed throughout his sales career.

He set the stage for the strategic story he had carefully developed to generate buy-in from the sales executives attending the annual meeting. Here is how the story took shape:

Goal Setting: Determine Your Buy-In Objective

Like any strategic process, developing a story for buy-in starts with goal setting: a beginning with the desired end in mind. Before writing a word of his presentation at the sales meeting, the pharmaceutical CEO addressed a crucial question that anyone seeking buy-in must answer: *What action do you want your audience to take?*

Why should action be the goal when generating buy-in? We can capture people's minds and emotions effectively, but if we don't motivate them to act — to endorse our ideas, to vote for us, to approve our proposals or purchase our products or services — we haven't benefited from all those efforts. Action is the bottom line of buy-in.

In the case of the drug company CEO, generating understanding and goodwill was essential, but it wouldn't be enough to save his job or the organization.

The action the CEO wanted was for his sales force to stay with the company. But that wasn't all. His salespeople couldn't just stay and sell at their usual level — in order for the company to succeed in the new environment, the sales force had to produce sales and income faster and more effectively than the competition.

The CEO gave himself a two-pronged objective: To have his salespeople stay on board, and to have them sell harder and smarter than ever, despite the fact that the company no longer had its patented blockbuster product. With his buy-in strategy in place, the CEO was ready to build a strategic story that would enable him to reach those goals.

First Step: Establish Your Strategic Storyline

Plato said, "The beginning is the most important part of any work, for that is the time at which the character is formed and the desired impression more readily taken."

The first step in developing — and in delivering later — your strategic story is to establish its beginning and basic premise. Writers call this the storyline. The storyline is the strategic story's central message, title and theme. Its purpose is to grab attention and communicate, in "big picture" terms, what the story is all about — a positive future.

How do you develop a strategic storyline? Brainstorming this question is a great way to start. To generate the action you want, ask yourself, "What is the 'big picture' or vision of a positive future that you want your audience to see?"

Beginning his presentation at the sales meeting in New York, the pharmaceutical company CEO established his storyline like this: "I wanted to visit with you personally this morning to share some feelings and thoughts I have about you, us, our company's future and what we will do to assure that future is what we all want it to be."

Note that the CEO started out by focusing on "you, us and a future we all want." The moment the CEO delivered this storyline, the tone of the sales meeting began to change. Hundreds of sales managers and salespeople, who arrived picturing a bleak future for the company, now began to envision a new, positive future.

Second Step: Develop Your Storyline in Three Chapters

Whether you're recruiting, leading, managing, campaigning for political office or marketing, generating buy-in requires that you know how your audience wants the future to be. What are this particular audience's needs, wants and future goals?

Michael Quinlan, CEO of McDonald's Corporation for ten years, sums it up this way: "Unless you can walk in their shoes, unless you're intelligent and sensitive enough to put yourself in their shoes," you won't get their buy-in. "You have to understand their hopes, fears strengths, weaknesses and frustrations."

Former President of Coca-Cola Donald Keough adds, "When you're ready to communicate with that group or that individual, you know what you're talking about."

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Well-Known Strategic Storylines

AT&T: "Reach Out and Touch Someone"
Clinton for President: "Bridge to the 21st Century"
Coca-Cola: "The Pause That Refreshes"
Federal Express: "Absolutely, Positively Overnight"
General Electric: "We Bring Good Things to Light"
Microsoft: "Where Do You Want to Go Today?"
Marlboro: "Come to Where the Flavor Is"
Motel Six: "We'll Leave the Lights on for You"

The Pharmaceutical CEO's Strategic Story

Buy-In Objective

✓ Have Sales Force Stay and Work Harder

Strategic Story Line

✓ You, Us and a Future We All Want

"I wanted to visit with you personally this morning to share some feelings and thoughts I have about you, us, our company's future and what we will do to assure that future is what we all want it to be."

TARGETED CHAPTER 1

✓ Targeted Message (Audience's Agenda: New Products)

"This company, based on our pipeline of medicines and your time-tested performance as a sales force, is and will remain the best-positioned pharmaceutical firm in our industry."

Supporting Evidence

"Starting later this year, we will bring to market, each and every year, a minimum of two important new drugs. I define that word 'important' in actual dollar terms, words that you and I as salespeople can connect with. I know what's in our R&D pipeline and I can assure you, having reviewed it thoroughly, that we will deliver on that commitment." (The CEO then describes in detail the types of new drugs under development, their status, and the markets to which they will be targeted.)

TARGETED CHAPTER 2

✓ Targeted Message (Audience's Agenda: Comparison and Support)

"We've undertaken a careful review of budgets everywhere in our company. What you need to know is that we will put more money, not less, into things that impact and improve your performance. We will increase our investment in you to make you even more successful."

Supporting Evidence

"Where will we invest our dollars? In more sales training and development, more people, better sales support and, as you're about to see, much better compensation for performance. We know this makes sense. Together, we will grow our way into the future." (The CEO continues by unveiling a new compensation package which, combined with investments in sales training and support, would enable the sales force to hit new sales targets and earn bigger commissions than ever, despite the loss of their leading product.)

TARGETED CHAPTER 3

✓ Targeted Message (Audience's Agenda: Recognition and Pride)

"We will always appreciate you. I'm here today to tell you that there's a clear understanding on the part of senior management that it is you and your performance that have fueled the success of this company."

Supporting Evidence

"This could not have been made clearer than it was last week. I was at a conference in Los Angeles. An old friend introduced me to a hospital administrator I'd never met. And right away that woman said to me, 'I want to tell you that your firm is extraordinary. Why? Because of your salesperson. The level of service she provides our hospital goes way beyond the call of duty. And it has given me a feel for the kind of people and the kind of company you are.'

"What she said brought home to me what I have always known. That you are what makes our company great. And, in this case, I want to say a special thanks to Mary Richardson [gesturing] ... I'm so very proud of her and each and every one of you."

Developing Your Strategic Story

(continued from page 5)

When the pharmaceutical company CEO stood before those salespeople to retain and motivate them, he knew his target audience intimately.

He was a sales rep early in his career, so he personally experienced the needs, wants and goals of people who work on the road, delivering sales pitches and drug samples to physicians. He understood first-hand what a positive future would look like from the salespeople's point of view:

- He knew that the salespeople's most important need, having lost their patented blockbuster drug, was for drugs that sold extremely well.
- He recognized that they would want to be well-compensated and supported during the time it takes for new products to become popular with physicians and the public.
- He appreciated that, in addition to money, sales people are motivated by personal factors such as recognition and pride.

His challenge was to project his story of "You, Us and a Future We All Want" in a way that would credibly fulfill this target audience's agenda. His story consisted of three specially targeted chapters. A targeted chapter is a projection of a future in which a target audience's specific needs, wants and goals are fulfilled.

The section above, "The Pharmaceutical CEO's Strategic Story," illustrates how the CEO's targeted chapters answer the key question: What are the three most important ways that the action he wants will give

(continued on page 7)

Developing Your Strategic Story

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the salespeople the kind of bright tomorrow they want?

Third Step: Call Your Audience to Action

Shakespeare said, "It is by entrances and exits shall ye be known." That is true of every strategic story and storyteller trying to get buy-in.

At the New York meeting, the pharmaceutical CEO took a calculated risk. He let the salespeople know his vulnerabilities and the difficult struggle he and the company were facing.

Despite that perilous situation, he told a strategic story that projected a positive future in which their specific needs, wants and goals would be fulfilled.

Now it was time for him to ask his audience to take the actions he proposed, to call on them to move forward and make the story become a reality.

This was his call to action: "Let's prove to our industry, to our customers, to ourselves, how truly unstoppable this sales force is. Let's show them that there isn't a single target or goal that, together, we can't attain. Let's build that future we all want. And I have no doubt that we can, because we'll provide you everything you need to succeed. Do I have your commitment to go forward?"

The Outcome

The CEO won the salespeople's commitment and achieved his buy-in objective in a big way. Not only did he retain the sales force, he expanded it significantly in the years following his New York presentation.

Despite the loss of a hugely successful product, the company brought several new, high-selling drugs to the marketplace, and overall sales remained strong. ■

For Additional Information on strategic story lines, go to:
http://my.summary.com

The Rule of Threes

"When people ask me about this company, I tell them three things," says Steve Ballmer, CEO of Microsoft.

The mind receives, retains and recalls information most easily when it is presented in groups of three. How do you feel when you listen to a speech that contains fourteen key points you're supposed to remember? When a salesperson sells you on eleven important features of a product? When you try to follow a ten-step process?

Overwhelmed, right? It's very difficult to remember long lists of details; it's much easier to remember things presented in threes. Notable examples of lists of threes from the business world come from the Ritz-Carlton Hotel and Ford Motor Company. The Ritz Carlton trains its employees to always provide "three steps of service" when interacting with hotel guests:

1. A warm and sincere greeting.
2. Anticipation and compliance with guest needs.
3. A fond farewell — give guests a warm goodbye and use their names if and when possible.

Ford Motor Co. chairman and CEO William Clay Ford, Jr. announced his company's strategy for the 21st century was to "build a stronger business" by making its automobiles more affordable in three ways:

- Economically
- Environmentally
- Socially

If people welcome information delivered in groups of three, they'll react the same way to strategic stories designed with this formula in mind. ■

When Times Get Tough, The Smart Get Buy-In

In mid-1994, a flaw was discovered in millions of Pentium microchips from Intel, the largest manufacturer of personal computer chips in the world, maker of the ubiquitous Pentium processor.

Word of the problem spread fast on the Internet, and concerned customers contacted Intel headquarters in Santa Clara, California. Intel CEO Andy Grove instructed his employees to tell customers that no technology is perfect, that the problem affected only high-level scientific computations, and that, for the average computer user, a problem might occur once in 27,000 years.

For PC owners, that wasn't good enough. They contacted CNN, the *New York Times* and the *Wall Street Journal*. The media coverage prompted IBM to stop all shipments of its Pentium processor-based PCs. That triggered a stock slide that cost Intel more than a billion dollars in market value in a few days.

No Excuses

As brilliant as Grove is, he missed a crucial point: Customers didn't want excuses or a technical analysis of the Pentium chip. They wanted to know that their computing needs would be met, then and in the future.

From the many angry calls Intel received, the company knew what its customers needed and wanted: the option of receiving replacement Pentium chips at no cost or inconvenience, and the assurance that any future problems would be quickly, reliably handled.

Grove took action. He enlisted the help of communi-

(continued on page 8)

When Times Get Tough, the Smart Get Buy-In

(continued from page 7)

cations experts to develop a strategic story to regain customer commitment. The main points of his story were presented in a group of three:

- Intel would provide free replacement Pentium chips to anyone who wants them.
- Intel would provide in-home or office service to those who want chips replaced.
- Intel will always stand behind everything it makes and, should anything go wrong with its products, the company will move quickly to make things right.

Once the correct decision was made and the right strategic story was communicated, Intel regained its market value and reputation. In fact, the firm benefited from the publicity the incident received — consumers admired the company's commitment to correcting the problem. ■

The Best Evidence

"Connect with people's gut concerns and they'll go anywhere with you without asking for details," says *New York Times* columnist Thomas L. Friedman. "Don't connect, and you'll never be able to show them enough details to get them to follow."

The best supporting evidence for a story or message about the future is a credible, real-life example from yesterday or today.

In the mid-1970s, Nobel Prize-winning psychologist Daniel Kahneman and fellow researcher Amos Tversky demonstrated this in their research on a brand-new field that would become known as behavioral economics. Kahneman and Tversky found that:

1. First impressions shape subsequent decisions.

2. Vivid examples are overwhelmingly more influential in shaping decisions than abstract information, even if the information is more accurate.

Using real-life examples to shape opinions is a persuasive approach that can be applied to any effort to obtain buy-in.

Advertisers do it all the time. Many of their commercials feature customers and celebrities who have tried their products. Lawyers seek out witnesses who were at the scene of a crime. Reporters look to interview people who are directly involved in a story. So do public relations practitioners and communication strategists. ■

PUTTING THE LANGUAGE TO WORK

Questions Executives Ask About the Language of Buy-In

1. Where is the best place to use the language of strategic stories?

As with any language, this language can be spoken, written, printed or expressed in a variety of media and formats. Great advertising, packaging and promotional materials are perfect examples of strategic storytelling. Through words and images, they promise a positive future if we buy into the products or services involved. The bottom line is: You can speak it, write it, picture it or even act it out before a target audience of any kind.

2. How do you find out what a target audience wants for the future: their needs, desires and goals?

Ask and listen. Carefully asking and listening is an underlying element of all types of successful advertising, marketing and political campaigns. Whether they use simple personal interviews or sophisticated technologies that read a focus group's brain waves, smart companies use the "asking and listening" method to determine what turns people on. The company leverages that information to communicate the right story to a particular target market or demographic group.

3. After you've developed your strategic story, how often should you tell it?

The key to maximizing the impact of any strategic story is to repeat it as often as possible for as long as possible. The longer and more frequently you repeat your strategic story, the more likely you are to be successful.

4. What do you do when there's no good news to deliver and therefore no positive future to include in your strategic story?

You can't sugarcoat bad news and maintain your credibility. You've got to be upfront and honest with people. After acknowledging the current realities, the challenge of leadership is to create a bright tomorrow, to focus on what can and will be done to make the future better. Without denying the downside, you must create and communicate a brighter tomorrow to generate buy-in, even if you have to create that tomorrow yourself.

5. What should you do if your strategic story isn't working as well as you'd like it to?

If your story isn't producing the buy-in you want with a particular target audience, it might need adjustment. Review your strategy, especially your research on the target audience's needs, wants and future goals. Keep in mind that people's needs, wants and goals can and do change quickly. Usually, when a strategic story is producing insufficient results it's because the target audience research is insufficient, faulty or outdated. ■

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Get On the Bull

Dallin Cooper

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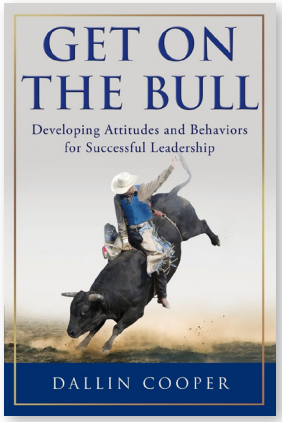
Get On the Bull

Developing Attitudes and Behaviors for Successful Leadership



by **Dallin Cooper**

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THE SUMMARY IN BRIEF

Through the mindset of a bull rider, Dallin Cooper takes readers on a motivational journey to better their own lives. Dallin has definite ties to bull riding. He grew up listening to stories from his father and former bull rider Steve Cooper. He was fascinated by his father's lifestyle and the daily trials and tribulations on the trail to succeed in rodeo.

Dallin explores all the elements of what a bull rider goes through to achieve success and how it relates to the lives of everyone. In ***Get On the Bull***, Cooper creatively conveys his points by sharing the traits and actions that make up the bull rider attitude. The readers can relate to overcoming obstacles and adversity just like bull riders do every time they climb aboard a 1,500-pound bull who wants to throw them off into the arena dirt.

As Dallin writes, plenty of people—not just bull riders— face overwhelming daily challenges. Some people overcome those challenges. Others don't.

IN THIS SUMMARY, YOU WILL LEARN:

- Why bull riders are the ultimate example of leadership in action.
- The four attitudes that leaders can learn from bull riders, and how to put them into practice in real-world applications.
- The four behaviors of bull rider-type leaders, and how they work and provide benefits in action.

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Introduction

Bull riders are masters of moments. On the back of a bull, eight seconds can feel like a lifetime. For perspective, the 2021 PRCA World Champion Bull Rider, Sage Kimzey, successfully rode 88 bulls at competitions. That amounts to approximately twelve minutes of bull riding throughout the entire year.

Hundreds of hours in training, both physical and mental, went into making sure that he could instinctively make the right decisions in those split-second moments when he was on the bull–a year of work and effort defined by twelve minutes.

Leadership is defined by moments. It isn't a title or position. Leadership is a lifestyle. All the seemingly insignificant moments work together to define our habits and character. The attitudes and behaviors that we develop in our day-to-day lives determine how we act in pivotal moments. The attributes of effective leadership need to be so ingrained in us that they become second nature.

But bull riders aren't the only ones who confront the seemingly impossible. Plenty of other people face overwhelming challenges every day. Those challenges may not have hooves or horns, but they're no less dangerous. Some people overcome those challenges. Others don't. Some people talk about starting a business. Others go out and create one. Some dream of their potential. Others take steps to reach it. Some wait to be led. Others lead.

Some choose to walk away and take the easy way out. Others get on the bull.

The Bull Rider Attitude

The bull rider attitude goes far beyond just doing something that most people think is crazy. It's present in all aspects of their lives. It's how they see themselves and those around them. It's how they handle setbacks and mistakes—as well as their triumphs and successes. Bull Riding isn't just a sport. It's a lifestyle.

Leadership must be part of your lifestyle. You can't have an "ethical leader" mode at work that you turn off when you leave the office. Like a bull rider, your attitude at home, work, and everywhere you go will determine your success. And I'm not just talking about your financial success, but also success in your relationships, hobbies, and anything else you value. Success in anything begins with your attitude.

There are four elements of a bull rider attitude that you can start applying in your life immediately to become a better leader, a better friend, and a better person.

Determined Optimism

Whether from nature or nurture, determined optimism comes easier to some people than others, but anyone can develop this attitude. To view yourself and the world with hope and positivity is a choice. When you choose to alter your thought processes, you can literally rewire your brain to think more optimistically. And these brain changes can happen more quickly than you'd think! One study found that significant neurological changes occurred within two months of consciously changing thought patterns.

The first step is to make the choice and commit to yourself that you're going to practice determined optimism, even when the obstacles seem overwhelming.

Humility

An effective leader knows they'll make mistakes. But they acknowledge their mistakes, learn from them, and try to do better. They know that blaming others or trying to make excuses only degrades trust and stifles their ability to learn. This level of accountability requires humility.

Acknowledging mistakes, accepting failures with grace, and being present with your team are only a few aspects of humility. Truly humble leaders demonstrate humility in everything they do. It isn't something that can be faked. But just like the act of smiling can make you feel happier, behaving humbly can help you become more humble.

Gratitude

Bull riders are the superstars of the rodeo world. They get the most hype, the coolest headlines, and the biggest jackpots. Bull riding is usually the last event in a rodeo, acting as the grand finale. You would think that this environment would cause bull riders to be pretty full of themselves. But if you ask a bull rider who the most important people in the rodeo are, you'll probably get one of two answers. One of the most common answers you'll get is, "The bullfighters."

Bullfighting is no laughing matter. Their job is to distract the enraged bull after a ride so the rider can escape to safety. So yeah, if you think the bull riders are hardcore, take a second to think about the guy who steps between them and the bull and says, "You run, I'll hold him off!"

That is exactly how you should feel about those you lead. If

a great leader accomplishes anything amazing, it is because hardworking individuals are making it happen. And they don't get the praise and recognition they deserve from the general public, but they better get it from their leader.

Perspective

The best way to develop perspective is to recognize that your perspective isn't the only valid one. Then try to gather new information to expand your understanding. Some ways to practice "perspective-getting" include:

Work on active listening. Ask clarifying questions to make sure you understand what you're being told and that you're interpreting it the correct way.

Avoid assumptions. They're usually wrong and prevent perspective-getting behaviors.

Understand your own perspective. Maslow's Hierarchy, The Bible, and airplane safety procedures all agree that you need to help yourself before you can safely help others. It's difficult to understand someone else's feelings and worldview if you don't even understand your own. Make an effort to identify your own thought patterns, biases, priorities, and cognitive blind spots.

Bull Rider Behaviors

Your changes in attitude will naturally change your behavior and make you a better leader. But can you also make conscious changes to your behavior to help change your attitude? It's a classic chicken-and-the-egg dilemma. Does your attitude dictate your actions, or do your actions change your attitude?

The answer? YES!

Mindset and behavior are intrinsically linked. As you change one, the other is affected. By actively working on both, your growth as a leader and well-rounded person can be significantly accelerated.

Margaret Thatcher once said, "Being powerful is like being a lady. If you have to tell people you are, you aren't."

We can apply that same principle to leadership. If you have to tell people that you're a great leader, you probably aren't one. Instead, great leaders show their quality through their behavior. The behaviors discussed in this section will help you act in a way that makes you a powerful leader, regardless of your title.

Honesty

You may think that developing honesty would be as simple as "just stop lying." But unfortunately, there are a lot of deeply ingrained habits in most people that prevent honesty, such as justification, telling partial truths, and obscuring the truth. You'll have to identify these habits and recondition yourself so that honesty becomes your default behavior. Here are some ideas on how to start.

At the end of each day, write down any instances of dishonesty and deception that you noticed throughout the day. Ask yourself what fear or discomfort you were trying to avoid. Brainstorm how honesty could have helped the situation.

When you notice yourself bending the truth, quickly correct it. Often, when we find ourselves tending towards dishonesty, many of us double down on our lies. Instead, a simple, "Sorry, I was wrong" followed by the full truth can usually fix the situation with minimal awkwardness–and certainly much less than when the truth comes out later.

Authenticity

Because authenticity requires your beliefs, actions, and behaviors to align, it's important to be aware of your beliefs, thoughts, and actions. Here are some tips for discovering and then aligning these important elements of your character:

Brainstorm your beliefs. This doesn't mean writing down a bunch of religious doctrines. It's about making sure you can verbalize what's important to you. You may want to sort these beliefs in order of priority. This helps you see if what you say is "most important" aligns with how you spend your time.

Be deliberate. This is in the same vein as being honest and following the cowboy code of "Talk less, say more." Slow down and make sure the things you say and do align with your beliefs. Words and decisions made in the heat of the moment are less likely to be authentic to your values.

Get help. Someone who knows you well, like a spouse or close friend, can let you know when you're contradictory, inconsistent, or inauthentic. If you ask someone to help you identify your inauthentic moments, listen to them! Even if it's hard.

Grit

Believe it or not, grit isn't just a slang term to refer to people who don't give up. It's actually an official term used in the study of human psychology. The American Psychological

Association defines grit as:

"A personality trait characterized by perseverance and passion for achieving long-term goals. Grit entails working strenuously to overcome challenges and maintaining effort and interest over time despite failures, adversities, and plateaus in progress. Recent studies suggest this trait may be more relevant than intelligence in determining a person's high achievement. For example, grit may be particularly important to accomplishing an especially complex task when there is a strong temptation to give up altogether."

Since grit is a mindset put into action, you can develop it by improving the mindset. In addition to the items listed below, use the action items under "Determined Optimism" to help you develop grit.

Read/Listen to stories about grit. Part of the reason motivational speakers exist is because they work. When people hear stories about success and determination, they gain a desire to succeed themselves and to work harder to do so.

Write down your goals and put them somewhere visible. Our dedication to a goal increases when it's written down and increases even more when it is somewhere we see often.

Share your successes. While keeping humility in mind, celebrate victories with those close to you, even if they are just small victories along the way. Taking note of progress is important to help keep you from getting discouraged.

Service

Serving others builds their trust and loyalty, but only when that service is sincere. Service that comes with strings attached, such as vendors wine-ing and dining big clients, does work. But at that point, it stops being service. It becomes a marketing tactic and a subtle transactional dance. And while it may be effective, it isn't going to transform relationships, inspire trust, and build loyalty in the same way that sincere service does.

Actively look for opportunities to serve. Don't wait for people to come to you or say, "Let me know if you need anything." Be proactive in finding ways to help.

Conclusion

Sometimes, there's just no substitute for actual experience. Training, workshops, podcasts, and books like this one all have a valuable place in teaching us lessons and providing new insights. But they won't make you a great leader. There comes a time where you have to put down the book and start practicing the principles in the high-risk environment that is the real world. You'll mess up. You'll make mistakes that leave you winded in the dirt of the arena of life. But that's okay. Own those mistakes. Learn from them. It's the only way you'll ever become the life-changing leader that you're capable of becoming. It's time to put down the book and get on the bull.

Dallin Cooper is an author, speaker, and entrepreneur. He primarily writes and speaks about leadership, ethics, trust, and relationships. When he isn't writing books or speaking on those topics, he makes lighthearted YouTube videos about them.

You can follow Dallin on LinkedIn at **https://www.linkedin.com/in/dallincooper/**

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Going on Offense

Behnam Tabrizi

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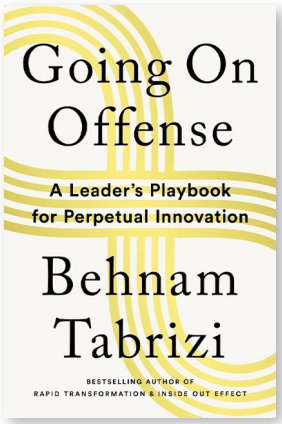
Going on Offense

A Leader's Playbook for Perpetual Innovation



by **Behnam Tabrizi**

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THE SUMMARY IN BRIEF

How do you transform a typical organization into one that is *perpetually* agile, innovative, fast-paced, and crackles with heightened expectations and intensity? What could you achieve if you harnessed the methods of the most innovative companies? Those with a *winning mindset* that drives relentless experimentation that runs through the entire organization, from top to bottom. These types of firms have key ingredients that enable them to pull it all off.

Going on Offense: A Leader's Playbook for Perpetual Innovation provides practical, actionable advice on how an organization can attain and sustain the mindset needed to continually adapt to new environments and expand into new territories–and minimize the need for radical transformation. Author Behnam Tabrizi draws on in-depth research from centerpiece companies and their leaders to share methods that can vault your organization to the same ultra-successful heights. Whether you are a frontline employee, a middle manager, an executive, or a CEO, this book is designed to show you the key characteristics companies need and give you practical steps so that you and your organization, or the area you control, can reach your full potential.

IN THIS SUMMARY, YOU WILL LEARN:

- The challenge that stops large organizations from being innovative.
- How a spirit of generosity lays the foundation for perpetual agility.
- The role ferocity plays in cultivating a start-up mindset.
- How companies can act courageously to make sustained change.

Seeing the Challenge

Many leaders treat the idea that large organizations can transform into perpetually innovative firms as a myth. Even tech companies that used to be nimble in the 2000s, such as Facebook, and Google, are now a shadow of their former, stunningly innovative, selves. Nokia had a major share of mobile phones before Apple's entry in 2007 but came to a devastating end due to a laser focus on operational metrics, failure to cultivate a cultural transformation, and a lack of courage in creating products that customers would love. Now, impressive advances in artificial intelligence are adding yet another disruption to many markets. Agile innovation is becoming more important than ever–and further out of reach for complacent giants.

Becoming an agile innovator requires always being on the lookout to reimagine and implement new processes, partnerships, products, markets, and services and improve existing ones. Innovation is essential in order to thrive in our increasingly disruptive markets. Agility is necessary to move quickly to address opportunities and threats. Being agile is about a mindset first and it's a critical element of a culture that responds quickly to change.

The impediments are daunting and human nature is the main obstacle to change. First off, people are conditioned to be dependent. In the workplace, we're comfortable ceding our power to the bureaucratic hierarchy so we settle into a predictable, stable set of routines and tasks.

Second, it's human nature to be self-interested and proud. Most managers in large companies have a touch of that, making them embrace command and control to maintain their fiefdoms.

Third, people tend to commit themselves and resist change when they have invested significant resources in a project or strategic direction. They persist even when abandoning that course of action makes long-term financial sense.

Finally, the sort of change that can break through the inertia of tradition takes tremendous resolve. Agility and innovation require a kind of alertness and flexibility that demands enormous mental and physical effort. And it definitely requires more energy than most people want to devote to their work.

Even with all of that, transforming big companies is not an impossible dream. They need a holistic approach that instills the discipline and generates the emotional energy necessary to thrive in a time of disruption. Leaders have to put aside personal wishes and transform for a larger purpose. In other words, they must open their eyes and "see" that they can't continue business as usual.

Part One: Generous

Setting an Existential Purpose

Perpetual Innovation is hard work, and only positive motivation can bring out the energy and enthusiasm necessary to sustain it over time. So the work has to start with a spirit of generosity. Like many big organizations, Microsoft became a victim of its own success. Responding aggressively to initial opportunities, it had brilliantly exploited a new and fast-growing market, but once it got there, it lacked an existential vision to stay dynamic.

Microsoft's board in 2014 promoted Satya Nadella to CEO. He had a simple solution: to "rediscover the soul of Microsoft, our reason for being." He had a larger vision than just corporate strategy. But the bulk of the organization remained in the old perspective.

Large, successful companies inevitably resist the effort necessary to remain perpetual innovators. They've built structures to scale up and deliver reliable profits, so they naturally resist bold, disruptive experiments. To change, they need something more.

People need a deep-seated conviction in order to summon the energy to recognize a powerful purpose to animate his or her life. Companies are not people, but they need a similar reason for being. An existential commitment provides direction as well as motivation.

The answer to "Who am I and what is my purpose?" is central at the organizational as well as individual level. It inspires members to imagine what the organization could become. It also embeds and energizes everyone in the transformation to get there. It goes beyond the usual talk about purpose nowadays, which is shallow and feel-good.

Existential purpose is hard and deep; it gets to the company's identity and reason for existence. It has real trade-offs; it closes off attractive opportunities and strategies. It should make some people leave. But only a hard, existential commitment to that purpose will force companies out of settled structures and toward perpetual innovation. An existential purpose aligned with an individual's own existential commitment to the organization will make people feel they have a stake in the transformation process.

To sustain a company's discipline–to avoid the complacency and internal politicking that come from success, you need an external tug as well.

Customer Obsession

Existential purpose can falter after a while, especially when the business model proves itself. To sustain a company's discipline–to avoid the complacency and internal politicking that come from success, you need an external tug as well. You can leave your rivals in the dust and still lose sales at the cash register. People will still pester you for lower prices, higher quality, added features, or all of these at once.

To compete in this type of environment, you have to be obsessed with satisfying your customer. It's a kind of emotional commitment that makes the company accommodate, listen to, and attune itself to customer's challenges, no matter how frustrating or contradictory.

It forces the company to make some questionable choices in the short term to pay off over time, not just in customer satisfaction, but also in employee engagement and overall quality. Customer-obsessed companies also tend to be the first to realize when and how markets are shifting.

This obsession doesn't simply mean surveying to find out what people want and giving it to them. Customers must come alive to developers and that happens with cocreation and empathetic imagination.

To cocreate with customers means to obtain their input at every stage of production. Companies act based on what customers say they want, making the customers the experts. But it should be done with *empathetic imagination*. The focus should not be on finding out what customers think *right now*. Instead, they should ask, "What would a product that could improve the *future* lives of customers look like?" That focus may come into conflict with short-term profitability, but has a greater potential long-term payoff.

Beyond employee attitudes, customer-obsessed companies fret about satisfying customers. They invest in infrastructure to achieve high levels of customer satisfaction, not just through the usual call centers, but also by looking for potential pain points. Customers love knowing that their complaints are being listened to, but nothing can top the experience of having no complaints at all. Mistakes happen everywhere, obsessed companies want to make up for problems that you nearly notice, on principle. Customer obsession plays out in many ways, but its foundation is a deep-seated commitment to the well-being of users.

Pygmalion

Existential commitments and obsession are qualities that are hard to promote through direct personal interactions. As companies grow to thousands of employees, how can they create cultures that drive agility and innovation?

The solution comes from the simple ancient story of Pygmalion, a male sculptor in Cypress who had contempt for the women around him. In his frustration, he shaved his ideal woman out of ivory. After generously pouring his heart and soul into the sculpture, he named it Galatea and fell in love with it.

At a festival in honor of Aphrodite, Pygmalion offered sacrifices and wished for a bride that would be the "living likeness of my ivory girl." On returning home he discovered that Aphrodite had granted his wish. The statue had become a real woman. Pygmalion married Galatea, had a daughter, and lived the rest of his life with the woman of his dreams.

The key to the story is that Pygmalion imbued the best characteristics he could imagine into Galatea. His deep-seated commitment and attention to detail enabled him to create something beyond what should have been humanly possible.

Steve jobs, Jeff Bezos, and Elon Musk did the modern equivalent in their companies. They achieved a Pygmalion effect, instilling values and mindsets into the fabric of their company as a whole through their company culture.

Curating an organizational culture becomes more difficult as a company grows. Founders and CEOs can easily mold those around them, especially those who they interact with personally, but it's nearly impossible to mold an entire organization. That's what makes modern-day Pygmalions so special.

To achieve the Pygmalion effect throughout their organizations, leaders must not only live out these values in their management, but also instill them into the fabric of their

company. That's especially difficult as a company grows. By chiseling specific attributes into a company's DNA, they sculpt employees they never see.

Part Two: Ferocious

The Start-Up Mindset

Existential commitment is necessary for companies to thrive in our current era of rapid technological advancement and uncertainty. There are practical consequences of that commitment, and how it can energize not just a few leaders, but many people in the organization. The challenge is to turn that commitment into the kind of mindset that helps start-ups succeed despite immense obstacles.

Grit, along with a deep purpose, enables people to start driving for ambitious goals. After all, most start-ups aren't really trying just to earn more than the cost of capital. They have a big agenda.

To spread that feeling beyond founders or leaders, large companies need people not just committed to an existential purpose, but who feel a sense of ownership for the company's trajectory. These people believe that if they don't perform, then the company can't achieve its noble purpose. They're missionaries, not mercenaries.

Here it helps to follow the lean start-up loop of build, measure, and learn. Companies can design, launch, assess, and iterate on new and old goods thanks to this never-ending cycle. Each stage in the loop involves developing a minimum viable product and testing hypotheses against market reactions, then embodying new hypotheses in an adjusted version.

People can follow the loop as masters of their own destiny, free to pursue what needs to be done, even if it's quite different from what's been done before. The lean start-up approach has the advantage of working under tight budgets, which makes it easier for leaders to give product teams the autonomy they need. Those teams can now go boldly and ask for forgiveness rather than permission.

Some people fall behind, unable to keep up. But the intensity of the start-up mindset usually attracts more than it repels people's best work. That's the heart of the start-up mindset. It pushes people to overcome daunting challenges by calling up energies they didn't realize they had.

It's not for everyone, but many talented people find it exhilarating. And together they can shake a mature company out of its settled ways.

Managing the Tempo of Change

The world of business is about more than just speed. It's also about tempo–controlling the pace of activity, speeding up or slowing down as needed. Moving fast all the time isn't sustainable, but too many companies settle for a fairly fixed, somewhat relaxed speed. Perpetual innovation companies have a high tempo culture.

Tempo is about decisions as well as movement. That's the first simple rule. Jeff Bezos outlined something similar in business when he distinguished between type-one and type-two decisions.

Type-one corresponds to high magnitude decisions with low reversibility. They involve a lot of data and deliberation, as the stakes are high. You're still on offense, but you move deliberately. Type-two decisions on the other hand are highly reversible and less important. These can be made by a skilled person quickly, with limited data.

Differentiating between these types of decisions can be the difference between a slow-moving organization and a quick one. Getting a type-two decision wrong can be a bump in the road, while extending thinking on it is disastrous.

The reverse is true for type-one decisions, where deliberation is appropriate–though even these decisions can't be put off for long. At some point the organization has to move. Bottling up skilled workers, in an organization too scared to push the limits, is the recipe for stagnation.

Tempo is more than just speed, though. Here are a few more simple rules:

- Stay alert
- Stay paranoid
- Look broadly
- Eliminate barriers
- Purge inefficiencies
- Set clear goals
- Establish frequent check-ins

Big companies have a lot of advantages, but they'll get passed if they lose control over the tempo. Don't let up.

Bimodal

Perpetual innovators tend to operate in two modes: compression for predictable or commodity activities, and experiential development for new or differentiated areas.

A tepid, cautious approach to products and services won't work because it won't draw on the emotional energy that comes from boldness.

Other companies typically settle into a single mode, usually a lighter version of compression, so they fall short both in cutting costs and in creating new kinds of value.

At least since the 1990s, companies have been shedding non-core assets and activities. Many have contracted for everything from managing the cafeteria to marketing, manufacturing, distribution, or even product development, when these are not intrinsic to the strategy. This outsourcing led to a wave of downsizing as companies focused on their core competencies.

Yet a great many activities have remained that companies cannot fully outsource, usually because these are too complex or integrated into the main operations. The solution for ambitious companies is compression, or accelerating the overall ongoing push for efficiency.

Compression adds discipline and urgency, especially for complicated operations that haven't already been routinized. The goal here is to standardize, automate, and push hard to remove cost.

Agile innovators relegate complex but predictable projects to compression. But they go in the opposite direction for most of their core strategic operations. Here they downplay efficiency altogether and encourage managers to pursue multiple options and hypotheses. Their experiential approach emphasizes learning and discovery, though still with a focus and milestones to ensure discipline and accountability.

The bimodal approach divides the organization into activities to be compressed and activities to be developed experientially. That division continues over time, separate from short-term changes in speed.

Part Three: Courageous

Go Boldly

Companies need to act courageously to make sustained change. A tepid, cautious approach to products and services won't work because it won't draw on the emotional energy that comes from boldness. Overcoming tough problems can create enormous value.

Elon Musk, at Tesla, SpaceX, and other companies, has essentially turned that approach into a strategy. Boldness is risky, but success is the ultimate differentiator, and it catapults his companies from their competition. After all, if you refrain from boldness, you'll always have to deal with rivals, and you'll never get much respect from investors.

Besides impressing investors, a strategy of boldness has two major benefits. One is that trailblazers can achieve sustainable competitive advantage if they continue to invest and focus on innovation. Even now, Tesla's cars offer features that the legacy car makers, from their foundation in combustion engine technology, have failed to match.

The second is that boldness attracts high-level talent. Ambitious people want to work for ambitious companies because they know they'll work on major innovations that could change the world. With high-level talent, bold companies are in a better position to achieve their goals than companies with less-skilled employees. Boldness, when carried out with the other elements discussed in this book, becomes a positive feedback loop.

It's easy for a startup to move boldly, but much harder for a large, established company that has already achieved success. Big companies have established structures and routines designed around reliability, not major innovation. Even if the founders are still in charge, they're likely to remember their difficult early times and prefer the current smooth sailing.

As a result, most successful companies lapse into conformity. Sometimes that conformity is obvious, as when the firm copies every move of a successful competitor. Sometimes it's sneaky, where the company digitally replicates a physical product that people already love, without making improvements.

It takes boldness to actively resist the tendency to stick to the safety of conformity. A heroic leader, for example, can move a mass of people in a new direction through force of will or charisma. Yet organizations can become bold at every level.

Start with you. Boldness has to start somewhere, and it has the greatest effect from the top. Know, be, lead: This organizing principle should guide how company leaders go

about any sort of institutional change.

First, articulate your great dream for the organization. Then know yourself, your strengths, your weaknesses, and your ultimate desires. Know what compromises you can make, and know what you absolutely will not settle for.

Then, actually become this bold person, inwardly and outwardly. Take advantage of your strengths, improve on your weaknesses, and ensure that your inner values are reflected in any changes you make. Finally, lead others to do the same, and trust that they are emboldened by the example you have set. The energy you'll get from pursuing your dream will catalyze energy in others.

Radical Collaboration

More often than not, two heads are better than one. At work, at school, and at home, the biggest challenges we face are always easier to overcome as a team than alone. It stands to reason that the larger the organization, the more complex its challenges. So why do some organizations achieve collaboration more than others?

It comes down to the power of silos. When companies are small, everyone knows everyone else and it's both easy and essential to collaborate across the organization. But if the company succeeds, it typically grows and expands its offerings. It now has so many people and so many complicated activities that each function becomes a world in itself, with less to do with the other functions.

In this new state, leaders often take survival for granted and start building mini-fiefdoms under their management. Everyone is looking for security, and a solid organization that they control often appears to be the best way to get there. The most successful companies grow and diversify so much that they must create discrete, stand-alone operations. All those silos are good for handling complexity, but at the cost of making it difficult for people to work across functions and divisions.

Silos are essential for scaling up complicated processes. You need people specialized in each area who can run those processes reliably and at a low cost. Silos are how we got the abundant, high-quality products and services of the mid- to late-twentieth century.

Silos made sense then, but now they're risky as companies face upheaval from technological advances. Upheaval doesn't happen in a neat way; it affects activities throughout the organization, and overcoming it requires rapidly collecting information, generating new ideas, and pivoting to exploit them. Hence the need for radical collaboration–an environment where people seek solutions for their organization unhindered by structural or cultural constraints.

The problem is not the structures themselves, but the attitudes that turn those structures into silos. Perpetual innovators still need to organize their activities, and those structures need not be counterproductive. What matters is the company's readiness to reap the benefits of extensive collaboration regardless of how it is organized. That readiness comes from the following:

- An openness to new solutions, no matter where they come from or how unprecedented they are.
- A company ethos that encourages collaboration and puts little emphasis on fiefdoms.
- A structure that's porous enough to allow broad collaboration.

People need to be comfortable working with others across functions, people who may respect them only for their expertise. The company must value results and be willing to disrespect silos and hierarchies in order to achieve them.

That's the essence of radical collaboration. It goes beyond the ordinary collaboration that encourages people to get help for complex problems. Perpetual innovators believe that only by collaborating aggressively can they keep up with fast-changing markets. The key to their radical collaboration is as much structural as cultural.

A collaborative organization can take many forms. Some perpetual innovators are extremely decentralized. Others, like Apple, are highly centralized and organized functionally, in order to generate revolutionary, user-friendly innovation.

Another approach is to employ a conventional organizational structure but lay over it collaborative work teams that do the main work of innovation. That's what Amazon does. By relying on cross-functional teams for innovation, it makes this internal collaboration necessary for success.

At the end of the day, embracing collaboration in all its forms, and organizing your company around it, is vital. Companies that collaborate not out of necessity but as a way of life make collaboration truly radical. If they can sustain that embrace, they can achieve impressive results.

Putting it All Together

In order to transform your organization for long-term success, you'll likely need all eight drivers described here

to some degree. Above all, you need a deep commitment–transformation is not a one-day event or corporate initiative, but a continual and self-sustaining effort.

A company that has been losing steam can still achieve a significant transformation. But getting there takes the strong direction and concerted effort that only someone in leadership can achieve. It helps if that person is the CEO, but if you are a manager or above, you can still apply the concepts eight to your team or department and succeed beyond expectations.

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Goliath's Revenge

Todd Hewlin and Scott Snyder

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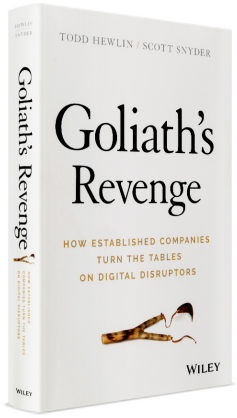
Goliath's Revenge

How Established Companies Turn the Tables on Digital Disruptors



by **Todd Hewlin and Scott Snyder**

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THE SUMMARY IN BRIEF

The story of disruption in the digital era is almost mythical: The Silicon Valley whiz kids sweep in with agility and new ideas, attacking the established pecking order. In every industry, customer loyalty is up for grabs, long-term leaders are on the defensive, and yesterday's skills are no longer enough.

But the story is changing. ***Goliath's Revenge*** describes how established businesses can stop focusing on the threat and start recognizing the unique advantages of their position. By following six new rules of innovation, you can reset your company's strategy to become a digital disruptor and carve out your future leadership position.

Stop trying to mimic the disruptors, and reclaim your rightful place at the top of the business hierarchy. The six rules will help you break out of the "me too" trap by identifying the strengths that are unique to you and your organization.

Even in this age of digital disruption, established leaders already have the advantage. ***Goliath's Revenge*** will teach you how to use it.

IN THIS SUMMARY, YOU WILL LEARN:

- The six rules of Goliath's Revenge and how to use them.
- The importance of crown jewels and how to identify them.
- Why your company needs to pursue both Big I and Little I innovation.
- To use networks to accelerate innovation.

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How Much Time Do You Have?

If the business world actually reflected the biblical story of David versus Goliath, established companies built over generations would struggle valiantly against the digital upstarts but would be so visually impaired and unimaginative that they would not be able to see the rock coming.

Unicorn private companies from San Francisco, Shanghai, Berlin, and Tel Aviv would upend the status quo in industry after industry, leading to bankruptcy for established companies and unemployment for their workforces. In this updated version of the historic story, David's sling would be an artificially intelligent robot. We would all know how the story ends but still enjoy reading about the heroic struggle these established companies mustered before their eventual demise.

For some established companies, that is actually how the business version of David versus Goliath is playing out. We've all seen that Blockbuster was destroyed by Netflix, Nokia was beaten by Apple, and that thousands of retail entrepreneurs "retire early" as Amazon gradually takes their customers away.

Goliath Strikes Back: Six Rules of Goliath's Revenge

But something much more interesting is afoot. It's called "Goliath's Revenge." Established companies are getting wise to David's strategy, tactics, and tools. They have seen some of their traditional competitors succumb to the digital attackers that are resetting the rules for their industries. Instead of waiting for their businesses to be disrupted by some Silicon Valley whiz kid, they are saying, "Why can't we use those same strategies, tactics, and tools for ourselves?"

Some are setting their sights even higher. They are simultaneously protecting their core businesses from digital disruption while also running the disruptors' playbook to expand into high-growth adjacent markets.

In industry after industry, a similar trend is unfolding. Established companies of all sizes, and the people who work for them, are taking bold steps to shift from being disrupted to becoming disruptors. They are shifting from a mindset of "Defend the way we do things for as long as possible" or "I just hope I can retire before this really hurts my business" to one of "We need to move aggressively now to leverage our unique capabilities in a way that disrupts the disruptors."

Six rules govern how established companies and their teams are adjusting their vision, strategy, and execution to achieve Goliath's Revenge. The eventual split of mind share and market share between established companies and digital disruptors will be governed by how well individual companies respond to these new rules. These new rules will also determine your career prospects as the industry you work in undergoes its digital transformation:

- **Rule 1: Deliver step-change customer outcomes.**
- **Rule 2: Pursue Big I and Little I innovation.**
- **Rule 3: Use your data as currency.**
- **Rule 4: Accelerate through innovation networks.**
- **Rule 5: Value talent over technology.**
- **Rule 6: Reframe your purpose.**

The hard truth is that digital disruptors are waking up every day trying to reset the pecking order of your industry and gain mind share with your most important customers, employees, and shareholders. Only you can answer the question of how much time you and your company have to align with the six rules before your industry's digital disruptors are too powerful to overcome. You are in a foot race whether you realize it or not.

The first step in deciding how much time you have to turn the tables on these digital disruptors is accurately understanding your starting point. Are you and your company ready to achieve long-term success and profitable growth in spite of the digital gyrations impacting your industry? One thing is clear—just working harder to defend the status quo is not a path to success.

Three Key Questions

Goliath's Revenge is structured around three major questions you need to answer:

1. How will my industry, company, and career be impacted by digital disruption?
2. What steps can I take to position myself and my company for long-term success?
3. How should I prioritize my efforts to get the maximum return with the minimum risk?

The next step is for you and your colleagues to have a frank discussion about which of the new rules your company is acting on effectively, which you've collectively swept under

Crown jewels are assets or capabilities that form the starting point for your company achieving Goliath's Revenge.

the rug, and what needs to be done to better position your organization for Goliath's Revenge. It is time to understand the incumbent's advantage.

The Incumbent's Advantage

It is time to pause and think hard about what you are uniquely good at. Specifically, what are your crown jewels? These are not just any random advantages that are available to you. Crown jewels are assets or capabilities that form the starting point for your company achieving Goliath's Revenge.

They are the source of your incumbent's advantage and the foundation for how you and your company are going to shift from defense to offense as the first step in disrupting your industry's digital disruptors. To qualify as a crown jewel, each of these assets or capabilities must pass three tests. They must be

- Essential to customer value;
- Uniquely controlled by you;
- Hard to replicate by others.

Defining your specific crown jewels is going to require an honest self-assessment. You need to go beyond "What are we good at?" and get to "Why those things matter" to your customers as digital competition reshapes your industry.

The established companies that are effectively turning the tables on digital disruptors tend to have crown jewels across multiple areas of their businesses. There are seven areas to explore: self-funding innovation, brand reach, existing customer relationships, installed base, data sets, blocking patents, and standards influence. Let's discuss two of these.

Self-funding innovation. Established companies almost always enter the fray of digital disruption with an existing core business that is capable of self-funding at least some of their required innovation investments. Microsoft has the massive Office and Windows businesses that have provided the multibillion-dollar cash flow needed to compete in the high-growth IaaS (infrastructure-as-a-service) market globally. In fact, Microsoft has made big enough bets early enough to establish itself as a clear market leader alongside Amazon Web Services.

Existing customer relationships. In nearly every industry, the cost of acquiring a new customer is three to five times the cost of selling a new offering to an existing customer. This simple math can gradually but irreversibly tip the scales in favor of established companies. For most digital disruptors, nearly every dollar of revenue growth is coming from selling to new customers, while in established companies of all sizes, new deals within long-established customer relationships account for the majority of revenue growth.

Mass-market customers simply do not like starting from scratch with companies they do not know. People buy from people. The multiyear, sometimes multidecade, professional relationships between your company's sales representatives and your customers' buyers are much stronger than you give them credit for.

Your homework is to identify your potential crown jewels, then score them against the tests above (essential to customer value, uniquely controlled by you, and hard to replicate by others). The ones that pass all three tests represent your basis for the incumbent's advantage and your starting point in applying the six rules of Goliath's Revenge. Let's now dig into Rule 1.

Rule 1: Deliver Step-Change Customer Outcomes

Every organization, no matter how large, has a fixed amount of energy, talent, and capital to spend on innovation. You must concentrate your efforts on the step-change customer outcome that is most likely to deliver profitable growth for your company and an upward career trajectory for you. As Steve Jobs said, innovation-driven growth is as much about choosing what not to do as it is about going all in on the specific innovations that you ultimately decide to pursue.

How do you make these pivotal innovation prioritization decisions for your company? There are three steps:

Step 1: Pick a destination: thinking customer-in. Jim Collins and Jerry Porras introduced the notion of a BHAG—a big, hairy, audacious goal—in their 1994 book called ***Built to Last***. Google's early BHAG was to "organize the world's information"—a customer outcome that harnessed the internet's ability to disseminate massive amounts of information with a search engine that could help humans make sense of it all.

Whether your company sells to consumers or to other companies, it is time to set aside your dusty inside-out mission statement about the new revenues and profits you want to capture. Think customer-in, and define in 10 words or less what your BHAG should be. This first step in your journey to Goliath's Revenge will likely guide your innovation investments for a decade or more, so take some time to get it right. You need to answer two fundamental questions:

- What big, hairy, audacious customer problem is your company in service to?
- Why are you uniquely qualified to solve that problem?

The key point is that you are aiming for the opposite of "slightly better than last year" or "new and improved." You are raising your sights to define your industry's version of the game-changing customer outcomes that digital disruptors are already investing in.

Step 2: Plan your journey: the stairway to value. The right customer segmentation approach in pursuing Goliath's Revenge is called a stairway to value. The stairway to value segments your current and potential customers based on their innovation adoption behavior.

On the top step, visionaries want to adopt a disruptive innovation far ahead of others and have a single purpose in mind—game-changing competitive advantage. They are very helpful in uncovering the step-change customer outcome that your organization should aspire to over a three-to-five-year period.

On the bottom step, conservatives aspire to the same step-change outcome as the visionaries, but they do not want to go there in one big step. Conservatives say, "Give me the slimmed-down version of the disruptive innovation that mere mortals can implement today, delivers a hard-dollar ROI, and gets us ready to step up the stairway over time as the innovation matures."

On step 2 of the stairway, you'll find the pragmatist in pain. These customers have an immediate need to address a broken, mission-critical process. You do not have to convince them that they are sick; you just have to supply the cure for what ails them. Their fundamental motivation for adopting your disruptive innovation is the avoidance of pain.

The buyer persona on step 3—the pragmatist with options—is primarily motivated by the capture of gain. Pragmatists with options want to have their cake and eat it too—they demand rapid deployments and the path to a sustained competitive advantage.

Think hard about the adoption motivation specific to each of the four buyer personas. Define a mini-version of your overall step-change customer outcome that fits perfectly with each of those motivations yet still provides a clear path to the top step once your innovations are ready to deliver it.

Step 3: Get going: whole offers by step. Each step in your stairway to value represents an intermediate outcome on the road to the step-change customer outcome that you will deliver over time. Within each step, you will now prioritize a set of repeatable solutions that can deliver that step's promised customer outcome.

These repeatable solutions are called "whole offers." The difference between a whole offer and just an offer is that you have thought through every capability the customer requires to secure the outcome the customer wants, whether you provide that capability or not.

For example, Uber's go-to whole offer is an inexpensive spontaneous private trip from point A to point B—what it calls "uberX." The critical capabilities that Uber delivers to enable its go-to uberX whole offer include a mobile app that knows where you are, a cloud-based optimization algorithm that matches riders and drivers, and a payment processing system that moves money from you to the driver, with a little off the top for Uber itself.

To complete the whole offer, Uber orchestrates a massive ecosystem of drivers who provide the labor to get you from point A to point B along with providers of funding who deliver the capital some drivers need to afford the late-model car that will be your temporary mode of transportation.

Start with step 1, and think about the simplest whole offer that your company could deliver now or in a short period of time—six months at the latest.

Rule 2: Pursue Big I and Little I Innovation

Now is the time to start delivering on the innovations required for that BHAG while buying time for it to pay off

through the continual improvement of your core business.

No company aspiring for Goliath's Revenge gets a free pass. It would be easier if you and your team could focus exclusively on either the future or the present. Unfortunately, that is not the world you live in. Your shareholders, who might be just you in a small company, demand both near-term performance from your core business and long-term, profitable growth in markets beyond it.

Achieving both requires a balanced diet of Big I disruptive innovations and Little I continual improvement. Big I changes the game while Little I plays the current game better. This requires focusing on six priorities: differentiate Big I from Little I, nurture a company-wide innovation culture, act fast on Little I ideas, unlock the power of "and," launch your venture investment board, and run the Big I relay race. Let's discuss a few of these.

Differentiate Big I from Little I. Whether you are part of a small, medium, or large company, turning the tables on digital disruptors requires a structured process for putting good ideas to work. This process starts with using a wide funnel that is open to ideas from all sources and that doesn't presuppose the role each might play in your innovation portfolio.

While the mouth of your innovation funnel must be wide, it should narrow quickly to concentrate your resources on the ideas with the greatest likelihood of success. Give each idea in your funnel a "yes" or "no" on five criteria: could the innovation be critical in delivering your step-change outcome; produce a crown jewel that adds to your incumbent's advantage; fundamentally redefine the cost structure of your industry; be a direct threat to your current business model; or act as your springboard to grow into an adjacent market?

An idea that gets zero or one "yes" is pushed to the Little I side of the funnel for evaluation as an incremental improvement by core business stakeholders. An idea that gets two or more "yes" answers has Big I potential.

Nurture a company-wide innovation culture. How can you ensure your innovation funnel is always full of actionable Big I and Little I ideas? The key is making innovation a fundamental part of your company culture, not just a slogan printed on the wall near the employee entrance. Think through how to solicit innovative ideas in a way that fits the style and tempo of your organization. You need to implement a formal program, not an ad hoc contest or campaign.

Pfizer's program, called Dare to Try, is sponsored by its CEO, Ian Read. That top-down commitment makes idea generation a priority for every employee. Dare to Try encourages employees to think big about new product and service offerings. Employees are given access to facilitation, design, and prototyping resources to shape their ideas into investable opportunities.

Act fast on Little I opportunities. Nike has it right—just do it. That should be your mantra when it comes to Little I. Put your team's energy into acting on ideas instead of building Excel models or PowerPoint slides about them. Distill each Little I proposal down to the main idea that is most actionable and has the greatest potential business impact—the minimum viable idea, if you will. Now, just do it. Follow four steps to put your Little I ideas to work: charter, resource, implement, and learn.

> Data-rich companies are tapping into vast new revenue streams and profit pools.

Rule 3: Use Your Data as Currency

As the world moves from analog to digital, data is the new currency. Data-rich companies are tapping into vast new revenue streams and profit pools. Data-poor ones are facing diminished market power, industry relevance, and profitability.

Focusing on three areas will add a new crown jewel to your arsenal: building your data balance sheet, valuing data optionality, and maximizing return on data. They will position your company to deliver the step-change customer outcomes you committed to under Rule 1, and accelerate the Big I and Little I innovations you prioritized under Rule 2.

Build your data balance sheet. If your goal is becoming data rich, then the first order of business is building your company's data balance sheet. What data assets does your company control that will allow you to apply data science and machine learning for industry-shaping insights? What data liabilities do you have such that you "owe" data or payments associated with data to third parties?

Aspiring Goliaths rate the assets on their data balance sheet against seven indicators of data quality: freshness, duration, context, consistency, attributability, reach, and exclusivity.

Value data optionality. More data today means better algorithms tomorrow, resulting in more data the day after that. It is a self-reinforcing cycle. The challenge is, how do you get that cycle jump-started? How can your company gain access to enough data fast enough to secure an algorithmic advantage?

It means spending heavily now for a hard-to-model future return and at least some improvement in corporate longevity. It requires your organization to value the second- and third-order effects of assets in your data balance sheet, not just the first-order ones.

In the early 2000s, Microsoft's Hotmail and Google's Gmail both offered "free" email in return for the right to analyze every word you wrote. They sold insights based on those analytics back to advertisers in the form of highly tailored marketing campaigns. Facebook is the modern equivalent.

In the 2010s, Progressive Insurance "paid" for data on individual driver behavior by offering auto insurance discounts and "free" monitoring devices that customers inserted into their cars' diagnostic ports. More recently, Monsanto acquired Precision Planting for $210 million and The Climate Corporation for $930 million to aggregate data on customer use of Monsanto products.

Maximize return on data. Your company needs to master machine learning before it masters your industry. A robust data balance sheet and the willingness to grow it by valuing the optionality of data are useless if you cannot turn data into insights and insights into actions. The digital value stack consists of digital data aggregation, continuous machine learning, and digital customer segments. Building your data balance sheet addresses the first of these.

For digital customer segments, your efforts to maximize your return on data need to focus on four customer segments: internal make-it and sell-it teams, as well as external supply chain partners and customers. Your goal is to augment the expertise of the people in that segment in order to make better decisions faster and more often.

To master machine learning, focus on the algorithms that realize the value of your data for each of those four digital customer segments. The range of algorithms is broad, but most companies focus on five algorithm categories: asset optimization, operations optimization, risk optimization, pricing optimization, and sales optimization.

Rule 4: Accelerate Through Innovation Networks

As you've worked through the first three rules of Goliath's Revenge, you have almost certainly committed your company to deliver more innovations on a faster timeline than your current capabilities make possible. The wrong answer to this mismatch is dialing back on your goals. You are in a race with other established companies, as well as with your industry's digital disruptors, to bring step-change customer outcomes to market.

Instead, put open innovation on equal footing with your internal efforts to achieve more in less time with lower risk. This requires action on four fronts: overcoming the curse of "we know everything," opening up innovation channels, becoming easy to innovate with, and expanding your corporate development toolkit.

Overcome the curse of "we know everything." Your first task in pivoting your organization to an open innovation strategy is having a dispassionate discussion with your peers about which of the following eight inhibitors your company faces: business model gravity, engineering pride, risk aversion, incentives mismatch, scarce talent, limited imagination, grinding gears, and standard operating procedure.

Open up innovation channels. There are eight specific innovation channels that can add Big I and Little I ideas to your innovation funnel: research universities, strategic suppliers, strategic customers, private equity firms, startups, corporate venture groups, business incubators, and open innovation platforms. Think about each of these channels as buying an option to evaluate new ideas that can augment your internal R&D efforts.

Become easy to innovate with. Most established companies struggle to ramp their innovation ecosystem up to a material scale before their attention shifts to the next important project. Follow these eight best practices from companies that are winning with open innovation: demonstrate commitment, set clear objectives, dedicate resources, empower an investment committee, adopt a lean process, minimize legal friction, build an innovation sandbox, and install a culture of exploration.

Expand your corporate development toolkit. Every strategic initiative needs a focal point. Your toolkit should

Honoring institutional knowledge prevents a cultural divide of new-hire haves and legacy employee have-nots that plays into the hands of digital disruptors.

include some combination of six main structures: corporate venturing, IP licensing, corporate incubation, spin-outs, joint ventures, and acquisitions.

Rule 5: Value Talent Over Technology

When most people hear news about accelerating digital disruption, the rise of AI, or improvements in robotics, they think, "My company needs to get that technology deployed as soon as possible." It is a natural reaction. However, the necessary technology is actually widely available.

The hard part is translating those digital innovations into real business results, not science projects, or worse, white elephants. Doing so requires a clean-sheet approach to sourcing, developing, integrating, and retaining talent.

Time is of the essence. Having the right number of the right people with the right skills at the right time is likely the biggest determinant of your company's success. Successful Goliaths are taking six actions to make talent the centerpiece of their digital innovation: honoring institutional knowledge, going beyond 3D digital roles, committing to preemptive skill development, valuing venture general managers, optimizing the AI-human balance, and improving digital dexterity. Let's discuss two of these.

Honor institutional knowledge. Established companies tend to overweight technical skills in their digital transformations. It feels like progress, announcing a big-name technology executive that is going to lead your organization into a digital future. However, bringing in a CDO may be like wedging a Ferrari engine into a Yugo—the car makes a lot of noise, but it's still slow.

Aspiring Goliaths are installing a two-speed organizational model that values rapid learning at parity with near-term financial performance. They are integrating seasoned employees into teams seeded with talent from outside their company and often from outside their industry. They are rewarding those teams with two-speed metrics that value both learning and business impact.

Honoring institutional knowledge prevents a cultural divide of new-hire haves and legacy employee have-nots that plays into the hands of digital disruptors. Make this principle the starting point of your talent strategy.

Go beyond 3D digital roles. Aspiring Goliaths are hiring for two classes of digital roles—immediate and coming soon. The immediate roles can be called "3D"—design, development, and data science. Each is fundamental to executing on your transformation plan and positioning your company for digital success. 3D roles harden your core business in anticipation of digital disruption while powering Big I innovation teams.

Unfortunately, 3D talent is no longer enough. Your company is probably already late in hiring these coming-soon roles: product incubation managers, behavioral scientists, journey mappers, business modelers, solution finders, and emerging-technology specialists. These six roles are difficult to fill through an external contract, so now is the time to start staffing them inside your organization.

Rule 6: Reframe Your Purpose

Reframing your purpose is really about opening up the range of growth options that your company is willing to consider. It is about raising your sights from your current industry position, business model, and product offerings to allow you and your peers to pursue the adjacent market opportunities that digital disruption creates.

Doing so requires six actions: raise your sights, answer the Five Whys, embrace smart cannibalization, engage the next generation, align top down, and lead by example. Let's discuss three of these.

Raise your sights. Reframing your purpose involves changes to both your mission and vision. Your mission shapes your organization's tone and culture. It focuses the energy of the company on how to deliver value to your customers day in and day out. Your vision defines your company's aspirational goal in terms of the big problems you solve and how solving those problems contributes to the greater good.

Your purpose is why you exist as a company. Don't think about this in terms of the corporate doublespeak of large organizations. Even the smallest company needs to be crystal clear on its reason for being and the idea that its purpose is broader than its current capabilities.

Raising your sights literally provides room for your company, you, and your people to grow. It creates space for exploration, experimentation, and breakthrough innovation. It focuses your attention on serving the needs of existing and new customers alike.

Engage the next generation. Today's 140 million so-called digital natives—the millennials and Gen Zers—represent 25 percent of the workforce and nearly $2 trillion of buying power. These are your future employees and, if your company is consumer facing, your future customers.

Digital natives are always connected and deeply mission driven. They are highly influenced by the social graph and exhibit a swarm-like behavior that multiplies their influence based on the relative size of their personal networks.

This next generation tends to expect business leaders to weigh in on important issues, such as immigration, sexual harassment, racial discrimination, and climate change. They yearn to be part of efforts that make our world more inclusive, accepting, socially aware, and environmentally responsible.

Reframe your purpose with digital natives in mind. Focus your purpose on why you matter to the world, and digital natives will be flocking to your door to join the cause. One way to achieve this is to express your reframed purpose in terms of your triple bottom line—that is, your social, environmental, and financial measures of success.

Unilever is specifically developing products tailored to meet the needs of impoverished, developing parts of the world while preventing harm to our environment. Nestlé is promoting water accessibility and sustainable food products for everyone on the planet.

Lead by example. In order for your troops to line up and march into the midst of digital competition, they will rightly expect your CEO and other leaders to be out in front leading the charge. Future leaders must live their lives in a way that reflects the future purpose of the company. The days of your personal life staying separate from your professional one are long past. Leaders must be all in on your reframed purpose.

Mary Barra is a great example of this, as she personally is leading the charge on GM's zero-zero-zero mandate—zero crashes, zero emissions, and zero congestion. Leaders that live by their own triple bottom line will be in great demand to run companies pursuing Goliath's Revenge.

Now it's time to go be a disruptor inside your Goliath and beat David at his own game.

IF YOU LIKED THIS SUMMARY, YOU MIGHT ALSO LIKE:

- ***The Road to Reinvention: How to Drive Disruption and Accelerate Transformation*** by Josh Linkner
- ***Scaling Leadership: Building Organizational Capability and Capacity to Create Outcomes that Matter Most*** by Robert J. Anderson and William A. Adams

Todd Hewlin is a Managing Director at TCG Advisors, the leading growth strategy firm in Silicon Valley, and a noted expert on digitization and business model innovation. He is co-author of ***Consumption Economics*** and ***B4B*** and a frequent speaker at major industry events. Scott Snyder is a Partner at Heidrick Consulting and a recognized thought leader on digital transformation and innovation. He is a Senior Fellow at the Wharton School, founded three startups, and held leadership roles at GE, Lockheed Martin, and venture firm Safeguard.

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Good Leaders Ask Great Questions

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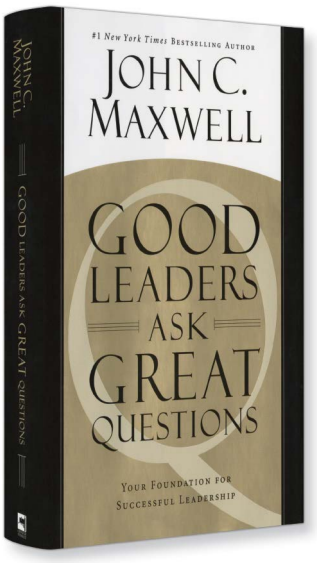

by John C. Maxwell

THE SUMMARY IN BRIEF

Leadership authority John Maxwell has mastered the art of asking questions, using them to learn and grow, connect with people, challenge himself, improve his team, and develop better ideas.

Questions have literally changed Maxwell's life. In *Good Leaders Ask Great Questions*, he shows how they can change yours, teaching why questions are so important, what questions you should ask yourself as a leader, what questions you should be asking your team.

Maxwell also opened the floodgates and invited people from around the world to ask him any leadership question and he answers 70 of them — including "How do I get started in leadership?" "What are the top skills required to lead people through sustained difficult times?" and "How would you work with a difficult leader who lacks vision?" No matter whether you are a seasoned leader at the top of your game or a newcomer wanting to take the first steps into leadership, *Good Leaders Ask Great Questions* will change the way you look at questions and improve your leadership life.

IN THIS SUMMARY, YOU WILL LEARN:

- Why it's important to ask great questions, now and throughout your career.
- The key questions to ask yourself and your team.
- Why leading others depends on leading yourself.
- How to weather poor leadership and develop emerging talent.

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THE COMPLETE SUMMARY: **GOOD LEADERS ASK GREAT QUESTIONS**

by John C. Maxwell

The author: John C. Maxwell is a number one *New York Times* bestselling author, coach and speaker who has sold more than 24 million books in 50 languages. He is the founder of the John Maxwell Company, the John Maxwell Team and EQUIP, a non-profit organization that has trained more than 5 million leaders in 180 countries. He was identified as the most popular leadership expert in the world by *Inc.* magazine in 2014.

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PART I: QUESTIONS I ASK

Why Are Questions So Important?

If you want to be successful and reach your leadership potential, you need to embrace asking questions as a lifestyle. Here's why:

You Only Get Answers to the Questions You Ask. Asking the right question of the right person at the right time is a powerful combination because the answers you receive set you up for success. IBM founder Thomas J. Watson said, "The ability to ask the right question is more than half the battle of finding the answer." But that's true only if you are willing to ask the question.

Questions Unlock and Open Doors That Otherwise Remain Closed. In life's journey we face many doors. Hidden behind them are all kinds of possibilities leading to opportunities, experiences and people, but the doors must be opened before we can go through them. Questions are the keys to opening these doors.

Questions Are the Most Effective Means of Connecting with People. I often watch speakers stand before an audience and work to build a case for their ideas. They would be more successful if instead they tried building a relationship with the people in the room. The most effective way to connect with others is by asking questions.

Questions Cultivate Humility. Isn't it strange how we must surrender being right in order to find what's right, how humility enables us to be authentic, vulnerable, trustworthy, and intimate with others? People are open to those who are open to them.

Questions Help You to Engage Others in Conversation. I want people to know that I value them and that, if possible, I want to add value to them. To do that, I believe I must get to know them. That requires that I ask questions, they talk and I listen.

Questions Allow Us to Build Better Ideas. Any idea gets better when the right people get a chance to add to it and improve it. And good ideas can become great ones when people work together to improve them. What is the key to shared thinking? Asking the right people the right questions.

Questions Give Us a Different Perspective. By asking questions and listening carefully to answers, we can discover valuable perspectives other than our own. That's valuable because we often make faulty assumptions about other people. We can correct those wrong assumptions and prevent miscommunication by asking questions.

Questions Challenge Mindsets and Get You Out of Ruts. Too many people have flat-lined mentally. If you want to make discoveries, if you want to disrupt the status quo, if you want to make progress and find new ways of thinking and doing, you need to ask questions. Questions are the first link in the chain of discovery and innovation.

Never forget: good questions inform; great questions transform! What questions have others asked of you that have made a positive difference in your life? What questions have you asked others that are helping you even today? Become intentional from this point on in being a questioner. You should even ask questions of yourself.

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What Questions Do I Ask Myself as a Leader?

As a leader, I can allow others to ask me the hard and important questions, or I can take responsibility, be proactive and ask those questions of myself. I pass these questions on to you as a guide, with the suggestion that you develop your own list.

Am I Investing in Myself? A Question of Personal Growth. The most important investment you and I will ever make is in ourselves. That investment will determine the return that we get out of life. Three main factors come into play. These will determine if or how you will invest in yourself: your self-image, how you see yourself; your dream: how you see your future; and your friends: how others see you.

Am I Genuinely Interested in Others? A Question of Motivation. Someone once said, "People have two reasons for doing anything — a good reason and the real reason." For you to be a good leader when dealing with people, the good reason must be the same as the real reason. Your motives matter.

Am I Grounded as a Leader? A Question of Stability. Just as leaders are vulnerable to acting for their personal advantage, they are also susceptible to having an overblown sense of their own importance. That's why they need to remain grounded. Good leaders need to exhibit three important qualities: humility: understanding your place in light of the bigger picture; authenticity: being comfortable in your own skin; calling: having a purpose that is bigger than you.

Am I Adding Value to My Team? A Question of Teamwork. Here are my suggestions for adding value: promote full commitment, create an environment of encouragement and support, identify adversity as an opportunity to develop character, and consider each person's strengths and weaknesses.

Am I Staying in My Strength Zone? A Question of Effectiveness. Staying in your strengths gives you an advantage. In a world where people spend much of their time shoring up their weaknesses, your focus on maximizing your strengths will set you apart from others. The more you focus on your strengths, the better you will be positioned to see and seize opportunities as they arise.

Am I Taking Care of Today? A Question of Success. Good leaders naturally look to the future. They are known for vision and for leading others to new and higher destinations. However, the future isn't where anything gets accomplished. That happens today. That's why you need to take care of it. To best use my time correctly, there are five areas where I want to make sure I'm taking care of business: faith, family, relationships, mission and health.

Am I Investing My Time with the Right People? A Question of ROI. The greatest legacy any leader can leave is the other leaders he raises up before he's finished. That means finding the right people and investing in them continually.

Socrates is quoted as saying, "The unexamined life is not worth leading." I would add that the unexamined leader is not worth following. Leaders who never take time to ask what they are doing and why they doing it are unlikely to stay on track, lead at their best, and reach their potential. That is why we need to keep asking ourselves tough questions.

What Questions Do I Ask My Team Members?

I want to give you a picture of leadership that is not commonly envisioned: It's of a leader asking questions of team members and then really listening to what they have to say. Good leaders ask great questions that inspire others to dream more, think more, learn more, do more, and become more.

What Do You Think? Mark Cole, CEO of my organizations, explains, "When you ask for my skills, you get my strengths. When you ask for my passion, you get my heart. When you ask for my ideas, you get my mind. But when you ask me for answers, you get my strengths, heart and mind."

How Can I Serve You? I believe leadership is servanthood. It's my responsibility to make sure my people have what they need to succeed and get their work done. If you are a leader, that is your responsibility too. Asking, "How can I serve you?" not only helps others, it also helps prevent me from developing a positional mind-set whereby I start thinking I'm somehow "over" or better than everyone else on the team.

What Do I Need to Communicate? Success in communication comes from knowing the context more than the content. When I ask this question, I'm not trying to find out what content to deliver. I'm trying to find out who the people are, what the situation is, what happened before I arrived to speak, and how I can connect and help.

Did We Exceed Expectations? It's not enough to simply finish a job. You need to perform it with excellence, without cutting any corners. Every time you bring

something to completion, try to find out not only whether you were able to help, but how much you were able to help. If you make it your goal to exceed expectations, you can continue to learn, grow and improve.

What Did You Learn? The question "What did you learn?" is not just for parents with impressionable children. It's equally valuable in a work setting. I ask it all the time because it keeps my staff sharp and growing. It prompts people to evaluate their experience and make an assessment. And as I've often said, experience isn't the best teacher — *evaluated* experience is.

Did We Add Value? My desire in life is to add value to leaders who multiply value to others. That's why I ask this question.

How Do We Maximize This Experience? We too often take opportunities and experiences for granted and don't make the most of them. That's a shame, because everything we do for others and every experience we have has so much potential. By asking how we can maximize our experiences, we make the most of them. Anything less and we're actually wasting parts of our lives.

What Do I Need to Know? I often ask, "What do I need to know?" when I'm about to enter a meeting or engage in a phone call. It invites the team member to give me an overview of the situation, provide vital information, and prioritize what he or she believes will be most important.

How Do We Make the Most of This Opportunity? The door to one opportunity often comes from another. If you pursue an opportunity, it almost always leads to other opportunities. People who wait for the one great opportunity often keep waiting. The way to find the best opportunities is to pursue the one at hand.

How Are the Numbers? Numbers count. They tell a story. They let you know what the score is. They show you where you're winning and where you're failing so you can make adjustments. They show trends. They reveal weaknesses. They are tangible evidence of how well you're doing.

What Am I Missing? Two of the fastest ways to connect with another person are to ask questions and to ask for help. Most people genuinely want to help others. And most people enjoy being an expert in their field and sharing their wisdom and experience. The only time these things don't seem to be true is in an environment that discourages asking genuine questions and listening to honest answers.

If you lead a team, start valuing the contributions of your teammates ahead of your own. And remember that when the best idea wins, so does the entire team.

PART II: QUESTIONS LEADERS ASK ME

What Must I Do to Lead Myself Successfully?

Many people understand intuitively that if you can't lead yourself effectively, everything else in your life will be a struggle. Self-leadership comes first. It makes every other kind of leadership possible. That's where personal credibility is established.

Some of the challenges you face may come from the way you lead yourself. You may attribute them to someone or something else, when you actually need to look at yourself as the source.

Why Does Leading Myself Seem More Difficult than Leading Others? We have blind spots preventing us from seeing where we have problems and fall short. What are blind spots? They are areas in which people continually fail to see themselves or their situation realistically. Everybody has some; few people recognize their own. While blind spots cause all people problems, they can be especially harmful in leaders. Because leaders influence others and their actions affect a team's, department's, or organization's outcomes, the problems that come from their blind spots are exaggerated. The four most common and destructive blind spots among leaders include having a singular perspective, insecurity, an out-of-control ego and weak character.

What Are the Most Important Values for a Leader? Here are the leadership values that I believe are most important:

- **Servanthood:** Leading well means serving others. If you are willing to embrace servanthood, not only will you become a better leader, you will help your team, help the people your team serves, and make the world a better place.
- **Purpose:** Let your *why* direct your *what*. Success comes from knowing your purpose in life, growing to your maximum potential, and sowing seeds to benefit others.
- **Integrity:** Live the life before you lead others. When you become a leader, you must focus more on your responsibilities than on your rights. You must do more than you expect of others. If you live the life first and lead well, others will respect you. And the chances are good that they will be willing to follow you.
- **Relationships:** Walk slowly through the crowd. Leadership impact is drawn not from position or title

but from authentic relationships. How do you develop authentic relationships? You live with authenticity. You treat people with kindness and respect. And you go to where they are to connect with them.

- **Renewal:** Replenish yourself daily. If you don't make an effort to replenish your energy, feed your soul, and renew your mind, you will run out of gas.

What Is the Most Effective Daily Habit for Any Leader to Develop? If you could cultivate only one habit to practice every day of your life, I believe it should be this: giving more than you receive. Giving acknowledges that others have helped us, and giving requires us to get beyond ourselves. Giving is by nature intentional. And giving changes the world — one person at a time.

How Do You Lead with Humility When in the Tough Corporate World It's Viewed as a Weakness? I think this question reveals a misconception about the corporate world. People in business don't automatically see humility as weakness. They see weakness as weakness — weakness in preparation, skills, work ethic, etc. People who achieve at a high level of excellence can smell weakness.

That brings up the question of what humility is. Humility doesn't mean being weak. It just means thinking of yourself less. It means being realistic and grounded. It means valuing others and their contributions. People like working with a leader with those characteristics.

How Does Leadership Work?

Leadership starts with influence and builds from there. Keep that in mind as you read these questions.

Does Everyone Have the Potential to Be an Effective Leader? Everyone has the potential to lead on some level, and anyone can become better at leading. While it is true that some people are born with traits that help them to become better leaders than others, those natural traits are only the beginning.

Three main components come into play in the development of a leader: Environment: the incarnation of leadership. Leadership is more caught than taught; Exposure: the inspiration for leadership. Plan to go hear someone you admire speak; and Equipping: Intention for Leadership. The one thing you can do to have the greatest impact on your leadership potential is to be intentional every day about becoming equipped to lead. Every book you read, every lesson you absorb, every principle you apply helps you to become a better leader and takes you another step forward in your leadership potential.

What Is the Greatest Challenge in Answering the Call to Leadership? The greatest challenge in leadership is making decisions that affect other people. If you want to become a better leader, become willing to make tough choices and uncomfortable decisions. Those may include the following: courageous decisions: what must be done; priority decisions: what must be done first; change decisions: what must be done differently; creative decisions: what might be possible; people decisions: who should — and should not be — involved.

What Are the Top Skills Required to Lead People Through Sustained Difficult Times? Tough times show us ourselves. The people we lead find out who they are. As leaders, we also find out what we're made of. The best way to approach tough times is to try to see them as opportunities. Here is how I would recommend that you lead and serve people during difficult times:

- **Define Reality:** As the leader of a team, you need to help people define the things that are holding them back. Then you need to define the things that will free them up. People cannot make good choices if they don't know what these things are, and many have a hard time figuring them out on their own.
- **Remind Them of the Big Picture:** Leaders are keepers and communicators of the vision. They bear the responsibility for always seeing the big picture and helping their people to see it. People need to be reminded of why they are doing what they do, and of the benefits that await them as a reward for their hard work.
- **Help Them Develop a Plan:** Before you can develop a strategy to get out of a difficult situation, you must know where you are and where you want to go. The next task is to identify the steps required to go from here to there. Not everyone finds it easy to do that.
- **Help Them Make Good Choices:** People's choices define who they are and determine where they go. It's true that we don't choose everything we get in life, but much of what we get comes from what we've chosen.
- **Value and Promote Teamwork:** No team can win and keep winning unless everyone works together. It's the responsibility of leaders to promote teamwork and get team members cooperating and working together.
- **Give Them Hope:** Crisis holds the opportunity to be reborn. Difficult times can discipline us to become stronger. Conflict can actually renew our chances of building better relationships. It's not always easy to re-

member these things. As leaders, our job is to remind people of the possibilities and to help them succeed.

How Do I Get Started in Leadership?

How you come into a leadership role matters less than how you handle it. And the key question you need to ask yourself is, "Why do I want to lead?" I ask that question of any person who says he wants to get into leadership. If you want to help other people, your team and your organization, you're starting on the right foot. If your desire is to fulfill a worthy vision, one that will help people and make the world a better place, you're headed in the right direction. If you're doing it to add value to others and not just yourself, you are seeking to be a leader for the right reason.

How Do You Determine Your Leadership Potential? Examine four areas to get a sense of whether it is time for you to step up and lead:

1. **Pay attention to the need you see:** Leadership begins with a need, not when someone wants to fill an empty leadership position. There are many needs in this world. Are there some that strike a chord in you? If you see a need that you feel a strong desire to address, and it moves you to action, that is a sign that you have the potential to lead in that area.
2. **Use your natural abilities to help others:** You have gifts, talents, and skills that you can use to help people. It is your responsibility to learn what those abilities are and develop them. If you're not sure what they are, ask others who know you well. In addition, look at the areas where you are naturally intuitive, productive, satisfied and influential.
3. **Make the most of your passion:** Passion in a leader is compelling to others. People want to follow passionate leaders. It makes them want to jump on board and join them.
4. **Develop your influence:** If you want to lead , you must persuade people to work with you. People who think they're leading but have no one following them are only taking a walk.

What Advice Would You Give to an Aspiring Leader Trying to Take the First Steps into Leadership? Try to take the long view of leadership. If you work hard, learn how to connect with people, develop credibility, and prove yourself every day, after a while people will begin to believe in you. You will have influence, and you will be able to get things done. Try not to worry too much about what people think about you. Do your best. Work hard. Keep growing. And eventually you'll be able to make a positive impact as a leader.

How Do I Resolve Conflict and Lead Challenging People?

This is one of the most difficult areas for most leaders. You can do all the right things, but there is no guarantee others will change, succeed, or do well. People who do not want to follow or be productive members of the team will not change. And that doesn't make you a bad leader. It just means you have someone who's bad for the team and organization.

How Can Leaders Help Individuals Move Past Their Mistakes and Get on a Path of Success Toward a Better Future? Many people get emotionally stuck when they make a mistake or suffer a loss. They often become overwhelmed by regret. If the regret takes hold for too long, it can turn into guilt, resentment, and self-pity. When we experience losses, we need to learn from them and let them go. If we focus on the loss instead, it can bring us down.

Some losses require time because they cut deeply. We need to grieve. We need time to heal. But many small losses and problems don't warrant much energy. Most of the time we need to learn the lesson from the loss, and then move on. Help people to think about what they can do right, put energy into healing, increase self-reliance, gain hope, and move forward toward the future.

How Do You Inspire Your Team to Make Its Current Work a Career and Something to Be Proud to Do, and Not Just Another Job with a Paycheck? No job has a future. Only people have a future. If people keep growing, learning and expanding their potential, their future is bright. If not, it's uncertain at best. That's why I often remind people that the greatest threat to tomorrow's success is today's success.

Share your passion. A leader's passion is contagious. Paint a picture of people's future that inspires them to work harder today. Tell them who they can become. Show them what they could be someday doing. Show how their role makes a difference. Finally, challenge them to keep growing. People who make growth their goal — instead of a title, position, salary, or other external target — always have a future.

How Do You Know a Relationship Is Broken, and How Can You Save It? These are the most common signs: It's hard to have an honest conversation. If you try

to start one, the other person will refuse to engage, or become defensive or combative. There's a lack of trust, and there's a lack of passion to continue the relationship.

Your goal should be to repair the relationship, but to do it with integrity. Here's what I think it takes to do that:

Initiate fixing the relationship with them. It's hard to rescue a relationship if you don't take responsibility for initiating.

Give them the benefit of the doubt. I always go into that conversation assuming that I've done something wrong. I've discovered that if there's hope for helping a relationship come back, the conversation goes better if I'm open and willing to take the blame. It's difficult to move forward with relational baggage weighing you down.

Be willing to walk the second mile. In relationships, I believe the stronger person is the first one to come back and offer to reconcile. The stronger person is the first to ask for forgiveness. Usually that's the leader. Even if the leader has been the injured party, he needs to initiate.

Speak well of them afterward. After I've talked to people and tried to resolve whatever issues we've had, my goal is to have no unfinished business with them. Whether we resolved the issues and mended the relationship, or had to part ways, I don't want there to be any kind of grudge between us, and I want to say only positive things about them.

How Can I Succeed Working Under Poor Leadership?

Bad bosses often shirk their responsibilities and try to place them on the follower — on you — and you end up carrying the load. Whenever this happens, as far as it's possible, you should attempt to ask questions of your leader in such a way that the responsibility goes back on his or her shoulders where it belongs.

How Would You Work with a Difficult Leader Who Lacks Vision? Without vision, leaders lack the ability to convey motivation, drive and purpose to their people. If you are going to stay and work under a leader who lacks vision, what can you do?

- **Tap into the organization's larger vision:** When the vision of the organization is clear, the vision of any individual leader, team or department within the organization should contribute to that larger vision anyway. It should work within that context.
- **Identify a vision for the organization, and share it with your leader:** If you do this, just be sure that the vision is consistent with the values and goals you know your leader possesses. If it's not, your leader will probably not welcome it.
- **Develop your own sense of purpose:** You cannot allow your leader's lack of vision to keep you from making progress in life. Connect with and develop your own purpose. As long as you are doing work consistent with it, you won't be as bothered by your leader's lack of vision for the organization. You will just need to be certain that you are doing what you were created to do.

How Would You Work with a Difficult Leader Who Has Attitude and Character Problems? One of the great dangers in working for leaders who have attitude and character problems is that they are continually trying to drag you down to wherever they are. Bad attitudes are contagious. If you are determined to stay in such an environment, the best thing you can try to do is lift people to a higher level.

First, live on a higher level yourself. One of your goals as a leader and person should always be to be a positive influence on others in the critical areas of attitude and character. Second, if you've done your best to help your leaders but you start to feel their influence negatively affecting your attitude or values, separate yourself from them as much as you can. Finally, if you can't leave right away or if you need to stay for some reason, put as much communication as you can in writing. You will want to be able to show evidence of your right-doing if at some point your boss is accused of wrongdoing.

How Can I Successfully Navigate Leadership Transitions?

Life means transition. Most people intuitively understand that the world is moving fast, yet they still have a difficult time with it. Brian Tracy was right when he said, "In a time of rapid change, standing still is the most dangerous course of action." If you don't learn how to make good transitions, you either get run over or get left behind.

When Is the Right Time for a Successful Leader to Move On to a New Position? Leaders often get restless. When they do, they start exploring opportunities and new mountains to climb. The key to knowing whether it's time to transition is recognizing that there are two kinds of restlessness: good and bad. Good restlessness is healthy. It pulls you forward toward improvement. It comes from your desire to grow, to make a greater impact, to serve others more effectively.

Bad restlessness comes from being bored or unhappy. It comes from a desire to escape. It causes you to be impa-

tient. You often jump out of where you are, but not to anything specific. And as a result, it can actually put you in a worse place.

Ask yourself whether you have given the best you have where you are now. Don't move anywhere else until you have. Don't seek a move just to make things easier on yourself. To transition with integrity, you need to have done your best work possible. Then you can leave with a clear heart and mind.

What Leadership Principles Enable a Failed Leader to Lead Again Successfully? If you've failed as a leader and lost your position, you need to consider the following before attempting to return to leadership:

Evaluation: What went wrong? Before you can move back into a leadership role, you need to fix whatever problems you have in your leadership. You can't do that if you don't know what they are. Where did you go wrong? Was it a mistake in strategy? Did you lack skills necessary for good leadership? Do your problems stem from poor self-leadership?

Emotional strength: Can you bounce back? If you've failed, you need to be able to face your failure, own up to it and process it emotionally. And you also need to regain your footing and rebuild your emotional strength and resilience before you try to lead others again.

Evolution: Can you make the adjustments needed for future success? You need to make the changes in yourself to set you up for future success. Maybe you need to put yourself on a personal growth plan whereby you read a dozen books and attend some conferences. Maybe you need to seek counseling to help you with character issues. Maybe you need to find a mentor. Maybe you need to further your education.

How Can I Develop Leaders?

If you want to make an impact on your world, you must help others to become better leaders.

How Do You Help People Realize the Talent Within Them? Perhaps the most rewarding aspect of leadership is seeing people with hope believe in themselves, develop themselves, and blossom into effective leaders. If you desire to help your people do that, proceed in this way:

Find evidence that they want to grow: People worthy of your time and attention have a learning attitude. They're open to instruction and hungry to grow. They may not yet be convinced that they can reach what you recognize as their potential, but they have the desire. And they are already making an effort to grow.

Identify their strengths: The people you lead may not know what they're good at. As a leader you need to help people figure out where they have potential and should grow.

Give them a place to practice. Training is good. Mentoring is fantastic. Development is incredible. But if you don't give emerging leaders a place to practice, their knowledge will never become practical experience.

Coach them to improvement. People always learn more from their failures than they do from their successes. Walk alongside them to give them security and to help them through the most difficult problems. Share with them where they made mistakes and how they can overcome them. Tell them what to work on. And encourage them to keep trying.

Keep increasing their responsibilities. Allow your leaders to benefit from your experience until they are capable of doing your job. That takes security on your part. But if you do that, when it comes time for you to move up to greater responsibility or move on to a new challenge, you will have people who can step in and take your place.

What's the Most Important Thing a Leader Must Learn in Order to Be a Leader of Leaders? There's only one way to lead leaders. Become a better leader yourself. Good leaders do not follow poor ones. People naturally follow leaders stronger than themselves.

So if you want to be a leader of leaders, you will need to earn the right. You will need to achieve success first. You'll need to keep raising your leadership capacity. You'll need to make growth a major goal and dedicate yourself to it. And you'll also have to keep your ego in check. If you have a compulsive need to be the alpha dog, the other top dogs won't want to work with you. No leader can know everything, be an expert in everything or do everything. It takes a team to be successful. As you move forward, remember that good leaders ask great questions. They may not always know the answers, but they are made better simply by asking them.

RECOMMENDED READING LIST

If you liked *Good Leaders Ask Great Questions*, you'll also like:

1. ***Winning with People*** **by John C. Maxwell.** With 25 "People Principles" that anyone can learn, Maxwell shows how relationships can be created and strengthened for success in work and life,

2. ***The 5 Levels of Leadership*** **by John C. Maxwell.** Maxwell details each level of leadership and provides a clear path to reach the next.

3. ***The 360 Degree Leader*** **by John C. Maxwell.** According to Maxwell, you can learn to develop your influence from wherever you are in the organization by becoming a 360-degree leader.

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Hacking Leadership

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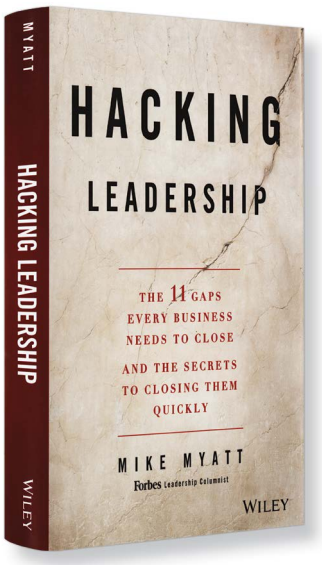
Leadership

Hacking Leadership

The 11 Gaps Every Business Needs to Close and the Secrets to Closing Them Quickly



by Mike Myatt

THE SUMMARY IN BRIEF

The follow-up to Mike Myatt's internationally acclaimed *Leadership Matters*, *Hacking Leadership* is for leaders who feel that their performance falls short of their potential and who want to know why. It's for leaders who understand that in business today, the rule is adapt or die. And it's for anyone who wants to expand their leadership acumen or for leaders interested in shaping a sustainable culture of leadership.

As Myatt explains, core leadership principles have remained largely the same since the dawn of time. The trick is learning how to integrate those principles with evolving leadership practices engineered for 21st century success.

Enter *Hacking Leadership*. It delivers a proven approach to identifying your blind spots and closing leadership gaps. With the help of in-depth case studies chronicling his work with leaders at many of the world's leading organizations, Myatt identifies the 11 leadership gaps which can be fatal to your health as a leader. These include gaps in the key areas of leadership, purpose, future, mediocrity, culture, talent, knowledge, innovation, expectation, complexity and failure. More importantly, he arms you with actionable leadership and management hacks to bridge those gaps in order to create a true culture of leadership within your organization and drive record-breaking bottom-line and top-line business results.

Offering a bold new approach to leadership development and powerful tools for achieving your full potential as a leader, *Hacking Leadership* is must-reading for anyone who refuses to think of leader as merely a job title, but as their life's mission.

IN THIS SUMMARY, YOU WILL LEARN:

- To challenge your presuppositions and reframe your thinking about leadership.
- To gain a sharper perspective on your performance as a leader.
- To gain deep insights into your perceptual biases and self-imposed limitations.
- To understand and address the 11 leadership gaps most relevant today.

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THE COMPLETE SUMMARY: **HACKING LEADERSHIP**

by Mike Myatt

The author: Mike Myatt is the CEO of N2growth, a global leader in providing leadership development services to Fortune 500 companies. He is widely regarded as America's Top CEO Coach, is the author of *Leadership Matters*, and is a *Forbes* Leadership Columnist. He is also a Senior Fellow at the Gordian Institute. Myatt has worked directly with more than 150 public company CEOs, and his representative corporate clients include AT&T, Bank of America, Deloitte, EMC, Humana, IBM, JPMorgan Chase, McGraw-Hill, Merrill Lynch, PepsiCo and other leading global brands.

Hacking Leadership: The 11 Gaps Every Business Needs to Close and the Secrets to Closing Them Quickly by Mike Myatt. Copyright © 2014 by Mike Myatt. Summarized by permission of the publisher, John Wiley & Sons, Inc. 208 pages, $29.95, ISBN 978-1-118-81741-4. To purchase this book go to www.amazon.com or www.bn.com.

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For additional information on the author, go to www.summary.com or www.n2growth.com.

Prologue

Nothing impacts our world like leadership, and sadly, the practice of leadership is broken. The pace of change has never been faster and more dramatic, yet our leadership practices have remained painfully stagnant. It's time for a fresh perspective — it's time to begin Hacking Leadership. Core leadership principles need not be abandoned, but outdated and ill-conceived practices must be hacked in order to reestablish leadership equilibrium.

My definition of hacking is to discover an alternate path, clever and skillful tricks, shortcuts and workarounds, breaking the code, deciphering complexity, influencing outcomes, acquiring access, and creating innovative customizations to existing/outdated methodologies.

Hackers are innovative thinkers who acquire and distribute knowledge, tips and tricks for solving complex problems — they reinvent strategies, protocols and practices to create more effective solutions to both existing problems and new challenges. They adopt the mindset of innovating around best practices in pursuit of next practices.

In many respects, leadership is nothing more than identifying personal, team, organizational and market blind spots and then dealing with them in the most effective fashion. Therefore, it's critically important for leaders to understand that most blind spots exist in the form of gaps — positional gaps, philosophical gaps, strategic gaps, operational gaps, expectation gaps, knowledge gaps and so on. Gaps exist in every organization: The issue is whether you recognize them, and if so, how you choose to deal with them.

Hacking the Leadership Gap

All truly great leaders have one thing in common — they have a clear understanding of their strengths and weaknesses. They've learned to check their ego, enhance their level of self-awareness, and understand how others perceive them. They are clear thinkers who understand their role and are prepared to act accordingly.

The Leadership Gap Defined

The seminal question you must ask yourself as a leader is why should anyone be led by you? To consistently receive the right answer, a leader must first gain an understanding of the three critical leadership gaps:

- **The Development Gap:** The gap between how you assess your current leadership ability and your true potential as a leader. Understanding this gap indicates whether you see leadership as a destination or as a continuum. It is impossible for a leader who is not growing and developing to lead a growing and developing enterprise.
- **The Influence Gap:** The gap between your self-assessment and the assessment of your leadership ability by your peers. Your understanding of this gap and willingness to do something about it will determine your ability to build a cohesive team. Leaders who don't have the trust and respect of their team won't be able to generate the influence necessary to perform the expected levels.
- **The Reality Gap:** The difference between how you view yourself and how those you lead feel about you. A leader who loses the faith and confidence of their workforce won't be able to attract and retain talent, will have a culture on life support, and subpar performance that ensures a limited shelf life.

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Rate yourself as a leader on a scale from 1 to 10, with one representing the worst in leadership and 10 being the best. Not your leadership potential, but rather how you are currently performing as a leader.

Leaders consistently overrate themselves. How do we know this? Because we have surveyed thousands of subordinates and peers as well as those whom the leaders report to. They rate their leaders lower, so if you rated yourself an 8, then your coworkers likely rated you a 6. If you rated yourself a 6, then they likely rated you a 4.

The difference between your self-assessment score and how others rate you is the leadership gap. Whether the leadership gap is perception or reality doesn't really matter — it's nonetheless the gap all leaders must learn to hack.

Hacking the Control Gap

The most common mistake leaders make is to attempt to lead through control. As counterintuitive as it might seem, in order to gain influence, you must surrender control. The purpose of leadership is not to shine the spotlight on yourself but to unlock the potential of others so they can in turn shine the spotlight on countless more. Control is about power — not leadership. Control restricts potential, limits initiative and inhibits talent. Surrender fosters collaboration, encourages innovation and enables possibility. Controlling leaders create bottlenecks rather than increase throughput.

When what you seek is to build others more than glorifying self, you have developed a level of leadership maturity that values surrender over control. What you do or don't surrender to will define you.

Hacking the Status Quo

Leaders who are bored, in a rut, or otherwise find themselves anesthetized by the routine have a huge problem — *they are not leading.* Real leaders are always looking beyond *what is*, thinking about the possibilities of *what if*, and acting to ensure *what's next*. Don't make excuses — make changes. If you're stuck in a leadership rut, use the following five hacks to help you find your path back to real leadership:

- **Go Break Something:** Try changing the corporate landscape by shifting existing roles and responsibilities or by bringing in fresh talent from outside. Overlay a new business model on top of the existing one, and look for ways to create new advantages and make needed improvements.
- **Recharge Your Brain:** The brain needs to be nourished in order to evolve. Subject the brain to new and creative ways of thinking.
- **Get Some Help:** The best leaders surround themselves with wise counsel and make a habit of seeking out sound advice.
- **Have a Vigorous Debate:** By seeking out dissenting views and differing opinions, you open your mind to new ideas and perspectives.
- **Fire Yourself:** If you can't or won't fix yourself or allow yourself to be developed by others, then it's time to pass the baton.

Hacking the Purpose Gap

Purpose-driven leaders have fueled the greatest accomplishments in world history. Why would anyone believe that a business should operate apart from or without purpose? The reality is that many organizations in today's world have devolved to the point where there is no clear purpose, and therefore, there exists no real leadership.

The Movement Hack

The secret sauce to purpose is found in a leader's ability to scale personal and professional purpose into a cause embraced and evangelized by others. It's time for a leadership movement that values engagement, open dialogue and candid discourse above personal gain. A movement requires a vision that's inclusive, collaborative, and has an orientation toward service. Most of all, a movement requires people committed to change. These things can only be accomplished if fueled by a shared purpose.

So, what's your cause — your greater purpose — your opportunity to create a movement? Pursue those things. Rally people around this newfound shared purpose, and go change the world.

Individual Purpose: Hacking the Purpose Continuum

The best leaders understand the critical importance of transforming personal values into a greater sense of purpose. Real leadership means you care first and foremost about something beyond yourself. If you're chasing a position and not a higher purpose, you may want to rethink your approach.

There exists a gap between success and significance. Most people use their knowledge, resources and experience to acquire things in an attempt to satisfy their personal desires, which in their minds constitute success. Contrast this with leaders who use their knowledge, resources and experience to serve and benefit others, which by my standards constitutes significance. Significance is

purpose-driven by personal values and is a gift that cannot be purchased.

Organizational Purpose Begins with Hacking Why

At its core, leadership is the business of defining and articulating vision (why) and then aligning people (who) with said vision. Many organizations attract people with compensation — the great organizations attract people with a clearly articulated and compelling purpose. In recent decades, when people thought of purpose-driven organizations, their minds would naturally gravitate toward the nonprofits. But times have changed, and it's catching many for-profit businesses by surprise.

What many leaders fail to understand is that purpose drives profit, but rarely does profit create purpose. Moreover, purpose can drive profit and align interests with more cohesion, velocity and scale than any other alternative substitute. Profit is not the reason a business exists; it's a by-product of a purpose-driven business.

Hacking the Future Gap

Innovation, growth and development cannot occur by pretending we live in a world that has long since passed us by. All great leaders are forward thinking and leaning. The best leaders understand the present is nothing more than a platform for the envisioning of and positioning for the future. Focus only on aspects of the present that lead you toward the future.

Hacking the New Normal

Businesses are navigating new levels of technical complexity, economic uncertainty, political acrimony and consumer cautiousness. That said, the new normal should be embraced. Smart leaders recognize economic slowdowns are not all doom and gloom. In fact, the smartest executives understand that swimming upstream against the conventional wisdom of the risk averse can actually create significant opportunities for growth. This is the lens smart leaders use to view the new normal.

Great leaders not only embrace the new normal, they look to constantly create the next version of it. The new normal affords leaders the opportunity to reexamine everything, abandon outdated thinking and challenge dominant logic. What's the next new normal for your organization? I would suggest you create the new normal by design. This is best accomplished by learning to pull the future forward.

Great Leaders Hack the Future

The most successful leaders don't move toward the future; they bring the future to them. To understand the future, one must truly, deeply and richly understand people. It's the people who make today's decisions (good and bad) that pave the path into the future. Following are three hacks to help you better understand the people:

- **The Motivation Hack:** You must be able to reasonably predict the actions of people, so you must understand their motivations. Their motivations speak to who they are, what they value, how they work, and why they do what they do.
- **Hacking the Rhetoric:** More important than what people say is what they do. There is no reason to be surprised by people's behavior, unless you've failed to observe it.
- **The Observation Hack:** Look into any leadership failure, and you'll find indications of failure were everywhere well in advance of the event itself. Visionary leaders refrain from the common delusion of seeing what they choose to see.

Hacking the Mediocrity Gap

Leadership exists to disrupt mediocrity. Why is mediocrity so prevalent? It requires no courage. The best leaders exhibit the strength of character to move past the ordinary to reside in the realm of the extraordinary. The status quo is mediocrity's preferred weapon of choice. Great leaders must hack the mediocrity gap or face the consequences.

The best defense against mediocrity is not to let it get a toehold to begin with. Smart leaders don't wait until someone's been deemed at risk to implement triage, nor do they simply focus efforts on their high-potentials. Look at the entirety of your team as being high-potentials worthy of development, investment and, most of all, your attention.

Hacking the Impulsivity Gap

Countless leaders suffer from self-inflicted wounds created by impulsivity. Do not confuse creativity with impulsiveness. Creativity is born from insightfulness, whereas impulsiveness is birthed by naiveté and/or arrogance. Ultimately, it's a leader's lack of focus or focus on the wrong area that allows impulsive thoughts to be acted upon.

Few things positively impact an organization like a stable tone from the top. A humble and resolute confidence, a sure hand, and a steady calm inspire belief in a leader's competence and capability. If you want to become a more

stable leader, pay attention to the following four pillars of stability:

- **True North:** Stable leaders have an open mind, but they also have strong convictions and principles. You might not always agree with stable leaders, but you never have any doubt as to where they stand.
- **You Play How You Practice:** Your performance is always tied to your preparation. Training, development and continuous lifelong learning are the foundational cornerstones of stable leadership.
- **Lead with Compassion:** Stable leaders have a natural bias toward empathetic and compassionate behavior. When those you lead know you care, it creates a sense of trust and stability.
- **Freedom to Fail:** If the people you lead are afraid to make mistakes, you'll never see their best work — you will have led them to a perpetual state of mediocrity. Smart leaders make it safe for people to think big, take risks, and try new and different things.

Hacking the Safety Gap

One of mediocrity's greatest protectors can be found in the rationalization of safe behaviors and decisions. While good decisions measure and manage risk, they are rarely risk-free. Leaders who look for risk-free decisions do little more than cede opportunity to others. Following are five types of decisions that many see as the safe decision — savvy leaders understand they're anything but safe:

- **The Politically Correct Decision:** Real change is built upon seeking the truth and not some watered down version thereof. The first step in solving problems is to deal in whole truths, not untruths or partial truths.
- **The Talent Decision:** The reason companies make bad hires is that they compromise, settle, play it safe — they don't hire the best person for the job. If you don't believe you can hire world-class talent, don't be surprised when others begin to share your opinion.
- **The Values Decision:** Rewarding performance over values might seem to be safe or smart, but it is neither. The best leaders have a zero-tolerance policy for actions and/or decisions that constitute a violation of corporate values.
- **The Managed Decision:** When decisions are over-managed, they tend to be under-effective. Build the right team, and have the confidence to allow decisions to be made closest to the point of impact.
- **The No Decision:** Not making a decision is still a decision — it's usually just not the right decision. The greatest security is found by teaching others to make great decisions and then granting them the responsibility and authority to make them.

Hacking the Culture Gap

The phrase "toxic work environment" is code for bad leadership. Toxic cultures occur where arrogance, ignorance, ambivalence and apathy are present, but again, not where steady leadership stands at the helm. A toxic culture simply cannot coexist in the presence of great leadership.

Great corporate cultures are intentional — they are built by design. Creating a healthy culture is a matter of making a focus point within the corporate values, purpose, vision, mission and strategy.

Culture is a construct that must be embedded into the very fabric of the corporate identity. It must be part of the ethos that describes why the enterprise exists, what and who it values, and how it will behave. This is why culture must be created from a design perspective — it must be intentional and purposeful. It must be part of the strategy that dictates acceptable behaviors, how decisions will be made, and what will drive operational focus.

When culture is not understood, not integrated, not led and allowed to be amorphous, it can spin out of control. Culture can become distracting or, even worse, destructive. Culture run amok can kill companies. But if culture is not driven by strategy, then said culture will likely become little more than a very dangerous intoxicant.

Healthy cultures can't be built by setting boundaries, through the enforcement of arbitrary rules or bureaucratic mandates, and you certainly can't manage culture by instituting intricate processes. Culture shouldn't be imposed upon people — as co-creators of the culture, the people are the culture. Culture is not something to be managed but rather something to be led. Leading culture involves actions such as creating a culture of leadership, investing in people, developing "next practices," encouraging risk, collaborating, embracing dissenting opinion and others.

Hacking the Courage Gap

Creating a culture of leadership is not for the faint of heart — it takes great courage. Courage is having the strength of conviction to do the right thing when it would be easier not to do things right. Leadership absent courage is nothing short of a farce.

The best thing about courage is that a lack of it can be overcome. Courage isn't a skill; it is a decision. In the corporate world those who demonstrate courage stand apart as innovators and opinion leaders; those who display a lack of courage are viewed as yes men who are the politically correct defenders of the status quo.

Hacking the Talent Gap

Leaders don't put people in boxes; it's their obligation to free them from boxes. True leadership is about helping people reach places they didn't know they could go. It is one thing to be able to recruit talent, something altogether different to properly deploy talent, and quite another thing to have your talent play nicely in collaboration with one another. It is the responsibility of leadership to set the tone with a great talent strategy.

The number one reason companies make bad hires is they compromise, they settle, they don't hire the best person for the job. Compromise has its place in business, but it has no role in the acquisition of talent. It doesn't matter whether candidates have great potential, what diversity segment they represent, if the hire is an internal or external candidate, whether or not they have industry experience, or where they earned their degree. Smart leaders don't "give" people the job because they've been with the company longer — they select the best person for the job regardless of how long they've been with the company.

A values-based approach to hiring increases performance, enhances collaboration, reduces turnover, improves morale, and creates a stable culture. Don't just hire a top producer or the candidate who graduated from the best business school, but rather hire a person whose values are in alignment with the organization's core values and vision and who also happens to be talented.

Hacking the Turnover Gap

Regardless of tenure, position, title and so on, employees who voluntarily leave generally do so out of some type of perceived disconnect with leadership. Following are 10 reasons your talent will leave you — smart leaders don't make these mistakes:

- You failed to unleash their passions.
- You failed to challenge their intellect.
- You failed to engage their creativity.
- You failed to develop their skills.
- You failed to give them a voice.
- You failed to care.
- You failed to lead.
- You failed to recognize their contributions.
- You failed to increase their responsibility.
- You failed to keep your commitments.

If leaders spend less time trying to retain people and more time trying to understand them, care for them and lead them well, the retention thing would take care of itself. Employees who are challenged, engaged, valued and rewarded rarely leave, and, more importantly, they perform at very high levels.

Hacking the Knowledge Gap

Knowledge matters; but when it comes to leadership, knowledge isn't about being right — it's about achieving the right outcomes. The biggest barrier to the acquisition, distribution and application of knowledge is a leader's ego. The most important hack is for leaders to get out of their own way and out of the way of those they lead.

A corporation's employees must be able to acquire knowledge (learning), transfer knowledge (out of the head and into an information system), apply knowledge (from the information system into an actionable event), manage knowledge (execute with focus, timing and precision) and secure knowledge (keep it from evaporating or even worse from walking out the door to a competitor).

Some say we've moved from information and knowledge workers to entire knowledge enterprises. While this may be true, all the institutional knowledge in the world won't protect you from leaders who can't separate useful knowledge from useless knowledge and from leaders who don't know how to leverage knowledge into competitive advantage.

Hacking the Decision Gap

The great benefit of knowledge and experience is the hope that they will lead to wisdom. The best leaders use their knowledge to not only make better decisions for themselves but to help those they lead to make better decisions. Most leaders who rapidly progress in their career path do so largely based on their ability to consistently make sound decisions.

Understanding that a hierarchy of knowledge exists is critically important when attempting to make prudent decisions. Not all inputs should weigh equally in one's decisioning process. By developing a qualitative and quantitative filtering mechanism for decision making, you can make better decisions in a shorter period of time. The hierarchy of knowledge is as follows:

- **Gut Instincts:** An experiential and/or emotional filter that may have no underpinning of hard analytical support.
- **Data:** Raw data is comprised of disparate facts, statistics or random inputs that in and of themselves hold little value.
- **Information:** Simply an evolved or more complete data set derived from a collection of processed data where context and meaning have been added to disparate facts.

• **Knowledge:** This is information that has been refined by analysis such that it has been assimilated, tested and/or validated. Knowledge is actionable with a high degree of accuracy because proof of concept exists.

Decisions made at the gut instinct or data level can be made quickly but offer a higher level of risk. Decisioning at the information level affords a higher degree of risk management but is still not as safe as those decisions based upon actionable knowledge.

Hacking the Innovation Gap

The need for change exists in every organization. If your organization doesn't innovate and change in accordance with market-driven needs and demands, it will fail — it's just that simple. Agility, innovation, disruption, fluidity, decisiveness, commitment and, above all else, a bias toward action will lead to the creation of innovation and change.

Too many companies are long on ideas and short on execution. Ideas don't equal innovation. Not only do raw ideas have little intrinsic value, but they are often very costly. The difference between an idea and innovation is execution — ideas are ethereal, and innovation adds value. Don't be the "idea" person; be the innovator.

Most innovators view innovation from one of two perspectives: those who believe disruptive innovation is superior to incremental innovation and those who take the opposite side. The real trick is to focus on incremental innovation that becomes disruptive. This combination allows innovators to have their cake and eat it too. This is what levels the field by bringing disruptive opportunities in reach of companies that don't have the time or resources to create new markets. Disruptive innovation isn't limited to a sole focus on creation of something new. Disruption can occur by disintermediation, refining, reengineering, or optimizing a product/service, role/function/practice, category, market, sector or industry.

Hacking the Next Level

At one time or another all great leaders experience something so big and so impactful it changes the landscape — a game changer. The message here is simple — don't copy; create. The goals are to create, improve on and innovate around best practices in order to find next practices. The following six steps represent my personal process for finding and implementing game changers — I call it SMARTS:

• **Simple:** Realistic, cost effective, quick to adopt and fast to implement. Don't get entangled in complexities — become heavily invested in simplicity.

• **Meaningful:** Game changers have great purpose, meet a need, solve a problem, serve an existing market or create a new one.

• **Actionable:** If you cannot turn an idea into innovation, then it's not a game changer.

• **Relational:** Game changers enhance, extend and leverage existing relationships as well as serve to create new ones. All business boils down to people, and people mean relationships.

• **Transformational:** A game changer causes change. You cannot experience sustainable improvement without transformation.

• **Scalable:** True game changers are built with velocity and sustainability in mind. The best thing about real game changers is they build upon themselves to catalyze other accretive opportunities.

Hacking the Expectation Gap

Managing expectations is gamesmanship — aligning them is leadership. What leaders say, how they say it, and whether or not they follow through on what they say matters greatly. Leaders can overcome many mistakes, but rarely can they overcome a loss of trust and credibility stemming from a failure to keep their commitments. Equally as difficult to overcome is a gap in trust that occurs when leaders ask for one thing but hold people accountable for something altogether different.

Aligning expectations doesn't need to be difficult — set them, align them, stick to them and execute on them. The best leaders make a practice of saying what they mean, meaning what they say, and doing what they say they'll do.

The following three practices will help create an organization that delivers on its commitments:

1. **Collaborate Early and Often:** Decisioning in a vacuum or without all the facts will place you in a deficit from the beginning. Before making promises or commitments, collaborate with all concerned parties to ensure that expectations are understood.

2. **Resist Making Verbal Commitments:** Most broken commitments result from impulsive verbal promises made before all the details were sorted out. Place your understanding of the deliverables in writing by outlining key business points, and circulate the document for review and comments.

3. **Treat Promises Like Projects:** Build a culture that breaks down all commitments into deliverables, benchmarks and deadlines. This will help manage performance risk and will also create continuity of process and delivery.

Hacking the Complexity Gap

Complexity is the enemy of the productive — it stifles creativity, slows progress, increases cost, inhibits confidence and erodes culture. Most businesses have too many people and too many resources focused on things that don't matter. All businesses can benefit from a focus on simplicity.

The most effective way to deal with complexity is to strip it away through refining efforts rooted in simplicity. But simplifying something doesn't make it a trite or incomplete endeavor. Simplification makes for a more productive and efficient effort that is often more savvy than other, more complex alternatives. Simplicity also serves as a key driver of focus, which enables greater efficiency, productivity and better overall performance. Keeping things simple allows you to focus on one thing at a time without the distractions that complexity breeds by its nature alone. Break down every key area of your business, and attempt to simplify your processes, initiatives and offerings.

Hacking Smart

Business people are smart people, and smart people like smart things. But when it comes to business, what we really need are more dumb businesses. That might sound strange, but the dumber your business is, the better off you are. The truth is that great companies are those that can thrive and prosper in the absence of complexity and sophistication. As odd as it sounds, businesses that are not dependent on smart talent, capital or technology can scale faster and easier than those businesses burdened with the aforementioned dependencies.

Simplicity matters. It matters to the consumer and matters to your workforce, and it matters to the growth and the sustainability of your enterprise.

Hacking the Failure Gap

The only real leadership failure is failure to focus on the main thing — serving those you lead. Most leaders go out of their way to hide their fears and explain away their failures rather than confront them and learn from them. Leaders must understand how to give permission to fail in a way that moves things forward, not sets them back.

Fear in and of itself is not a bad thing; rather it is how people choose to cope with fear that will determine its effect on their life. Fear is a warning sign that needs not to be ignored or hidden but understood and addressed.

The greatest fear most professionals struggle with is the fear of failure. Oftentimes this fear of failure governs how much risk businesspeople will take and in turn how successful (or not) they are likely to become. Under the right circumstances, failure is absolutely the best experiential learning tool available.

Hacking Perfection

Leadership requires attention to detail and a commitment to quality, but rarely does it require perfection. Perfectionists tend to be very busy, but rarely are they productive. Moreover, the pursuit of perfection rarely results in a competitive advantage, but it will result in time delays, cost overruns, missed deadlines and unkept commitments. Rather than seeking what cannot in most cases ever be achieved, it makes more sense to seek the highest standard of quality that can be delivered in the shortest period of time. The best leaders are able to make very complex decisions on short time frames and with incomplete information. Agility, fluidity, decisiveness, commitment and focus all lead to the creation of speed that results in a certainty of execution.

Final Thoughts

In the final analysis, leadership is less about structure and more about vision and philosophy. Nothing inspires change and innovation like great leadership. Put simply, the greatest testimony to the power of real leadership is what happens in its absence — very little.

RECOMMENDED READING LIST

If you liked *Hacking Leadership*, you'll also like:

1. ***The Leadership Challenge*** **by Barry Z. Posner, James Kouzes.** A trusted source on becoming a better leader, The Leadership Challenge has been updated and revised for a new generation of leaders living and working in a global environment.

2. ***Tipping Sacred Cows*** **by Jake Breeden.** Breeden offers proven, powerful strategies for handling the seven most common "sacred cows" so that you can gain a clear path to reaching your fullest potential at work.

3. ***The 360 Leader*** **by John C. Maxwell.** You can learn to lead up, lead across and lead down. Only 360-degree leaders influence people at every level of the organization, and by helping others, they help themselves.

· Book 160 of 388 ·

Hearts Touched with Fire

David Gergen

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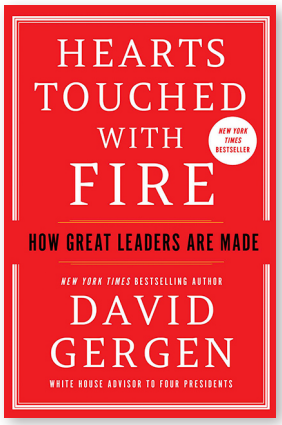
Hearts Touched with Fire

How Great Leaders are Made



by **David Gergen**

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THE SUMMARY IN BRIEF

David Gergen was immensely grateful for the opportunity to have worked for four presidents in the White House but he had grown disillusioned with the direction in which our politics was headed and wanted to pass on to the next generations the key leadership lessons he had stockpiled from half a century in the public arena. This dream has taken on great urgency.

Who could have imagined that our democracy might be on the brink of collapse? Who could have imagined that serious observers would be debating whether we are heading toward a civil war? But here we are. It's time to face a stark reality: much of our future now rests upon an infusion of fresh blood into our civic life. We need new, talented leaders who are looking for paths forward, not obsessing over past differences, who put country before party, unity before division. In ***Hearts Touched with Fire: How Great Leaders are Made***, through stories and reflections from his half century in the public arena, David Gergen shares what he has learned about the development of young, passionate leaders and why he is encouraged.

IN THIS SUMMARY, YOU WILL LEARN:

- How to become the author of your own life
- The four keys to resilience as a leader
- How to manage up, down, and sideways.
- The seven deadly sins of leadership

Part One: Your Inner Journey

Hearts Touched with Fire

Oliver Wendall Holmes, Jr. dropped out of Harvard to serve his country in the Civil War. He suffered grievous wounds that shaped and strengthened his public leadership. He rose to become one of the nation's most influential and eloquent jurists, named to the Supreme Court by Teddy Roosevelt and serving until FDR reached the White House. In a speech on Memorial Day in 1884, describing how military life had inspired his generation, he said, "***In our youth, our hearts were touched with fire.***"

What a glorious way to capture what so many young men and women have experienced in one era after another in committing themselves to civic life, seeking to create a fairer, more just, and more peaceful world. Life will hold perils, but in devoting yourself to the service of others, you find a satisfaction that transcends your troubles. As many have discovered, service and leadership are inextricably bound together. Indeed, leadership at its best is service to others.

Experts disagree whether the qualities and talents of effective leaders are in their DNA. You may have been born with some natural advantages, but if you want to excel as a leader, you have to work steadily over a long period of time. Frequently, personal development depends heavily upon your own patience and persistence.

It is only through first mastering your own intentions, coming to understand your values, and then leading increasingly large groups of followers that one can truly become an effective leader. The journey is not straightforward and is sure to be full of failures large and small, but leading can prove to be one of life's most meaningful endeavors.

Becoming the Author of Your Own Life

Leadership starts from within. It's important to learn how the world works, but it is even more important to learn how you work. As the preacher Peter Gomes used to say, you must learn to lead yourself before you can serve others. In short, you must wrestle early on with your own self-awareness and you own self-mastery. Each of us must discover for ourselves who we are, what we believe in, and what dreams we have for the future.

In our own time, we continue to ask ourselves about our purpose. Hundreds if not thousands of essays about leadership have agreed that a clear understanding of yourself is the foundation upon which to build an integrated life. But those essays are all over the lot about how to get there.

The people who have achieved the greatest understanding of their inner selves have been "reflective practitioners"– those who have welcomed a wide array of experiences, have read history and biographies with care, and have had a series of conversations with their inner selves, exploring ways to build that foundation.

One of the best essays on leadership was published in 1999 by Peter F. Drucker, the foremost management guru of the twentieth century. In "Managing Oneself" Drucker wrote that to become self aware, a person should ask herself or himself a set of basic questions to discover their strengths and weaknesses.

Obviously, people are better at working from strength. The trouble, Drucker argues, is that most people think they know what they excel at but are usually wrong. Candid feedback thus becomes essential. Finding the right formula to achieve self knowledge is a fluid undertaking. Whatever test you use, Drucker argues, you should learn several basic things about yourself:

- How do you learn? Are you a reader or a listener?
- Where do you lie on the introvert/extrovert scale?
- How do you respond to stress?
- Are you a good number one but a better number two? Some people are terrific subordinates or CEOs but terrible at the top–and vice versa.

Self-awareness is a foundation of your journey, but for a potential leader, the secret to long-term success is to build upon your self-understanding in order to achieve self-mastery. Too many lack self-confidence or find the obstacles too big. They give up their quest too soon and ultimately fall short. But history shows many, many examples of others who persevered against all odds–and became authors of their own lives.

Surviving the "Flaming Crucible"

"Crucibles" mold a public leader. For a long while, leadership scholars saw crucibles as a form of adversity and focused on ways that leaders cope with setbacks. More recently, crucibles have gained a spotlight of their own as biographers and others have come to see how much leaders transform themselves during key moments in their lives. There is no better example than FDR and his battle living and leading with polio.

. . . the skills required to conquer adversity and emerge stronger and more committed than ever are the same ones that make for extraordinary leaders.

As Doris Kerns Goodwin, the wonderful historian, wrote in her book ***Leadership in Turbulent Times***, "Franklin Roosevelt's ordeal provides the most clear-cut paradigm of how a devastating crucible experience can, against all expectation and logic, lead to significant growth, intensified ambition, and enlarged gifts for leadership."

One danger of leadership studies and books is that most people will not become the president or prime minister of their country, much less FDR. So it's tempting to shrug at the example. But crucibles are more universal than something we include in stories of a great president to humanize him or explain his rise. Crucibles, as one scholar put it, "may be found woven into the fabric of daily life."

A wife is unable to say goodbye to a husband as he dies from COVID-19; a father watches helplessly as his tiny daughter drowns; a Black mother is devastated when her twenty-five-year-old son is shot dead jogging through a white neighborhood by white men who say they mistook him for a burglar. The human experience is such that each one of us will likely encounter acute suffering at one point or another. These events can allow us to reshape our visions of ourselves and the world around us.

Warren G. Bennis and Robert J. Thomas popularized the importance of crucibles in the literature of leadership. They wrote, "One of the most reliable indicators and predictors of true leadership is an individual's ability to find meaning in negative events and to learn from even the most trying circumstances. Put another way, the skills required to conquer adversity and emerge stronger and more committed than ever are the same ones that make for extraordinary leaders.

The Keys to Resilience

Beyond the obvious foundational qualities of all leaders–character, integrity, courage–there are four other key qualities that characterize men and women who have responded to crucibles with resilience:

1. A Sunny Temperament: having a positive, optimistic outlook
2. Adaptability: a willingness to change course without hesitation or fear
3. Hardiness: an unflappable commitment to the cause
4. Stoicism: emphasizes liberty, independence, self-command, stern self-mastery, putting aside of passions, restraints, and a resolute devotion to honor.

A sunny temperament, adaptability, hardiness, stoicism–these four qualities remain the hallmarks of those who successfully respond and ultimately conquer their crucibles with an inner resilience.

There is no guarantee, of course, that if you have all four qualities, you will emerge as a promising, resilient leader; but if you lack them, there is a good chance you will wind up a loser.

Turning Adversity into Purpose

Tough times call forth strength and bravery from an alert citizenry. Time and again, public leaders knocked down repeatedly have rebounded and actually grown stronger.

In many instances, those who were struck have also acquired a new moral purpose in their lives. Leaders are pitched into a crucible–suffering, floundering, sinking–before resilience sets in and then, thankfully, one finds a purpose and a path toward generosity and wisdom.

Leaders rise to the challenge, bouncing back through a determined resilience. And even more impressively, each has reexamined life's possibilities and embraced a new destination. They grow in inner strength, dedicating their lives to a higher moral purpose. They give proof that William Faulkner was right when he said that "man will not merely endure: he will prevail."

Part Two: Your Outer Journey

Learning to Lead Up

In our twenties and thirties, when most of us start our outer journeys, we might entertain visions that within a few years we will be running our own organization and telling others

what to do. After all, we think, we have addressed our inner issues, studied hard, and our credentials are in order. Surely, we are the ones our new boss has been waiting for. Wrong! Little do we appreciate when young that the path forward will possibly be a lot longer and more complicated than we think.

Those on promising leadership paths are still learning how to manage–manage not only yourself but your boss, your colleagues, your team, and even your outside collaborators. There is an art to managing up, sideways, and down–especially when done at the same time.

To lead is to effectively organize and interact with those with whom you work, to understand the priorities and goals of your colleagues, and see that those goals are put into action. Every leader knows how to manage, but being a manager in itself does not make for a great leader. In other words, management skills are a foundation upon which leadership is imagined and built.

So, how can you best support your boss, making them as well as your team more successful? What follows is an overview of the best ways to manage up, with most of the takeaways applying to support jobs across the organizational landscape.

In the Early Days of a Job, Figure Out Your Boss and Play to Their Strengths

In managing up, you embark on your outer journey–learning how to help your boss navigate and succeed as a leader of others. What do you see in your bosses? What are their strengths? Their weaknesses? How can you build up one and diminish the other? A good staff brings out the best in others, starting with the boss.

Keep One Eye on Today, the Other on Tomorrow

In addition to getting each day's work done well, a smart staff member also pays serious attention to what's coming down the pike. What is just over the horizon but will be hitting us sooner than we think? How can we get out in front? What should our strategy be? What preparations would help?

Speak Conscience to Power

The traditional rule of thumb, of course, is that a good staff member should speak truth to power. We hear that so often that it almost goes without saying. But the more meaningful occasions have come when followers speak conscience to power. That often takes courage because you are challenging the judgment and even the ethics of your boss. Speaking conscience to power is not only the right thing to do–it can also build your reputation.

Argue Your Case, Then Get on Board

A good organization encourages dissenting voices, but once the boss makes a decision, a staff member salutes and gets to work. If you can't live with the decision, there's the exit door. Even if it doesn't go well, every single staffer must lock ranks and cheer it on. That's the way it's supposed to work.

A No-Surprise Rule

Increasingly, good leaders now push responsibility deeper into the ranks. From cabinet officers to executives in the corner office, top leaders remain responsible for developing strategies, but they empower leaders one or two tiers below to execute.

There's much to be said for that approach. But it comes with one catch: It is essential that leaders up and down the ranks must be transparent and candid with one another. "No surprises!" Otherwise lack of trust will break down and metastasize. It's especially important to know bad news and act on it before it reaches the press.

Serve as Good Eyes and Ears–As Well as Chief Diplomat

One of the hardest challenges for a boss is to have a clear, honest reading of his or her own team members. Someone has to have a finger on the pulse, quietly keeping the boss well informed. No surprises, remember?

Conversely, that same person ought to be the chief diplomat for the boss, reaching out to colleagues beyond the inner circle, keeping them informed about the morale, moods, anger swings, and perspectives of the leader in the front office. Absent a steady flow of information, members of the team may begin to feel distant and distrustful. Rumors can spread and morale can deteriorate.

Leading Your Team

Leadership studies have historically focused on lone, heroic individuals grappling with the forces of darkness. But much has changed over the years. In this new century, rather than battling alone, leaders are often embedded in teams, their success resting heavily upon how well they and all other parties collaborate with each other. "Creative collaboration" has become the new model of well-run organizations.

The most memorable photo of President Obama, for

We want our leaders to be caring and compassionate when they should be but also be tough, deceitful, and cunning when they need to be.

example, is not in the loneliness of the Oval Office but in the Situation of the West Wing, where he and half a dozen members of his national security team are huddled together, electronically engaged with Navy SEALs halfway around the world, ridding the world of Osama bin Laden. Working closely together–a tight, effective team.

Black Lives Matter was created in 2013 by three young Black women. Soon after the acquittal of George Zimmerman in the fatal shooting of Trayvon Martin some thirty communities had organized local chapters and formed alliances with other like-minded groups.

But BLM resisted the notion of empowering a single, heroic figure to represent it publicly. It was to be decentralized. Its founders intentionally wanted power to flow from the bottom up instead of top down. The rise of BLM and other bottom-up structures has clearly taught us that in this new century, teams have become as important as individuals in shaping our future.

That doesn't mean we no longer need to develop individual leaders of character and courage. Far from it–we need them more. They remain indispensable in pulling together organizations, determining strategy, and inspiring others. But in today's world, a leader's principal job is also to recruit and empower members of a good team. Going forward together is now the way to get big things done.

Part Three: Leadership in Action

When Journeys Converge

We have explored the inner and outer journeys that develop leadership capacities. Now opens a conversation about the integration of one's inner and outer journeys–and how that integration can lead to the ultimate goal of leaders these days: getting big things done. The inner and outer journeys of a leader can converge and create meaningful change in our national life.

Moving into leadership takes many shapes. Integrating your inner and outer journeys looks different for each leader, but taking the time to combine the two is essential for those stepping into power. As individuals take the reins, a careful, consistent vision and an understanding of one's circumstances are also necessary precursors to effective leadership. You must become a student of your context before you can become its master.

How Leaders Lose Their Way

Leadership in the public arena can be one of the noblest and most fulfilling experiences that you can undertake. But it comes with temptations that have time and again been the undoing of men and women who lose their way. Leaders often veer off course, abandoning their True North and often self-destructing.

There exists the "low arts" of leadership, as Hamilton called them, and a paradox of American politics: how we want our leaders to be caring and compassionate when they should be but also be tough, deceitful, and cunning when they need to be. When–if ever–should principled leaders resort to the low arts, and how should they defend themselves from others seeking to drag them down?

The Seven Deadly Sins of Leadership

Over time, Catholics have identified seven of the deadliest sins and have drawn upon them to instruct their flock in virtuous living: pride, greed, lust, anger, gluttony, envy, and sloth.

As Catholics have learned, the best way to counter these sins is not to hate sin but to love virtue more. Embracing the virtues diminishes the possibility of personal derailment. In that spirit arises the Seven Deadly Sins of Leadership and an offsetting virtue for each.

1. **Hubris vs. Humility**: In leadership, the number one danger is that success will go to your head–that you will begin to think that your very success means that you are different, that you are above mere mortals, and that, in fact, the rules don't apply to you. Ambition leads to self-confidence, which leads to arrogance, which leads to self-destruction. There is but one clear answer to hubris: HUMILITY!

2. **Narcissism vs. Empathy**: Closely related to hubris is an excessive love of self that we see in narcissists. Some can succeed despite themselves, especially if they can make up for it with empathy and a common understanding. As a leader, you must keep your ego under control and remember, it is not about you.
3. **Greed vs. Modesty**: Among leaders who grew up with modest means and then rose to power, there is a natural tendency to want a more secure financial base. Many become greedy, but many others are driven by their hardscrabble lives to make the world a more supportive place.
4. **Obstinacy vs. Resolution**: We praise leaders who are strong and decisive. Yet we have also learned that if a leader carries a strength too far, it can turn into a weakness. Certainly we have learned that resolution–carried on too long in the face of growing arguments to the contrary–can turn into obstinacy and become the undoing of leaders.
5. **Imprudences vs. Wise Judgmen**t: Our culture celebrates leaders who are bold, decisive, and willing to take risks. But there is a fine line between smart versus rash, prudent versus reckless. Good judgment is indispensable to good leadership. And that judgment must be found through a blend of experience, mistakes, study, and reflection. You aren't born with it. Like so much else in life, you must earn it.
6. **Basic Dishonesty vs. Straight Shooting**: Honesty and transparency are some of your best tools in building trust and a connection with the public. There are times when a leader must lie for the sake of national security. But when lies become chronic, nothing that a leader says can be accepted at face value.
7. **Distrust vs. Openness**: Trust must run in both directions in a democracy: Followers must trust their leaders to tell them hard truths, while, similarly, leaders must trust followers will believe in them. Today, public trust in our national leaders has plunged to dangerous levels.

Leading Through a Crisis

Leaders must frequently struggle with crises in their individual lives–crucibles as we called them. Crises have come and gone over time, but we have now entered an age when they are striking the world with a force, frequency, and intensity most of us have never experienced before. And if the past is prologue, even nastier crises lay ahead. There are personal qualities that seem most essential for leaders coping with crises today.

There are qualities leaders should have regardless of circumstance or sector: character, courage, integrity, moral purpose, vision, adaptability, grit, and persuasion foremost among them. Those same qualities remain essential in times of crisis. There are four other qualities essential for effective leadership in a crisis:

1. **"A Great Carelessness of Self"**: Among the leaders we most admire, we so often find this sentiment today. They put the lives of others first, showing great carelessness of self.
2. **Prudent Judgment**: A prudent leader must be informed by experience and have a curiosity about the world, a grasp of relevant data and information, a sense of responsibility for their team, and the patience and perseverance to see it through hard times.
3. **Fingerspitzengefühl**: This is a German word that means "fingertips feel"–an elusive concept describing how a person might have an instinctive feeling or intuitive flair. Those who possess it often have a feel for how events are likely to unfold and can prepare themselves early.
4. **Coolness under Fire**: It is critically important for leaders to remain cool in a crisis.

We judge leaders by their legacies. The America that the World War II generation created was united and well led, proving that when inspired, we are a can-do people. Those lessons from another generation are of growing significance today.

Once again, we are facing an existential threat to the republic. Once again, we hear a clarion call for unity and action. Once again, we face the questions: Will our citizenry answer the call? Can the next greatest generation rise up to lead us to brighter days ahead?

The nation needs you; indeed, the world needs you. We must have new, forceful leaders who have found their True North and can navigate past the crises that are coming their way. We need passionate idealists who will stand up to those blocking our way toward a more giving and just society. We need men and women of character and honor.

We need you to step into the arena, your hearts touched with fire.

David Gergen has been a leader in the public arena for more than half a century. He has served as a White House adviser to four US presidents of both parties: Nixon, Ford, Reagan, and Clinton. Gergen then served as the editor of US News & World Report. For the past two decades, he has served as a professor of public service and founding director of the Center for Public Leadership at the Harvard Kennedy School. He is also a senior political analyst for CNN where he is a respected voice in national and international affairs.

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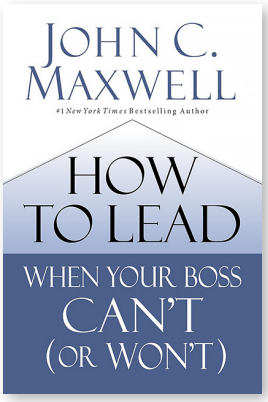
How to Lead When Your Boss Can't (or Won't)

John C. Maxwell

Executive Book Summaries®

How to Lead When Your Boss Can't (or Won't)



by **John C. Maxwell**

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THE SUMMARY IN BRIEF

How to Lead When Your Boss Can't (or Won't) written by leadership expert John C. Maxwell explores one of the most common and frustrating challenges professionals face: working for a leader who can't—or won't—lead. Many people operate in the middle of an organization without official authority, left feeling stuck despite having ideas, initiative, and the desire to contribute. Maxwell makes it clear that "everything rises and falls on leadership," and when guidance is absent, teams drift, decisions stall, morale drops, and vision inevitably leaks.

It explores what happens when leaders neglect their responsibilities—how vision dissolves, how organizational energy fractures, and how even talented employees become discouraged. Yet Maxwell does not leave the reader powerless. Instead, he reveals a path to influence that does not rely on titles or formal authority. Through practical principles, he shows how individuals can lead themselves well, support their leaders effectively, build relational chemistry, avoid destructive workplace landmines, and cultivate influence at any level.

Grounded in real organizational dynamics and timeless leadership laws, ***How to Lead When Your Boss Can't (or Won't)*** empowers readers to rise above challenging circumstances, add value where they are, and develop the kind of character, credibility, and influence that creates lasting impact, regardless of who sits above them on the organizational chart.

IN THIS EXECUTIVE BOOK SUMMARY

- Learn how to lead effectively even without authority or formal power
- Discover strategies for supporting weak leaders while protecting your influence
- Apply relational skills that build trust, credibility, and upward impact
- Review methods for avoiding workplace landmines and navigating challenging leadership gaps

CHAPTER 1

What Happens When Bosses Don't Lead

Many professionals work in the middle of organizations under bosses who can't or won't lead.

You don't have any "official" power to make changes, so you feel stuck. You have ideas. You want to make a contribution. You want to make things happen. But the person you work for makes it difficult.

Everything rises and falls on leadership. It really does. If you don't believe it, put together a group of people without a leader and watch what happens:

- decisions are delayed
- agendas multiply
- conflicts are prolonged
- morale declines
- productivity decreases
- success becomes difficult

One of the worst things that happens when bosses don't lead is that the vision of the organization suffers. If a team starts out with a vision but without a competent leader, it is in trouble. The vision leaks. It will dissipate. And the team will drift until it has no sense of direction.

If you have any leadership ability, you have ideas about vision. You want to go somewhere, and you want to take people with you so that you can achieve something together. But how you respond matters. Take a look at the following ways people react to vision.

- **Attack it**. They criticize and sabotage the vision—often because they didn't help create it, don't understand it, disagree with it, or aren't ready for it.
- **Ignore it**. Some people may not attack the vision, but they don't support it either. Instead, they pretend it doesn't exist and do their own thing.
- **Abandon it**. They leave the organization when the vision violates their principles or doesn't align with what they value.
- **Adapt to it**. They find a way to align with the vision, even if they did not help create it.
- **Champion it**. They actively promote the vision and work to turn it into reality.
- **Add value to it**. They go beyond championing the vision and actively strengthen it.

Bad Bosses

All good leaders share many characteristics, but bad leaders come in quite a few varieties. Here are a few:

Insecure leaders think everything is about them. When someone on their team performs exceptionally well, they fear being outshone. If you work for an insecure person, not only will you have to work to deflect that individual's insecurity from yourself, but you will also have to work harder to "break the chain" and create security for the people who work for you. If you don't, the people under your care will suffer.

Visionless leaders lack vision and create two immediate problems for the people who work for them. In this case, you may need to communicate the organization's vision to the members of your team and remind them how your team contributes. You can show passion, even if your boss doesn't.

Incompetent leaders are ineffective, and they often stay that way. If you work with them, everyone on the team will have to work harder to make up for their deficiencies.

Self-centered leaders attempt to advance at the expense of everyone around them. Resist the urge to mirror that behavior; instead, build influence by sharing credit and supporting those around you.

Chameleon leaders shift positions and reactions unpredictably, leaving others unsure which version of them will show up. Insulate yourself from their mood and personality swings and focus on delivering results rather than trying to anticipate or please them.

Political leaders prioritize personal advancement over the organization's mission, making decisions based on alliances rather than principles. Stay out of political maneuvering and anchor your work to the organization's goals and values.

Controlling leaders want to be in the middle of everything you do, continually interrupting progress by micromanaging. They are often driven by perfectionism or the belief that no one can do the job as well as they can. Lead yourself well and communicate consistently about what you are accomplishing to reduce their impulse to control.

One of the toughest things about working for a weak leader is that you often can't be sure of where you stand. Adding to that tension are some other factors:

- lack of empowerment
- undermined initiative
- an environment that doesn't value leadership
- lack of clear job parameters
- lack of appreciation

> Leadership begins with influence—not title or position.

CHAPTER 2

Lead Yourself Well Before Anything Else

If you want to be successful in your career, you cannot afford not to lead yourself well. While it's true that all leaders must become good at self-leadership to lead effectively, it's also important to note the power self-leadership has with others.

Nothing will make a better impression on your leader and those you work with than your ability to lead yourself well. It means managing yourself, learning to make better choices by thinking the way a leader does, and developing a better attitude. This develops credibility which reduces a lot of friction people experience, including with their bosses.

Credibility Through Self-Management

Most people put too much emphasis on decision making and too little on decision *managing*. We often think that self-leadership is about making good decisions every day, when the reality is that we need to make a few critical decisions in major areas of life and then manage those decisions day to day.

If you want to gain credibility with your boss and others, focus on taking care of business in these seven areas:

1. **Emotions**. Determine when to display emotions and when to delay them. Put others, not yourself, first in how you handle and process them.
2. **Time**. Every day determine which tasks are most important and do them first. Ask yourself how much time a task is worth before you start it and try to complete it in that timeframe.
3. **Priorities**. Focus 80% of your time to work where you are strongest, 15% where you are learning, and 5% on other necessary areas. Trade duties where possible, stop unnecessary tasks, and delegate.
4. **Energy**. Protect your energy by doing your most important work when your energy is high and your mind is sharp, and reserve low-value activity, unresolved burdens, and lingering conflicts for slump times.
5. **Thinking**. Carve out focused think-time. Use a list of items that need reflection, evaluate decisions, develop strategy, and be creative. A minute of thinking can be more valuable than an hour of unplanned work.
6. **Words**. Make your words count. If you have something worthwhile to say, say it briefly and well; if not, remain silent.
7. **Personal life**. You can do everything right at work and manage yourself well there, but if your personal life is a mess, it will eventually turn everything else sour.

Making Better Decisions

If you are already good at managing yourself, you're on a good path. But self-leadership also involves thinking the way a leader does and making decisions based on it. Here are the things you need to keep in mind as you develop these skills:

- **Think longer term**. Good self-leaders look ahead. This impacts where the organization will thrive tomorrow and today.
- **See within the larger context**. Most people evaluate events in their lives according to how they will be personally affected. To lead yourself in a way that better serves the organization, you need to think within a broader context. Look at how something will impact those above, beside, and below you.
- **Push boundaries**. Learn to think outside the box. Push boundaries tactfully and take responsibility for finding a better way for making improvements.
- **Put greater emphasis on intangibles**. Leadership is a game of intangibles because leadership is influence. To lead yourself and others well, learn to read between the lines and pay attention to morale, motivation, momentum, attitudes, atmosphere, timing, and organizational culture because the stated problem is often only evidence of a deeper issue.
- **Learn to rely on intuition**. Leaders learn to work with intangibles by relying on intuition, sharpening it by focusing on principles instead of practices and filing away what they observe. Intuition alone may not be enough, but it should never be ignored—pay attention to your instincts and learn from them.
- **Invest your power in others**. To become a better leader, look for ways to share whatever power you have, because leading is not about controlling; it's about re-

leasing. Invest in good people, coach and encourage them, and empower them to perform—even to the point where they outshine you.

- **See yourself as an agent of change**. Leaders do not see accomplishment as a fixed state; they desire innovation, welcome new challenges, and take responsibility as change agents. Because leadership is a moving target, get comfortable with change and learn to think like a leader—think people, progress, and intangibles.

Develop and Maintain a Great Attitude

To lead yourself exceptionally well, you must develop a great attitude. People who work for bad bosses often feel unrecognized and unappreciated. They don't get the credit or recognition they desire and deserve. It's difficult to be a team player, remain positive, and keep contributing in those circumstances. Here are practical ways to maintain a positive attitude despite those challenges:

- Concentrate more on your duties than your dreams
- Appreciate the value of your position
- Find satisfaction in your contribution
- Embrace compliments from peers who share similar circumstances
- Avoid self-promotion and intentionally promote the contributions of others

Good leadership always gets noticed. Legendary Green Bay Packer coach Vince Lombardi said, "We will all be judged by only one thing—the result." If you take care to do what you need to do and do it well, you will put yourself in a position to start developing your influence.

CHAPTER 3

Find Ways to Work with Your Boss

Few things can be more maddening to anyone with leadership potential than working for a leader who doesn't lead. What may be most frustrating is that the majority of bad bosses have no idea how bad they really are as leaders. People with high levels of skill can always assess those with lower skills than their own, but people with low levels of skill can never accurately assess the abilities of those at a higher skill level.

It's not your job to fix your boss. Some people can fix themselves if they realize they have a problem, want to fix themselves, and are willing to work at it. Instead, find ways to work with your boss, not against them. That process needs to start with a change of heart.

1. **Develop a genuine relationship with your boss**. Resist the natural urge to withdraw. Instead seek common ground and build a solid professional relationship. Reaffirm your commitment to the organization's mission; your boss's inability to lead does not make them your enemy.
2. **Identify and appreciate your boss's strength**. Everybody has strengths—even an ineffective leader. Look for positive traits, skills, and experiences, and consider how those strengths can benefit the team or organization as a whole.
3. **Commit yourself to adding value to those strengths**. Once you have discerned your boss's strengths and how they can be an asset, look for ways to help your boss leverage them. Helping your boss succeed ultimately helps the organization succeed.
4. **Find ways to complement your boss's weaknesses**. Wise leaders staff their weaknesses, so be tactful and avoid pointing them out directly. Instead, ask where your boss would like more help and offer to fill that role—or support someone else in doing so—freeing your boss to focus on what they do best.
5. **Expose your leader to good leadership resources**. Thoughtfully share books, audiobooks, or videos you have found helpful. Make the recommendation naturally—using a connection or hook that may appeal—and follow up if it is well received.
6. **Publicly affirm your leader**. As long as your affirmation is truthful and focuses on your boss's strengths, it will not compromise your integrity, since others already recognize an ineffective leader's limitations. Public affirmation strengthens your relationship and increases your influence.

Build Relational Chemistry

All good interactions between people are based on relationships. The key to working well with your boss is developing relational chemistry, even if it does not come naturally. Lead up by intentionally strengthening that connection through the following actions:

- Understand what truly matters to your boss
- Know your boss's priorities
- Catch your boss's enthusiasm
- Try to support your boss's vision

> If you don't make an effort to strategically talk your craft with those ahead of you in experience and skill, then you're really missing great learning opportunities. ”

- Connect with your boss's interests
- Understand your boss's personality
- Earn your boss's trust
- Learn to work with weaknesses
- Respect your boss's family

How to Lift Your Boss's Load

Responsibility weighs heavily on leaders, and your boss may carry more of it than you realize. You can either make that load lighter or heavier.

When you help lift the load, you position your leader and yourself for success but your load certainly gets heavier. You're taking on more when your work situation is already difficult. Know that the lift you give to the boss often leads to the boss lifting you.

In case you aren't sure of where to begin, start here:

- Consistently do your job well
- Any time you find a problem, provide a solution
- Tell your boss what he needs to hear with tact
- Go the second mile
- Stand up for your boss
- Stand in for your boss whenever you can
- Ask how you can lift the load

Your underlying strategy should be to support your boss, add value to the organization, and distinguish yourself through excellence. If done consistently, your influence will increase, trust grows, and you will have more opportunities.

CHAPTER 4

Develop Your Influence Wherever You Are

Most people who work for a boss who can't or won't lead typically want one thing: a new position with power that will free them from their boss. But a position isn't the answer.

The number one misconception people have about leadership is the belief that power comes from having a position or title. In the Law of Influence in *The 21 Irrefutable Laws of Leadership*, I state clearly: "The true measure of leadership is influence—nothing more, nothing less."

You don't need to possess a position to lead or get things done, nor do you have to work for a great boss to be successful. The best way to get work done, get along with colleagues, lead a team, and work better with a boss, is to develop your personal leadership influence.

The Five Levels of Leadership explain how influence develops over time. At the lowest level, Position, people follow because they have to; at higher levels, they follow because of relationships, results, personal development, and ultimately respect. The key insight is that leadership begins with influence—not title or position—and you can start building that influence wherever you are.

Why People Often Wait to Develop Influence

Too many people wait too long to start working to develop influence in their organizations. They often wait because they buy into myths that make them believe it's too early to begin leading others.

Take a look at these reasons:

1. **The destination myth**. "When I become the boss, I'll start learning to lead." Leadership is like training for a marathon; preparation before the race is essential.
2. **The inexperience myth**. "When I'm the boss, I'll be able to control what happens." Without experience, you tend to overestimate how much control a position actually provides; real leadership still depends on influence, not title.
3. **The freedom myth**. "When I become the boss, I'll do what I want." Being the boss doesn't mean you don't have limits.
4. **The potential myth**. "I can't reach my potential until I'm the boss." Often you can make the greatest impact from somewhere other than first place, as long as you have developed influence.
5. **The all-or-nothing myth**. "If I can't be the boss, there's no point in trying to lead." You can make an impact from wherever you are in an organization but it takes influence.

How Developing Influence Makes a Difference

Leadership is using influence to help others. Good leaders maximize team performance, inspire, set direction, and get results. They bring out the best in others, add value to leaders above them, and allow top leaders to focus on priorities. Leadership throughout an organization ensures growth, innovation, and succession.

People follow those they know, trust, respect, and admire. Qualities of an influencer include integrity, nurturing, faith, listening, understanding, enlarging, navigating, connecting, and empowering.

Leadership begins where you are. If you want to get the chance to lead on another level, then your best chance for success is to lead well where you are now. Leadership is action, not position. Taking action and helping others to do the same in a coordinated effort is the essence of leadership.

CHAPTER 5

Avoid Landmines

If you're facing the challenge of working with a boss who can't or won't lead, you're already in difficult circumstances. Applying the strategies outlined here to build influence and strengthen your relationship may improve your situation, but there is no guarantee things will get better—and missteps *can* make matters worse.

Actions can be taken to avoid many common landmines that threaten to blow up a relationship with a boss. It's essential to maintain a sense of positive contentment despite the challenges. Success is more a matter of disposition than position. With the right mindset and the right skills, people can influence others no matter where they are in an organization.

The following practices help cultivate contentment and fulfillment while working for a difficult boss:

1. **Develop strong relationships with key people**. The key to fulfillment isn't making every interaction with others go smoothly; it comes from developing strong relationships with people. It's more important to get along with people than to get ahead of them.
2. **Engage in continual communication**. As you interact with your boss, let him know how you are advancing the vision. Get feedback and ask questions to find out if there are other things you should know to more effectively pass on the vision to others.
3. **Gain experience and maturity**. Maturity does not come automatically, but you can develop it with experience if you maintain a longer view. Focusing on responsibilities with excellence and maintaining a long view develops patience, which has great value.
4. **Put the team above your personal success**. When the stakes are high, good team members put the success of the team ahead of their own personal gains. They work together, and they receive the satisfaction of achievement together.

Stay Away from Office Politics

When you work for a bad boss and everyone on the team knows it, you're in a difficult situation. When people on the team say negative things about your boss, you may internally agree with them. However, to help the organization, the best course of action is to support them publicly and actively try to help them succeed.

There seem to be two main paths for people to get ahead in organizations. One way is by doing the work. The other is by working an angle. It's the difference between production and politics.

Political people are fickle and opportunistic. People who might be described as "political" are fueled by their desire to get ahead instead of a desire for excellence, productivity, teamwork, or consistency. Whatever values and skills they have are secondary to their ambition.

Some working environments seem to draw people toward political behavior. To avoid getting pulled in, refuse to engage in gossip or petty disputes, evaluate issues objectively, act with integrity, and communicate clearly and directly.

Never Make Your Boss Feel Like You're Wasting Their Time

For all leaders, time is precious. You show your value when you show that you value your boss's time. The best way to do that is to spend ten minutes preparing for every minute that you expect to meet, think for yourself rather than relying on the boss to do so, and bring something to the table.

Timing is always important. To be successful, know when to push and when to back off. Here are four questions you can ask yourself to help determine if it is time to push:

- Do I know something my boss doesn't but needs to?
- Is time running out?
- Are my responsibilities at risk?
- Can I help my boss win?

> When you learn how to work with difficult people, be productive in challenging situations, become a valuable contributor, and develop yourself as a leader, everything changes.

If you push your boss inappropriately too often, your boss might push you right out the door. If you're not sure whether it's time to back off, ask these five questions:

- Am I promoting my own personal agenda?
- Have I already made my point?
- Must everyone but you take the risk?
- Does the atmosphere say "no"?
- Does my request exceed the relationship?

You can tell a lot about the character and motives of people in the middle of an organization by watching when they push and when they back off. If you have a bad leader whose motives are also bad, you have twice as many landmines to avoid. Still, try to keep moving forward. Just use common sense, keep building your relationship with your boss, and try to remain positive.

CHAPTER 6

Prove Your Worth Daily and Never Stop Growing

Few things speak more loudly than excellence at one's craft. If you become excellent at what you do, others notice, and they will seek you out. Expertise always has value.

Become an Expert at Your Craft

Most people don't start out as leaders. They demonstrate skill or ability in a particular area, and they get recognized for it. Expertise in a craft or profession does not make someone a leader, but it often gets a person promoted into leadership. It gives them their chance.

The key question is, what can you do every day to become better at your core competency?

Once you reach a degree of proficiency in your craft, one of the best things you can do is talk about your craft with others on the same and higher levels.

If you don't make an effort to strategically talk your craft with those ahead of you in experience and skill, then you're really missing great learning opportunities.

The only way to improve at your craft is to practice it until you know it inside and out. The more you practice your craft, the more you know and the more you recognize what you *don't* know.

Do Jobs Others Won't

Being excellent at what you do will make you valuable. One way to prove your worth is to take on jobs others won't, even if they are outside of your craft or comfort zone.

Few things gain the respect of a boss, a team, and the top leaders of an organization more quickly than someone with a whatever-it-takes attitude. These things are what often create job security, elevate them above their peers, and get them promoted time and again.

The following behaviors set high performers apart:

- Take the tough jobs
- Pay your dues by sacrificing comfort and gain
- Be willing to work in obscurity
- Succeed with difficult people
- Put yourself on the line
- Admit faults but never make excuses
- Be the first to step up and help
- Take responsibility for your responsibilities
- Perform tasks that are "not your job"

Become Your Boss's Go-To Producer

Becoming an expert at your craft is driven by a desire for excellence, and taking on jobs others won't reflects a willingness to contribute anywhere. Being a producer, however, requires the will to win.

Here are key ways you can consistently prove your value as a go-to producer:

1. **Produce when the pressure's on**. Go-to producers are the people who find a way to make things happen no matter what.
2. **Produce when the resources are few**. If you can be innovative and productive when you have little or nothing to work with, people will begin looking to you for leadership.

3. **Produce when the momentum is low**. When momentum is low, choose to be a Momentum Maker—the kind of person who moves things forward instead of merely flowing with circumstances or undermining progress. Go-to producers create momentum rather than waiting for it.
4. **Produce when the load is heavy**. Be available and willing to carry your leader's burden (not only when your own load is light) because lifting the load when it matters builds influence.
5. **Produce when the leader is absent**. If you step forward to lead when there is a leadership vacuum, you have a very good chance of distinguishing yourself.
6. **Produce when the time is limited**. Deliver no matter how tough the situation is.

Maintaining Your Balance as You Prove Your Worth

The things you must do to prove yourself are not easy. And they can produce a lot of stress, especially being asked to take the high road as you work with your boss. But doing these things will give you the best chance to shine and succeed, even working for someone who doesn't lead. Maintaining grace, tact, and calm under pressure requires intentional discipline. Focus on the following practices:

- Find a way to relieve stress
- Know what to "own" and what to let go
- Never violate the trust of your boss

Never Stop Growing as a Leader

The final step you need to take in order to be successful working under a bad leader is to keep growing and improving as a leader. The better you become, the more people listen, the greater your value today, and the stronger your potential for tomorrow.

There is no downside to making growth your goal. If you keep learning, you will be better tomorrow than you are today, and that opens the door to a better future, whether in your current organization or in another.

Conclusion

When you work for a boss who can't or won't lead, you feel trapped in a no-win situation. But when you learn to work with difficult people, be productive in challenging situations, become a valuable contributor, and develop yourself as a leader, everything changes.

Do your best, and your time will come. And when you get your chance to be the boss, you will do a better job. You will value and empower people, and they will spend their time being productive, instead of trying to figure out how to work around a boss who doesn't lead.

John C. Maxwell is a #1 New York Times bestselling author, speaker, coach, and leadership expert who has sold more than 34 million books worldwide. His work has been translated into dozens of languages and used to train millions of leaders across industries and nations. He is the founder of Maxwell Leadership, a global organization dedicated to developing leaders who create positive change. Maxwell also founded the nonprofit organizations EQUIP and the Maxwell Leadership Foundation. His teachings emphasize values-based, people-centered leadership. He has been recognized as the world's most influential leadership expert by *Business Insider* and *Inc.* magazine and is a recipient of the Horatio Alger Award and the Mother Teresa Prize.

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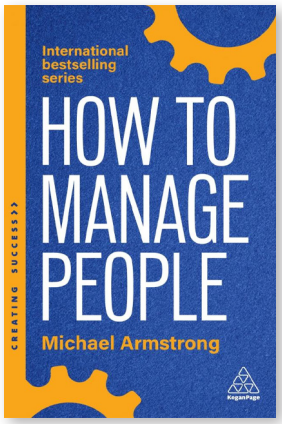
How to Manage People

Michael Armstrong

Executive Book Summaries®

How to Manage People

Fast, Effective Management Skills that Really Get Results



by **Michael Armstrong**

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THE SUMMARY IN BRIEF

What is the manager's task? What do managers do? What are the skills required for managers to do it? These are all questions people struggle with in taking on a management position and becoming successful at it. The aim of this book is to give practical advice to managers and team leaders on how to manage the people in their departments or teams- getting the best results from them and dealing with any problems that may arise. The book focuses on what front-line managers have to do themselves. A business may have all sorts of human resource policies, but it is the managers who bring them to life.

In ***How to Manage People***, Michael Armstrong provides the reader with the tools to be an effective leader. By using motivation, rewards, and great leadership, managers will be able to get the most productive work from their employees while maintaining a great work environment. This book can also assist with the difficult tasks of how to conduct disciplinary meetings and how to deliver bad news.

IN THIS EXECUTIVE BOOK SUMMARY:

- Learn the real role of a manager
- Discover how to get work done through people
- Explore how to lead, motivate, and engage people and teams
- Find out new ways to conduct people management activities

Part 1: Managing People

Getting Things Done Through People: The Manager's Role

THE MANAGER'S TASK

Managers have to be specialists in ambiguity. Unexpected events ambush them. Decisions lead to unforeseen consequences. They spend a lot of their time dealing with people who can sometimes be difficult, unpredictable or uncooperative. And they have to achieve a delicate balance between being too close or too distant from their team members.

WHAT MANAGERS DO

They use interpersonal skills to get their team into action, handle operational issues involving people, treat employees fairly and with consideration, communicate information, provide feedback on performance, coach employees, respond to suggestions and deal with problems involving individuals and teams.

THE SKILLS MANAGERS REQUIRE TO DO IT

People have to have to exercise leadership, motivate their staff, and enhance their engagement.

Managing People for the First Time

APPOINTED FROM ELSEWHERE

There are four things that you need to do:

1. Learn in detail what the department or team is expected to do and the resources
2. Find out how the department or team is organized and what each member of the team does
3. Get to know the team members.
4. Take the first steps in earning the respect of team members

PROMOTION FROM WITHIN THE TEAM

As the new manager, you will be managing a group of people, some or even all of whom you counted as your friends. You can go on being friends but the relationship at work must change.

Treating People Right

Treating people right means treating them fairly and with respect, amongst other things.

The seven principles of treating people right are:

- Treat people with respect
- Treat people fairly
- Create the right work environment
- Help people to develop their capabilities and skills
- Provide leadership
- Get to know team members
- Define expectations and ensure they are met

Working with HR

PARTNERSHIP BETWEEN LINE MANAGERS AND HR

A partnership between line managers and HR specialists means working together to deal jointly with issues, people problems and, importantly, implementing HR strategies and new HR policies and practices.

WORKING WITH HR BUSINESS PARTNERS

HR business partners work alongside their line management colleagues in order to develop and implement an HR agenda.

Part 2: Getting Work Done Through People

Organizing

THE PROCESS OF ORGANIZING

The formal process of organizing can be described as the design, development and maintenance of a system of coordinated activities in which individuals and groups of people work cooperatively under leadership towards commonly understood and accepted goals.

AIM

The aim of organizing in a typical business or business unit could be defined as being to optimize the arrangements for conducting the affairs of the business or business unit. Organizations function informally as well as formally. The form of organization will depend on its purpose, activities and context.

ORGANIZATIONAL GUIDELINES

There is no such thing as an ideal organization; there is never one right way of organizing anything and there are no absolute principles that govern organizational choice.

> Managers must give out work, which means telling people to do something or, if they want to be less authoritarian, asking them.

Defining Roles

DESIGNING ROLES

Managers:

- Have to define the work the members of their team do
- Need to know how to get the best results by designing roles that maximize the engagement of role holders with their work by providing interest, challenge, variety and autonomy
- Need to ensure that everyone is aware of what they have to achieve in each of the main aspects of their role
- Do this by preparing role profiles that provide the essential information needed by role holders to carry out their role and by managers to manage the performance of role holders

GIVING OUT WORK

Managers must give out work, which means telling people to do something or, if they want to be less authoritarian, asking them.

Communicating

THE NATURE OF COMMUNICATIONS

Communicating with people is about conveying a message – by word of mouth, in writing or non-verbally. To get the message across it is important to use the right medium or combination of media.

BARRIERS TO COMMUNICATIONS

- Words mean different things to different people
- Hearing what we want to hear
- Ignoring conflicting information
- Perceptions about the communicator
- Influence of the group
- Non-verbal communication
- Emotions
- Noise
- Size

EFFECTIVE COMMUNICATION

- Adjust to the world of the receiver
- Use feedback
- Face-to-face communication
- Use reinforcement
- Use direct, simple language
- Suit the actions to the word
- Use different channels
- Reduce problems of size

HOW TO LISTEN

Effective listeners concentrate on the speaker, respond quickly, ask questions frequently, and make many comments and notes. They also stay alert with minimum interruption.

Delegating

WHAT IS DELEGATION?

Delegation takes place when you deliberately give someone the authority to carry out a piece of work that you could have decided to keep and carry out yourself. The main advantage of delegation is that it enables you to focus on the things that really matter in your job – those aspects that require your personal experience, skill and knowledge.

APPROACHES TO DELEGATION

Managers should know:

- When to delegate
- What to delegate
- Who does the work
- Clarifying expectations
- How to monitor performance

Managing Hybrid Workers

APPROACH TO HYBRID WORKING

It is necessary to consider carefully:

- The scope for hybrid working

- How to respond to requests for hybrid work
- How remote work should be organized
- The provision of advice to hybrid workers
- How the work objectives should be clarified
- How the performance should be managed
- How to encourage team working
- How to support

Managing Change

THE PROCESS OF CHANGE

The process of change involves moving from the present state, through a transitional state, to a future desired state. It starts with an awareness of the need for change or that change is happening.

KOTTER'S 8-STEP CHANGE MODEL

1. Establish a sense of urgency
2. Form a powerful guiding coalition
3. Create a vision
4. Communicate the vision
5. Empower employees
6. Create short-terms wins
7. Consolidate improvements
8. Institutionalize new approaches

10 GUIDELINES FOR CHANGE MANAGEMENT

1. Requires strong commitment and visionary leadership
2. Proposals should be based on a convincing business case by practical implementation
3. Change is inevitable
4. Have hard evidence and data on the need for change
5. People support what they help create
6. Change will always involve failure as well
7. It's easier to change behavior by changing processes, structure, and systems
8. There are always people who can act as champions of change
9. Resistance to change is inevitable
10. Every effort must be made to protect the interests of those affected by change

Part 3: Leading, Motivating and Engaging People and Teams

Leadership

WHAT LEADERS DO

Leadership is the process of developing and communicating a vision for the future, motivating and guiding people and securing their engagement. The three essential roles are to define the task, achieve the task, and maintain effective relationships.

LEADERSHIP STYLES

The main types of styles are autocratic or democratic, controlling or enabling, and task oriented or people centered.

WHAT MAKES A GOOD LEADER?

Effective leaders are confident and know what they need to do. They have the ability to take charge, convey their vision to their team, get their team members into action and ensure they achieve their agreed goals.

Motivating People

MOTIVATION DEFINED

Motivation is the process of getting people to move in the direction you want them to go. Intrinsic motivation is when the work someone does is personally rewarding. Extrinsic motivation is what is done to or for people to motivate them.

MOTIVATION THEORIES

Goal theory states that motivation and performance are higher when individuals are set specific goals and when there is feedback on performance. Expectancy theory states people will be motivated when they are clear about the goals they are aiming for and are aware of the rewards they will get from achieving the goals.

Enhancing Engagement

DRIVERS OF ENGAGEMENT

Engagement is best enhanced when employees have meaningful work that effectively uses their skills and provides them with freedom to exercise choice.

WHAT MANAGERS CAN DO

Managers play a vital and immediate part in increasing levels of employee engagement. They do this by exercising leadership and ensuring that their team members are clear about what they have to do, acquire the skills required, and appreciate the significance of their contribution.

Managers play a vital and immediate part in increasing levels of employee engagement.

Part 4: People Management Activities

Recruitment and Selection

THE NATURE OF RECRUITMENT AND SELECTION

Recruitment is the process of finding and engaging the people you need. Selection is that part of the process concerned with deciding which applicants or candidates should be appointed jobs.

DEFINING REQUIREMENTS

It is necessary to define in a role profile what you are looking for. This provides the information required to post vacancies, brief agencies or recruitment consultants, and assess candidates.

SCREENING APPLICATIONS

Screening applications to decide who should be interviewed means reviewing responses to an invitation to apply for a job. These can be sorted initially into three categories: possible, marginal, and unsuitable.

SELECTION INTERVIEWING

The most important skill required in selection interviewing is conducting a structural skill-based interview. This is one based on predetermined questions put to all the candidates so that they can be compared against the same criteria.

Developing People

HOW LEARNING HAPPENS IN THE WORKPLACE

Research has established that 70 percent of learning takes place as a result of the individual's work experience, 20 percent from colleagues, and only 10 percent from formal training courses.

HOW MANAGERS HELP PEOPLE TO LEARN

Specific steps to help individuals learn:

- Induction
- Continuous learning
- Job instruction
- Preparation
- Presentation
- Demonstration
- Follow-Up
- Coaching
- Mentoring

Managing Individual Performance

WHAT IS PERFORMANCE LEADERSHIP?

As performance leaders, managers set the direction by clarifying roles and objectives, make available the resources needed to get results, motivate their team members, help people to develop their skills, monitor their progress, provide feedback by means of constructive conversations, and ensure that corrective action is taken when necessary.

PERFORMANCE LEADERSHIP SKILLS

Defining objectives: Objectives indicate what has to be accomplished. From time to time, a more formal review of objectives can be undertaken to make sure they are aligned to the goals and properly reflect requirements.

Feedback: Feedback is provided by managers informally during the year or formally in performance review meetings.

Managing Team Performance

AGREEING PERFORMANCE OBJECTIVES

Performance objectives for teams are agreed in much the same way as individual objectives. They will be based on an analysis of the purpose of the team and its accountabilities for achieving results.

AGREEING PROCESS OBJECTIVES

Process objectives describe how the team is expected to function in achieving its performance objectives. They are best decided by the team getting together and agreeing how they should conduct themselves as a team.

CONDUCTING TEAM PERFORMANCE REVIEWS

Team performance review meetings analyze and assess feedback and control information on their joint

achievements against objectives and project plans. It could include general feedback and review, work reviews, group problem-solving, and updating objectives.

Managing Reward

REWARD SYSTEMS

A reward system consists of explicit practices and procedures that are organized and managed as a whole.

APPROACHES TO REWARDING PEOPLE

Financial rewards: Such rewards should be perceived as fair, equitable, and consistent. They will work better if the system is transparent.

Non-financial rewards: This can be recognizing their contributions, giving people more responsibility, and providing them with the opportunity to achieve or grow.

MANAGING WITHOUT A REWARD SYSTEM

If you do not have the support of a formal reward system, you may largely have to make decisions yourself on what people should be paid.

Part 5: Handling People Problems and Issues

Approaches to Handling People Problems

PRINCIPLES

Four principles:

1. Be really clear with staff members
2. Your tone matters
3. Talk, don't scold
4. Try writing out talking points and practicing them beforehand

APPROACH

Basic approach in tackling people problems:

1. Get the facts
2. Weigh and decide
3. Take action
4. Check results

Dealing with Disciplinary Problems

TAKING DISCIPLINARY ACTION

Whether or not there is a formal procedure, you need to take the following steps when planning and conducting a disciplinary interview:

1. Get all the facts in advance
2. Invite the employee to the meeting in writing
3. Ensure they have reasonable notice
4. Plan how you will conduct the meeting
5. Line up another member of management to take notes
6. Start by stating the complaint and refer to the evidence
7. Give the employee plenty of time to respond and state their case
8. Take a break as required to consider the points and relieve pressure
9. Consider what action is appropriate
10. Deliver the decision, explain why it was taken, and confirm it in writing

DISMISSING AN EMPLOYEE

If you have to dismiss an employee you should:

- Meet when the office is quiet
- Keep meeting formal and organized
- Write what you are going to say in advance
- Be polite but firm
- Ensure the employee clears their desk
- See the employee off the premises

Dealing with Individual Performance Problems

You have to spot that there is a problem, understand the cause of the problem, and decide on a remedy and make the remedy work. Poor performance can be the fault of the individual but it could arise because of bad leadership or problems in the system of work.

10 Steps to dealing with the unsatisfactory performance:

1. Identify the areas of under-performance
2. Establish the causes
3. Agree on the action required
4. Ensure the necessary support is provided
5. Monitor progress and provide feedback
6. Provide additional guidance
7. If under-performance persists, spell out precisely what improvements are required

8. If there is no improvement, consider an alternative job
9. Issue a written warning of dismissal
10. Take the action required to dismiss the employee

Dealing with Negative Behaviour

CAUSES OF NEGATIVE BEHAVIOUR

There are many causes of negative behavior, which could include; a real or imagined slight from a colleague, feeling of being put upon, belief that the contribution is neither appreciated nor rewarded, resentment, or anger directed at the company or you.

DEALING WITH THE PROBLEM

If you have to deal with this problem, it is best to handle it as it is happening. The discussion should have three clear objectives: to discuss the situation with individuals, to establish the reasons for the individuals' negative behavior, and to discuss and agree on any actions individuals could take to behave more positively.

DISCUSSING THE PROBLEM

S tart by asking generally how individuals feel about their work. You will then have to discuss the problem. If the response you get does not bring out the problem as you see it, then you have to explain how the behavior gives the impression of being negative.

ESTABLISHING CAUSES

If the negative behavior is because of a grievance that you or the organization have done, get individuals to spell this out precisely as possible. It may emerge that the problem may be family troubles or worries about health or finance.

TAKING REMEDIAL ACTION

If the problem rests with the individual, the objective is to get them to recognize that corrective action is necessary and what they need to do about it-with your help as necessary. If there is anything specific parties involved in the situation can do, then a joint problem-solving approach can be adopted.

Dealing with Absenteeism and Timekeeping Issues

ABSENTEEISM

In the case of persistent absenteeism, start with a review meeting to discuss the causes and agree on what needs to be done to improve it. Indicate that you expect absence levels to improve and if this does not happen the individual can expect more formal disciplinary action.

HANDLING POOR TIMEKEEPING

If you are faced with persistent lateness and your informal warnings seem to have little effect, you may be forced to invoke the disciplinary procedure. This can go through the successive stages of a recorded oral warning, a written warning, and a final written warning. After that, disciplinary action would have to be taken.

Handling Challenging Conversations

THE NATURE OF CHALLENGING CONVERSATIONS

Challenging conversations may arise when it is necessary to:

- Investigate a complaint
- Deal with a grievance
- Comfort or reassure someone
- Tackle a personality clash
- Deal with delicate situations

Approach to handling a challenging conversation

1. Prepare for the conversation
2. Plan the conversation
3. Carry out the conversation
4. Reach a conclusion

Tips for handling challenging conversations.

- Don't wait too long
- Set the right tone from the start
- Focus on the issue
- Allow people to have their say
- Keep an open mind
- Acknowledge their point of view
- Discuss the options for the situation
- Define the way forward

Giving Bad News

How to give bad news

1. Think hard and carefully before breaking bad news
2. Don't put off doing it
3. Explain the business context clearly
4. Understand how the news might be received by different people
5. Be as honest and open as you can
6. Give time for the news to sink in

7. Listen to reactions and respond appropriately
8. Be supportive and caring

Managing Bias

MINIMIZING BIAS IN ORGANIZATIONS

The types of bias, the reasons for bias, and what can be done about it needs to be covered in depth in induction and leadership development courses.

MINIMIZING BIAS AT THE INDIVIDUAL LEVEL

The best way to prevent bias from influencing the way you think or make decisions is by being aware that it exists in the first place. If you appreciate how you might be biased, you can take steps to avoid or at least minimize biased judgements and decisions.

Dealing with Bullying and Harassment

WHAT THE ORGANIZATION CAN DO

Organizations should have an anti-bullying policy which states that bullying will not be tolerated and that those who persist in it will be subject to disciplinary action, which could be severe.

WHAT ACTUALLY HAPPENS

The problem is while organizations may have bullying and sexual harassment policies, they depend on their line managers to implement them.

WHAT YOU CAN DO ABOUT IT

First you have to recognize that bullying and sexual harassment are real problems. Next you should familiarize yourself with your organization's bullying and harassment policy to make yourself aware of what you should do to minimize it in your department and how you should deal with it when it occurs.

Managing Conflict

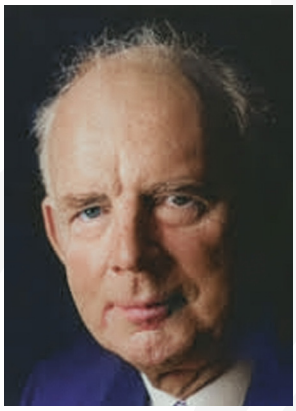
HANDLING INTER-GROUP CONFLICT

There are three ways of resolving inter-group conflict: Peaceful coexistence, compromise, and problem solving.

HANDLING INTERPERSONAL CONFLICT

The approaches to dealing with interpersonal conflict are withdrawal, smoothing over differences, reaching a compromise, counseling, and constructive confrontation.

The role of manager is oftentimes not easy, and in many times it becomes hard to navigate what the company needs. However, real management starts with self-awareness and emotional intelligence. In doing this, people are able to not only set an example for their employees, but can start to create an environment that nurtures people to work their best. Author Michael Armstrong starts from the basics for new managers while also providing valuable information for veteran leaders. He covers topics relating to achieving results through people management, leadership styles, types of motivation, delegating tasks, interviewing candidates, managing performance, rewarding employees, and handling various problems that arise in the workplace. With this comprehensive information, every front-line worker will have the tools to make a happier and more functional workplace.



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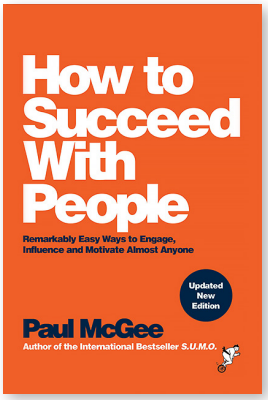
How to Succeed with People

Paul McGee

Executive Book Summaries®

How to Succeed with People

Remarkably Easy Ways to Engage, Influence and Motivate Almost Anyone



by **Paul McGee**

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THE SUMMARY IN BRIEF

People are complex, unpredictable, and endlessly fascinating. Unlike machines, they cannot simply be fixed when something goes wrong. Yet so often, we fall into the trap of trying to "fix" others—or even ourselves—when challenges arise. We assume there must be a flaw to correct, a behavior to change, or a problem to solve. The truth is, people are not broken; they are shaped by their experiences, their history, and the world around them. Understanding this is the first step toward building better relationships, whether at work, at home, or in our wider communities.

In ***How to Succeed with People: Remarkably Easy Ways to Engage, Influence and Motivate Almost Anyone***, Paul McGee explores the principles and strategies for dealing effectively with people, drawing on real-life examples, psychology, and decades of experience managing individuals from all walks of life. From recognizing the impact of past experiences and generational differences to learning when to challenge, when to step back, and how to communicate in ways that truly resonate, the focus is on influence rather than control. By investing in relationships, showing respect, and fostering understanding, we can create environments where people thrive and where our interactions are more productive, meaningful, and positive.

IN THIS EXECUTIVE BOOK SUMMARY

- Learn to recognize how past events shape behavior, attitudes, and responses in daily interactions
- Discover strategies to influence and motivate others through clear communication, feedback, and balanced assertiveness
- Develop the ability to manage change and resistance by guiding teams effectively
- Review your attitudes, biases, and expectations to improve relationships, practice empathy, and respond thoughtfully

SECTION ONE

Stop, Understand

People Can't Be Fixed

Clare seemed very distressed. "I'm thirty years old, unemployed, and still live at home with my parents. There are only two reasons why I can't get a job: either there's something wrong with the world, or there's something wrong with me. Clearly, the world isn't to blame, so the problem lies with me. I need fixing. Can you help?"

Clare had a very black and white view of life. But she fell into a trap many of us can fall into—believing people can be fixed. People are not machines. A car or computer may need a faulty part replacing, but people are more complex. As soon as you start looking to "fix" people or "fix" yourself, you're in trouble.

We're so used to getting "things" fixed that we start believing we can do the same with people. But there are no instruction manuals when it comes to dealing with people. We're complex, inconsistent, and react differently depending on our mood. You cannot treat everybody the same and expect the same outcome.

So stop looking to fix people. People cannot be fixed—only helped, encouraged, understood, and influenced.

The Mystery of History (Part 1)

Imagine managing people from different backgrounds and nationalities, aged between 17 and 35, for over 25 years. Imagine your performance being judged not only by your boss but by millions around the world—every move scrutinized by the media. Welcome to the world of Sir Alex Ferguson, manager of Manchester United from 1986–2013, winner of 38 trophies, and proof that results can be achieved through people.

Sir Alex would never sign a player without exploring their history and background. To him, success was not just about talent, but also character. Everyone we encounter has a history. The more we understand it, the more we can understand their behavior and how to deal with them.

History matters. It shapes our values, perceptions, and ways of dealing with life. It explains differences across generations—Baby Boomers, Generation X, Millennials, and Gen Z—all shaped by vastly different worlds.

People's behavior often stems from their past experiences. Resistance, negativity, and even cynicism may come from past hurts. As Rachel Held Evans said, "Cynicism is calcified anger."

If you work with, live with, or love someone, their history offers clues to understanding them.

The Mystery of History (Part 2)

During the Covid-19 pandemic, many people worked from home, enjoyed greater freedom and flexibility, avoided the daily commute, and reassessed their priorities. Having grown accustomed to this way of life, some now feel entitled to work on their own terms, which explains organizational challenges. Young people's education and social lives were disrupted too, and it may be years before we see the full impact.

A previous work culture also matters. People may have worked in a very different work culture than the one they're in now. So if you're facing challenges with your team, find out how they were previously managed or what their expectations are. Depending on what they say, you might have to revise those expectations.

People's upbringing will also influence how they both see and interact with the world. Everyone has a backstory, and that history could be vastly different from yours.

Spend more time being curious about people, and less time judging them. Differences are not always visible.

Most People Suffer From S.A.D.S

Ever known anyone for years and then realized you know lots about them, but they actually know very little about you? Or someone who seems very insightful about everyone but themselves?

Then you've probably met someone with S.A.D.S.—Self-Awareness Deficiency Syndrome. The very nature of this condition means the person suffering from it is entirely unaware of the fact. They're oblivious to their behavior and the impact it has on others.

You yourself may be prone to bouts of S.A.D.S. Rarely do we truly see ourselves as others see us.

The condition can appear in varying degrees of severity. In extreme cases, there may even be a medical reason for people's seemingly gross lack of interpersonal skills and self-awareness.

Although you may encounter people who show clear signs of this tendency, we can all experience mild symptoms. This insight will help you understand why some people you en-

> People cannot be fixed—only helped, encouraged, understood, and influenced.

counter will be very difficult to deal with, but it will also keep you humble enough to recognize that none of us is immune from it, and that we all need help to improve from where we are now.

Some People Are Lightbulbs

The author, Paul McGee, trained to be a probation officer as part of his degree. People and how they behave fascinated him, but after four years, he decided not to pursue it as a career. During interviews for other jobs, he didn't want to get bogged down explaining why, having already fallen into that trap before. So he came up with a cunning plan.

Interviewer: "So why didn't you want to pursue a career as a probation officer?"

He replied: "How many probation officers does it take to change a lightbulb? One—but only if the lightbulb wants to change."

Most interviewers smiled and moved on. His plan had worked. But there's a deeper point: some people are lightbulbs—they refuse to change. Don't waste vast amounts of time and energy trying to change people who don't want to.

So why might someone behave like a lightbulb and not want to change? Some people want attention; others cling to fixed beliefs because it feels safe. Change requires courage and humility—qualities not everyone has. But people don't have to remain "lightbulbs." They can change, if *they* want to.

Why Intelligent People Do Stupid Things

Ever witnessed the behavior of someone and thought, "I can't believe they'd do something so stupid?" Ever thought to yourself, "I can't believe I just did that. What was I thinking?"

When we're closely involved in a situation or physically and emotionally tired, our rational perspective often takes a back seat. In its place steps up our emotional brain and takes a firm control of our decision-making—sometimes with dire consequences.

When you're feeling mad, bad, or sad, you're not thinking straight—our brains drive us to act, not think. Never ever assume that logic is running the show. It isn't. And drugs and alcohol will exacerbate our "stupidness," but so too will increased stress.

You Get What You Tolerate

If you're managing people, you'll probably find these two statements useful: "We receive the performance (or behavior) we are willing to tolerate," and "My silence, denial, or avoidance gives approval to the situation."

Simple statements, yet very powerful.

Let's start with the first one: "We receive the performance (or behavior) we are willing to tolerate." If you tolerate people being continually late without there ever being any consequences, guess what will continue to happen? Tolerate people underperforming in your team, and they'll see no reason to change.

The question is, are you happy with what you're currently tolerating? Or do you just simply moan about it but continue to accept it?

Now onto that second statement: "My silence, denial, or avoidance gives approval to the situation." Let's chew over that one for a moment. In a nutshell, the reality is that your non-actions still have an impact. Doing nothing is still doing something.

When you stop tolerating and start talking, you lay down the path toward a better and potentially more positive relationship. And by doing so, you're more likely to succeed in dealing with people.

Why Change Is Complicated

Benjamin Franklin was a writer, inventor, scientist, and one of the Founding Fathers of the United States. Amazing what people did with their time before social media. He's often credited with the following quote: "In this world nothing can be said to be certain, except death and taxes." If he was alive today, he might add a third—change.

Do we really hate change? There's a common, widely held belief that people don't like change.

The fact is, we're quite comfortable with change when. . .

- It's our choice
- We're in control
- We see the benefits of changing
- We see the downsides of not changing

We might not actually hate change as much as we're sometimes led to believe, but it can still be very challenging.

People have a love–hate relationship with change, and that's why change is complicated.

Five reasons people resist change:

1. Change can be seen as a threat
2. Change can lead to a loss of status
3. Change can lead to a loss of control
4. A poor relationship with those implementing the change
5. Previous experiences of change

Humiliation Is for Amateurs

When it comes to dealing with people, humiliation is a sign of someone who has their own self-esteem issues or an indication of a complete lack of knowledge and experience in dealing with others.

Deliberately humiliating someone is not a form of motivation, but it is laying down the foundation for bitterness, resentment, and perhaps, even revenge in the future.

If you do have to give someone some challenging feedback, remember this: Where you say it and who's present when you say it can be just as important as the actual words you use.

So if you want to influence and engage people and switch them on to your way of thinking, then take humiliation for a hike.

To make sure your communication is seen as less of a personal attack, and in order to soften the blow, if you have something to say try, "Do you mind if I play devil's advocate for a moment?" You're actually gaining the other person's permission to challenge their ideas.

Remember that people often find it easier to hear hard truths from themselves rather than from someone else. Instead of stating your critique outright, try asking, *"What've you learned from that experience? If you had a chance to do that again, what would you do differently?"*

People may need to be challenged, but they do not need to be humiliated. Ever.

Being Nice Won't Always Work

There's a huge myth around dealing with people that states you should always be nice to them. If your main goal in life is to be popular, go and sell ice cream.

Here's the deal: if you want to make a positive difference in life, you need to recognize that you're not always going to be liked by everyone. Being too nice can send mixed and unclear messages. The reality is that people can exploit your niceness as a weakness. You're not succeeding with people with this approach. You're failing. To be successful with people, it's more important to be respected than to be liked by others.

You may of course have built up such a good relationship with people that you're respected and liked. Great. Wonderful. But if you had to choose which of the two matters most, choose respect.

Now please don't go out of your way to be nasty. But if an underperforming team member sees you as less of a soft touch, then perhaps you're discovering the benefits of not being too nice. You don't have to ditch your diplomacy to do so, but you do need to ditch the need to always be liked.

It Takes Two to Tango

Very often when we begin to recount a particular event or incident, we'll have a tendency to immediately tell it with a certain degree of bias and emphasis. And to be fair, it's unlikely we'll want to present ourselves in the worst possible light. As a consequence, when we're telling our version of events, certain information may be completely left out, and the context or background to the event may be entirely overlooked.

So it's helpful to understand that we can all be prone to putting our own particular angle on a story and tend to subtly alter and distort the facts in our favor, sometimes without realizing we're doing so.

That's why when it comes to succeeding with people, we need to be especially aware of our own personal built-in bias to do this. So remind yourself that on occasions, it does take two to tango.

No Investment, No Return

Recently, a branch of a poorly performing retail store had been turned around by the introduction of a new manager.

That's not the most surprising thing you'll ever read, is it?

> Where you say it and who's present when you say it can be just as important as the actual words you use.

But the next bit might be.

The hundred or so full- and part-time staff of the store reported one of the main reasons for their improved performance and increased morale was this: the new manager used and remembered everyone's names.

They actually showed an interest in them as people, not just in their performance. Never underestimate the large impact of a small gesture. It's easy to see people every day and yet not really know them. Great relationships with customers, colleagues, or loved ones don't just happen magically. They take time. When you fail to invest any time with people, don't be surprised when you fail to see any return.

If you really believe people are important, then quit hoping to *find* the time to invest in those relationships. *Make* the time.

If you're a manager, remember investing in people will also mean investing in their development. Recruiting talent can be a costly and time-consuming exercise, but if you want to retain people, recognize that you will need to invest in them if you want to see a return on their talent.

SECTION TWO

Move On

Have Realistic Expectations

Perhaps at the root of some of our disappointments, frustrations, and conflicts are the unrealistic expectations we have of other people and how they should respond and behave in situations.

At times, we may even try to justify these feelings by saying, "I would never behave like that if I were them." But that's the point: you're not them.

You won't always know their history, background, values, or who their own role models have been. You don't necessarily know what current challenges and concerns they may be facing, or insecurities they're struggling with.

It's understandable that you want others to live up to your standards, but it's not always realistic.

Let Sleeping Dogs Lie ... Sometimes

On some occasions, it might be best to accept a situation or behavior for the benefit of a long-term relationship.

Some may see this as contradictory advice—it isn't.

If you want to succeed with people, you need to avoid a one-size-fits-all approach. Being flexible and adaptable is crucial to dealing with people, so sometimes a different approach or strategy is required.

But what "things" might you want to tolerate? That's for you to decide. Assertive people sometimes choose not to be assertive. Perhaps an important question to answer is, "By letting sleeping dogs lie, am I comfortable both with the consequences of my decision and my reasons behind it?"

Choosing to lose the occasional battle in order to win the overall war can be an effective strategy. Choosing to be assertive all the time over every single issue is both tiring and boring. It can lead to issues escalating when they didn't need to, feelings being hurt and relationships being damaged.

Check Out Your Attitude

If you've ever changed cars, moved house, or been pregnant (or known someone close who has), you'll probably be aware of a strange phenomenon. Psychologists call it "attention awareness." When you're thinking of buying another car, you suddenly start spotting that particular model everywhere. When you put your house up for sale, you can't drive down a road without noticing "For Sale" signs. And when your partner is pregnant, you notice just how many women are also expecting.

Humans are very adept at noticing what is relevant or important to them at that particular time. If you notice and talk about a particular positive or negative trait in another person, you'll then continue to notice it. What you focus on magnifies. Your negative attitude toward someone is fueled by noticing negative things about them, which in turn reinforces your negative views of them.

So if you're not looking for the positives in people and only focusing on the negatives, guess what ends up in the junk box? Their positive traits and behaviors.

Be Willing to Be Wrong

We like people who are decisive, don't we? People who are clear about what they think and believe. People who don't dither or change their minds on a whim. Focus, determination, and confidence are all traits to be admired. They're signs of strength. They're traits every leader needs to possess to succeed.

And yet these qualities could also be the cause of your downfall. Focus can lead to being blinkered. Determination could result in stubbornness to change despite what the facts are telling you. Confidence could lead to a dangerous cocktail of arrogance and complacency.

Rarely at the top of a list of leaders' top traits would be "humility" and "a willingness to be wrong." But such traits could be invaluable if you're to succeed in life and with people.

An overused strength can actually become a weakness. There may only be a subtle difference between determination and stubbornness, but one leads to success whilst the other makes you look stupid.

A willingness to be wrong and an openness to listen to others' views can be invaluable. It's not a sign of weakness to admit you may be wrong; it's often a sign of wisdom.

Don't Treat People as You Want to Be Treated

It seems, on the surface, such a noble suggestion: treat people as you would want to be treated. And to be fair, it's pretty good advice—up to a point.

Treating people with the degree of respect and courtesy that we would appreciate does seem a fairly reasonable starting place when dealing with others. But please don't fall into the trap of thinking that what floats your boat also floats mine.

In fact, treating people as you want to be treated could have disastrous consequences and be the reason why you don't succeed with people.

Perhaps your relationship with someone has stalled because you've not taken time to consider what it is they see as important and what they would value. This applies equally at work as it does at home. Don't assume people value the same things you do. Our personalities are different, our interests may too, and perhaps more importantly, so may the things that do and don't motivate us.

Remember, what fits you might not fit them, so start treating people as they want to be treated. And if you're not sure how people want to be treated, ask.

How to Make Change a Success

If you're going to succeed with people, you'll need to know how to help them deal with change. Change can be embraced or fiercely resisted. To make it less scary and more achievable, apply these five strategies:

1. **Give clarity.** When people feel in the dark, they draw negative conclusions. Silence creates an environment where people speculate and anxiety escalates. Be clear about the situation and answer questions such as "How will this change affect me?" and "What's expected of me?" A lack of clarity breeds confusion.
2. **Develop competence.** People feel threatened when they're out of their comfort zone and lack the tools or training they need. Support them and recognize that some will adjust faster than others.
3. **Nurture confidence.** Confidence is rooted in competence and experience. Give feedback, encouragement, and help people focus on progress, not perfection.
4. **Give control when possible.** To positively embrace change, people need to feel consulted and involved in as many aspects of the change as possible. When there is an opportunity to give people some control, no matter how small it might be, take it.
5. **Help people feel cared for.** Treat them as individuals, not numbers. Keep them informed, be available, and show you have their back.

Four Killer Questions You Have to Ask Yourself

Think of a person with whom your relationship is important—someone where a breakdown would have consequences. With this person in mind, reflect on these four questions:

1. What's going on in their world at the moment?

   It's easy to be wrapped up in your world and fail to show interest in others. If your answer is sketchy, spend more time asking about them.

2. What's important to them at this time?

   People may need feedback, time, support, or space.

3. Are you listening to understand or listening to defend?

   Try lowering your defense. Listening to understand doesn't mean you agree—it means you value their perspective.

4. Have you clearly communicated your perspective?

   Don't assume people know your priorities. Explain the "why" behind your actions.

> When there is an opportunity to give people some control, no matter how small it might be, take it.

How to Make Criticism Count, Not Crucify

Have you ever received criticism or had to give feedback to anyone? It's not easy, is it? Sensitivity, diplomacy, and a balanced, constructive approach are required when feedback could be construed as criticism. No matter how self-assured you are, you're more likely to fast-forward past "constructive" and pause on "criticism." Using certain words can backfire, so stay clear of "weaknesses" and avoid using the phrase "constructive criticism" altogether.

Challenging people without undermining their confidence is not easy. Rather than sugar-coating or attacking, focus on solving issues—not fixing blame. When giving feedback, talk about "what worked well" and "even better if..."

For example: "What worked well was the start of your presentation." "Even better if you gave more thought to how you ended it."

You've made your criticism count, not crucify.

Fix problems, not blame.

Work Out Why They're Whinging

There's a lot to moan about in the world, but negativity is normal. In fact, it might even be necessary. An over-optimistic approach can lead to self-delusion. The issue is not whether people are negative, but what has caused them to feel that way and how long they're likely to stay in that mindset. Negative people can often be mocked and dismissed. But rather than ignore their behavior, try to uncover "what you don't see." Be less dismissive and seek to understand why people are thinking and behaving as they are.

Some people wear their coat of negativity like an old friend—it's comfortable. They may never become naturally optimistic, but you can help them manage it and focus more on the positives. Others may lack self-confidence; their negativity could be a confused cry for help. Encourage them and play to their strengths.

Sometimes negativity comes from a perceived sense of injustice. Appreciate where they're coming from. Your goal is to help people identify the reasons for their negativity and help them through it.

How to Make People Feel S.P.E.C.I.A.L

Have you ever thought about why people fall out with each other? Behind all the gossip and fallout lies a simple fact: "I didn't feel important." Feeling ignored, ridiculed, or taken for granted can trigger frustration and hurt. When you peel back the layers of anger, you'll often find someone who doesn't feel valued or important.

When people feel valued and important, you'll find them easier to communicate and deal with, reduce the amount of conflict you experience, and increase the quality and depth of your relationship with them, both in and outside the workplace.

To help us achieve that outcome, remember S.P.E.C.I.A.L.:

S – Serve

Focus on meeting others' needs. Success comes from helping others achieve their goals. Serving is an attitude from which your behavior flows.

P – Personalize

Make encounters personal. Treat people as unique individuals, not one of the crowd. Showing thought, even in small ways, has a huge impact.

E – Encourage

Encourage others. No one ever says, "I've had too much encouragement." The word means "to give courage"—to start, not to quit, or to aim higher. Words are powerful; they build up or bring down. In a world of setbacks and criticism, everyone needs the oxygen of encouragement.

C – Courtesy

Courtesy lies at the heart of showing respect for others. It is about thinking of other people's needs as well as your own—replying to emails, returning calls, being on time, and not checking your phone during conversations. When you show courtesy, you build likeability and increase your chances of influencing others.

I – Interest

Be interested in people. Stop obsessing about your own world. Ask questions and listen to answers. Remember what's been said; it helps you stand out.

A – Appreciate

Show appreciation. Don't take others for granted. Write a note, send a text, make a call, or give thanks—just do it.

L – Listen

Listening is hard, but it helps others feel understood and important. Sometimes people don't want advice—they just want to be heard.

How to Pick People Up When They're Feeling Down

When someone is feeling dejected or demoralized, help them recognize that emotional responses to setbacks are normal. Feeling mad, bad, or sad is okay, but people can stay "wallowing" too long, which can lead to irrational judgments.

Help them see their emotions as temporary. Reframe failure: failing isn't final, and it doesn't make someone a failure. It's simply a part of their learning journey. Acknowledge disappointment, then help them see it as feedback for next time. Look for positives. Point out successes without dismissing pain and ask questions to help them identify positives themselves. Go for quick wins. Small accomplishments build confidence and momentum.

Focus on progress, not perfection. Then ask, "What's the one action we can take now that shows progress?"

Change location. A new environment—pub, cafe, countryside, or a few days away—can provide perspective, stimulate ideas, and help people rebuild, recover, and recharge.

How to Talk So People Listen

To successfully influence, engage, and motivate others, it's important to understand what does and doesn't work when communicating. Three common mistakes switch people off:

1. Drowning people in detail
2. Failing to make your message relevant to your audience
3. Focusing on facts while forgetting feelings

People seek clarity amidst clutter, so brevity is best. Make your message relevant by considering what your audience needs to hear. Appeal to both intellect and emotion; facts alone rarely bring change.

Here are five practical solutions that can help you communicate in a way people listen to:

1. **Recognize their reality** by understanding their needs and concerns.
2. **Remember the 90/90 rule**: 90% of your impression is made in the first 90 seconds.
3. **Begin with the end in mind** by being clear on the purpose and outcomes of your communication.
4. **Point out the pain before providing the prescription** so people feel the problem before accepting a solution.
5. **Invest in yourself** by practicing and applying these approaches. Communicate facts and feelings to engage people and prompt action.

The Ball's in Your Court

Applying even a few of the ideas we've explored can be life-changing in both your personal and professional lives. But whether they make a difference is entirely up to you.

Your challenge is not acquiring more knowledge. It's not even about coming up with new ideas. It's about doing something with what you know. Everything we've explored so far is easy to do—but it's just as easy not to do.

The hope is that you now feel equipped and inspired to leave your own legacy in people's lives. The great thing is, you can—you can actually start today if you want to.

The ball is in your court.

Paul McGee's career has been anything but linear—from working as a probation officer in West Yorkshire to managing a team in a beefburger factory in East Anglia. After developing ME, a chronic fatigue syndrome, in his twenties, he rebuilt his life by starting his own business and eventually became an international speaker, coach, and bestselling author. Over the last 30 years, Paul has spoken in more than 40 countries on change, resilience, self-leadership, and communication. In 2019, he was awarded the title of Visiting Professor by the University of Chester. He enjoys warm days outdoors, comedy, football, and time with his wife, children, and cats.

How to Succeed with People: Remarkably Easy Ways to Engage, Influence and Motivate Almost Anyone by Paul McGee. Copyright© 2024 by Paul McGee. Summarized by permission of the Publisher, John Wiley & Sons, Inc. ISBN 9781394233083. Summary published by Soundview Executive Book Summaries®. Copyright 2026 Soundview, Inc. All rights reserved. Reproduction in whole or in part is prohibited. For permissions and reprints, please contact service@summary.com. 4803

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Human First, Leader Second

Massimo Backus

Executive Book Summaries®

Human First, Leader Second

How Self-Compassion Outperforms Self-Criticism

by **Massimo Backus**

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THE SUMMARY IN BRIEF

This book offers an actionable, experimental resource for leaders to increase their personal and professional quality of life. You're not a leader trying to be human. You are a human first, trying to lead other humans. As we hear more and more often, there are no hard and soft skills, only human and technical skills. This book will help you exponentially grow your human skills while fostering the resilience and curiosity you need to bolster your technical skills. There is no secret sauce that's already bottled and ready to be bought. Each of us needs to make our own secret sauce, and that takes a lifetime.

Human First, Leader Second: How Self-Compassion Outperforms Self-Criticism is less "prescriptive inspirational quote over heavily filtered mountaintop picture" and more "you and me in the kitchen tweaking the recipe together and taste testing as we go." In short, Massimo Backus won't tell you what to do, but his book will help you discover what you already know deep down. In every chapter, you will find real-world examples, questions for self-discovery, and practical exercises to apply the concepts of self-compassionate leadership.

IN THIS EXECUTIVE SUMMARY:

- Identify which outdated leadership personas limit potential.
- Learn why self-compassion is crucial in leadership.
- Grasp how the Ward Model helps navigate leadership challenges.
- Comprehend how self-compassion can transform organizational culture.

The Two Jobs: Take Off Your Leadership Costume

There is a universal struggle many leaders face: the tension between self-perception and the reality of how others see us.

We all carry outdated stories and limiting beliefs that shape our behavior, often leading us to hide our vulnerabilities and adopt protective personas, or "WIMPs" (Well-Intentioned, Misinformed Protectors). These personas aim to protect us from perceived dangers but often prevent us from reaching our true potential. The effort spent on maintaining these facades can drain our energy and stifle growth, both personally and within our organizations.

The Perfectionist

The perfectionist seeks external validation instead of intrinsic self-worth and sets unattainable goals and expectations for themselves and everyone else. Perfectionists strive to meet their personal standard of perfection, which isn't clearly defined, so they're doomed to failure from the start. They are always chasing an elusive ideal, never reaching it, then mercilessly judging themselves for being a failure. We are humans first, leaders second. To be human is to be imperfect and fallible and still know that we deserve love and respect.

The Hard-Ass

The hard-ass is more concerned with being right than being perfect and has high standards, always knows best, and refuses to accept being wrong. A hard-ass is hardest on themselves and wouldn't ask anyone to do anything they aren't willing to do themselves. Relentlessly pushing their team to achieve their best, the hard-ass is focused on accomplishing tasks rather than considering how people feel in the workplace. It's business, not personal. If fear is what turns a hard-ass into a bully or a jerk, self-compassion is what gives us the courage to explore the worst parts of ourselves instead of becoming defensive and recoiling in shame.

The Achiever

The achiever exhibits a perpetual sense of urgency, always asking, "Are we there yet?" Impatience characterizes their approach. Afflicted with an intense fear of missing out, they are constantly worried that if they're not on their game 24/7, someone younger, hungrier, and better will surpass them. The more we pursue external confirmation of our internal worth and let the world dictate whether we feel like "enough," the harder it is to escape that trap. By helping us calibrate and balance the external and internal, the doing and being, self-compassion allows us to loosen our grip to escape the trap.

The People Pleaser

The people pleaser conforms, avoids conflict at all costs, manages other people's emotions, and focuses on everyone else's needs to uphold harmony. Driven by a fear of not being liked or included, upsetting others, or making situations worse, people pleasers are scared to rock the boat and tend to go along to get along. They often say "yes" when they want to say "no" and find it challenging to establish clear boundaries. They prefer to absorb any underlying tensions and stress rather than face direct conflict. Labeled as peacekeepers, servant leaders, or doormats, people pleasers place a priority on being liked rather than respected for delivering hard truths or practicing candor.

The Imposter

The imposter feels undeserving of any success they've earned. Always worried about being found out for "who they really are," imposters feel like they've somehow cheated their way into whatever position they hold. They constantly minimize their abilities, lack self-confidence, and are notoriously bad at taking compliments. Their default response is self-deprecation.

The Contrarian

The contrarian goes against the grain, frequently playing devil's advocate and challenging norms. Contrarians habitually zig when everyone else zags. They "think differently" from everyone else—and "different," in their estimation, means "better." They're overconfident in their ideas and perspectives, considering anything new or norm-defying superior to established practices.

Understanding and integrating these protective aspects with self-compassion can transform them from leadership kryptonite into assets. By embracing our vulnerabilities and accepting our imperfections, we can foster a more authentic and empathetic leadership style. Ultimately, self-compassionate leadership is about recognizing that our greatest strength lies not in invulnerability, but in our shared humanity and the courage to be authentically ourselves.

Zero-Fluff Zone: What is Self Compassionate Leadership?

Early in his career, Sam Ramji climbed the corporate ladder at a leading global software company, eventually being

Repressing our needs, especially as leaders, is reckless and can have serious consequences.

offered a general manager position. However, after receiving a 360 assessment, Sam learned that while he pushed his team to excel, he often fell short in his own performance. The feedback led him to decline the promotion and return to his home state, where he spent the next five years focusing on his own growth as an individual contributor. This decision, which may have seemed like avoiding a challenge, was actually an act of self-compassionate leadership.

By stepping back from leadership and focusing on his personal development, Sam eventually returned to executive leadership with a renewed sense of purpose, and co-founded a new company.

Self-compassionate leadership starts with acknowledging our humanity and embracing awareness, acceptance, and accountability.

Self-compassionate leadership isn't about avoiding responsibility or indulging in self-pity. It's about recognizing our strengths and weaknesses, understanding our emotions without harsh judgment, and holding ourselves accountable in a way that fosters growth and resilience. This approach requires courage, vulnerability, and a willingness to face discomfort as we challenge old beliefs and embrace our authentic selves.

Awareness, acceptance, and accountability are the pillars of self-compassionate leadership. This holistic approach not only helps us lead more effectively but also allows us to bring our whole, authentic selves to our roles, ultimately creating a more empathetic and resilient leadership style.

The Ward Model: Navigating the Roundabout of Self-Compassionate Leadership

The concept of breaking free from destructive cycles is at the heart of the Ward Model, a framework designed to help leaders understand and manage the tensions between competing needs and impulses. The Ward Model guides us through six directions: Inward, Outward, Backward, Forward, Leeward, and Windward. Each of these represents a path to self-compassionate leadership.

The model emphasizes the importance of balancing these directions, and offers a flexible approach to leadership, helping individuals and organizations navigate these tensions with self-compassion, leading to more balanced, resilient, and effective leadership.

Awareness: Balancing Being and Doing

Repressing our needs, especially as leaders, is reckless and can have serious consequences. Research shows that leaders are more prone to anxiety, depression, and even heart attacks due to the high demands of their roles.

To truly lead effectively, we must cultivate awareness of our internal states—our physical, emotional, and mental well-being. This awareness allows us to engage more meaningfully with the world around us, both as humans and as leaders. Ignoring these aspects not only harms our health but also diminishes our ability to lead with authenticity and compassion.

The key to overcoming these challenges lies in understanding the connection between our gut, heart, and mind.

By embracing our emotions and understanding their connection to our values, we can make more informed decisions and lead with greater empathy and authenticity. This process requires self-compassion, which helps us navigate the complexities of our emotional landscape and align our actions with our core values.

Ultimately, leveraging our quality of being—our physical, emotional, and mental states—allows us to lead more effectively. By creating spaces that welcome vulnerability and genuine engagement, we can transform our working relationships and lead with humanity. The Ward Model, which balances the tension between being and doing, provides a framework for cultivating awareness and acceptance, the foundations of self-compassionate leadership.

Acceptance: Understanding Context and Clarity

During a workshop, Mehrsa, a successful corporate attorney, shared her experiences growing up in an immigrant family, burdened by high expectations and facing constant bigotry. Her tough exterior, once a necessary protective shell, had become restrictive, limiting her ability to connect with herself and others. She felt lost behind the armor she had built, but in that room, we all realized that we wake up every day trying to be someone we already are. The collective sigh of relief from the participants highlighted the importance of embracing our full humanity to grow as leaders.

The idea that we must disconnect our human suffering from our work personas is a misconception. In leadership, biases and false narratives often cloud our judgment, leading to fear-based decisions. However, by cultivating self-compassion, we can embrace flexibility, learn from our mistakes, and expand our leadership abilities.

Self-compassion provides a way to navigate suffering, whether it's stress, burnout, or pain, by acknowledging it, accepting it as part of life, and practicing kindness toward ourselves. This approach doesn't make us weaker; it strengthens us to face challenges head-on, transforming suffering into a catalyst for growth.

Understanding our values and purpose is crucial for leading a fulfilling life. Many of us struggle to identify our core values, often adopting those imposed by family, culture, or society. True self-reflection, supported by self-compassion, helps us uncover our authentic values and align our lives with them. This process may be uncomfortable, but it brings clarity, calm, and a sense of direction.

Ultimately, self-awareness and acceptance of our current reality are essential for designing the life we want, becoming the leaders we were meant to be, and living according to our highest values. By taking accountability and embracing our humanity, we can navigate the challenges of leadership and life with resilience and authenticity.

Accountability: Finding Comfort and Courage

Jess Almlie, an executive adviser with a relentless drive, has always felt a deep responsibility to be strong and perfect, a role shaped by her upbringing as the oldest of ten children. This pressure to be perfect led her to push herself relentlessly until she was diagnosed with Hashimoto's thyroiditis, an autoimmune disease that left her unable to function.

She described her WIMP as a relentless, anxiety-driven force that she tried to ignore by burying herself in work. But her fears about confronting it kept her from acknowledging its presence. The challenge lies in balancing this internal dialogue, understanding that sometimes we need to lean into discomfort and other times seek shelter.

Our WIMPs, though often seen as villains, are actually trying to protect us. They caution us against taking risks, but as adults, we have the ability to decide when to heed their warnings.

Understanding that our WIMPs are part of us, not separate entities, is crucial. We need to accept that they serve a limited purpose but don't have to dictate our actions. Self-compassion allows us to gently acknowledge these parts of ourselves and choose a different path.

Self-kindness is not a luxury; it's essential for accountability. It helps us set healthy boundaries, take care of ourselves, and model these practices for others. Self-kindness isn't about avoiding responsibility; it's about holding ourselves to a high ethical standard while being gentle with ourselves. Research shows that self-compassionate individuals take more responsibility for their actions and strive for higher moral standards.

Self-compassion is like having two best friends: one who comforts and supports us, and one who challenges us to grow. Both are necessary for balance and accountability. By continually practicing self-awareness, acceptance, and accountability, we can evolve into self-compassionate leaders who lead with both courage and kindness.

Perfectly Imperfect: How to Practice Progress

Carlos, a self-identified people pleaser, constantly sought approval and recognition for his hard work. At work, he felt frustrated by having to pick up others' slack, yet he found validation in being the rescuer and helper. His need for external validation led to him frequently doing extra work without receiving the rewards he believed he deserved. Carlos started an appreciation practice, where he identified three things he appreciated about himself daily. This practice shifted his focus from seeking external affirmation to building internal validation, slowly improving his self-worth.

Self-compassion helps us achieve our goals by normalizing the challenges and setbacks we encounter.

This shift demonstrated Carlos's growth as a leader—he acted with self-compassion, which made him more resilient and emotionally agile. His experience illustrates how deploying self-compassion can improve individual leadership and, when modeled in the workplace, can transform an organization's culture.

By refusing the tyranny of perfection and embracing setbacks as part of the human experience, we can adopt a more open and resilient approach to achieving our goals. This mindset allows us to focus on progress rather than perfection, much like adopting Adam Grant's "scientist mind" from ***Think Again***. This approach encourages questioning assumptions, accepting new information, and caring more about self-improvement than proving oneself.

Self-compassion also plays a crucial role in fostering well-being at work. Research shows that self-compassion activates the soothing system in our brain, helping us feel safe and connected, which is essential for maintaining mental health in the workplace. As leaders, modeling self-compassion and creating a safe environment for vulnerability can significantly impact team dynamics and overall organizational health.

Navigating difficult conversations with self-compassion and curiosity, rather than with cruelty disguised as "brutal honesty," helps build trust and resolve conflicts without burning bridges. Feedback, a challenging aspect of leadership, should be approached with a focus on intent and impact. While positive intent is important, it doesn't guarantee a positive impact. Leaders must be aware of how their communication is received and adjust accordingly.

Self-compassion helps us achieve our goals by normalizing the challenges and setbacks we encounter. By setting goals aligned with our values and creating personal connections to them, we increase the likelihood of success. Using if/then statements to plan for potential obstacles can also enhance our ability to stay on track.

In the process of achieving goals, it's important to celebrate progress, focusing on what has been accomplished rather than fixating on the end result. This approach fosters a sense of agency and growth, ensuring that progress is made even when the ultimate goal seems distant.

In summary, self-compassion is not just a personal practice but a leadership tool that can transform both individuals and organizations. By embracing self-compassion, we can create environments that foster growth, resilience, and collaboration, ultimately leading to more effective and fulfilling leadership.

Ripple Effect: Tiny Transformations Lead to Massive Change

Navy SEALs undergo a rigorous test called "drown-proofing," where they're bound and thrown into deep water. Surprisingly, the key to survival isn't strength or endurance but surrendering to the situation—letting yourself sink, then gently pushing off the bottom to rise for a breath. This counterintuitive approach parallels self-compassionate leadership, where letting go of outdated leadership methods and embracing our humanity allows us to navigate challenges with calmness and resilience. As leadership expert Marshall Goldsmith famously said, "What got you here won't get you there," meaning that old ways of thinking and leading must be reworked for us to reach our true potential.

Many leaders carry "armor"—emotional defenses like bravado, detachment, or people-pleasing—that they believe are necessary for success. However, this armor actually limits us. True leadership comes from embracing our shared humanity and letting go of behaviors that, while once protective, now hinder growth. Self-compassion helps us remove this armor and replace it with skills that allow us to lead with strength and grace.

The "hedonic treadmill" refers to our tendency to quickly return to a baseline level of happiness despite positive or negative events. This constant pursuit of fleeting pleasures, such as promotions or material gains, can lead to burnout. Instead, leaders should focus on personal growth, meaningful relationships, and a deeper sense of purpose, finding balance and contentment through the Swedish concept of lagom—"just the right amount."

Applying self-compassion in leadership creates the capacity to extend it to others, helping them grow and succeed. Effective leadership involves acknowledging each team member's humanity, supporting their growth, and creating an environment where resources and support are readily available. This approach can transform not just individual leaders but also entire organizations by fostering a culture of compassion, collaboration, and continuous evolution.

Leadership can often feel lonely due to competitiveness and the pressure to maintain one's position. However, self-compassion can combat this loneliness by connecting leaders to the shared struggles of others, reducing burnout, and fostering a sense of belonging. When leaders practice self-compassion, they model this for their teams, leading to higher engagement, resilience, and overall performance.

Traditional leadership models that rely on punishment and fear may yield short-term results but lead to long-term burnout and dissatisfaction. In contrast, self-compassion and positive reinforcement foster a growth-oriented mindset, motivating us to improve and achieve long-term success. Leaders who embrace this approach can transform their organizational culture by focusing on strengths and fostering resilience and innovation.

Elevated leadership comes from fully embracing our humanity, not from treating ourselves or others like machines. Leadership rooted in compassion recognizes the complexities of human life and focuses on the quality of our internal states, which in turn shapes our external results. By acknowledging our limitations and embracing our strengths, we can create a new narrative that empowers us to lead with dignity and purpose.

To close, leadership coach Bob Dunham offers a powerful declaration that encapsulates the essence of self-compassionate leadership: "I am a human being, and that is enough." This declaration serves as a reminder that we are not machines striving for perfection but humans with the power to create a future we care about by embracing our humanity and leading with compassion.

Finding Your Way Home

Self-compassionate leadership is not merely a strategy but a profound shift in how we perceive ourselves and our roles as leaders. By removing the "leadership costume" we open ourselves to a more authentic, resilient, and effective form of leadership. This approach acknowledges that our greatest strength lies not in invulnerability, but in our shared humanity, which allows us to connect with others on a deeper level and create environments where everyone can thrive.

As we navigate the complexities of leadership, self-compassion helps us balance the pressures of performance with the need for personal growth and well-being. It empowers us to embrace our imperfections, learn from setbacks, and lead with both courage and kindness. By modeling self-compassion, we not only transform ourselves but also inspire those around us to grow, collaborate, and innovate. It reminds us that being a leader is not about being perfect, but about being fully human, and that in embracing our humanity, we find the true essence of leadership.

Massimo Backus is a master facilitator, speaker, leadership coach, and the host of The Leadership Mind podcast. He has coached and consulted companies such as Amazon, Nintendo, Salesforce, Fox Entertainment, and Cisco. He holds a bachelor's degree in Psychology and a master's degree in Organizational Behavioral Psychology along with certifications and credentials in DISC, MBTI, Hogan Assessment, Korn Ferry Architect, Co-Active Coaching Certification, ORSC (Organization and Relationship Systems Coaching) Certification and is a Hoffman Process Graduate.

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I Love It Here

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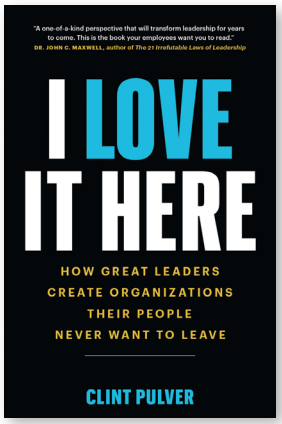
How Great Leaders Create Organizations Their People Never Want to Leave



by **Clint Pulver**

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THE SUMMARY IN BRIEF

The most successful leaders practice a defined list of principles, and they practice them on a constant, consistent basis. They understand all of this:

In this summary of business and leadership expert Clint Pulver's ***I Love It Here*: *How Great Leaders Create Organizations Their People Never Want to Leave,*** you'll learn about all of these principles in-depth and how you can apply them in your organization, whether you're an already-thriving organization or looking to take the next step towards your future.

IN THIS SUMMARY, YOU WILL LEARN:

- How to change the way you interact with your employees and organization to become a mentor first, manager second.
- How to hire the right people so that when the time comes, you actually want to retain them.
- How to spark feelings of possibility and ownership in your organization and its people.
- How to plan for disaster and keep your plans simple enough to be executed on consistently.

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A Single Moment in Time

According to the Work Institute's 2020 Retention Report, 2 27 percent of U.S. employees quit their jobs in the previous year. And, among those, 78 percent left for preventable reasons, such as scheduling problems, a desire for more positive relationships with management, a lack of growth opportunities, or dissatisfaction with compensation and benefits. That's a lot of people quitting because of a disconnect between what they need and what their employer is providing.

What if we could change that?

What if we could bridge the gap between employees and employers by having a genuine conversation with both? What if we could understand the needs and feelings of employees, then bring those needs to organizational leaders so they'd have real data to draw from? With such a bridge in understanding, both employers and employees would benefit.

Using this information, employers could implement new strategies. And those strategies would actually work, because they would target the true needs of the employees. This is the missing link that could solve the disconnect between employers and their employees-real honest answers to real honest questions.

Are You the Problem or the Solution?

Disengaged employees will undermine your workplace and make it impossible to build anything close to the kinds of cultures of top-performing organizations, and the financial consequences are not to be overlooked, either. "According to Gallup, disengaged employees have 37% higher absenteeism, 18% lower productivity and 15% lower profitability, writes Karlyn Borysenko in Forbes. "When that translates into dollars, you're looking at the cost of 34% of a disengaged employee's annual salary."

And having loyal and engaged employees makes work more enjoyable for everyone, along with any benefits it adds to your bottom line. Don't we all want to work with people who like their jobs and who respect and appreciate both their co-workers and their employers? Don't we all want to feel valued in the place where we spend so much of our time?

Here's what we know: If your employees don't feel valued, and if they don't share-or even know-your company's vision and how it helps them live a more fulfilling life, they will go elsewhere. Your job as a leader is to show them- every day- why they should stay. That comes down to making sure they're engaged, and that's what you'll learn throughout the rest of this book summary.

Creating Your Dream Team

In order to retain the right people, you have to start by hiring the right people. This ultimately comes down to four basic principles.

Hire the right person, not the convenient person.

Don't settle on the wrong employee or person in a leadership role in order to meet a looming deadline. This is a backwards view of the workplace, in which deadlines are more important than the work you're striving to accomplish. When you hire an employee as quickly as possible because your workload is too much, you're using short-term thinking to create a long-term problem— an employee who's not suited for the role they're in.

Hire internally when possible.

The smartest place to look for a new hire is within your own company. More often than not, companies hire from the outside because they believe it will save them money. But this discourages employees from seeing any future growth within the company, which in turn discourages them from their work. This will lead to even greater costs down the road.

Hire for the ABCs: attitude, behavior, and character.

Skills and expertise can be trained. Attitude, behavior, and character are much more difficult to train. In the past, hiring managers have focused on where candidates have worked and what they've done, how many degrees they have, and where they went to school. But the world is changing, and creativity, adaptability, collaboration, teamwork, and communication skills are now considered more essential than any training.

Let your employees focus on what they do best.

Exceptional leaders understand that hiring and developing great employees is about putting people in the places where they'll shine, and where their strengths and passions can best serve the work they do. It's always evident when an employee is shining where they stand— working in their element and doing what they do best.

The Mentor Manager

Good leadership requires empathy-this is wisdom that has been espoused by human relationship experts from Oprah Winfrey to Daniel Goleman. A manager's ability to relate to and connect with their staff is as important to an employee's engagement as that manager's level of expectations and standards. Together, these two components have been a common thread in the four types of managers we find across virtually every organization.

In fact, these two factors-their level of connection to their employees, and the level of expectations/standards they set for their employees have been so commonly linked to successful workplaces in our research that we now use them to assess managers.

Connection is the link that forms when people experience a consistent, high level of trust, love, empathy, kindness, and care. This link can look different for each person and each relationship-some want to share their life dreams, others are more private but still appreciate being valued for who they are. (You can show interest without prying; take your cues from each person, and remember that developing relationships takes time.) The spectrum of connection is limitless, and always unique.

In addition to connection, employees value clear expectations and an understanding of the rules and standards. It's safe to say that most employees are familiar with their job descriptions when they enter an organization. Unfortunately, however, many don't know the finer details of what's expected of them. Yes, their job titles might be clear, but if new hires don't receive the orientation and training they need, then the logistics of why, when, and how they're supposed to take care of their duties might remain a mystery. Your expectations can be as high or as low as you want them to be, but if they are not clear, your ship will sail nowhere.

Sparking the Possibility

We don't always have a clear understanding of what's in front of us or what lies within ourselves— until, that is, someone changes our perception. Once our perception is changed the way we view and internalize information also changes. Our reality begins to shift, and our behavior follows suit. You have the opportunity to change the perception and shift the reality of the people who work with you and for you. You can be someone's transformation agent.

If you think of worth and potential as two locked boxes that sit inside each person, what then are the keys? Helping someone recognize their own worth takes recognition. And allowing someone to realize their potential requires giving them lots of opportunities for growth.

You can remind an employee of their worth simply by recognizing them for a job well done. Or you can go further and show them recognition on a deeper level: I see you. Likewise, you can help your employees see their own potential-and help them reach it— by giving them opportunities to take on new challenges and expand their skill set.

Without recognition and opportunities for growth, your employees' ability to find worth in their work and see their potential for success is greatly dampened. As their Mentor Manager, you are responsible for creating an environment where these qualities can been couraged and fostered.

Keep It Simple

Of all the practices we have seen implemented by exceptional bosses, one of the greatest is a consistent effort to keep things simple. And this effort extended to every aspect of their oversight: business model, mission statement, even down to their personal life. The art of simplicity has been a major key to their success and their overall ability to lead, and it's had a huge impact on the lives of their employees. The people we interview at these companies who say they love their jobs always mention the simplicity of the culture, the leadership, the direction of the organization, and their job responsibilities.

Give Them the Wheel and Let Them Drive

Ownership is a game changer. When employees take ownership of their work, it completely changes the way they treat the business they work for— and the way they treat its money. There's a shift in perspective that takes them from "I work here" to "I'm building something here."

When a person takes ownership, things matter more. They become more driven and motivated, take more initiative, and seek creative and innovative ways to improve what they're doing. When an employee is invested in their work in this way, they no longer coast or go through the motions; they become more intentional about their time and experience, and they're more present each day. The working environment becomes positive, productive, and uplifting— even for managers. In short, a company with employees who are given the opportunity to take ownership is a company that is moving forward.

Always Be Flying the Airplane

A pilot knows that every plane, flight, and situation is different. It's similar to mentorship in the workplace. One of your goals as a leader should always be achieving and maintaining healthy stability for your employees. You should constantly be asking yourself: "Are they stable— are they in a place where they can continue to grow and thrive in their work environment?" Because, as a leader, not only do you get to help create that work environment, you are also responsible for sustaining it. You want to keep your employees here, both physically and mentally-to keep them from quitting emotionally or from actually walking out the door. So, like the doctor, like the pilot, observe and adjust: check status-evaluate-determine needs-create action plan-check status-evaluate-determine needs- -create action plan... and so on. Constantly, for each employee.

Brace for Impact

If your organization weathered a crisis, like the COVID-19 pandemic, analyze what worked and what could have been done better. If you're leading a new organization (or one that's new to you), start scenario planning now for the next personal, local, or national crisis. How flexible are your sick leave and bereavement leave policies? What kinds of work could be done remotely? How well do you pay your employees? Is it enough so they can create cushions of their own? When someone needs help beyond what you can provide, do you have a network of professionals you can refer them to? Look at your financials; make a business continuity plan; run emergency drills; do whatever it takes to get as prepared as you can.

Your Personal Board of Mentors

Typically, a public company will have something called a board of directors. This group is made up of trusted advisors who have been elected by senior members of the company. They can come from inside or outside the ranks, and they're primarily responsible for the oversight of the company's progress. They weigh in on major decisions, and bring advice, wisdom, and guidance. This board is key to keeping the company moving forward.

If you want to keep moving forward, you'll need your own kind of board of directors. Not a formal corporate board, with official roles and duties and a row of head shots listed in your annual prospectus. This is your personal board of directors-call it your "board of mentors.

The people you choose for this board don't necessarily need to be affiliated with your company, nor would they have any legal or contractual authority over company decisions.

They're simply a group of people, hand-selected by you, who you feel inspired by or want to emulate. These are the people who you turn to when you need advice, or who can provide you with a challenging or unique perspective that you can't see yourself.

Small Things over a Long Period of Time

Being a mentor and a leader is a role that should not be taken lightly. I can't think of another position that gives you as much opportunity to influence the lives of others for the better. You have the chance to create connections with your people in a way that will have a lasting and powerful effect on who they are and who they become.

Clint Pulver is a professional keynote speaker, author, musician, pilot, and workforce expert. Known as the leading authority on employee retention, Clint has transformed how corporations like Keller Williams, AT&T, and Hewlett Packard create lasting loyalty through his work and research as the Undercover Millennial. He has been featured by BusinessQ Magazine as a "Top 40 Under 40," and, as a professional drummer, he has appeared in feature films and on America's Got Talent. In 2020, Clint won an Emmy Award for his short film Be a Mr. Jensen, which tells the story of how a single moment in time—and one particular mentor—can change the course of a life.

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Inside the Leader's Mind

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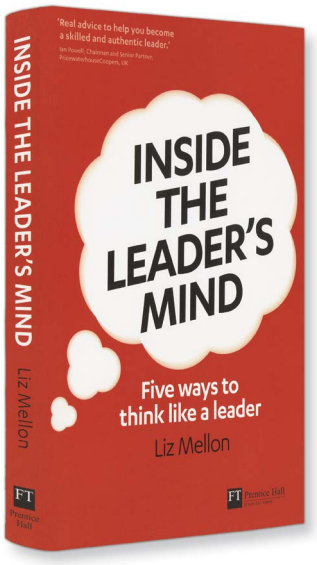

Inside the Leader's Mind

Five Ways to Think Like a Leader

by Liz Mellon

THE SUMMARY IN BRIEF

High-performing leaders, irrespective of race, age or gender, think in remarkably similar ways. For some, these ways of thinking come naturally; for others they need to be cultivated.

Inside the Leader's Mind reveals the five common ways effective leaders think and gives you the tools you need to evolve your thinking and become a better leader. Drawn from the collective wisdom of 20 world-class leaders, *Inside the Leader's Mind* shows you how to think your way to the very top.

Practical and straightforward, *Inside the Leader's Mind* will show you how to think differently so you can become a world-class leader.

Based on extensive global research, case studies and interviews with great leaders, *Inside the Leader's Mind* identifies the five key ways of thinking you need to develop to accelerate your own leadership journey.

IN THIS SUMMARY, YOU WILL LEARN:

- How to learn to live with loneliness and face the unknown without fear.
- Methods to embrace uncertainty and ambiguity and to develop the power of surprise.
- A way to sharpen your inner compass so it guides you to do the right thing.
- How to juggle living in three timezones — past, present and future — without jetlag.
- A strategy to love your work and represent your whole enterprise.

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THE COMPLETE SUMMARY: **INSIDE THE LEADER'S MIND**

by Liz Mellon

The author: Liz Mellon is Executive Director at Duke Corporate Education, a global learning and development corporation and a spin-off from Duke University. Previously, she was Professor of Organizational Behavior at London Business School, where she also took her MBA and Ph.D.

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Introduction

Everyone has an opinion about what leadership is. We may not be able to agree on a description, but, like fine art, we all know a good leader when we see one. If you are in the spotlight as a leader, everything you do is dissected. And in today's globally wired world, we don't miss a thing.

Let's be clear — leadership is universal, whether you are the chief executive officer of a global company or the director of a local volunteer charity organization. It makes a difference to lives and to organizations.

Leaders, would-be leaders and researchers have mulled this over for years. We've thought about the personality of a leader, and we have concluded that personality alone can't explain why one person is a leader and another person is more likely to be a follower. We've spent a lot of time thinking about how a leader behaves, too.

Yet, something was missing. We still haven't captured the essence of leadership. We have overlooked how leaders think. Yet it is how we think that determines if and how we act. Effective leaders, irrespective of race, age or gender, think in remarkably similar ways.

Five Ways of Thinking Like a Leader

Let's cut to the chase. The reason we can't capture the essence of leadership is because we have focused too hard on behavior — naturally enough, because it's easy to see and measure. What we have overlooked is how leaders think. In a series of interviews with 20 leaders of enterprise, in the hundreds of hours of conversation with them, a different pattern of ideas emerged from those who were at the top or destined for the top.

Behavior alone cannot forecast good leadership. The most successful leaders link in five remarkably similar ways. When a select group of leaders was asked for their reaction to these five ways of thinking, they were overwhelmingly positive. As one remarked: "What you have done is to describe what happens in practice and then to derive principles from it. You are on to something here."

Experts and executives have been so focused on monitoring how leaders behave that we have all but overlooked how leaders think. The five ways of thinking provide a shorthand for you to understand better your own leadership and how and what you need to develop — a self-assessment framework. They will also help you to think about leaders that you guide and mentor.

The executives interviewed for *Inside the Leader's Mind* are very senior. They run multi-million-dollar/euro global enterprises. People in these very senior executive positions have evolved their thinking to a different level. This doesn't mean that less elevated senior executives think in unacceptable or inadequate ways. Not at all. They, too, are strong and effective players, who have assimilated and learned from experience over the years. They have that job close to the top because they have earned it.

The problem is, thinking like a senior executive will get you close to the top but no further.

People in the search business will tell you that there is a big difference between the top 50 and the handful of the most senior leaders in a global organization. When you get up close, you can see the difference. This "good, but insufficient for the top job" thinking gets you just so far.

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It's as much about wanting to be a leader — and accepting all the hard work and endurance that goes with the job — as it is about talent.

Each of the five ways of thinking provides a step forward to a more senior role. Evolving your thinking will take you to the next step. It's time to stop relying on generic leadership advice, which is often pretty formulaic and quite basic for many high-performing executives.

You don't need to take these steps in any particular order, although they are set out as a numbered sequence. Think of them as dance steps to be mastered. They aren't steps to be laboriously climbed or arduously sequenced. Leaders try to think in all five ways simultaneously.

Five Steps to Move Upwards

Step one: No safety net. As a senior executive, you already have a well-developed and business-minded outlook.

The next step is to recognize that you are alone.

It's not that you lose the ability to take advice. But you know that if you don't push the boundaries, no one else will, and you will slowly but surely sow the seeds of failure. You are willing to lean into unknown risk and take the step that so many others fear. And you are not waiting for permission or for someone else to ask you to take it on.

Your next step is to move the organization into uncharted territory.

Step two: Comfortable in discomfort. You are smart and decisive. Over the years, you have honed these decision-making skills, and you know that being decisive is an important part of your job. At the very senior level, the complexity of the situations and decisions you face expands rapidly. Now comes the moment where you understand that stopping to gather yet more data won't cut it. You must live with the discomfort of knowing that the solution is not easy or straightforward. To develop this way of thinking, you must learn to live with ambiguity, even to thrive on it. You can consume the tension, and the uncertainty doesn't consume you.

Your next step is to move beyond the data and make a judgment call.

Step three: Solid core. You exude confidence. When you say "let's go," people follow because they believe that you can lead them somewhere better.

To take the next step is to think in a way that adds an inner sense of purpose and strength to your authenticity. It is a heightened sense of integrity, and it is strongly driven from within. Whether you have a clear strategic direction for the future or not, you have a strong sense of knowing, from within, the right thing to do. This gives you the strength, self-insight and capability to move.

Your next step is to trust your inner compass to guide you to do the right thing.

Step four: On my watch. You spend the majority of your time, as a successful senior executive, making sure that the business stays on track and afloat. You listen to advice that suggests you try to be more strategic and look ahead, but in reality 70 percent of your time is spent fixing the here and now. This is vital work, and it keeps the organization in business.

Of course, you do have to shift to spending more time focusing on building the future, which means leaving a lot more of the "here and now" to others, but there is an important nuance here. You need to capture specific elements of the enterprise heritage, so that you can help others to understand the bigger purpose, the broader story and see what is unique about your organization. You respect the past and integrate its story into the present, but you can also move away from it, change the direction. You want to sustain success beyond your time in the organization.

Your next step is to become a steward, so that success continues after your watch.

Step five: I am the enterprise. In your senior role, you already know that you are good at getting things done. You deliver results. You are happy to step forward and to be held accountable. Now it's time to extend your thinking. No longer just think about your part of the business; start to think about the impact of your actions and decisions on the whole business. You should come to represent the whole enterprise. You live its values as if they are your own; everything you say and do embodies what the enterprise stands for.

Your next step is to represent the enterprise faithfully, as if you were one and the same.

Where Does This Thinking Come From?

Let's pause to consider the context facing you today. Globalization has led to firms operating in 80-plus countries and employing hundreds of thousands of people. This scale has brought with it complexity of every kind — cultural, economic, social, political and technological.

Have successful leaders evolved these five ways of thinking because of these new pressures? Some of the leaders interviewed said that they have always thought in this way, since they were aged 15 or so. Others said that they have developed one or more of these ways of thinking slowly over the years, as a result of experience and maturity. What is clear is that if you don't think in these five ways, you risk getting left behind. The good news is that if you don't yet think in this same way, you have the potential to do so.

Your ability to change will depend on your capacity to move away from your comfort zone.

No Safety Net

Why are we starting with *no safety net*? Because this is where it starts — with your inner conviction that you will take the step that others may fear or that they may not even see.

It's your job to push the boundaries, to make the case for driving forward into the unknown. There are five pieces to *no safety net*.

1. You are alone. In the interviews, of the five ways of thinking, *no safety net* was often the one that grabbed the leaders' attention first. These senior leaders love the adventure of breaking new ground and moving the organization forward. If they don't push forward, no one else is about to. As a senior leader, you have never been busier, worked so hard or commanded so many resources. In the middle of all that noise and bustle, you will never have been so alone. Ronnie Leten, the CEO of Atlas Copco, says, "As you build up more confidence in your role, you can take more 'alone-ness.'"

2. Take the first step. Taking the first step across the abyss, from here to the future, is hard. It takes courage. Jasmine Whitbread, Chief Executive of Save the Children, is a no-nonsense kind of woman. She says, "We have agreed to create one Save the Children globally out of the 29 existing entities. We are deep into uncertainty. This is uncharted territory. At the end of the day it is clearly the right thing to do, so you just have to do it. The choice is to do it in the right way possible."

3. Don't get too far ahead. It's your job to be out in front, taking the risky first step. Here is the new idea. If you get too far ahead, they won't go with you, and you'll be left stranded. Look over your shoulder, and you should see followers. If no one's there, then you are not a leader — by definition. We are never, ever, as human beings, as comfortable with other people's ideas about change. So in taking that first step, think ahead first. How are you going to get others to follow you?

4. You can't separate this from self-doubt. Having the courage to step into the unknown is not the same as placing a blind bet. So here is where we introduce self-doubt as an important part of the package. In this context, self-doubt means that you don't always think you are 100 percent right or have all the answers. There is a fine line between the courage it takes to take the first step and, as one CEO put it, "believing in your own press." As a leader, if you have the courage to make the move, ensure that its companion is the courage to listen to divergent or opposing views without feeling threatened.

5. Are you brave enough to fail? Lack of failure in your life can lead to complacency and an inflated sense of your own importance or invulnerability.

The stakes are high and leaders love it — because if they succeed, they are out ahead of the pack. If you are afraid — of taking a risk, of losing your job, of damaging your reputation — it's unlikely that you will ever take the first step. There is that thread of certainty and conviction when faced with a large and complex challenge. Accept that, despite experience, skill and a good intuition, sometimes you will make mistakes; you will not get it right. Can you welcome this rather than avoid it?

Comfortable in Discomfort

A new trick to thinking is to have the courage to take the decision when you don't have all the information, when you are struggling to find the answer but you know that you have to move — now. And to live with the discomfort it brings, the uncertainty, the nervousness, the tension. And not to mind. Think *comfortable in discomfort*. There are five aspects to comfortable in discomfort:

1. Living with grey. One leader had a particularly forthright view about the usefulness of facts in big, complex, strategic decisions. For this individual, while it's about balanced risk, it's also about instinct — and instinct that builds the business for the long run, not the short haul. He said, "You have to build the business for the longer term, not just rely on measuring short-term results, or you will be caught out by the business cycle."

Think about your own leadership for a moment. Do you spend time thinking about what your organization needs to become, rather than extending current reality into the future?

2. Learn to love ambiguity. One CEO offered this advice, "Live with shades of grey successfully, and you move up higher than those who can't. Eat the uncertainty." What does this advice tell us? That means that the ambiguity and uncertainty sit inside you and that you don't pass them on. You live with the ambiguity, and any tension you feel doesn't transmit itself to others. For the people who follow you, you look comfortable in the situation, and so they, in turn, feel comfortable to follow you.

3. Don't close down too early. Never rush to close any decision. Often there are delicate negotiations to be done or persuading to do. Being decisive is still a good

thing — just not always immediately. You have to get the timing right. But followers need to feel sure that you are delaying for a reason, not prevaricating. Sometimes you don't want to decide, even if you have all the information that you need, because you sense that it's the wrong time to make a move.

4. The power of surprise. The leaders we admire seem to be at ease with the job, however big and challenging. But that's only part of the story.

Paul Thurston, Group Managing Director of HSBC Group, states, "It's about the power of surprise. True leaders will take the conversation in a different direction — to take us to a new level — we got here, so now we are moving on. They constantly take you forwards. They are never satisfied with themselves — you can't read or anticipate them." If you are comfortable in discomfort, you will not always be predictable.

5. The vision thing. Despite the fact that you are trying to move forwards but not always sure exactly where, and despite the fact that your stakeholders want different things from you, you still need to compile a credible and coherent story about where you are headed. You need to hold up an exciting picture of the future to engage others along the way.

Leaders feel vulnerable. You need to accept that you will make the wrong decision from time to time and that you need to look confident despite this. The important thing is that whatever route you choose, when you set off, as you look over your shoulder you see that people are actually following you. It is not your job to be right all the time. It's your job to be a convincing leader, whatever you feel like inside.

As a leader, there will never be enough clarity, you often won't know the exact right next step for the enterprise, your decisions may be flawed and you will make mistakes. Yet, if you can think in this way, you will be able to make a good decision in the moment, without all the data. Or you will be able to delay taking a decision even with all the information available to you, to get the timing right.

You won't be driven by the data. You will be in the driving seat.

Solid Core

Look at yourself. As a senior executive, you look the part of the leader. You seem confident, and you can inspire confidence in others. You have learned, painfully at times, to manage your outward appearance so that you can be a better leader. You have listened to the feedback and taken steps to change. Some things you changed so long ago that they now feel like natural parts of you. So, what comes next? Soul. In conversations with leaders throughout the world, it was surprising how often that noun was used.

As a leader you have an instinct around the right thing to do. You have character, and you lead from the inside out. You have a *solid core*. It means that even if you don't know where you are going, you need to understand where you are coming from. That is, you have to look inside and understand what is really important to you, the standards by which you live your life.

The best metaphor for this way of thinking is a compass — and inner guidance mechanism. You need an inner compass that can keep you on the right path, even when others doubt your destination and means of getting there.

If the leaders of our giant corporations lack character; if they see only short-term profit as their goal; if they cannot distinguish straightforwardly between right and wrong, then we are lost. Where regulation struggles to cross national or regional boundaries, there is a moral imperative for self-regulation. The power of the too-powerful global company is an uneasy burden. Like any leader, the corporation can choose to use its power for good or for evil — and it is the leader who decides.

Beyond Executive Thinking

There are several aspects to this way of thinking. The first is to find, test and learn to trust your own inner compass — your instinct around the right thing to do. Then, make sure everyone knows what you stand for, the personal standards that underpin how you work. After that, for every big decision, spend time thinking about the right thing to do — whatever the data may or may not be telling you. Next, be authentic as a leader, but learn to balance the strong ego that got you the job with the capacity to be humble.

Niall FitzGerald, Deputy Chairman of Thomson Reuters, says, "Many of the corporate blunders of the last 10 years have been because leaders have asked 'Is it legal?' rather than 'Is it right?' We need to be soul searching about this. My mother told me: 'If you take a decision you're not sure about, look in the mirror. If you can't look yourself in the eyes, you'll know it was the wrong decision.'"

Leaders are not so well known for being introspective or reflective. Reflection takes time, and it means pausing in the relentless drive for change. However, the best leaders also make time for reflection — and have thought about the importance of the inner resources that underpin the individual.

Get Good Feedback

As a leader, you can become remote from reality. The power that goes along with the position, the executive perks such as the executive jet, the personal assistant, the lavish expense account and the chauffeured limousine, can make you lose perspective. When you start to believe yourself above the common laws that bind others, then you are in trouble as an executive. It takes strength of character not to believe your own press.

Martin Spurling of HSBC states, "People stop giving you feedback when you get more senior and just tell you how good your are, if they say anything. Luckily, I have a circle of close friends who I rely on to give me honest feedback, so there is no chance of me getting an inflated view of myself."

The essence of a solid core is that you relax into having "made it." This gives you the confidence and inner certainty to become the leader your followers need, rather than still trying to prove that you deserve the job.

Where does this inner certainty come from? For some, like Stephen Green, their values have a religious base. For others, like Jasmine Whitbread and Niall FitzGerald, it comes from a nurturing upbringing. There is likely to be not just one source but a myriad of influences. The result is that you think with a personal inner compass that gives you a values-driven approach to business and to the world.

On My Watch

We have now reached the fourth way of thinking. The core idea is that you only serve for a period of time. As a leader, you inherit the organization from others and, as you step away, new people take over.

As the leader of an organization, you inherit its past, you manage its present and you plan for its future. So, what is your next step? It's to put into context the bit part that you are playing in a much longer movie. It's a story that was started before you arrived and will continue after you have left. Can you live in three time zones (past, present and future) without getting jet lag? Can you think about your role being loaned to you, just for now? Think *on my watch*. What will happen on your watch?

Let Go Gently

Jasmine Whitbread understands that the future needs to be rooted in the past, not uprooted from it. She says, "When I joined Save the Children, I looked into the past to chart a way to the future. That's the enterprise; it's a continuum. I am a "passing through" person — it's on my watch."

It's perfectly OK to move away from the past, as Nokia has achieved in spectacular fashion. Just do it with respect. Be seen to build on a proud heritage, not trash it. Without its past, the organization has no solid core.

It's not just about demonstrating the importance of living in the future time zone by doing it yourself, as a role model. It's also about engaging others in the future, too.

Dennis Nally, Chairman of the PricewaterhouseCoopers International Network, said, "The job of the CEO is to create the ambience where this happens. Driving operating results today versus setting a direction towards the future are fundamentally different. The pace of change is so great that if you don't consider the 'what ifs' you will be caught looking in the rear view mirror."

The future is not created by extending the past forwards — or driving through the rear view mirror. The future is created by living there, with all the uncertainty, ambiguity and complexity that this implies. You have to eat, breathe and live in the future — for about half your time.

Living in Three Time Zones

It was a typical scorching day in North Carolina. Blair Sheppard was still the CEO of Duke CE at the time and would not move on to become the Dean of the Duke Fuqua School of Business for another four years.

Twenty-four mining executives listened attentively as Blair told the story of how the Duke family had used their wealth, founded on the tobacco industry, to create and build Duke University. How they had attracted top teaching talent to attract the best students.

Blair then moved on to talk about the university today, with its wealth and breadth of departments and institutes, world-class research and award-winning faculty. The story ended with a look ahead and a view of how the richness of the present would provide the foundation for a bigger global role for Duke University in the future. This story provided an effortless example of a leader at home in three time zones. Reverence for the past. Affection for the present. Aspiration for the future.

We can't predict the behaviors you will see to indicate that the leader thinks *on my watch*. The behaviors will vary as widely as the personalities of the individual leaders.

What we can predict is that if you think in this way, others will be willing to engage and commit to the journey with you, because you will have shown that you understand the history and past successes and their importance in shaping the future. Your watch will be a good one.

I Am the Enterprise

And so to the final way of thinking — although remember that the five don't happen in any particular order. It depends on you.

Where are you now as a leader? As an effective senior executive, you focus on achieving your targets. You understand exactly how your organization operates. You know where you should and shouldn't tread, where the skeletons are hidden and the frustrations are felt. You use this information to make sure that you cooperate well with colleagues and that they cooperate with you. It means that business gets done, there are no stalemates and everyone moves carefully forward together.

The next step is to think beyond the zero sum game. It's about more than just your results; it's about how the enterprise as a whole is doing. You have to live it. You think *I am the enterprise*.

Matryoshka Doll

You know the Russian nesting doll? There is no better analogy for this way of thinking. These leaders live, embody and represent their organizations — there is no separating them. Cut them open, and the same values run inside them at every layer. Open up the enterprise, and there is the leader, nestling neatly inside — a smaller replica of the bigger whole.

I am the enterprise may well be the hardest way of thinking, because this is where the sacrifices are the biggest.

Always On

Irene Dorner, the President and CEO of HSBC Bank USA describes "I am the enterprise" thinking this way: "You have to manage yourself constantly and look as if everything is okay ALL the time. It's essential for staff. Even my driver, the bedrock of my life, cannot read me. You cannot be Eeyore in face or words; you have to look happy and confident." The bad news is that this level of commitment takes a lot of hard work. To quote one CEO, "If you are worried about work/life balance, I don't need to worry about you getting my job." As Thomas Edison said, "Many of life's failures are people who did not realize how close they were to success when they gave up." This is a charter for hard work and endurance.

Irene continues, "You have to pump energy into that level of understanding; being in control and understanding yourself at all times. My constant priority is, how do I make myself every day focus my talents on being the CEO."

Become the Enterprise

Take some time to become the enterprise before you do anything. Let the people you are about to lead feel comfortable that you get it, believe in it and live it.

Sir Stuart Rose, CEO of Marks & Spencer, states, "We're simple shopkeepers whose job is to satisfy customers. It has been about … five words that describe what we do: quality, value, service, innovation and trust. I dusted those words off when I came in 2004."

This short quote resonates with so many other parts about how a CEO thinks. It reminds us of Jasmine Whitbread and how she set about finding that the values of the Save the Children organization were the same as hers. But more than anything else, this quote tells us that Rose was able to "dust off" and adopt for himself core values held by the organization.

Though there has been a lot of talk about self-sacrifice, CEOs are just humans; they are not saints. They are nonconformists who dare to do what most of us disdain to consider. So it is fair to say that it doesn't feel like self-sacrifice to the leader in the job — in fact, it doesn't even feel that big a deal.

As one CEO put it, "On my best day I am the company. Whether I have a good day or not, every action and inaction reflects the company as well as changes the company." Leadership as this level is about building a healthy, sustainable organization. This is a big shift from performing against business results or personal targets. Can you put the organization ahead of your own needs? Can you be? "I" and "we" at the same time?

Keep on Developing

One of the most interesting aspects of the interviews was how the five ways of thinking rang true with all these leaders. The majority of them said that they had adopted at least four of these five ways of thinking. They readily identified areas that were soft spots for them — areas where they didn't believe that their thinking was sufficiently evolved. And, without being asked, they started talking about how to develop further in these areas. They saw the five as a holistic, interdependent system.

These very powerful and successful leaders were humble in the interviews. They appreciated a concise description of what distinguishes them and also found it a helpful way of thinking about their own next steps in development. Most of all, these leaders love their jobs. They are passionate about what they do, and they have a lot of fun doing it.

Taking Your Next Step

The most important next step in your development is to assess yourself on how you think now. There are three ways in which you can develop: You can change your way of thinking directly, you can get a coach and you can take on a big leadership assignment. These three ways are easy to describe, but they all require a sophisticated level of self-awareness, determination and hard work:

1. Lucid development. The first method of development is to change your way of thinking directly, as an effort of will. It is pointless to look outside yourself and ask someone else for advice on what motivates you; this knowledge can only come from within. This process requires reflection, focus and honesty. Take real situations in your life and work them through to find examples of occasions when you can say that you acted or decided in a certain way.

2. Get a coach. Another approach to development is to find a good adviser or coach who can help you to think through how you will make the necessary changes. This requires four actions on your behalf: A desire to be challenged, a willingness to gain deeper insight through self-reflection, being open to unlearning something that has been part of your success formula and to be willing to learn something really new.

3. Supersize it. The third method of development is to take on a big leadership assignment. Leaders generally develop best from "stretch" or challenging assignments, given to them as young as possible.

A good way to develop the five ways of thinking is to step forward and volunteer for an assignment that will challenge you and through which you can develop.

Another Growth Spurt

At the top, everyone thinks that you have made it. And in one way you have, because you have been successful in gaining the ultimate prize — the boss's job.

But as conversations with enormously successful people demonstrate, the journey doesn't stop there. Being above average in intelligence is one of the reasons a leader gets the job in the first place. Be careful not to stop listening and continuing to learn. Once you cross that threshold into the executive suite, there is still further to go.

A Learning Mindset

Inside the Leader's Mind strongly supports the notion that your mindset determines your actions. That is, the way you see the world will determine how you react to it.

Sometimes, personal development starts with understanding your own mindset. Unless you change your mind, you won't change your outlook, opinion or behavior. There is such a thing as a learning mindset. Research conducted by Carol Dweck, a psychologist from Stanford University, has concluded that if the learner has a growth mindset and believes that she or he can improve their abilities and accomplishments through purposeful effort, the student excels — both at studies and in life.

Dweck contrasts this with people who have a fixed mindset, those who believe that their intrinsic worth is set, and so they stagnate. She also mentions the role that effort plays in learning and the impact of believing that sustained effort will get you where you want to go. Those with a fixed mindset are prone to blame everything and everyone except themselves for their own failings. Achievement is not effortless; it takes hard work to learn and improve.

Today, Dweck is working at Bing Nursery School at Stanford, trying to instill into 4-year-olds a belief in their capacity to be "good" — to learn how to do better — even though they may have been "bad" in the past. She is teaching them how to learn.

Final Thoughts

There were some surprises in the research that are important to share. The first surprise was how closely the leaders identify with their organizations. The leader relies on the organization for survival and vice-versa. The second was how cheerful and optimistic they are. Whether they are "always on" and managing their bad days or just really upbeat makes no difference on the receiving end.

The last was how humble these powerful leaders are. They spend a lot of time thinking about who they are and what they should do for the common good.

RECOMMENDED READING LIST

If you liked *Inside the Leader's Mind*, you'll also like:

1. ***Leadership Blindspots*** by Robert Bruce Shaw. Learn to identify weaknesses, threats and other vulnerabilities that can impair effectiveness, results and even your career.

2. ***Little Bets*** by Peter Sims. Best-selling author Peter Sims explores the value of taking small, experimental steps in developing breakthrough innovation.

3. ***Elevate*** by Rich Horwath. Strategy expert Rich Horwath focuses on advanced strategic thinking that will drive results in the short and long term. His three-discipline approach breaks strategy down into its fundamentals.

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Inspiring Generational Leadership

DeLinda Forsythe

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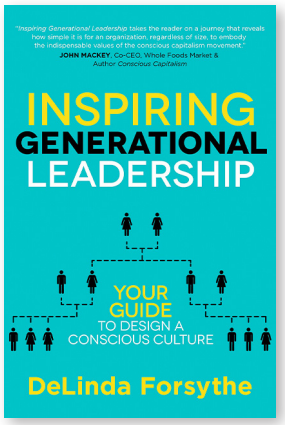
Inspiring Generational Leadership

Your Guide to Design a Conscious Culture



by **DeLinda Forsythe**

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THE SUMMARY IN BRIEF

Want to create an inspiring workplace? In ***Inspiring Generational Leadership: Your Guide to Design a Conscious Culture***, DeLinda Forsythe shares her passion and success in developing tomorrow's leaders. This guide takes readers on a journey revealing the financial, societal, and emotional benefits in leading, building, or working for a conscious business enterprise.

DeLinda's absorbing storytelling style and her inclusion of intimate interviews with other conscious leaders and educators guides readers along the rewarding mentoring path. *Inspiring Generational Leadership* provides tools to create an ideal workplace for leaders and their organization that is passionately alive with ethical values and purpose.

IN THIS SUMMARY, YOU WILL LEARN:

- What leadership tools and skills are needed to motivate and inspire Millennials and the emerging Gen Z cohort.
- That mentoring future generations is more of a gift you give to yourself than to another.
- How to continue your business' legacy by selling it to your mentee.
- How to consciously develop a business and personal brand based on excellence, best business practices, and values that resound equally with all stakeholders, and then understand how to reinforce and cultivate this brand awareness within your company and the community.
- How to inject your gift of intuition—your transcendent guide—into your business to validate in practice what you might already intuitively know.

Introduction

Business in America is changing. Business leaders no longer have the indulgent shortcoming of leading within their personal limited and limiting belief systems. Leaders must engage all perspectives and entertain other belief systems to find innovative problem-solving solutions.

The overlap of conscious capitalism values with the espoused values and perspectives of the Millennial and Gen Z generations is a major factor in the escalation of conscious social enterprises. As you positively influence your work teammates' lives, you also affect the well-being of their children and family members, and ultimately, create an opportunity to make an imprint on your entire community by initiating a ripple effect, potentially influencing future generations and other businesses by modeling this "doing good—doing well" perspective.

Conscious Capitalism, Millennials, And An Evolving Perspective

Employers who offer "super mentorship" opportunities will enable people to reach their potential and aspirations and better prepare them for the future by providing advanced training programs and employee development. Corporate cultures that empower individuality, creativity, and lifelong learning will continue to attract and retain elite team members.

Millennials' personal values as employees and their purchasing power as customers cannot be minimized. Gaining their commitment and loyalty requires a consistent and highly educated awareness, but business leaders who boldly lead with purpose and meaningful action as agents for equitable change will not only reap the benefits of a resilient business, but will make the world a better place.

Begin With The End In Mind: Mentorship

Business can and should be an enjoyable journey for all parties involved. Having an open mind allows ideas and creativity to naturally flow and organically leads to the development of more gratifying and more authentic relationships.

Accomplishments happen because of aspirations. Our aspirations create and support our corporate belief system of the importance of the individual, their work, the concept of equality, etc. We unconsciously endeavor to match our words and our actions, valuing equally aspirations and accomplishments, and over the years, this has created an inherent social contract of unconditional trust. And, of course, trust is the foundation for every relationship; without trust, social contracts are meaningless.

A Culture Of Gratitude Bonds Our Humanity

As you get to know what motivates other people, you connect in profoundly different ways. This intimate knowledge creates our interconnectivity. As we slowly became more bonded in our humanness, we began to identify more as individuals than as coworkers. That is the trick to a really powerful and influential corporate culture.

It really is important for leaders and managers to understand what motivates the Millennial and incoming Gen Z generations. Living a balanced life is a necessity to them. Leading an organization with a gratitude mindset, based on methodology that produces these emotions, is a joyful experience. It is a far more holistic approach and offers the greatest potential for positive and expansive outcomes. When you work for a company that applies this holistic approach, you have a greater opportunity to reach your potential in every facet of your life.

Embrace Workplace Family

Work is important, but so are all our values and our family-centric culture. We've tried consciously to integrate our workplace family and our actual families. Our teammates actively embrace this unification, which has changed how they view the workplace. I think this unification has a lot to do with how Millennials have redefined the concept of success.

Staff Meetings Build A Collective Mindset

By simply sharing in detail with specific field examples on how they had or were implementing their specific strength, group members naturally moved into acknowledging how they had experienced each other's strengths, noting the overlap and affect each one brought to each project, their project management department, and the organization as a whole. The exercise revealed how they each use their skills and the personal tricks they had developed for themselves and collectively for the project management department.

A sense of personal contribution and acknowledged respect for each individual is highly empowering; imagine if your individual efforts were acknowledged in such an affirming manner how that would motivate you to do more, think outside the box, and experience a sense of value and inclusiveness.

Deliver Excellence: We Are What We Repeatedly Do!

Our goal is to build a robust, highly interconnected culture, so we actively work to maintain the "begin with the end in mind" principle. Everything we do, both significant and insignificant, is designed to develop and maintain culture. It's a lot of work, but once you make it a habit, it becomes integral to how you approach daily challenges and internal corporate messaging.

I have never experienced a more successful way to inspire and motivate another individual than by simply valuing the work they do. Every person in your company can and should be a sales ambassador, and when every employee can visually see what your company produces and how it affects and improves others' lives, you create excitement, pride, and deep understanding. This leads to a natural sharing of what we do with friends, family, and others—a natural pride of ownership.

The Higher Purpose Journey

In the past decade, thousands of articles, books, and blogs have been written about the transformational power of having a well-articulated higher purpose in our personal lives. Contributing to something bigger than ourselves that is not simply profit-driven has proven to be one of the most powerful motivators for not only performance, but life satisfaction, physical well-being, self-esteem, and happiness. All of this content confirms that discovering our purpose leads to fulfillment in both our personal and our work lives.

To build an inspired, committed workforce, everyone must understand how they personally are a purpose-driven driver. Your organization's purpose will have more sway if your team understands and can not only articulate but are personally connected to your mission. They need to embrace your corporate vision. For maximum efficacy, your purpose needs to permeate every aspect of your corporate culture.

Create Raving Fans

It's an "unexpected gift" to receive a high level of service. If your company develops a reputation for delivering extraordinary service, you will potentially experience tremendous growth.

Failure has always been a huge motivator for me, especially the fear of failure. I also honor the humility it can create in each of us. Humility is not an easy virtue to attain, and acknowledging failure can encourage humility to grow within. Humility is the center of a moral life and can be a powerful quality in a leader. Humility is not easily forged through success; failure forges humility!

Vulnerability In The Workplace

When you show up every time as your most authentic self, speak your mind unequivocally, and care more about the message than your image, you increase the potential for others to be more authentic. When others realize they don't have to be guarded and the space is safe, you increase the potential to influence positive transformation within people, in the community, and in your company.

To live the fullest life possible, including having better health, more wealth, more happiness, and a life with an abundance (not scarcity) mindset, you might want to take the time to invest in the only thing you have control over: you. I recommend you identify and break the old habits holding you back. Many coaches and products can help with this.

Doing Well And Doing Good Need Not And Should Not Be Mutually Exclusive

Millennials crave and seek association with organizations that postulate higher purpose, shared values, and a commitment to responsible corporate citizenship. They want to work for companies that are not simply profit-driven but focus on and enable societal transformation.

Corporate America and business leaders need to implement profound structural change. Businesses have the moral imperative to implement resonating and meaningful modifications. Our political system and our American way of life appear to be at risk if we don't transform the definition of capitalism and begin to rebuild our institutions, creating shared value for all individuals.

Become An Authentically Magnetic Leader!

As Millennials continue to emerge as the majority workforce, this focus on ethics will continue to gain traction. To become an authentic leader, it's more effective to lead with a focus on others. The focus of an authentic leader needs to be on the development of individuals and encouraging the development of future leaders.

Real leadership affects the people you lead in every aspect of their lives. If you're not affecting that kind of real change, you're thinking and acting small. People want leaders who inspire and motivate them, who are positive influencers who affect positive behavior in others. No longer is there a separation between a business leader and their personal life. Here is where authenticity comes into play even more.

Fostering Community

Physical environments can and should be designed to generate highly cooperative engagement that fosters a spirit of play, which often leads to innovative productivity.

"Doing well and doing good need not and should not be mutually exclusive." Many organizations do not understand the enormous success that can be achieved when organizations and communities are in alignment. Nothing connects facts and statistics better than a personal narrative.

Begin With The End In Mind: Succession Planning

Many owners who desire better outcomes—such as higher growth, better work life balance, or a successful exit— fall short because they do not have a process in place for creating future leaders for their Company. They especially do not think of developing future leaders that can take over some of the entrepreneurial duties of the Company, scale their business, or mentor toward succession.

Thinking about your succession plan early can enormously benefit the organization in nuanced ways. A succession plan is not limited to just finding a successor; it benefits the company as a whole. When looking for a successor to your business, first select an individual who has a passion for your industry and is in alignment with your vision for the company. You might identify this person through previous employment, volunteer engagements, or through personal referral. You get to know a person's character, how they handle stress and crisis, when you work closely together, and this process can take years. It should be a natural and organic process. A great successor will want to take the business to levels you might not have visualized.

Conclusion

If business' new purpose is to elevate humanity, how can we best accomplish this? Mentorship and succession planning certainly offer great hope. Businesses that offer life coaching skills that improve employees and their families' lives also offer optimistic potential. Imagine just how much more successful a company would be if they encouraged everyone, not just their star performers or "heir apparent," to commit to personal growth and helped their staff to discover their "why?"

DeLinda Forsythe is a thirty-four-year executive and ethical entrepreneur in the contract furniture industry. Since 2006, she's field-tested her intuitive leadership philosophies as CEO and Founder of Innovative Commercial Environments (ICE). DeLinda has a long history of contribution to non-profit organizations, serving on many boards that support the San Diego business community. She is a Founding Member of the Conscious Capitalism Senior Leadership Network.

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Into the Unknown

Jack Uldrich

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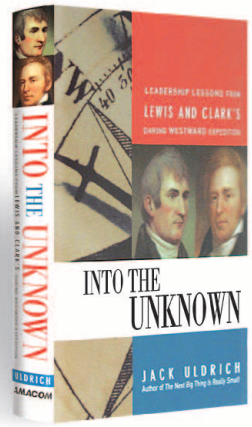
FILE: LEADERSHIP



By Jack Uldrich

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Leadership Lessons From Lewis and Clark's Daring Westward Expedition

INTO THE UNKNOWN

THE SUMMARY IN BRIEF

Into the Unknown *charts the lessons in leadership that were learned by Meriwether Lewis and William Clark during their two-and-a-half year adventure into the American Northwest. Against staggering odds, these unique men inspired such absolute loyalty in each other and in their group of explorers that they are still regarded as the most successful leadership team in American history. To help business leaders navigate their way through the rugged terrain of modern business, consultant and author Jack Uldrich presents Lewis and Clark as examples of leaders who were able to take their team through the roughest terrain and the toughest challenges.*

Throughout Into the Unknown, *Uldrich shows readers how they can use Lewis and Clark's example to persevere through crises and even change course in the face of insurmountable adversity. By presenting the lessons they learned on their seminal journey to explore the interior of the North American continent and reach the Pacific, Uldrich offers 10 timeless lessons from their experiences that can inspire business leaders to take their teams to new adventures of great discovery in any era.*

What You'll Learn In This Summary

- ✓ Why Lewis and Clark matter as leaders to be followed.
- ✓ How to think strategically.
- ✓ How to make tough, timely decisions.
- ✓ How great leaders surround themselves with good people.
- ✓ How to manage limited resources.
- ✓ How to motivate a team and interact with different cultures.
- ✓ How to assimilate information from multiple sources.
- ✓ How to balance long-term goals against short-term realities.
- ✓ How to learn from mistakes and try new approaches.

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INTO THE UNKNOWN

by Jack Uldrich

— THE *COMPLETE* SUMMARY

PART ONE: WHY LEWIS AND CLARK MATTER

Lewis and Clark: Leaders For Their Time — and Ours

Into the Unknown does not attempt to retell the Lewis and Clark story as a narrative of their expedition with the Corps of Discovery. Rather, it examines their expedition through the lens of leadership and applies the extraordinary leadership lessons of Lewis and Clark to today's rapidly changing and often unknowable business environment. Even though their expedition took place 200 years ago, the challenges these two captains faced and those confronting the leaders of today are more similar than most might expect. The advancements of technology and knowledge itself are propelling us faster and faster downriver and, like Lewis and Clark, we don't know what is around the next bend. Similarly, the relentless force of globalization is introducing us to new cultures and hurling unexpected challenges and opportunities at us to the same degree that Lewis and Clark had to respond to — and deal with — dozens of new and different Native American tribes and cultures.

Who better to turn to for guidance when dealing with the unknown than those who have already demonstrated that they were capable of successfully conquering the unknown?

There are many parallels that make Lewis and Clark useful and solid examples for today's business executives. Like today's business leaders, Lewis and Clark were driven by an important mission and were determined to succeed at all costs. Those struggling with organizational issues can find guidance in the experiences of Lewis and Clark and the ways they handled and overcame similar challenges.

They masterminded the expedition's success, and their leadership skills lie at the heart of the mission's extraordinary accomplishments. Team member Private Whitehouse spoke eloquently about their leadership prowess when he described the captains' skill, courage and humanity filling "the breasts of the men who were under their command ... and the President of the United States not misplacing his judgment when he appointed them to command this party." ■

PART TWO: THE LEADERSHIP PRINCIPLES OF LEWIS AND CLARK

The Principle of a Higher Calling

Lewis and Clark's mission of discovery was dedicated to nation building, the Manifest Destiny of the United States to expand to the Pacific, land exploration, scientific and cultural discovery, and commercial trade. Along the way, they also filled their journals with one and a half million words about everything they learned — from the land, animals and Native Americans they encountered to the flora, fauna, fish and fossils they found. They chronicled a virtual treasure trove of scientific and cultural information for the entire civilized world to digest. In their day, Lewis's surveys on the Native Americans represented the rest of the world's first glimpse of those peoples and cultures, and Clark's maps served as invaluable guides to the first generation of explorers who helped settle the American West.

The two captains also stand apart from earlier explorers because of their commitment to a higher purpose. As men of the Enlightenment, Meriwether Lewis and

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The Principle of a Higher Calling

(continued from page 2)

William Clark wanted to leave their mark on the world by expanding the base of human knowledge, and, as patriots, they wanted to further the cause of liberty by extending the great American Experiment of democracy to the recently purchased Louisiana Territory and beyond to the Pacific. Their commitment to these higher purposes, which transcended the mere worldly aspirations of power, glory, ego or money, shine through their journals, and it is clear that this commitment affected virtually every action and decision they made.

Passionate Purpose

In July 1803, as the expedition was in its preparation stage, the United States purchased from France the Louisiana Territory, which doubled the size of the country overnight. The U.S. government needed to understand what it had just purchased and required a small team to explore this new land and report back on the opportunities and challenges that the new territory represented.

When setting out on the expedition, and agreeing to share command with each other, both Lewis and Clark sought to align their own self-interest with the national interest and the greater good of mankind. By advancing knowledge for mankind and fostering liberty, they were confident that they would also personally benefit.

More Than Making a Profit

Lewis and Clark are not unique in their commitment to a higher purpose. In fact, this commitment almost appears to be a recipe for success. Among the great innovators and businessmen of the past two centuries, there is one common theme that unites them all. That is the belief that business is something more than just making a profit.

"To live for mankind" and "to relieve distressed humanity" were not just throwaway phrases for Meriwether Lewis in the way many companies' mission statements are today. The phrases provided real guidance to the Corps of Discovery. From insurance companies to cosmetic companies, businesses are staying competitive and profitable by committing to purposes that transcend money and employing other lessons of Lewis and Clark's "passionate purpose."

As officers in the Army and as agents of the U.S. government, Lewis and Clark were really working for their fellow citizens. In this sense, the citizens were their customers. Their actions demonstrated that they never forgot this fact. On every step of the expedition, they always took the extra effort to diligently record new information, or explore and document new areas for the benefit of those who would follow after them. Basically, they were always thinking of the customer first.

Align Personal Interests With the Common Good

Doing what is right is not incompatible with making a profit. William Clark profited from his experience — and Lewis likely would have if he had not died shortly after the expedition in 1809.

Because the captains knew they were pursuing a worthy purpose, their actions had a clarity and consistency that transcended the short-lived goals of money, power and fame, and provided a strong foundation for everything they did.

Lewis and Clark's commitment to a loftier purpose was essential to the expedition's success. Their commitment to a higher purpose helped optimism prevail over pessimism, curiosity over arrogance, compassion over callousness, and risk taking over comfort. It strengthened the captains' resolve during times of danger, helped stave off defeatism when defeat seemed imminent, and served as a constant motivating force to themselves and the Corps of Discovery throughout the challenges of their expedition. ■

Men of the Enlightenment

Meriwether Lewis best espoused the philosophy of the American Enlightenment in his journal entry of Aug. 18, 1805:

"This day I completed my thirty first year, and conceived that I had in all human probability now existed about half the period which I am to remain in this Sublunary world. I reflected that I had yet done but little, very little indeed, to further the happiness of the human race, or to advance the information of the succeeding generation ... and resolve in the future ... to live for *mankind*, as I have heretofore lived *for myself*."

For Additional Information on a company with a higher purpose, go to: http://my.summary.com

The Principle of Shared Leadership

As the world gets more complicated, information continues to grow, and new technologies threaten to overwhelm many businesses, the benefit of having a true partner is more apparent than ever. All of these factors make Lewis and Clark's example of shared leadership extremely relevant. The following characteristics that made their partnership work can be instructive for today's business executives as well:

(continued on page 4)

The Principle of Shared Leadership

(continued from page 3)

● **Equity in Word and Deed.** Lewis and Clark really were, in Clark's famous phrase, "equal in every aspect." That none of the Corps' men ever knew of Clark's lower rank is proof that Lewis adhered to this principle. The captains' actions stand in quiet contrast to many recent examples of co-leadership that have ended in failure. BankAmerica, Pharmacia, BP Amoco, Citigroup and DaimlerChrysler have all recently tried co-CEO arrangements that have failed. The reason they failed is because for co-command to work, it must be real in both word and deed. In most cases, one of the co-CEOs actually held more power in the arrangement.

● **Trust.** Both Lewis and Clark knew the other man's word was his bond. In 1803, after learning from the Secretary of War, Henry Dearborn, that Clark could only be offered a lieutenancy instead of the rank of captain that Lewis had been promised — and promised Clark when organizing the expedition — Lewis wrote Clark that his rank would "by G-d" be the same as his own.

● **Mutual Respect.** From the planning stages of the expedition, when Clark accepted Lewis's offer to join the expedition by writing, "My friend I do assure you that no man lives with whom I would prefer to undertake Such a Trip," to the very end, or when Lewis fought for equal pay and compensation for Clark, it is clear the two men had a great deal of respect for each other. Without respect, a productive partnership is impossible.

Compensating for Deficiencies

● **Different Skills.** Lewis and Clark's partnership worked in large measure because each man added real value. Lewis was the better botanist, zoologist and doctor. Clark was the better boatman and cartographer and had more rapport with the men. Their skills compensated for deficiencies in the other and allowed each to concentrate his efforts where they were most effective.

● **Common Experience.** Both Lewis and Clark were military officers with years of experience on the frontier. As such, they shared common experiences and could communicate with each other based on those experiences. They were both entrepreneurial and comfortable with assessing and taking risks, and the daily rigors of the expedition required flexibility and an ability to handle ambiguity, which helped their partnership function so well. Their shared philosophical outlook also helped them understand one another.

● **Communication.** As officers on the frontier, Lewis and Clark undoubtedly debriefed each other on an almost daily basis. Not only did this allow them to share information, they could also use the opportunity to review decisions in an environment free of outside intervention. For any partnership to work, communication must be frequent and honest.

● **United Front.** Even though the two captains must have had differences of opinions during their 8,000-mile journey, there was never any indication that their decisions were anything but unanimous. For a shared partnership to work, disagreements must be aired privately. However, once a decision has been made, the "public" face of that decision must be unanimous. ■

Leapfrogging Captains

In addition to getting more work done and bringing different skills to the table, Lewis and Clark's shared leadership allowed the two to split up on occasion and leapfrog one another. There are at least five examples of this. Once, when the men were concerned that they were following the wrong river, the captains agreed to send Lewis ahead to determine if their decision was the right one. If it weren't, then Lewis would return immediately to correct the decision as quickly as possible.

Upon reaching the Great Falls, which confirmed they were on the Missouri, shortly thereafter, Clark went ahead and surveyed the route and found the quickest path to portage. While he did so, Lewis stayed behind and prepared the party for the portage. A month later, as the captains became nervous about the prospect of finding the Shoshone, Lewis ventured ahead to expedite finding them. When the Shoshone informed the captains that the Salmon River was not navigable, Clark went ahead to check it out for himself.

In every instance, the decision to split up produced fruitful results by saving time, increasing morale, or yielding valuable new information.

The Principle of Strategic Preparation

Although two centuries have passed between Lewis and Clark's experiences and the challenges that confront today's business executives, there are still a striking number of parallels with modern business and some very tangible lessons for today's leaders. These include:

● **Learn from and study others.** Lewis and Clark studied those who explored the West before them, and were able to succeed on a scale that surpassed their predecessors. In this sense, Lewis and Clark were not significantly different from companies that have come to market late only to end up dominating it. Similarly, Microsoft Corp. did not invent the Web browser, FedEx

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The Principle of Strategic Preparation

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was not the first priority air-freight service, and Procter & Gamble did not invent the disposable diaper; yet each company was able to become a market leader by assessing the market and learning from those who came before. They learned the essentials and incorporated new, improved ways of doing business.

- **Think long and hard about the future.** Lewis and Clark conducted extensive research and consulted with a variety of people before departing on their expedition. Advance preparation helped them think through possible contingencies, and business leaders can do the same.
- **Allocate resources in advance.** Lewis and Clark, by virtue of their due diligence, had a good idea of how many and which native tribes they would encounter on the first leg of their journey. As a result, they were able to allocate and budget their resources accordingly. Their advance work ensured they would not "overtrade" and deplete their resources. By understanding the time frame in which early milestones need to be reached, a business can constantly stay apprised of its situation and, if necessary, adjust its behavior accordingly.
- **Get the best equipment.** Given an original budget of only $2,500, Lewis could have easily been tempted to save some money by purchasing lower-quality rifles or by forgoing the expenditures on medicine or portable soup, but he didn't. Instead, he bought the best equipment available and purchased supplies and trade goods he felt were essential to the mission's success. Regardless of what it is, if it provides a significant competitive advantage, quality should not be sacrificed.

Essentials for Providing a Strategic Advantage

- **Focus on essentials.** Although only appropriated $2,500 by Congress, Lewis and Clark were armed with a letter of unlimited credit from Thomas Jefferson. Instead of purchasing items that were useful but not essential for the expedition's success, they focused on essentials and did not run out of the few items that were absolutely vital to their success: guns, ammunition, paper and ink. It can be easy for a new business to overspend on office space, equipment and furnishings. This tendency can be avoided by focusing only on items that are essential for providing a strategic advantage.
- **Remember that some things can't be rushed.** Lewis was forced to wait for an essential keelboat to be made before the expedition could begin. Although he lost some valuable time, the boat served its purpose and brought the expedition to its destination. Lewis's decision and the patience he demonstrated are analogous to a business waiting until a new product is ready before rushing to market. There is no substitute for quality.

Question Everyone

After Lewis and Clark descended the Ohio River in the fall of 1803 and made camp near St. Louis for the winter, they continued their meticulous preparations. They interviewed many individuals, including James Mackay, perhaps the most experienced Missouri River trader of his day. They even developed a comprehensive questionnaire that was sent to people who might have useful knowledge of the Missouri River. The survey was so far-reaching that future president William Henry Harrison, then governor of the Territory of Indiana, received it and responded. All told, the captains spent their time during that winter wisely. Their efforts were extremely beneficial in identifying crucial information about the native tribes they would encounter.

- **Focus on efficiency.** Many items served dual purposes on the expedition. Oil cloth could be used for sailing or keeping items dry. Tomahawks could be used to forage or fight. These allowed the expedition the flexibility to perform its daily chores. Similarly, today's businesses must determine whether there are certain strategic resources that can serve dual or multiple purposes. Businesses need to remain vigilant for opportunities where they can recycle, reuse or resell components that have outlived a particular function.
- **Pay attention to detail.** The captains practiced loading and unloading the keelboat many times, a decision that proved to be crucial. Likewise, small preparations, such as keeping extra supplies on hand and making special accommodations for foreign customers, can mean the difference between success and failure.
- **Leave things in reserve.** Lewis and Clark cached many items along the way to lighten their load and prepare for their return trip, creating the equivalent of a rainy-day fund. Businesses should also determine how many and what types of items they need to keep in reserve because of economic uncertainty. ■

For Additional Information on Lewis and Clark's small preparations that made a big difference, go to: http://my.summary.com

The Principle of Diversity

Most of today's corporations are extending into new markets and new geographies — a situation that is not much different from that of Lewis and Clark. By selecting people with a variety of skills and hailing from a multitude of cultures, they were prepared to handle many types of situations. Business executives can learn

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The Principle of Diversity

(continued from page 5)

from their approach to diversity in the following ways:

- **Diversity's value must be cultivated.** Sacagawea's Native American skills and knowledge helped the expedition in numerous crucial ways. When given the chance, she and York, William Clark's black slave, became fully trusted members of the expedition.
- **Diversity has intangible value.** The fact that York and Sacagawea were physically different contributed to the Corps of Discovery's success. Sacagawea, by virtue of her womanhood, brought an element of humanity to the expedition and helped convince native tribes of the expedition's peaceful intentions. Businesses must realize that people can add value through more than their specific experiences or qualifications. Similarly, along with being just as skilled as their counterparts, those with disabilities can also bring a unique perspective, based on their experience, to a particular problem.
- **Diversity is not just racial or ethnic.** While racial and ethnic diversity are important, diversity of sex, age, physical ability and geography are equally important.

Merit-Based Hiring

- **Forgo the familiar and hire only the best.** Lewis and Clark hired the members of their expedition on the basis of merit. This sentiment is captured in *The Book of Leadership*, in which Harold S. Geneen, the former CEO of ITT Corp. wrote, "We set out to hire only the very best people ... I did not want glamourous, glib-talking men who got by on their coiffured good looks or family connections."
- **Cast a wide net.** By soliciting members from every corner of the United States, the captains guaranteed that they were able to select from a pool of people who possessed a variety of different skill sets. The regional differences also provided a wider menu of problem-solving approaches. Companies must recognize that it is not enough to just pay lip service to diversity. They must actively work to expose themselves to diversity. ■

Cultivating Diversity

One company that is taking a proactive approach to cultivating diversity is Shell Oil Co. Eager to capture the greater creativity and innovative problem-solving skills that diversity has been shown to create, Shell not only benchmarks itself against the diversity levels of other global leaders, it makes a point of asking its employees, on an annual basis, how the company can better utilize and develop people's skills.

The Principle of Compassionate Discipline

Although Lewis and Clark used corporal punishment with a whip, a discipline method that cannot be used today, there are still valuable lessons contemporary leaders can learn from their experiences. These include:

- **Start out easy and inform people of the rules.** The captains did not immediately administer discipline in a harsh form before the expedition began. Instead, they called everyone to order and explained the rules. They then reinforced the rules by issuing written orders. In the case of most of the soldiers, once they understood what was expected of them, there were no more disciplinary issues.
- **Attune disciplinary tactics to the situation.** In some instances, especially when lives are on the line, there is simply a need for a "zero tolerance" policy.
- **Look for ways to apply discipline constructively.** Lewis and Clark looked for constructive ways to apply discipline when they felt they could send a strong message without resorting to physical means. The primary purpose of discipline is to avoid a repeat mistake, and managers must balance the preventative aspect of discipline with the overall goals of the mission.
- **When possible, look to peers to administer discipline.** If certain actions of an expedition member threatened the cohesiveness of the team — rather than their own direct authority — Lewis and Clark had the members themselves decide on the penalty.

Discipline From the Top

- **When necessary, do it yourself.** There are times in business when the issue of discipline cannot be delegated. When a leader's direct authority is undermined or an employee's action threatens the success of an organization's mission, discipline must come from the top.
- **Use positive incentives when they will work better in uncertain situations.** As the Corps of Discovery entered undiscovered territory, Lewis and Clark adopted a more positive, incentive-based system of motivation to allow for more operational flexibility. One reason so many companies offer positive incentives, such as employee recognition events and flex time, is because they give business leaders tangible ways to reward initiative and creative thinking.
- **Accept that discipline will always be necessary.** If it is company policy to "always do what is in the best interest of customers," even the best employees cannot be allowed to avoid some form of discipline if they violate this cardinal rule. ■

For Additional Information on Lewis and Clark's flexible discipline, go to: http://my.summary.com

The Principle of Leading From the Front

Lewis and Clark stood their ground when faced with hostile Sioux, and made vital choices when choosing the right waterway for their expedition and choosing to separate and find supplies to sustain them across rugged mountain terrain. There are many practical lessons of "leading from the front" that can be learned from their experiences and ability to assume complete responsibility for their mission's success. These include:

- **Stand your ground.** In a pivotal confrontation with the Sioux, Lewis and Clark knew that giving in to the tribe's demands for more trading goods would weaken their position with other tribes. Similarly, giving in to a large customer can weaken a company's ability to build strong relationships with smaller clients. Developing a pattern of providing preferential treatment only encourages the recipient to make more demands.
- **Put yourself in the line of fire.** In the confrontation with the Sioux, Clark did not retreat, nor did he hesitate to express his displeasure to the Sioux leader. He stood his ground and spoke directly to him. While executives can delegate tough responsibilities, tackling these situations themselves establishes an authority that can enhance their respect in the eyes of clients and others.

Determine the Right Way to Go

- **Go into the field yourself.** The success of the expedition was Lewis and Clark's responsibility, so they both went into the field when their subordinates could not determine the right way to go. Executives can rely on consultants, but when their analysis does not lead to a clear decision, executives must go out into the field.
- **Go with your gut.** Even after Lewis and Clark went out into the field and gathered as much information as was possible, they still had to rely on their gut instincts to make their final decision, even if it ran counter to the opinions of everyone else in their group.
- **Remember, with responsibility comes more responsibility.** What happens after a decision is made is as important as making the decision. Lewis and Clark, like good bosses, not only clearly communicated their decision, they also outlined the issues leading up to the decision and explained how it would be implemented.
- **Persist in the face of adversity.** Finding the Shoshone was critical to the expedition's success, and it took Lewis and Clark four attempts to find them. This is analogous to finding new customers in an economic downturn. In critical situations, it is the responsibility of the leader to deliver success. Persistence is the key.
- **Do something.** To keep the group together and give it hope when the situation was desperate, Clark decided to lead an advanced scouting mission. His example reminds us that at the end of the day, it is the responsibility of the leader to not only provide hope, but to actively deliver it when necessary. ■

For Additional Information on how Southwest Airlines did something to survive, go to: http://my.summary.com

The Principle of Learning From Others

Lewis and Clark's experiences highlight six benefits that protégés can expect to derive from a meaningful mentor relationship. They are:

1. Mentors can expand your horizon. Thomas Jefferson helped Lewis understand that the mission was not just about commerce; it was about nation building and the Manifest Destiny of America.

2. Mentors can introduce you to other people who can further your career. Without Thomas Jefferson's assistance, Lewis would not have been introduced to the most skilled and trained doctors, botanists and astronomers of his day. Good mentors will similarly put their protégés in contact with the right people.

3. Mentors can help you develop a new approach to your work. General Anthony Wayne's methodical approach to warfare, while difficult for the young and impatient William Clark to understand, eventually helped him recognize the importance of training and preparation. Because good mentors have made mistakes of their own, they can help younger leaders view things differently, as well as reprioritize their responsibilities.

Providing Focus

4. Mentors serve as reality checkers. In 1803, Lewis considered using the winter months to explore the New Mexico Territory. Jefferson put an end to the idea by reminding him that the purpose of his mission was much larger and the country could not afford to lose him in a side trip of limited value. Because of their experience, good mentors can help assess risk, identify potential threats and opportunities, and provide focus.

5. Mentors set high expectations for performance. Mentors must not only set high expectations, they should also provide a realistic and often critical look at whether protégés are meeting those expectations.

6. Mentors act as confidants and help build self-confidence. Good mentors, through example and advice, provide their protégés with the confidence to believe in themselves. That Lewis and Clark never doubted themselves and only expressed the greatest optimism can, in part, be attributed to the influence of Thomas Jefferson on Lewis and George Rogers Clark on his younger brother William Clark. ■

The Principle of Positive Thinking

Lewis and Clark approached every difficult situation by emphasizing the positive. By employing these six traits of positive thinking, they were able to meet every challenge and overcome every obstacle in their path:

1. Start with the right mind-set. Lewis and Clark contemplated and visualized success. In a 30-year study, Dr. Martin Seligman, the author of *Learned Optimism*, discovered that one of the most significant predictors of success is optimistic expectations.

2. Keep events in perspective. When Lewis and Clark had difficulties with their men early in their trip, they saw each event as an isolated event. By doing so, they were able to keep things in perspective and did not become overwhelmed by the situation.

3. Understand the difference between an obstacle and a barrier. The captains held fast to two beliefs: If others before them had done it, they could also do it. And if others said it couldn't be done, they possessed enough self-confidence to do it.

4. Refuse to be pessimistic. Lewis and Clark never complained or felt sorry for themselves. On first seeing the Great Falls, instead of viewing it as a massive obstacle, Lewis focused on its natural beauty. Instead of worrying or complaining about a new competitor that has entered the market, business executives should view the competition as an opportunity to improve.

5. Be realistic, but always keep a positive forward-focus. When Lewis looked over the Continental Divide and saw there was no easy way across, he immediately changed his focus and emphasized that they were now, at least, on the "downhill" road. Today's leaders can provide positive motivation for their employees by finding and focusing on pockets of hope during tough times.

6. Optimism requires action. When Lewis and Clark saw the Rocky Mountains, they embraced reality and did not hide from it. This approach allowed them to stay flexible and open to new ideas and new approaches. Never stop working to improve your situation. ■

The Principle of Aggressive Analysis

Managing risk is one of the most important functions of any leader. Lewis and Clark's experiences hold many lessons for today's business executives. These include:

- **Deal with known problems first.** When facing the choice between dealing with a known problem or keeping something in reserve to handle potential future problems, Lewis and Clark chose to deal with the present.
- **Favor forward movement.** The risks of moving forward are not often very different from those of staying put. As an example, JetBlue Airways, a company that doubled its fleet shortly after the 2001 terrorist attacks, was one of only two airlines to make a profit in 2002.
- **Limit your downside.** Lewis and Clark often hedged against failure by sending one of the co-commanders ahead in case they were wrong. Likewise, making an investment in a promising startup can provide a company with a strategy for minimizing a downside.
- **Demonstrate patience.** Lewis and Clark refused to be rushed into hasty decisions on several occasions. In the same way, businesses should not take the risk of rushing to market with an inferior or a flawed product.
- **Reverse course when appropriate.** Although Lewis and Clark had many amazing successes throughout their trip, when they were confronted with a return trip over the Bitterroot Range of the Rocky Mountains, they turned around. They did not let their previous successes blind them to real dangers. A bad business decision, such as New Coke, can and should also be reversed. ■

The Principle of Developing Team Spirit

The goal-oriented exploration, the challenging terrain, and the constantly changing conditions of Lewis and Clark's expedition closely parallel those faced by business leaders today. Here are some valuable lessons executives can apply to cultivate teamwork in their firms:

- **Lead by example.** Lewis and Clark, even if they never consciously thought about developing "team spirit," did it nonetheless. They also led by example by giving up comfortable lives, diligently preparing themselves, sharing leadership, and doing many other things that demonstrated they were committed to the success of their mission. The goal of any organization is to serve shareholders and, more important, society at large.
- **Start early and demonstrate trust.** When Lewis and Clark disembarked on their expedition, they immediately put their main party in the same boat. This implied that they were all in it together and needed to work together as a team to succeed.
- **Celebrate success.** The captains often took time to recognize and reward individual effort as well as celebrate team success. Leaders who wait too long to celebrate often lose excellent opportunities to bolster employee morale, which is vital in achieving goals.
- **Groom future leaders.** Lewis and Clark started from the premise that individuals could handle responsibility, instead of first making them earn it. This trust allowed the captains to focus their time and talent elsewhere and gave team members the experience and confidence they needed to become leaders themselves. ■

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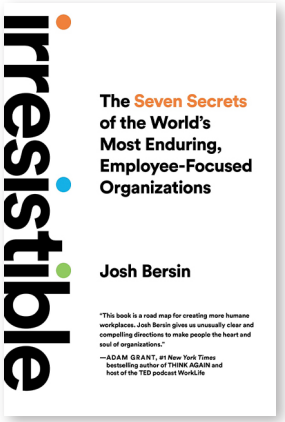
Irresistible

Josh Bersin

soundview Executive Book Summaries®

Irresistible

The Seven Secrets of the World's Most Enduring, Employee-Focused Organizations



by **Josh Bersin**

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THE SUMMARY IN BRIEF

If you're a CEO, manager, executive, or HR leader in your company, you want your company, your team, and your department to be fantastic. In fact, you'd like your company to be so great people consider it "irresistible." Driven by a series of lightning-fast changes in technology, globalization, and social consciousness around the world, the rules of business have changed, resulting in extraordinarily profound rethinking of where, how, when, and even why people work today.

This book teaches seven management principles that will truly make your company irresistible–more focused, purposeful, and aligned. Your company will become more agile, more responsive, and more profitable. But even better, your employees, customers, and other stakeholders will be drawn to your company like magnets. It is possible to create such a place and in ***Irresistible: The Seven Secrets of the World's Most Enduring, Employee-Focused Organizations***, Josh Bersin shows you how.

IN THIS SUMMARY, YOU WILL LEARN:

- The new organizational model: a network of teams
- Why we should focus on the work, not the job
- The new leadership model: leader as coach
- The pandemic-inspired focus on employee experience

teams, not hierarchy

Today's new business drivers–speed, agility, engagement, and empowerment–have created a new organization model identified as the "network of teams." Fundamental to this definition are two ideas: first, that teams are the center of work; and second, that the company operates as a network, not as a hierarchy.

Regardless of existing organization charts, in reality, people work in cross-functional teams. There are design teams, sales teams, business unit teams, manufacturing teams, and dozens of others. It is possible to formalize, manage, and organize this way–with tremendous scale, power, and employee success–in a flexible work environment.

Teams make sense for many reasons: they are more engaging, they are quick to form and disband, and over time they generate camaraderie and trust. In today's irresistible companies, teams are multidisciplinary and demographically diverse, clearly defined and measured, and supported with artifacts, measurement tools, and infrastructure to perform successfully.

When people operate in small, empowered groups, they gain a sense of trust. In small teams, employees get to know one another and feel a sense of collective ownership, enabling them to design things faster, serve customers better, and iterate more quickly. Teams learn and adapt faster than individual workers by challenging each team member to come up with more creative ideas. As organizations shift their focus to learning, they will increase their reliance on teams to navigate uncertainty and generate growth.

We know that a strong team outperforms a strong individual. Look at any sports league to see how a losing team becomes a winning team when the right coach comes along. An irresistible company knows this. It facilitates and supports people moving from project to project, from team to team, and from office to home.

It lets people bring their A games–their skills and capabilities–anywhere they are most needed. Employees build skills rapidly through peer coaching, project experience, and senior technical support. Leaders succeed through making connections and winning "followership" rather than through power and tenure. People are evaluated based on their contributions to the team, not rigid performance goals and once-a-year reviews.

As you reconsider the structural modal, many practices become clear.

- First, teams must be aligned by the organizational culture and a set of team practices that companies often formalize.
- Second, a network of teams reduces hierarchy, eliminating a lot of the up-and-down communication that wastes time. The team makes decisions while the team leader maintains alignment with the network of teams openly and transparently.
- Third, in a network of teams, people move easily from team to team. People are sought out to join teams based on their reputation and skills, which encourages them to focus on expertise, not on politics, to succeed.
- Fourth, there must be people, infrastructure, and a culture focused on information-sharing and collective intelligence across teams. Meetings focus on coordination and information sharing, leaving detailed decisions to the teams themselves.

High-performing teams are exciting and fun; they empower and energize people; they thrive on purpose and mission; and they have a unique combination of leadership, clarity of roles, and self-determination.

A network of teams requires people who are self-motivated, passionate, and excited about their ability to have an impact. All humans seek this kind of work. The key is to give them an environment that makes it possible.

work, not jobs

We have moved from an economy where your employer defines your career to one where your skills, experience, and ambition drive success. Formal job descriptions and hierarchies are going away, and internal job marketplaces are becoming increasingly common. It's time to focus on the work, not the job, to manage, lead, and build a career.

As companies develop new products, shut down divisions, digitally transform the enterprise, and adopt flexible work strategies, people find that their jobs have to change. The up-or-out career growth model doesn't apply in a dynamic, changing business. More and more, companies are adopting the "talent marketplace" model.

People move all over the company to find new opportunities or projects, and they learn and grow along the way. Internal mobility is now one of the most important management strategies of all. People who move from one function to another (from HR to sales, from sales to marketing, and from

Rather than spend your energy trying to negotiate your way to the top, spend it trying to expand and improve your skill sets.

finance to operations) always outperform their peers.

Think about your company as a giant consulting firm. In a consulting firm, people are always working on projects. When a project starts, it's staffed up, and when it's completed, people are evaluated for that project and move on to the next one. Management is even treated this way.

Client partners who know the firm well move into management roles through a peer-review process. They gain three to five years of management experience, and then they often go back to being client partners. Very few managers are institutionalized in their jobs, giving the company tremendous dynamism and flexibility. This is happening all over business.

In a company organized as a network, business managers, designers, and engineers work together on projects, and team leaders select teammates based on skills, reputation, relationships, and followership. Individuals have career and personal goals, so they seek out projects and work based on their interests and desires.

The project manager or leader's goal is to find these people, build a team that fits, and manage the project so everyone feels they can succeed. The team decides who is responsible for what work, and while some people have functional specialties, the actual jobs may vary from team to team. Over time, as teams grow or change, people move from team to team.

Shifting from jobs to work centers the company on constantly developing, sharing, and rewarding skills. This means people have to upskill, reskill, and rethink their work every year. Rather than spend your energy trying to negotiate your way to the top, spend it trying to expand and improve your skill sets.

If we want to take advantage of this transition, we must change the way we hire. Irresistible companies hire employees based on how well they fit the purpose of the work, rather than on conventional metrics such as education and pedigree, experience, and skills. The good news is that managers and leaders can implement these changes relatively easily.

- Eliminate hierarchical and rigid job titles.
- Reduce the number of levels.
- Start to pay people based on the demand for their services and expertise rather than on their tenure or level.
- Inspire, reward, or force managers to encourage people to leave their teams, perhaps even evaluating managers on how many people do so.
- Provide career coaching inside the company.

Taken together, these steps will help your irresistible company adapt to thinking more about work than about jobs.

coach, not boss

The most effective leaders who stand the test of time know how to get the best out of their people. The more driven, aligned, and empowered your teams are, the faster your company will grow, the better its products and services will become, and the more service and support you'll provide to customers. It's quite simple. What is the new leadership model for this new world? It's simple: leader as coach.

Leaders are here to drive strategy, lead projects, help grow people, and identify the experts, innovators, and project managers we need. Leaders must understand the network, they must understand how the company makes money, and they must have the influence and followership to persuade people to move in a given direction without just telling them what to do.

And on the people side, they must have a deep instinct for talent and people. The simplest way to think of this is that leaders today must shift from being the boss to being the coach.

The role of a manager at irresistible companies is to get work done, not to manage people. This means we have two types of managers in companies going forward–those who manage projects and work, and those who lead and coach people, or "people leaders."

A new model is emerging, one of human-centered leadership. This means the leader connects the business to communities, society, and the local economy.

Today's successful leaders lead by example, empowerment, and inspiration instead of by position, level, or title. Irresistible leaders excel at moving people into the roles that are right for them and the organization. They align teams, develop networks, and reinforce culture and adherence to the organization's values.

In sports, great coaches make everyone feel powerful and engaged. They know how to put people into the right position, where they can succeed. They give team members the subtle guidance they need to improve while the game is being played, rather than just handing down judgment when the season is over. Great coaches help keep people focused on the ultimate goal and ask team members questions they may not have asked themselves. This archetype shatters many of the traditional models of leadership in business.

High-performing business leaders, in fact, share many similar traits with sports coaches:

- **They communicate a clear direction:** They have a crystal-clear understanding of where they are going. They help a team win through the clarity of their vision.
- **They are good judges of people:** They put the right people in the right positions to play to everyone's individual strengths.
- **They develop winning game plans:** They have an uncanny ability to take complex problems and quickly break them down into step-by-step solutions.
- **They focus on developing people:** They focus on individuals, their strengths, opportunities, and areas of improvement.

The single most important lesson in culture and performance is really simple: the boss becomes the coach. Irresistible companies give people the ability and the responsibility to manage themselves while leaders or coaches align and improve them.

culture, not rules

Whether employees work on-site or remotely from home, irresistible companies are pursuing a workforce strategy that elevates employee health, safety, and wellbeing. How do we define the workplace in businesses where people work in teams and share information electronically while managers are often busy doing their own work, not watching over our shoulders? And how do we build a work environment that overinvests in creativity and agility and focuses less heavily on operational execution?

The answer is a new workplace defined by culture, not rules, with a focus on flexibility, freedom, and fairness.

There are five discussion-worthy aspects of irresistible culture:

The work environment–the physical, environmental, and virtual experience

Workplace design really does matter. There is an almost perfect correlation between an employee's level of engagement and his or her satisfaction with the physical workplace. Choice and control are key–giving employees, regardless of their role and hob, the freedom to work the way they find is the most productive, supportive, and enjoyable for them. In a sense, the entire workspace should be focused on physical, cognitive, and emotional wellbeing.

Wellbeing–how the organization supports health, safety, physical, mental, and financial wellbeing

The most important aspect of the "culture, not rules" mindset is a massive focus on employee wellbeing. In the last decade, the focus has transitioned from encouraging health and fitness to promoting wellbeing as a driver of performance. More and more companies are starting to realize that wellbeing is also a strategy for engagement.

Managers have a much bigger role than just driving results. We are responsible for taking care of people, monitoring our own behavior, and making sure we are creating a net-positive impact on the entire organization. Irresistible companies are moving wellbeing out of the "benefits department" and making it part of the corporate culture.

Inclusion–how diverse, open, inclusive, and transparent the work environment is

In today's era of team-centered organizations, nothing is more valuable to employees than a sense of feeling included and respected at work. In irresistible companies, diversity and inclusion are not just HR programs; they're also critical to creating the right work environment. Diversity and inclusion must permeate all aspects of work and affect employee performance and engagement at all levels.

Recognition and reward–how the company treats and rewards people

Much of corporate culture revolves around the way people are rewarded and rewards go far beyond money and bene-

. . . people are promoted, but that is not the goal; rather, it is the outcome.

fits. Recognition has a tremendous impact on performance. The research for this book suggests that companies with high-recognition cultures have as much as 30 percent lower voluntary turnover ratios on average.

Paying people fairly in the age of transparency

Employees can look up their job title, level, tenure, and location and almost immediately see what others are making. HR managers used to buy this data from survey firms; today, it's freely available on the internet. Paying a fair wage attracts stronger candidates, increases the level of commitment to the company, and creates a more productive workforce. Pay should be based on multiple factors: job performance, skills and capabilities, reputation, network, the ability to lead, and the potential to grow.

growth, not promotion

If you want your company to be irresistible, you need the organization to learn as fast as it can. This means that learning should be essential to your entire people strategy so that people can grow, earn more money, and advance–regardless of level or job title.

The research for this book has continuously found that the highest performing companies always have one thing in common: they embrace a culture of learning. People are able to take time to learn, they have a culture of sharing and development, and managers are coaches, mentors, and educators at heart.

Organizational learning takes many forms. In some cases it's teams taking time to step back and talk about what's failed. In other cases it's giving someone a new assignment to help them develop new skills. And in others it means taking a course, completing an assessment, or finding a mentor. When you have a skill gap, you could try to hire someone to fit it, but people you hire from the outside may be expensive, hard to find, and often don't fit your culture. Sending an existing employee to a boot camp and giving them time to learn the new skill can be significantly cheaper than hiring from the outside. Irresistible companies focus on growth, not promotion, as their learning strategy.

In a nutshell, the "growth, not promotion" management principle simply means that we optimize around growth in everything we do. Yes, people are promoted, but that is not the goal; rather, it is the outcome.

As companies become more and more networked, we have to create this environment inside companies and let people grow regardless of whether they are promoted or not. That's not to say that promotion is bad, but when people know they're learning and improving their skills, they know their market value is going up even if their job title doesn't change.

Since technology development is dynamic, everyone in every function must constantly learn new ways of performing their essential functional tasks. Not surprisingly, technical skills are in high demand–but so are skills in sales, customer service, healthcare, and general project management. A good career is one that builds all these skills together. For you as an employee or a manager, continuous learning has become one of your most valued skills.

At an organizational level, these are issues of life and death: if we cannot attract and retain the most highly skilled people, we are doomed to fall behind. At a personal level, career development is essential to our lives. We all have to get better at "personal reinvention."

Stop thinking about yourself as a sales person or as a senior consultant. You can be whatever you want to be–this is the new way to manage a career. Rather than go to school, get a job, and retire, we now live in a world where we learn, work, and hopefully enjoy our lives in a series of continuous cycles well into our 70s and beyond.

Irresistible companies are figuring this new model out. They focus on an individual's growth, not promotion–moving forward in responsibility, expertise, and salary without necessarily being forced up the pyramid. We now know that a fulfilling career involves formal learning, stretch assignments, new projects, and opportunities to contribute across the company on many different teams.

People feel a sense of continuous personal progress, they learn new skills, and they steadily become more valued without a choreographed ascent through management ranks. Careers are experiences, not ladders. Employees are allowed to build skills on demand, explore new disciplines, and learn from their peers.

purpose, not profits

Profits are important to a company because they affect the company's ability to secure financing and attract investors who can increase working capital and fund business growth. But purpose is the real fuel of a company. It gives people the energy, enthusiasm, and creativity to add value in many ways.

And today, amid worries about income inequality, immigration issues, bias, and discrimination, purpose has shifted into a new era of "citizenship." This means helping the society around us. In a business, we want our people to always think about what they can do to make the company better, what they can do to make their teammates successful, and, of course, what they can do to please customers, shareholders, and the community.

When you get on a plane, shop on Amazon, walk into a store, or go to a restaurant, you don't just want a good seat, good electronics, and good food; you want a good experience. This means that companies must give their people a sense of empathy, understanding, and true concern for their customers. It means shifting focus from revenue and sales to customer satisfaction and retention–and showing their people why and how their mission matters.

A large portion of global equity markets continues to focus on financial results, embracing the idea that business exists for that purpose alone: to make a profit. While profits fuel a company's growth, irresistible companies are essentially institutions that garner loyalty, commitment, and energy from their employees. And in today's service-driven world, they attract the same level of energy and loyalty from customers. Profit, rather than being a goal, is an outcome.

There's even a term for this now: "conscious capitalism," which is the conviction that businesses must operate ethically and with a higher purpose as they pursue profits, serving the needs of humanity and the environment. The word "citizenship" best explains this strategy.

In the context of a company, it means taking care of your employees, your customers, your shareholders, and the communities in which you live. Well-run companies are good for everyone: employees, customers, and investors.

employee experience, not output

Among the many changes driven by COVID-19, the biggest of all was the new focus on what's called employee experience. The idea, put simply, is that we can't just design jobs and work practices; we have to look at employees' total experience at work.

In the past, companies focused on engagement surveys to understand employee satisfaction. Today, this is a discipline of design: studying what employees do, understanding their work and job needs, and then designing the systems, workplaces, and rewards that help them thrive.

Research for this book revealed that among all the things we can do to make work better for employees, a focus on trust, productivity, inclusion, and belonging win out. Throwing perks and benefits has little real impact.

Irresistible companies understand this, and they build employee-centric systems, frontline worker platforms, and many forms of listening, communication, and feedback to make sure employees are supported. These are the practices that create results–not pushing for output.

Like any tipping point, the transition to hybrid workspaces and flexible work arrangements is in its nascent, imperfect stage. We know some of the downsides of remote work, such as Zoom fatigue, overwork, and rising stress and anxiety. We are also aware of the positive effects, such as equal or enhanced productivity.

Meanwhile, advances in artificial intelligence, voice and face recognition, virtual and augmented reality, chat and conversational systems, and technologies that read and analyze data and text are all moving at light speed. The issue for us is how fast we can design, invent, or discover new jobs as machines come in and automate more work.

Irresistible companies understand that by unleashing the power of the human spirit, their company can go faster and farther than ever expected. Business should not be an effort to force labor to do what managers want; rather, it should be an enterprise to empower people to build organizational success. Irresistible companies attract top people, customers, and partners. It is one that people admire and respect, and it is one that adapts, grows, and endures.

The seven innovations detailed in this book represent a set of new management philosophies in HR, all of them underpinned by an essential truth: people are still the most important element of a business. A shift from hierarchy to teams, jobs to work, will empower people, create more energy, passion, and commitment, and propel employees forward on a journey of mutual value.

Josh Bersin is an analyst and thought leader focusing on the global talent market and trends impacting business workforces around the world. He is frequently featured in publications such as Forbes, Harvard Business Review, HR Executive, Fast Company, Wall Street Journal, Economic Times, Financial Times, and Washington Post. He has more than 850,000 followers on LinkedIn. Josh Bersin founded Bersin & Associates in 2001 to provide research and advisory services focused on corporate learning. In addition to the company's ongoing research, Bersin and his team created the Big Reset, a series of collaborative sprints for HR executives, to tackle the workforce challenges of the pandemic and beyond.

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It's Never Just Business: It's About People

J. Scott

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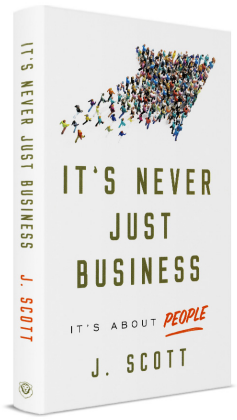
It's Never Just Business: It's About People



by **J. Scott**

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THE SUMMARY IN BRIEF

Most people who find themselves in a leadership role want to do something awesome and impact the world. But leadership is difficult—it goes against most of the instincts that kept us alive before the modern age. The hard truth is that leadership isn't about you. Great leaders put their personal agendas aside to ensure their team members succeed first. If you are playing for your own success, you are a boss, not a leader. Leaders change things; they push the human race forward.

It's Never Just Business: It's About People is intended to help you develop and refine your leadership skills, whether you're trying to build a company, keep up with the innovation required to be competitive today, or just change the world.

Author J. Scott, a down-to-earth leadership consultant whose purpose is to inspire people to reach for their potential, explains how to lead, with or without formal authority. The first step: celebrating your and your team members' mistakes and learning from them. You needn't be a "born leader"—talent is a fragile illusion, and grit is the secret to sustainable success.

IN THIS SUMMARY, YOU WILL LEARN:

- What motivates people (beyond basic needs - it's not money).
- How to talk to your team members so they'll listen.
- How to make meetings work for you and your team.
- How to be a true leader, not just a boss.

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Leadership Versus Authority

Leadership isn't about dominance, control, and self-interest, but rather about collaboration, intentionality, and service. Authority is telling others what to do. Just because an executive has authority over employees doesn't mean the employees will follow them.

Leadership is a choice, and you don't need any positional authority to be a successful leader. When team members choose to follow you, it's because they feel positively connected to either your vision or to you. Connection is the key to leadership, and in the work world the only way to connect is by actively listening to each other.

The difference between a leader and a tyrant is that a leader works hard for the sake of everyone else, while a tyrant makes others work hard for them. Leaders don't dictate an outcome; they help their team members focus on what can be done versus what can't be done. Leaders help their team members prioritize their workload and run interference when anything threatens to distract them. Leaders sincerely care about the success of their team members and focus on solutions, leadership style, coaching, and mentoring in ways that enable their team members' success.

Leaders play for the team. To help your business, help your team members succeed. Really listen to them. Understanding how people are feeling is important. And team members need to understand how we are feeling. Are we sincere? Do we care about them? All these emotions are conveyed mostly via tone of voice and body language.

Leadership is about helping your team come up with the best ideas, not shoving your ideas down their throats. If you bring a fight, expect to meet resistance. You want your team to push back on your ideas and advocate for their own. You want them to feel ownership. It's not about building consensus. Develop an idea and get it out there. Let everyone challenge it; don't worry about it being perfect. Instead, ensure everyone is heard, drive toward an outcome, prototype, and assess the results. Repeat if necessary. If you wait for consensus, you're too slow and not as agile as you need to be.

Beyond our basic needs, people are motivated by autonomy, mastery, and purpose. Your team members need autonomy, which means you can't tell them what to do. They need mastery, which means they need to contribute and add value. And they need purpose: a plan and an organization that stands for something they believe in.

When Leadership is Necessary

Leadership is about taking an organization and its people on a journey. Simply put, leadership is about change, and change is about your team's culture. Great leadership is necessary when change is imminent or desired. Even if your company is succeeding today, it's likely that without change you will fail to draw new customers and keep your current customers infatuated.

As a leader, it's important to be intentional about driving change: identify small changes you want to make regularly and then be intentional about introducing them. Share your reason for the changes, tie them to your team's purpose, get their input, and then get their commitment. Work that change until it is inculcated. Don't introduce a new one until the last has been mastered. A good leader will try to understand the competition and the current customers. Fall in love with the competition and you will find out what your former customers want and why they are leaving.

Your goal as a leader is mass adoption of incremental change. This requires understanding the law of diffusion of innovations, which discusses how, why, and at what rate new ideas and technology spread. The first 2.5% of people are innovators. Early adopters make up the next 13.5%. The early majority is 34%, another 34% is the late majority, and 16% are the laggards. The tipping point is when you reach 15%–18% of mass market acceptance of a change.

Leadership is encouraging people to participate so they feel like what is happening is in service to them, not being done to them. People don't fear change, they feel the potential loss to them associated with the change, and people are terrified by the unknown. Human nature is to assume the worst, so management needs to be transparent in order to get employees behind a change strategy.

Truly listening to understand builds connection, and with connection comes trust. If you want your team members to lean in and play for the team, they have to trust you are playing for them. As you listen, ask questions. Paraphrase your understanding. Ask open-ended questions. Challenge assumptions.

Leadership Requires Preparation

To get leading right, you have to prepare and consider what's ahead of you, what you need to accomplish, whom you need to pull it together, and how you can serve them.

In leading a team through a problem-solving discussion, there are three objectives: solve the immediate problem,

learn what could have been done to achieve a better outcome, and put that knowledge to work in the company to ensure the same mistake isn't made twice. Assume your team will be defensive—that's human nature. You need to encourage people to open up. Make it safe, and more than that, give it rock-star status! Make vulnerability sexy! If you shoot the messenger, you kill innovation.

Leaders Need Leadership

Be careful—since we communicate to lead, speaking carelessly equals leading carelessly, which has consequences. Say what needs to be said when it needs to be said, and attempt to say it in the way it needs to be heard. If you aren't getting the outcomes you need, it's not about communication; it's about leadership.

While you're encouraging your team to come up with solutions, you're not going to like everything they come up; that's part of the critical-thinking process. Don't dictate outcomes! Say something like "Well, if our goal is X, how does your solution get us there?" If you help them get clarity, you are leading.

Meetings Are Where We Lead

In meetings, leaders gain agreement in the form of decisions, create and commit to solutions to solve problems, or identify and assign tasks to move toward the completion of a business objective. Productive meetings require preparation.

Meetings are fundamental in providing a safe place to build trust and honesty. They are where we model leadership, establish commitments, and help people be accountable—all publicly. Adoption of change needs to be visible. This starts by mastering meetings, modeling good habits, and achieving the planned outcomes. If your team is uncomfortable talking about problems or possible dysfunction, you have to find a way to move past it. If you're not having tough conversations, you're not innovating anything. You're probably not growing quickly, and you're not change-ready.

Prepare a meeting agenda that clearly identifies the meeting accomplishments necessary to achieve the desired outcomes, identifies only the team members with the expertise and authority to define and agree to next steps, and plans the expected duration of each agenda item.

Here are the ten good rules of engagement for meetings:

1. Meetings are to move forward. Talk about possibilities rather than fixate on obstacles.
2. State facts—not opinion or speculation alone—so good decisions can be made.
3. Listen to the question being asked and respond to it in context.
4. Respond to statements or direction given by explaining how you understand them.
5. Offer counter-direction or alternate proposals only after restating the other person's position.
6. If you have a concern, participate by asking questions; assume you are the one who doesn't understand.
7. When addressing a mistake, our purpose is to create an approach to a better future outcome. It's not about blame.
8. No team member needs to defend themselves—if you make it safe for them to be open.
9. Participate actively. Don't multitask, which sends a message that you have no interest in playing for the team.
10. Take individual responsibility for the outcome of each meeting. Don't blame others. Don't judge your teammates.

Commitments come from meetings, and good commitments are:

- Public (They create multiple memory anchors to help remind us to be accountable).
- Active (Ask questions, restate your understanding of what you're committing to, and negotiate if necessary).
- Voluntary (If people can't say "no," they fail to deliver on every "yes").
- Explicit (Be clear about the basics: who, what, why, when, and where).
- Mission-based (Explain why the task is needed).

Communicate to Lead

Communication is just a vehicle that's used to accomplish many things, including leading. Don't blame it for failures. If you want your team members to be more articulate, focus on improving their communication. If you want them to improve their ability to achieve the desired outcomes, focus on improving your leadership acumen.

The problem with focusing on improving communication as a way of improving your outcomes is that it almost always leads to more communication, which creates the need for more processes and governance over communication.

If you aren't getting the outcomes you need, the problem is you. Accept it, stop focusing on the symptoms, and focus on improving leadership skills. Keep a weekly leadership performance journal to develop your leadership skills. To lead your team, spend time with its members. You can be efficient with things, but not with people. If you need to tell a team member that their work doesn't meet your expectations, go over it with them in person so they can learn from it.

Take Responsibility for What's Heard

A leader takes responsibility for both good and bad outcomes. A great leader will go as far as taking responsibility for what their team members hear when they are making a commitment.

When you collaborate with a team member to define a necessary outcome, ask them to repeat back to you their understanding of what they're committing to and what their next steps will be. If their description doesn't reflect the outcome you need, you can clarify in the moment.

Instead of pushing people who don't accomplish what they commit to, start asking questions, with empathy, about why their words are not congruent with their actions. This can help them realize their unconscious resistance based on deep-seated emotions and allow them to recommit and set different goals or realize they're in a position at a company that isn't right for them.

A Culture of Accountability

Leadership works only if team members own their responsibilities. If they continually fail to offer solutions to situations, the leader will eventually have no choice but to tell them what to do.

Accountability is Generous and Kind

The cornerstones of a high-performing team are trust and accountability. From a young age, we tend to see accountability as a negative, a punishment, but to a leader, accountability is simply acknowledging that something has stalled so a way forward can be found. When a leader is willing to have an uncomfortable conversation to help a team member be more successful, it is both generous and kind.

Publicly take responsibility for your contribution to the team's outcomes if you want your team members to do the same—it makes it safe and shines a spotlight on those who don't or won't take responsibility. When there is a problem with a team member's work, shift the focus away from the team member having failed to keep a commitment to the blocker that caused the breakdown. The old guilt-and-blame paradigm has always burned precious time we don't have in a rapidly changing economy.

Nobody follows process; they follow culture. Culture is a system of habits. Changing those habits starts with a blueprint or a document. Then the work begins. If you want to change something, create a cadence of accountability and lean hard on the law of diffusion of innovations. And if you want to be a great leader, help your team members reach for their potential.

From the start of his career spent jumping out of helicopters in the United States Navy, J. Scott has a long history of leadership, servanthood, and bearing witness to the transformative power of getting shit done. Since starting 120VC he's personally overseen the global transformational efforts within organizations such as DirecTV, Trader Joe's, Blizzard Entertainment, Sony Pictures, Mattel, and others. His team's unique, irreverent approach to change has generated breakthrough results and created meaningful jobs.

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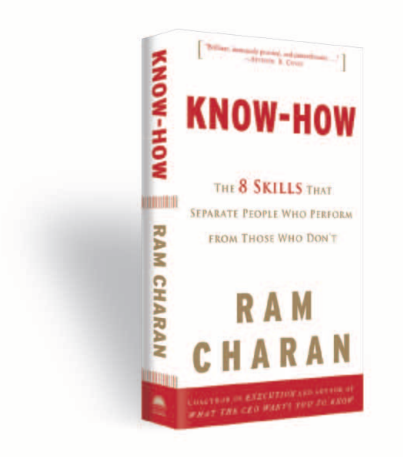
Know-How

Ram Charan

SOUNDVIEW Executive Book Summaries®

FILE: LEADERSHIP



By Ram Charan

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The 8 Skills That Separate People Who Perform From Those Who Don't

KNOW-HOW

THE SUMMARY IN BRIEF

Legendary executive adviser and author Ram Charan has developed an integrated, holistic approach to what executives and managers must do and be to become successful leaders. According to Charan, leadership is a messy phenomenon because there are a number of things that influence it. Therefore, he has identified the skills that are required by today's business leaders, the personal traits and emotions that can help or interfere with these skills and the cognitive traits that can improve them.

In this summary, Charan presents a framework for leaders in the 21st century. By taking a broad view of the landscape to see how it is changing over time, Charan shows how leading a business is an ongoing process in which leaders must repetitively deploy and redeploy their know-how, which he defines as the quality that separates leaders who perform — those who deliver results — from those who don't.

This summary reveals Charan's perspective on the underlying foundation of business success, key components of which are his eight know-hows. These are specific skills Charan has identified that range from being able to position and reposition a business to dealing with societal forces beyond the market. Command of the know-hows, he says, can provide leaders with both practical and human-based perspectives that will enable them to meet situations with creative instead of standard approaches. Each of the eight is illustrated with detailed case-history material.

In addition, this summary will show you:

- ✓ ***Why these know-hows must be put at the core of what business leaders do every day.***
- ✓ ***How these competencies can be mastered as the basis for future success.***
- ✓ ***How to use a holistic approach to lead an organization.***
- ✓ ***How to shape your value proposition so it fits with the changing external landscape in a way that delivers on your moneymaking aspirations.***
- ✓ ***Ways to deal with forces outside your control.***
- ✓ ***Why the ability to listen is essential when confronting special-interest groups.***

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Know-How

Know-how is what separates leaders who perform — who deliver results — from those who don't. It is the hallmark of people who know what they are doing, those who build long-term intrinsic value and hit short-term targets.

What gets in the way of finding people who can perform is the *appearance* of leadership. All too often people are chosen for leadership jobs on the basis of superficial personal traits and characteristics. Certainly intelligence, self-confidence, presence, the ability to communicate and having a vision are important. But being highly intelligent doesn't mean that a person has the knack for making good business judgments.

Personal attributes are just one small slice of the leadership pie, and their value is greatly diminished without know-how — the eight interrelated skills that bring leadership into the realm of profit and loss.

We need leaders who know what they are doing. Change is always with us, but its current magnitude, speed and depth are unlike what most executives and managers have experienced in their lifetime.

A Google-type company can come from nowhere and grow into a multibillion-dollar business in a few short years, becoming one of the world's most highly valued companies. However, alongside such huge opportunities, there are also pitfalls that can swallow up whole companies and industries.

The Eight Know-Hows

Here is a breakdown of the eight know-hows:

1. Positioning and Repositioning: Finding a central idea for business that meets customer demands and that makes money.

2. Pinpointing External Change: Detecting patterns in a complex world to put the business on the offensive.

3. Leading the Social System: Getting the right people together with the right behaviors and the right information to make better, faster decisions and achieve business results.

4. Judging People: Calibrating people based on their actions, decisions and behaviors, and matching them to the non-negotiables of the job.

5. Molding a Team: Getting highly competent, high-ego leaders to coordinate seamlessly.

6. Setting Goals: Determining the set of goals that balances what the business can become with what it can realistically achieve.

7. Setting Laser-Sharp Priorities: Defining the path and aligning resources, actions and energy to accomplish the goals.

8. Dealing With Forces Beyond the Market: Anticipating and responding to societal pressures you don't control but that can affect your business.

Command of the eight know-hows enables you to diagnose any situation and take appropriate action, lifting you out of your comfort zone of expertise by developing skills that prepare you to do what the situation requires, not just what you've traditionally been good at.

The know-hows do not, however, stand alone. There are a million things that can block human beings from making sound judgments and taking effective action. That's where personal traits, psychology and emotions enter the leadership picture. But instead of trying to define and adopt the ideal set of personal traits, it's more useful to focus on a simple question: How do your

(continued on page 3)

The author: Ram Charan is a highly sought-after adviser to CEOs and senior executives in companies ranging from startups to the Fortune 50. He is the author of *Profitable Growth Is Everyone's Business, Boards That Deliver* and *What the CEO Wants You to Know*. He is also the co-author of the best-selling *Execution* and *Every Business Is a Growth Business*. He has written numerous articles for the *Harvard Business Review* and other publications, including the *Fortune* cover story "Why CEOs Fail." Charan has a D.B.A. and an M.B.A. from Harvard Business School.

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Know-How

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personal psychology and cognitive abilities affect the way you cultivate and use the know-hows?

Know-how is about what you must both do and be to lead your business in what is shaping up to be the most challenging business environment in decades. It plants business leadership squarely on a foundation of profit and loss, capital utilization, resource allocation, productivity and consumer satisfaction while never losing sight of the fact that leaders are human beings.

Personal Traits

The eight know-hows are especially influenced by a handful of personal traits that can affect leadership: ambition, drive and tenacity, self-confidence, psychological openness, realism and an insatiable appetite for learning.

It is important to understand that these personal traits interact with one another and with the know-hows, for better or worse, and that, in excess, they have a dark side. Overconfidence combined with excessive drive, for instance, can lead to narcissistic behavior, overcompetitiveness and distrust of others. Combine those traits with being psychologically closed and overoptimistic, and you are sure to shut down anyone hinting at bad news or suggesting that there are practical limitations to your plans.

Personal Traits and the Know-Hows

The following are the personal traits that can help or interfere with the know-hows:

✓ **Ambition** — to accomplish something noteworthy BUT NOT win at all costs.

✓ **Drive and Tenacity** — to search, persist and follow through BUT NOT hold on too long.

✓ **Self-Confidence** — to overcome the fear of failure, fear of response or the need to be liked and use power judiciously BUT NOT become arrogant and narcissistic.

✓ **Psychological Openness** — to be receptive to new and different ideas AND NOT shut other people down.

✓ **Realism** — to see what can actually be accomplished AND NOT gloss over problems or assume the worst.

✓ **Appetite for Learning** — to continue to grow and improve the know-hows AND NOT repeat the same mistakes.

The best leaders have distinct cognitive abilities that go beyond simply being bright. Their thinking encompasses a wide range of altitudes from the conceptual to the specific, they have a broad cognitive bandwidth, meaning they see things through a wide lens, and they are good at reframing issues and problems, looking at them from various points of view. ■

The Foundation: Positioning and Repositioning the Business

Positioning is the central idea of your business and the foundation for whether or not you are making money. The true test of your positioning is the real world. If people like what you have to offer and you can sell it at a profit, you'll make money. If they're confused about what your business provides or they don't like it, you won't.

Positioning is not for eternity. The frequency, depth and abruptness of change in the world today means that you will be frequently shaping and reshaping your business so that it fits with the ever-changing landscape in a way that delivers your moneymaking aspirations.

Over the course of a 40-year career, most 21st-century leaders will have to reposition businesses four or more times. That means making basic decisions about what to add to the business and what to take out. It also means spotting new opportunities for profitable growth, resegmenting markets and deciding which technologies to adopt.

Knowing how to position and reposition a business is among the most demanding requirements of the 21st-century leader. While all eight know-hows are important, the know-how of positioning is first among equals. If you don't get it right, the foundation of the business eventually crumbles.

CEO Lee Scott Repositions Wal-Mart

Under the leadership of CEO Lee Scott, Wal-Mart has taken some dramatic steps to reposition the business, experimenting with new merchandising concepts to appeal to relatively higher-income consumers. This includes offering fine wines and making major moves into fashion. Wal-Mart has placed an eight-page advertising spread in *Vogue* magazine, presented a fashion show in New York, opened an office in Manhattan's Fashion District and hired a senior executive from Target for a top job.

Does the development of a new positioning of appealing to higher-income consumers, along with the traditional ones, run the risk of confusing the image of the Wal-Mart brand? No doubt the leaders of Target are

(continued on page 4)

The Foundation: Positioning and Repositioning the Business

(continued from page 3)

watching Wal-Mart like hawks. If Wal-Mart successfully repositions, Target's relative positioning will consequentially be altered. ■

Before the Point Tips: Pinpointing Emerging Patterns of External Change

Business has always had to contend with a changing world, but the pace and abruptness of change are new to this generation of business leaders. Your job as a leader is to deal with that change, to get and stay ahead of the curve, ensuring that your business is positioned to make money now and in the future. It takes a special know-how to mentally process the complexity and deal with the ambiguity to form a view of the patterns that are emerging. It is this know-how of pinpointing external change that allows you to make a sound judgment about where the world is going and put your business on the offensive.

From World War II through the mid-1990s, change in the United States tended to be relatively linear, continuous and predictable. Now, however, abrupt, exponential change is the norm — witness, for example, the sudden and steep rise of China, and subsequently India, resulting in a disruption in the traditional flows of trade and the supply and demand of commodities, such as oil, in turn causing flux in political alignments.

Few Reference Points From the Past

Many people continue to look backward for a reference point they can understand, but matches with previous patterns and cycles are nearly impossible to find. China is not Japan in the 1970s, nor is the Internet like jet transportation.

Never before have macroeconomic trends had such fast and devastating impact on companies and whole industries. Traditional ways for making business and economic assessments neither correlate with nor explain the reality of what is actually happening in the world today as they have in the past.

The opportunities have perhaps never been greater for those who are ahead of the curve and able to take action ahead of the competition. Google shaking up the media industry, FedEx expanding into Asian markets and Apple with its iPod phenomenon are just the tip of the iceberg.

Looking Outside In

The earlier you can detect changes, the more time you will have to generate and test hypotheses, mobilize resources and, if necessary, reposition the business to achieve your moneymaking targets.

Looking beyond the usual boundaries of the business environment helps you detect changes early on. For instance, the political process has far more impact on business now than ever before, and it is essential that you know and understand the ramifications of legislation and regulations for your business and industry, as well as special-interest groups that may have an impact on you.

People with extraordinary know-how for detecting patterns in the external environment fly at a higher

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Detecting Patterns in the Complex World

Here are seven simple questions that can help you sort through and detect patterns in the complex world around you:

1. What is happening in the world today? The most significant trends affecting business transcend company and industry.

2. What part of my frame of reference has worked for me? What hasn't worked for me? The construction of your own frame of reference based on previous experience is a large part of learning to detect changes in external patterns.

3. What does it mean for anyone? The newspaper industry is undergoing vast changes as a result of the Internet and Google.

4. What does it mean for us? Once you have the big picture, you can begin to examine what it means for your own company's strategies. That's what General Electric's CEO Jeff Immelt did when he decided to meld several of GE's businesses into the infrastructure business to sell items such as energy equipment and services, railroad locomotives and aircraft items — all necessary ingredients in rapidly growing economies.

5. What would have to happen? Apple's invention of the iPod would have been considerably less successful had it not created iTunes, the online source of downloadable music.

6. What do we have to do to play a role? GE's decision to market its infrastructure products in emerging markets required it to reorganize those businesses in a way that recognized the difference between selling a power plant to an American utility and selling that same power plant to a foreign government.

7. What do we do next?

Before the Point Tips: Pinpointing Emerging Patterns of External Change

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imaginative altitude than others. They see things that others miss, seek sources others don't and piece things together in their own creative ways. ■

Herding Cats: Managing the Social System

Perhaps the biggest untapped opportunity for your success as a leader is shaping the way people work together to deliver the numbers. Your own performance depends on your ability to get other people to commit to and deliver their common goals.

But as every leader knows, getting people to align their efforts is a lot like herding cats. You can put a lot of energy into it and they still do as they damn well please.

Understanding the social system of your business is the best way to get a handle on the otherwise mysterious subject of managing and changing how people work together to meet ever-changing business requirements.

Every company — from a big business to the smallest two-person shop — has a social system. As people meet, they influence each other for better or worse. They develop relationships and feelings about each other. They share information and make necessary trade-offs and decisions. How they work together determines whether they deliver on the commitments they make to each other.

Managing the social system has two parts:

- **Determine what critical decisions and trade-offs must get made, and by whom, to accomplish your business goals.** Then you use that insight to design disciplined, routine, regularly scheduled meetings — operating mechanisms — to bring the right people together at the right frequency with the right information to make those decisions.

- **Actively shape the behaviors that are displayed in making those decisions.** People may be hoarding information, going off on tangents and not getting to the nub of the issues. They may also be driving individual agendas, not surfacing conflicts and failing to reach clear resolutions. Shape the content of these discussions and ensure that the right behaviors are taking place in them and the output links to results. Actively design and lead the social system of your business, which comprises all the operating mechanisms, the connections among them and what happens in them.

Non-Negotiable Criteria

As you're moving leaders to new jobs, you have to know the person, but you also have to be sure you understand what each job really requires to succeed in it. Contrary to common belief, long lists of criteria don't clarify what's required. The opposite is true: Lengthy lists indicate fuzzy thinking and are inherently too general to point to the person who has the best chance of succeeding in that job. You have to have a laser-sharp view of what is absolutely required for a person to do well in a job and define the three or four non-negotiable criteria, things you cannot compromise on.

After years of hiring people in the retail business, Ben Cammarata, the highly successful founder and chairman of the $15 billion off-price retail chain TJX, has had a high batting average over a 30-year period recruiting, developing and retaining leadership talent. His non-negotiable criteria are simple and clear. You must be street smart, have great people skills and be intuitively good at merchandising — none of which, he believes, can be taught.

Diagnosing, Designing and Leading

Know-how in diagnosing, designing and leading the social system is how some leaders are able to mobilize people to deliver results and transform an organization from, say, a bureaucracy to a well-oiled machine, as Jack Welch did as CEO of GE, or from an entrepreneurial culture to one that coordinates actions without sacrificing flexibility, as Bob Nardelli did as CEO of The Home Depot. It provides the tools for actually getting things done.

Look at your business through the lens of the social system. Look at the interaction among people, the information flows and the anatomy of decision making. You have to be able to map your operating mechanisms, ensure that each of them is geared around a business result and diagnose how each of them is actually working.

If new ones are required or existing ones are obsolete, it's your job to change them. And if the people are not having the right discussions in them or behaving in the right way, it's your job to correct those behaviors, using persuasion, power and rewards, whether money, recognition or promotion, as necessary.

That's how the social system changes — through your conscious actions in designing and redesigning the operating mechanisms and conducting the dialogue in a way that shapes people's behaviors. As you do this repetitively, with discipline, you change the quality and substance of business decisions, and because the behaviors that get

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Herding Cats: Managing the Social System

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shaped in the operating mechanisms carry over to people's everyday work, you sustain a change in how people work together. With this know-how, you accomplish the elusive goal of culture change and develop the ability to deliver on commitments and achieve business results. ■

How Leaders Are Made: Judging, Selecting and Developing Leaders

A sure sign of the know-how of selecting and developing leaders is that you leave the organization stronger relative to the competition than it was before you took over.

Effective leaders go on the offensive and actively search for people with leadership potential and create opportunities that leverage their abilities, test them further and allow them to grow.

That's what Jack Welch did when he lifted a young Jim McNerney (now CEO of Boeing) from vice president of marketing in GE's second-smallest business unit to be a general manager of a small P&L center in a different industry. He did an outstanding job, and one year later Welch appointed him executive vice president of GE Capital. Similarly, he boosted a young Dave Cote (now CEO of Honeywell) several levels, from his financial analyst position to general management.

The know-how of selecting leaders and helping them reach their potential means focusing on people first, not jobs — actively searching for leadership talent throughout your organization, creating career moves for those individuals that test their ability to take on more complexity or learn new skills, and creating processes to do it on a disciplined, regular basis. You have to develop and improve your judgments on people, which means spending time and energy on it daily, weekly, monthly, not just during once-a-year talent reviews or succession-planning sessions.

As you practice and improve your observational powers, you have to prevent your own psychological blockages from getting in the way of perceiving people accurately. People grow and change, and jobs continually evolve, so you have to be psychologically open to continuously update your judgments on people and their fit with the job. It's up to you to spot leadership talent, grow it and build a pipeline of leaders.

Your know-how in judging, selecting and developing leaders doesn't automatically improve just because you hire and fire a lot of people. You have to reflect on your accuracy in crystallizing what a person is good at, what his or her potential is, and what he or she needs to improve. ■

Unity Without Uniformity: Molding a Team of Leaders

Taking the time and effort to assemble smart and talented people who are your direct reports is crucial. But the bigger challenge is molding these high-energy, high-ego people into a working team of leaders who synchronize their efforts and propel the business forward.

Individual team members naturally focus on their own functional specialties and have their own personal ambitions, but those differences often cause them to pull in different directions. As the leader, you have to get your direct reports to submerge their egos, aggression and personal agendas so they're pulling together. You can't mediate every dispute, ensure that every trade-off is properly made or that information is flowing as it should on a daily basis, but if you use the know-how of molding a team, your direct reports will do those things as a matter of course and the business will perform better.

A Common Picture of the Total Business

The centerpiece of this know-how is getting your team to understand, focus on and commit to the total business. You have to help them create a common granular picture of the business in its external context as you see it. That way, they'll know how their respective areas fit together, and they'll have both the motivation and information they need to keep their efforts aligned.

Most of the work of molding a team happens in group settings, which may require that you change the way you lead. You have to help the group create a picture of the total business and correct any divisive behaviors in the presence of the team, so you need the emotional strength to direct and stand up to powerful individuals on whom you depend. The more people can see the total anatomy of the business, the intersections of its moving parts and the broader context in which it operates, the better job they do.

Here are the principles of molding a team of leaders:

1. Share numbers, reasoning and results to shape a common view of the business. A team of leaders starts being molded when everyone is on the same page. The entire team needs to know what you know.

2. Have the psychological courage to confront behaviors that harm the team's effectiveness. If you want to mold a team of leaders, you must have the inner courage when an individual's behavior is destroying the team to confront that person head on and say it isn't acceptable and has to change.

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Unity Without Uniformity: Molding a Team of Leaders

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3. Anticipate, surface and resolve conflicts. As the leader, you have to be sure that an overly competitive team member doesn't exploit another's vulnerability when discussing problems or concerns.

4. Pick the right people. You may have the best expert possible in a particular field, but if his or her ego cannot be submerged to work with the team, you have to decide what is more important to you: the person's expertise or the working of the team.

5. Provide prompt feedback and coaching. Feedback is most effective in written form, given frequently.

6. Recognize and avoid derailers. The single biggest reason for teams not performing effectively is the psychology of the leader. It often lies in a profound discomfort and even fear of giving the candid feedback that helps mold direct reports into a team. ■

The Buck Starts With You: Setting the Right Goals

Goals are the destination you want to take your business to. Once stated clearly and communicated to the organization, goals align people's energy, and when they're linked to rewards, they have a powerful effect on people's behavior. Goals set the tone for decisions and actions that follow and greatly influence the business results that get delivered.

Selecting the right set of goals is the ultimate juggling act. The goals have to be of the right type and magnitude to be both achievable and motivational. They have to be acceptable to investors, most of whom care more about the short term, but also ensure that the business can make money in the long term. Because the pursuit of one goal necessarily affects the others, the individual goals have to be balanced with one another. Above all, the goals must reflect the opportunities in the external world, while taking into account the existing and potential ability of the organization to pursue them.

More Than One Goal

There's a know-how to setting the right goals, in the right combination, with the right time frame and at the right level. You can't set goals by looking in the rearview mirror at what was accomplished last year and adjust this year's numbers accordingly, and you can't go by what is being projected for the industry or the economy overall. Goals should reflect the opportunities that lie ahead and what is possible *for your business* as it goes forward.

You have to choose more than one goal to keep the organization in balance, and the goals don't all have to be financial and quantitative. Goals must be clearly defined with specific time frames at the start. Then you must be willing to adjust them as the world changes and the opportunities and organizational capabilities expand or contract. ■

It's Monday Morning — Now What? Setting Laser-Sharp Priorities

Priorities are the pathway for accomplishing goals. They provide the road map that organizes and directs the business toward its goals. When the priorities are unmistakably clear and specific, people know what to focus on and, therefore, what should get their attention, resources and follow-through. The right priorities, combined with appropriate follow-through, keep the truly important things from being driven off the radar screen in the day-to-day hurly-burly of life at work where everything can seem urgent and important.

The right priorities help you rise above the constant demands that create stress and confusion. They enable you to provide clarity and focus for yourself and the other people in your organization.

Ground Level

Goals are set at 50,000 feet. Priorities are set at ground level where you must have the tenacity, attitude and willingness to probe the messy details to think through and define what the most important actions should be and what their second- and third-order consequences will be. Priorities determine how resources are allocated and thus have the potential for touching off clashes as resources are moved from one person to another.

Once set, you must repeat the priorities over and over again and follow through on them to be sure that people understand them, buy into them and act on them so the organization executes them and doesn't deviate from the course the priorities set.

General Electric's Priorities

When GE's CEO Jeff Immelt determined that one of his primary goals would be to achieve an 8 percent rate of organic growth, he had to set the priorities that would ensure the business could achieve that ambitious goal. It was clear that the emerging nations, particularly China and India, would grow much faster than the developed world, so he set as one priority that GE would derive 60 percent of its growth from the emerging markets. And

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It's Monday Morning — Now What? Setting Laser-Sharp Priorities

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since those countries would need infrastructure in the form of turbines, water purification, railroads and airlines, all businesses in which GE had a stake, he set as another priority the reorganization of those infrastructure businesses to better tap those markets.

Investing in technology — refurbishing existing GE research labs and opening labs in China and India — became a priority, as did the realignment of GE's vaunted talent planning and succession process, to define and incorporate the criteria for future growth leaders. Finally, Immelt shifted the social system by creating a new operating mechanism called the Commercial Council and changing the reviews of growth projects. He now has 80 projects of $100 million or more on his dashboard and personally reviews 10 a month. ■

For additional information on Judgment and Strength of a Leader, go to: http://my.summary.com

Societal Forces: Dealing With Forces Beyond the Market

Every business today operates in a complex societal and political milieu that demands more of it than just profits. Business leaders have to be able to deal with market forces, and over the years they've learned to live with them. In the 21st century, business leaders will be required to deal with issues that go beyond the market.

Companies that are on the wrong side of an issue can suffer immense damage if it gains traction, which many special-interest groups know how to accomplish. They know how to organize, get access to the media, form coalitions with groups with different causes, raise money, and influence customers and governments. They have unprecedented access to information through the Internet and can disseminate their views widely at low cost. Even an individual can exert influence through a blog.

The challenge is to keep abreast of changing societal expectations and adapt your business accordingly while avoiding the landmines. Many special-interest groups raise legitimate issues, and you need to understand and respond to them. Dealing with external constituencies may not *create* shareholder value, but the failure to do so most certainly can *destroy* it, and a leader who shies away from the challenge will often wind up looking for a job.

Forces Outside Your Control

The know-how of dealing with forces outside your control is to identify new interest groups that are emerging and to discern which groups are gaining influence and have legitimate issues. You have to build relationships and understand the real motivations and attitudes of those groups and their leaders. You have to look for ways to communicate, knowing that if you bridge the gaps soon enough, you can help reshape the issues and outcomes. If the issues are legitimate, you should respond, maybe by building coalitions among your peers so the industry doesn't continue to be attacked.

While you have to be prepared to resort to legal channels and, frequently, negotiated settlements, you can't depend on them, because many battles take place in the court of public opinion and are won on the basis of emotional appeal rather than legal argument. Each move requires new analysis, like an evolving chess game where you have to see several moves ahead.

Adjusting Your Attitude

You'll never master the know-how of managing external constituencies if you're not psychologically willing to deal with the inherent ambiguities and lack of control. Most leaders get into trouble because they simply ignore advocates of change whose demands don't fit squarely with a business and economic rationale.

The most effective leader is psychologically open and willing to negotiate, adept at understanding that no matter how irrational the interest group's position may seem, it makes perfect sense to the opponent. The ability to listen with an open mind and determine what the group or its leaders are really after is essential. Leaders of the future have to like this or at least not resist it. Otherwise, their organizations may be put on the defensive. Leaders must be psychologically able to anticipate such forces and deal with them effectively.

Young leaders may have something of an advantage in accepting societal pressures on business, but it's a challenge for every leader to develop a methodology and the judgment to handle it well. Clearly, being a business leader in today's world is not for the faint of heart. ■

For additional information on Controversial Topics That Threaten Many Businesses, go to: http://my.summary.com

SOUNDVIEW RECOMMENDED READING LIST

If you liked *Know-How*, you'll also like:

1. ***The Leader of the Future*** **edited by Frances Hesselbein, Marshall Goldsmith and Richard Beckhard.** Thirty-seven notables, such as Peter Senge, Charles Handy, Rosabeth Moss Kanter and Stephen R. Covey, offer their views on leadership.
2. ***What Got You Here Won't Get You There*** **by Marshall Goldsmith.** The corporate world is filled with executives, but only a handful of them will ever reach the pinnacle.
3. ***The Five Dysfunctions of a Team*** **by Patrick Lencioni.** This fictional tale unambiguously but painlessly delivers some hard truths about critical business procedures.
4. ***Silos, Politics and Turf Wars*** **by Patrick Lencioni.** So-called "turf wars" turn outwardly unified companies into groupings of uncommunicative "silos," the stuff of management lore.
5. ***Good to Great*** **by Jim Collins.** A guide to business improvement that ranks company culture as the leading factor in success.

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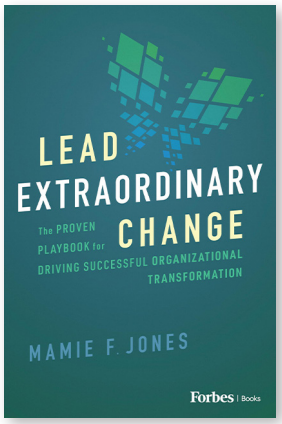
Lead Extraordinary Change

Mamie F. Jones

Executive Book Summaries®

Lead Extraordinary Change

The Proven Playbook for Driving Successful Organizational Transformation



by **Mamie F. Jones**

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THE SUMMARY IN BRIEF

Transformation is hard, which is why most efforts will fail. Having guidelines to lead dramatic change can significantly improve outcomes, taking organizations and teams to the next level.

Lead Extraordinary Change: The Proven Playbook for Driving Successful Organizational Transformation has been called "the best kind of business book, because rather than academic analysis, it is based on [a] wonderful career path."

Author Mamie F. Jones has over 35 years of experience of leading transformation efforts with multiple organizations and teams. Based on her know-how, Jones developed a proven playbook for anyone who wants to drive dramatic change and produce extraordinary results.

IN THIS EXECUTIVE BOOK SUMMARY:

- Adjust your own mindset and approach to leadership to make transformations easier.
- Create the right environment for change.
- Inspire others to embrace change, moving the transformation into high gear.
- Develop a transformation culture within the organization.

Chapter 1: Ingredients for Success

What drives the need for transformational change in an organization? Usually it's because the company, business unit, or team is not performing against the organization's vision or strategic goals. It often faces competitive threats, industry disruptions, or other organizational challenges. When a company faces the need for extraordinary change, the organization's leadership looks for people who can come in and alter the trajectory of the current state.

If this describes what you are facing, then you need to start by assessing if you're in a position to drive the change.

To be successful, you must evaluate your current work environment and the leadership willingness and capability to support change. This the foundation of any transformation effort, and if this foundation is not in place, your efforts may be jeopardized.

What fits your situation?

(A) You've been asked to join a new company that wants you to lead or help drive transformation

(B) You've recently joined a company that's asked you to lead or help drive transformation or

(C) You've been working in a company for a while and have been asked to lead or drive transformation

Whether you are (A), (B), or (C), you might not realize that you can assess the environment you are working in or are about to join and determine if you're in the right position to be successful in the difficult journey of transformation. Many people might think they know the environment, but they will need to follow the same process I'm proposing, as there are many aspects that will surprise you in conducting your evaluation.

There are several ingredients for success, and while each one is important, they may not all be present in your environment. However, a good portion should be present to varying degrees.

1. Support

You obviously won't have everyone's support, but you do need to have the right support.

2. Autonomy

There is nothing more important than having autonomy. The opposite of autonomy is micromanagement. If you are being asked to take on a significant task, fraught with risk, you need to know whether you have the right kind of independence to make the required important but tough decisions.

3. Meritocracy or Biased Performance Management

Does your organization recognize employees based on their demonstrated abilities and merit? In a meritocracy, this is imperative. Without concrete goals, the wrong people will be rewarded or promoted—and often not based on their achievements. This creates a negative culture that employees will despise.

4. Compelling Vision

Everyone hates empty slogans, and for good reason, but having a great, compelling vision is imperative. Otherwise, people will just continue doing what they've always done, which of course limits what you can achieve. There is a wonderful saying that I use frequently: "The thinking that got us here won't get us out."

5. HR Support

You will step on toes when it comes to making people decisions. Some employees will leave voluntarily while others will leave involuntarily. The question here is whether HR is ready to support you in making tough people decisions.

6. Data or Supposition?

When "I think," "I feel," and "I believe" phrases are being used to make decisions, it is a bad sign. This where you need to look at whether your organization is making decisions based on facts or feelings.

Once you have assessed your environment for the ingredients for success, there are other important elements that you will need to focus your attention on:

- Identify great talent
- Identify change agents
- Make a statement early
- Expect resistance
- Document current state and demonstrate small wins early
- Be persistent

In meetings where there may be differences of opinion, active listening is even more important.

Chapter 2: Listen and Learn

The goal of this stage in the process is to understand what is happening in the workplace on a grassroots level by actively listening and learning.

Regardless of your situation, you really have one shot to get this Listen and Learn stage of the playbook right. It sets the stage for the rest of the playbook, and you may find yourself coming back to this section as a refresher.

It all begins with active listening. I can't stress how important this skill is. You might agree to the idea in theory, and find many others who will likewise agree, but you will be surprised to find how little active listening actually occurs.

In meetings where there may be differences of opinion, active listening is even more important. Contention can often stem from a person's emotional attachment to a particular point or idea, and they are "taking up all the oxygen" in the room. This where diplomatic curiosity comes into play.

As you begin interacting with your team, you will be creating an environment where people will come to know you as an active listener and that you want to learn from them in a genuine way. You will hear from your team and the relevant stakeholders, some of which will highlight different aspects of the culture. As you do this, you will begin to understand the organization and the team culture more deeply.

Listen and Learn starts with understanding the current state of your organization. As mentioned earlier, the current state is the baseline for measuring improvement. If you do not set a baseline, your goals will not be based on concrete data, and results will be difficult to prove.

Spending time with your team members and understanding what's on their mind is key to the Listen and Learn process. Here are the steps I follow:

- Talk to every team member
- Make it safe—and be genuine
- Use a script
- Capture quotes
- Assemble the themes and quotes
- Share what you have learned with your direct leadership team
- Prepare for an all-team off -site

Remember: the biggest change you will face in your transformation efforts is the people. You can't just flip a switch. Transformation is an ongoing process that takes patience and persistence. You will find when you start making talent changes to the team, negative feedback can follow from others. Relationships have been forged over time, and when you disrupt these relationships that serve others well, it results in difficult conversations. Yet as you make positive changes to the team and begin showing results, you will build trust over time with those that challenge you.

Chapter 3: Bring the Burning Platform to Life

The Listen and Learn process begins to create the right environment for change. Now it's time to bring the burning platform to life through capturing hearts and minds.

The phrase "burning platform" is often used in transformation efforts and refers to getting people to understand for themselves that there is a desperate need for change and no time to waste—that they are standing on a "burning platform." Up to this point, your team knows that you have been brought in to fill a leadership role, but many do not know the extent of what needs to change. Others already know they are on a "burning platform," but they don't know what to do about it.

To bring this burning platform to life, the next step is to share all you have learned up to now with the whole team in a two-day off-site. This takes place after your Listen and Learn interviews and after you have documented your themes and quotes.

The objective of the off -site is to get as many team members as possible into the same room for two days and have them understand the current state—and then take ownership of the needed change.

I've learned that you cannot move into the broader team off-site without bringing your leadership team on board. The leadership team needs to understand, at a high level, what is going to be on the agenda—but not all the details or activities. They need to experience the off -site for themselves and will need to make their own commitments to move forward. However, they do need to know that you have a plan, and you have certain requirements for them.

This all will get them prepared for the larger upcoming team off-site. Here is what you need to do in this meeting to help prepare your leadership team:

- Set the tone
- Observe
- Give time for reflection
- Engage in some dialogue, get some feedback

Checklist for the Off-Site:

1. Select and book a venue for accommodations and meeting room—for local team members, pick a venue that is centrally located so travel time is considered.

2. Design meeting room with hotel liaison (ballroom).

- Round tables with chairs with floor-length tablecloths to accommodate ten people.
- Determine decorations for room, tables, etc. Hotel liaison will help with this.
- Create decorations for themes (on the wall, hanging from the ceiling, tents on the table are all options).
- Order audiovisuals for room: projector, screen, podium, podium microphone and handheld microphones for open discussions, video recording for commercials, etc.
- Select and play upbeat music in the meeting room when the team enters and at all breaks. - Tables needed for food and snacks.
- Table and chairs for executive coordinators.

3. Create team table assignments.

4. Select and order food with hotel liaison (really important) and ensure all food options include options for vegetarians, vegan, paleo, keto, gluten-free, etc.

- Breakfast with coffee and continental breakfast.
- Morning snacks (be creative).
- Lunch buffet.
- Afternoon snacks (be creative).
- Dinner in the venue or adjacent to the venue.
- Have goodies on the tables like candies, stress balls, etc.

5. Materials needed for meeting.

- Name tags.
- Flip charts for each table.
- Writing utensils for each table.
- The name of the theme on the table should be very visible—tents.
- Pens and writing tablets for each team member on the table.
- Create a large board to highlight themes and for the team to select the top three themes.
- Sticky circles for the team to select top three themes.
- Create PowerPoints for the team to work from (their homework the first night).
- Create PowerPoints to give team instruction for activities (commercial). This is included in the overall PowerPoint for the entire off -site.
- Create overall PowerPoint to show agendas, and it runs for the entire off-site with timing to stay on track. Ensure ample breaks.
- Buy props and bins for the commercials and have these under the theme tables (whacky items along with appropriate props to create commercial based on industry).

6. Arrange for executives to attend the meeting for the commercial and judging portion.

- Have awards created for first, second, and third places.

7. Arrange for entertainment (after dinner on the first night).

8. Have at least two coordinators in the meeting at all times. Distribute name tags, create all the PowerPoints, work with the hotel liaison for food timing and snacks, address issues as they arise, etc. This is typically executive assistants who address all issues and help keep the meeting on track.

Chapter 4: Kick-Start the Journey

Up until now, you have engaged in active listening, done your homework, understood where many of the challenges were, have gained a good understanding of the culture, and taken all that you learned to your off-site. Here you

I find the hardest part of implementing change is the need to upgrade talent.

brought the burning platform to life and captured the commitment from your team on what needs to be tackled. If all has gone well, they are on board, and it's time to springboard off that momentum.

It's now time to kick-start the journey by making bold moves and taking big swings. This revolves around setting aspirational goals within each of the three pillars of People, Process, and Platform. I find the hardest part of implementing change is the need to upgrade talent, which is the focus of the People pillar. It requires hiring the right leadership and talent, and it requires setting skill and behavioral goals. As you introduce these changes, some people will struggle and need to adapt to a new way of thinking, working, and learning. For many, these changes can introduce uncertainty, which can trigger a stress response; for others it is a welcome change and infuses excitement. There are still others that will experience anxiety when they realize they will need to improve their skills, adopt new processes, and lose their comfortable routines.

There are three areas of focus that need to be addressed as you begin your talent upgrade:

1. Your leadership team
2. Setting aspirational goals
3. Addressing behaviors

The next step involves transforming your process.

When making this kind of process change, there is typically an S-curve experience, which basically means you need to "go slow to go fast." The S-curve shows a new process from its slow early beginnings to an acceleration phase. As the process matures, it moves to stabilization over time, as was the case for us. I needed to reassure our teams that this was normal. I also told them there would be an initial dip in productivity, but they needed to trust that once the teams were up to speed, our speed of development would actually accelerate.

We monitored our progress through daily stand-up meetings ("daily scrums"). These meetings keep people informed, aligned, and focused. They are fifteen minutes long, are done in the morning, and are conducted with everyone on the team. Three simple questions are asked every day for each person on the team to address:

- What did you accomplish yesterday? (This updates everyone on tasks that are completed and shows who met their agreed-on commitments)
- What will you do today? (This updates everyone on tasks planned for the day)
- Are there any blockers or impediments? (This allows for issues to be discussed and/or resolved)

The purpose of the meeting is to gain alignment and clarity on project progress, and it holds everyone accountable for their daily outcomes. You will find that some team members have not carried their weight in the past, and this process exposes any weaknesses in the team. It's a powerful accelerator.

While addressing the three themes of People, Process, and Platform is the focus of your initial transformation, you will also need to put emphasis on a number of additional themes that are essential to complete the process:

- Talent (people)
- Development and release process (process)
- Infrastructure (platform)
- Communication and collaboration
- Innovation
- Speed-dedicated teams
- Application performance
- Incident management

Chapter 5: Commit to Stay the Course

The flywheel has begun—and it's time to accelerate the momentum.

Transformation is not a "once and done" initiative. You must be constantly looking for ways to drive the flywheel forward.

You are not just moving the organization from point A to point B but working to change the culture and complexion of the team so they can adjust as new technology develops, new trends arrive, and the market landscape changes. Our CEO, Brad Smith used to have a saying: "You need to repair the roof while the sun is shining." If you wait until the rain begins, your task ahead will be messy. When things are going well, that's the best time to be shoring up what you have and looking for the next innovations and ideas.

Your organization needs to commit to always looking forward and persevering down new avenues.

Encouraging your teams to investigate new innovations and technologies and explore new ways of thinking is how you keep your teams motivated in the organization. As you build this new culture, it is very rewarding to see teams deliver on capabilities they never dreamed possible, all the while gaining the respect of not only their fellow team members but others across the company, as you publicize their successes.

To stay the course and continue to transform your culture, there are three key operational mechanisms I use. These build momentum, keep communication open, and monitor how well we are progressing toward our goals.

- An annual senior staff meeting
- A quarterly extended leadership off -site
- A quarterly all-hands road trip

Chapter 6: Nurture Change

As I have been writing this book, my mind fondly recalls the names, faces, and lives of those people I worked with who truly impressed me with their passion, skill, and approach to everything they did. Many of these people have told me, in the years afterward when we've been able to put some time aside to catch up, how much I impacted them, and I often think of how much they impacted me. We did great work together. And, even more, we grew as human beings.

Leading extraordinary change will bring you many rewards that will last a lifetime, but this can only be experienced if you take a very intentional, personal approach to how you lead. I have often repeated the adage, "You hire employees, and people show up." When you embark on any significant change that affects people, you must do this with enormous care to achieve the results you seek. This is why the final phase in my playbook, Nurture Change, is the most important.

Nurturing change should be integrated in everything you do. It's the glue that binds everything together. Why? Because when you nurture change it truly changes people, and when people change, the culture of an organization is transformed.

I have three broad categories that reflect the heart and philosophy behind nurturing change, and these will get you started in your thinking about how you can begin to nurture change in your organization. These strategic practices keep me personally connected to the people in my organization and sets them up to succeed. Nurturing change incentivizes people to bring the best work of their lives to the workplace, and that, in turn, contributes the same to the team, with a passion to see the whole organization succeed. The three ways are:

- Recognize people publicly, coach them privately.
- Make the workspace fun.
- Be personal—and listen!

Leading extraordinary change takes a tremendous amount of energy and mental capacity, which can be draining. Your calendar is full, the days are long, you're persistent in everything you undertake, and there is always more to do. But, as part of modeling the way as a leader, you also need to model how to stay healthy and take appropriate time off.

Taking a break often gets you out of the way so that people can grow and take their own opportunities to the next level. It can be very hard to do when you think you're indispensable, but you're not. A true test of leadership is not how things work when you are there but how things work when you are not. As you empower others to take the reins, it begins to establish your successors, which is what I want to address as I close this book.

In the introduction of this book, I outlined how leadership is not about you. While you will enjoy success, influence, and well-deserved awards for your incredibly hard work and long hours, you will need to implement the final phase of transformation to include what happens when you exit the organization. Transitioning your role is not something that happens overnight. Succession planning takes careful consideration.

Giving other leaders the chance to step in when you're out of the office is crucial in identifying succession candidates. Give over the controls when you recognize leaders have the necessary competency. Take your vacations and give people responsibility. Trust them to do it—and let them shine. Ask for people to step in for you at meetings. When they have a

taste of what you are doing, they will not only respect you more, but you can trust them better.

Conclusion

Keep the gas pedal down in driving momentum in your transformation. People need to be constantly motivated and inspired. But you have to stay the course and keep things fresh, nurturing the change, otherwise you will stagnate—as will your pace of change.

As I've said, when I begin a transformation effort, it usually takes eighteen to twenty-four months to get into a rhythm. Consistency and persistence are key. You will be amazed at what you can achieve in just a few months and how an organization can evolve with the right playbook!

Remember to look for the ingredients for success. If the ingredients are in place, then be gutsy, take risks, and seize opportunity. Don't be swayed when things aren't going quickly enough. Be tough and persistent.

But most of all, enjoy the journey!

Marilyn (Mamie) Jones is a consultant, speaker, author, and former SVP executive. Her thirty-five-year corporate journey has been marked by outstanding achievement and transformative influence. Mamie has held numerous senior leadership positions at notable organizations including Sabre, Travelocity, and Dun & Bradstreet, culminating her formal career at Intuit. For her thoughtful and dedicated leadership, Mamie has won numerous awards including the Tech Titan CTO award for North Texas and the coveted CEO Leadership award at Intuit.

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Lead Well

Ken Falke

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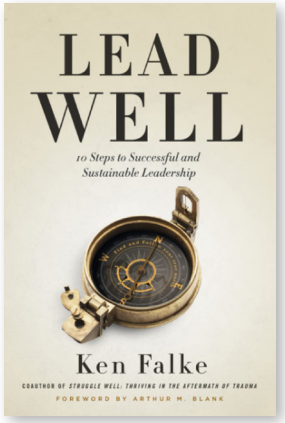
Lead Well

10 Steps to Successful and Sustainable Leadership



by **Ken Falke**

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THE SUMMARY IN BRIEF

Whether you've led for years or are new to the role, being a leader is a responsibility that doesn't come with instructions. Many leadership books focus strictly on tips for the business world. Others offer analysis but lack strategy, while most are confounding and complicated. To be a leader in today's world, whether in your personal or professional life, you need a simple philosophy—one with proven results.

In ***Lead Well,*** leadership consultant and serial entrepreneur Ken Falke introduces you to the ten principles you need to become an impactful leader. With tactics that are easy to understand and even easier to implement, this book is packed with Ken's insight from more than four decades in business, nonprofit, and military leadership. You'll learn how to be the best version of yourself before inspiring others to contribute ideas and accomplish goals. Good leaders know that character and morals matter as much as profit and loss. *Lead Well* is your practical guide for understanding the leader within and becoming the person you need and want to be.

IN THIS SUMMARY, YOU WILL LEARN:

- How to master yourself before leading others.
- How to communicate your vision, and achieve goals that align with that vision.
- How to listen well, lead with kindness, and create a culture where people want to spend time.
- How to lead with courage and give back often, and why it matters.

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Introduction

Despite the fact that there are hundreds, if not thousands, of books on the subject of leadership, the truth is that good leaders remain far too rare. I have had the opportunity to work for a few great leaders and, unfortunately, many more toxic ones. A key reason why leadership proves so challenging for so many is that we overcomplicate things. Over the decades, I have developed a leadership philosophy that is simple, effective, and easy to understand and implement. Given how badly our country and world need good leaders, I feel it's time to share my philosophy in the hope that it will help you lead well, effectively supporting and guiding those you influence.

In the book *The Cathedral Within*, Bill Shore said the definition of leadership is simple: helping others get to a place they can't get to on their own. Leadership is a verb, not a noun, and requires action—lots of action. Leadership starts at home, with learning how to lead yourself first, and then applying a strategy this book presents to lead others. Great leadership is authentic, deeply personal, and sustainable.

The key to leading well comes down to ten timeless principles—The Lead Well 10.

Lead Yourself First

The daily news is filled with stories of leaders who inflict their lack of wellness on others through inappropriate behavior. The consequences of their behavior can and do cripple the people and organizations they're leading. Unfortunately, I can tell you dozens of stories of unwell leaders I've encountered that prove the point. That's why I begin the Lead Well 10 with this: To lead others well, you have to be well.

I believe that the first key to successful leadership is self-awareness, which leads to self mastery. You must lead by example, not by living the life of "do as I say, not as I do." Unwell leaders let their egos get the best of them and adopt an egocentric, smarter- and holier-than-thou attitude that ultimately leads to a failure to treat others fairly.

No one is perfect; I understand that. But by leading yourself first and ensuring that you are the best role model possible—then owning your mistakes and failures—those you lead will be inspired to follow your example.

Create and Clearly Communicate Your Vision

People want and need to feel fulfilled in their work. People take satisfaction in knowing that they're working toward a shared purpose. If they're simply showing up to collect a paycheck, your organization can't succeed. It's the leader's responsibility to prevent that— and that begins with defining and conveying your vision.

And that's the second principle to leadership. Speak it, write it, draw it. Keep it simple and make sure it's understood. Repeat it frequently.

Everyone on your team must know where they are going and why. And I'm not suggesting that your vision is something on a tablet you hand down from on high. A good leader is curious, a teacher and a student, a constant learner—and that begins with how they go about developing a vision for their organization.

Set and Achieve Goals that Align with Your Vision

If you want to lose fifty pounds, don't try to lose fifty pounds. That's your destination, your vision for wellness. Try to lose two pounds a week instead— that's your initial goal. Once you achieve it, then set a new goal: lose two more pounds the next week too.

If you don't set personal goals, you'll end up living the life of the proverbial dog wagged by its tail. The same is true of your organization. If you regularly set goals, you will also join some rarified air; only 3 percent of people in the world regularly set goals, and they are light-years more successful than their counterparts in the 97 percent. So that's Lead Well #3: Set and achieve goals that align with your vision.

As a leader, the vision you develop with your team defines where you're going as an organization. The goals you develop next define how you're going to get there and should be focused on results. They clarify the steps you need to take to establish the momentum that can carry you to your objectives as an organization.

Listen Well

Leaders who are unwell and lack self-awareness are prone to a dangerous assumption. They think they're the smartest person in the room. That could be true—but if it was

always so in the past, it certainly is not anymore. Technology has leveled the playing field when it comes to knowledge. There is much more knowledge in your cellphone than anyone can hold in their brain. Today the most junior person in the room has access to information that enables them to get answers to questions instantly.

Leaders who lack self-awareness are also prone to the belief that they can solve all problems. No one can. I'm sixty years old now, with a pretty vast background in leading others, and there are lots of things I'm not an expert in. I love cars, and always have. That doesn't mean I'm a mechanic. I can recommend a great mechanic, but I'm not the guy to fix your car. Effective leaders don't begin with answers. They begin with listening and they do it well.

Lead with Kindness

If you feel that every time you bring a problem or concern to an authority figure—your parents, your boss—the answer is going to be no, then you tend not to bring things forward. When we don't have the opportunity to engage with our leaders and seek support and guidance, small problems and concerns fester and become big problems. Chaos and frustration ensue.

But when you work for people who are open to these discussions and are good listeners, the opposite is true. You want to bring your questions and concerns to them, before issues get out of hand, so your organization thrives, and your people do too. When people see that their leader brings passion to the cause and shows kindness toward others, it sets a positive, infectious tone.

I mean "infectious" in a very positive and concrete way. For most humans, we become the product of our training in life, beginning in early childhood at the hands of parents, teachers, relatives, and friends. The learning never stops. If you're spending time with people who are kind, that tends to rub off. Kindness ripples from person to person in any environment, including the workplace. The same is true of spending time with toxic people.

Hire Quality People

At Harvard Business School, where I studied executive leadership, we learned a simple concept: hire for attitude, train for skills. When recruiting, elite military units turn the same concept into three questions.

- Can they do the job?
- Will they do the job?
- Are they a good fit?

The first of these questions relates to things like technical expertise and physical abilities. Obviously, you need fine motor skills to be in the bomb disposal business. If your hands shake, no amount of motivation can qualify you for this work.

But the second question is all about motivation. Does this person have the motivation required to understand, learn, and do the job? Will they come to work every day with the fortitude required to complete the tasks they're given? It's all about will, and not everyone has it.

The third question is about culture, which in organizational terms, I define culture as how we get things done. Leaders establish culture, and to succeed on a team, its members need to be cultural fits.

Create a Culture of Loyalty and Satisfaction

Building a culture of loyalty and satisfaction is an incredibly fragile process— but one that's absolutely essential as a leader, even in the strongest organization, to cultivate continuously. The work never ends. The more you know the people who work for you, the more you know how to work with them. It goes back to this book's definition of leadership: helping people get to a place they can't get to on their own.

Your leadership activity should be focused on developing and guiding your employees to the place where they're great employees. Great employees make a great company, not the other way around. Success begins with fostering a culture defined by great employees.

Hold Yourself and Others Accountable

In 1989, I was severely injured in a parachute jump in Puerto Rico. We were not supposed to jump in winds higher than eight knots unless it was a combat situation. They put us out that day in gusts over thirty-five knots. I hit the ground hard—feet, ass, and head instead of feet-side-shoulder—and broke my back, dislocated my shoulder, and got a severe concussion. The following week a good friend of mine died in another parachute jump. He had been among the guys out drinking heavily the night before. His main chute failed, and

by the time he realized he needed to pull his reserve chute, he was on top of the trees. It was too late.

The nature of the two incidents is different. But together they illustrate the importance of Lead Well #8: Hold yourself and others accountable. As leaders, when we fail to learn from our mistakes, to hold ourselves and others accountable for actions and their results, the consequences spread like a virus. Poor performance and even destructive behavior become the norm. Doing the wrong thing is okay. The results can cripple your organization

Lead with Courage

The definition of courage is not the absence of fear. In fact, the definition of courage is the opposite: the ability to do something that frightens you. To lead with courage, you have to have the confidence to stare your fears in the face—from something as simple as speaking in public to crawling on your hands and knees to clear a minefield. Courage is the characteristic that separates good leaders from great leaders. Courage is also one of the hardest skills to teach in a book because courage requires experience and failures!

As a bomb disposal person, you're so highly trained that it tends to minimize the fear. The fear rises when you're faced with something you weren't trained to do—but it's still the training and experience that enables you to face it. Clearing a minefield in daylight with the proper equipment where the location of the mines is clearly identifiable is much different than lying on your belly in darkness, wearing night vision goggles, with no clue how the minefield might have been laid and working as quickly as you can because there are people behind you who need to get somewhere fast. You couldn't do either of these tasks without the training.

Give Back

The Navy reinforces the idea of giving back with its own giving campaigns and the message its best leaders sent: find a passion and a cause greater than yourself and embrace it. When I was stationed in Maryland, we prepared Thanksgiving dinners for civilian families living just outside the base; while stationed in Scotland, I played for a hockey team that raised money for a local hospice.

I tell these stories to illustrate Lead Well #10: Give back. When you engage in these activities, performing acts of kindness, you gain perspective on what really matters in life— and at least in a small way, make the world a better place, too. I believe it's a central element of leading from spiritual wellness.

Conclusion

One Navy Chief had a saying, "When you leave the Navy, it's like putting your hand in a bucket of water and pulling it out. After the water settles, nobody knows that you were ever there." But this is a cynical attitude toward leadership.

Great leaders aren't cynical and don't think of themselves as a hand in a bucket of water. They know they can have a lasting impact, for better or for worse. They know we all have the opportunity to contribute and grow. Today, the world needs great leadership as much as ever, if not more. May you be the leader, and may you lead well.

Ken Falke spent twenty-one years in the US Navy as a bomb disposal specialist, leading troops on thousands of high-risk missions. After retiring from the Navy in 2002, Ken started his first company, A-T Solutions, a counter-terrorism company, and in 2008 sold the business. In 2011, Ken started his second company, Shoulder 2 Shoulder, and sold his stock to his business partner in 2017. In addition to Ken's two for-profit companies, he founded two nonprofit organizations, beginning with the EOD Warrior Foundation to support the families of severely wounded military bomb disposal personnel.

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Lead Your Boss

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Lead Your Boss

The Subtle Art of Managing Up

by John Baldoni

THE SUMMARY IN BRIEF

Are you ready to take the jump from your current role — technical expert, quality producer or people person — to that of highly effective leader who gets noticed and rewarded?

Lead Your Boss will show you how. This invaluable guide helps you cultivate the balanced, cohesive and passionate leadership style called "managing up." It's a style that works from the middle ranks, where leadership often entails influencing your boss, your peers and those who report to you — all of whom are favorably affected by your commitment and contributions. Managing up is about building those traits that are most admired and appreciated, such as integrity, energy, empathy, resilience and big-picture thinking — classic leadership traits that propel people from any organizational rank on a fast track upward.

Filled with inspiring stories of people who accomplished great things by employing their skills, energy and influence for the greater good and packed with practical strategies and useful advice, *Lead Your Boss* helps you unite all members of your organization for an all-around win.

IN THIS SUMMARY, YOU WILL LEARN:

- How to think strategically, challenging yourself and your team to be more innovative.
- How to persuade others to listen to your ideas, overcome obstacles and turn influence into leadership.
- Strategies to challenge assumptions without challenging the individual above you, and break down resistance to change.
- How to exhibit resiliency in the face of adversity, turning setbacks into comebacks.
- A method to put people into positions where they can succeed.
- How to prevent yourself from getting in the way of others' best work.

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THE COMPLETE SUMMARY: **LEAD YOUR BOSS**

by John Baldoni

The authors: John Baldoni is an internationally recognized leadership consultant, speaker, and author of many books, including *Lead by Example* and *Great Communication Secrets of Great Leaders*.

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Prologue

Your organization needs a strategic resource allocation plan. With budgets being squeezed and headcount being trimmed, you need direction on what projects you should pursue and within what time frames. You have discussed this many times with your boss, but for some reason that you do not understand, she has not acted.

So what do you do?

You take action. You take the lead for your boss. You develop the plan on your own and submit it to her for approval. And if she approves it, you ask for permission to move it forward. In doing so, you are filling the leadership void through prompt and decisive action. You are demonstrating what it takes to lead your boss.

But, as you will discover, "leading your boss" is really a metaphor for leading from the middle. Those who lead from the middle are those who think big picture and can do what it takes to get things done so their bosses and their teams succeed. Very often such individuals lead their bosses, but they may also be leading their boss's boss as well as their own colleagues and direct reports. Those who succeed at leading from the middle are artful and adept managers; they utilize their management skills to establish goals, plan projects, organize people and execute projects on time and on budget.

Not so easy to do, but it is possible when you rethink and reframe what you want to accomplish and how you want to do it. That is, you are not acting for yourself, but you are acting for the good of the organization. This requires initiative, persuasion, influence, persistence and no small amount of passion. Taken together, this is what experts call "leading up."

PART I: WHAT DOES THE LEADER NEED?

Leading Up

Eleanor Roosevelt was born to privilege, and she used it not for power, but for influence. Leading up starts with identifying an opportunity and then acting upon it. Roosevelt demonstrated what it means to lead through others, the very essence of what it means to lead up. Additionally, Roosevelt possessed something that is critical to leading up: energy. Energy is a matter of drive, the will to make things happen. As such, it is a vital leadership attribute and one that must be cultivated. One who leads up may face varying degrees of opposition and resistance, thus it is necessary to keep oneself not only focused, but energized by the task at hand. Energy not only fuels the individual; it sparks the organization and, for that reason, those who lead up must use it wisely.

Energy is especially important for those seeking to lead their bosses and their peers; it becomes the fuel that leads to the enthusiasm that is so necessary to driving change throughout an organization.

I read recently about an executive who said that his day was focused on getting up each day and doing as much as he could until he felt he could do no more. He was working for a nonprofit, but his schedule was a recipe for organ failure, starting with the brain. No matter how much good intention you have, you need to stop and take a deep breath. Working nonstop day after day without time off breeds narrow thinking and diminishing results.

Persuade Up

Leadership depends on persuasion. You need to give a reason for people to believe in what you stand for.

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Politicians do this in public; corporate types do it behind closed doors. The challenge for both is to present their ideas in such a compelling way that people not only want to believe, they carry them to fruition.

Assert Yourself Diplomatically

Managers on the way up want to make certain that they are "assertive enough," while those at or near the top are sometimes advised to be "less assertive." Assertive leaders are confident as well as decisive; they radiate power and seem in total control.

There is another side of assertiveness, however, that is less talked about. Let's call it "reflective assertiveness," or a form of quiet power. It is confidence that emerges from experience, of having endured trials as well as triumphs. It may be a form of resilience, too. Getting knocked down a few times takes the edge off the ego, but getting back up again enhances the ego. Why? Because you know you have what it takes to persevere, to get back into the game and ultimately succeed. Reflective assertive leaders know they can do it because they have done it. Such assertiveness is wise to cultivate.

The boss needs someone who can think, act and be accountable for results. Those are the cornerstones upon which the leading up process rests. But in leading up, the person leading up demonstrates a degree of selflessness so that the organization can benefit. ●

Thinking and Acting Strategically

"We knocked the bastard off" were among the first words that the world at large heard from a lanky, muscular New Zealander, Edmund Hillary, who together with *[his Sherpa guide]* Tenzing Norgay had just scaled the world's tallest mountain, Mount Everest.

Hillary lived to serve a greater cause. Climbing Everest was a beginning for Hillary. In time, he saw his life as one where he could leverage his celebrity, which was enormous, to a greater good. Through a trust in his name, Hillary raised money for the Sherpas and devoted his own time and resources to creating a new infrastructure for the people he so admired.

One of the most common frustrations I hear from leaders who are asked to lead up is the challenge to think strategically. Often they get this admonition from their boss during an annual performance review. The comment may be valid, but the insight is vague because the boss seldom defines what is meant by "strategically." By nature most middle management jobs are tactical.

When you are challenged to be strategic, however, you need to take a step back from tactics, that is, from the "doing," in order to give yourself distance from the task at hand. You must learn to think big picture.

Edward de Bono, the father of lateral thinking, advocates looking at a problem sideways, or adopting an alternate point of view. For example, compare Target to Kmart. Most shoppers to both stores are female; though for years Kmart stocked shelves closest to the door with automotive supplies, things that men wanted. Target, by contrast, is more inviting, not only to women but to all customers. Is it any wonder that Target has thrived while Kmart has struggled?

Creativity and innovation should be cultured and nurtured. Bill Joy, former chief technology officer at Sun Microsystems and frequent commentator on technology issues, believes in innovation on a small scale, as peopled by the "number of seats at a table at the local restaurant." By enabling a group to get together informally to eat, discuss and debate, new ideas may take root. Very importantly, Joy believes that if no "radical" ideas are generated, "the groups should be disbanded without retribution."

Apply What You Learn Strategically

The gifted writer and psychologist Mihaly Csikszentmihalyi has developed a theory about living the purposeful life. He calls his theory "flow," which he defines as living connectedly with others in ways that add meaning to whatever it is we do. Integral to the concept of flow is communication. Communication is the means by which individuals connect with one another on multiple levels: information, purpose and community. The challenge for leaders is to use their communication for just those ends. Specifically, managers need to turn information into meaning, that is, knowledge they can use to improve performance. The trouble is that we live in a world where we are bom-

What Edmund Hilary Teaches Us About Leading Up

In climbing Mount Everest, as well as throughout his life as an adventurer and philanthropist, Edmund Hillary worked the system. He knew how to operate as a member of a team, as on Everest, but he also knew how to create a team, as in his efforts to improve the infrastructure of Nepal. Hillary also knew when to go outside the system, as he did so often in order to get things done. Working the system begins with prioritization. That is a lesson that anyone seeking to lead up needs to understand and implement.

barded by information 24/7; therefore, keeping up with the stream of information is not only impossible, it is overwhelming. However, the solution is not to seal yourself off from the world like a hermit — rather, accept the information, but in ways that add meaning to what is important. ●

Pushing Back the Right Way

While many in senior leadership positions do acknowledge the virtue of honest criticism, they bristle when that critique comes from those subordinate in rank. The boss's attitude is, "How dare she speak to me like that?" Well, truth be told, the question should be, "How dare she NOT speak that way?" Criticism rooted in fact about the business or about the management of that business is necessary.

Since honest feedback is essential to running any organization, it should be cultivated so that employees feel free to critique their higher-ups; and in turn, those higher-ups feel comfortable accepting such feedback. Giving criticism to a boss requires the velvet glove treatment. Here are some suggestions:

Be Diplomatic. If you are going to criticize your boss, you'd better be right as well as diplomatic. For example, if you have a boss who's heavy-handed with subordinates in meetings, cutting them off before they can make their points, it is acceptable to offer constructive criticism. Do not say, "You're being mean." Focus instead on what the boss is doing wrong and how it is affecting the performance of others. You may need to cite specific incidents, e.g, a staff meeting or a project review.

Find the Right Way to Disagree. Part of leading up means disagreeing with your boss. There is a right way to do it and a wrong way. The right way is to act like the professional; the wrong way is to act impulsively.

Play it straight. Let the boss open the argument. Allow her to explain her case; she will regardless. Remain calm. Do not try to interrupt. Ask questions that elicit information, but do not seek to interrupt needlessly. Then when the boss is finished, ask to make your case. Be organized as well as straight to the point. Invite dialogue. Listen to her objections. Hold firm to your convictions. When you conclude, allow your boss to have the last word. Assure her that you will support her decision. That may be painful, but it will demonstrate that you are willing to go along with the flow. It may also open the door to future discussions and disagreements, some of which you may win.

Agree to Disagree

Act professionally. Most of the time, if you and your boss disagree, she will win the argument because she holds power over you and your peers. Accepting that fact does not mean you are a pushover. It is a sign of organization savvy.

Never acquiesce in matters of conscience or ethics. If your boss asks you to do something illegal, a flat no is the only acceptable answer. This is very easy to say but can be hard to implement if you fear losing your job. However, losing your job may be preferable to a jail sentence. There are many people serving prison time for going along with a supervisor's scheme. Stand up for what is right. That is the ultimate measure of leading up.

Bosses are owed open and honest feedback just as employees are. A coaching conversation opens the door for genuine dialogue. Position yourself as the big-picture thinker, that is, providing insight that the boss can apply to his situation. Frame your conversation in ways that demonstrate that you are interested more in what's good for the team than what is good for yourself. ●

PART II: WHAT DOES THE TEAM NEED?

Letting Others Create the How

A leader who puts others ahead of self is one who leads physically from the front where he can be seen in times of strife, but leads metaphorically where he cannot be seen so that others share the credit for things that go well. In this sense the leader has created conditions where people can lead themselves.

Every manager needs to set clear expectation for performance. Leaders who lead up gain in influence by giving their power away and, in return, the organization operates more effectively.

How each department conducts itself should be in line with the values and culture of the organization. Management, especially those in the middle, and employees can work together according to a model that boils down to three key elements:

Coordinate with others. Never assume that people will work together; make it known that it is a requirement.

Cooperate. Every manager needs to communicate why employees need to cooperate. Cooperation within the team is working together for a joint purpose.

Collaborate. Collaboration is the art and practice of two or more people pooling resources and talents to get the job done in a timely and efficient manner.

Compromise

In a free market society, conceiving, developing and delivering a product or service is filled with hundreds of compromises that balance the needs of the consumer to obtain value with the needs of the producer to make a profit.

Compromise is not a betrayal of values; it is an agreement over a position where both sides come away with something to their liking. Not every compromise is a good one. General Motors' (GM's) compromise with its unions over health and pensions has resulted in legacy costs of at least $1,400 per vehicle; that was a contributing factor to GM's financial collapse that required the intervention of the federal government and bankruptcy to save it. On the other hand, compromise between oil producers and the environmentalists has resulted in the implementation of drilling methods that are more ecologically compatible as well as the creation and preservation of natural habitats.

Get the Job Done

As much as managers in the middle might strive for team harmony, there are many times when reality dictates that the job comes first. In other words, managers must ask their folks to put up and shut up. Such occasions occur when resources are tight, manpower is in short supply and time is of the essence. Crises provoke urgency, and managers must act first and play to the gallery later. Take the example of an engineer responsible for quality improvement who inherits a project that is floundering. The best way forward is to ask the team what they would suggest and then implement their ideas quickly, together with the manager's own best ideas. When the project is righted, the manager who leads up can focus on the human equation. ●

Breaking Down the Doors

Experts who have studied influence from a behavior standpoint posit that influence comes down to two dichotomous strands: push and pull. Push indicates someone is forcing or compelling, typically by virtue of position or authority. Those on the receiving end must accept what is being offered.

Push is rooted in power. Pull, on the other hand, implies persuasion, typically where the person pulling has little or no authority. The party who is being influenced has the right of refusal. Both power and persuasion are forms of influence; both are important tools in the process of leading up.

The View Looking Up

A while back, I received an email from a young man requesting my advice on gaining the ear of senior management for his ideas. As he explained in his e-mail, he was a good communicator in social situations, but wondered how he could become a better communicator in upward business communication. He seemed to be doing all the right things, working hard, showing willingness to make a positive contribution and generating ideas that complement strategic goals. The situation facing this young man — that he was not connecting his ideas to the needs above him — is not unique, sadly, it happens all too often. The consequences of failing to be heard can be costly. So, let's show how a manager who needs to sell an idea upward can do it:

Know the real situation. A misstated or misused fact will give those against you the ammunition they need to destroy your argument and perhaps you in the process. If you are proposing a new product, process or service, know how it will benefit the company financially (improving the bottom line) as well as performance wise (improving work conditions). Be certain to include the competition in your analysis. Companies, like ideas, do not operate within a vacuum.

Develop your story. Fact checking is only step one. Develop an argument, both written and oral, that presents your ideas in terms of the business case. You can be artful in your formal presentation: tell a story, paint a picture or even develop a skit. What you want to do is make your idea come alive, not simply in terms of business metrics, but in what the idea will mean to people — employees, customers and shareholders. Also, make certain you craft a 30-second elevator speech that captures the essence of your idea.

Build a coalition around your ideas. You need allies. Start spreading the word among your peers. Win them over to your side with the strength of your argument as well as an offer to do something positive for them, e.g., support one of their ideas.

Leverage your customers. If you frame your idea in terms of what they are asking for, you will stand a better chance of being heard. By adopting your customers' point of view, you become their advocate.

Keep pushing. Too many good ideas are forfeited the first time someone says no. Find out why the idea was rejected. Perhaps you need to make an adjustment in the idea, add some new element or combine it with another idea from someone else. If you keep pushing, sooner or later your tenacity will win you some points, as long as you are earnest, courteous and in keeping

with corporate strategies. In other words, your idea might not fly, but your career will. ●

Working the System

Those who are in the middle of the hierarchy are well poised to challenge assumptions because they see the effect of assumptions that do not work. At the same time, those in the middle find it uncomfortable to go against those in authority. That is a natural feeling, so what the manager who seeks to lead up needs to do is find ways to challenge assumptions without challenging the individual above him or her. That is, frame the challenge over ideas not personalities.

Establish Meaningful Priorities

Crises cannot be predicted, but they can be planned for, subsequently managed and even worked into the normal job flow with enough forethought and, yes, you guessed it — prioritization!

Knowledge is power. Unlike information, which can be withheld, knowledge resides within the capability of people to do their jobs. Sharing knowledge is paramount; effective teams are those where managers and members share what they know and do in order to get things done the right way. Such cooperation has another benefit — it evokes trust.

Manage the Mind

While managers need to stop doing day-to-day tasks, they should never surrender their skill set. One reason why so many companies stumbled and fell in this last recession is that they had outsourced key decisions to strategic consulting firms and seemed incapable of making decisions themselves.

Keeping a hand in the doing is essential to management, especially those leading up. Yet it can have a downside. Too much doing will be interpreted as micro-management; too little doing will be regarded as loafing. ●

PART III: WHAT CAN I DO TO HELP THE LEADER AND THE TEAM SUCCEED?

Bending But Not Breaking

Answering the question of what you can do to help both the leader and the team succeed requires the ability to match skills and the ability to do the right thing. Such a leader must be tough and resilient, a teacher of others, and one who leads with authority and presence.

So often leadership is needed not when things are going well, but when things are going, or have gone, bad. It is times like this that you need a leader to rise up, look the odds in the eye and persevere.

It takes a leader with a good sense of self to survey the landscape and assess the chances for success as well as failure. The concept of SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) demands this discipline. Leaders who look at the odds, even though formidable, owe it to their people to communicate them.

Acknowledge Failure

Somehow in management, we forget the learning curve and expect perfection immediately. This leads to projects that prematurely stall or to teams being disbanded before they have the opportunity to click. CEO of Starbucks, Howard Schultz, keeps copies of a publication, *Joe*, that the company bankrolled; it was an utter failure. The copies serve as reminders of failure, but also of the need to keep going. Acknowledging the odds and the setbacks can lead to learning lessons.

Treat People with Fairness and Equality

There is another side of resilience that pertains to middle management: the need to be tough for the good of your organization. The Constitution ensures equality in terms of gender, ethnicity, conditions and treatment. It does not, however, mandate that bosses treat performance equally. Good performance must be demonstrated and managers must ensure that it is maintained.

Let me illustrate with a story. Say you are the owner of a restaurant and the hostess comes in late; you fire her. If a waitress is tardy, you dock her an hour's pay. If the dishwasher strolls in an hour past clock-in-time, you get him a cup of coffee, sit him down at the table and ask, "What's going on? Anything I can do for you?" Why would an owner do this? Because you don't want to spend the night washing dishes!

Fairness must be a cornerstone value of every enterprise; so too is equality. Every employee deserves the right to be provided the tools, resources and conditions to succeed. However, when employees outperform the standards, they deserve recognition and reward, be it in the form of a bonus, a raise or a promotion. Yet discussions with managers show, time after time, that managers often end up mistreating top performers while rewarding underperformers, like the tardy dishwasher. Why? Sometimes, as in the case of the dishwasher, an underperformer is doing a job no one else wants to do. Or, more often, it's because the manager feels sorry for the laggard and, in a misguided way, lets the slacker off the hook.

Integrate Fairness Into Change

Managers owe it to their employees to be fair in all dealings, particularly when it comes to performance evaluations. Often, performance objectives are set early in the year. Those objectives may be challenging, but they should be attainable. What happens, however, is that changing conditions internally or externally necessitate change, so employees are given new priorities or even new reporting assignments. What fails to keep up is the performance objective process; new objectives never seem to become written objectives. Therefore, managers owe it to their employees to keep real-time track of objectives and metrics so that performance is evaluated fairly.

Promote the Stars

Just as underperformers may be asked to show improvement, those who achieve should have opportunities for advancement in pay, rank or both. Treat those who produce well and the rest of the business will take care of itself. This is wholly fair. What is not fair is withholding opportunities for people to show their mettle. Fairness dictates that people be given resources and timelines to succeed.

Doing good for the organization requires resilience because you are pushed and pulled by forces above and below you. Remember then that resilience is rooted in your character; it dictates how you think and act. Every successful leader, especially those in the middle, has dealt with adversity. The bigger the challenges surmounted, the greater the reservoirs of resilience. The challenges to our resilience are constant throughout every phase of our lives. How we rebound and cope with them marks our character as well as our capacity to lead. ●

Preparing Others to Lead

Leading up requires the ability to develop the talents of others. This is important for two reasons: one, you need to demonstrate that you know how to lead others; and two, putting others into leadership positions gives you the time you need to think and act strategically, that is, to lead your boss and your team more effectively. Senior leaders value these skills, thus, it is critical that you practice them so that you prove you are ready and prepared to assume roles of greater significance and importance as your career progresses.

Differentiate Between Talent and Skill

Developing others begins with learning how to differentiate between talent and skills. In this I defer to the definition that Marcus Buckingham and Curt Coffman use in their book, *First Break All the Rules*. According to these two consultants from the Gallup Organization, talent is the proclivity for doing something; skill is your ability to do it. The two are not synonymous. For example, an engineer has a talent for uncovering why things are the way they are. His skill set is the processes he has mastered to analyze and problem solve. Putting him in a situation where he can apply his skill set to diagnose problems and devise solutions is ideal. On the other hand, if you put this engineer in a sales role where he must call on customers all day, the situation is less than ideal. Finding the right slot for this engineer is the job of management. Often, the biggest challenges in management are dealing with people who have been placed in the wrong slots.

Look Under the Surface

We are all familiar with the way coaches move players from one position to another; for example, a running back becomes a defensive back or a receiver becomes a safety. When those position swaps work, it is a credit to the coach who took the time to evaluate each player and match according to team need. The same rule applies to managers. Employees may hire in at one level but, in time, develop skills that are best suited elsewhere. They will never get the opportunity to move, however, if they are not asked.

Create Challenges

All of us like our comfort zones; it is where we are productive. But in an organization where things change rapidly, your comfort zone is someone else's target of opportunity. Therefore, it is up to the manager to challenge her people by pushing them to develop their skills and tackle more demanding roles of responsibility. The manager does this by coaching workers and discovering what they are capable of doing and what they want to do. Such challenges are not for everyone, but for those people looking to move up the ladder, such challenges are welcome opportunities.

Humanize Supervision

Supervision is integral to management and is something that those leading up must practice daily. Supervision requires a deft touch as well as occasionally a swift kick. How you communicate can give you clues on when you nudge or when you back off. If an employee seems at sea on a problem, you have a conversation for three reasons: one, to find out what is going on work-wise and what actions you need to take to achieve results; two, to discover how your people

think and act and what makes them tick; and three, to gain insight into yourself and what you need to do or not do the next time.

Address the Negatives

Few managers walk into a new department without challenges. The manager may be hired from the outside, may be younger than most on the team or may have been promoted over others in the organization. None of these factors should have any bearing on the manager's competency, but unless they are addressed and defused they will fester and foster the development of factions, those for and against the new manager. Make it known right from the start that you want everyone's input and support and that you expect it. Furthermore, make it known that you will support them, too. For example, you can cozy up to a veteran by asking his advice in navigating bureaucracy. And when things go well, make certain he gets immediate credit. ●

Leading With Presence

Passion, like the attributes of energy and resilience discussed earlier, is essential to leading up because it means you genuinely care about results and how to achieve them. Passion in leaders is rooted in a concern for people, specifically in mobilizing them for a greater purpose.

Passion and enthusiasm combine in the leader to create a sense of presence. More specifically, leadership presence, which I define as "earned authority." Presence is the tangible essence of power that flows from an individual's ability to do a job — and, more specifically and importantly, to enable others to do their jobs individually and collectively. Those seeking to lead up must communicate passion for the work in two ways: one, a passion for the work itself; and two, a passion for the people who do the work.

Talk Up the Work

Entrepreneurs excel in this aspect of business-building. They are enamored with the process of getting their product or service to market. When you are around such people, you can feel the enthusiasm they have for their work. And if the idea is good enough, others are attracted by the business and join it. They, too, talk up the work and how it benefits their customers.

Recognize the Work of Others

You create passion the same way you lead — by example. When a manager opens a staff meeting with a "pat on the back" to those who have done a good job, she is sending a message that contributions matter. When people feel their work is important, they feel more important. And in time they may even feel some passion for what they do.

Understand the Need for Optimism

If you have enough optimism, you can accomplish great things. Optimism is essential to leadership. One reason is that leadership, by nature, is aspirational. It appeals to people to look up rather than down, to look at possibilities rather than obstacles and to see opportunities where others see defeat. Optimism is rooted in hope. It provides people with a reason to believe in something better, that all things are possible.

Optimism is rooted in the art of making things happen. When problems occur, think first of ways to overcome them. Then look deeper to ways to capitalize on them. Entrepreneurs are preternaturally optimistic because they see opportunities where others see failure.

Looking up, as optimists do, can cause you to run off the road or even into walls. Too much optimism is like putting sugar on sugar-coated cereal or adding salt to potato chips. It's an overdose. Too much optimism is seen as naiveté. People want their leaders to have a firm grasp of the situation, and to be realistic about problems as well as possibilities. One who smiles at problems rather than tackling them is perceived as a lightweight. But throughout tough times we want to follow someone who understands the severity but can still manage to be optimistic.

What You Need to Do to Lead with Presence

You need to lead yourself before you can lead others. You need to know what you are made up of. Character and conviction matter. You must also act the role of a leader by being present and available. Leaders set the right example. In truth, example is what counts most. It creates the foundation upon which trust can flourish. Your example is your character in action. Words matter sometimes; actions matter more. ●

RECOMMENDED READING LIST

If you liked *Lead Your Boss*, you'll also like:

1. ***The 360 Degree Leader* by John C. Maxwell.** Learn to develop your influence from wherever you are in the organization. Maxwell reveals the skills needed to make an impact at every level.
2. ***Leading Outside the Lines* by Jon Katzenbach and Zia Khan.** The authors examine the interaction between the formal and informal segments of an organization and how you can lead both to success.
3. ***Taking People With You* by David Novak.** Novak offers a step-by-step guide to setting big goals, getting people to work together, blowing past your targets and celebrating after you shock the skeptics.

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Leadershift

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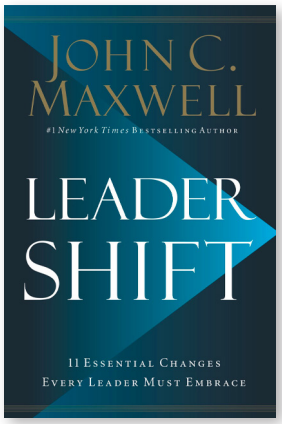
The 11 Essential Changes Every Leader Must Embrace



by **John C. Maxwell**

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THE SUMMARY IN BRIEF

be successful. If they aren't nimble and ready to adapt, they won't survive. The key is to learn how to leadershift.

In ***Leadershift***, John C. Maxwell helps leaders gain the ability and willingness to make leadership changes that will positively enhance their organizational and personal growth. He does this by sharing the 11 shifts that leaders need to be successful over the course of their careers. Each shift has the potential to change a leader's trajectory, set them up for new and exciting achievements, and strengthen and sustain their leadership abilities.

Among those leadershifts are the Focus Shift from Soloist to Conductor, the Production Shift from Ladder Climbing to Ladder Building, and the Influence Shift from Positional Authority to Moral Authority. Each shift requires leaders to change the way they think, act, and ultimately lead so they can be successful in a world that never remains the same. In ***Leadershift,*** Maxwell leads the way to new levels of leadership.

IN THIS SUMMARY, YOU WILL LEARN:

- The mindset needed to leadershift.
- To identify the "costs" of becoming the best leader you can be.
- To shift from claiming positional authority to developing moral authority.
- To become a transformational leader and find your calling.

Why Every Leader Needs to Leadershift

The future seems to be coming at us faster than ever. To go forward, we need to move faster. And as leaders, we need to stay ahead, we need to see more than others, and we need to see before others. The more nimble, adaptable, and flexible we are, the more quickly we can move and change.

We have to change, reread our situation, and change again. And continue changing. How does a leader do more than just hang on and survive in such an environment?

The key is to learn how to continually make leadershifts. What is a leadershift? It is an ability and willingness to make a leadership change that will positively enhance organizational and personal growth.

Perhaps at no other time in recent history has adaptability been more important than it is now. If you want to be successful as a leader, you need to learn to become comfortable with uncertainty and make shifts continually. You need to be flexible and deal with uncertainty without losing focus.

Leaders who leadershift must be like water. They have to be fluid. Water finds a way, then makes a way. First it changes with its circumstances. The environment dictates the change. But moving water is also forceful. It first moves around an object, but at the same time it begins moving the object. It can wear down solid rock over time. A seemingly small shift can make a big difference.

The truth is this: every advance you make as a leader will require a leadershift that changes the way you think, act, and lead.

Before we talk about the 11 practices involved in leadershifting, let's lay the groundwork by describing the mindset needed to leadershift. How open are you to change? Are you willing to start asking more questions instead of giving more answers? Are you willing to become a better listener, a better observer? Are you willing to rely more on your intuition and your creativity?

Leadershifting will require you to rely on values, principles, and strategy, but it will also push you to rely on innovation, to seek out options, to harness creativity. You'll also need to let go of some things and be dedicated to getting better.

If you answered yes to these questions—or you're willing to move in the direction where you'll be able to answer yes—then you're ready to start leadershifting.

Soloist to Conductor: The Focus Shift

One of the first and most important shifts anyone must make to become a leader is from soloist to conductor. You can be a successful person on your own, but not a successful leader.

The potential of a group is always greater than that of an individual. People working together possess limitless possibilities. They can work together to do something greater than themselves. However, that doesn't mean that working together doesn't have its own challenges. When you transition from soloist to conductor, there are some realities you have to face:

Going slower so you can go farther. To lead others successfully, leaders need to travel with their people, not run or climb ahead of them. This requires a leader to do the leadership dance. To do the leadership dance, you must step ahead of people, staying close enough for them to see you; step beside people, listening to them and talking about the journey; and step behind people, sharing words of encouragement to keep them going. Doing this dance keeps you connected to your people and energizes everyone.

Recognizing that you need others. You can't produce the music of an orchestra when you're trying to be a one-man (or one-woman) band. Make it a goal to cultivate an environment where you put completing one another ahead of competing with one another. A "completing" culture has an abundance mindset, thinks win-win, practices shared thinking, and includes others.

Making the effort to understand others. Many entrepreneurs and high achievers are able to work alone. Like good soloist musicians who choose to play in the subway, they can create music without the assistance of any other musicians. But no one can become a good conductor without making the effort to understand other people. To make the leadershift from soloist to conductor, consider everyone else. Understand and embrace their thoughts, desires, talents, contribution, and journey.

Wanting others to shine more than you do. Good leaders do what they can to put others in position to win. Here's a simple formula to lift up people.

- See the possibilities in all people;
- Honor them in front of others;
- Invite them to help achieve the vision;
- Notice what they do well and compliment them; and
- Thank them to make sure they know they're valued.

When you get better, it makes you bigger. Growth is sustaining. Growth is the only guarantee that tomorrow. will be better than today.

Goals to Growth: The Personal Development Shift

There was a time when people in the inner circle of Truett Cathy, the founder of Chick-fil-A, were pressing him to expand the organization. "We need to get bigger," they kept telling him. Truett's response: "If we get better, our customers will demand that we get bigger."

That's also true of personal growth. When you get better, it makes you bigger. Growth is sustaining. Growth is the only guarantee that tomorrow will be better than today.

Making the leadershift from goal-oriented to growth-oriented isn't complicated, but it isn't easy, either. It requires a shift in mindset. It takes time, but it's well worth it. If you shoot for goals, you'll achieve your goals, but you may not grow. If you shoot for growth, you'll grow and you'll achieve goals. To start making that shift, do these things:

Embrace change. It's human nature to desire improvement and resist change at the same time. And that's impossible. If you want to become a better leader, a better employee, a better person, you must shift from a fixed mindset to a growth mindset. Why?

A fixed mindset believes intelligence is static, avoids challenges, gives up too easily, and ignores constructive criticism. A growth mindset believes intelligence can be developed, embraces challenges, persists when faced with setbacks, and learns from constructive criticism.

A fixed mindset results in an early plateau, achieves less, and hinders people from reaching their full potential, whereas a growth mindset fuels people to a higher level of achievement.

Develop greater humility. Are you willing to be criticized for the sake of improvement? Are you willing to admit you're wrong in deference to your desire to change and grow? Are you willing to drop bad habits, change wrong priorities, and embrace new ways of thinking? That's what it will take to make the leadershift to growth. You must be willing to admit where you're wrong so that you can discover what is right. Anyone can make that choice, but it requires humility.

Embrace layered learning. Layered learning involves one life lesson applied upon another and another, each gaining greater insight, depth, and weight. It is wisdom acquired and applied over time. Author and professor C.S. Lewis said that learning isn't so much like a train going from one station to the next, so that we leave one place and move on to somewhere else. Instead, our growth is similar to that of a tree. As we learn and grow, we add new rings of understanding without giving up the older ones. We build, using the past to strengthen us, and create something new.

Perks to Price: The Cost Shift

When people are asked why they want to be leaders, sometimes their answers reveal that their motivation is really about the perks of leading. They want to be in control. They want others to do what they say. They want a nicer office. They want a higher income. They want a better parking place.

But focusing on perks won't take you anywhere worthwhile because deep inner fulfillment never comes from perks. What they offer is ultimately hollow. And they have never helped a leader to reach his or her potential.

Leaders who focus on perks end up misusing their leadership, and because they love perks more than people, they are continually tempted to misuse people to receive, maintain, or improve their perks.

If you want to reach your potential, become the best leader you can be, and make the greatest impact, then you must shift from perks to price in your leadership. A price is what stands between you and your potential.

If you want to be a better leader, you need to pay for it. Here are some common costs that every leader needs to take into account:

Reality: Leaders recognize that everything worthwhile is uphill. Here's the reality of your leadership

potential: It's uphill all the way. No one ever coasted to success. No successful person has ever experienced accidental achievements. Nothing of genuine value is easy, quick, and downhill. If we want to succeed in leadership, we must do what we don't want to do, so we can do what we need to do. We must be willing to pay the price.

Example: Leaders acknowledge they must climb the hill first. All people with leadership ability have one perspective in common: before and more. They see things *before* other people do, and they see *more* than other people do. However, what sets great leaders apart from all other leaders is this: They *act before* others and they *do more* than others. Great leaders face their uncertainty and doubt, and they move through it to pave the way for others. And because they are willing to pay the price first and often pay more than others do, they can say with moral authority, "Follow me."

Consistency: Leaders understand they never get to stop climbing. There is a reason that sports teams seldom have back-to-back championships. The perks that come with the first championship often become a hindrance to achieving the next one. When a team earns the first championship, they don't get the next one free. If you desire to go to higher levels of leadership, you need to keep paying the price. That price will be higher than you think, and it will have to be paid continually and consistently.

Pleasing People to Challenging People: The Relational Shift

Pleasing people is not the same as leading people. If you're a leader, you can never make everyone happy. And wanting to do so is a setup for disappointment or failure.

You can never really lead your organization, serve your people, or reach your leadership potential if you're always trying to make others happy. You have to put doing what's right for your people and organization ahead of what feels right for you. To make that shift, you need to do these things:

Change your expectations toward leadership. If your leadership is motivated by pleasing others or receiving approval, you need to change your expectations. Shift your focus from what you gain to how you can help people, improve your organization, and achieve your vision. Otherwise, your leadership will always be limited.

Work to establish expectations up front. As a leader, you can either set expectations on the front end and set up the working relationships for success or leave expectations unstated and deal with disappointment on the back end for both you and the people you're leading. Up-front expectations increase the value of any meeting, and up-front questions are the quickest way for people to understand one another and increase the value of their time together.

Balance care with candor. As a leader, you need to bring both caring and candor into the relationship. Care values the person, establishes the relationship, shores up weakness, offers comfort, and makes the team pleasant. Candor values the person's potential, expands the relationship, brings out strengths, offers a challenge, and makes the team productive.

Maintaining to Creating: The Abundance Shift

Have you ever thought about the expectations your profession or industry places on you? Are people in your leadership position expected to hold the line? Maintain the course? Change direction? Get out of the box? Blow up the box?

We all tend to fall into one of four different zones when it comes to innovation, which impacts how we live, how we lead, and what we achieve:

- **The Coasting Zone**—"I do as little as possible."
- **The Comfort Zone**—"I do what I have always done."
- **The Challenge Zone**—"I attempt to do what I haven't done before."
- **The Creative Zone**—"I attempt to think what I have never thought before."

The creative zone is where we experience abundance and expand our potential. If you want to take your leadership to ever-higher levels, you need to make the leadershift from maintaining to creating and try to live in the creative zone.

If you want to shift from maintaining to creating in your life and leadership, then you need to take your crayons back. Here's how:

Build a creative culture. As Josh Linkner recommends in ***Disciplined Dreaming***, fuel passion and celebrate ideas. Foster autonomy and encourage courage. Minimize hierarchy and reduce rules. Fail forward and start small.

Make plans but look for options. Good leaders are

If you want to bless your success, mess with it. Get another perspective. Listen to other voices.

flexible and their plans are fluid. They allow for creativity. They plan, but they look for options. And that's important. Options always present themselves soon after action is taken on a plan. If we don't open ourselves up to those options, we miss the chance to innovate, to create, and—sometimes—to win.

Seek out and listen to different voices. Creativity thrives when one subject is approached from many different perspectives. It short-circuits the kind of one-way thinking that interferes with better solutions. If we get into single-perspective thinking, we find ourselves in ruts. If you want to bless your success, mess with it. Get another perspective. Listen to other voices. Have the courage to let go of your certainties, challenge your assumptions, and change your way of doing things. It will make you more creative.

Ladder Climbing to Ladder Building: The Reproduction Shift

This leadershift is about changing from being a personal producer to an equipper of others. It's a shift that takes your leadership math from addition to multiplication. It takes you from the solitary climb to the top of your ladder, where you might enjoy the view and wave to the people down below, to watching many people climb to the top of their own ladders, and you all enjoy the view from the top together.

Here are the four stages to help you make this shift in your leadership:

1. **Ladder climbing—"How high can I go?"** Wanting to climb the ladder yourself isn't a bad thing, because credibility in leadership is often built on personal success. So the first step in leadership is not leading others. It's leading yourself; it's showing you are capable of climbing the ladder yourself. If you need help in figuring out how to do that, ask yourself these three questions: "What are my strengths?" "What are my opportunities?" "Am I taking steps every day"?
2. **Ladder holding—"How high will others go with a little help?"** When you want more for others and you're willing to give them some help, it's like holding the ladder for another person, giving them a secure base, empowering them to take moderate risks, and allowing them to climb higher. Ladder holding begins with a serving attitude, requires availability, attracts people who want to climb, is a pre-qualifier for discovering a person's potential, and multiplies effectiveness over time.
3. **Ladder extending—"How high will others go with a lot of help?"** The next step in the process is to extend the ladder for others. When you do that, you empower them to climb higher and go to entirely new levels. How do you do that? By intentionally and strategically mentoring them. To be a good mentor, remember that ladder extenders are successful, are specialists, mature, practiced in the art of asking great questions, and humble.
4. **Ladder building—"Can I help them build their own ladder"?** Ladder building is all about giving another leader the permission, equipment, and empowerment to create their own ladder. As a leader, if you surround yourself with excellent people with high potential, there will be a time when you should allow them to build their own ladders. That's the time when you release them to lead on their own.

Directing to Connecting: The Communication Shift

If you want to become the best leader you're capable of being, you must learn to connect with people. To do that, you must find ways to overcome the challenges of connecting and finding common ground. Here are some of the most important things for a leader who wants to connect with others:

Curiosity—ask people questions. Too many leaders don't ask enough questions—of themselves or others. This happens because they assume they have the answers; they value what they think more than what others think; they prioritize directing others over understanding others; they don't

recognize the need to find common ground; and they don't understand that questions help to manage expectations.

Disappointment is the gap between expectations and reality. How do we close that gap? By asking questions so that we can adjust our expectations.

Effort—go out of your way to connect with people. If you care about people, you will be capable of coming up with ways to create connecting experiences with others. But it will take effort. And it will take even more effort to follow through on those ideas.

Listening—open the best door to connecting with people. If you never listen, before long the people around you will stop talking to you, and you'll become isolated as a leader. If you do listen, not only will they tell you things you need to know, but they will also connect with you because they see that you care and that you value what they have to say.

Encouragement—give people oxygen for their soul. As leaders, we must never underestimate the value of reminding others that we believe in them. That's why George M. Adams called encouragement oxygen for the soul. When you interact with others as a leader, what is your mindset? Is your intention to correct them or connect with them? Do you keep them down or lift them up? You have that choice every day—with those you lead, with those who lead you, with your friends, family, and colleagues.

Team Uniformity to Team Diversity: The Improvement Shift

A definition of "team" in the ***Harvard Business Review*** is "a small number of people with complementary skills who are committed to a common purpose, set of performance goals, and approach for which they hold themselves mutually accountable."

This definition assumes that there is a variety of skills. That implies diversity. Our differences really can make a difference in our teams, our organizations, and our individual lives.

Diverse teams fill in the knowledge gap. As a leader, it's important to know what you don't know. If you include a variety of people, then someone on your team will be able to help you.

Diverse teams fill in the perspective gap. Malcolm Forbes said diversity is the art of thinking independently together. When everyone thinks and says the same things, it's the end of creativity and death to an entrepreneurial environment.

Diverse teams fill in the experience gap. A little bit of experience outweighs a whole lot of theory. The greater the differences in personal experiences, the greater the team's ability to achieve, and the greater number of "tools" the team has at its disposal.

Here are three suggestions for how to leadershift to diversity and inclusion:

Create a culture of sharing. No matter how diverse the workplace is, teams will not embrace creativity unless there is a culture conducive to interaction and sharing of knowledge. This requires de-emphasizing titles, positions, and roles. It means inviting everyone to speak up. It means giving people opportunities to lead before they have an official role—and sometimes even before you feel they are fully ready. And it means being more open to differences.

Broaden your perspective on diversity. Equality isn't just about giving everyone the same things; it's also about giving unique people what they need. Bernard Tyson, CEO of Kaiser Permanente, said, "We've evolved from equality to equity. Equality says everybody gets equal. Equity says no, everybody gets what they need. Part of building an inclusive environment is not how you're going to change the person. It's how you're going to change yourself and the environment in which the person is going to be successful." That requires us to think differently and treat diversity differently.

Provide solid leadership for diversity to be effective. As much as diversity can help a team, it can also challenge a team. Bringing together a diverse group of people isn't easy. The strength of diversity is problem solving and idea creation. The weakness comes in decision-making and implementation. Good leadership can help bring strength to both ideation and implementation.

Positional Authority to Moral Authority: The Influence Shift

A leadership position does not give someone leadership authority. Having a title is not the same as having influence.

Moral authority is the highest level of influence. Moral authority is the recognition of a person's leadership influence based on who they are more than the position they hold. It is attained by authentic living that has built trust, and it is sustained by successful leadership endeavors.

If your actions inspire people to dream more, learn more, do more, and become more, then you are a transformational leader.

Moral authority is grounded in four things: competence, courage, consistency, and character.

1. **Competence—the ability to lead well**. Competence is the core of moral authority. If you can't do your job, if you can't deliver the goods, if you can't lead the team well, why would anyone want to follow you? You can't cultivate moral authority unless people respect you. How do you build a foundation of competence? By giving your best, starting with the small stuff.
2. **Courage—moving forward in the face of fear**. Leadership authority shrinks or expands with a person's courage. C.S. Lewis said, "Courage is not simply one of the virtues but the form of every virtue at the testing point." Without courage, you can't live any other virtue consistently. With courage, especially when facing great obstacles, you begin to gain moral authority. Courage encourages people during difficult and uncertain times; enables people to maximize their potential; and helps leaders find their voice.
3. **Consistency—doing well all the time, not just sometimes**. Internal consistency between values and actions is essential to a leader's success if he or she desires to gain moral authority. Equally important is the ability to be consistent over time. Consistency establishes your reputation, makes team members more secure, allows for accurate measurement of your growth, models your expectations for others, and maintains your message.
4. **Character—being bigger on the inside than the outside**. While much of leadership is outward and public, the right motives and the good character traits we need to become leaders with moral authority are won in private. These two aspects of leadership, public and private, resemble the two parts of a tree. One part you see: Our public leadership is like a tree's trunk and branches. That's the part that bears fruit. But who leaders are in private is what can't be seen, like tree roots.

What does it mean to develop deep roots as a leader? It means having strong character. Good character demonstrates integrity, authenticity, humility, and love.

Trained Leaders to Transformational Leaders: The Impact Shift

The impact shift from trained leaders to transformational leaders will bring the greatest change to your life and the lives of those around you.

If your actions inspire people to dream more, learn more, do more, and become more, then you are a transformational leader. You influence people to think, speak, and act in ways that make a positive difference in their lives and the lives of others. That kind of leadership can change the world!

Trained leaders know how to lead, are liked, influence today, love to lead, help people, have a career, and impact a few. Transformational leaders know why they lead, are contagious, influence today and tomorrow, love the people they lead, help people change, have a calling, and impact many.

If you desire to make the impact shift from trained leader to transformational leader, start doing these actions:

Possess a clear picture of what transformational leaders do. Many people see problems and shake their heads. Transformational leaders ask "Why not?" because they're always thinking about trying to create a better future. Transformational leaders leverage their influence by speaking bold words about a better future. These leaders believe they can make a difference. That becomes their passion. Transformational leaders also believe in others. They are belief magnets.

Take positive action based on your internal changes. Transformation is a result of application, not education. That's why Gandhi said, "An ounce of practice is worth more than tons of preaching." To lead transformationally, you must first live transformed. That takes courage, the courage to let go of the familiar and set off on a better way.

Create an environment that promotes positive change. Here are the essentials for what creates an ideal environment: leaders who are passionate about transformation, resources that teach good values, small groups where people learn and participate, and commitment to reproduce leaders.

Career to Calling: The Passion Shift

How do you currently think about what you do for a living? When you have a job, your main goal is often to earn a living and support your family. You may not think beyond the time you spend on the clock. You may do your job with excellence or you may simply mark time, but either way, when you finish your day or your shift, you walk away and don't think about it.

When you have a career, the implication is that you are headed in a direction. You're making progress attaining positive achievements. An upward trajectory of skill mastery, larger responsibilities, and greater earnings are all marks of a successful career.

Your calling will result in the merging of your skills, talents, character traits, and experiences. It will make use of your experience, your gifts, and the lessons you've learned. It will be represented by a deep desire to create, lead, inspire, and make a difference.

Finding your calling is like finding your why—the reason you exist, your purpose for living.

Your calling matches who you are. If you could do one thing for the rest of your life, even if you never got paid for it, what would you do? What do people often ask for your help with? What experiences have you had that you desire to help others with?

Your calling is important to you, but it's not about you. A true calling is never about the person being called. It's about helping others. A calling moves us from the center of everything in our world to becoming the channel through which good things come to others.

Your calling changes your perspective. Having a calling makes you see your world differently. Where you once saw only obligations and responsibilities, you will begin to see options and opportunities. No longer will you be focused on the tasks you are required to do. A whole new world will open up to you of things you want to do.

Remember, every advance you make as a leader will require a leadershift that changes the way you think, act, and lead. The better we can lead and help others to lead, the greater and more fulfilling our impact will be.

John C. Maxwell is a #1 ***New York Times*** best-selling author, coach, and speaker who has sold more than 30 million books in 50 languages. He has been identified as the #1 leader in business by the American Management Association and the most influential leadership expert in the world by ***Business Insider*** and ***Inc.*** magazines. He is the founder of the John Maxwell Company, the John Maxwell Team, EQUIP, and the John Maxwell Leadership Foundation, organizations that have trained millions of leaders.

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Leadership Blindspots

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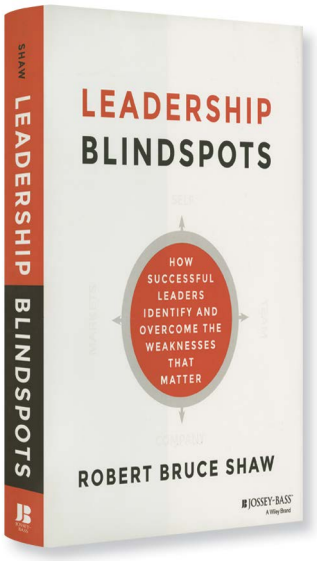
Leadership Blindspots

How Successful Leaders Identify and Overcome the Weaknesses That Matter



by Robert Bruce Shaw

THE SUMMARY IN BRIEF

Good leaders become great by skillfully managing their own vulnerabilities. *Leadership Blindspots* is a comprehensive guide to recognizing and acting on the weak points that can impair effectiveness, diminish results and harm a career.

The blindspot risk is that leaders fail to respond to weaknesses or threats due to a variety of factors, including the complexity of their organizations, over-confidence in their own capabilities, and being surrounded by deferential subordinates. *Leadership Blindspots* provides a useful model for understanding how blindspots operate and why they persist, but at the same time suggests real, actionable steps to improvement. Author Robert Bruce Shaw details a range of techniques that make blindspots stand out in sharp relief, so action can be taken before severe damage occurs — to a leader or his or her company.

The one characteristic great leaders share is the constant desire for self-improvement. Good can always be better. Some weaknesses and threats are blindspots because they are invisible to the individual but have the potential to wreak havoc on one's reputation and long-term success. Identifying and fixing crucial problems is the leader's job, and sometimes the most debilitating problems are with the leaders themselves. *Leadership Blindspots* is the first step toward owning and addressing one's vulnerabilities and, as a result, becoming a more effective leader.

IN THIS SUMMARY, YOU WILL LEARN:

- Why blindspots and strengths often come from the same source.
- How to balance confidence and humility in leadership.
- The 20 most common blindspots in which leaders lack awareness.
- How to overcome blindspots in individuals, teams, organizations and markets.

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THE COMPLETE SUMMARY: **LEADERSHIP BLINDSPOTS**

by Robert Bruce Shaw

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Leadership Blindspots: How Successful Leaders Identify and Overcome the Weaknesses That Matter by Robert Bruce Shaw.
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Introduction

The term *blindspot* refers to an unrecognized weakness or threat that has the potential to undermine a leader's success. Unlike so-called black swan events, which are unpredictable, uncontrollable and rare, and situational blindness, where the environment makes recognition of a weakness or threat almost impossible, blindspots are recognizable if one looks for them.

Blindspots, however, are not just cases of failing to see ourselves or our actions accurately. They are evident in the way we view our teams, organizations and markets.

Two surprising qualities of blindspots are worth noting: First, leadership strengths are often found in close proximity to blindspots. Leaders who are deeply passionate, for instance, can believe in their own views to the point of dismissing contrary views or information that doesn't fit with their beliefs or plans. Visionary leaders, in particular, are often driven individuals who can become prisoners of their own assumptions. Second, blindspots may be recognized, only to reappear again later in a leader's career. In other words, awareness of a blindspot doesn't mean it disappears.

Some blindspots, in some situations, are adaptive and serve a leader well. Blindspots, however, always come with a price. They increase the risk of becoming overly detached from reality and failing to see or act on a significant weakness or threat. Learning to recognize and deal with blindspots is a task in understanding the sometimes counterintuitive aspects of how they operate and then more effectively managing yourself and others with that knowledge.

Blindspots are worthy of attention because the costs of neglecting them can be so high. A single blindspot in a critical area can undercut even the most talented leader. Blindspots can also take a toll on those who live with the consequences of a leader's decisions. Blindspots matter because leadership matters.

SECTION I: WHY BLINDSPOTS MATTER

The Dangers and Rewards of Being Blind

Successful leaders balance two conflicting needs. The first is to act with confidence in their abilities and faith in their vision for their organizations. This allows them to pursue ambitious goals and push forward despite obstacles that would intimidate if not overwhelm most people.

The second need for leaders is to be aware of their own limitations and avoid the hazards that come with overconfidence and excessive optimism. The classic case of this need is found in entrepreneurs, who are more likely than others to make overly optimistic projections of their chances for success, overvalue their own capabilities, and neglect to adequately plan for potential problems.

Leaders thus need to be supremely confident and, at the same time, see themselves and their situations accurately. Bob Sutton, a management professor, suggests that the best leaders hold the following belief: "I strive to be confident enough to convince people that I am in charge but humble enough to realize that I am often going to be wrong."

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Balancing Confidence and Doubt

The balancing act is complex, as confidence and doubt are often adversaries, each seeking to defeat the other. Moreover, the right balance between confidence and doubt varies within each individual. Psychologists, however, have found there are benefits to being slightly more confident than one should be. An *optimal margin of illusion* occurs when individuals have a small, positive distortion about themselves. A positive bias is useful because it increases an individual's motivation to move forward in risky situations and persevere in difficult situations.

The role played by blindspots is to mediate between the poles of self-confidence and self-doubt. A leader with too many blindspots can be overconfident, even blindly arrogant, and exposed to a range of risks. In contrast, a leader with too few blindspots may be too realistic and overwhelmed by the very real obstacles ahead. All in all, leaders are forced to manage the ongoing tension between confidence and doubt — between believing in yourself and realizing that you have gaps in your knowledge and may be wrong in the decisions you are making.

But blindspots are not simply problems to be identified and fixed. Managing blindspots is learning to accept them as inevitable and, in some respects, positive because they force you to remain vigilant. Knowing you have blindspots forces you to look more carefully and deeply at your own behavior and situation. In this regard, they both threaten and protect.

How to Spot Blindspots in Yourself and Others

One sign of self-awareness is realizing when you are getting in your own way. There is a difference between a weakness we recognize and a weakness we don't recognize. These unknown areas often pose the greatest risk because no corrective action is possible without awareness of the need to act. Leaders get into trouble when they don't know what they don't know in the areas that matter.

Four types of leadership awareness are

- **Known Strengths: you know what you know.**
- **Known Weaknesses: you know what you don't know.**
- **Unknown Strengths: you don't know what you know.**
- **Blindspots: you don't know what you don't know.**

Blindspots are the areas of unrecognized weakness that place a leader at risk because corrective action can't be taken without an awareness of a need to do so. The first improvement occurs when a leader becomes more aware of his or her blindspots as well as unknown strengths. The second improvement occurs when a leader develops new capabilities in targeted areas and replaces weaknesses with strengths.

Degrees of Blindness

One of the complexities of blindspots is that they can include gray areas where leaders both know and don't know that which threatens them. The three levels of blindness are

Lack of Awareness: The most extreme form of a blindspot is a complete lack of awareness regarding a weakness or threat. These are cases where the leader is said to be blindsided — surprised by events that he or she doesn't see coming.

Faulty Assessment: The second level of blindness can be described as denial, which is the refusal to fully face unwelcome realities that pose a risk to a leader and his or her firm. In this case, a leader may be aware of a weakness or threat but doesn't analyze it in sufficient depth to understand its causes and potential impact.

Failure to Act: The third level of blindness involves a leader's willingness or ability to act on a known weakness or threat. There are cases when a leader knows that trouble lies ahead but fails to take action due to a range of factors, including a lack of skill.

The Common Blindspots Holding Leaders Back

Successful individuals who sometimes stumble often do so because they have no one who can protect them from themselves. High achievers are frequently driven by a singular focus and an associated lack of perspective — which can be their defining strength and most significant weakness. Great achievers, however, carry with them the potential for equally great acts of self-delusion — for having weaknesses and threats that they don't see or that they rationalize as being unimportant in comparison to the goals they are pursuing.

Here are 20 blindspots worthy of your attention as you examine your own beliefs and behaviors. These are not the most common leader weaknesses, but rather those areas in which leaders lack awareness of their weaknesses.

Self

1. Overestimating your strategic capabilities.
2. Valuing being right over being effective.
3. Failing to balance the what with the how.
4. Not seeing your impact on others.
5. Believing the rules don't apply to you.
6. Thinking the present is the past.

Team

7. Failing to focus on the vital few.
8. Taking for granted your team model.
9. Overrating the talent on your team.
10. Avoiding the tough conversations.
11. Trusting the wrong individuals.
12. Not developing real successors.

Company

13. Failing to capture hearts and minds.
14. Losing touch with your shop floor.
15. Treating information and opinion as fact.
16. Misreading the political landscape.
17. Putting personal ambition before the company.

Markets

18. Clinging to the status quo.
19. Underestimating your competition.
20. Being overly optimistic.

Why Blindspots Are an Ever-Present Challenge

Blindspots are often found in close proximity to a leader's strengths. As a result, they can reappear over time as a leader does what he or she does best. Factors that give rise to blindspots and make them an ongoing challenge are

Experience Gaps: A leader's history is often missing particular experiences that make blindspots more likely in specific areas or situations. In this case, leaders don't see or fully understand what they have never experienced. More specifically, past experiences result in leaders' extrapolating from what they have experienced in the past to what is needed in new situations, particularly when they or their firms have achieved successes using a particular approach. In so doing, they assume that they are now facing a similar situation when, in fact, the demands are quite different.

Information Overload: A second factor in the persistence of blindspots is the tendency of people to simplify an overly complex world in order to focus on tasks that require their full attention. The total amount of cognitive energy we have is limited, and it is adaptive to pay attention to some issues while ignoring others. In so doing, people automate or make habitual many of the decisions they make because the energy required to pay attention to everything going on around them would soon overwhelm them.

Emotional Bias: A third factor to consider is how an emotional investment in a particular outcome can influence how an individual views a situation, with the "facts" being slanted to support a preferred outcome.

Cognitive Dissonance: Social psychologists have studied what occurs when one holds two conflicting views, particularly when those views are related to one's self-image. The term they use to describe this uncomfortable state is *cognitive dissonance*. The conflict is resolved through rationalizing one's beliefs or actions in a manner that sustains one's positive self-image.

Consider the individual who views himself as an honest person but then engages in acts that could be seen as dishonest or unethical. This creates a conflict for the individual. He will then change how he views the situation in order to uphold a positive self-image.

Misaligned Incentives: Compensation systems are designed to focus attention and effort within an organization, with the result being that people focus more on some areas than on others. For instance, a company may reward the achievement of quarterly sales targets and the aggressive management of budgets. However, it may have no formal metric for assessing customer views of the company and the products or services it provides. The result can be blindspots in particular areas.

Hierarchical Distortions: As an individual rises in a firm, the information that he or she receives is sometimes incomplete, distorted or even false. Leaders can become detached from the lower levels of their organizations, as time is consumed by corporate-level meetings and the needs of stakeholders. As a result, senior leaders rely more and more on secondhand information gained through a variety of people and systems.

Second, some people defer to those in positions of authority and offer little or no challenge to the leader's beliefs and plans. Thus, a leader with blindspots may not receive contrary feedback because others are afraid of the consequences if they come forward with a contrary point of view. Third, more powerful people generally pay less attention to less powerful people. Some leaders are less aware of how people below them are responding to them as leaders and, more generally, less aware of what is occurring in their teams and organizations.

Overconfidence: Perhaps the most important factor to consider regarding the persistence of blindspots is the tendency of people to overestimate their own capabilities. Self-assured leaders can easily come to believe that their skills are the primary factor producing positive outcomes (rather than the contributions of many others, or even luck). These leaders can also believe their skills are applicable to a wide range of challenges, some beyond what they have experienced in the past.

SECTION II: HOW TO SURFACE AND OVERCOME BLINDSPOTS

See It for Yourself: Customers, Colleagues and Outsiders

Many leaders feel less power than they felt would be the case on moving up in their companies, particularly in regard to managing their schedules. Internally, time is consumed in dealing with a range of important topics such as developing long-term strategies and solving operational issues. Externally, particularly for those in senior roles, there are obligations to industry groups, institutional shareholders, financial analysts and the media. Executives can, as a result, work for months without leaving the confines of their headquarters building. Customers and frontline employees easily fade into the background.

In order to see what is going on for themselves, leaders need to develop practices that increase their awareness in four areas: customers and markets, frontline colleagues, high-potential talent and outsiders.

Awareness of Customers and Markets: The retired former CEO of IBM, Sam Palmisano, told an interviewer that he learned from his predecessor in that role that the best way to analyze problems was by looking at them from the viewpoint of customers and markets. A recent example of someone who exemplifies this type of thinking is Jeff Bezos of Amazon. He strives to ensure that key decisions in his company are driven from the perspective of the customer. "We innovate by starting with the customer and working backwards," he says.

In fact, he wants his people thinking more about how to please customers than how to beat Amazon's competition. One well-known illustration of his "outside-in" mentality is Amazon's one-click ordering, which drastically reduces the information required of customers to place an order. Bezos wanted to make ordering online as easy as possible and, in so doing, bring customers back to Amazon for a wide variety of products.

Awareness of Frontline Colleagues. Most leaders are overly optimistic in that they believe their initiatives are being implemented more effectively than is actually the case. But some leaders make spending time with frontline colleagues part of their regular routine. Macy's CEO Terry Lundgren devotes time each week to shopping in one of his stores. "I just go and pop into a store. And so we walk through the floor, and they have no time to prepare for my questions, they've had no time to prepare the store ... I learn as much by walking through a store as anything I do ... Much more than sitting at my office at my computer or holding a big meeting."

Awareness of High Potentials: Leaders also benefit from increasing their awareness of high-potential individuals at various levels of the organization. These individuals often see things differently as a result of being, in most cases, younger than leadership team members and working at levels below that team. They can surface issues or inconsistencies that may be blindspots not only for the leader but also for his or her leadership team. Spending time with high-potential individuals also gives a leader an opportunity to personally assess the next generation of leadership in his or her firm.

Awareness of Outsiders: One of the most common traps for a leader is to become a prisoner of his or her own industry or firm, with a corresponding diminution of awareness. Many individuals spend their entire careers in one industry and, in some cases, in one firm. These leaders can take for granted assumptions about their markets and how their industry is evolving.

One way out of this trap is to gain exposure to outside views, including those from other groups or industries. Possible target groups and individuals include those from

- *Outside industries* that are addressing challenges that your company is facing today or will encounter in the future;
- *Other regions* of the world than those in which your industry or company has typically worked;
- *Academic institutions or think tanks* that specialize in areas likely to become increasingly important to your company;
- *Consulting practices* with expertise and experience in areas likely to be increasingly important to your company.

Seek Out That Which Disconfirms What You Believe

One of the most robust findings in the research on decision making is that people tend to see what they want to see, and they interpret new information within the

context of their existing beliefs. This makes seeing something different from what they already know or want to occur very difficult.

Disconfirming Data

To counter this, leaders need to surface *disconfirming data* — which is defined as information that challenges the basic assumptions and beliefs of a leader. One of the keys to surfacing such data is asking the right questions. In seeking information that challenges your existing views, you will want to focus on these areas: your leadership impact, your team's strengths and weaknesses, your organization's strengths and weaknesses, and the markets and industry in which you compete.

- **Surface Disconfirming Data About Your Leadership Impact:** One helpful technique for maximizing self-awareness is an annual self-assessment of lessons learned about one's own leadership effectiveness. Many firms ask leaders to assess their progress against a formal set of objectives. Less common is a focus on deeper insights regarding one's leadership over the course of a year, which can involve both successes and failures. Some leaders summarize these lessons in a two-to-three-page, year-end memo that outlines what they learned and, in some cases, what they need to improve on as leaders in the upcoming year.
- **Surface Disconfirming Data About Your Team:** Many leaders believe that their team is operating more effectively or team members are more aligned than is actually the case. To learn what is working well in the team and what needs to change, assess your team's effectiveness. The assessment of the group typically includes input from team members and, in many cases, from selected individuals working at the next level of management. In most cases, the assessment includes open-ended questions regarding what the team should continue, stop or start. Another useful technique is to give team members assignments that stretch them and, in so doing, provide input on their capabilities. A leader might give a superb operational leader an assignment to develop a new strategy for the firm in an important area such as a new emerging market or product category.
- **Surface Disconfirming Data About Your Organization:** Leaders also need regular input on how their organizations are performing, beyond the obvious financial metrics. One technique is to review strategic performance metrics with your team. Each leader needs a few carefully selected macro metrics that clarify to the leadership team and beyond what is important and how the performance of the organization will be measured. Metrics, when properly designed and used, make it difficult for the leader and his or her team to ignore weaknesses. Another strategy is to solicit input from newcomers, outgoers and outliers. Bringing new people into an organization can result in productive challenges to the status quo and make more visible weaknesses that need to be addressed. The challenge is to fully leverage the benefits that newcomers bring to a firm. A leader can reach out to newcomers to ask their views of how the leader's team is operating as well as their thoughts about the larger organization. These discussions focus on the business but also on the organization's way of operating.
- **Surface Disconfirming Data About Your Markets:** One technique to identify disconfirming data in regard to customers, markets and competitors is to identify and engage sentinels. Leaders need to identify the areas or specific competitors that need to be monitored. One way of doing this is to identify a point person or, in some cases, groups to be a sentinel responsible for collecting and analyzing data about the identified areas, including the actions of current and emerging competitors. The sentinel's role is to be fully informed of trends in the targeted areas and to be an advocate for appropriate concern around the threat that is emerging (or the opportunity that should be seized).

Develop Peripheral Vision and See What Others Miss

Leadership often demands bold moves — an industry-altering acquisition, a major investment in an innovative technology, the opening of a new regional market, a wide-ranging reorganization. The best leaders use both hard and soft data to improve the quality of their decisions in such areas. This requires that they take advantage of the views of others, especially those who are in the best position to assess the consequences of a particular course of action, as well as to point out a leader's potential blindspots or biases.

For a variety of reasons, individuals often communicate in subtle or even misleading ways to those above them. In some cases, those at the top of the organization and those at lower levels participate in an unspoken collusion, with the goal of avoiding conflict.

Effective leaders create a culture that promotes straight talk, but also pay attention to the nuances of communica-

tion in the decision-making process. Several actions are important for the leader who wants to develop peripheral vision:

Know Your Team Members: The senior leader needs to get to know his or her team in depth in order to determine how to best interpret the subtleties of team-member behavior. Some team members are comfortable with letting events unfold, while others prefer to resolve issues quickly. Some like to collect and analyze a wealth of data before making a decision, while others rely more on their intuition. Knowing how to "read" team members includes having not only an awareness of each person's tendencies but also an awareness of deviations from his or her typical approach. Leaders need to understand the traits and tendencies of those with the power to impact their success.

Pay Attention to Behavioral Flags: The leader needs to be aware of subtle cues that surface in a variety of settings. Here are the types of warning signals to watch for and possibly investigate further: nonverbal behaviors, silence, nonanswers, omissions, specific language, shifting positions, off-line input and email traffic.

Create Openings for Contrarians: Most corporations need formal or informal mechanisms to encourage views that are different from the dominant culture or prevailing point of view on any given issue (including the leader's own thinking). A leader needs to encourage these viewpoints, particularly in regard to the vetting of a full range of views on key decisions or areas of the business.

Leaders can use roundtable discussions to surface concerns. One of the best approaches for surfacing divergent views in leadership is simply to allow silence to enter the conversation, either when meeting one-on-one with people or in group meetings. Also, leaders often need to follow up team meetings with one-on-one discussions with particular individuals.

Establish a Three-Strike Rule: Mark Ronald, former CEO of BAE Systems, Inc., used an approach that he called the *three-strike rule* to encourage those with concerns about a particular decision to be tenacious in advancing their recommendations. The leader emphasizes that any area of concern that affects the larger enterprise should be given three opportunities for a hearing by the leader and his or her team. It may be accepted for further action at any time, but if it is rejected three times, it will not be debated again. With this approach, the leader is saying that he is not the final line of defense in determining what needs attention for the organization to be successful.

Listen Differently: Carlos Ghosn, CEO of Renault and Nissan, believes leaders need to be open and empathetic to others, taking into account their points of view. He suggests that leaders listen openly before a decision is made and then become drivers of results once it is reached. You want to ensure, in situations that demand it, that you understand the point of view of others before pushing forward with solutions. In some cases, you also may have a sense of the issue, but you need to be careful not to look simply for input that confirms your assumptions. It can also help to repeat back to individuals, in your own words, what you are hearing from them, to ensure that your understanding is accurate.

Build a Network of Trusted Advisors in Critical Areas

Some individuals, on being promoted into senior leadership roles, experience a distinct sense of being on their own. They are now responsible for decisions that will determine the fate of their companies or groups — with implications not only for themselves but also for their colleagues, customers and shareholders. Leaders also realize that many of those who provide them with advice on key decisions have their own agendas — including in some cases a desire to enhance their power and position within the company.

Successful leaders learn to discern the extent to which the advice they are given is limited by the knowledge or motives of those offering it. Leaders will want to consider the following steps as they work to build a network of trusted advisors:

Target the Areas Where You Need Advice: Dan Vasella, former CEO of Novartis, suggests that every leader needs a close confidant who can listen to his or her concerns — a board member or advisor whom the leader respects and can speak to in total candor. These people have a deep understanding of the leader's strengths and weaknesses and the challenges he or she faces. They show good judgment and can be trusted to keep conversations confidential.

Leaders also need other advisors in a wide range of areas and are best served by identifying people who can provide value in each area, given their particular strengths and backgrounds. Advice is often needed by those in leadership roles in these areas: markets and strategy, technological innovation, organization and people, political dynamics, crisis management and personal impact.

Match the Type of Advisor to Your Need: One of the burdens of moving up in a company is that the com-

plexity of the decisions leaders face increases at the same time as their ability to reveal their vulnerabilities decreases. In addition, leaders may need several types of advisors in targeted areas.

Consider these types: **Experts** are individuals who have deep knowledge in targeted areas, such as strategy or technology. **Coaches** observe the leader in action and have knowledge of best practices in organizational and leadership behavior. **Mentors** have been in a role similar to the one occupied by the leader or to which the leader aspires. **Sponsors** see a leader's potential and support his or her career advancement. They provide backing when needed but don't provide ongoing mentoring or coaching.

Promote Productive Team Fights on the Vital Few Priorities

Building a strong team is one of the most important actions a leader can take to surface and manage blindspots. In many respects, the leader creates the team, and the team then creates the leader — as a primary source of feedback and advice, it becomes a key influence on the leader's thinking and behavior. The best teams have the skill and confidence to challenge a leader when he or she is viewing a situation in an inaccurate or incomplete manner.

A leader who seeks to create a leadership team that can surface and address blindspots needs to take action in the following areas:

Hire a Group of Smart, Diverse and Passionate People: In staffing a team, the leader will want to look at the total portfolio of talent in his or her group and not simply the strengths of each individual in relation to the role he or she fills. In particular, the best leaders hire those who have capabilities that the leader lacks or capabilities that balance the capabilities of others on the team. Increasing diversity also means that you want to source from different backgrounds, and you also need team members who are loyal but willing to tell you the hard truths when necessary.

Focus the Team on the Vital Few Priorities: High-performing teams obsess over the core work and stubbornly refuse to be distracted by peripheral concerns. The team needs to address the innovations that will drive future growth and the risks that can threaten the firm's viability. The question for each team leader is the extent to which important issues are pushing out the truly vital issues.

Embrace High-Level Conflicts; Shun Low-Level Conflicts: Effective teams raise the level of "heat" in their interactions when needed in order to fully understand the complex dynamics and potential trade-offs in the decisions they are making. People in these types of groups will openly express their own points of view and challenge those with whom they disagree.

Not all conflict, of course, is productive. Many teams experience low-level conflict in which people fight over the less important issues, including mundane operational concerns or, in some cases, interpersonal differences. A team that engages in low-level conflicts consumes valuable time and energy in dealing with issues that are of little value compared to the more critical challenges facing the organization.

Ensure One Voice on Execution: In the best firms, there is active debate before a decision is reached and strong alignment once a decision is made. Management author Jim Collins suggests that this ability "begins with having the right people — those who can debate in search of the best answers but who can set aside their disagreements and work together for the success of the enterprise." Consensus is not the goal — instead, conflict is encouraged as a means of making better decisions.

Those who work with leaders know that they can be flawed human beings with weaknesses and even illusions that stand in stark contrast to their considerable strengths. We shouldn't assume that greatness and awareness are found in the same person. To believe otherwise is to deny the complex character of leaders and the burdens of leadership.

Blindspots don't just disappear when you become aware of them or take action to address them. They resurface over time or are displaced by other blindspots that become salient as you face new challenges. Remaining aware of blindspots requires vigilance and humility as you come to appreciate, and perhaps even value, the limits of your knowledge and skill — and how to lead forcefully even with that awareness. That's a lesson worth learning.

RECOMMENDED READING LIST

If you liked *Leadership Blindspots*, you'll also like:

1. ***Hacking Leadership* by Mike Myatt.** Myatt identifies 11 leadership gaps that can be holding leaders back and affecting their performance.

2. ***What Keeps Leaders Up at Night* by Nicole Lipkin.** Lipkin uses psychological and neuroscience research to show leaders how to recognize and resolve eight of today's most troubling management issues.

3. ***Leadership and the Art of Struggle* by Steven Snyder.** Snyder shows how to navigate intense challenges to achieve personal growth and organizational success.

· Book 177 of 388 ·

Leadership That Rocks:

Jim Knight

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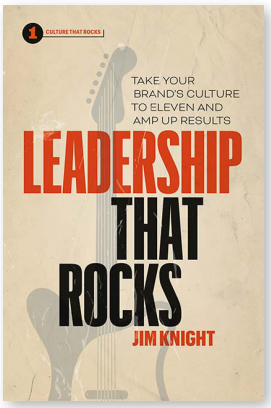
Leadership That Rocks:

Take Your Brand's Culture to Eleven and Amp Up Results



by **Jim Knight**

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THE SUMMARY IN BRIEF

Up and coming leaders face a unique challenge. How can you enhance your company's culture when you play a relatively small role within your organization? How can you establish yourself as a true leader that's capable of turning your organization into something greater than the sum of its parts?

Even if you're not an executive or high-level leader, you still have the power to have an outsized influence on your organization's culture from the inside out— helping raise your profile and career fulfilment along the way.

Author, speaker, and trainer Jim Knight's ***Leadership That Rocks*** is a powerful, music-inspired guide to becoming a culture-driven and versatile manager that's a true catalyst for change within your organization. If you want to turn your cultural impact up to eleven, this rock-and-roll guide to leadership is written unlike anything else and will provide insights you won't find in other, similarly focused books.

IN THIS SUMMARY, YOU WILL LEARN:

- How to impact your company culture for the better, regardless of your role.
- Why culture-driven leaders are more effective, and how to become one yourself.
- How to be a catalyst for change within your organization in your attitudes, the people you hire and manage, and the projects you choose to pursue.
- How to make mentorship a powerful part of your organizational culture, and why being a mentor can be a transformative force in any organization.

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Setting the Stage

How can you enhance your company's culture when you have no direct reports and you're not an executive?

Of course, every person in a company contributes to its culture, but sometimes it takes a little extra explanation to persuade junior leaders that they do indeed have the ability to amp up their environment. In fact, this question is one of the main reasons for this book summary. It's an opportunity for leaders at any level, in any industry, to have the strategies that create a culture professionals dream about every day.

As environmental activist Greta Thunberg says: "You're never too small to make a difference."

To be fair, she was talking about everyone's personal responsibility for saving the planet. But her sentiment works perfectly for any level of leadership affecting a company's culture. You absolutely can make a difference.

The real impact will come when you put in the work of studying and implementing the suggestions you'll find here. Consider the main lyrics of the overall tune, so you don't get lost in the melody or the beat. Invest in your future—the future of your career, the future of your business, and the future of an integral piece of your company's identity, it's culture. Through thick and thin, good times and bad, a business thrives and flourishes based on the strength and authenticity of its culture. Companies with strong, anchored cultures will grow and prosper, while those with weak, frail cultures will wilt and eventually die.

But the greatest accelerant to a cultural flame is leadership.

Culture-Driven Leaders

Many companies ignore organizational culture. It's not important to them. For decades, business leaders have been conditioned to focus exclusively on strategy and operations, with the hope that a strong culture will eventually be developed once they attain some success. It's totally understandable— and completely wrong.

As serial entrepreneur, bestselling author and media mogul Gary Vaynerchuk (or "Gary V" to his fans) famously said: "Company culture is the backbone of any successful organization."

The reason leaders of great brands focus on organizational culture first and foremost is to drive a business' ultimate success. Focusing exclusively on tactical nuts and bolts will keep a company from becoming legendary -and companies that succumb to this small-time thinking will wallow in a malaise, constantly pushing the strategy-of-the-day to attain financial success.

Rock star leaders understand the difference between the two approaches and seek a higher purpose. They opt for the long-term sustainability of culture versus the limited focus of an annual strategy.

Tony Hsieh, the late, iconic founder of Zappos, put it this way: "If you get the culture right, most of the other stuff will just take care of itself."

Hsieh was so right. Unlike processes, tools, products and strategies, all of which can be easily copied, culture is unique. So unique, in some cases, that replicating it is too hard for competitors to even attempt. And that's the advantage. A great organizational culture provides differentiation for consumers and employees alike. It should be hard to copy. But it shouldn't be hard to understand.

Rock Bands & Business Brands

A company's culture is the brand's personality. It's a living organism—like a culture in a petri dish, where people are the microorganisms. The brand's personality changes as different 'microorganisms' affect it. Each person comes to the table with their own culture shifts and their own learned behaviors, and the culture of any organization can only exist because of the people embodying it.

Famous author, brand executive and chair of the board of AARP Libby Sartain put it this way: "If a brand doesn't live on the inside, it can't thrive on the outside."

As a company both succeeds and struggles through the years, its culture becomes more profound, wielding greater influence on all the stakeholders within to conform to its organizational norms. In this perpetual cycle, employees strengthen the brand's culture, and so define the brand's personality.

Take note: This doesn't just apply to positive organizational cultures; it is simply how a company establishes its 'personality.' An organization's founders and leadership may hope that their culture is positive and that it won't change over time, but it will. People come and go all the time. Just like a rock band, a culture is only as strong as the people currently employed and collectively making up the heart and soul of the organization. That's why it's up to you as a leader to choose your people wisely and foster the kinds of behaviors you want your customers to experience.

Combine passion, commitment, and a hard work ethic with thinking fast, creating alternatives and marshaling resources to achieve results; develop your 'hustle muscle.'

Start with You

When it comes down to it, changing the culture of an organization you love will be among the most challenging responsibilities you'll face. It takes time, patience, persistence, effort, know-how, and passion. But it's not impossible— and it's completely worthwhile.

Like most things in life that require an overhaul, culture change starts on the inside. That's not referring to the 'below the surface' processes of the company. It's referring to something even more internal. Culture shifts start with each one of us. They start with you.

Look at every experience as something that happens for you, not to you. Commit to growing with a company that has a value orientation aligned with yours. If you don't love your brand, it will reflect in your lack of passion for your work.

This alignment between your individual values and the company's identity is key to your personal fulfillment and your effective participation in the brand's future. But, if you relish the leadership role you're in, for a company that you truly love, all while acknowledging that it needs a bit of a cultural revolution, then a deep emotional connection with the brand will make you a catalyst for change.

Be the Catalyst for Change

We can all name people who are loyal to an organization for a long time, individuals who have watched their ideas come to life, take flight, and even grow into organizational norms. These brand ambassadors dig in to move mountains and shift cultural identities. They don't just ride the back of the organization for their own interests; with the passion and commitment they put into the business' success, they earn the right to represent the company culture. Partly because of tenure, but mostly because of dedication and fearlessness, they attain the status of 'culture catalyst' and the implied permission to influence the organization.

To shift the cultural pillars of a company, someone's got to be the catalyst— the change agent.

Leaders at all levels need to understand that employees are the conduit for the changes that lead to any desired results. Surrounding yourself with different yet like-minded people with a passionate mission is one way to positively affect company culture. Inspiring the individuals you supervise is important, and focusing on who you bring on to the team may be just as critical for culture change.

This is where diversity can pay big dividends.

The value of a diverse workgroup has been long touted by human resources professionals and organizational psychologists alike. They maintain that a diverse workforce fosters better, more creative solutions to problems, thereby leading to sustainable growth. When that happens, the culture becomes even stronger.

Lay the Groundwork

Wanting change is one thing; making it happen isn't so easy. Whether you have joined a company that just needs an adrenaline shot or you've been hanging out in an organization that requires major surgery for its failing heart, any company can be enhanced for the better. But this requires leadership. And to be an effective leader of others, you have to lay the groundwork in yourself first.

Be obsessed with results. Combine passion, commitment, and a hard work ethic with thinking fast, creating alternatives and marshaling resources to achieve results; develop your 'hustle muscle.'

Instead of immediately revolutionizing the company, start small and crush a few things first; once you've earned trust, you will garner bigger responsibilities and influence.

Inevitable resistance can be mitigated if the change is carefully discussed, planned, embraced, communicated, and ultimately defended.

Never Stop Playing Your Part

Being a leader in a business culture that rocks is a massive undertaking, but it garners epic, long-term results. In fact, performance-oriented cultures possess statistically better

financial results. For culturally strong brands like Whole Foods, In-N-Out Burger, LEGO, or Walt Disney World, there is no doubt about the validity of their results in almost every area. Employee morale is higher and turnover is lower than their industry norms. People are passionately and actively engaged in the business. And because of these internal factors, organizational alignment filters through the entire brand, all focused onc collectively achieving the company's goals, including the all-important financial ones. What starts out as an internal approach becomes external, profitable, and sustainable results.

Since we know that organizational cultures can only be affected by people and their behaviors, it should be clear that everything starts and ends with leadership. Regardless of position, any leader can enhance a company's environment, so never stop playing your part to advocate for and drive the culture.

Mentorship is Instrumental

One way to affect culture change is through personally developing others and being willing to be developed by others. So, humility is important here as well.

You are who you are today because of learned behavior, so humility may be one of those elusive leadership characteristics that takes a lifetime to embrace, especially if it is not part of your natural disposition. But if the selfless and humble side of you authentically exists, then you are ready for the next step. Mentorship is perhaps the greatest level of leadership maturity there is. And if mentorship is or becomes a widely celebrated part of your organization's learning environment, you can expect an army of culture catalysts to positively push the brand to new heights.

Light It Up

By definition, a person who starts an organization should be considered a catalyst. To create a culture so crystal clear that the company's 'personality' is apparent to all requires deliberate thought, strategy, and action. Such business leaders recognize the staying power of a strong brand personality; they aspire to positively ingrain the brand's culture into the end user's psyche— from genesis to nirvana.

Perhaps one day, you'll start your own business, but even if your current role is a new up-and-coming leader or middle manager, you should still think like a founder. We can learn a lot from their grit and innovative thinking.

Conclusion

Focusing on the company's culture may be new to you, but the benefits are Herculean. Building a strong culture creates an enjoyable, encouraging, and inspiring work environment that everybody wants to be part of. Your brand will see undeniable benefits when you do it right. But talk and thought are cheap.

You have to put in the work to truly start your cultural revolution. It is not enough to just fondly think of these proven best practices from time to time and expect better results— you have to act. Decisions are made by those who show up.

It's time to show up.

Jim Knight is an award-winning training and development veteran and culture catalyst who speaks on a variety of interactive topics, including programs on organizational culture, differentiated service and rock star leadership. During Jim's twenty-one-year career with Hard Rock International, his creativity and success garnered his team several industry awards for cutting-edge print, video, e-learning and instructor-led concepts. He was also recognized by Training magazine as representing one of the Training Top 125 companies in the world, across all industries, and has since been featured in Entrepreneur magazine, Inc. magazine, Forbes magazine and Fox Small Business News.

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Leadership and Self Deception

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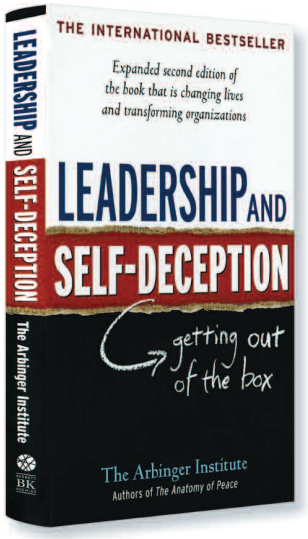
Leadership and Self-Deception

Getting Out of the Box



by The Arbinger Institute

THE SUMMARY IN BRIEF

Since its original publication in 2000, *Leadership and Self-Deception* by The Arbinger Institute has become a word-of-mouth phenomenon. Its sales continue to increase year after year, and the book's popularity has gone global, with editions now available in more than 20 languages.

Through a story everyone can relate to about a man facing challenges on the job and in his family, the authors expose the fascinating ways that we can blind ourselves to our true motivations and unwittingly sabotage the effectiveness of our own efforts to achieve success and increase happiness.

This new edition has been revised throughout to make the story even more compelling. And drawing on the extensive correspondence the authors have received over the years, they demonstrate the many ways that "getting out of the box" can help readers improve their lives and workplaces. The principles can be applied to team building, conflict resolution, and personal growth and development, to name a few.

Read *Leadership and Self-Deception* and discover what millions already have learned — how to consistently tap into an innate ability that dramatically improves both your results and your relationships.

IN THIS SUMMARY, YOU WILL LEARN:

- How each of us has the problem of not knowing we have a problem.
- How to help rehabilitate employees who will lose their jobs unless some serious changes are made.
- How to institute a new way of tracking problems in your company.
- How to move from merely dreaming about a culture of responsibility-taking and accountability to actually experiencing it.
- A model for solving every problem encountered by your organization.

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THE COMPLETE SUMMARY: **LEADERSHIP AND SELF-DECEPTION**

by The Arbinger Institute

The authors: The Arbinger Institute helps organizations, families, individuals and communities worldwide to correct the trouble created by the little-known but pervasive problem of self-deception. Arbinger is led by founding partners James Ferrell, Duane Boyce, Paul Smith and Terry Warner. Headquartered in the United States, Arbinger now has operations around the world, including throughout the Americas, Europe, Africa, the Middle East, India, Oceania and Asia.

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Preface

For too long, the issue of self-deception has been the realm of deep-thinking philosophers, academics and scholars working on the central questions of the human sciences. The public remains generally unaware of the issue. That would be fine except that self-deception is so pervasive it touches every aspect of life. "Touches" is perhaps too gentle a word to describe its influence. Self-deception actually *determines* one's experience in every aspect of life. The extent to which it does that — and in particular the extent to which it determines the nature of one's influence on, and experience of, others — is the subject of this book.

More Stuck Than Ever

To give you an idea of what's at stake, consider the following analogy. An infant is learning to crawl. She begins by pushing herself backward around the house. Backing herself around, she gets lodged beneath the furniture. There she thrashes about, crying and banging her little head against the sides and undersides of the pieces. She is stuck and hates it. So she does the only thing she can think of to get herself out — she pushes even harder, which only worsens her problem. She's more stuck than ever.

If this infant could talk, she would blame the furniture for her troubles. After all, she is doing everything she can think of. The problem couldn't be *hers*. But of course, the problem *is* hers, even though she can't see it. While it's true she's doing everything she can think of, the problem is precisely that *she can't see how she's the problem*. Having the problem she has, nothing she can think of will be a solution.

Self-deception is like this. It blinds us to the true causes of problems, and once we're blind, all the "solutions" we can think of will actually make matters worse. Whether at work or at home, self-deception obscures the truth about ourselves, corrupts our view of others and our circumstances, and inhibits our ability to make wise and helpful decisions. To the extent that we are self-deceived, both our happiness and our leadership are undermined at every turn, and not because of the furniture.

A Solution to a Central Problem

We have written the following story to educate people about a solution to this most central of problems. Our experience in teaching about self-deception and its solution is that people find this knowledge liberating. It sharpens vision, reduces feelings of conflict, enlivens the desire for teamwork, redoubles accountability, magnifies the capacity to achieve results, and deepens satisfaction and happiness. ●

PART I: SELF-DECEPTION AND THE 'BOX'

Bud

My name is Tom Callum. It was a brilliant summer morning shortly before 9:00, and I was hurrying to the most important meeting of my new job at Zagrum Co. As I walked across the tree-lined grounds, I recalled the day two months earlier when I had first entered the secluded campus-style headquarters to interview for a senior management position. I had been watching the company for more than a decade from my perch at one of its competitors and had tired of finishing second.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor In Chief; **Andrew Clancy**, Senior Editor; **Chris Lauer**, Contributing Editor; **Amanda Langen**, Graphic Designer

After eight interviews and three weeks spent doubting myself and waiting for news, I was hired to lead one of Zagrum's product lines.

Now, four weeks later, I was about to be introduced to a senior management ritual peculiar to Zagrum: a daylong one-on-one meeting with Executive Vice President Bud Jefferson. Bud was the right-hand man to Zagrum's President Kate Stenarude, and he was about to become my new boss.

A Man of Apparent Contradictions

Bud Jefferson was a youngish-looking 50-year-old combination of odd-fitting characteristics: a wealthy man who drove around in an economy car without hubcaps; a near-high school dropout who had graduated with law and business degrees, summa cum laude, from Harvard. Despite his apparent contradictions, and perhaps partly because of them, Bud was revered as something of an icon. He was universally admired in the company.

As I scaled the Central Building's hanging steel stairway up to the third floor, I reviewed my performance during my month at Zagrum: I was always among the earliest to arrive and latest to leave. I felt that I was focused and didn't let outside matters interfere with my objectives. Although my wife Laura often complained about it, I was making a point to outwork and outshine every co-worker who might compete for promotions in the coming years. I nodded to myself in satisfaction. I had nothing to be ashamed of. I was ready to meet Bud Jefferson.

A minute or two later, there was a brisk knock on the door and in walked Bud.

What No One Wants to Hear

"Tom," said Bud abruptly, "I've asked you to come today for one reason — an important reason."

"OK," I said evenly, trying to mask the anxiety I was feeling.

"You have a problem — a problem you're going to have to solve if you're going to make it at Zagrum."

Finally I managed to say, "A problem? What do you mean?"

"Do you really want to know?" asked Bud.

"I'm not sure. I guess I need to, from the sound of it."

"Yes," Bud agreed, "you do." ●

A Problem

"You have a problem," Bud continued. "The people at work know it, your spouse knows it, your mother-in-law knows it. I'll bet even your neighbors know it."

Despite the digs, he was smiling warmly. "The problem is that you don't know it."

How could I know I had a problem if I didn't even know what the problem was? "I'm afraid I don't know what you mean," I said, trying to exhibit calm.

"Think about these examples, for starters," he said. "Remember the time you had a chance to fill the car with gas before your wife took it, but then you decided she could fill it just as easily as you, so you took the car home empty?"

I thought about it for a moment. "I suppose I've done that, yes." *But so what?* I wondered.

"And," he continued, "have you ever kept some important information to yourself, even when you knew a colleague would really be helped by it?"

I had to admit that I had done that.

He paused for a moment. "What do you do when you're confronted with someone you believe is lazy or incompetent?"

I thought about it. "I suppose I get after some of them pretty hard. But some people don't respond well to that, so I try to get them going in other ways. Some I cajole, others I outsmart. But I've learned to keep my smile with most people. That seems to help. I think I do a pretty good job with people, actually."

Bud nodded, "I understand. But when we're finished, I think you'll feel differently."

Doing More Damage

The comment unsettled me. "What's wrong with treating people well?" I protested.

"But you're *not* treating them well. That's the problem. You're doing more damage than you know."

"Damage?" I repeated.

Attempting to keep my emotions under control, I said, "I'm afraid you're going to have to explain that to me." The words sounded too combative, even to my own ear, and my cheeks flushed all the more.

"I'll be happy to," he said calmly. "I can help you learn what your problem is — and what to do about it. That's why we're meeting." He paused, and then added, "I can help you because I have the same problem."

Bud rose from his chair and began pacing the length of the table. "To begin with, you need to know about a problem at the heart of the human sciences." ●

Self-Deception

"I was a young lawyer at the time," Bud began, "working long hours at one of the most prestigious firms

in the country. One of the deals I worked on was a major financing project that involved about 30 banks worldwide. Our client was the lead lender on the deal.

"A week after I'd been assigned to the project, my wife Nancy and I found out she was pregnant. Our son David was born eight months later, on Dec. 16.

"But then came a phone call. It was Dec. 29. The lead partner on the deal was calling me. I was needed at an 'all hands' meeting in San Francisco.

"With a photo album under my arm, I tore myself away from them and turned through the doors of the terminal of what used to be called National Airport.

"I worked from 6 a.m. till after midnight every day. If you had asked me at the time what my objective was I would have told you that I was 'drafting the best possible documents to protect our client and close the deal,' or something to that effect. But you should know a couple of other things about my experience in San Francisco.

"All of the negotiations that were central to the documents I was working on were happening on the 25th floor. But I didn't go up to 25 much.

"Now, let me ask you a question, Tom. Just from the little bit you know about my San Francisco experience, would you say that I was really committed to 'drafting the best possible documents to protect our client and close the deal'?"

"No," I said, shaking my head. "It sounds like you were preoccupied with something else. It doesn't seem like you were engaged in the project at all."

The Bigger Problem

"I was uncommitted, was disengaged, hadn't caught the vision and was making things more difficult for others on the deal. That's all true. And that's a problem — a big problem. But there was a bigger problem — and it's this problem that you and I need to talk about."

He had my full attention.

"The bigger problem was that I couldn't *see* that I had a problem."

Bud paused for a moment, and then, leaning toward me, he said in a lower, even more earnest tone, "There is no solution to the problem of lack of commitment, for example, without a solution to the bigger problem — the problem that I can't see that I'm not committed."

I suddenly started to be uneasy and could feel my face again sag to expressionlessness. I had been caught up in Bud's story and had forgotten that he was telling it to me for a reason. This story was for me. He must have been thinking that I had a bigger problem. Despite my efforts to stay coolly detached, my face and ears began to heat up.

"Tom, there's a technical name for the insistent blindness I exhibited in San Francisco. Philosophers call it *self-deception*. At Zagrum, we have a less technical name for it — we call it 'being in the box.' In our way of talking, when we're self-deceived, we're 'in the box.' You're going to learn a lot more about the box, but as a starting point, think of it this way: In one sense, I was 'stuck' in my experience in San Francisco. I was stuck because I had a problem I didn't think I had — a problem I couldn't see. I could see matters only from my own closed perspective and I was deeply resistant to any suggestion that the truth was otherwise. So I was in a box — cut off, closed up, blind. Does that make sense?"

I nodded.

"There's nothing more common in organizations than self-deception," he continued. "Remember how I mentioned that you needed to know something about a problem in the human sciences?"

"Yes."

"This is it. Self-deception — being in the box — is the problem I was talking about. Of all the problems in organizations, self-deception is the most common and the most damaging."

Bud paused, then continued, "At Zagrum, Tom, our top strategic initiative is to minimize individual and organizational self-deception." ●

PART II: HOW WE GET *IN* THE BOX

Kate

I had met Kate just once. She'd been the final of my eight interviewers during the hiring process. I liked her instantly, as I'd since found out was common to nearly everyone in the company. Her story was in some ways the story of Zagrum and, like Zagrum's story, Kate's was freely passed along to new employees. She had joined the company fresh out of college some 25 years earlier, with a degree in history. One of the first 20 employees at Zagrum, she started as an order-fulfillment clerk. In those days, it seemed that Zagrum's future was in perpetual doubt. After five years, Kate, by then Zagrum's director of sales, left the company for a better opportunity, only to change her mind after a last-ditch personal appeal by Lou Herbert, the company's president at the time. Since that time, and until Lou's retirement, Kate had been second in command at Zagrum. At Lou's retirement, she was elevated to president and CEO.

"Hello, Tom," she said, extending her hand to me. I

was returning to the Central building after a lunch break and Kate joined me as we walked up the stairs. "It's good to see you again. Is life treating you well?"

"Yeah, I can't complain," I said, trying to ignore for the moment my surprise at meeting her. "How about you?"

"Never a dull moment, I'm afraid," she said with a chuckle.

"I can't believe you remember who I am," I said.

"What? Forget a fellow St. Louis Cardinals fan? Never. And besides, I'm coming to meet with you."

"With *me*?" I said incredulously, pointing at myself.

Self-Betrayal

"Hey Kate," Bud said warmly as we walked through the doors of the Eastview Room.

"Hi Bud," she said. "Sorry, I ruined your surprise."

"I didn't intend your coming as a surprise, actually," he said. "Let's all sit down and get to it."

Bud rubbed his chin. "Well, Tom," he said, "we're certainly going to get to how we get out of the box. But first we have to understand how we get in it.

"Now at first you're going to think this is a silly story. It's not even a workplace story. We'll apply it to the workplace when we get a little more under our belts. Anyway, it's just a simple little story — mundane even. But it illustrates well how we get in the box in the first place.

"One night a number of years ago, when David was just an infant, I was awakened by his wailing cries. He was probably 4 months old or so at the time. I remember glancing at the clock. It was around 1 o'clock in the morning. In the flash of that moment, I had an impression or a sense or a feeling — a thought of something I should do. It was this: 'Get up and tend to David so that Nancy can sleep.'

"If you think about it, this sort of sense is very basic," he continued. "We're all people. And when we're out of the box and seeing others as people, we have a very basic sense about others — namely that, like ourselves, they have hopes, needs, cares and fears. And on occasion, as a result of this sense, we have impressions of things to do for others — things we think might help them, things we can do for them, things we want to do for them. You know what I'm talking about?"

"Sure, that's clear enough," I said.

"This was such an occasion — I felt a desire to do something for Nancy. But you know what? I didn't act on it. I just stayed in the bed, listening to David wail."

I could relate. I'd waited out Laura and our son Todd plenty of times.

"You might say I 'betrayed' my sense of what I should do for Nancy," he said. "That's sort of a strong way to say it, but I just mean that in acting contrary to my sense of what was appropriate, I betrayed my own sense of how I should be toward another person. So we call such an act 'self-betrayal.'

"Now, in this moment, as I'm just lying there listening to our wailing child, how do you imagine I might've started to see and feel about Nancy?"

"Well, she probably seemed lazy to you," I said.

Characteristics of Self-Betrayal

"To begin with, think about this: When did Nancy seem worse to me, before I betrayed myself or afterward?"

"Afterward, for sure," I said.

"Yes," said Bud, "and when do you suppose sleep seemed more important to me, before I betrayed myself or after?"

"Oh, I guess after."

"And when do you suppose other interests — like my work responsibilities the next morning, for example — seemed more pressing to me, before I betrayed myself or after?"

"Again, after."

Bud paused for a moment.

"Now here's another question: Take a look again at how I started to see Nancy. Do you suppose that in reality she's as bad as she seemed to me after I betrayed myself?"

"No, probably not," I said.

"That's true," Bud agreed.

"Yeah, but what if she was?" I interjected. "I mean, what if she really *was* a lazy and inconsiderate person? Wouldn't that make a difference?"

"That's a good question, Tom," Bud said, rising again from his chair. "Let's think about that for a minute."

He started to pace the length of the table. "Let's just say, for the sake of argument, that Nancy *is* lazy. And let's assume that she's generally inconsiderate, too. Some people are, after all. Here's the question: If she was lazy and inconsiderate after I betrayed myself, then she must've been lazy and inconsiderate before, right?"

"Yes," I answered. "If she's lazy and inconsiderate, she's lazy and inconsiderate. Before, after, it wouldn't matter."

"OK, good," said Bud. "But if that's the case, then notice — I felt I should get up and help her *even though* she was lazy and inconsiderate. Before I betrayed myself,

I didn't see her faults as reasons not to help her. I felt that way only *after* I betrayed myself, when I used her faults as justifications for my own misbehavior. Does that make sense?"

I wasn't sure.

"So think about it," Bud continued. "Here I am in self-betrayal, and I think that I'm not getting up to help Nancy because of what she's doing to me — because she's lazy, inconsiderate and so on. But is that the truth?"

"No," I said, beginning to see the picture. "You *think* that's the truth, but it's not."

"That's right. The truth is, her faults seemed relevant to whether I should help her only *after I failed to help her.* I focused on and inflated her faults when I needed to feel justified for *mine.* After I betrayed myself, the truth was just the opposite of what I thought it was."

"Yeah, I guess that's right," I said, nodding my head slowly. ●

Collusion

In the top left corner of a dry-erase board, Bud wrote the following principles about self-betrayal:

1. An act contrary to what I feel I should do for another is called an act of "self-betrayal."
2. When I betray myself, I begin to see the world in a way that justifies my self-betrayal.
3. When I see the world in a self-justifying way, my view of reality becomes distorted.
4. So — when I betray myself, I enter the box.
5. Over time, certain boxes become characteristic of me and I carry them with me.
6. By being in the box, I provoke others to be in the box.
7. In the box, we invite mutual mistreatment and obtain mutual satisfaction. We collude in giving each other reason to stay in the box.

Kate said, "So you see, Tom, from within the box, I end up undermining the effectiveness of everything I do. And the problem isn't merely that the box makes me ineffective, it's that it makes me *destructive.* Because from within the box, I end up inviting more of the very thing that I'm complaining about, as well as other behaviors that I will hate just as much, if not more."

"But that's crazy," I said, after a moment's reflection. "Why would you — or anyone else, for that matter — ever do that? Why would we keep such a destructive cycle going?"

Kate paused for a moment, apparently collecting her thoughts. "I believe the answer to that, Tom, is that my box *needs* for it to continue."

"What?" I said reflexively. The answer didn't make any sense to me.

Kate smiled. "I know, it sounds absurd, doesn't it? Who would ever get themselves into a position where they actively invited others to continue treating them poorly, even miserably? Who would do that?"

"Exactly," I echoed, "who would do that?"

"And the answer, Tom, is that *I* would. And you would. And Bud would. And everyone else here at Zagrum would. Whenever we are in the box, we have a need that is met by others' poor behavior. And so our boxes encourage more poor behavior in others, even if that behavior makes our lives more difficult."

"How? Why?" I asked.

She said, "When I'm in the box, there's something I need more than what I think I want most. And what do you think that is? What do I need most when I'm in the box?"

I wasn't sure.

Kate leaned toward me. "*What I need most when I'm in the box is to feel justified.* Justification is what my box eats, as it were, in order to survive."

"Once in the box," Bud said, "we give each other reason to *stay* in the box. We do this not only by mistreating the other person directly, by the way, but also by how we might begin to talk about or gossip about that person with others. The more people we can find to agree with our side of the story, the more justified we will feel in believing that side of the story. Whether at home or at work, boxes want to spread in order to gather additional justification. And with every mistreatment, we give each other further justification for staying in the box." ●

PART III: HOW WE GET *OUT* OF THE BOX

Lou

The next morning, Bud wasn't in the conference room yet. It was 8:15, and I was starting to wonder if I'd heard him correctly about our meeting's start time. Suddenly, the doors burst open and into the room walked an elderly gentleman.

"Tom Callum?" he said with a hearty smile, extending his hand.

"Yes."

"Glad to meet you. My name's Lou. Lou Herbert. Bud's on his way. He's just checking on a couple of

things for a meeting we have this afternoon.

"Look, Tom, go ahead, sit. Bud asked me to get started with you before he arrives."

I sat in my familiar chair from the afternoon before, and Lou took the seat across from me.

"So how was yesterday?"

"It was quite an amazing day, actually. Quite amazing."

"*Really?* Tell me about it," he said.

"Well," I said, "I hardly know where to begin. I learned a lot yesterday. But let me start with my son."

Over the next 15 minutes or so, I told Lou about my experience the previous night. It was the best night I'd had with Laura and Todd in at least five years. It was extraordinary because I simply enjoyed being with them without anything extraordinary happening. I cooked. I laughed. I had my son teach me how to tune up the car. For the first time in I didn't know how long, I enjoyed and felt grateful for my family. And for the first time in a long time, I went to bed with no hard feelings toward anyone in my home. ●

Toward Being Out of the Box

Lou said, "Think about your time last night with your family. What were they to you last night? Were you seeing them as people or as objects?"

"They were people," I said, amazed by the discovery.

"So if last night you were out of the box," Lou said, "then you already know how to get out of the box."

"But I don't," I said in protest. "I have no idea how it happened. In fact, I didn't even know I was out of the box last night until you just pointed it out to me. I couldn't begin to tell you how I got out."

"Yes you can. In fact, you already did."

"What do you mean?" I was completely bewildered.

"I mean, you told us about yesterday and about your experience last night, about how you went home and spent the evening with your family. That story teaches us how to get out of the box."

"But that's my point. I don't see it," I said.

What Doesn't Work in the Box

1. Trying to change others.
2. Doing my best to "cope" with others.
3. Leaving.
4. Communicating.
5. Implementing new skills or techniques.
6. Changing my behavior.

"And this is my point: Yes, you do. You just don't realize it yet. But you will," Lou replied. ●

The Way Out

Lou said, "It's futile to try to get out of the box by focusing further on ourselves: In the box, everything we think and feel is part of the lie of the box. The truth is, we change in the moment we cease resisting what is *outside* our box — others. Does that make sense?"

"Yeah, I think so."

"In the moment we cease resisting others, we're out of the box — liberated from self-justifying thoughts and feelings. This is why the way out of the box is always right before our eyes — *because the people we're resisting are right before our eyes*. We can stop betraying ourselves toward them — we can stop resisting the call of their humanity upon us."

"But what can help me to do *that*?" I asked.

Lou looked at me thoughtfully. "There's something else you should understand about self-betrayal — something that may give you the leverage you're looking for. Think about your experience yesterday with Bud and Kate. How would you characterize it? Would you say that you were basically *in* or *out* of the box toward them?

"Oh, *out*, for sure," I said. "At least most of the time."

"But you've also indicated that you were *in* the box toward your wife yesterday. So there is a sense in which you were both in *and* out of the box at the same time — in the box toward Laura but out of the box toward Bud and Kate."

"Yeah, I guess you're right."

"This is an important point, Tom. Toward any one person or group of people, I'm either in or out of the box at any given moment. But since there are many people in my life — some that I may be more in the box toward than others — in an important sense, I can be both in *and* out of the box at the same time. In the box toward some people and out toward others.

"This simple fact can give us leverage to get out of the box in the areas of our lives where we may be struggling.

"Here's how we might depict what you were like yesterday," Lou said. "You were in the box toward Laura but out of the box as you engaged with Bud and Kate. Now notice: Although you were resistant to Laura's needs because you were in the box toward her, you nevertheless retained a sense of what people generally might need because you were out of the box toward others — namely, Bud and Kate. This sense that you felt honored regarding Bud and Kate, combined with the continual call of

Laura's humanity to you — which is always there —is what made getting out of the box toward Laura possible.

"So although it's true that there is nothing we can think of and do from within the box to get ourselves out, the fact that we are almost always both in and out of the box at the same time, albeit in different directions, means that we always have it within our capacity to find our way to a perspective within ourselves that is out of the box. This is what Bud and Kate did for you yesterday — they supplied for you an out-of-the box environment from which you were able to consider your in-the-box relationships with new clarity. From the context of your relationships with Bud and Kate, you were able to think of a number of things you could do to help reduce your in-the-box moments and heal your in-the-box relationships. In fact, there is one thing in particular that you did while you were out of the box toward Bud and Kate that helped you to get out of the box toward Laura."

Question Your Own Virtue

My mind searched for the answer. "What did I do?"

"You questioned your own virtue. While you were out of the box, you listened to what Bud and Kate taught you about being in the box. And then you applied it to your own personal situations. The out-of-the-box nature of your experience with Bud and Kate invited you to question whether you were, in fact, as out of the box as you had assumed you were in other areas of your life. And what you learned from the vantage point of that out-of-the-box space transformed your view of Laura.

"Now that probably didn't happen right off the bat," Lou continued, "but I'd bet there was a moment when your blaming emotions toward Laura seemed to evaporate and she suddenly seemed different to you than she had the moment before."

That was exactly how it happened, I thought to myself. I remembered that moment — when I saw the hypocrisy in my anger. It was as if everything changed in an instant. "That's true," I said. "That's what happened."

"You were seeing and feeling straightforwardly. Laura seemed different to you because in the moment you got out of the box toward her, you no longer had the need to blame her and inflate her faults." ●

Another Chance

Bud pulled something from his briefcase. "Merely *knowing* the material doesn't get you out of the box. *Living* it does. And we're not living it if we're using it to diagnose others. Rather, we're living it when we're using it to learn how we can be more helpful to others.

"Here are some things to keep in mind while you're trying to do just that," he said, handing me a card.

This is what it said:

Knowing the Material

- Self-betrayal leads to self-deception and "the box."
- When you're in the box, you can't focus on results.
- Your influence and success will depend on being out of the box.
- You get out of the box as you cease resisting other people.

Living the Material

- Don't try to be perfect. Do try to be better.
- Don't use the vocabulary — "the box," and so on — with people who don't already know it.
- Do use the principles in your own life.
- Don't look for others' boxes. Do look for your own.
- Don't accuse others of being in the box.
- Do try to stay out of the box yourself.
- Don't give up on yourself when you discover you've been in the box. Do keep trying.
- Don't deny that you've been in the box when you have been.
- Do apologize; then just keep marching forward, trying to be more helpful to others in the future.
- Don't focus on what others are doing wrong.
- Do focus on what you can do right to help.
- Don't worry whether others are helping you.
- Do worry whether you are helping others.

I put the card in my briefcase, then stood up and turned to thank Lou.

"Just remember," Lou said, shaking my hand with a firm grip, "we won't know who we work and live with — whether it be Bud, Kate, your wife or your son — until we leave the box and join them." ●

RECOMMENDED READING LIST

If you liked *Leadership and Self-Deception*, you'll also like:

1. ***The Leadership Challenge*** **by Jim Kouzes and Barry Posner.** *The Leadership Challenge* is the gold standard for research-based leadership and the premier resource on becoming a leader.
2. ***The Five Dysfunctions of a Team: A Leadership Fable*** **by Patrick Lencioni.** In this best-selling classic, Lencioni reveals the five dysfunctions that go to the very heart of why teams — even the best ones — often struggle.
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Leadership and the Art of Struggle

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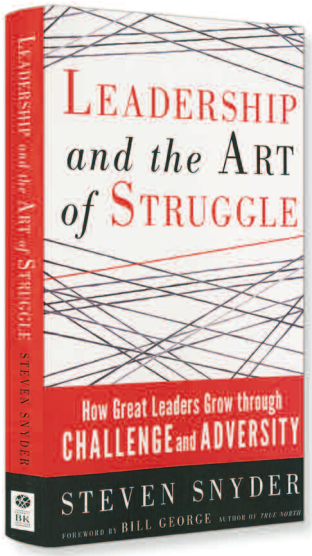

Leadership and the Art of Struggle

How Great Leaders Grow Through Challenge and Adversity

by Steven Snyder

THE SUMMARY IN BRIEF

Leadership is often a struggle, and yet strong taboos keep us from talking openly and honestly about our difficulties for fear of looking weak and seeming to lack confidence. But *Leadership and the Art of Struggle* shows that this discussion is vital — adversity is precisely what unlocks our greatest potential.

Using real-life stories drawn from his extensive research studying 151 diverse episodes of leadership struggle — as well as from his experiences working with Bill Gates in the early years of Microsoft and as a CEO and executive coach — Steven Snyder shows how to navigate intense challenges to achieve personal growth and organizational success. He details strategies for embracing struggle and offers a host of unique tools and hands-on practices to help you implement them.

By mastering the art of struggle, you'll be better equipped to meet life's challenges and focus on what matters most.

IN THIS SUMMARY, YOU WILL LEARN:

- How to stay grounded in the midst of struggle.
- How to turn your energy into adaptive energy to become resilient.
- How to make sense of a chaotic world.
- How to navigate tensions by finding new, creative paths.
- How to savor the leadership marathon.

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THE COMPLETE SUMMARY: **LEADERSHIP AND THE ART OF STRUGGLE**

by Steven Snyder

The author: Steven Snyder is the founder of Snyder Leadership Group, a consulting firm dedicated to cultivating inspired leadership. Snyder was an early leader at Microsoft and the winner of the first-ever World Technology Award for Commerce.

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PART 1: BECOMING GROUNDED

Struggle Is Not a Four-Letter Word

Many leaders unconsciously categorize the word "struggle" as negative and off-putting, a taboo, which makes dealing with struggle even more difficult than it needs to be. This can become especially problematic when leaders find themselves facing significant challenges.

When external pressures for positive spin create dissonance with reality, leaders may ignore the incongruity they feel in their guts and stifle the candid conversations that could guide them forward. They may unconsciously compare themselves with others and allow this comparison to diminish their self-image and curb their potential. They may fall into the trap of thinking that leaders are supposed to be perfect or at least perfectly capable of dealing with struggle. Consequently, they can feel embarrassed and stigmatized, thinking, *Something must be wrong with me. I'm not like all the other successful leaders out there.*

But, of course, no leader is perfect. All human beings have their own unique flaws and frailties. And, of course, struggle is a natural part of leadership.

Instead of denying struggle, or feeling some degree of shame, savvy leaders embrace struggle as an opportunity for growth and learning, as an art to be mastered. They come to see struggle as a universal rite of passage without allowing themselves to become mired in it.

Defining Elements of Leadership Struggle

Struggle occurs when a difficult or complex situation arises that presents some challenge or adversity. The details can vary considerably from beginning a new job or confronting a major disappointment to facing a difficult decision or managing an unexpected external event. But in all examples there are three fundamental conditions that determine the nature of the struggle and serve as its defining elements: change, tensions and being out of balance.

Change. Change stands at the heart of leadership struggle. Every struggle is triggered by some type of change. Change may be imposed on a leader by a new set of enterprise-related circumstances caused by loss of key personnel, financial constraints, competitive pressure or some other setback.

External change, whether desired or not, always carries with it seeds of opportunity and growth. The struggle may come from discerning the best way to take advantage of those opportunities or how to do so with limited resources.

In still other cases, change comes from deep within a leader's inner world. As the heart and the mind expand to take in new ideas, feelings and perspectives, struggle comes from the process of clarifying newly emerging values and identity.

Tensions. The process of change creates a natural set of tensions, the second defining element of leadership struggle. Tension points stem from individual and institutional traditions (past) and aspirations (future) as well as (outward) relationships and (inward) identity.

Being out of balance. The third element of leadership struggle is that change and its ensuing tensions throw a leader off balance. Sometimes the imbalance is felt in subtle ways: a quiet voice, a nagging concern in the leader's gut, or reluctance toward or procrastination of an important task. Sometimes the fears are deeper and the emotions are more powerful. A leader may lose

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confidence and feel the weight of the world on his or her shoulders. ●

Adaptive Energy

Adaptive energy is the force that propels you to reach your dreams, pointing you toward the goal line and warning you when you veer off course. It aligns your actions both with the *external* criteria necessary for success and with your *inner* values and principles. Through adaptive energy you listen to and assess feedback from multiple sources and incorporate this new learning in future actions, all the while remaining true to yourself.

Harnessing adaptive energy can inspire you to come up with innovative ideas when no immediate solution is evident. It can also steer you to build lasting and fulfilling relationships. Even though your interactions might involve conflict, you gain the acuity and the agility to manage the conflict so that it does not stand in the way of what needs to be done.

Everyone has negative thoughts and bad moods, but leaders who can access their adaptive energy are able to channel their adverse emotions into creativity and goal-oriented pursuits.

All leaders have the potential to channel their energy in ways that are adaptive and aligned with their purpose. How they do that is the central question. As an art, leadership struggle cannot be reduced to a simple formula, but a key concept is this: The more self-aware you are, the more capable you will be of adaptively channeling your behavior. Leaders who wish to become more self-aware need to understand the nature of their automatic and reflective minds.

The Automatic and Reflective Minds

The *automatic mind*, the faster one, reaches judgments and conclusions quickly but often prematurely, making associations with information already stored and easily accessible. Many people intuitively call it "automatic pilot," with the connotation that decisions are made routinely, out of habit, subject to preprogrammed routines.

The *reflective mind* is slower and more methodical. It is capable of reason, logic and metathought — the process of consciously observing one's own thought process, as if looking down on oneself from the balcony. It challenges assumptions, generates multiple alternatives and evaluates them systematically, and is capable of objective analysis. It is the spark for conscious and intentional action. But it tends to be lazy, often ceding control to the automatic mind, which can lead to regrettable consequences. ●

Turn Your Energy Into Adaptive Energy

Consider two leaders who set out on a complex and difficult endeavor. Let's call them FM and GM. FM and GM are equally matched with respect to their abilities and motivation, yet these two leaders approach a task very differently. FM, a cyclone of unfocused energy, does not learn from feedback opportunities and appears frenetic, chaotic and haphazard overall. GM is more organized and systematic and carefully considers all feedback. FM's counterproductive whirlwind is no match for GM's logical and calibrated approach, and GM easily outperforms FM by a significant margin. What can account for such radical differences?

It turns out that FM and GM were prototypical participants in a very clever psychological experiment. FM refers to those who approached the task with a *fixed mindset* — the assumption that their abilities were innate and not subject to change. GM refers to those who approached the task with a *growth mindset* — the belief that their ability level was nothing more than a snapshot in time and eminently changeable as they continued to learn and develop.

A Fixed Mindset

Psychologist Carol Dweck argues that conditioning, beginning at a very young age, implicitly imposes a fixed mindset. Virtually every adult has at some point told a youngster who did something well, "You are so smart!" According to Dweck, such messages build a belief that it is our inherent smartness that leads to good performance, not the effort that is exerted.

When things go well, we think it's because of how smart we are. When things don't turn out as we had hoped, we begin to doubt our ability.

This mental model is a proven recipe for suboptimal performance over the long term. It becomes especially problematic when individuals with a fixed mindset suffer a setback or make a mistake. They automatically associate their disappointing performance with an immutable deficit in abilities. This can diminish their confidence and spark an escalating spiral of negative emotion as they compare themselves unfavorably with others. More time spent in negative ideation means less time thinking about creative ways to improve performance.

A Growth Mindset

A leader with a growth mindset is consciously aware that ability is not innate and unchangeable but instead a malleable quality that can continuously be augmented

through practice and persistence. In a growth mindset, you pay conscious attention to cultivating abilities through continuous learning. You seek out new learning opportunities by pursuing challenging assignments instead of taking safer and easier routes.

The first step in adopting a growth mindset is to pay attention to what's going on around you and give the reflective mind a mandate to take control. You can begin simply by elevating your awareness.

Making Sense of a Chaotic World

Seeking to discern the specific tensions underlying a challenging situation is a good next step toward managing through the complexity. With a better understanding of how these tensions work, you will gain a clearer perspective and make better choices.

Not only is change at the heart of leadership struggle, it is also a source of the emotional and physical tension a leader feels as a result of that struggle. Joe Dowling's story captures the multifaceted relationships among change, tension and struggle. His cautionary tale also illustrates four tension points that grow out of struggle: tensions of tradition, tensions of aspiration, tensions of relationships and tensions of identity.

Power Struggle

When in 1978 Joe Dowling landed the top job of artistic director at the Abbey Theatre, the National Theatre of Ireland, he made a big splash. At 28, he was the youngest artistic director in the theater's history.

Dowling's vision for the Abbey and for himself as artistic director was thwarted by disagreements with the board of directors. Stemming from a time when there was no professional management, the board made all the important decisions, including the selection of plays.

Dowling brought a very different understanding of the respective roles of the board and its artistic director. He saw the artistic director as the CEO, who should command considerably more authority in the theater's management, including the selection of plays. Dowling was eager to steer the Abbey in this direction, which put him in direct conflict with the board.

• **Tensions of Tradition.** Throughout its history until Dowling arrived, the Abbey's board had played an integral role in the management of the theater. Perhaps the board did not see as clearly as Dowling did the opportunities that professional management could afford.

At the Abbey, however, play selection was more than a matter of management and artistic vision. The board saw itself as a steward of a national institution, whose mission was, in Dowling's words, to "reflect back to a nation itself, through theater."

Tensions of tradition occur as leaders confront the implications of breaking with patterns from which they and others have become accustomed. In organizations these practices are generally rooted in previous adaptations; at some point in the past, they were most likely healthy and appropriate.

• **Tensions of Relationships.** In any organization, managing relationships is critical to getting things done. But even more important, relationships form the basis of connection from one human being to another that can bring fulfillment in everyday exchanges. In a healthy relationship, virtually every interaction generates positive energy. Even when there is a difference of opinion, respectful dialogue can build trust and foster mutual satisfaction.

At the Abbey, the opposite seemed to be true. Interactions between Dowling and the board did not build positive energy and in many cases were an energy drain.

• **Tensions of Aspiration.** Tensions of aspiration are forward looking. They arise as an organization mobilizes around a dream or vision for the future. Sometimes these tensions bubble to the surface when different stakeholders bring different visions or values into proposed solutions or goals, as was the case at the Abbey Theatre. Sometimes they manifest when short-term incentive systems do not completely align with long-term organizational values. Sometimes the culprit is sheer ambition, as tensions manifest through the natural energy that is created when people with differing agendas work together on difficult endeavors in which more than one path appears viable.

• **Tensions of Identity.** Tensions of identity can occur as leaders wrestle with issues surrounding their values, integrity and authenticity. These tensions are the ones that can shape a leader's character and have a lasting impact. It is in these defining moments that leaders grapple with the core issues of who they are and what they stand for.

In Dowling's case, tensions had escalated to such a level that he could see no viable solution other than to publicly confront the board through his resignation. In his mind the issue of his authority became a matter of principle.

As Dowling's story unfolds, the tensions both escalate and proliferate. All the while, he is experiencing increasingly intense emotions that throw him further off balance. Ultimately, Dowling reached the point of total exhaustion.

After leaving the Abbey, Dowling was named artistic director of the Guthrie Theater. Dowling would come to understand that his confrontational style may have obscured a blind spot — something he was not aware of or did not recognize as a problem. On one hand, Dowling yearned to be part of a mission that was larger than his personal aspirations. On the other hand, he needed autonomy and freedom to shape the vision of the institution. The paradox is that to be part of a larger mission, he needed to make space for the visions of other stakeholders who yearned to be part of that larger mission, as well. The supportive environment at the Guthrie was a perfect place to resolve this paradox. In so doing, Dowling has emerged as a remarkable leader.

During Dowling's chaotic struggle at the Abbey, he had not yet learned that winning personal battles of power is not as lucrative as the win-win outcomes that evolve when people move from "I" to "we" and open up a larger space for creative collaboration. Ultimately, his struggle would lead him to a place where he achieved this learning, realized more of his full potential as a visionary artistic director, and yet was also part of a larger mission.

Dowling's tumultuous tenure at the Abbey Theatre illustrates how easy it is to be thrown off balance during a struggle episode. When egos and expectations clash, emotions can overwhelm rationality. It's a leader's job to make some semblance of sense out of chaos. The first step is to gain a clear understanding of what's causing the underlying tension. With a clear grasp of these tension points, a leader can become centered and determine the best way to navigate through the tension. ●

Regain Balance

Center Your Mind, Body and Spirit

All leaders need some way to anchor and balance themselves in times of turbulence when forces beyond their control begin swirling around them with chaotic intensity.

Leaders use a variety of practices to remain centered and grounded. Some focus on diet and exercise. Some seek to connect with something greater than themselves, either through organized religion or a more secular spiritual connection. Some find peace and tranquility by deeply connecting with nature. Others seek calmness and clarity through journaling. Many create their own unique blend of these practices and others.

One particular practice seems to function on a higher plane, transcending these other more traditional approaches. This is the practice of *mindfulness*. The central focus is awareness. Mindfulness practices teach us to become more aware and more fully present while remaining peaceful within, even as chaos rages all around.

Through the practice of mindfulness, we learn to objectively observe ourselves during stressful situations — as if both experiencing the situation and simultaneously watching ourselves. The simple reflective act of naming our emotions as we experience them grants us a new power to more intentionally choose how we respond.

The practice of mindfulness trains us to maintain awareness of the space between our thoughts, short-circuiting the knee-jerk reactions of the automatic mind and engaging the reflective mind in creative new ways. As the automatic mind cedes authority to the reflective mind, the speed of life slows down, allowing us to consciously choose more-thoughtful responses to difficult and challenging situations.

Find the Support You Need

In this section our focus is directed outward so that you can develop relationships and support systems to connect with others, seek their guidance, learn from their experiences and receive valuable feedback. All the while you will be receiving the nurturing energy — and perhaps a healthy dose of tough love — that's inherent in supportive relationships.

First write down all the people you can rely on for support. Now make a list of your needs for support. Don't just think of your current needs; think also of what your long-term needs may be as you develop and grow in your career. Think of the types of people you need who can guide, advise and inspire you on your journey.

Remember, an integral part of the art of struggle is breaking out of old patterns and creating new habits to channel your energies in adaptive ways. Creating a community of people whom you can connect and bond with and from whom you can seek advice and feedback is a great way to get started. ●

PART 2: EXPLORING NEW PATHWAYS

Navigate Tensions

Two strategies can guide you through navigating your tension:

Focus on the situation, packed full of tension, and think of a creative way to reimagine the situation that enables you to get through it.

Focus on you. Figure out how you contribute to the tensions and how you might change.

As you explore these new pathways, try to break loose from the world that exists today and imagine the world that is possible tomorrow. Aim high, engage your adaptive energy and search for solutions until you find the path that's right for you.

Reflective Exercise: Reimagine Your Situation

Try to envision a pathway through whatever challenges you're facing. To get started, consider the following questions:

• *Do you feel that the pressures of the short term are keeping you from important long-term tasks?* Author Stephen Covey popularized a time management matrix that consisted of four quadrants: important urgent, important not urgent, not important urgent, and not important not urgent. He recommended clearing all the not important stuff off your plate so that you have more time to deal with the important issues, urgent or not.

• *Do the obstacles ahead make you question whether your goals are really attainable?* In any difficult situation, there are bound to be times when you don't see a clear path to your goal — or the path you do see is obscured by roadblocks and minefields. Perhaps different people have different visions for the future, with those disagreements diverting energy away from charging forward. It may be that organizational incentives are not aligned with what the organization has asked you to do.

Whatever is going on, the key is aligning your adaptive energy to break out of old habits and expand the menu of alternatives you consider.

Reflective Exercise: Reinventing Yourself to Adapt to Your Current Situation

Answer these questions:

Are my old models and styles of leadership working for me right now?

What do I need to change about myself to better adapt to my current situation?

Probe the underlying models, assumptions and philosophies that frame your leadership. Leadership growth often means shedding outdated approaches in exchange for newer, more adaptive ones.

Remarkable transformations are sparked by some underlying tension that acts as a catalyst for change. Try to identify a behavior you're engaging in that may be creating unnecessary tension in your workplace, then consciously work to put a stop to it. You may be surprised to see how a situation cools down when you stop stoking the fire. ●

Illuminate Blind Spots

I'm defining blind spot here as anything that can hinder or undermine your performance that you are either unaware of or have chosen to overlook. My research has identified five different types of blind spots: experience, personality, values, strategic and conflict.

Experience Blind Spots. The experience blind spot is most likely to come into play when leaders move to a new role or a new company. They arrive so eager to show off what they know that they don't pay close enough attention to their new circumstances. The experience blind spot can also be problematic when leaders have become entrenched in a job and something significant changes in the environment.

Personality Blind Spots. Just as past experience can produce tunnel vision in leaders who are not self-aware enough to notice it, the structure of your personality — your predisposition to think and act in certain ways — can lead you to erroneously process information and miss subtle cues unless you are self-aware enough to monitor your thoughts and make appropriate course corrections.

Values Blind Spots. Values blind spots occur when a leader's attitude and actions are not aligned with core values. Unfortunately, not all values blind spots become illuminated in time and some can have far-reaching consequences. Remember, a blind spot doesn't necessarily mean that you are unaware of a problem; blind spots can occur even if you have some level of awareness but fail to take appropriate action.

Strategic Blind Spots. Experience, personality and values blind spots focus largely on individual failings. Strategic blind spots cast a wider net because their influence is felt on a larger level, affecting a group, a company or an institution. They are products of a collective worldview that becomes self-reinforcing around a set of practices, assumptions or beliefs yet are potentially maladaptive for the long-term health of the organization.

There are often incentives, either explicit or implicit, that reward conformance to the norm and punish critical or questioning voices. These incentives, which often are tied to short-term objectives, can detract attention from critical long-term implications, hindering open, honest dialogue and cogent analysis. Strategic blind spots can occur in virtually any area of an organization. Any initiative, practice or custom is a potential focus point.

Conflict Blind Spots. This last blind spot takes center stage when a struggle involves significant elements of destructive conflict — conflict so extreme that it interferes with the mission of the organization. When a conflict intensifies, perceptions can become significantly distorted. Everyone convinces themselves that they are right and the other person is wrong.

The conflict blind spot can cause someone to interpret every interaction through a distorted lens. Even if the other person did not intend any harm, the blind spot reinforces the perception that the other person is in the wrong, intensifying the emotions. This leads to further escalation, and the pattern becomes more ingrained. Issues become blown out of proportion, and emotions boil over.

By definition, you are blind to your blind spots. That's why it's so important to proactively seek to discover them.

Preventing blind spots from undermining your leadership requires rigorous, continuous discipline. Awareness is the first step, but the best leaders learn how to become their own change agent. ●

Transcend Conflict

A certain amount of conflict can be healthy, especially in an atmosphere of trust. Diverse viewpoints can be expressed. Challenges to the status quo can push learning and innovation. Issues can be debated openly, often leading to better solutions. The trouble comes when the energy driving the conflict moves from positive and productive to negative and counterproductive. Conflict can then become destructive, often with disabling effects, undermining the very objectives to which the participants aspire.

Destructive conflict can occur between a boss and subordinate, colleagues within a team, two departments or business units within a company, or business partners. The power dynamics can vary greatly, depending on circumstances.

The deep feelings of distrust in destructive conflict are often accompanied by fears of diminished power. Motivations for every idea and action are called into question. Such a toxic environment does not support the high energy, creativity and synergy that participants would ordinarily strive to bring to their projects. But we live in an imperfect world, and acknowledgment that we live in the world as it is, is foundational to recognizing the potential for growth in any situation, even in the midst of destructive conflict.

It's crucial to keep in mind that the people you are in conflict with are flawed human beings like yourself, with insecurities, fears, and emotional and psychological wounds — all of which color the way they perceive other people, the world and the nature of conflict itself. Honoring the human face of conflict is the first step toward resolving that conflict in the healthiest way possible. ●

Discover Purpose and Meaning Through Struggle

The choices you make — large and small — are the most vivid expression of your leadership. They reflect who you are as a person. It's one thing to talk about your values, but through the actions you take and the choices you make, they become visible for the whole world to see.

You may already have a vision statement. If you do, find it and read it. You may even want to read it aloud so that you can hear the sounds of the words. Does it still feel right to you? Do your current circumstances suggest any changes?

With your vision clearly articulated, you are better equipped to assess how well your current activities are aligned with that vision. You can start by taking another look at the hard questions you asked yourself earlier: Do I feel energized by what I am doing in my career and in my life? Does it fill me with meaning and purpose? What's keeping it from being satisfying?

Now take it one step further. Ask yourself, Am I willing to rededicate myself to my current endeavors, or do I need to segue to something new? And if I do choose a new route, what should it be?

Essentially, you have three options: The first is to recommit to your current direction. The second is to pivot, or make a midcourse correction. The third option is to make a more dramatic leap, perhaps into a totally new arena, far beyond the comfort zone of your previous experiences. ●

PART 3: DEEPENING ADAPTIVE ENERGY

Peer Into the Future

Good leaders learn to intuit the link between their current circumstances and future potentialities. They develop the capacity to supplement logic and reason with the intuitive ability to synthesize an almost endless array of variables to anticipate what the future might hold.

Through effort and experience, you can sharpen your intuition and become more adept at orchestrating the delicate dance between your automatic and reflective mental processes.

You can learn to anticipate and prepare for the future in several ways. You can envision opportunities — changes in markets, technology or competition — that create windows for innovation and ingenuity. You can learn how to anticipate potential obstacles — constraints and pitfalls that could potentially derail your plans. You can nurture your adaptive energy by growing your skills and capabilities to tap into the potential of what's ahead.

Prepare for What Lies Ahead

Spending time with Bill Gates in his formative leadership years gave me a privileged perch for observation. It turns out that Gates' sagacity and insight do not stem solely from innate genius. He surrounds himself with very smart people, and he's a voracious reader. Every year he goes off for what he calls "think week." He takes a mountain of books (or nowadays, perhaps, an electronic book reader), pores through them and sifts through the nuggets upon which he wants to act.

You too can become hyperinquisitive and actively seek out the thought leaders in your industry or field. Get yourself connected and inspired. Attend professional conferences or idea conferences, like TED or the Aspen Ideas Festival. If you can't go in person, search the Web; a lot of great talks are available for free. Talk to smart people. Follow thought-provoking blogs. Read books. Create your own vision for the future.

It is not always easy to identify which skills will help you maximize your leadership potential. But one core leadership capability that is crucial to the theme here is emotional intelligence, which implies self-awareness, the maturity to manage your own emotional state and the ability to notice social cues so as to maintain good relationships with others. ●

Savor the Marathon

"Leadership is a marathon, not a sprint," an astute leader told me. Like long-distance runners who take in nourishment along the way, you need to continually nourish yourself, replenishing the energy you've lost and sustaining yourself through life's difficulties, all the while continuing your path of growth and mastery.

Great leaders bring a high level of discipline to their roles and their lives. This discipline manifests in the form of habits — behavioral routines that play out over and over again. Typically, these routines produce some kind of reward of which you may or may not be fully conscious. The trick is to find just the right routine and just the right reward to transform your habits into a self-perpetuating adaptive engine.

Celebrate What's Precious

As you race through your life, pursuing your goals and ambitions, you may find it transformative, as I did, to continually remind yourself to slow down — to breathe, to notice, to celebrate what is precious.

What is it that you appreciate? What are those special moments with family and friends or colleagues that are etched in your mind and maybe even on your soul that nourish you each time you recall them? Do you have a habit of pausing to express your appreciation?

At the end of the day it is best to not judge ourselves by how our own life measures up to that of other individuals. Instead, a more useful yardstick is how well we find our unique path, tapping into our potential, becoming the best person we can possibly be.

The art of struggle lies not in achievements but in the ripples from the journey and how we've grown along the way — the lives we've touched, the kindness we've shown, the ways we've brought to life our most important values. It is the accumulation of all of life's choices, big and small, that creates our unique and personal gift to the world — the world we will bestow on our children. ●

RECOMMENDED READING LIST

If you liked *Leadership and the Art of Struggle*, you'll also like:

1. ***The Truth About Leadership*** **by Barry Z. Posner and James Kouzes.** Posner and Kouzes share 10 time-tested fundamental truths about leadership and becoming an effective leader.
2. ***Leadership Gold*** **by John C. Maxwell.** Maxwell shares a lifetime of leadership truths, which can guide anyone who currently leads or aspires to lead.
3. ***The Inspiring Leader*** **by Scott Edinger, John H. Zenger, Joseph R. Folkman.** The authors discuss the behaviors exhibited by the most successful leaders and includes advice on how to implement them.

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Leadership: The Inner Side of Greatness

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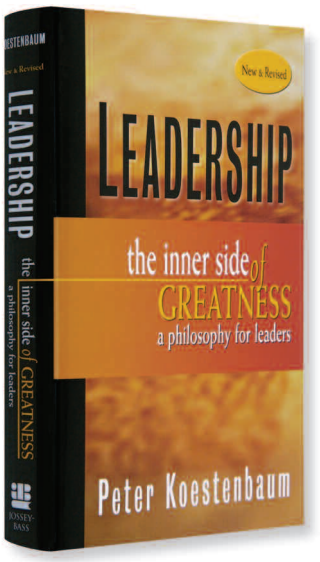
Leadership: The Inner Side of Greatness

A Philosophy for Leaders



by Peter Koestenbaum

THE SUMMARY IN BRIEF

In *Leadership: The Inner Side of Greatness*, legendary business philosopher and thinker Peter Koestenbaum invites managers to break out of the ordinary managerial mindset. He reveals how striving for greatness enables managers to focus their efforts and grasp new ideas and insights by bringing intensity and meaning to their work — thereby improving their ability to achieve bottom-line results. He also demonstrates that when leaders live out their deepest and most personal commitment to excellence, they bring out what is great in others as well.

Koestenbaum encourages managers to give meaning to their lives through the quality of their work. He offers an insightful look at the characteristics great leaders have in common — vision, reality, ethics and courage — and identifies the strategies all managers can use to achieve and sustain both personal and organizational greatness.

Leadership: The Inner Side of Greatness expands on Koestenbaum's leadership theories and reflects the challenges of today's business environment. It also includes a wealth of new intervention tools, techniques and strategies, and contains reflections on moral and cultural issues that emphasize the importance of authenticity in leadership.

IN THIS SUMMARY, YOU WILL LEARN:

- How to develop long-term vision and marshal the courage to take risks and act with sustained initiative.
- How to live a courageous life and manage anxiety.
- How to reach greater heights of ethics and responsibility.
- What managers must be to become truly effective leaders.

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THE COMPLETE SUMMARY: **LEADERSHIP: THE INNER SIDE OF GREATNESS**

by Peter Koestenbaum

The author: Peter Koestenbaum is the founder and chairman of Philosophy-in-Business and the Koestenbaum Institute. He has consulted on leadership, management, marketing and strategy implementation in nearly 40 countries. He is the author of *Freedom and Accountability at Work* and *The Philosophic Consultant*.

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For additional information on the author, go to http://www.summary.com.

The Oath of Inner Greatness: Nine Keys to Business Wisdom

What are today's key business issues? What must you really know to run a successful enterprise? What must you understand to be an effective leader? In short, what really matters?

Here are nine basic themes that can serve as answers. None is new. Plato said that knowledge is recollection; the following is to remind you of what you already know:

1. Personal Responsibility. Leading requires ownership of the meaning of personal responsibility and accountability. It means fully internalizing the human truth that, in your world, nothing happens unless you make it happen.

2. Business as a Vehicle for Achieving Greatness. Business, as commerce, is above all a vehicle for achieving personal and organizational greatness. It is for accomplishing something worthy and noble. Business is an institution that can enable you to make significant contributions to society. Connect your work with your personal depth.

3. Two Sides of Leadership. Leadership has both a strategic and a personal side: one left-brain, the other right-brain; one tough-minded, the other tender-minded.

4. Personal and Strategic Parts of Leadership. The business objectives of a company are the four *p's: profits, people* (or morale), *products* (or services) and *pride* (preeminence, prestige and social significance). If we integrate these four business objectives with the primacy of the personal side of leadership, we get the secret of gaining the competitive advantage: Where people grow, profits grow.

5. Teamwork as a Requirement of Leadership. The leader has the special skill of combining aggressive personal ambition, independence of thought and individual resourcefulness on the one hand with thinking always in terms of cooperation, communication, concern for others, doing things together, motivating people, interesting them in growth and enlisting their help on the other.

6. Transformation as a Requirement of Leadership. Leadership requires a change in how you act, preceded by a conversion-like transformation in how you think.

7. Greatness in Leadership. A leader is a person who is truly effective in achieving worthy results in any field, no matter what the obstacles and with unfailing regard for human beings.

8. Greatness in All Things. This transformation, to be authentic, must occur in all six arenas of life: work, family, self, social responsibility, ecological responsibility and financial strength.

9. How Greatness Is Achieved. You lead by empowering your people, by developing them and by educating them to be leaders. The leader is a teacher, and you lead not by only creating systems and assigning work, but by developing people. Effective empowerment is based on a simple formula, the product of autonomy, direction and support: E=A*x*D*x*S. ●

Part One — The Model: What Is Inner Greatness?

Greatness lies at the center of the Leadership Diamond model; the space it inhabits results from the simultaneous

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew B. Clancy**, Senior Editor; **Edward O'Neill**, Graphic Designer; **Chris Lauer**, Contributing Editor

activation of four fundamentally different styles of thinking or ways of greatness: *vision, reality, ethics* and *courage.*

To work smarter means to make the commitment to the leadership mind. It's as if you were to take an oath — the oath of leadership — that, henceforth, your mind shall always function in accordance with the criteria of the Leadership Diamond.

There is a pragmatic and philosophical definition of greatness. The pragmatic definition consists of 10 propositions that seem to work in practice. The key word here is effectiveness. The deeper, philosophical definition of greatness centers on character, that is, human authenticity and depth — the fully developed mind.

Ten Leadership Propositions

1. Be effective. Emphasize results, both through management by objectives and by process.
2. Understand that leadership is a mindset and a pattern of behaviors. It is to have made a habit of a new way of thinking and a new way of acting.
3. Be prepared to wake up, and to change your perceptions and concepts radically (transformation, conversion) with respect to the human potential and to cultures (corporate, ethnic, national).
4. Lead by teaching leadership, by empowering (releasing people's volcanic energy and creativity), by fostering autonomy, providing direction and lending support. A teacher is an experienced and relentless learner.
5. Have faith that leadership can be learned and that it can be taught.
6. Know that the leadership mind can hold opposing ideas and contradictory feelings at the same time. It can achieve comfort with the tensions of ambiguity, polarity and uncertainty.
7. Be a leader in all six arenas of life: work, family, self, ecological responsibility, social responsibility and financial strength.
8. Inform your products and services with a leadership-teaching component. You do not sell a product or service; you help customers buy leadership in support of their own values.
9. Use both reasons or models (living from the "outside in") and instincts or intuition (living from the "inside out").
10. Expect leadership to lead you and your organization to a higher state of health. Your state of mind influences your body's health. ●

The Leadership Diamond: Four Strategies for Greatness

The Leadership Diamond is taught through its four core dimensions or dominant leadership strategies: *vision, reality, ethics* and *courage*. Each strategy is buttressed by four resources, called supporting tactics; each is a technique or teaching device to help bring about leadership intelligence. In order to be meaningful and make a difference, your understanding of these styles of thought and modes of greatness must be substantiated with past examples and must prescribe future behaviors and actions designed to have visible influence. In this, we merely follow John Dewey's famous prescription of learning by doing.

In each strategy, the tactics form a sequence; their order is important. They start with the simple, the practical, the measurable and move down more and more deeply into the under-girding philosophical structures of the leadership mind itself. Each tactic represents a different level: professional, social, psychological and philosophical. As we go down these stages, their leverage to improve leadership effectiveness increases, because depth equals truth and truth begets results.

Strategy Is Not Enough

The strategic side of leadership, as usually conceived (the abstract and rational analysis of corporate direction, especially in its larger financial aspects) is not enough. It is on the personal side of leadership — in the sense of greatness and inspiration, focus on people, their meanings, their souls and hearts, their destinies — that the next breakthrough in business will occur.

The Leadership Diamond methodology is devoted to understanding and teaching the personal side of leadership. Its goal is to train the individual leadership mind. Results are measured by the business objectives achieved. ●

Vision: Thinking Big and New

What are the leadership elements of vision? There are four:

1. Abstract Reasoning and Analysis. You find abstract reasoning and analysis in intelligence tests. It is called logical intelligence, which is the most widely used predictor of success in our society. College and university admissions, job recruitment and promotions, for example, depend heavily on one's performance on this kind of intelligence test. Scholastic Aptitude Test (SAT) questions measure abstract reasoning and analysis.

2. Systemic and Strategic Thinking. Systemic

thinking, coupled with abstract reasoning and analysis, targets assumptions. Always examine the assumptions behind your actions. Be sensitive to the unconscious, the social, the ethnic and the economic forces that silently lead you and that may prevent you from seeing what might have been.

To have vision is also to have developed strategic intelligence and systems thinking.

3. Creativity and the Unconscious. Always monitor, review and assess what you are doing and ascertain how you could do better and what you could do differently, especially when you think you are doing well. Think in terms of continuous improvement.

The visioning mind is always conscious of the need to be creative. It always reminds itself that it must be creative; it never descends into sloth.

4. Awareness of Possibilities. The key step to take to understand the fourth tactic — awareness of possibilities — is reflection. We do not *do*; we *reflect* on what we do. Reflection creates distance, separation and space. And the space it opens is the experience — or the perception — of consciousness itself. It is also the perception of space and the perception of time.

Reality: Having No Illusions

Realism in general (and by way of definition) means to have no illusions. That is the formula statement for reality.

The supporting resources, or tactics, that teach the leadership mind and develop realism in leadership intelligence, in order of their increasing philosophical depth, are the following:

• *Realism means paying meticulous attention to practical details and to the precise needs of your immediate and end customers.* Visionaries often have trouble with these details. They do not comprehend that the forest is made of trees. It appeared early in 2002 that the collapse of Enron might be a case in point. As the Enron bankruptcy story began to unfold, it seemed that the company's leaders had overemphasized strategy (vision) at the expense of realism (reality), cutting ethical corners (ethics) in the process. The strategy of translating an energy company into a financial broker had been brilliant, and Enron — six times honored by *Fortune* magazine as the most innovative company in America — had made the strategy work. In the end, however, it appeared that founder and chairman Kenneth Lay lost control of what often was referred to as Enron's "Byzantine financial structure."

• *Realism as strategy is a commitment to obtain extensive information and maintain a stance of aseptic objectivity.* Leaders who are realistic are well informed. They thoroughly understand the company, the business, the industry and the national and international political, social and economic realities that their organizations confront. Leaders with a highly developed sense of reality keep up with their professions, continuously updating their skills.

• *Realism is sharply focused attention on survival.* Surviving means, first, taking care of yourself; then being relentless, as well as realistic, in your pursuit of results. Realism in business means first and foremost a market orientation. It is a form of perception, a pervasive attitude toward life itself. Peter Drucker has said that marketing is everything. Business is an attitude — the attitude to be totally and fully in touch with the reality of the market and respond to it effectively and successfully.

• *At the philosophical level, a strategic commitment to reality means direct contact and embodiment with yourself, with other selves and with how others perceive you.* Realism as direct contact is a fundamental metaphysical category. It means to be in touch with what is real, to be connected, either as a unit (like a bond) or in dialogue (like a dance). Contact represents an overall orientation toward life and is a key to emotional health. Full contact means presence, being fully present in the world. In the authentic leadership life, you are fully present to yourself, recognizing that all the world exists now, only at this precise moment. The question is always: What is the nature of reality?

Ethics: Providing Service

The formula statement for ethics is "Be of service." "Generosity is the best policy" is a good summation of the meaning of ethics. In practice, this can mean, for example, the simple matter of willingly sharing the blame for failures, especially when coupled with the preeminence of team spirit.

In business and the professions, the term *ethics* often refers to quality in products, services, customer contact and management. The four supporting tactics, or resources, in order of their increasing depth and leverage, are as follows:

1. Ethics means teamwork. Teamwork is a critical success factor.

2. Ethics is meaning. Ethics in leadership means having a passion for meanings. To be ethical is to understand that a life not devoted to superordinate goals is of little value. It is to understand our need to make a commitment to people, organizations, meanings and ideals that survive us. It is to have feelings, as well as obligations to establish a moral world order.

3. Ethics is also, and centrally, love. Love means that you really care about people, whether you are a mother or a general. To love is to communicate intimately in the sense of establishing an inter-subjective field — a joint ego or communal self. Love establishes a higher unity, a spiritual connection and an emotional bond.

4. Ethics means integrity, morality and principle. The deepest tactic of the dominant leadership strategy of ethics is principle, the integrity of your value system. Ethics means that your organization is differentiated by its values. It is your serious commitment to them that makes you and your organization strong. You and your organization need to have ideals, a sense of destiny, to know the value of greatness. It is their undeviating commitment to values that makes companies great.

Courage: Acting with Sustained Initiative

We now explore in greater detail the supporting tactics of the strategy of courage. The goal is to challenge you to connect ever more deeply with the very source of your power.

• *Aggressive education and management of your markets means stretching markets, not merely understanding and responding to them.* Anything that you create and offer to others is a product. Your service to your superiors is a product; your service to your subordinates is a product. You have external and internal customers; you have immediate and distant customers. Whatever you offer them is your product.

Remember Peter Drucker's edict: The only reason for the existence of a business is creating satisfied customers.

• *Courage is the ability to exhibit personal autonomy and independence of thought, to take initiative, to be a self-starter.* To be courageous is to be prepared for the isolation of leadership. Thus, to be a self-starter is to be autonomous, to have given up the helplessness and dependency that are often fostered by the presumptive security of larger organizations.

• *Courage is the free decision to tolerate maximum amounts of anxiety, to manage your anxiety constructively, to understand that being anxious is what it feels like to grow.* The most difficult aspect of courage is its psychological dimension. It is therefore critical to understand that anxiety is the key to courage, for courage is the decision to tolerate maximum amounts of anxiety. You should face your anxiety, you should stay with your anxiety and you should explore your anxiety.

• *Courage requires a clear comprehension of the fundamental and difficult philosophic concept of free will.* The very heart of courage, the philosophical core, is our human freedom. That is the fourth tactic or resource — the critical success factor. Freedom is a fact inside your heart. It is your most precious possession. It gives you power over your life. It gives you the benefits of being responsible for your existence and accountable for your life.

Irvin Yalom writes about "leverage-producing insights" that stimulate you to claim your freedom. They are called insights because they are truths. Once we recognize them as such, we are provoked to courage.

Service

Being of service means seeing things from another person's point of view. It means having the ability to put yourself into the mind of another person. It is also having the desire to do so, to find meaning and value in your interest and concern for another human being. Such is the definition of *care*.

Part Two — The Context: The Search for Greatness

The key issues confronting business today are leadership issues. The twin challenges that organizations must meet are (1) to develop leadership intelligence and (2) to universalize that intelligence throughout the organization.

A Credo

What is the essential message of philosophy in business, of teaching leadership and, in particular, of the Leadership Diamond model? First, organizations are successful to the degree that they think and therefore act with leadership greatness (that is, leadership intelligence). They must do so as organizations and as individuals. Leadership greatness applies not only to implementing strategy but to the creation of strategy. Therefore, the challenge to leadership greatness is an organization's ultimate action tool.

Second, the purpose of philosophy in business is to help individuals and organizations find and meet their objectives by challenging and supporting them in their leadership greatness.

Third, leadership intelligence is a way of thinking, perceiving and acting that is different from ordinary models of consciousness. Fourth, leadership intelligence can be described, taught and learned. It can be challenged and it can be supported. Fifth, the how — the methodology — is to train executives to lead by teach-

ing leadership. To teach is systematically to help others learn to think and act as leaders do and to integrate leadership intelligence into the achievement of organizational goals. Sixth, the what — the content — is the Leadership Diamond.

'Think and Behave as Leaders Do'

The principal critical success factor in meeting the competitive stresses of today's organizations is to meaningfully challenge organizations to greatness in leadership and then to support them in that leadership greatness. This leads to a set of specific and ongoing behaviors rooted in the depth of the human soul. These actions can ensure that, individually and collectively, organizations think and behave as leaders do. ●

Developing the Mind

Leadership means control over the mind. The authentic leader does not accept the mind as he or she finds it but chooses either to construct or "wake up to" the leadership mind: an inner space, unified, with enough room for conflict, paradox and contradiction, committed to greatness in vision, realism, ethics and courage.

The Leadership Diamond model is the basic tool for training the leadership mind in leadership intelligence, for releasing leadership power and creativity in managers and employees.

Greatness

Greatness lies at the center of the diamond, because leadership means greatness first of all. The space it inhabits results from the simultaneous activation of the four dominant strategies or dimensions of leadership: vision, reality, ethics and courage. These four points on the compass of the leadership mind keep it stretched; their tension creates an arena that makes room for contradictory ideas and conflicting emotions.

The greater the space thus created, the better the leadership. If even one strategy is dysfunctional, however, the amplitude of the space in the mind of the leader collapses. Hitler may have had vision, realism and courage but he certainly had no ethics. The result: His was a collapsed leadership mind.

The concept of the collapsed leadership mind is important. Each strategy is like a resource. They are all needed, although not to the same degree in all circumstances. In an emergency, realism may be more important than vision; in great sorrow, ethics may be more important than vision; and so forth. As a rule, however, leadership means actualizing all four strategies. Problems, more often than not, are the result of neglecting one of the corners of the Leadership Diamond. In that case, solving the problem consists of building up the deficit or leverage corner. ●

Implementing the Leadership Diamond

Successful application of the Leadership Diamond model requires succinct images of the leadership mind and practical recommendations on how to develop leadership intelligence. The following steps show what you must consider and the choices you must make to cope with the demands of your leadership life — not in a good way but in a great way:

1. Preparation. There are several steps we can take to hone the mind as a way to heighten its capacity to use the Diamond methodology: Select a target, exercise caution, lay a foundation and strive for greatness.

2. Strategies and Tactics. *Systems* can be understood through such esoteric subjects as the study of logic, the philosophy of science, the philosophy of language, the theory of numbers and epistemology (the theory of knowledge), as well as through such pleasures as chess, bridge and related intellectual games. *Survival* means that you willingly take the risk to think the way a predatory animal does — a wild animal cornered and fighting for its life. *Team* involves making up your mind always to remember what a good team is. In a good team, each person knows the importance of teamwork, and each takes individual responsibility for the team's effectiveness. *Free will* is the most fundamental element of human nature.

3. Critical Success Factors. The critical success factors are systems, survival, team and free will. These supporting tactics, if interlaced, show the highest correlation with actual living, practicing, successful, admired, lionized, written-about and imitated leaders. If you are more practical than idealistic, these are the tactics on which to concentrate.

Improving Your Leadership Thinking

How do you improve your leadership thinking? Such questioning must never end, for it is the task of a lifetime. Development can be stimulated in two dimensions: by strategy and by level.

One way to develop leadership intelligence by level, as opposed to by individual strategy, is to direct your energies toward socially accepted and institutionalized programs. For example, the professional level can be developed through traditional academic and intellectual pursuits. In fact, a good, balanced college career, at a

minimum, enhances this professional level of the leadership mind.

Applying the Leadership Diamond to Organizations

To teach leadership greatness is to help others learn how to think and act as leaders do. It means to challenge their will, to release people's latent greatness and to empower teams for extraordinary accomplishments. That is a service orientation, a commitment to caring, compassion and love. It is also a challenge to courage and character.

You do not teach leadership to organizations. You help them learn it. Resistance is eventually overcome by a dedicated organizational sponsor who has the courage to be prescient, persistent and patient. A developed, widespread leadership consciousness elevates the health, personal fulfillment and productivity more than any other single identifiable factor. The result is organizations that survive profitably, have high morale and are respected.

The essential element of bringing about the challenge to leadership greatness in organizations is the leadership-greatness manager or educator, and that role requires three basic empowerment skills: teaching, psychotherapy and modeling. ●

Part Three — The Real World: Leadership Strategies in Action

Whatever you do, whether you are building your career and wishing to be more effective in your job, dealing with your relationships and your family, or focusing on your inwardness and your spiritual life, always ask the same questions, derived from the Leadership Diamond:

- Am I being visionary enough?
- Is this a breakthrough, in visionary terms? Or is the vision incremental?
- Am I displaying (or is the situation manifesting) the four tactics of this strategy? In other words, is the reasoning brilliant?
- Is there enough systemic and strategic visioning?
- Is this work based on an understanding of the infinity of inner space-time?
- Has the unconscious been properly enlisted for creativity?

Continue this way with all the other strategies. In other words, whatever team or colleague you seek to inspire and motivate, always raise the same set of questions. Does the action conform to all the criteria of the Leadership Diamond model? If not, what needs to be done to improve effectiveness? ●

Psychotherapy and Modeling

Psychotherapy is merely another form of teaching, that is, teaching through experiencing, much of it based on the method invented by Socrates and exemplified in many of the dialogues of Plato.

Modeling is based on the theory that leadership is contagious. When you see it in operation, you recognize it as one of your own possibilities. You imitate the actions of your model and are inspired by that spirit.

Expanding Organizational Skills

What is philosophy? Philosophy deals with the purely human, with the eternal questions.

Philosophy represents the in-depth mindset required for leadership. At the level of behavior, we resort to the techniques developed by the behavioral sciences, among which are psychology and sociology. But to understand them, we must return to the regions of depth explored in philosophy. The actions recommended or taken by this process are strategies and practices. These, we hope, will lead to results, which should be the business objectives of the organization. To make sure that we know what we are talking about, we require measures; we must monitor results. Thus the philosophical roots of the Leadership Diamond strategies are seen most clearly in the philosophic-level tactics, or resources.

Philosophical Roots

The philosophical roots of an executive's capacity for visioning is found in the structure of pure consciousness — a field that requires both conceptual and experiential training in philosophy for its exploration.

The philosophical roots of the reality strategy lie in the connection between the ultimate subject and object of all experience, the intricate yet mysterious dance that occurs between what is experienced as *me* and what is *not me*, and the desire and the fear that exist in the tension between these polar opposites. Reality, as direct contact, is the mysterious stress between self and world, between here and there, between subject and object, between the inner and the outer worlds, between male and female, young and old, between (in the immortal words of Martin Buber) the "I-Thou" and the "I-It."

The philosophical roots of ethics lie in what the German philosopher Immanuel Kant so aptly expressed

in the conclusion to his *Critique of Pure Reason*: "Two things fill the mind with ever-increasing wonder and awe, the more often and the more intensely the mind of thought is drawn to them: the starry heavens above me and the moral law within me."

Courage

Finally, the philosophical roots of courage lie in the full understanding of freedom as the ultimate structure of our being. Freedom explains the world, but the world cannot explain freedom.

The fundamental rule of health is that the problems are created at the philosophical level of depth, and it is there that they are resolved. Significant change, therefore, can occur only to the degree that the mind returns to its philosophical source. In Leadership Diamond language, the best results come from activating the philosophical tactic of each dominant leadership strategy. Philosophy can reveal to us our most powerful resources. ●

Diamond Relevance to Current Crises

In terms of the simplest fundamentals, we need to consider several so-called deep structures of human existence. We need, for example, minds that understand the meaning of *ethics* — both of caring and of principle — and that have made ethics part, not only of how they behave, but of how they are, exhibiting that in their being as humans. Ethics means, among many things, love.

Ethics needs to be counterbalanced with one of its opposites: reality. A leader knows that life is harsh and the world is unforgiving. We may not like it, preferring to be cared for within a warm family that loves us unconditionally. The truth, the rude awakening, appears when we discover the cruel jungle into which we are thrown, the indifferent competitiveness, the fickle recognition of our efforts to be good. We are abandoned in the world to test whether we can survive. That is reality. It exists to say no to you! It is there to defeat you! To be a leader is to win against the universal *no*.

'Bury Me Standing!'

There is more to leadership. We cannot blame others, we cannot feel sorry for ourselves, we cannot whine or whimper. We must stand up, erect and strong. Leadership is the spirit of the phrase, "Bury me standing!" That is courage — the courage to manage anxiety.

Until the leap of courage has been taken, no person has entered the realm of truly mature authenticated leaders. In the end, there is *vision*, the use of our brains, the capacity to grasp the big picture and see ourselves, not only as of today, but also from what Spinoza called "the aspect of eternity," where we fit into the unfolding history and even beyond, that of geology and of stellar evolution.

These so-called deep structures of human existence are not mere concepts. They are the sunburst of life itself, something we call greatness. ●

CONTEXT and UPDATE from Peter Koestenbaum

Leadership: The Inner Side of Greatness is the fulcrum of a long-term research project — which is called PiB® (Philosophy-in-Business™) and the Leadership Diamond®.

The history of ideas, the study of the humanities and particularly the great philosophers highlight all-time key insights about the human experience. Condensing this vast treasure into 12 categories of personal and organizational behaviors gives us the critical leadership risk factors to look out for in all aspects of business and public service. They are the single most powerful road to today's sustained competitive advantage.

The basic tool is a master checklist against which all leadership is measured. It includes three axes of competencies:

I. Leadership Capacity: Ethics (values and what is worthy); Reality (facts and truth); Vision (what is possible and innovative); Courage (action, initiative, self-reliance and commitment).

II. Leadership Readiness: Each leadership capacity is amplified by Going Deeper, Searching for Greatness, Facing the Shadow and Managing Polarity.

III. Leadership Transcendence: We add the ubiquitous phenomena of free will and systems-thinking interactivity, understanding Being, and we begin with the history of ideas, where leadership data are located.

This universal leadership template concludes with four simple questions for each check point: What does it mean to you? Is it relevant to you? How will you use it for better business? How will you measure results?

This foursome upgrades you and your company to your next level of Greatness. There are no substitutes.

For details please contact <peter@pib.net>.

Peter Koestenbaum
June 2009

· Book 181 of 388 ·

Leading Clarity

Brad Deutser

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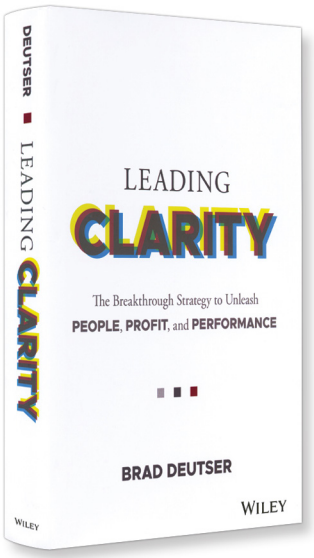
Leading Clarity

The Breakthrough Strategy to Unleash People, Profit and Performance



by Brad Deutser

THE SUMMARY IN BRIEF

Today's business environment is more complex than at any time in history, with greater ambiguity, chaos and uncertainty. Too often, individuals and organizations become bogged down with competing priorities and the constant press of daily demands. This tangled mass of noise effectively handicaps every facet of business.

Leading Clarity offers a bold proposal that changes the trajectory of your business and leadership. Author Brad Deutser shares the secrets of his proven blueprint for creating clarity, the key measure of unprecedented success and a vital factor in productivity, engagement and performance. He takes you beyond understanding the strengths and weaknesses of individuals and teams and guides you through a dynamic process that unveils what is most critical and enduring about your business.

Clarity is the dynamic force that aligns and connects the most critical business principles. *Leading Clarity* moves you beyond preconceived limitations and sets new direction, expectation and pathways for success.

IN THIS SUMMARY, YOU WILL LEARN:

- To lead teams and individuals with clear direction and purpose.
- To value inside-the-box thinking and innovation.
- To identify the impact drivers that keep your employees happier, more engaged and performing at their peak.
- To address common misalignments and masqueraders of clarity.
- To infuse positivity into your organization's DNA.

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THE COMPLETE SUMMARY: **LEADING CLARITY**

by Brad Deutser

The author: Brad Deutser is a thought-provoking counselor and trusted confidant to leaders in diverse industries around the world. As a business advisor, culture authority, creative strategist and executive coach to CEOs, board chairs and top corporate management for high-profile organizations, Brad leverages his unique perspective and pedigree to drive organizational performance. As president and CEO of Deutser, he is the visionary behind this innovative consulting firm focused on helping organizations and their leaders achieve clarity to drive business performance.

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The Clarity Conundrum

With all the business tools and approaches that are routinely deployed, there is one outlier that is consistently misunderstood, misapplied and vastly underrated. While it may be harder to measure than those most often relied on to create stability, it has been shown to improve performance, profitability and, ultimately, the viability of a company.

What is this mystery function? Clarity. Clarity operates on the truth that everything is connected. We are never going to "have" clarity. It isn't ours to own. Clarity isn't an arrival point, a vista or a destination.

Clarity is the foundational fabric that weaves together dreams, goals, initiatives, concerns, challenges and triumphs. Clarity is all about people. People make organizations. It is how we hang tough when called upon to do so and bring forward something wonderful when the weave works. Clarity can't be simply communicated. It needs structure and has to be constructed.

Instead of *finding* clarity, real value occurs when you, and ultimately your organization, are *in* clarity, which is a state that has both a form and methodology that can be relied on and can facilitate quick, and sometimes effortless, recalibration when faced with challenge. Being in clarity opens a way of creating personal capital that allows you to be steady in any storm.

Considered as a destination, clarity can be lost or obscured the moment the landscape changes or environmental factors dim your view. In clarity, we can see all factors, recognize them for what they are and what they can become, and create connections that can be relied on to establish or re-establish equilibrium and an environment for growth.

What starts happening when clarity is actively pursued? It gives leaders a tool with which to more effectively lead. It gives everybody a place to unite, creating employees who are better-performing and more engaged, happier and increasingly committed rather than merely compliant. It gives the external constituents of a business, including customers, vendors and partners, something more defined, authentic and aligned with which to connect. Clarity delivers an organization that is fully functioning on all cylinders. Clarity delivers results.

Think Inside the Box

The concept of "thinking outside the box" has been the go-to, we're-all-about-it superstar for decades. Proponents say thinking outside the box fires up creativity and that it can result in inventive solutions to an organization's most nagging problems.

But for all the positive promotion it's received over the years, that philosophy may be putting too much emphasis on the wrong side of the box. You have a much better chance of success if you understand the parameters you're working *within* as an organization, and then see if you can stretch the box to meet your goals and vision.

Taking into account real-world limitations — such as budget constraints, industry regulations, looming deadlines — can actually help to spark creativity by keeping it focused rather than using an open-ended, anything-goes approach that doesn't reliably result in ideas that can be implemented from a practical standpoint.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Kylie O'Connor**, Graphic Designer; **A. Imus**, Contributing Editor

The construct of each box is unique. Companies across the world devise strategies to create an original and appropriate box for their industry, markets, products, services and realities. While the challenges for each company are unique, the components and framework are consistent.

The four sides of the box are direction, operations, people and engagement. These four components are the critical factors that contribute to and directly affect performance and culture. Each side also has three dimensions that bring color and definition to the side.

Side one: Direction. Direction affects every aspect of the company and its ability to connect with and move its people to a shared vision of where the company is going. The three dimensions for direction are vision and values, strategy and leadership.

A strong and well-defined vision creates a momentum that compels others to follow and actively promote it through their work. Values set the standards of what is important to your company. Your strategy tells the plan of where your company is headed — it is your definition of change. Finally, it is up to the leadership to establish a purposeful culture and empower a consistently productive working environment.

Side two: Operations. This is the company's ability to respond to external changes as well as employees' ability to respond to organizational changes. The first dimension is adaptability. In a purposeful organization, the box creates an optimal environment in which adaptability is part of the way the company operates, not an individual struggle.

The second dimension is performance management. Operating in clarity means having clear data metrics in place that measure those behaviors, actions and outcomes that are an integral part of key initiatives. The third dimension is systems and processes, which exist to streamline work.

Side three: People. The people of a company are what motivate growth and sustain the parameters of the box that you define. Without their investment in the vision and their understanding of the pathways in place to reach optimal performance, your strategy will inevitably fall short of its expected outcomes. The first dimension for people is coaching and development. The onus is on the leadership to recognize the talents, sometimes hidden in an employee, and help to elevate them to a new level of performance with focused coaching and development.

The second dimension is talent management, a critical factor in clarity as teams and individuals grapple with increasing demands placed on them, including the pace with which we work, technology updates and demands, and general uncertainty. The third dimension is team capabilities. When collaboration and co-creation are valued, hired for and expected, it releases the need to be the smartest person in the room. Teams add to clarity by providing sounding-boards for ideas and possibilities.

Side four: Engagement. Engagement focuses on having engaged employees but also examines the extent to which an organization engages with other stakeholders, both internal (including board members and volunteers) or external (including clients or customers). The first dimension here is employee clarity and fit. In addition to the requisite skillset, employees should be hired, evaluated and trained based on shared values and core competencies.

The second dimension is customer focus. Companies and customers enter into an exchange of expectations and delivery of goods and services. As with internal culture, these expectations can be clear and purposeful, or they develop unintentionally as either an informal or even a more formal social contract. The third dimension is communication effectiveness. In clarity, communication evokes a connection, a response, and establishes transparency and authenticity as its goal. With this style of communicating, everyone involved wants to interact with it and contribute to it.

The reality is that when everyone is holding onto the same box, they come alive, encourage responsible creativity and drive real innovation.

The Six Sides of Clarity

The organizational box is actually a cube with four sides but also a top and a bottom. The fifth and sixth sides of the box add dimension to our box and keep the tasks of the four sides both contained and connected.

The bottom of the box, which is the fifth side, starts with **identity**. Organizational identity is the enduring essence of an organization, the unique product of its history. Identity is not something that can be copied from others, and it serves as the anchor that grounds an organization and acts as the filter through which it screens its actions. Four key elements make up identity:

Characteristics are what is central, enduring and distinct about the organization. An organization's characteristics answer the question, "Who are we?"

Purpose is why an organization exists. It is the glue that binds people together in common cause, answering the questions, "Why do we do what we do? What needs do we fill? What impact do we have?"

Values are the beliefs and motives that leaders and employees hold in common.

Traditions are the beliefs, behaviors and activities that have been passed down within the organization that set it apart from others and help foster a sense of shared identity.

The sixth side, or top of the box, is **environment**. This side encourages us to ask three broad questions to get a sense of how our characteristics, purpose and values align with the outside world. When we define our organizational identity, we must then ask, "What are our stakeholders saying, what are our stakeholders doing and how are our stakeholders feeling?" These three elements make up the external yin to our internal yang.

What people say, how they act and what they are really feeling is not always clear or completely in alignment with our internal culture. In contract negotiations, we may be dealing with someone on the other side of the table who says they care about relationships and hold values like integrity in the highest esteem. But when the going gets tough, will they live their espoused values? Will they follow through on their commitments if their business hits a hard patch? Can you trust what people are saying without a proper accounting of their recent actions and the nature of what is going on around their business?

Whether it is a startup, a nonprofit, a 100-year-old thriving business or publicly traded company, there is immense value in going back to identity and understanding the environmental factors that will ultimately shape your future. You may not be able to control the factors around you, but you can and must be aware, react, prepare for them and anticipate what will happen next.

Misalignment Will Derail You

Misalignment is the weak link in your structure that stresses the whole of your organization and creates a workplace ripe for chaos, disagreement and dissension. Misalignment keeps organizations from actualizing their purpose because the flow is off, and additional effort and resources are required simply to get things back on track, much less move them forward.

If you commit to the process and state of being in clarity, you'll have a much better shot at recognizing misalignments before they spread and send energy and resources in directions that are off plan or even completely outside your box.

Common misalignments include vision vs. execution; status quo vs. moving forward; communication vs. intention; founder vs. leader; front of house vs. back of house; values vs. strategy; people vs. profit; present vs. future; systems vs. silos; boards vs. leadership; franchisee vs. franchiser; and responsibility vs. personal profit.

Communication vs. Intentions

For example, let's look at communication vs. intentions. When the people on the front lines are left to interpret the words and intent of the leadership, it creates gaps in understanding and action, causing misalignment.

An international company with offices in the United States, South America, Egypt, Australia and the United Kingdom faced a challenging situation after the company republished its core values across the world to all employees. Before this republication, their values were pushed only in the United States. They thought it would be a good idea to "share this in the spirit of transparency and communication."

But they weren't looking at the dynamics of the full box. They had missed the people component of cultural differences, and this action led to great disparity of understanding and misalignment across the globe — causing employees in South America to literally define one value as an unpleasant bodily function, in Australia to reject it because it was offensive, while in the United States, it had been a call to rally because of the spirit it represented.

The fundamental definition of the values was not what was in question; rather, the choice of words and open interpretation they allowed. The leaders initially missed the opportunity to listen and understand across the globe how that one value could be adjusted to unite across cultures rather than to divide and be left open for interpretation.

Boards vs. Leadership

Increasingly, CEOs are spending time simply managing up to their boards and fulfilling requests for their bosses. Some boards struggle with understanding their role in defining a vision and the CEO's role in setting the strategy to achieve it. Other boards overstep their bounds and get into the operational arena of the institution, most times to leverage their immense professional talent, although other times to undermine the CEO. Some boards create misalignment with the leader simply because they, as a board, do not agree on some issue, and factions need to create the misalignment to ensure that progress from the CEO is halted.

The reality is that all businesses, in every state of success, experience some form of misalignment at some time in their existence. The key is to recognize the signs and to quickly get to the root of impediments and the misalignments that take the company and their people off track. Being in clarity demands not only an active

view of the misalignment but a determined leader willing to do what he or she needs to break through the clutter and chaos misalignments create.

Performance by Design

Performance by design is about connecting where you are *now* with where you want and need to be. There's already a space where you can be better than your currently known best, and the true secret is *you already know it*.

In clarity, there is a deep comprehension of what needs to come together and connect in order to draw forth the necessary energy, ideas and resources. Design serves as your bridge from where you are to where you want to be, and gives you a touch and glimpse of the potential to get you there.

For example, let's consider the power of symbols. There is nothing more intentional than symbols in our lives and our work. These symbols help us to identify with companies, people and groups. A critical part of branding, they give us a quick cue that we've found one of our own, something that by design fits with a part of our identity, needs and wants. They help to form, communicate and protect culture on the inside of the box and communicate, inspire and make a deep connection in the environment outside our box, extending our reach to our stakeholders.

Think of the tied yellow ribbon hoping to bring someone home, for example. Sports organizations have also understood performance by design for many decades, knowing that their symbols, colors and team spirit are inseparable, and fans fill the stadiums excited to share a common experience, which has been methodically crafted.

Positivity

The power of the mind for convincing people that they can achieve at higher levels than they ever imagined is core to our success. Defining the expectation and then living up to it is at the heart of purposeful design.

For example, a high-end retail company has been successful by remaining true to their core product. They experienced double-digit growth year after year by focusing on what they did best. Then the market changed.

Imports (not American-made) became the industry norm. The economy turned and a slew of competitors entered the market. Their core product no longer enjoyed the same success they had previously experienced. They literally watched their industry change around them — secondary products, with much greater margin than their core products, were afterthoughts to them.

Then, a leadership change occurred, accompanied by a mandate of immediate growth and increased returns to their parent company. The area for immediate impact was obvious — this underperforming segment. Before changing the display or bringing in extra product, the new CEO designed his effort around his team that sold the product. He convinced the organization that this segment was important. He positively included it in every message, in every report and in every personal interaction with salespeople.

More than anything, he convinced the entire workforce that this was important and that they could be successful. He was right. After three months, performance in that area alone increased by more than 180 percent, proving that if you design to believe, you can achieve. By altering the expectations in the workforce and incentivizing them to buy into and believe in the new approach, the rest will follow as their actions realign.

Design is the medium that helps to define the soul of an organization, directing the interactions that take place there, the way people perform and the impression that gets left behind. Whether you are creating a customer experience, building and outfitting an office space or creating the iconic symbol that you will become known by, the design process is inextricably linked to everything that your company will be.

Impact Drivers

What makes a positive culture? Leaders in touch with their people and people aligned with the organizational expectations.

The Deutser Company's work and research have identified 11 levers that together will shift the organization toward positivity and drive performance. Let's look at a few of these levers and discuss their importance.

Lever: Organizational audit. Compliant companies are conducting annual surveys to assess organizational awareness, understanding and engagement. However, more and more, leaders believe conducting the survey is enough — rarely sharing the results back to their employees in a meaningful way. Employees invest the time but are not sure their voice is heard.

To be committed and create impact,

- Standardize a survey establishing a benchmark.
- Communicate responses with actions.
- Set up third-party administration and evaluation to encourage acceptance by the workforce.

- Address gaps and share the expectations to ensure accountability.

Lever: Behavioral alignment. Compliant companies often weight knowledge, skills and abilities over behaviors in their hiring and development processes. Some companies unintentionally allow competing models across the organization and do not link behaviors and values.

To be committed and create impact,

- Set clear expectations — identify levels and behaviors.
- Align behaviors with values.
- Understand important traditions.
- Educate and engage employees around your values and behaviors: what they mean and what successful actions look like.
- Integrate values and behaviors into how you hire, evaluate and develop your people.

Lever: Organizational communication. Compliant companies place great effort into communications. They have newsletters, videos and other web-based tools. They focus on delivering the message du jour, rarely linking it to organizational strategies and priorities or taking into account the manner in which it is received by employees. They value communicating over engaging. They focus on different messages to different audiences, often with an obsession on the external customer.

To be committed and create impact,

- Develop an organizational communication platform with all constituencies identified.
- Align communications with strategy and culture, not just operations.
- Create internal focus first.
- Promote face-to-face communication when possible.

Lever: Customer experience modeling. Compliant companies focus on the customer experience with a variety of tools. Many place a heavy emphasis on one or two key touchpoints at the expense of all others. There is a lack of focus on the totality that a touchpoint on a customer, internal or external, will have with the organization. This produces an inconsistent understanding of the customer, an uneven narrative and an unfulfilled experience.

To be committed and create impact,

- Identify all touchpoints for customer experiences.
- Develop a plan for each touchpoint before, during and after the experience.
- Identify "100 little things" that can transform a customer experience.
- Develop a purposeful experience plan targeting a minimum number of changes each quarter.

When the right levers are pulled with the right force, the fusion of information and engagement creates a chain reaction that catalyzes all dimensions of performance.

The Energy of Alignment

Alignment is all about a different level of engagement and energy. It isn't about right and wrong; it isn't about only one way to do things. Alignment becomes the power source in an environment in which we are clear about what we're doing and why, what our role is in the shape of what's to come, and even clear about what our reward will be for bringing more than "good enough" to the table.

Alignment occurs when people are acknowledged for putting themselves out there and yet clear about what the boundaries are.

Alignment generates energy that propels us to do our part, which brings us into constant awareness that our part is essential to the overall process and the whole of success.

Alignment creates energy that others want to share in. People want to belong to a dream, plan or initiative that is bigger than their individual experience. In clarity, we can see where the connections need to be made and design for them accordingly.

Alignment also supercharges creativity. A startup that had increased the number of its employees by more than a thousand people in its first year took a very purposeful, proactive approach to creating a fully aligned organization with natural energetic pathways to support work being conducted across the United States.

Their intentionality was clear from the first day of operations, when they went through strategic and culture-defining exercises, even though at that time the organization consisted of only three passionate professionals. It was their intention to create the expectations and encourage alignment with each future acquisition and hire.

On its one-year anniversary, in an attempt to take all the words — the vision, the values, the behaviors — they had put together to define the company and bring it to life, the leaders rolled out a boots-on-the-ground tour. They gathered people in town hall formats and reiterated what made their company so different. The words were powerful and inspiring.

But, more so, it was the leader standing out in the open, with no notes, simply being himself and telling the story of where they were going together. He was genuine in his delivery and perfect with his words, authenticity and appeal. People were inspired and they believed. At the end of the presentation, the leader said, "They don't call this the boots-on-the-ground tour for nothing" — before he pointed to the corner of the room, which was stacked with boxes of new branded boots for every employee.

The creativity of the delivery and the positivity that his words and actions injected were lasting and meaningful. It was also measurable, as their results hit every goal they set. Most important, they established that they cared about one thing — doing things the right way for the employees.

What matters most about alignment is that it changes the flow of things. You begin to see that your efforts are both bringing intended results as well as attracting other positives, resources and assets you hadn't imagined. It creates an ease within the effort, not one that suggests you sit back but, rather, one that propels you forward because you can feel the surge of energy that surrounds your efforts and even your solutions.

Masqueraders of Clarity

There is a category of energy wasters that masquerade as something or someone who will bring value and forward motion, but in reality, are tricksters. In their best light, they waste your time. In the revealing light of clarity, they can be found to cloud thinking and often put teams and organizations on an imposter's path that leads to somewhere else, taking them away from their core and creating the fractured energy of something that is not what it seems.

The waste of time, energy and money that is invested and often exhausted on these masqueraders can be significant. Understanding and being able to recognize them is fundamental to operating and leading in clarity. Let's consider a few:

Suck-ups and people pleasers. Suck-ups are *yes* people and, as such, oppose clarity. When generous, they are telling you 50 percent of the truth and withholding the other 50 percent to serve their own purpose and to use strategically when it will best enhance their position. They masquerade as leaders, often found on the ladder to top positions or as a staff member whom the leader relies heavily on and, as such, has the leader's ear, attention and time. Where the masquerade begins is when their own ambition or self-protectionism taints the flow of data and information up the chain of leadership. They are often manipulating information and data — and always manipulating access.

Past performance. History, while it can be an indicator, does not dictate or ensure future performance. Yet, all too often, organizations are stymied by the constant reliance on the past; for example, "This always works"; "Why change what's working?"; "I've always done it this way." The reliance on and connection to the past disallows our energy to be in the present or to morph into a necessary future state. It makes us derivative instead of original, meek instead of bold, and can trick us to be like the frog in a pot of boiling water that doesn't notice that the temperature is rising.

Policy. Policy is often code for "this is what we least like to deal with, so here's our policy on it." Plain and simple, policies exist as a perceived protection — for a company, its employees or an individual. Predictably, they serve as basic, average rules instead of commonsense guidelines. They are engineered to strip people from making individual decisions, thereby providing perceived protection for the employer. Clarity allows space and structure for something other than a narrowly prescribed code of behavior, and encourages openness and dialogue when there is a difference of opinion or insight into guidelines.

Politics. By its very nature, politics is one of the great and most destructive masqueraders. Politics is rarely, if ever, about doing what is right for the whole of a company or organization. Politics is about serving someone's or something's best self-interest. Politics masquerades as leadership, but in fact, it is only survival of the weak-minded elected or appointed official. This can occur in organizations in which the CEO is caught between board members pushing for change and those holding on for the status quo, or worse, when CEOs acquiesce to a board's shortsighted directive against the long-term best interest, solely for survival.

The clarity comes when the politics are pierced and doing right prevails, even when that means taking the ultimate professional risk and doing what is right over the objection of a senior leader demanding some other solution.

These masqueraders are a form of survival mechanism that are used far too often, sometimes accidentally and other times intentionally. But all the same, they end up degrading the interactions in the in-between and redirecting the outcome that best serves neither the organization nor the leader.

Clarity as Process, aka Magic

In the traditional use of the word, alchemy is a biochemical process through which something is

transformed. In clarity, this transformation occurs as the energy created by each component begins to travel through and permeate the organization. As alignment takes place, the energy lifts the known, manages the unknown and becomes that magical something where the expected and unexpected meet and fully form something much larger and more glorious than the original sum of the individual parts could promise.

The energy behind that alchemy begins when people become clear on who they are, what they do and how they do it.

Operating in clarity creates an environment in which people become the heart of everything. When they become the heart and soul of everything, lives are changed — both those who work for the organization and those who are touched by its work and outreach.

This was especially true when the Deutser Company was hired by a financially strapped healthcare system that played a major role in a mid-sized market. This system, which was acquired by a larger institution, was given an abrupt 90 days to turn their business around. And by business, they meant everything. Deutser was basically brought in to save the day.

The Deutser team knew that one thing could quickly unite all, and that was the deep caring of what could happen to these patients. It seems obvious that healthcare is about the patient. Unfortunately, this is not always the case — there are times where it is about something or someone different.

But in this case the research was clear. And so was the directive. Put the patient in the center — not with words but with real, meaningful and measurable expectations.

The Deutser team started its effort with two letters: CE — clinical excellence. There was so much negativity swirling around the health system, and rumor and innuendo ruled the narrative. The Deutser team held true to the belief that simplicity is power. They needed to bring that concept together in a way that people could see it, feel it and understand it. And they could remember it and put it into their daily actions.

The strategy focused on the people. The culture exercise focused on the people. The outreach and education focused on the people. The financial conversations always went back to the people. The biggest shift was the care and concern focused on the people. Everyone rallied around the idea that if the system failed, then they would all fail.

The vision was clear. The expectation was clear. The expected behavior was clear. So too, was the changing identity becoming clear. Every aspect of their box was clear. But the one thing that was missing was the collective belief in and positivity that the future could be different from the past.

The initiative most remembered for bringing the system, and more importantly, the people, together in clarity was an interactive event and whole-system planning exercise. More than 7,000 people inside and outside the system were figuratively transported to the future. People were formally invited to a Disney-like experience in which every detail was considered. It was about transporting the minds, hearts, souls and bodies of each person connected, regardless of how, around the new vision and strategy. It became a push-and-pull experience inside the organization and outside the organization. And, as the expectations changed, so did the results.

A community of physicians, caregivers, administrators, board members, community leaders and supporters, media allies, and even some competitors as well as philanthropists alike were transported by possibility and aligned through clinical excellence.

Magic is the convergence of all the strategies discussed above. And, when magic does happen, we are able to achieve a measure of impact that is beyond our wildest expectations.

Life is a never-ending road. There will be places to speed up and slow down, places to turn right and left, as well as opportunities to explore new paths. But most important, you have to first get on the road and always lead with clarity.

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· Book 182 of 388 ·

Leading Loyalty

Sandy Rogers, Leena Rinne, Shawn Moon

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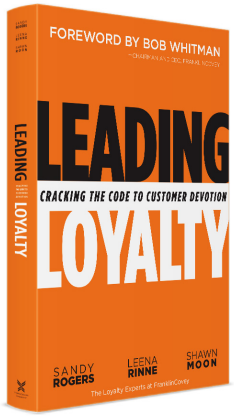
Leading Loyalty

Cracking the Code to Customer Devotion



by **Sandy Rogers, Leena Rinne, Shawn Moon**

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THE SUMMARY IN BRIEF

To thrive in today's economy, it's not enough for customers to merely like you. They have to ***love*** you. Win their hearts, and they will not only purchase more—they'll talk you up to everyone they know. But what turns casual customers into passionate promoters? What makes people stick with you for the long haul?

For more than 30 years, the customer loyalty experts at FranklinCovey have been observing, leading, coaching, and conducting research inside thousands of organizations to help clients adopt behaviors that earn their employees' and customers' unwavering loyalty. As a result, the co-authors of ***Leading Loyalty*** have identified the key differentiators of loyalty-leading organizations.

Full of eye-opening examples and practical tools, ***Leading Loyalty*** helps you infuse the principles of empathy, responsibility, and generosity into every interaction, and reveals the practices of everyday service heroes—the customer-facing employees who cultivate bonds and lift revenues through the roof.

It's time to invest in building loyalty. ***Leading Loyalty*** will show you the way.

IN THIS SUMMARY, YOU WILL LEARN:

- The three key traits of the Loyalty Leader Mindset.
- How to genuinely connect with customers and colleagues.
- The true meaning of being responsible to your customers and employees.
- To infuse your organization with generosity that surprises and delights.

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The Foundation for Leading Loyalty

Author and researcher Seth Godin makes a useful distinction between two kinds of loyalty. The first kind of loyalty is the loyalty of convenience: "I'm going to look around, sure, but probably won't switch. Switching is risky; it's time-consuming. Switching means I might make a mistake or lose my frequent flyer miles or have to defend a new decision." Convenience loyalty results simply from habit: We can take the same bus every day and still hate the bus company.

Godin describes the second kind of loyalty—which can be understood as true loyalty—as, "I'm not looking, and I'm not even interested in looking." This is the loyalty of someone who doesn't want to know there's a better deal somewhere else. This type of loyalty is more anchored in emotional commitment than inertia. Doesn't that describe how we feel about our favorite brand or business?

When American Express studied 1,620 customers under laboratory conditions, 63 percent said "they felt their heart rate increase when they thought about receiving great customer service." These thoughts "triggered the same cerebral reactions as feeling *loved*. The takeaway? When it comes to customer service, it's not about what customers think. Great service is about *feelings*."

Leading loyalty is about the intense positive emotion that can be created through our personal engagement with other people. It results from specific underlying principles that drive loyalty, enabling businesses to crack the code to customer devotion. These principles are both timeless and universal.

Loyalty Leader Mindset

The Loyalty Leader Mindset can be expressed as "I earn the loyalty of others by having empathy for them, taking responsibility for their needs, and being generous."

Our mindset relative to loyalty is profoundly influenced by our understanding of the answers to these questions:

Why does loyalty matter? Stores with high customer-loyalty scores are rewarded handsomely. In fact, if the average stores in a chain could raise their loyalty scores just a quarter of the way toward those of high-performing stores, overall profitability would rise a stunning 20 to 30 percent!

Top-performing stores earn a lot more loyalty because they deliberately focus on earning loyalty—not by chance but by choice. They start with clarity about exactly what a great customer experience looks and feels like.

Who is most responsible for creating loyalty? The CEO, right? Well, certainly he or she plays an important role. But the CEO is not the primary driver of loyalty. It's all of us—the people who serve customers inside and outside the organization every day. FranklinCovey found that truly loyal customers are rarely found in places without strongly committed employees, and the behavior of employees directly serving customers is often the deciding factor in whether customers are loyal.

Anyone can adopt a Loyalty Leader Mindset. You don't need a formal title. You can be the most experienced executive in the company or the cashier who was just hired yesterday. It doesn't matter.

How can you earn the loyalty of your colleagues and customers? The Three Core Loyalty Principles for earning loyalty in any relationship are empathy, responsibility, and generosity.

We earn the loyalty of our customers and co-workers when we have empathy for them—the power not only to hear what they are saying but also to feel what they feel. To show empathy, we need to make a genuine human connection and listen to learn the hidden story.

We earn loyalty when we take ownership for what should be done. We don't simply give people what they ask for; instead, we *own* the goals and outcomes for our customers and colleagues. To take responsibility, we need to discover the real job to be done and follow up to strengthen the relationship.

We earn loyalty when we are generous with others. By giving from our heart and giving more than is necessary or expected, we transform customers and co-workers into *advocates*. To be generous with other people, we need to share insights openly and surprise with unexpected extras.

You can bring the Loyalty Leader Mindset into practice by holding short, targeted meetings—huddles, if you will—to teach and reteach the loyalty principles to your team. A brief weekly, or even daily, huddle to move the needle on customer loyalty is the key to influencing loyalty behavior.

What should you do in these loyalty huddles? First, recognize success in increasing loyalty and applying the principle or practice discussed in the most recent huddle. Most important, **celebrate** individuals who are creating customer promoters.

The next agenda item in the loyalty huddle is to **learn** about a principle or practice that creates loyalty.

> If we want loyal customers, empathy cannot be one priority among many. It has to be at the top of our list... for every person in the organization.

The third item on the huddle agenda is to make **commitments** to apply what was learned in the huddle to create more customer promoters. Before leaving the huddle, make sure you schedule the next huddle meeting and assign a person to read the chapter ahead of time to lead that huddle.

To implement the loyalty leader mindset with your team, see the huddle exercise on page 27 in ***Leading Loyalty***.

The Principle of Empathy

Perhaps we'd like to think we are all rational and entirely logical beings—that we make sound buying decisions based on facts and analysis. In reality, it's just not so.

Neurologists have identified that the decision to buy is made in the limbic part of the brain—the primitive, more emotional area that doesn't respond well to analysis or rational thought. The decision-making center of the brain does respond to empathy, the first of the Three Core Loyalty Principles. Empathy is our ability to understand and share the feelings of another person. We may not agree with the person, but we get where they're coming from. More than that, we feel what the other person feels. For the other person, it's almost like they're looking in a mirror: We reflect their feelings as if we felt similarly ourselves.

If we want loyal customers, empathy cannot be one priority among many. It has to be at the top of our list—not just for the front-line customer-service team but for every person in the organization, including people who work on product development, systems design, manufacturing, sales, marketing, or billing.

Kanyon Hillaire is a Safelite AutoGlass technician in the northwestern United States. He is also a member of the Native American Lummi Nation. "They are a great people, very loving," Kanyon says of his culture. Every morning, Kanyon phones his customers to talk about repairing the glass in their automobiles.

One day, he learned that one of his appointments that day was a hearing-impaired individual, and he was immediately concerned about that person. He felt empathy. Customers must understand what they can expect during the appointment, how long it will take, and when it's safe to drive the car once the repairs are done. Kanyon was concerned whether he could communicate these things adequately to his customer.

Kanyon contacted a friend who knew American Sign Language and asked her to record a video message for the customer on his smartphone. "I could have written everything down for my customer," Kanyon explained. "But have you ever seen someone after you've spoken to them in their native language? If not, try it some time. Just learn a little bit, and that person becomes more relaxed, and they feel more comfortable. For me, customer service is more than just doing a good job. When the customer saw the video, he was nodding his head and laughing with joy, and so grateful. The walls between us did fall."

Kanyon's mindset drives him to exhibit empathy with every customer.

To implement the principle of empathy with your team, see the huddle exercise on page 43 in ***Leading Loyalty***.

Make a Genuine Human Connection

Showing empathy for someone else starts by making a connection with him or her. A genuine connection promotes a feeling of belonging, of acceptance.

Ultimately, making a genuine connection begins with our mindset. If we adopt the mindset that connection matters, that it is a priority, we see people in front of us instead of problems. We see human beings, not hassles.

How do we make a genuine connection with everybody?

Smile and greet others with a warm welcome. Gordon Wilson managed one of the top Apple Stores in the United States and emphasized this rule with his team: "Approach customers with a personalized, warm welcome." Notice that there isn't a script the retail associates need to follow. Everyone who enters an Apple Store gets that warm welcome at the door.

Observe, then serve. What unexpressed emotions do you sense? What is the customer's demeanor? Sad? Rushed? Eager? Hesitant? Curious? Overwhelmed? What about their tone of voice? Angry? Excited? Pleading? Worried? Ho-hum? If you want loyal customers, you'll be watchful. You'll pick up these nuances of behavior and allow your empathy and connection to kick in while you match your own behavior to theirs.

Connect warmly with your eyes. It is intuitive that eye contact is essential to making a human connection, and while it's common sense, it's not always common practice. Further, if we want to make a genuine connection, we can soften our gaze and smile to add warmth.

Acknowledge others. Sometimes all it takes is a smile and a sincere "I'll be right with you" to connect with the customer. It doesn't require much, really. We can't show empathy or connect with customers if we don't acknowledge that they're standing right in front of us.

Be available, but don't hover. The best practice is to "make yourself available." Make warm eye contact, smile, and greet customers. Then let them know you're available by saying, "I'll be right over here if you need anything." Periodically, check in to see if they have any questions, but generally be aware of physical proximity, and avoid making them uncomfortable by being in their personal space.

To make a genuine human connection with your team, see the huddle exercise on page 60 in ***Leading Loyalty***.

Listen to Learn the Hidden Story

Every customer has a hidden story. By making a genuine human connection and listening to learn, we uncover their story, which then allows us to feel and convey empathy.

You may be thinking, "We don't have time to listen to every customer's story," and of course there's some truth to that. But FranklinCovey teaches, "With people, fast is slow and slow is fast." If we are sincerely interested in earning someone's loyalty, it often pays to slow down just a little bit and listen to learn.

The listening-to-learn behavior is rooted in the principle of empathy because it is about fully understanding and empathizing with the story of another. "Story" is defined as the person's emotions, knowledge, experience, and point of view—the narrative behind the need.

There are four things you can do to listen and learn:

Stay silent until the person has finished talking. Keeping quiet until the other person has completely finished talking takes discipline. But it can be mastered with practice, and it goes a long way toward communicating to others that you genuinely care about their thoughts and feelings.

Listen with your ears, eyes, and heart. "Listen with your heart" means you grasp the feeling as well as the content of what is said, and this behavior is rooted in empathy.

Don't worry about how to answer—focus on understanding. Whether it's their social conditioning, shyness, time pressure, or distraction, customers don't often chatter during simple transactions. Ask simple, friendly questions. "What's the occasion?" "What are you thinking of doing with this [product]?" Make the question as easy and sincere as you can in order to get the story.

Ask open questions, not closed or yes/no questions, and ask burning questions. Burning questions are those that are likely to be important, critical, and urgent. For example, "What problem are you trying to solve?" "What are you hoping to accomplish?" "What's the biggest challenge you're having with your deck?"

Rephrase what was said and check for understanding. Empathic Listening is the skill of reflecting both the content of the person's concern and the feeling he or she has about it. This process has the incredible ability to uncover what's really on someone's mind, and it's also a critical skill when there's emotion in the conversation.

A customer could come to you angry or excited about a purchase. A colleague could come to you frightened or enthusiastic about an upcoming change in the business. Observe how they feel; really listen to what they are saying.

Then, reflect what they've said in your own words. You might choose to reflect only the emotion or only the content of what they've said, or you might reflect both.

To listen to learn the hidden story with your team, see the huddle exercise on page 75 in ***Leading Loyalty***.

The Principle of Responsibility

Responsibility is the second of the Three Core Loyalty Principles. The best businesses are ready to take responsibility for our problems, our needs, and their relationship with us. They meet us at the door. They return a text immediately. They answer the phone. They empathize with us, do

the job we need done, then follow up to make sure it was done right. All of this conveys that we are important to them, and it goes a long way toward earning our loyalty.

Empathy is the principle of understanding other people so they feel valued, while responsibility is taking ownership for the actions that follow such an understanding to help people achieve their goals.

It's natural to wonder, are we expecting too much of front-line people by asking them to

- Take responsibility for the customer's problem?
- Foresee potential problems customers may have with their products?
- Find an exact fit with each customer's needs?

This depends on how we define the job of our people. If we see their role as taking responsibility and solving problems, then meeting the needs of each customer will come naturally.

A cancer survivor told of his experience with two very different nurses—one who displayed empathy, connection, listening, and responsibility, and one who did not. Notice the different impact generated by each experience:

"When the nurse standing in front of me told me I had lymph cancer, she went straight into the 'protocol' with precision and efficiency: 'Here's what you're going to do, what we're going to do, what's next, what you can expect. Do you understand?'

"Well, I didn't understand a word. I'd heard nothing after she said the word 'cancer.' I felt like my stomach had been kicked in and my life was over. I sat numb while the nurse finished up her instructions and left the room. I was shocked, alone, and, frankly, scared.

"Another nurse came in the room to take over my case. This second nurse sat down and looked at me. 'It's just the worst, isn't it?' And then she listened to me as I choked up and babbled and cried. I could feel that she felt with me. 'I'm going to stay with you all the way through this,' she said. And she did, week after week. One day during my treatment, I was lying there really depressed when she came in my room carrying scissors and some old magazines and said, 'Now cut out all the happy pictures and paste them on construction paper.'

"I thought, 'How stupid,' but we did it together and talked and laughed a bit. Then she took me down to the children's ward where we posted the pictures on the walls to cheer up the little kids with cancer. I felt almost human again."

The first nurse was doing her job—and was probably really good at efficiently handling patients—but clearly struggled to feel empathy for the patient and take responsibility for the client's need (which at that moment was to feel comforted).

By contrast, the second nurse connected immediately with his overwhelming need. She also recognized that her job was not just medical care but also emotional care. Her kindness, her ingenuity at doing the real job, and her willingness to follow up is what it means to take responsibility for the customer.

> Discovering the real job to be done allows us to make sure people achieve the solution or outcome they are really seeking.

To emphasize the principle of responsibility with your team, see the huddle exercise on page 92 in ***Leading Loyalty***.

Discover the Real Job to Be Done

We assume responsibility for the other person's goal or problem by discovering the real job to be done. We may be doing a great job at taking responsibility for the client in the moment, but if we rush to deliver the client's request, it's not entirely clear our solution is aligned to what that person truly needs. Discovering the real job to be done is the functional application that allows us, as responsible people, to make sure people achieve the solution or outcome they are really seeking.

In many cases, it's easy to assume we already know what the customer needs. We've heard the same question from dozens of customers before, so we just jump to the answer. Shifting our paradigm from one of "having the answer" to "discovering the need" can make all the difference in our ability to earn loyalty.

In order to discover the real job to be done, we need to do three things:

Be curious, not pushy. Most customers don't want to be barraged with questions. A simple "I'm glad to help you; let me just make sure I understand what you need so that we don't spend time on the wrong solution" is a great way to begin the conversation without seeming pushy.

Ask for context. A few simple, open-ended questions like "What are you hoping to accomplish?" or "What would you like this product or service to do for you?" or even "Why are you interested in this product or service?" will create a dialogue that quickly gets to the customer's job to be done.

Lead with the need. Look at these two sentences. How are they different?

"You'll want cushioned racing shoes."

"To do well in the upcoming marathon, you'll want cushioned racing shoes."

The mentality behind Sentence 1 is, "I have a product to sell you." The mentality behind Sentence 2 is, "You have a job to do, and this product will help you do that job." Maybe it doesn't seem like much of a difference, but actually there's a huge gap between these two mentalities and what they convey to the customer. "Lead with the need" is simple—it means talking about the need before you talk about the product.

To discover the real job to be done with your team, see the huddle exercise on page 105 in ***Leading Loyalty***.

Follow Up to Strengthen the Relationship

Those who have engendered true loyalty effectively follow up with their customers. It goes with doing the "job to be done." How can we know if we actually did the job right unless we follow up to find out?

Our service might have been just fine, but that doesn't mean it stayed fine. And we can always improve. Unless we're constantly upgrading what we do, the loyalty of our customers may be at risk. Follow-up is not hard if we really mean to be helpful.

As marketing expert Rebecca Wilson points out, follow-up is more than just a courtesy. It's an opportunity to build the relationship, and that may be the best reason of all for doing consistent follow-up. If we see a customer interaction as a one-off event, that customer isn't likely to feel connected to us.

There are five "A's" to remember when doing follow-up, especially in a conflict situation:

Assume others have good intent. If we assume unhappy customers are trying to take advantage to get "freebies," we will come across with an attitude that puts them immediately on the defensive. Instead, we need to give our customers the benefit of the doubt, even if temporarily. In showing empathy, we'll hear them out and do our best to understand their point of view.

Align with the person's emotions. This does not mean you should get angry if the customer is angry. "Alignment" means getting on the customer's side, even if temporarily. We need to make the emotional connection first and then deal with the job to be done. Use your empathy skills to make a warm connection and listen to learn. Stand with them, not against them.

Apologize with your heart and without a hint of defensiveness. A heartfelt apology not only melts anger, but it is also the right thing to do when we're at fault. Even if we're not at fault, we can practice empathy by feeling "with" other people and expressing regret for a bad experience. Getting defensive is a recipe for escalating conflict and never a good idea.

Ask how you can make things right. Maybe it's personal service. Maybe it's a free-rental day. Maybe you pick up the check. Whatever it is, offer it—the gesture might help win you the person's loyalty after all.

Assure the person you will follow through, then do it. Specify the job you will do and when you will do it.

Practice the same follow-up guidelines with team members. Assume that your team members have good intent, even when there's a problem. Certainly they don't come to work planning to mess up. Align with their emotions, even if temporarily—make sure they know that you understand their feelings. Above all, follow through on any commitments you make to one another.

To follow up to strengthen the relationship with your team, see the huddle exercise on page 119 in ***Leading Loyalty***.

The Principle of Generosity

Generosity, the third of the Three Core Loyalty Principles, is straightforward. Generous people are kind. They extend themselves to help others. They think of new, creative things they can do for customers and co-workers. They may not save pennies in the short term, but they earn big dollars in the long term. More than that, they love people and treat them like guests.

Generous people and organizations show kindness first; then they do whatever possible to give more than is expected.

Generous people and organizations show kindness first; then they do whatever possible to give more than is expected. Zappos helps customers find shoes they don't have in stock. Dick's Sporting Goods accepts expired coupons. These are just ordinary courtesies, but ordinary generosity can be extraordinary—and it can earn real loyalty.

What gets in the way of us being generous? Probably the biggest barrier to generosity is fear. Being generous can be risky. Customers might want more of our time and resources than we can give and still stay in business. Team members might demand more than their contribution justifies. In fact, a generous act can be as simple as opening a door, answering the phone on the first ring, or rounding out a transaction in the customer's favor.

To emphasize the principle of generosity with your team, see the huddle exercise on page 137 of ***Leading Loyalty***.

Share Insights Openly

Embracing the principle of generosity means constantly thinking about new ways to make life easier and better for others by contributing thoughts, feelings, knowledge, and innovative ideas. The necessity of this contribution calls for a key behavior—share insights openly. But to do so without the governing principle of generosity relegates this practice to complaints, criticism, and, in the ever-expanding world of self-service automation, indifference.

Here, information sharing is an aspect of coaching to help other people get better. A great insight isn't worth much if we can't share it effectively and get others to act on it. Here are some loyalty-building guidelines for effective coaching:

Recognize a job well done. People will be more open to our insights and coaching if we begin by letting them know we respect and recognize the good work they are already doing.

Ask permission to share insights. Something as simple as "Would it be OK for me to share a thought with you?" can be a good icebreaker. Asking permission shows respect and allows the other person to tell us if they are busy right now and when they will be free.

Declare your intent. State up front that you just want to share an idea to help them, not to criticize them in any way.

Be positive and encouraging. Our tone of voice and body language need to be warm and welcoming. The other person should feel we are on their side and only interested in their continued success.

Share information that helps people make better choices. An effective way of doing this is to ask thoughtful questions. Give the other person an opportunity to share their observations and feelings. Then, after listening to learn and showing empathy for their situation, share the insight you feel may be helpful.

To share insights openly with your team, see the huddle exercise on page 151 of ***Leading Loyalty***.

Surprise With Unexpected Extras

A client of FranklinCovey told this story: "Several years ago, our family dog was acting ill, and we took him to the veterinarian. We got the devastating news that our dog had cancer that was well advanced and that he would not recover. We were crushed. The staff at the animal hospital was overwhelmingly kind, and it was clear they knew how difficult this was for us. After the diagnosis, one of the technicians took Milo for a few minutes and brought him back wrapped in a blanket. We said our goodbyes.

"A few days later, we got a package in the mail. In those few minutes with Milo, they had taken a picture and an imprint of our dog's paw, framed them and sent the gift to us along with a note of condolence. It meant so much to our grieving little family."

In building loyalty, there are few spotlights as bright as the unexpected extras that make customers smile, glow, and rave about us. Sending personal messages, remembering names, experimenting with surprising new service ideas—these simple gestures endear us to customers and increase their loyalty. And they also bring meaning and joy to the work we do each day.

How do we surprise with unexpected extras? First, brain-

storm ideas with your team; then run thoughtful experiments to see what works. To brainstorm with your team, ask them, "What could we do for customers that we have never done before to make their experience better? How could we exceed customer expectations and show customers how much we really care about them?"

To generate ideas, think about things that potentially annoy or stress out customers or waste their time. When do customers hesitate or look confused? What questions do clients ask that they shouldn't have to ask? What would make them feel more valued and appreciated? These things do not need to cost a lot of money.

To surprise with unexpected extras with your team, see the huddle exercise on page 166 of ***Leading Loyalty***.

Implementing Loyalty

Your Legacy as a Loyalty Leader

Someday you will leave the job you're in now. How do you want to be remembered? How will things be different because you were there? In other words, what *loyalty legacy* do you want to leave?

Those who inspire true loyalty predominantly focus on the emotional intelligence of the heart. Employee engagement is about the heart, too. But in too many workplaces, there is no heart to be found. Employees feel little if any loyalty to their employers and have practically no emotional investment in their jobs.

Loyal employees produce loyal customers. So, how do you win the hearts of employees, who in turn can win the hearts of customers? By modeling, teaching, and reinforcing the ideas above. It's the most important thing you can do to boost loyalty, and it costs very little. Armed with those loyalty principles, practices, and tools, you can build a legacy of loyalty.

To emphasize your legacy as a loyalty leader, see the huddle exercise on page 175 of ***Leading Loyalty***.

True loyalty starts with you. A Loyalty Leader Mindset, based on the enduring principles of empathy, responsibility, and generosity, starts in your head. Then, as you live these principles each day, you teach others how to cultivate them in their hearts. As a result, employees will treat one another and customers the way they are treated.

IF YOU LIKED THIS SUMMARY, YOU MAY ALSO LIKE:

- ***Costovation: Innovation That Gives Your Customers Exactly What They Want—and Nothing More*** by Stephen Wunker and Jennifer Luo Law.
- ***The "Make Mom Proud" Standard for How to Treat Your Customers*** by Jeanne Bliss

Sandy Rogers founded and leads FranklinCovey's Loyalty Practice, which helps organizations increase customer and employee loyalty. Leena Rinne is FranklinCovey's Vice President of Consulting. She is responsible for the hiring, development, and management of FranklinCovey's world-class consultant team and for the high-quality delivery of its programs and solutions. Shawn Moon has over three decades of experience in leadership and management, sales and marketing, program development, and consulting services.

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· Book 183 of 388 ·

Leading Quietly

Joseph L. Badaracco, Jr.

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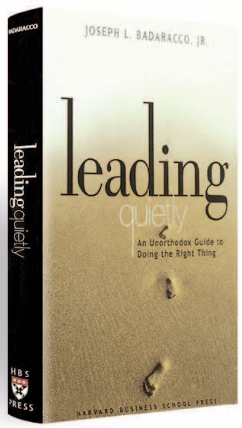

Joseph L. Badaracco, Jr.

An Unorthodox Guide to Doing the Right Thing

LEADING QUIETLY

THE SUMMARY IN BRIEF

Every profession and walk of life has its great figures, leaders and heroes, people who are exalted for their achievements and treated as role models. Yet, in day-to-day life, we often find that the most effective leaders are rarely public heroes; they maintain a low profile, yet they do what is right (for themselves and their organizations) inconspicuously and without casualties.

These are the "quiet leaders" Joseph L. Badaracco, Jr. studies and celebrates in his book, those whose modesty, restraint and patience are in large part responsible for their impressive achievements. Through four years of research, Badaracco identifies a set of common guidelines all quiet leaders follow, and notes how the seemingly small steps these leaders take often result in the biggest, most successful actions of an organization. Leading Quietly *offers a broader perspective on what constitutes responsible, effective leadership.*

What You'll Learn In This Summary

Among the guidelines of effective quiet leadership are the following:

✓ **Don't Kid Yourself.** Effective leaders are honest about how well they understand a situation, or how much they control.

✓ **Trust Mixed Motives.** In difficult situations, effective leaders expect their motives to be mixed and even confused. This conflict can actually be useful in solving problems or forging compromises.

✓ **Buy a Little Time.** If a situation is uncertain or hazardous, leaders may find it necessary to engage in stall tactics or organizational games, to gain enough time to think a situation through.

✓ **Invest Wisely.** Truly effective leaders count their political capital before proceeding in an uncertain situation and spend that capital wisely.

✓ **Drill Down.** Any given situation may involve a morass of technical, bureaucratic or legal details, all of which a leader should understand fully before proceeding toward a solution.

✓ **Craft a Compromise.** Quiet leaders see the crafting of creative compromises as an invaluable practical art and the essence of responsible leadership.

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Don't Kid Yourself

Quiet leaders are realists; they see the world as it is, and, in the process, tend to have similar ways of viewing their professional environment. They recognize that anything can happen and, in the course of doing business, people and events can surprise, dismay and astonish. Things can turn out to be better or worse than expected, requiring leaders to move carefully and seize opportunities while they can.

Quiet leaders view the world as a kaleidoscope, rather than a fixed target or a well-mapped terrain; self-interest, shortsightedness and chicanery often tumble together with shards of loyalty, commitment and integrity. The churning is continuous, propelled by forces as far-reaching as the global economy, or as personal as human nature.

A Personnel Crisis at St. Clement's

In 1997, Rebecca Olson became CEO of St. Clement's Hospital in Omaha, Nebraska. Although there were several longstanding hospital executives who might have filled the role, Olson's management experience was viewed as just the panacea the hospital needed to turn around its troubling finances. Within days of taking office, however, Olson was faced with a troubling personnel issue — the hospital's vice president of operations, Richard Millar (one of the executives many thought would get the CEO position) was about to be the subject of a sexual harassment complaint.

Olson immediately went to work on the problem, engaging the hospital's lawyer to conduct an investigation, the result of which left little doubt in Olson's mind that Millar should be fired. Rather than letting him go, however, Olson decided to try to get Millar to resign. She prepared a detailed report on the investigation, spent hours with legal counsel and convinced key members of the board that Millar had to go. Finally, Olson presented Millar with the case against him and offered a severance package if he would resign. He grudgingly did, leaving Olson with the impression that her first big problem as CEO had been conquered.

A month later, however, Millar went to the press to complain about his "firing" and unfair treatment. Both Olson and the woman who initially charged Millar with harassment received threats, and the hospital's overall morale was rife with feelings of paranoia and persecution. Only after Millar took another job on the West Coast did things settle down.

Lessons from Rebecca Olson's Approach

Although the law was on her side, Olson took what many might term a "cop-out" method toward solving the hospital's problem, but which was actually an unsentimental, realistic approach, one that helped resolve the problem in a practical and responsible way. She saw the situation for what it was, and viewed people and situations in terms of four guiding principles:

- **Recognize that you don't know everything.** To survive and succeed in situations that require quiet leadership, you must be realistic and not exaggerate how much you really understand. Olson was new at the job when the Millar case was brought to her attention; she didn't know who her allies were, who was competent, or how the harassment fight was going to pan out. In a situation rife with uncertainty, you must likewise approach your problems with modesty and humility, and be willing to accept how much you don't know.
- **Realize you will be surprised.** Quiet leaders try to see a few moves ahead on the chessboard, taking great care to analyze, prepare, plan and think about unknowns before making judgments about them. Even after all this effort, though, these leaders still expect people and events to surprise them.
- **Keep an eye on the insiders.** Most organizations are divided into relatively secure insiders (those who wage a long, intense struggle for senior positions) and expendable outsiders (those who operate in distant, tangential orbits, usually under the watchful eyes of the insiders).

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Don't Kid Yourself

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When Olson, an outsider with a position typically reserved for insiders, moved to get rid of Millar, she had to get the blessing from insiders on the board, building relationships and credibility in a short period of time.

● **Trust, but cut the cards.** For quiet leaders, trust resembles a fine piece of crystal—it is hard to create, very valuable and very fragile. They give their trust carefully and work hard to earn the trust of others, expecting them to do the same. Quiet leaders proceed very carefully with those whose trust they know they will never earn. ■

Trust Mixed Motives

Why do some men and women take action when the safe and sensible thing to do is get out of the line of fire? The answer is that sometimes people find they can't walk away from a person or a situation — something engages them, then they go to work, resolutely and creatively, and persevere despite inconveniences and other professional hazards.

Other times, people have basic instincts that are less noble and more complex. In other words, while we might care about others, chances are we care more about ourselves, our organizations and our jobs.

For a couple of reasons, mixed and complicated motives are, in fact, key to a quiet leader's success:

● **Mixed motives make for more effective leadership.** Quiet leadership is a long, hard race, run on obscure pathways, not a thrilling sprint before a cheering crowd. If leaders did not act with mixed motives — if they acted only out of a spirit of altruism and self-sacrifice — they would act less often and less effectively.

● **Sustained leadership usually means becoming an insider.** This gives leaders the opportunity to use power and influence responsibly, on many issues and over extended periods. They must, however, also look out for themselves, protect their positions and stay at the table so they can continue to lead.

Leaders who embrace complexity, both in the world around them and within themselves, are more likely to succeed at difficult everyday challenges than individuals who try to airbrush away those stubborn realities and mixed motives.

The Mixed Motives of Elliot Cortez

Elliot Cortez was an experienced marketing executive at a major pharmaceutical firm, who felt uneasy when his company asked its reps to start promoting a popular depression drug for other uses. While the company encouraged reps to discuss unapproved uses in sales meetings, Cortez limited himself (at least initially) to answering questions about these alternatives only when doctors raised those questions on their own. While he didn't want to break any federal laws barring such discussions, he also didn't want to limit his pay or promotion prospects.

In time, however, doubts crept in, and Cortez stopped answering questions about unauthorized uses, told several other reps about what he was doing and brought the issue up with his manager. He was afraid someone would get hurt by using the drug for something other than depression, but he was also concerned that, if he were reported for breaking any federal laws, his company would absolve itself of any responsibility for encouraging this marketing strategy, leaving him to face charges alone.

Lessons from Elliot Cortez's Actions

It is clear that Cortez acted out of a combination of altruism and self-interest, leaving us with several lessons to be learned from this case study in mixed motives:

(continued on page 4)

The Implications of Motives On Leadership

The best way to realistically judge the motives of leaders is to look at their implications; for men and women who want to do the right thing in difficult, shifting, or turbulent circumstances, four lessons stand out clearly:

✓ **Have a bias for action and don't get bogged down in the morass of motives.** Because motives are complicated, they can be the subject of much speculation and interpretation, and these discussions can go on interminably, leading to passivity and inaction. When this happens, it's time to take a break, talk with someone and then move on to a plan of action.

✓ **Don't think you are disqualified or exempt from exercising leadership because your motives are mixed or complicated.** In order to really understand why people do what they do, we have to be realistic and see others and ourselves as we really are. Recognize character and motivation are fluid and complicated, and do not be afraid to act.

✓ **Trust yourself and your motives, especially when they pull you in different directions.** Internal conflicts are often telling you something important. If you can stay calm when everyone else is confused and upset, you may not really know what's going on.

✓ **Before taking on a serious ethical challenge, be sure you really care.** Quiet leaders get off the sidelines and take action because they care about helping others AND because their interests are at stake.

Trust Mixed Motives

(continued from page 3)

● **Stop playing "Gotcha."** When discussing others, some people like to counter noble motives with low ones, or good deeds with bad ones, in order to cut the subject of the conversation down to size. This game of "Gotcha" assumes that genuinely ethical people act for reasons uncontaminated by their own self-interest; in reality, however, this is rarely the case.

● **Be sure you really care.** Successful leaders do not merely think they should act; they feel they must. They need to test the strength of their motives, as well as the morality of their motives. In Cortez's case, his self-interest was fused with a concern for others; had he not had that concern, he would have been less likely to act.

● **Don't try to save the world.** Some might ask why Cortez didn't do more to change the way his company was pressuring reps to act. Because his motives were mixed, he focused on what was reasonably attainable and avoided making a grand gesture that would have been less effective. He recognized that he had been dealt a modest hand, and he played it carefully, prudently and honorably. ■

Buy a Little Time

When faced with a challenge, effective leaders rarely rush forward with "The Answer"; instead, they often look for ways to beg, borrow and steal a little time. They recognize the positive effects time can have on a difficult situation:

● It lets turbulent waters settle and clarify, giving people the opportunity to discuss their situations with others and think things through on their own.

● It gives people a chance to assess their real obligations, giving sound instincts a chance to emerge.

● It gives people the opportunity to observe and learn, understand the subtleties of interaction and look for patters and opportunities in the flow of events.

The dynamic, unpredictable nature of our times often makes it impossible to instantly design answers for fluid, multi-faceted problems. You don't want to miss the options, nuances, contingencies, ripple effects or pitfalls that might have greater effect on you further down the line; buying time gives you the chance to see all those things, by creating a buffer zone before you make a decision or take action.

How to Buy Time

Buying time sometimes means playing some basic organizational games, taking steps to delay action, dissipate pressure, or divert the attention of superiors who might be breathing down your neck. No one views these games as the ideal ways to deal with problems; at best, they are a second or third option. But responsible managers recognize the need, on occasion, to play these games to buy the time required to make the right decision.

Games Managers Play

The games that managers play fall into two categories: quick fixes and strategic stalling.

Quick fixes are the small things that enable you to deflect or delay something or someone. They involve few risks, and buy just a little time, but they can be effective. They might include the following:

● **"I'm booked; can I get back to you on that?"**

● **"The server has been losing my e-mails."**

● **"Look, I'm late for another meeting."**

● **"Can we settle this in the morning?"**

In most cases, these tactics also have the advantage of being true or close enough to the truth; most people are indeed busy, for example, and computers are notoriously unreliable.

Strategic stalling involves tactics that buy large amounts of time — increasing the challenge and level of risk proportionally. In such cases, the rationale for a significant delay should be substantive and should look like and be something that an effective manager would do in a particular situation. Some typical strategic stalling techniques include the following:

● **Get the Staff Involved.** Ask for a meeting with a staff members outside your normal operations — human resources, for example — to learn about the policies, procedures, or processes that must be addressed in order to proceed with a course of action.

● **Dot I's and Cross T's.** Once you understand the full set of requirements and procedures you must follow to complete a task, you should begin to comply with them—slowly, carefully, bureaucratically, asking questions along the way, just to ensure you're getting things right.

● **Scenario Planning.** Make sure you're considering all possible scenarios, evaluating all options, gathering all relevant data, putting contingency plans into place and getting the right people involved. Such planning tactics can add copious amounts of time to any endeavor.

● **Communicate by Pony Express.** Select slower means of communication, such as face-to-face meetings, using regular ("snail") mail rather than voicemail, voicemail rather than e-mail. Make sure all steps you take in the process are documented, under the guise of protecting the company against further hassles, lawsuits and the like. ■

For an example of a successful quick fix, go to:
http://my.summary.com

Invest Wisely

Before effective leaders get involved in risky or uncertain efforts, they check to see just how much political capital they have — an intangible entity consisting mainly of the person's reputation and relationships at work, the perception others have of that person. When quiet leaders take action on a difficult problem, they pay close attention to how much of this intangible capital they are risking and the likely returns on their investment.

Quiet leaders know that problems that seem simple and familiar are sometimes risky and complicated; hence, before they put their political capital at risk, they think about those risks and the possible rewards, considering what course of action would have the greatest possible impact with the least risk and cost. In the best case, doing what they feel is right will improve their reputations and relationships.

Three Key Questions

The risk-return approach involves asking and answering three questions:

- **How much political capital do I have in the bank?** This question is not easily answered, because political capital is so intangible, and so often not connected with the quality of one's work (how many merely adequate workers get advancements over better-qualified counterparts, simply because they have a stronger reputation?). Your reputation is enhanced by getting consistently excellent results, and by getting them the right way — by being a team player, "playing the game," and avoiding moral grandstanding.
- **How much political capital am I placing at risk?** Does the situation require that you stake your reputation on something, or risk losing face in front of your peers and/or superiors? Do others have their reputations or relationships on the line, or in some way connected to the decisions you make? The answers to these questions help leaders determine how much effort to inject into a course of action, or how loudly to speak against or in favor of something.
- **What are the likely rewards, for others and myself?** This question asks people to think clearly and specifically about the returns they are seeking on their investment. This means one must make choices and set priorities, just as investors have to choose between short-term and long-term stocks, or between risky, high potential stocks and more stable, secure ones.

This question is largely a matter of probabilities— how likely are you to achieve what you're setting out to accomplish? How complicated are the motives and actions of others involved in the situation, and how likely are they to be amenable to your actions?

The Unwanted Perfect Score

Captain Jill Matthews was company commander of a headquarters group of 75 soldiers in the Airborne Corps of the U.S. Army. The staff officers who reported to her were responsible for particular activities such as operations, intelligence and supply. Matthews' group supported five battalions that maintained transportation equipment and transported troops.

Captain Matthews' group underwent an Annual General Inspection (or AGI) that covered every area of Matthews' responsibilities — vehicle maintenance, safety, barracks maintenance, arms room controls and supplies. It was in supplies accountability and maintenance that Matthews knew her operation had its greatest deficiency and, although she and her staff worked hard to overcome it, she figured it would be graded poorly on the AGI.

Matthews was surprised, then, when the supplies operation was given a perfect score on the inspection. Her first sergeant told her why — inspectors had merely entered the supplies warehouse, filled out their score sheets and left, without truly inspecting anything.

Matthews then faced a dilemma — accept the perfect score and stay quiet about the bogus inspection, or report the problem to the inspector general and risk hurting her career, as well as those of her battalion commander, her sergeants and the inspectors.

She reported the incident, and, instead of getting into trouble, received all assurances from the inspector general that the incident would be investigated. She could also keep her company's perfect score, on the condition that she continue to work on her supply area's problems.

Matthews risked a great deal of political capital on reporting the incident, getting very little in return— there was never any proof that the inspectors who passed her company were ever investigated; in fact, her reporting the problem might have simply driven the shoddy inspections further underground. Her courage, conviction and quiet leadership cannot, however, be denied.

Unfortunately, the complexities and obscurities of organizational life can sometimes make the answer to this question difficult. ■

For Aristotle's viewpoint on risk and reward, go to:
http://my.summary.com

Drill Down

Something important is missing from most stories of heroic leadership: the technological and bureaucratic complexity that pervades life and work today.

The absence of this attribute simplifies the stories we hear, making them more vivid and powerful at the cost of realism and relevance. All around us, life and work are rapidly subdividing into ever more focused spheres of specialty. Because of these developments, people working in organizations face problems made more complex by technological, bureaucratic and legal issues. Under these conditions, stories of heroic endeavors are of little use to leaders; the basic need isn't to summon courage, moral vision, or the corporate credo — it is to understand what is really going on.

Four Guidelines

Quiet leaders know that moral commitment and high principles are no substitute for immersion in the complexities of a particular situation — they recognize that a responsible effort to execute their duties as decision makers can only happen when they possess the specialized knowledge required to inform those efforts. They drill down into complex problems, using four basic guidelines:

● **They remember their responsibilities.** Complexities cannot obscure responsibilities; corporate and political history is rife with people who use complexities to hide their own nefarious actions [see sidebar].

For people with sound ethics, complexity creates another problem: it can lead to fatigue and confusion. Sorting out complicated issues is draining work, and often places greater responsibilities on the ones who delve deeper into the issues (since they are likely the only ones who understand it in any great detail).

Ironically, this responsibility often leads to further complexity. When a problem is complicated and technical, it is tempting to think that the solution lies somewhere in the details — if only you could find the right formula or read the fine print correctly all would be well. However, once you grasp the full realm of complex issues inherent to a situation, you must still make choices and/or commitments, then take action. Understanding alone does not relieve you of that responsibility.

● **They work hard and continuously.** Drilling down can be hard work. Understanding complexities in technological, bureaucratic or legal matters may require gaining valuable perspectives from experts in other areas. It may require taking your knowledge and your need to other, higher, layers of leadership in your company. It may require revisiting ideas or policies you already know, or reinterpreting them in new contexts.

Drilling down can cause a leader to be obsessive, a trait that often enables people to bore deeply into complicated, intimidating problems and emerge with ways of seeing things that they never anticipated.

● **They enlist the assistance of others.** Effective leaders avoid the impulse to be a hero and resolve complex problems on their own. No amount of obsessive behavior can substitute for training, experience and expertise. People with training and experience simply know more about particular problems; they also tend to have a "feel" for problems, an intuitive sense of what is really happening and how to search for answers.

● **They are not afraid to back off.** Sometimes a problem is so complex that no amount of reflection, analysis, or consultation can provide a solid basis for action. In these cases, the responsible thing for leaders to do is to wait, buy more time and try to get the problem into the right hands. This is not another way of saying leaders should shirk their responsibilities; it is, quite simply, common sense. If you're in over your head, do not be afraid to back off.

Are You Over Your Head?

Some signs that you might be in over your head include the following:

● **Consultation leads nowhere.** When your experts can't agree about what's going on and what can be done, you must proceed with extreme caution.

(continued on page 7)

When Scoundrels Use Complexity to Hide

Complexities should not be allowed to obscure leaders' responsibilities. One popular example of this is Michael Milken, the legendary financier, felon and philanthropist. Some of Milken's financial transactions were so novel and complicated, he was often the only person who truly understood their intricacies. This enabled him to bury violations of securities laws so deeply, it took investigators years to unearth them. In this instance, Milken showed just how well complexity can serve as a smokescreen for wrongdoing.

In another, less publicized incident, a talented but unscrupulous chemist in charge of handling quality control for his company, regularly faked the results of important tests required by the Environmental Protection Agency (EPA). Even though his work was checked by both the EPA and his company, he was able to get away with his actions for years, simply because he understood the tests and their underlying science better than anyone else around him.

In short, complexity creates elaborate mazes, with lots of places for skunks to hide.

Drill Down

(continued from page 6)

● **Inability to simplify an issue.** The odds of succeeding at almost anything are much lower if you cannot break a problem down into simple, easily understood issues or facts.

● **Conflicting instincts.** When you are pulled one way and then another on an issue, barreling forward is the wrong thing to do.

● **The last piece doesn't fit.** If you have a nagging detail that simply will not be resolved on its own, make sure you get it nailed down before proceeding. ■

To learn how "looking at the fish" helps uncover details, go to: http://my.summary.com

Bend the Rules

Bending the rules isn't something we associate with responsible leadership; real leaders, according to the conventional view, obey the law and play by the rules, because they see it as their duty and it sets the right example for others in their organization. Day-to-day life situations are, however, often more complicated, revealing cases in which strict adherence to the rules may do more harm than good.

Seize Opportunities

Because the world is ambiguous and uncertain, quiet leaders must respond in a particular way. They typically are reluctant to break the rules, but they don't want to obey them mechanically and cause harm. In these instances, they look for imaginative or creative ways to bend the rules without breaking them. When they find a way to bend the rules, they seize the opportunity and use it to uphold their values and commitments. They all tend to follow a certain set of guidelines:

● **They take rules very seriously.** When quiet leaders find themselves in complex ethical dilemmas, they follow two modes of thought. One tells them to take the rules very seriously, and the other tells them to look for ways to follow the spirit of the rules while simultaneously bending them. While less ethical people cast rules aside, quiet leaders obey them because of their strong moral weight. They also know the consequences of violating rules, and avoid violations in order to protect their reputations, networks and career prospects.

● **They look for "wiggle room."** Quiet leaders realize that following rules sometimes can have harmful results, so they try hard to find some room to maneuver, doing so within the boundaries set by the rules. Life seldom presents challenges and problems in the form of stark, either-or choices. Yet, rules also provide security, a needed commodity in certain stressful situations. In these cases, it takes courage and determination to find that "wiggle room" and do the right thing, even though it may mean bending a set policy or guideline.

● **They practice entrepreneurial ethics.** Sometimes, following either guideline can present a leader with problems. Some people in leadership positions hide behind rules, evading responsibility by taking the rules too seriously. For quiet leaders, taking the rules seriously doesn't mean treating them as a paint-by-numbers exercise. When things get complicated, quiet leaders take initiative, trust their creativity and work hard to create room to maneuver. They approach ethical problems as entrepreneurs, not clerks, enabling them to address the multiple levels and deep intricacies of many day-to-day problems. ■

Nudge, Test and Escalate Gradually

Despite their best, most careful efforts (such as drilling down or checking how much political capital they have), a leader's commitment to solving a problem might lead them into situations in which the path ahead is far from clear, leaving them with no choice but to improvise to find a solution. This means finding ways to nudge, test and carefully escalate their efforts. Instead of trying to crack the case, they look for ways to work the problem.

Prudence and Modesty

There are several reasons quiet leaders take this approach. One of them is prudence — they would rather not risk their careers and reputations by betting all their political capital at once. Another reason is modesty — quiet leaders often do not believe they are smart enough to answer difficult questions solely by thinking about them, so they drill down, gather facts, perform analysis and look for creative ways to find room to maneuver.

In fluid situations with many contingencies, the solutions to problems aren't always readily apparent. In these cases, successful leadership depends on learning, and learning, in turn, involves taking the right small steps, getting a sense of the flow of events, hazards to be avoided and opportunities they can exploit.

Nudging, testing and escalating gradually are often the best and fastest ways to make the world a better place. At some point, however, nudging and patient escalation must come to an end, and choices must be made. Even when the moment of choice arrives, quiet leaders continue to avoid taking strong stands, preferring instead to craft compromises that work. ■

To learn how Charles de Gaulle nudged, tested and escalated, go to: http://my.summary.com

Craft a Compromise

When principles are at stake, compromise is morally suspect; it smacks of mutual back scratching and the transactions of politicians and lobbyists in smoky rooms. People with strong values don't wheel and deal on matters of principle and deep conviction.

The ethical problem with compromise is that it seems to be basically a matter of splitting the difference, as a salesperson and a customer would in a negotiation over a product (each side has a starting offer, from which they negotiate a deal somewhere between the two points). When important principles are at stake, however, such an approach seems wrong; people should, in other words, do the right thing, not half of it.

Quiet leaders accept this view of fundamental moral principles, but they don't find it particularly useful in most situations. They know there are times when matters are clear-cut and a basic principle must be defended; in these cases, most men and women will draw lines they will not, under any circumstances, cross.

Quiet leaders view these approaches as last resorts, because they view compromise in a different light. They regard them as challenges to their imagination and ingenuity and as occasions for hard, serious work. They believe that crafting a compromise is often a valuable opportunity to learn and exercise practical wisdom, and to defend and express important values in enduring, practical ways. The other guidelines that quiet leaders follow are all critical steps toward this final goal of developing workable, responsible ways to resolve everyday ethical problems. Crafting a compromise is often the best way to do this.

Four Critical Factors

There are four critical factors toward achieving compromise:

- **Pragmatism.** The first guideline of quiet leadership — "Don't Kid Yourself" — applies when forging a compromise. In any given situation, there might be a wide range of uncertainties, risks and interests between you and the party or parties at the other end of the compromise. Recognize these things and prepare to deal with them.
- **Honesty about conflicting motives.** Responsible compromises begin with courageous honesty, and this honesty often reveals conflicts of feelings and interests within a person's heart. These conflicts can create biases and preconceptions and, as a result, they must be addressed and overcome. Such conflicts can also help people understand, fully and realistically, the problems they confront. This knowledge keeps people from sweeping way the complexities of a problem and succumbing to an oversimplified, one-sided cure.
- **Refusal to accept either-or choices.** Quiet leaders recognize the ethical stakes in the situations they face, but they move beyond thinking about their situations in purely ethical terms and see them in another light — as challenges to their imagination, managerial skills and ability to navigate difficult, sometimes treacherous waters.
- **Rethinking, reimagining and recasting.** Compromises sometimes hinge on a leader's ability to get involved parties to see the situation from a different angle, and to use that new line of vision as the basis for redefining the issue and achieving compromise. When Abraham Lincoln gave his famous Peoria speech against extending slavery to free territories in the United States, he recast the entire issue of slavery, moving it from the ethical plane to the economic one, opposing it as an unfair competitive practice rather than a morally wrong action. By recasting the issue and avoiding an either-or moral presentation of it, he achieved buy-in from a core economic constituency, thus enabling him to push toward winning the moral battle. ■

To access a copy of Lincoln's Peoria speech, go to: http://my.summary.com

King Solomon's Compromise

When King Solomon had to decide which of two women was really the mother of an infant they both claimed to be their own, he proposed cutting the child in two. The baby's real mother cried out at this horrible idea and offered to give up the child. Her reaction told the king everything he needed to know. He understood that people with strong values do not haggle with others when principle and conviction are at stake.

King Solomon's actions teach us additional lessons about leadership and compromise. He was the leader of his community, a man trusted with the welfare and safety of his people, yet he had no way to determine which of the two women was truly the baby's mother, and an error on his part would forever separate a family. He seemed doomed to make a momentous decision by flipping a coin.

He could have tried to fake it by pretending that his ruling was grounded in fact and law, but he would know the truth. Moreover, others would suspect or know what he had done, undermining his authority and the system of justice.

Fortunately, King Solomon did not hide behind a show of judicial or kingly authority, nor did he look for some technicality on which to base a decision. He dug deeply into the problem, moving beyond the legal and factual issues to create a creative, ingenious response. As a result, one woman revealed her bitterness and detachment, the other her love and devotion. Moreover, there were no doubts about the king and the community's system of justice.

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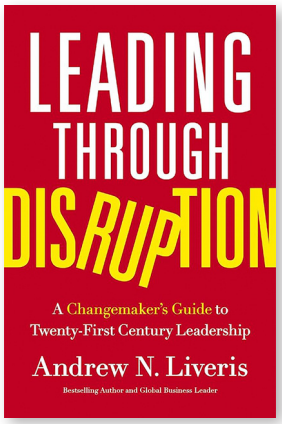
Leading Through Disruption

Andrew Liveris

soundview Executive Book Summaries®

Leading Through Disruption

A Changemaker's Guide to Twenty-First Century Leadership



by **Andrew Liveris**

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THE SUMMARY IN BRIEF

No country or company was equipped for the internet bubble collapse of 2000, 9/11, the global financial crisis, or the COVID pandemic, which offered a discouraging education around the failures of modern-day leadership. In 2020 alone, the world experienced the worst public health threat since the 1918 flu, the global economy saw its sharpest downturn in decades, and the US witnessed the largest social disruption since the 1960s. The travel industry imploded, China saber-rattled, disinformation collided with facts, and Capitol Hill was assailed by a mob.

The business landscape of today is so foreign from that of two decades ago that figuring out how to deploy business and leadership lessons and skills needs to be reimagined and retaught. We are living in a new normal or, rather, a new abnormal. Traditional leadership models no longer work due to an intersecting set of tectonic, permanent fissures that have come together to reorganize what it means to do business today. In ***Leading Through Disruption: A Changemaker's Guide to Twenty-First Century Leadership***, former Dow CEO Andrew Liveris highlights the biggest issues businesses and business leaders face today, along with a few possible solutions to bring us strongly into the future.

IN THIS SUMMARY, YOU WILL LEARN:

- What ESGs are and how business metrics are tied to them.
- How societal factors call for Inclusive Capitalism.
- Three leadership lessons to take into 2050.
- Why geopolitics and government matter more than ever.

The New Role of ESG

The successful stewardship of a twenty-first-century enterprise needs to exist alongside the stewardship of our communities and the Earth. If they haven't already, today's enterprises need to go beyond compliance and adopt forward-looking ESG metrics that create sustainability and social standards for the rest of the world. Society today demands nothing less.

ESG stands for the three separate pillars of environmental, social, and governance, but it's also widely used as a synonym for sustainability. Two decades into a new century, we are at a cultural, social, and demographic inflection point.

Companies are under growing pressure to establish sustainable enterprise-wide visions and strategies that benefit the environment and society, while maintaining ethical and transparent corporate governance. From the perspective of all its stakeholders, a company's focus on sustainability, diversity enhancement, and exemplary governance affects its license to operate in this century.

The social license to operate, or SLO, refers to the ongoing acceptance of a company's methods, practices, and procedures by employees, stakeholders, and society. A company's SLO builds up incrementally over time. At its foundation is trust, and consistent values and ethics.

Today, companies' SLOs are under close review. The era of shortcuts and abstract promises is over. Society is demanding zero carbon, zero fossil fuels, and more equitable global access to education and opportunity. Today's businesses need to respond more aggressively.

Profit and purpose have converged. Doing well *and* doing good should be in the DNA of what it means to be a leader. That means that one challenge of present-day leadership is combining "doing good" with more pragmatic concerns, including ensuring profits and finding science-based solutions that benefit humankind.

The New Common Good

Inclusive Capitalism is a policy movement focused on creating long-term value not just for shareholders but for *everybody*. Its premise is that business has a critical, if not the *most* critical, role to play in creating equality of opportunity and access across all levels of society, regardless of people's backgrounds, genders, ethnicities, races, religions, ages, or economic standing.

Inclusive Capitalism starts with the notion that capitalism, and the business world in general, has for way too long been narrowly and selfishly focused on profits and the enrichment of a single entity, that is, the shareholder.

In an era of widening inequality between the rich and everyone else, society is insisting that an enterprise's license to operate means distributing wealth more equitably across all levels of society. Business is being asked to address the bigger role capitalism plays, redress past mistakes, and do better in serving *all* levels of society, so that capitalism works not just for the few but for the many.

Countries need to grow and maintain capitalism by allowing entrepreneurs to access finance to create new goods, products, and services. But governments and businesses also need to provide access, latitude, and greater opportunity to citizens around the world who through no fault of their own were born into the bottom half of the social and economic ladder.

In a world where poverty is a worsening issue in both western and developing countries, missing today are metrics that quantify not just profits and ESG factors but *societal factors*. This means the captains of industry and government must come together to create a new collective bargain that considers all the stakeholders in our society.

The words equality, accountability, and responsibility need to be embedded in every company and boardroom, not as narratives or forgettable words but as practical measurement tools.

This doesn't mean that profits, or shareholders, will cease mattering, because nothing could be further from the truth. Business must take up the cause of fairness and equality, though not at the expense of the shareholder or the many millions of people who have emerged out of poverty in the past century thanks to capitalism.

Inclusive capitalism should not reward stakeholders at the expense of shareholders. Every stakeholder in a company's value chain exists to ensure it's right to operate as a business.

Leadership Lesson 1

The Leader You Think You Are Going to Be Is Different from the Leader You Have to Be

People who arrive at a leadership position–whether they're CEO or prime minister–got there thanks to the same foundational skills they end up using in those jobs. Those skills

History tells us that strong leaders transform themselves into the leaders they must be when the moment requires it.

and capabilities may be content rich, but they haven't been tested yet in unfamiliar and unpredictable contexts of this century's 360° bandwidth model.

History tells us that strong leaders transform themselves into the leaders they must be when the moment requires it. They do this by narrowing their focus on the fight before them. It's not about the war itself or about any future battles. If they don't win the fight they are currently fighting, there might not be another.

It's tempting for inexperienced CEOs to behave in ways they think leaders *should* act. This is counterproductive and a time waster. Hit the ground running. Respect your company's past, but don't let corporate tradition slow you down or compromise your vision or strategy. Don't discount your own intuition and emotional intelligence. Trust your judgment. Be the leader you *need* to be, not the one you *expected* to be.

The New Role of Geopolitics

Hindsight, as they say, is everything. What if we could apply the lessons of hindsight to this century's geopolitical stage? In the case of China, and its growing strength and influence, we can. Most analysts and experts agree that the 21st century world stage will be dominated by two powers, the US and China, who together represent roughly 42 percent of the world's GDP.

Of all the tectonic shifts, one of the most pressing is the geopolitical evolution–and revolution– likely to play out in the next few decades. Less obvious than two global powers staring each other down is the formation of a new shadow map of regional alliances and trading blocs that form a labyrinth that today's leaders and businesses must understand and navigate.

We are, in short, in the early stages of a new world order that will define the world going forward. Unlike the world of the previous century, this one is defined not by big continents but by relationships based on shared value systems. Yet most businesses and CEOs don't know how to make sense of these alliances. Many present-day institutions were built in the 20th century *for* the 20th century. More recently formed companies have been slow to consider what the effects of a transformed geopolitical chessboard will have on their enterprises. Nor are governments able to offer guidance or a way forward. All companies and leaders are on their own.

Some of the questions CEOs should be asking themselves nowadays are:

- Who are our partners?
- Where will we keep our technology?
- How do shifting regional alliances and trading blocs affect our workforce as it relates to immigration?
- With whom should we ally, economically, politically, militarily, and even within our own country and communities?
- Against a backdrop of political and cultural division, should we as CEOs remain agnostic, or should we take a stand?

As the Russian invasion of Ukraine in 2022 taught us, these are some of the conversations businesses and leaders need to be having *now*. First, leadership must *embrace reality*. *Reality* in this case means that leaders recognize the qualities and characteristics of this moment in time. Next, is to begin to uncover solutions, not based on last century's lobbying and advocacy, but on *strategic insight*.

CEOs are being asked more and more to take political and moral stances in public, both in the US and overseas. CEOs of inclusive organizations–that means everyone–need to realize that this is a new facet, and description, of contemporary leadership.

The New Long-Termism

Companies, executives, investors, and boards say the same thing: the long view matters. Seldom, though, do they follow through. The prospect of weaker quarterly performance persuades most companies, leaders, and investors to put aside longer future growth in favor of shorter term gains.

Whether you are a company or a country, it's not a question of choosing between short-term metrics and long-term strategies. It's not either/or, it's *and*. Put another way, companies and leaders need to build for the long term while executing on their short-term objectives. To many companies, this probably sounds like a stretch. but it *must* be done.

Most of today's businesses are busy creating product lines or transitioning their model from yesterday's products to tomorrow's innovations. To do that, naturally they need to invest in long-term R&D. But few investors are willing to tolerate a time span that is long and indeterminate.

Investors are both unwilling to support industries and enterprises as they seek to invest in innovation and R&D and *demanding* that those enterprises align with today's (and tomorrow's) ESG metrics. It's a conundrum.

One solution? The metrics that determine whether an organization is successful must change. Instead of ROI on invested and tangible capital, leaders of today need to contemplate the long-term capacity of their enterprises to create sustainable businesses via their investments. The behavior of boards and CEOs must be altered to do this.

Boards need to ask themselves three questions:

- First, are ESG metrics embedded in our enterprise scorecard and are the CEO and management reporting those metrics to the board at every meeting?
- Second, are our company's ESG metrics expressed as *financial* outcomes, including all long-term costs and investments associated with those outcomes?
- Third, does our board include one or more directors who bring long-term thinking, strategic planning, and strategic direction to our organization?

CEOs need to ask:

- Have you shifted earnings reports to twice a year versus every quarter?
- Are you educating asset owners and asset managers without being told to?
- Is your enterprise committed to a zero-impact-on-the-planet strategy, and will you hold it accountable via the appropriate allocation of capital?

Corporations, asset managers, and asset owners alike have begun to recognize the convergence of values and value–the idea that combining strong values with serving the interests of all major stakeholders maximizes financial value in the long term. Longer-term ESG principles need to permeate a company's strategy.

The New Role of Boards

Today's business leaders find themselves operating in a society that requires more from its institutions than the baseline enrichment of shareholders. Boards today have no choice but to be diverse and inclusive, made up of individuals who reflect a diverse society. The businesses that will survive and thrive in the next few decades are ones that serve the interests of *all* their stakeholders and that allow board members to govern as *owners*.

Among the factors that will help are new models of leadership, new institutions, new ways of running those institutions, and new individuals entering government and serving on corporate boards. Enter the Enlightened Board, who have a few key characteristics.

Depth

The Enlightened Board consists of verticals and horizontals. *Verticals* are board members with deep expertise or experience in a single subject, for example consumer markets or financial portfolios. *Horizontals* refer to individuals whose expertise is more widespread and encompasses a wide variety of subjects and areas.

Size

Most boards have too many people on them. The Enlightened Board should consist of eight to ten members, though in some cases, a company's desire for inclusiveness can push that number up to ten or twelve.

Rigor

Enlightened Boards should be made up of directors who can take the same heat in the medium to long term as the CEO does. Board members also need to do the work. They should know about the business and the sector in depth.

Inclusiveness

It's time boardrooms more accurately resembled the makeup of the world in which they operate. CEOs have no choice but to incorporate the historically excluded percentage into their thinking, perspective, strategy, and vision. Quite simply, it is what's happening today in society, and incorporating it gives CEOs additional bandwidth on everything their companies need to consider now and in the future.

Markets aren't a substitute for the long-range, strategic thinking that is historically the responsibility of government.

Blend

Enlightened Boards should be a well considered blend of the company's stakeholders. If a board is engineered exclusively for the financial community, employees, customers, governments, and members of the community will end up short-changed.

Long-Termism

CEOs must be agile, adroit, and knowledgeable enough to manage multiple layers of the board that represent all the company's stakeholders while never forgetting that the board is a hitch point that connects company executives and stakeholders. It is the CEOs job to determine financial priorities and manage board members accordingly.

The Enlightened Board may not yet be ubiquitous, but establishing it will go a long way toward creating what the enterprises of this century have no choice but to become.

Leadership Lesson 2

Never Let a Good Crisis Go to Waste

What sets a winning institution apart in the end is the strength, depth, and integrity of a company culture. A company and its leaders must create a culture that allows the business to evolve *away* from its founder or founding family and *toward* the leader who is creating the culture of tomorrow. Not the company or the culture of ten, twenty, or fifty years ago, and not even the ones from today.

Many companies have incumbency and strength. Yet time and again, they find themselves literally losing their right to operate as new, unplanned-for, and unforeseeable paradigms–environmental, regulatory, and market-based–hit them from all sides.

As most people know, Western democracies aren't big fans of top-down anything. Market economies believe markets should drive all the answers and facilitate all productivity, efficiency, and innovation. Yet the tectonic shifts we have witnessed in this century, whether connected to climate, social justice, equality, trade, or energy, make it painfully clear that the playbook from last century no longer applies.

A crucial difference in this century is that humans have a new digital toolbox at our disposal. And we are increasingly making sure that the things we invent, make, and sell don't end up destroying the planet we all share. If you are able to accept this premise–that inventing, making, and selling is the core economic activity of humans–how can we design a future to facilitate an advance of our own DNA?

We need to design contemporary, state-of-the-art factories in buildings that are operationally best in class, that don't damage the environment or our fellow citizens, and that deploy technology and artificial intelligence, with both firmly in the control of human beings (and not machines).

Governments have a strong role to play in this ecosystem by developing systems that ensure that everyone in society has equal access to opportunity. This is how to install top-down rules taken from an industrial age and put them to work in a digital era.

The New Role of Government

In general, companies and CEOs dislike the idea of government interfering in the economy. Most leaders believe that the best and only way to trigger growth and jobs is by letting markets rule. Even if you are a believer in the power of free markets, and don't advocate for *bigger* government either, that doesn't mean there aren't areas where markets are out of their depth.

Markets aren't a substitute for the long-range, strategic thinking that is historically the responsibility of government. Government alone creates the policy frameworks that allow businesses to do what only they can do, which is creating value, jobs, and growth.

What we need is the formation of a smarter, more thoughtful government that provides both homegrown and foreign-based companies with some degree of predictability and certainty if they choose to invest in the US. One of government's roles is to enable businesses to realize prof-

its *and* be responsible citizens *and* consider every possible constituency *and* ensure no one is left disadvantaged or unprotected. In this century, being pro-government is a requisite for being pro-business. Instead of *hands-off* or *hands-on* government, an ideal solution is *hands-together* government.

This requires a new mindset. Business and government must put aside their mutual suspicion and form a partnership devoted to serving the greater good and the national interest. First, the public and private sectors need to agree on what the framework might look like. Second, they need to start a dialogue in Washington, D.C., and across state capitals. Elected leaders must assume good faith on the part of business leaders and vice versa. History and countless new business models and innovations born with the help of government investment shows us this makes all the difference.

Leadership Lesson 3

Disrupt Yourself Whenever Possible

Today's companies can be dethroned in a second, for any number of reasons. The time-tested idea of leaders and companies learning strategy by *doing* simply cannot stand up against the realities of doing business in this era. This century requires leaders who are comfortable with, if not exactly overjoyed by, rapid disruption.

Whether related to cyber, blockchain, artificial intelligence, cryptocurrency, or augmented reality, numerous present day concepts and the language we used to describe them didn't exist a year or two years ago. This adds complexity to what it means even to *engage* in disruptive innovation.

What should a leader or a business do to survive and thrive in this environment? The first, somewhat obvious, piece of advice is to identify the problem or issue at hand. Does it relate to ESG factors, government regulation, geopolitical considerations? Recognize it. Define it.

Next, ask, "What tools, or even what toolbox, is needed to deal with this problem?" Leaders shouldn't underestimate themselves or think that companies over a certain size are too slow to wage battle against crisis or change. Leaders need to disrupt *themselves*.

Persevering in a leadership position has never been harder. It's little wonder many CEOs call it a day after only a few years. Remember, most CEOs are surrounded by sycophants who want only to keep their own jobs and tell you what you want to hear. The burden is on you to transform, refresh, and disrupt yourself, however which way you can.

The New Role of Science

Today, the language of science is lost to most of the people who could benefit most from the discoveries that improve the quality of our lives, including medicine, clean water, food safety, efficient transport, the internet, and space exploration. Most, if not all of these things, we take for granted. We consider them our birthrights, door prizes handed to us for being human. This perspective must change.

The scientists and mathematicians of this century need to communicate better how they discover, invent, develop, scale, produce, and market products for everyday life and human progress, so that we can continue supporting our goals in areas like sustainability and the elimination of poverty.

As countries compete for jobs based on twenty-first-century skills, the division between the haves and the have nots will only widen. In the next two decades, access to the digital toolbox and the development of a digital workforce will matter more and more. Among the core skills required for this century's workers is a facility in science, mathematics, and engineering. It's a race to the top, and it's winnable, but we need to start *now*.

The New Tomorrow

A merger of AI and humanity is often perceived to be impossible, but even the most doubting or regressive thinkers believe it is imminent. By 2050, we will be halfway there.

Think about it: if you wed anti-aging advances with human biology, and artificial intelligence with biology, you will have dreamed up a completely new human. it may sound science fiction-like, but it's not. Accept it as a vision born of the technology revolution that none of us could have imagined even thirty years ago.

Looking wider, by 2050 we will see the advent of new global institutions and stronger regional alliances. More of the world's population will have access to food, water, and shelter, with the quality of life in advanced nations more equally distributed.

A new cadre of global leaders will be in office, their mandate being to create new values-driven, socially and morally conscious blueprints for humanity to continue living on our planet. Society will drive the economy, not the other way around.

All this means is that right now we should be thinking ahead. What will be the policies corralling this technological evolution? How can we spread advances evenly across humanity, from rich countries to the poorest areas of the world? How will global institutions work?

This 2050 vision also makes clear that any corporation or enterprise that hasn't incorporated digitalization and modernity into its processes will be left in the dust. Unless you are digitally efficient and automation efficient and have a highly trained, skilled workforce, your business will vanish.

It's worth repeating: the institutions of this century that need to be changed are unlikely to change from within. The incitement for change must come from business, from business leaders, and from youth and communities. As the challenges of the upcoming century mount, we need everyone, using all their talent and wisdom, to step up and do their part to lead us forward.

Andrew Liveris AO is the former Chairman and Chief Executive Officer of The Dow Chemical Company and former Executive Chairman of DowDuPont. A recognized global business leader with more than 42 years at Dow and experience in manufacturing, engineering, sales, marketing, and business and general management. He served as chair of the manufacturing council and a member of the apprenticeship of the future task force under President Trump. Previously he served as co-chair of President Obama's Advanced Manufacturing Partnership committee, working closely with President-elect Joe Biden, and as a member of the U President's Export Council.

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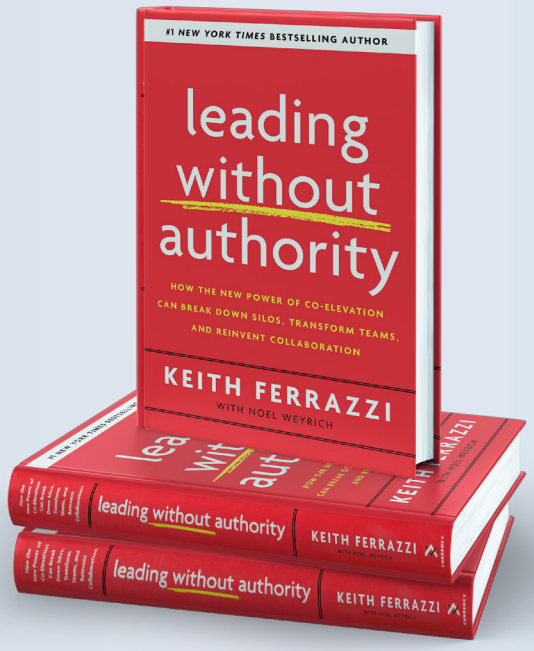
Leading Wihout Authority

Keith Ferrazzi

BOOK SNAPS™

Zooming In On Your Next Read



Leading Without Authority

by Keith Ferrazzi

Keith Ferrazzi is an American entrepreneur and recognized global thought leader in the relational and collaborative sciences. As Chairman of Ferrazzi Greenlight and its Research Institute, he works to identify behaviors that block global organizations from reaching their goals and to transform them by coaching new behaviors that increase growth and shareholder value. He is the #1 *New York Times* bestselling author of *Who's Got Your Back*, *Never Eat Alone*, and *Leading Without Authority*. He has contributed to *Harvard Business Review*, *Forbes*, *Fortune*, and *The Wall Street Journal*. His mission is to transform teams to help them transform the world. *KeithFerrazzi.com*

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Transform Teams; Transform the World

We are living in a dichotomous time with equally abundant amounts of opportunity and disruption. Technological innovations are springing up all around us that are designed to make work easier. Yet, workers at all levels in every type of organization are tired and overwhelmed in their roles. This "era of explosive change" has brought into focus the inherent flaws that exist in traditional organizational charts and leadership. Work relationships are getting less productive and the time to make fundamental changes to the way we work is long overdue.

Author Keith Ferrazzi has spent his career practicing what he calls "leading without authority." He credits this way of working with catapulting him up the chain to an executive-level position followed by his becoming the youngest-ever partner at his first employer, Deloitte. In his next role as Chief Marketing Officer (CMO) for Starwood Hotels, he became the youngest CMO at any Fortune 500 company at the time. It was in this role that the principles of leading without authority revealed themselves to be critical not only to his own success, but to that of an organization as a whole.

Ferrazzi was a "natural" at leading without authority. He was afforded some authority of his own at Starwood so he "didn't spend as much time building strong relationships as he had at Deloitte." This ultimately led to him having no authority at all and his role was eventually eliminated. This was a professional defeat, no doubt, but it led Ferrazzi to write his first book, the huge hit, *Never Eat Alone*, and catalyzed his coaching and entrepreneurial career.

He has "decades of team coaching" under his belt and he has "come to see how many people are making the same mistakes he made at Starwood so many years ago." Managers rely on title, budgetary control, and hierarchy to get things done instead of spending that energy on "leading others to collaborate and seek audacious new solutions." Ferrazzi believes that people who are not given formal authority to lead are frequently sidelined, waiting for their turn when they could be jumping in "to get extraordinary things done." Command-and-control decision making is out. Employers need team members who will take the initiative to achieve great things, building value for the company, with or without express authority to do so.

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Leading without authority is becoming *the* 21st century organizational model. The problem is that most managers do not know how to implement it within their teams. Until now. *Leading Without Authority* is the manual for learning how to play this new organizational game. It is the first book that "gives readers a complete, holistic, and proven methodology for succeeding in a world in which the ability to lead without authority is an essential workplace competency." Ferrazzi calls on readers to become awakened to this new mindset and begin working within the "operating system of co-elevation." The concept of co-elevation and how anyone, regardless of title, can harness it like a superpower, are explained as a set of rules.

Rule One: Who's Your Team?

Most managers see their "team" as the list of their direct reports as stipulated within the org chart. In order to lead without authority, this idea must be banished. As Ferrazzi explains, "Your team is made up of everyone who is critical to helping you achieve your mission and goals." Managers need to get behind the idea that the team is actually made up of a much broader group of people than what is defined as those people whom they supervise. Managers need to be able to "inspire commitment and performance among people over whom they have no official authority." It is a shift in mindset and is the very first step toward leading without authority.

Teams need to be loosely organized and cross-functional. Leaders must be fully committed to every one of those team members, whether they report directly to that leader or not. The leader of this broader team must "extend the same degree of care, concern, commitment, and camaraderie to all of the new team members." As a leader, assume that there are people on this newly imagined team that have ideas that are better than yours. This is the path to achieving extraordinary results. To lead without authority is to "lead a team of your own creation."

Rule Two: Accept That It's All on You

Organizations and companies with hierarchical cultures need leadership transformation desperately. These cultures get bogged down in "the way we do things here" even when those ways are rigid and filled with inefficiencies. Dramatic impacts can be accomplished in these hierarchies by people who are willing to lead without authority.

The fundamental message behind the second rule of leading without authority is that "when we think and act like co-elevating leaders, our potential as leaders will get recognized—sooner rather than later."

Regardless of someone's status within the organization, they can become a leader by starting to lead... now. Ferrazzi advises, "Do the job before you have the job." That's your choice. All you have to do is accept that "it's all on you." You cannot wait for others to recognize your value. You have to step up and create it. It is about inviting and encouraging others to do things in a new way. Successful leaders without authority genuinely care about other people's success and take on problems mutually, so that everyone learns and grows. When people feel genuinely cared for and connected to their leader, collaboration naturally follows.

Rule Three: Earn Permission to Lead

Leading without authority requires us to bring people into our work and personal lives in bold and deep ways. After all, we are inviting them to make valuable and important contributions to our mission, whatever it may be. The connection has to run deep, which requires us to give "even more than we ever expect to receive in return." We have to "earn the trust and faith necessary to lead" in order to "engage and enlist others in this way." This engagement requires the leader to be direct, vulnerable, personal, and generous from the very beginning.

This can be shocking to the person you are inviting into your team. If you want a perfect stranger to enter into "a co-elevating relationship that will take you higher together" you first have to "earn permission" to do so. Leaders need to become well-versed in opening themselves up to their teammates as well as opening up all teammates to the mission at hand. This is hard work and requires the leader to let go of ego and defensiveness. The effort must include "sharing their time, energy, resources, and knowledge." Ferrazzi adds that "this ability to enlist team members and sustain their commitment is perhaps the most undervalued competency among leaders attempting to achieve transformational change."

Rule Four: Co-Elevating Collaboration

Radical transformation creates what Ferrazzi sees as "impossible situations that require impossible solutions." For Ferrazzi, the solution lies in a deeper kind of collaboration among cross-departmental teams that he calls "co-elevating collaboration." He has a simple formula:

Transformative Outcomes = Radical Inclusion + Bold Input + Agility

Radial Inclusion calls for a complete commitment "to true diversity of voices and inputs in the collaborative process." People from engineering, legal, art, design, marketing, and more are all brought together from the very beginning to weigh in and provide input. This will result in gathering opinions and points of view from the "widest possible range of departments and areas of expertise."
Bold Input is what a leader gets when you ask for "candid and courageous feedback" from this wildly inclusive team of collaborators. All ideas are thrown into the ring and debated in an open dialogue among the team members.
Agility refers to the short project cycle that requires frequent check-ins and resulting pivots that "drive the pace of change forward." Co-elevating collaboration leads to "authentic co-creation" which results in far better outcomes.

Rule Five: Co-Development

Ferrazzi lets readers in on a universal success secret. The key

> **'Never doubt that a small group of thoughtful, committed citizens can change the world: indeed, it's the only thing that ever has.'** *Margaret Mead*

to "transformational performance" is having every person on the team committed to a "shared mission" where everyone has each other's back, coaches each other, and helps one another "grow and develop." This way forward not only accomplishes the goal, it also makes everyone on the team happier and more fulfilled.

When people are engaged in open, honest discussions where they express themselves completely, they are part of a "highly supportive coaching culture" that exceeds performance expectations. Unfortunately, most businesses do not have this kind of coaching culture. Ferrazzi points out that this "coaching vacuum" is a ripe opportunity for anyone to step up and provide feedback, support, and leadership, whether it is officially in their job description or not.

Peer-to-peer co-development is at the heart of leading without authority, according to Ferrazzi. This idea gets more pushback from Ferrazzi's students than any of the other rules. People find it difficult to deliver feedback tied to a colleague's job skills. They would rather be nice and play it safe. Ferrazzi points out that even though these conversations are difficult, they demonstrate a leader's commitment to the mission and to the teammate, who is struggling and needs support.

Rule Six: Praise and Celebrate

A little praise goes a long way. Small doses of "focused, positive energy" can create ripple effects throughout an entire organization. Ferrazzi writes that leadership without authority relies on championing and cheerleading as one of the leader's "highest-leverage responsibilities."

Praise and celebration go hand-in-hand with care and accountability. They act as "accelerants" to opening people up to radical transformation. Praise and celebration delivered regularly makes it much easier to deal with challenge and hardship when they inevitably come. As a bonus, being the leader who is behind all this positive energy lifts the leader up right alongside the team members. This feel-good energy impacts us in endless positive ways, including job performance.

Rule Seven: Co-Elevate the TribeQA

The leader, Ferrazzi points out, is responsible for the energy and engagement levels of the team, and the quality of the outcome is directly tied to the cohesion of the team. Leaders without authority are tasked with creating a "culture of co-elevation." This is accomplished with the help of others in the "tribe." The leader first gains support with a limited number of trusted team members who they know they can recruit to get on board. They begin co-elevating the energy of each other and each become leaders without authority themselves, enlisting still others in the cause. This spreads to a wider group of team members until, finally, the entire culture is on a shared mission.

Ferrazzi calls this "leveraging the tribe for the tribe." The leader without authority calls on everyone to commit to co-elevation. They go on to "initiate their own co-elevating relationships and ultimately share the responsibility for promoting a co-elevating culture." At this point, all of the teams are working toward the same mission, speaking the same language as a "tribe of people" co-elevating and co-developing, together. It all starts with the leader without authority asking the question from rule number one, "Who's my team?"

Rule Eight: Join the Movement

The world is changing, quickly and continually. Ferrazzi believes that co-elevation "will become a core human competency" in an increasingly diverse, always evolving, "interdependent world." The "simple practices" taught in his book have the power to "bring about real cultural transformation" at work and in the "world at large." Those who practice the habit of co-elevation will see their professional and personal lives transform in incredibly positive ways.

Inevitably, this transformation will spill out into the lives of those around the leader without authority. Ferrazzi implores readers to move the focus outward. He has taught readers how to change their behaviors, co-elevate with others, and enjoy greater success together. He doesn't want readers to stop there. He challenges leaders without authority to spread the message and contribute to starting a movement that positively impacts people beyond the workplace.

Ferrazzi points to a quote from renowned anthropologist, Margaret Mead: "Never doubt that a small group of thoughtful, committed citizens can change the world: indeed, it's the only thing that ever has." That message is made clear throughout *Leading Without Authority*. Heady "idealistic visions" take hold, movements begin, and society changes into a new normal. Ferrazzi believes that a "radically interdependent and transparent world" is in our future. He dreams of the time when the value of "co-creation among a diverse set of perspectives" is fully embraced as the best way to find solutions to problems of any kind.

Those who have a hard time dreaming big will find Ferrazzi's goals too lofty, but for those who dare to manifest and believe in the power of "we," co-elevation delivers just the right medicine at just the right time.

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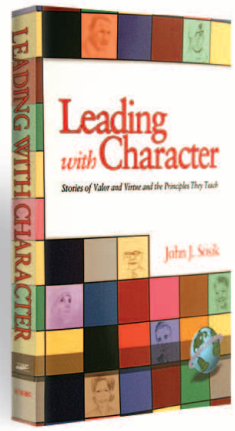
Leading With Character

John J. Sosik

SOUNDVIEW Executive Book Summaries®



Stories of Valor and Virtue and the Principles They Teach

LEADING WITH CHARACTER

By John J. Sosik

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THE SUMMARY IN BRIEF

What kind of character strengths must leaders develop in themselves and others to create and sustain organizational growth and performance? John J. Sosik answers this question by reviewing what is known about the connection between transformational leadership and positive psychology.

Sosik's approach illustrates 23 principles of leading-with-character strengths and virtues, using examples from the lives of well-known individuals who personify each. Some are obvious — the courage of Dr. Martin Luther King Jr. and Rosa Parks, the humanity of Mother Teresa and the commitment of Nelson Mandela. Others are less expected — poet Maya Angelou and NFL star-turned-Army-recruit Pat Tillman. Through these latter examples, Sosik suggests that good leaders do not have to be saints, nor do they have to be elected to high office.

Each possesses the virtues of wisdom, courage, humanity, justice, temperance and transcendence, as well as their associated character strengths. Besides generating astonishing results for their purposes, these individuals reaped numerous physical, mental, social and spiritual benefits from their character.

By portraying the varied and interesting mix he has chosen, Sosik offers future leaders a means to fill what some have termed "the leadership vacuum." This summary helps to turn the tide away from the many recent high-profile failures and ethics scandals and return focus to the positive, successful styles he describes.

In this summary you will learn:

- ✓ ***Why character counts and how to become an authentic transformational leader of character.***
- ✓ ***How to achieve performance excellence while avoiding ethical fiascos.***
- ✓ ***How to use innovation, inspiration and role modeling to develop followers in ways that bring about positive change.***
- ✓ ***How to recognize and deploy the virtues and character strengths associated with authentic transformational leadership.***

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LEADING WITH CHARACTER

by John J. Sosik

— THE *COMPLETE* SUMMARY

The Leadership Crisis

A 2005 Harvard University study of confidence in leadership found that almost two-thirds of Americans think that we are suffering from a leadership crisis. The study's respondents showed little confidence in the honesty, integrity and ethics of leaders in sectors ranging from business and religion to local, state and federal government. They also showed little faith in our leaders' knowledge, skills and capability to inspire loyalty and enthusiasm from followers.

How can this be possible given the increased prominence of leadership topics in our culture today and the proliferation of leadership training in organizations and educational institutions? One possible answer is that we are ignoring what really constitutes leadership. We may have focused too much attention on issues of style, while ignoring issues of true substance — character and virtue. ■

Making the Case for Authentic Transformational Leadership

Leadership scholars around the world have been working to expand research on the kind of leadership that involves being ethical, positive and true to oneself. This form of leadership, called authentic leadership, proposes that a leader's character is central to the development of positive relationships with followers.

A Society Looking for Answers

In the late 1970s, political scientist James MacGregor Burns defined transformational leadership as influence that "occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality."

Interestingly, the need for today's leaders to provide higher levels of motivation and morality in our society appears quite pressing. Consider the results of recent studies by the Gallup Organization indicating that 55 percent of the U.S. work force is not engaged or motivated by their work and another 17 percent is actively disengaged or demotivated by their work. These adverse results have been estimated to cost the U.S. economy as much as $300 billion every year in lost productivity.

Motivation and morality are not the only issues when it comes to leadership. A variety of social problems — racism, ecological challenges and education — plague the United States and other countries. Over time, these unresolved social problems often result in widespread negativity about leadership and, if left unchecked, can result in anger and violence.

Who Are Transformational Leaders?

Transformational leaders act in ways that turn followers into leaders. By empowering their followers, they build excitement around an appealing vision that creates performance excellence in challenging economic and political times.

Research has found there are several distinctive and unique behaviors that transformational leaders display. It also indicates that you can learn to display transformational leadership behaviors to produce these powerful effects on your own people, teams and organizations.

The Four I's of Transformational Leadership

Transformational leaders display the following four behaviors:

Idealized Influence: Leaders display pro-social and positive behaviors to model organizational values such as high levels of ethical and performance standards.

Inspirational Motivation: Leaders use this behavior to energize their followers to do more than is expected.

Intellectual Stimulation: Leaders use this quality to

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Making the Case for Authentic Transformational Leadership

(continued from page 2)

get followers and constituents to re-examine assumptions, seek different perspectives, look at problems in new ways and encourage nontraditional thinking.

Individual Consideration: Leaders use this behavior with their followers to recognize their unique potential to develop into leaders themselves. ■

For additional information on the four leadership types, go to: http://my.summary.com

Virtues and Character Strengths

A recent CNN/Gallup poll reported that virtue and character strength issues represented the most important factor in determining the voting results in the 2004 presidential election. The perception by voters regarding what values each candidate stood for played a key role in the election's outcome.

Positive psychologists Christopher Peterson and Martin Seligman identified 23 character strengths, clustered within six virtues, associated with positive personal qualities and related to beneficial outcomes for individuals. Virtues are core characteristics universally valued by moral philosophers and religious thinkers as exemplars of good character.

The six virtues are wisdom and knowledge, courage, humanity, justice, temperance and transcendence. These virtues and character strengths provide the foundation for authentic transformational leadership. ■

For additional information on positive psychology, go to: http://my.summary.com

Wisdom and Knowledge: Strengths for Stimulating Vision and Ideas

Authentic transformational leaders get things done in ways that exceed expectations because they possess the wisdom and knowledge needed to influence followers to act. Knowledge is the process of collecting facts, while wisdom is the process of applying the facts in an efficient and effective way to solve problems.

Creativity

Creativity is a strength that provides a solid foundation for displaying intellectual stimulation and inspirational motivation. This characteristic is also associated with nonconformity, flexibility in perceiving and thinking, and unconventional and risk-taking behavior.

Creativity allows you and your organization to challenge the status quo, identify opportunities and may also help leaders intellectually stimulate their followers. Such was the case for Brian Wilson in 1966. He challenged the other members of the Beach Boys to move away from their formula for hit records toward the innovative and harmonious sound of their album *Pet Sounds*. Like Brian Wilson, creative leaders possess the cognitive and behavioral flexibility to produce innovative products by challenging the basic assumptions of followers. When a leader demonstrates creativity, chances are that his or her followers will model this behavior. This develops organizational cultures that value changes, and makes innovation possible.

Curiosity

Wise and knowledgeable individuals often have many interests and are open to new experiences. Curiosity has been linked to positive feelings and emotions, willingness to challenge stereotypes, and being close with people.

Former president John F. Kennedy's thirst for information on topics of interest helped him tap into his curiosity and use it to his advantage in critical leadership situations. Like JFK, transformational leaders possess a strong desire to collect information about all kinds of people, processes and things.

People who are curious challenge stereotypes and the many assumptions people commonly take for granted. They engage themselves in greater learning, are more enthralled with their work and, as a result, perform better than less curious people.

Open-Mindedness

Open-mindedness may help leaders build a collective vision that satisfies the requirements of a wide range of diverse followers. Think about the wide array of constituents who are inspired by the visionary blueprints for the future of the computer industry drawn by Bill Gates. Open-mindedness is likely to promote the display of inspirational motivation because envisioning the future requires being open to the perspectives of different stakeholders as possible avenues for achieving success. By collecting software performance information from customers, Bill Gates is including Microsoft's customers in his company's leadership system and organizational vision.

Love of Learning

Wise and knowledgeable individuals enjoy the process of learning and are motivated by the intrinsic desire to perform a task that they find enjoyable and enlightening. They enjoy methodically adding to what

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Wisdom and Knowledge: Strengths for Stimulating Vision and Ideas

(continued from page 3)

they currently know. Love of learning helps leaders encourage the continuous improvement of their followers and organizational processes. It is an important foundation for leaders to identify new trends in the business environment and develop effective strategies for a new set of challenges.

Dr. Condoleezza Rice's education prepared her very well for an exceptional academic career at Stanford University. There she became a tenured Professor of Political Science and then served as Stanford's Provost, a top administrative position in the university. This academic setting allowed her to continue to display her love of learning as she published several books on U.S. foreign policy and also served on the boards of several major corporations and universities.

Always a firm believer of putting theory into practice, Rice then moved her career into the international affairs arena. She became President George H.W. Bush's expert on the Soviet Union and served as National Security Advisor from 2001 until 2005 when she was appointed to replace Colin Powell as Secretary of State. All of these accomplishments were made possible by Rice's never-ending quest for information, her love of learning and her wise application of knowledge to tough situations.

Perspective

Individuals who possess perspective realize larger patterns of meaning and can see into the heart of important problems. Perspective also helps leaders articulate a vision that has broad appeal of "reach" to many followers. This reach is often based on very sensory language that appeals to the emotions of followers.

For Maya Angelou, a great African-American poet, wisdom and knowledge can often be found in her writing. Her ability to inspire others, including Oprah Winfrey and Coretta Scott King, comes from her vast knowledge of what it means to be human. This knowledge does not come from formal education, but from the "school of life." Angelou's brilliance stems from her ability to see life from multiple perspectives, various domains and the many roles she has played in life. ■

Courage: Strengths for Weaving Moral Fiber

You might be familiar with the courage of Socrates. Standing up in an Athenian court, Socrates refused to be silenced in his tireless critique of the assumptions of ancient Greek society. In his defense, Socrates promised only to continue his role as critic, knowing he had sealed his death sentence. He stood up for his principles and was true to himself to the bitter end.

Bravery

To be a transformational leader requires hardiness and self-confidence. For example, Dr. Martin Luther King Jr. faced death threats that shook his confidence in his ability to lead. Despite these threats, he always regained confidence in himself by deciding that he needed to carry on by "walking in faith, not in fear." Like King, leaders need to be resilient and bounce back from the many public and private setbacks they face. Brave leaders demonstrate courage by taking appropriate risks. Likewise, brave leaders are likely to understand these risks and accept the consequences of their actions.

Persistence

Courageous individuals remain industrious and persevere despite obstacles, challenges and setbacks. They take great pleasure in finishing tasks that they start. They get things done and follow through on their intentions.

Joe Namath shared a vision of winning Super Bowl III with the New York Jets. To help achieve this vision, he built up his teammates' confidence levels by working hard at practices, and acted as a positive role model by overcoming many physical injuries during his career. Namath also emphasized the importance of teamwork and showed respect for all his teammates. His actions on the field reflected the values of hard work, teamwork and appreciating people for their unique talents, skills and personal styles.

Persistence has been linked to entrepreneurial success, goal attainment, enjoyment of subsequent successes, improvement of skills, resourcefulness and self-efficacy. Yet some undertakings are truly impossible and, therefore, persistence may lead to escalated commitments and fruitlessly expended resources. Leaders need to know the difference.

Integrity

Courageous individuals act with honesty and authenticity. When a leader persistently displays idealized behavior over time, despite challenges from others, he or she demonstrates consistency among values, attitudes, beliefs and behavior.

When it comes to integrity, most people, including Dr. Martin Luther King Jr., considered Rosa Parks to personify this character strength. Born in Tuskegee, Ala., Parks grew up on a farm where she began her lifelong membership in the African Methodist Episcopal Church. What she might be known best for is her famous bus ride on Dec. 1, 1955, when she refused to move from her seat for a white man and was subsequently arrested.

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Courage: Strengths for Weaving Moral Fiber

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She refused because of her firm convictions, strong determination, and clear belief that the bus seating law was a violation of her constitutional rights. Parks did not refuse to move from her seat because she was tired. She was simply tired of giving in.

Vitality

Leaders who seek to maintain a sense of integrity must value mental and physical vigor. The notion of being full of zest, enthusiasm and contagious energy is one way to explain vitality. Vitality is what author and innovation guru Tom Peters referred to as "tons of animal energy" and is an important element of what makes a successful leader.

In response to the events of Sept. 11, 2001, the Arizona Cardinals' football star Pat Tillman turned down a $3.6 million NFL contract and enlisted in the U.S. Army. After serving as an Army Ranger in Iraq, Tillman had the opportunity for an "early out" from the service. Instead, he chose to complete his three-year service requirement in Afghanistan, where he was killed by friendly fire in April 2004.

Although Tillman had been considered too small to play college football, he was voted PAC-10 defensive player of the year in 1996 while at Arizona State University. While at ASU, he befriended a student with Down Syndrome and graduated with a 3.84 GPA in three and a half years. Tillman never was one who could stand still; he believed that there always was another experience for him to live to the fullest.

But everything changed on Sept. 11; Tillman felt compelled to do something meaningful by serving his country. Ironically, Tillman never actively sought to be a leader. Instead, he was rather humble and unassuming. Yet his vigorous behavior exemplified charismatic leadership and his many accomplishments in life reflected the extraordinary achievements associated with such leadership. By serving as a positive role model, Tillman gained many more loyal followers after his death than some leaders today have during their life. ■

Humanity: Strengths for Developing Others

Charles Dickens' timeless *A Christmas Carol* illustrates the amazing moral transformation of Ebenezer Scrooge and raises important leadership issues about the role of business in society, self-knowledge, human nature and the ties that bind people together.

Humanness and genuine concern for others are not traits people are born with, but instead are learned through our experiences and self-revelation. Authentic transformational leaders do not gauge success by the money they acquire through life, but by the number of people they have positively influenced through their leadership.

Love

To love an individual is to be close to him or her in a caring and emotional way. Research indicates that love is linked to a variety of positive outcomes for adults, including less deterioration of trust and intimacy in the initial phases of relationships, fewer psychosomatic symptoms in response to stress, using compromise rather than destructive strategies of conflict resolution, and higher self-esteem and less depression. Together, these correlates suggest that those who show love form relationships that are enduring and satisfying.

As pope, John Paul II demonstrated what it means to be a humane leader. He was a pilgrim pope who sought out to be a bridge between peoples, traveling more than 725,000 miles while making 104 foreign trips. In essence, John Paul II was a pope for people of all ages. He was able to make a connection with people from all over the world because he understood the essence of what it means to be human: to love and be loved.

Kindness

Kindness has been linked to a variety of helping behaviors, including volunteerism and its correlations to mental and physical health. By showing kindness to your followers, you make a very important statement to them: They are more important than the tasks that you require of them. The tasks will always be there, but your people may not.

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The Three Components of Love

Leaders, as humans, need to experience and demonstrate love since they work every day with human followers. Love also is an important prerequisite for leaders to provide highly committed and long-lasting coaching and mentoring efforts. Love is composed of three elements:

Attachment – the powerful desire to be in another's presence, to be approved of by another and to be cared for.

Caring – the willingness to sacrifice oneself for the sake of the other person.

Intimacy – the passionate desire for physical and emotional closeness. This bonding involves agreement between leader and follower on important beliefs and guideposts for behavior.

Humanity: Strengths for Developing Others

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Love and kindness are integral elements of the leadership of Mother Teresa of Calcutta, the Albanian nun who founded the Missionaries of Charity. At the age of 12, she joined the Sisters of Loreto and began her missionary work in India. In 1950, she started her own order of nuns, the Missionaries of Charity, whose purpose was to serve "the hungry, the naked, the homeless, the crippled, the blind, the lepers, all those people who feel unwanted, unloved, uncared for throughout society."

Her vision to care for the poorest of the poor in Calcutta, India, expanded into a worldwide religious order and social services organization. Mother Teresa's global work of care-giving earned her numerous awards, including the 1979 Nobel Peace Prize. After expanding her work to other countries, Mother Teresa led a global organization in 123 countries staffed by more than 4,000 sisters, 300 brothers and more than 100,00 lay volunteers by 1997.

Mother Teresa championed authentic leadership as she encouraged people to let their actions speak for them: "There should be less talk; a preaching point is not a meeting point. What do you do then? Take a broom and clean someone's house. That says enough."

Social Intelligence

In order to show kindness, leaders need to understand their own feelings, and relate well and empathize with their followers. Leaders need to be intelligent enough to carry out abstract thinking about the similarities and differences among people, to realize relationships within and between people and situations, and to recognize patterns of behavior in others.

Social intelligence also includes emotional intelligence and personal intelligence:

Emotional Intelligence: Recognizing, understanding and controlling one's emotions and the emotions of others. An emotionally intelligent leader uses emotional information to stimulate appropriate thinking and behavior. For example, when Shirley Chisholm, the first African-American and first woman to make a serious run for U.S. president, was presented with racial and gender slurs during her life, she showed amazing calm and conviction as she logically argued against her detractors.

Personal Intelligence: The knowledge of how well one performs tasks, understands one's own thought processes, reacts to a variety of feedback, and develops a self-concept or identity that is different from others. Personal intelligence can help transformational leaders be more self-aware. ■

Justice: Strengths for Role Modeling

If there is one virtue that people have demanded of their leaders over the ages, it is justice. Whether it is human rights, civil rights, women's rights, religious freedom or labor privileges, we have always fought for a sense of justice to ensure the rights and obligations of all members of our society.

Citizenship

The just individual demonstrates a sense of loyalty and social responsibility and also values teamwork. Transformational leaders often place a high value on citizenship since they sacrifice self-gain for the gain of others. When they create a sense of joint mission and ownership, transformational leaders display idealized influence that reflects a sense of citizenship.

The notion of citizenship also extends to the workplace. Some leaders, like Lawrence Babbio Jr. of Verizon, work to help the less fortunate among their coworkers. Others, like Frances Hesselbein, former CEO of Girl Scouts of the USA, build teams to improve the conditions within their own organizations. Former Governor of North Carolina James Hunt is known for his advocacy of education and excellence in schools, which has helped him create teams of educators who share a common passion for improving the future of the children in North Carolina's public school systems.

Fairness

Fairness has been linked to the development of a strong moral identity. Being perceived as an ethical, caring and compassionate teacher enhances a leader's ability to coach and mentor followers. Such behavior is prosocial, altruistic and caring because it shows that the leader is interested in developing the follower to his or her full potential.

Through her successful TV talk show, Oprah Winfrey has worked to provide social support to victims of sexual abuse so they can overcome their adversity and help put the perpetrators of such crimes behind bars. This demonstrates fairness by giving balanced and equitable consideration to the legitimate rights of and caring for all members of the organization and society. ■

Temperance: Strengths for Keeping the Ego in Check

Being able to place reasonable boundaries or limitations on personal desires and aspirations is a core virtue known as temperance. This virtue is reflected in strengths that protect against excess. Indeed, philoso-

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Temperance: Strengths for Keeping the Ego in Check

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phers and religious thinkers have discussed notions of temperance or self-control over the centuries as important for overcoming the human tendency to become self-centered.

While delivering a graduation address at Stanford University in June 2005, Apple Computer CEO Steve Jobs spoke of the tempering effect that his bout with pancreatic cancer has had on him. In the past, Jobs was well known for possessing a big ego and a bad temper, which often drove his employees crazy. Today, his leadership is tempered with a more disciplined self-control and understanding of others.

Forgiveness

When an individual does us harm, it is normal for us to experience a negative shift in attitude toward the transgressor. Calmness erupts into anger and resentment. Trust erodes into distrust. Leaders and followers form relationships based on mutual trust and loyalty; unfortunately they don't always follow through on their part of the deal. Leaders may fail to provide the support they promised or act in unethical ways. At the same time, followers may neglect to perform.

The problem with holding on to grudges is that they weigh heavy on our psyche and become toxic. They make us feel tense and nervous. They put us on the defensive. They sometimes put us on the offensive — when we offend not only the target of our hostility, but also others around us.

Nelson Mandela and Forgiveness

Repairing damaged relationships requires leaders and followers to be forgiving and merciful. Throughout the late 1940s and through the early 1960s, Nelson Mandela led many of the African National Congress' (ANC) attacks against military and government targets. In 1962, he was imprisoned for his connections with the ANC and other anti-apartheid groups, which had been banned by the government of South Africa. Mandela spent 27 years in prison, where he helped provide leadership for the struggle against apartheid. On Feb. 11, 1990, he was released from prison, and in April 1994, Mandela was the first democratically elected president of South Africa. He did not seek vengeance against the former government officials who had unjustly treated him, the ANC and the black South Africans. Instead, Mandela initiated a tempered response of forgiveness and reconciliation.

Humility

One of the things that prevents people from forgiving is their ego. Nowhere is pride more poisonous than in leadership positions. It is psychologically healthy for leaders to think good of themselves. However, too much pride or narcissism can blindside leaders and put them on the track for career derailment. Consider the downfall of leaders at Enron and WorldCom.

In contrast, leaders like Warren Buffett, who aspire to display authentic transformational leadership, tend to be more humble and modest than narcissistic. Research on humble leaders who underestimate their display of transformational leadership indicates that they are excellent mentors and highly trusted by followers.

Prudence

Leaders who are prudent think and care about the future of their organization. By carefully and cautiously planning for their long-term goals, these leaders are able to achieve success.

Andy Grove, co-founder of Intel, is well known for his prudent approach to leadership, which is crafted with careful planning and strategic thinking, coupled with the use of exacting mathematical decision making tools. Grove's prudence has paid off. He is widely recognized as making contributions in both the fields of systems engineering and management.

Self-Control

Leaders who self-regulate their behaviors pay attention to the feedback followers give through verbal and nonverbal expressions. These leaders adjust their behavior to meet or reshape norms or followers' expectations by controlling their impulses and emotions.

Transformational leaders need to be aware of the impression they make while communicating with followers and others in order to sustain long-term organizational effectiveness. Scott McNealy of Sun Microsystems, Steve Jobs of Apple and Carly Fiorina formerly of Hewlett-Packard represent charismatic leaders who vary in terms of awareness of the images they present to the public, yet these leaders have produced a range of organizational outcomes. ■

Transcendence: Strengths for Inspiring Greatness

Transcendence is a form of reaching out spiritually and psychologically in ways that rise above limitations placed on us by others or that we have placed upon ourselves. This is reflected in strengths that connect to the larger universe and provide meaning for life.

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Transcendence: Strengths for Inspiring Greatness

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Appreciation of Beauty and Excellence

Studies suggest that individuals who appreciate beauty and excellence may experience important outcomes such as motivating self-improvement, personal change, altruistic actions and dedications to others and the community.

How do many of today's CEOs focus their business activities on an appreciation of beauty and excellence, and do this profitably? As founder and CEO of The Body Shop, Anita Roddick's 30-year-old company has 6,000 employees in 1,980 stores in 41 countries. Her advocacy of recycling and refilling containers has encouraged others to protect the environment. And her emphasis on appreciating women as they are, leveraging diversity, and valuing human rights rather than maximizing corporate profits is refreshing.

Gratitude

Transformational leaders not only appreciate the best of their work force, they are grateful for the followers who work hard each day but are not necessarily the stars of the organization. The most gracious leaders recognize and celebrate the achievements of these followers.

For example, when Fred Rogers accepted his Emmy Award for Lifetime Achievement, he made one request of the audience: "All of us have special ones who have loved us into being. Would you just take, along with me, 10 seconds to think of the people who have helped you become who you are?" By demonstrating gratitude, Rogers taught an audience of celebrities the lesson he had taught children over the years: Be grateful for what you have, who you are and where you came from.

Hope

No follower will believe in a pessimistic or self-doubting leader. Followers like to be around leaders who are optimistic because hope can be a satisfying and motivating force. It encourages leaders and followers to overcome challenges and achieve difficult missions.

When Chrysler faced possible bankruptcy in the 1970s, Lee Iacocca initiated restructuring initiatives, encouraged innovative design projects, and acquired an unprecedented loan guarantee from the U.S. Congress. These actions provided hope to Chrysler employees that eventually spurred the company's economic recovery.

Humor

Transformational leaders sometimes use humor to take the edge off of frustrating events. They like to have fun and to be around followers who are also jovial. Organizations such as Ben & Jerry's Ice Cream, Geek Squad and others credit their success, in part, to cultures that value humor.

Besides working for top executives, humor serves as a "social lubricant" that make interactions easier in meetings. Former U.S. President Ronald Reagan used self-deprecating humor to teach his cabinet members not to take themselves too seriously. It's the same attitude that helped Reagan react with humor to being shot and to being verbally attacked by political adversaries.

Spirituality

Religion and spirituality provide meaning for transformational leaders, particularly those who face hardships and suffering while leading missions of change. Without meaning and purpose, there would be no reason for transformational leaders to endure their struggles. In addition, transformational leaders generate faith by connecting behaviors and goals to a dream or vision of a better future.

Former New York City mayor Rudolph Giuliani gained wide acclaim for his effective leadership during and after the 9/11 terrorist attacks on the World Trade Center. Giuliani relied on his faith and belief that as a leader, he couldn't do it all by himself. ■

SOUNDVIEW RECOMMENDED READING LIST

If you liked *Leading With Character*, you'll also like:

1. ***Leading with Integrity*** **by Alan Kolp and Peter Rea.** A discussion of seven classical virtues and modern values that encourages ethical practices and open communication.
2. ***Riding the Dragon*** **by Robert J. Wicks.** The author's 10-point personal-growth program will challenge the way readers deal with problems.
3. ***How Full Is Your Bucket?*** **by Tom Rath and Donald O. Clifton.** An exploration of how positive psychology used in everyday interactions can dramatically change lives.
4. ***Leading With the Heart*** **by Mike Krzyzewski.** The author transforms his experience as a basketball coach into advice for business managers.
5. ***Mastering Self-Leadership*** **by Christopher P. Neck & Charles C. Manz.** This research-based book explains the authors' position that you must learn to lead yourself before you can lead others.

Reaching a Higher Level of Leadership and Prosperity

Possessing the ideals, virtues and character strengths described is a necessary, but not sufficient, condition for being an authentic transformational leader. Turn your attention from the self-development of your character to the development of character in others. This "other-orientation" is what political scientist James MacGregor Burns described when he challenged all of us to use transformational leadership to eliminate world poverty. He wrote, "While leadership is necessary ... its vital role is to create and expand the opportunities that empower people to pursue happiness for themselves." By helping others to develop character, we can help them prosper. ■

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Leading With Gratitude

Adrian Gostick and Chester Elton

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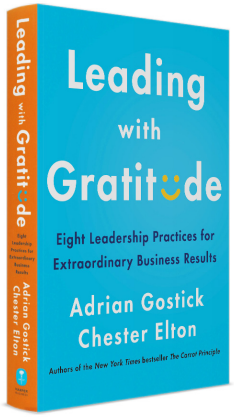
Leading With Gratitude

Eight Leadership Practices for Extraordinary Business Results



by **Adrian Gostick and Chester Elton**

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THE SUMMARY IN BRIEF

Workers want and need to know their work is appreciated. And showing gratitude to employees is the easiest, fastest, most inexpensive way to boost performance. New research shows that gratitude boosts employee engagement, reduces turnover, and leads team members to express more gratitude to one another—strengthening team bonds. Despite these benefits, few executives effectively utilize this simple tool.

What accounts for the staggering chasm between awareness of gratitude's benefits and the failure of so many leaders to do it—or do it well? In ***Leading With Gratitude,*** Adrian Gostick and Chester Elton identify the widespread and pernicious myths about managing others that cause leaders to withhold thanks. The authors also introduce eight simple practices that leaders can use to show employees they are valued.

Showing gratitude isn't just about being nice; it's about being smart—really smart—and it's a skill that everyone can easily learn. For those seeking to learn this invaluable skill, ***Leading With Gratitude*** will lead the way.

IN THIS SUMMARY, YOU WILL LEARN:

- To recognize and overcome the gratitude gap.
- Why fear is not a good motivator for employees.
- To assume positive intent and walk in employees' shoes.
- To use expressions of gratitude to reinforce core company values.

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The Gratitude Gap

Gratitude is one of the most misunderstood and misapplied tools of management. That's a shame, because it is also one of the single most critical skills for managers to master if they want to enhance their team's performance and develop their leadership credibility.

Research shows that there is a staggering gratitude deficit in the work world. In fact, a recent study found "people are less likely to express gratitude at work than anyplace else."

Meanwhile, 81 percent of working adults say they would work harder if their boss were more grateful for their work, and a whopping 96 percent of men and 94 percent of women acknowledge that a boss who expresses gratitude is more likely to be successful.

Why is there a chasm between knowing that gratitude works and the failure of so many leaders to actually practice it . . . or to do so well? This is called the gratitude gap.

Developing genuine gratitude involves carefully observing what employees are doing, walking in their shoes, developing greater empathy, and sincerely trying to understand the challenges they face. It is about seeing good things happening and then expressing heartfelt appreciation for the right behaviors.

On the flip side, managers who lack gratitude suffer, first and foremost, from a problem of cognition—a failure to perceive how hard their people are trying to do good work—and, if they're encountering problems, what they are. These ungrateful leaders suffer from information deficit.

The Negativity Bias

Another part of the ingratitude explanation lies in fundamental human nature. Research in psychology has shown we have a built-in tendency to give more attention to problems and perceived threats than positive things happening around us. That is dubbed the negativity bias.

In every organization, sources of stress abound. Competitors are nipping at heels, margins are tight, new products are about to be launched (late!), regulators are breathing down their necks, the CEO is new, and so on. How can managers afford not to spend more time on the lookout for and attending to problems than looking for opportunities to be grateful? It's a survival thing.

Fair enough. But this is not a zero-sum issue. Scanning the tundra, if you will, for potential predatorial problems and devoting considerable time to preempting and/or solving them in no way precludes a leader from paying sufficient attention to the contributions of one's team.

Some leaders think it is necessary to withhold positive sentiments at times in order to keep pressure on team members. "If we keep them on edge, they'll work harder" is the thinking. That mentality is about as valid as a Blockbuster Video free-rental coupon. Pressure like that increases anxiety, and anxiety undermines productivity.

In comparison, research from Robert Emmons of the University of California, Davis, shows that a leader who is more grateful amid difficult circumstances can help people cope. "In the face of demoralization," he explains, "gratitude has the power to energize. In the face of brokenness, gratitude has the power to heal. In the face of despair, gratitude has the power to bring hope."

The Payoffs of Getting It Right

The payoffs of getting this right come not only in boosting performance and morale but in gaining a better understanding of your people, how they are contributing, and frankly, what more they may have to give. Leaders who get this right also identify obstacles that thwart performance and are able to reinforce the right behaviors and fine-tune through positive direction.

A 200,000–person study found that more grateful managers lead teams with higher overall business metrics, including up to two times greater profitability than their peers, an average 20 percent higher customer satisfaction, and significantly higher scores in employee engagement, including vital metrics such as trust and accountability.

There is a more positive, hopeful future out there for us all. No matter where you are starting from, no matter the challenges you face, as you apply these concepts, you will begin to benefit from the transformative power of gratitude.

The Ingratitude Myths (That Are Holding Leaders Back)

Myth: Fear Is the Best Motivator

Fear at work is manifest in a myriad of ways. A manager who lacks confidence can spread fear around a workplace as fast as a funky cologne. He might be intimidated by employees who shine and feel it's necessary to put them in their place, or he may utter such motivating words as "If we

Research shows that what younger workers are really looking for is not praise for praise's sake but guidance.

don't hit our goals next month, I don't know if I can protect you guys." Or "There's a long list of people who'd love your jobs." His employees can then spend their afternoons realizing how lucky they are. Or not.

Another example? While many managers do not consciously try to fan fear's flames, they aren't exactly trying to stamp them out, either. Hey, if their people feel a little extra pressure, then is it really their responsibility to put it to rest? They just have to toughen up. Fear comes along with the paycheck. Whatever doesn't kill you makes you stronger. And so on.

All of this depends on one thing: that fear doesn't tie people up in knots. Which is too often the case. When it comes to our daily work and broader life challenges, fear is most definitely not the best motivator. Not even close. It causes a host of ill effects that undermine the quality of people's work and overall team performance. That's because at the heart of fear is doubt, and in doubt-filled cultures—with people wondering, "Will I be in trouble, get yelled at, be fired?" the constant uncertainty kills motivation, not to mention innovation.

Myth: People Want *Way* Too Much Praise These Days

Many managers say employees are way too hungry for approval these days. This sentiment has flared up in recent years as millennials and Gen Zs have become the majority of the workforce, bringing with them distinctive expectations about work-life balance, a need for meaning, a penchant for Top Ramen, and a fearlessness to change jobs if they don't like what they find.

Many managers complain that younger generations are immature and needy—often invoking the popular notion that helicopter parenting has made them praise-crazed. They worry if they give out more praise, their workers will get big heads, become overconfident, and start to slack off. And worst of all, they may demand more money.

But research shows that what younger workers are really looking for is not praise for praise's sake but guidance. Clear direction and feedback. They want to know what they're doing that's right and what they're doing that may be off course. Those who do seek praise often have high self-esteem. For them, gratitude provides clarity about whether the work they are doing is correct, valued by the boss or others, and making a significant contribution to the business.

Rather than seeing younger workers as problem children making demands for praise, consider that they are offering invaluable insight into how managers can better motivate and steer all their people.

Myth: There's Just No Time

Busyness is by far the most common excuse for not expressing gratitude. But practicing gratitude well doesn't take that much time, and the returns in productivity far outweigh those of any other management practice.

Most leaders who subscribe to the Time Myth believe gratitude is nice and all, but their effectiveness is about the hard stuff, not the soft stuff. With the speed of business today, the onslaught of data to be analyzed, and competitive pressures more intense than ever, management is about finding insights and ahas. It's about developing knowledge of the competitive landscape and reporting up what they find. It's about fixing, not thanking.

Yet, competitive pressures make effective people management more critical than ever. Workers leave for competitors more readily today, and turnover is one of the greatest expenses and productivity killers of our day. Conservatively, Deloitte estimates the cost of losing each employee ranges from tens of thousands of dollars to one-and-a-half to two times the employee's annual salary.

Myth: I'm Not Wired to Feel It

Research suggests there are very real differences in brain structure with people who tend to be more or less grateful. One such study found those naturally prone to feeling gratitude have more gray matter, or volume, in the part of the brain linked to interpreting others' intentions. Which means if we have a tendency to believe that the people we meet are helpful and kind, more out to help us than hurt us, then we will naturally be more thankful.

Other studies have suggested that specific genes underlie a naturally more or less grateful disposition. In one study, researchers asked each member of a married couple whether he/she, "thanked my partner for something that I appreciated" each night for a two-week period. Partners with one particular variant of a gene (CD38) thanked their partners more than 70 percent of the days, which is waaaaay more frequent than the population at large.

But genetics and neuroscience have also shown that we are by no means slaves to our predispositions. Our personalities and general temperaments are not set in stone. Brains were once thought to be largely fixed after childhood; scientists now understand our brain structure has been shown to be pliable, or, as neuroscientists say, to have plasticity.

That means it's no longer good enough to claim "I don't *do* gratitude." All of us can choose to practice behaviors that don't come naturally to us—like hugging in-laws—and by doing so, we can make them more natural.

Myth: I Save My Praise for Those Who Deserve It

Managers who believe the "I save my praise" myth withhold their gratitude because they harbor a fundamental disrespect for some types of work and some workers. To these folks, everyone is just a number.

As the television show *Undercover Boss* showcased, the value being added by many people on a manager's own team and in support functions around the company is often overlooked or discounted. Whole departments are commonly left out when it comes to who gets credit for success. In a sales-driven company, for example, there may be little appreciation for the people in, say, billing, even though without them sales are not fully made.

It's likewise uncommon in an operations-focused organization, such as a construction company, to see people in marketing rewarded, for example, even though they do a lot to burnish the brand and help land the big deal everyone is working on.

As for the so-called basic support jobs, *Undercover Boss* shows how freakin' hard such work can be, not to mention how important the jobs are to actual customers. As that realization dawns on the executives—who are struggling to make a pizza to specifications in just minutes or sorting recycling for an eight-hour shift all while wearing a fake beard and Mr. Magoo's spectacles—they are not only humbled but filled with gratitude for the talent and fortitude so many unsung heroes bring to their jobs day-in and day-out.

Myth: It's All About the Benjamins

Many bosses believe the only truly meaningful expression of gratitude they could offer is padding employees' wallets with raises and bonuses. This is a tricky issue, because money absolutely matters—it's what separates us from the animals. . . that and hats. So it's vital to pay people appropriately.

That being said, there is usually only so much money to go around. While gratitude is not a zero-sum game, by contrast, compensation almost always is. If someone gets a big raise, then others on the team usually are balanced out with less. And those decisions can be extremely hard for a leader.

Using monetary rewards alone does not motivate people—at least not for long—and it can even backfire. Focus on monetary rewards alone can create a mercenary environment in which people will leave for a little more at the drop of a hat. Some of the highest-paying companies have insane turnover rates.

Another reason monetary rewards usually don't pack a punch of deeply felt gratitude: The rewards are few and far between and often come during annual reviews, so they are seen as a matter of management process rather than an expression of sincere gratitude for valued work.

Myth: They'll Think I'm Bogus

"How can I just come in one day and be this new person—handing out gratitude right and left?" If a boss has been so busy that he's been heads-down, holed up in his office all the time or constantly away in meetings and then all of a sudden shows up by their desks patting their backs and giving out thanks like cigars from a new father, who wouldn't wonder what's going on?

Unless there is a complete lack of trust in a team (which is rare), managers can be confident that employees will appreciate a change of this kind, no matter how neglectful or hard-nosed they've acted in the past. Humans are generally supportive of other people's efforts to make positive changes in behavior, especially if it benefits them.

Worrying about how we'll be perceived as we go through a transformation like this is part of the human condition; it's woven into the fabric of our being. But the irony is that when we're trying to control how others see us, that's when we usually come across as inauthentic. We also cut ourselves off from important insights into how we're actually being perceived.

If leaders could see themselves on film, tracking the way their teams see them, many of them would be stunned.

It would not be a leap to realize that, clearly, their team members would be receptive to a change, even if it doesn't at first seem the most natural thing in the world.

The Eight Most Powerful Gratitude Practices

Let's now discuss the eight most effective approaches for showing gratitude. As managers adopt these behaviors, their people find them authentic and motivating—and there's usually a corresponding uptick in morale and engagement.

These concepts are grouped into two categories: seeing and expressing. Seeing involves ways leaders can ensure they'll spot great work being done, and expressing covers the best ways managers voice and show their thanks. Let's start with the practices involved in seeing.

Solicit and Act on Input

Henry David Thoreau may have been speaking up for employees when he wrote, "The greatest compliment anyone gave me was when they asked me for my opinion and then attended to my answer."

The advice to actively solicit input from employees is not new, but managers rarely do it. Even more rare is to see them follow through on suggestions. Let's face it, many ideas won't be viable, and yes, some people might get upset if their contributions aren't acted upon if you don't explain why. But openly discussing with them the reasons their ideas are not feasible and conveying authentic appreciation for the input assures them you've given thoughtful consideration.

Here are some guidelines for getting this right. One of the first suggestions is to avoid the "over-ask"—expecting too much from employees with questions out of their purview (e.g., "How can we solve our pricing problems?") Only a few people in your entire organization would have ideas about solving something so complex, and that kind of ask might make people feel diminished.

Another guideline: Make sure the "specificity fits," so that you ask the right question to the right people in the right way. For instance, "How can we reduce fuel consumption while we are making deliveries?" is a question focused to solicit ideas to cut gasoline costs from anyone even remotely involved in the process of sending your goods out the door.

Every day workers will face challenges in their work, and each of those problems can spark ideas for improvements. The best leaders harvest those ideas to enhance performance. At Amazon, for instance, the company's intranet features an online suggestion box for employees to propose anything they think will make the company better, which is how free shipping was first suggested by software engineer Charlie Ward. That idea emerged in the insanely popular Prime program.

> If leaders could see themselves on film, tracking the way their teams see them, many of them would be stunned.

Assume Positive Intent

Let's accept that all of us can do some pretty boneheaded things now and then. But the vast majority of people do care about their work and are trying to do a good job. Almost no one clocks in wanting to fail. All too frequently employee performance is hampered by a key set of factors largely out of their control, such as the lack of proper tools, thorough training, and clear direction, which might be due to changing priorities or confusing explanations on the part of the leader.

Indra Nooyi, retired chairman and CEO of PepsiCo, said, when asked for the most important leadership advice she had been given: "Whatever anybody says or does, assume positive intent. When you follow this advice, your whole approach to a person or problem becomes very different."

It can be upsetting and even outright infuriating to hear that something's been screwed up. To keep your cool and get the information you need, coach yourself to follow these steps. First, instead of firing off a rushed text or email, pick up the phone or go see the person (if at all possible)—forcing yourself to speak voice-to-voice to those involved to get to the bottom of the conflict, not to assign blame but to understand the thought process on the issue.

Second, take the time necessary to gather all the facts before making any decisions or conclusions. Often your direction will change as you realize your first assumptions weren't correct. Third, take a forward-looking approach. Instead of asking, "Why did you do that?" you might ask,

"What could we do differently in the future when faced with this situation?"

And fourth, pay close attention to all communication about the issue to avoid passive-aggressive language and set a positive tone.

Walk in Their Shoes

Many leaders know little about the challenges their people are wrestling with in their daily work. In part that's because they've never done their jobs themselves, but it's also because they don't take the time to ask about the difficulties their team members may be encountering.

Leaders who develop empathy for others are great enablers of authentic gratitude. While empathy is often seen as a mental exercise—imagining how someone is feeling—the best way to be truly empathetic is to roll up your sleeves and actually walk in their shoes.

As leaders interact with employees in this way, they can observe carefully and ask how things are really going—taking away layers of hierarchy until they are literally face-to-face with employees in their natural habitat.

If a leader doesn't have the kind of time to literally step into people's jobs, the good news is there are many other ways to get the insights they need. Coaching yourself to regularly ask people about how they're approaching their work and for them to share some recent accomplishment can bring you into their world in a much more revealing way.

To get the scoop on the important things they are doing, consider watching them for a while. Sometimes leaders may hang around and watch employees going about their work, which can lead them to notice aspects of excellence they may not have been aware of. These are not only opportunities for gratitude, but the tips learned may also be shared with others around the organization. Explain that you're going to be taking some time to observe them because you want to understand better what they are dealing with and how you can be more helpful.

Look for Small Wins

Harvard Business School professor Teresa Amabile and writer Steven Kramer conducted extensive research on creative breakthroughs in organizations. They found, "Of all the things that can boost emotions, motivation, and perceptions during a workday, the single most important is making progress in meaningful work. And the more frequently people experience that sense of progress, the more likely they are to be creatively productive in the long run."

Great executives notice and express appreciation for small-scale efforts as much as they celebrate major achievements. They look for incremental wins every day that they can acknowledge. This allows them to find ways to inspire all their people to stretch and grow. Here are some simple ways to elicit the help of others in spotting them:

- Ask team members to give shout-outs to each other.
- Ask team members to toot their own horns.
- Set and then reward achievement of daily, weekly, or 30-day goals.
- Spotlight those who speak up and offer ideas.
- Recognize those who find new productivity hacks.
- Thank those who find solutions to resolve conflicts.
- Make great use of anniversaries.

Let's now discuss the practices involved in expressing gratitude.

Give It Now, Give It Often, Don't Be Afraid

Like ripe bananas, gratitude does not keep. The closer to an achievement a leader expresses her appreciation, the better. Too many leaders figure they'll stockpile their praise and share it all at once, maybe in a quarterly one-on-one, or even all the way at the end of the year in a performance review.

Some managers have also said that they believe discussing accomplishments during performance reviews is a more formal, and therefore more meaningful, approach to gratitude. Performance appraisals can certainly be effective, providing valuable evidence-based assessments of employee results, as well as setting concrete individual development goals.

One much-discussed problem with the annual review is that sometimes it is overly weighted toward criticism and can feel punitive to the employee. Even well-intended reviews can cause intense employee resentment if they are not tempered by frequent positive reinforcement throughout the rest of the year.

The infrequent formal feedback process leaves so many day-to-day achievements unacknowledged. That wastes golden opportunities to provide immediate positive reinforcement of the behaviors a leader is looking for, day in and day out.

Surveys from Gallup show members of the most engaged teams report feeling some form of acknowledgment of their

Gratitude offers an opportunity to put the flesh of specificity on the bones of core values.

contributions from their leader or fellow teammates about once every seven days. If you don't have your calculator with you, that's 35 times a year for each person you manage, or about once every week to two weeks.

Even with large teams, there are many ways to ensure people receive frequent expressions of appreciation for jobs well done, if not from you then from their immediate colleagues. Key for a leader is to set the pace and explicitly ask everyone on the team to help out.

Tailor to the Individual

More than 75,000 people have taken the Motivators Assessment, which highlighted that each person on this planet has a unique combination of what drives him/her on the job. The assessment revealed 23 workplace motivators: autonomy, challenge, creativity, developing others, empathy, excelling, excitement, family, friendship, fun, impact, learning, money, ownership, pressure, prestige, problem solving, purpose, recognition, service, social responsibility, teamwork, and variety.

The nuances in a person's specific nature show up not only in which of these are most important to him or her but also in the particular order of priority—from one to 23. Some people working in the same jobs might be especially jazzed by collaborating with a team, while others are more driven to learn something new by themselves, and yet others want to help their colleagues develop their own talents.

Smart leaders use that knowledge of individual motivators to tailor expressions of gratitude to each team member. For instance, someone driven by concepts such as autonomy and excelling might feel best recognized when given a chance to work independently on an important project.

When it comes to expressions of gratitude, a generic "thank-you" isn't anywhere near as good as a custom offering. Brad White will never forget receiving a personalized reward on his 10-year work anniversary as vice president of sales at AddVenture Products in San Diego. The company's owner, Alan Davis, presented his salesman with two baseballs autographed by White's favorite player, former Major League Baseball star Rickey Henderson.

"I stood in front of the entire company accepting this gift, completely awestruck, honored, shocked, grateful, and thrilled," White said. "The value of having an employer who truly cares for you, who knows who you are as a person, and who goes the extra mile to show their appreciation, that value can't be measured."

Reinforce Core Values

A common theme among leaders interviewed is that expressions of gratitude should be connected to behaviors that are in line with the company or team core values. Appreciation is a powerful way to reinforce the importance of those vital principles.

Showing gratitude is one of the most effective and memorable ways to reinforce leadership's commitment to values and offers powerful opportunities to communicate why these grand ideals are so important—not to mention what can go wrong if they aren't demonstrated. Gratitude offers an opportunity to put the flesh of specificity on the bones of core values.

One laundry employee at a hotel chain was rewarded for living the firm's value of integrity. She had found a large bundle of cash stuffed in a guest's pillowcase that had come down to the laundry for cleaning. She rushed to her manager's office, burst in, and reported the finding.

The manager happened to be in with an upset guest at the time. It seemed the man had lost a sum of money in his room. Long story short, the cash and guest were reunited, and the laundry employee was recognized for her integrity in front of the entire hotel staff.

What a terrific learning moment it was as the manager said in his expression of public gratitude: "Integrity is essential. If our guests can't trust the hotel, they won't stay here—it's that simple."

When gratitude is consistently and meaningfully given to those who live the values, team members become your greatest advocates. A host of positive employee comments about an organization and culture on social media and

career websites is priceless—helping recruiting efforts and building a brand as a top choice for candidates.

Some important tips for tying gratitude to team or organizational values include kicking off the process pre-hire, asking the team to tie appreciation to values, and conducting rituals that provide opportunities to live the values.

Make It Peer to Peer

When employees are grateful to each other, they affirm positive, vital concepts typically valued in their colleagues such as trustworthiness, dependability, and talent. Peer-to-peer gratitude is particularly powerful because it comes from the people who are most respected—their fellow team members. And this can have an invigorating effect on organizations overall.

Leaders can make use of online systems or apps that have been developed to facilitate team-based gratitude. They're called social recognition systems. These systems can help build bonds outside of immediate teams, break down silos, and help workers in different locations feel more connected to one another.

At JetBlue, which has been named by J.D. Power as the highest in customer satisfaction among low-cost carriers for 11 years running, co-workers can nominate other crew members for everyday contributions as well as above-and-beyond work or effort, through a program called Lift. Successes are shared throughout the company on an internal newsfeed.

JetBlue data shows that for every 10 percent increase in people reporting being recognized, it sees a 3 percent increase in employee retention and a 2 percent increase in engagement.

Another great use of freely available online technology is posting complimentary videos of one of your fellow star employees on YouTube or the company intranet.

Because so much communication is online nowadays, handwritten notes can also be one of the most meaningful forms of gratitude. Taking the time to write with a pen boosts the gratitude factor by a ton.

Author Brené Brown has said, "In my 12 years of research on 11 thousand pieces of data, I did not interview one person who had described themselves as joyful who did not actively practice gratitude. "It's not joy that makes us grateful," she sums up, "it's gratitude that makes us joyful."

Start small. Start today. Choose just a few of the practices to focus on for a beginning.

You'll see out-of-this-world results.

IF YOU LIKED THIS SUMMARY, YOU MIGHT ALSO LIKE:

- ***The Levity Effect: Why It Pays to Lighten Up*** by Adrian Gostick and Scott Christopher
- ***Building the Best: 8 Proven Leadership Principles to Elevate Others to Success*** by John Eades

Adrian Gostick is the co-founder of The Culture Works, a global firm focused on helping organizations attract, develop, and retain great people. He is the co-author of such books as ***The Carrot Principle***, ***The Best Team Wins***, and ***All In***, which have been *New York Times* and number-one *Wall Street Journal* best-sellers. His works have been translated into more than 30 languages and have sold 1.5 million copies around the world. Chester Elton is co-founder of The Culture Works, and more than 700,000 people follow his work on LinkedIn. He has been called the "apostle of appreciation" by Canada's *Globe and Mail*, "creative and refreshing" by the *New York Times*, and a "must read for modern managers" by CNN.

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Leading with GRIT

Laurie Sudbrink

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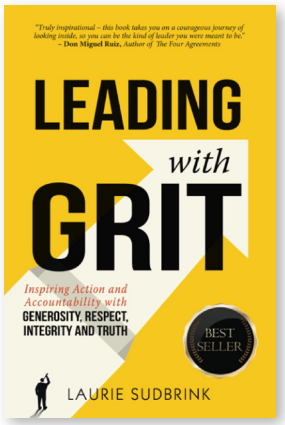
Leading with GRIT®

Inspiring Action and Accountability with Generosity, Respect, Integrity, and Truth



by **Laurie Sudbrink**

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THE SUMMARY IN BRIEF

We've all worked at places we dreaded going to every day: jobs where we didn't feel valued, trusted, or heard; places devoid of trust, effective communication, and true motivation. In workplaces like these, loyalty goes out the window, little work gets done, and everyone looks out for themselves. Meanwhile, as we suffer, so does the quality of the product or service we're providing. Ultimately, no one is happy. We feel taken advantage of, overwhelmed, and helpless to make changes, and our employer is frustrated by the lack of productivity of his employees.

When experiencing these feelings, most of us will gossip rather than communicate openly, blame others rather than examine our own behavior, make assumptions rather than ask for clarification. These behaviors are at the root of a toxic workplace. In ***Leading with GRIT®***, Laurie Sudbrink walks readers through the GRIT® system, designed to enhance communication, improve productivity, and maximize overall organizational health for any organization, large or small.

IN THIS SUMMARY, YOU WILL LEARN:

- Why the principles of GRIT® have been proven effective.
- How to apply GRIT® in communication for better productivity.
- How each person in an organization affects those around them in unexpected ways.
- How to cultivate a positive, constructive attitude for less stress and more growth.

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Introduction

Your workplace may not be a total disaster, like some, but it could certainly be improved. Perhaps it could benefit from a decrease in complaining, or more willingness to share information, or maybe just a little less stress and a little more productivity. Whatever the level of misery, there is usually room for improvement. Sometimes a one to two-degree shift in perspective can produce a big difference. If we are mindful of some simple concepts, we can make that shift.

Leading with GRIT® provides a roadmap to improve individual and organizational health. In today's challenging times, we need tough characters to get the job done. While grit— having courage, resolution, and fortitude— is something we strive for, GRIT® provides the way. The principles of GRIT®— generosity, respect, integrity, and truth— create personal accountability, inspire ourselves and others to do our best, enhance team performance, and develop authentic leadership.

Freedom to Choose

Many of our experiences are based on the choices we make, either consciously or subconsciously. Our life is a reflection of our own beliefs and choices, and often we don't even realize that we are making choices. Sadly, it usually takes tragedies, near-death experiences, getting fired, or other forms of loss to wake us up. When these life events happen, reality hits us so hard that it makes us aware of life and the choices we have. But do we really need that kind of shock treatment to wake us up? Experiencing a tragedy is also no guarantee that we will wake up and recognize our options and choices. Just imagine if we could become aware and see the value of making positive changes in our lives without first enduring that tragedy. We could realize our plight and potentially prevent negative repercussions, all by making different choices.

We can't always control what happens in life, but we can control the way we react to it. We can blame others or bad luck, or we can ask ourselves what we can learn from our experiences.

We can use the faith we have in ourselves and other people to help us through. We can choose to live life to the fullest and do our best with the hand we're dealt. We can find humor in the situation and lighten up a little. Just making a choice to be grateful, appreciative, and happy will return joy to our lives, at work and at home.

Truth: The Core

The notion of truth, above all, connotes honesty. Are you honest with yourself? Do you really know who you are and what you believe in? Or are you wearing masks just to please others?

Can you look objectively at your situation, while still having confidence in yourself? Or are you playing victim, so others feel sorry for you? It's about being who you really are, fearlessly, rather than worrying what others think about you. When you're aligned with your truth, you don't change who you are to meet someone else's expectations; you change only to align better with your personal truth. (We'll cover aligning to your truth more in the next chapter on integrity.)

Brené Brown, in *The Gifts of Imperfection*, says, "Authenticity is the daily practice of letting go of who we think we're supposed to be and embracing who we are" (Brown, 2010). In the GRIT® model, authenticity combines both truth and integrity. Authenticity is aligning to your truth. But first we must start at truth so we have something to align to. This is where we begin to examine our beliefs and what is truly important to us. Throughout our lives, other people have influenced us. Along our path, many of us have lost ourselves; we're out of touch with who we truly are and what makes us genuinely happy. We've altered our behavior or made choices to please our parents, teachers, partners, or friends. Once we come back to the core truth that defines us, we begin the path to GRIT®.

Integrity: Aligning Your Truth

Think back to a time when you did something because someone else wanted you to, even though you really didn't want to do it. You said 'yes' to a project that you didn't have time for, or you agreed to have that tough conversation with a coworker that the boss should have had. Or maybe you gave up an important personal commitment for work. What was your energy level like? What were you feeling? For most of us, our energy level is low, and there's usually some negative emotion involved. We feel overwhelmed, drained, and resentful. If we pay attention to this, we'll know when we are not in integrity.

Integrity is aligning your actions with your truth. If you look up the definition of integrity, you'll see it's about honesty and moral character, being whole or complete, and being unimpaired or perfect. In GRIT®, integrity is about being in alignment with your truth, and in that context, we

are looking at it as being whole, complete, or balanced. You are doing the things that you say are important to you, in a balanced way.

Respect: It's a Two-Way Street

Respect is a word we've heard a lot, from our parents telling us to respect our elders to Aretha Franklin belting out each letter, soulfully demanding respect. Respect is about having admiration for someone; it's about accepting what is without attempting to change it; it's caring about a thing or a person, having consideration, objectively looking at a person or situation; it's acknowledgment and courtesy. Respect can be both given and received, and if we don't have self-respect, it's difficult if not impossible to respect someone else— or to be respected. People will value and respect you in accordance with the value and respect that you place upon yourself.

Respect should not be confused with tolerance. Tolerance is putting up with something or someone. Your energy is more negative and focused on yourself in tolerance. With respect, you are more focused on the subject, and you feel more positive or at least neutral. For example, rather than putting up with your employees, you see them as the vital ingredient for success. Effective leadership is virtually impossible without respect: respect for yourself, respect for the people you serve, and respect for the reality of your situations.

Generosity: The More You Give, the More You Get

Can you imagine if you genuinely felt like you had plenty of time: plenty of time to do the things you wanted to do, plenty of time to listen fully to your child, plenty of time to help your coworker, plenty of time to hear what is being said? How would it feel to not be rushed, overwhelmed, stressed out; to actually feel happy and productive on a consistent basis?

When you are living in integrity with your truth, and you respect yourself and others, you will naturally feel generous; it's not forced. You'll have aligned yourself properly, so your generosity is channeled in a way that makes sense for you. You have enough to go around. You've charged your own battery, you're happy, and you care about others. You feel like you have enough time, you have enough patience, you have enough energy— you simply have enough! Generosity is the reward for the work put in with truth, integrity, and respect.

The Key to Efficient Change

Any way you look at it, change is growth. Change stretches our brains, and our brains actually love the exercise of change. It's what keeps us young and happy, if we embrace it rather than resist it. You can change your thoughts and beliefs about change. Think of change as improvement, and no matter how painful, believe that it is always leading to something better. Those first few days when you start working out and your muscles are screaming- you know it's leading to something better. It may not always feel that way, but trust in the laws of nature and remember how much our thoughts and beliefs control us. "Your life does not get better by chance, it gets better by change," said Jim Rohn.

Okay, we all know that stuff happens! When something happens that you find yourself resisting, remember to stop and say, "I chose this; I want this," even if you don't believe it and even if it sounds crazy. Remember, your mind is a tool. Convince your mind that you chose the change, and you will feel completely different. Since you can't change it once it's happened, you may as well accept it and move on. The only way to change the future is by changing the present.

Can You Hear Me Now?

When we are completely present and listening with our hearts, it is a gift to those on the receiving end. This is pure generosity, and it sets the law of giving and receiving in motion, as we saw with the driver. Because many people don't receive enough of this kind of listening, it's safe to say that most of us could improve our listening skills, especially within the relationships that are most important to us.

As we dug into GRIT® earlier, we discovered that when we know our priorities, and we stay aligned, we respect ourselves and others and are generous in the right places. Listening is a prime example of this, one that's crucial for any relationship.

What Message Are You Sending?

While listening skills are critical to communication, equally important is the message you send. Since beliefs are internal and invisible to the outside world, words and actions are the only tools we have to communicate these beliefs and inspire trust. When we improve our messaging, listening becomes easier for others. It's a win-win.

I find it ironic that we're supposed to have the most sophisticated communication system of all animals, and quite frankly, we're not so good at it. We avoid saying what we really should say, we don't listen with the intention of understanding, we judge what someone is saying, and we start arguing before we even understand. We don't have to like or agree with everything, but if we could just reach a level of understanding, there would be a lot less miscommunication and negative drama.

With GRIT®, we are more mindful of the messages we send. We're thinking about what the other person is receiving. We strive to provide the truth, use the best method to communicate, think of everything the person may need to know, and say it the best way we can, so they can hear it. Our intent is to help, and, hey, maybe we can lighten up and give the gift of laughter to help people relax and enjoy life a bit more.

Just Say It!

Whether it's saying no, standing up for yourself, pointing out something that needs to change, or even saying something positive, ironically, the things we need to say the most are the things we avoid saying. Or we wait until we're so frustrated or angry that we lash out with hurtful words or talk behind the person's back-damaging important relationships. Why does this happen?

There could be a number of reasons that we don't say what we need to. Sometimes we're afraid it will be taken the wrong way, or we just don't know how to say it. Often we want to avoid conflict altogether. Many of us don't want to open that can of worms. When we communicate with GRIT®, there is no avoidance, no hesitation, no effort. It's easy to say what you need to say.

The Ripple Effect

When we feel we have no control over circumstances, it can be easy for us to then use those circumstances as an excuse to blame and complain and even become stuck, waiting for something to change. If we realize this is the reality of the situation, and then we consider how we can make an impact, we will shift to feeling that we can make a difference. Sure, maybe we don't own the company, or we feel like we don't have a high enough position to make changes, but we can still have an impact. It's been frequently reported that people don't leave companies; people leave their managers. As a manager, you have a direct influence on your team, and you can make a difference. Leaders set the stage. We are responsible for creating the culture that people are attracted to and feel committed to being a part of.

Conclusion: Keeping On Track

Transforming your workplace culture begins by envisioning a new one— one in which people can't wait to come to work. They are open, friendly, communicating clearly and directly, and helping each other stay on track. But if we want our people to step up and take ownership, we have to empower them. That's how good intentions become the GRIT® system in practice for not only the immediate present, but for the future.

Laurie Sudbrink established Unlimited Coaching Solutions, Inc. in 1999. Her proprietary system of GRIT®(Generosity, Respect, Integrity and Truth) has inspired tens of thousands of participants to take control of their own happiness and productivity at work. She is widely known as a dynamic speaker whose work ranges from small organizations to fortune 500 and has delivered workshops and keynotes at business and higher education conferences around the world.

Leading with GRIT®: Inspiring Action and Accountability with Generosity, Respect, Integrity, and Truth by Laurie Sudbrink. © 2021 by Laurie Sudbrink. Summarized by permission of the publisher, GRITty Stuff. 240 pages, ISBN 978-1736207000. Summary copyright © 2022 by Soundview Book Summaries ®

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Leading with Kindness

William F. Baker

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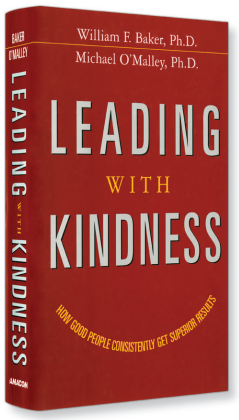
Leading with Kindness

How Good People Consistently Get Superior Results



by **William F. Baker, Ph.D. and Michael O'Malley, Ph.D.**

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THE SUMMARY IN BRIEF

Leading with Kindness identifies six ingredients of kindness — compassion, integrity, gratitude, authenticity, humility and humor — none of which might readily spring to mind when envisioning the archetypal business leader. But they are absolutely essential to powerful leadership. William Baker and Michael O'Malley also point out obstacles to each of the six qualities and offer real-world, everyday management and leadership approaches that build and demonstrate each one.

While every good leader is eager to promote the growth of his or her charges, truly kind leaders know that part of growth is the experience of failure. Kind leaders will not shelter their employees from every single setback or mistake, but rather offer the response and guidance that will help employees learn from mistakes and unforeseen circumstances and build knowledge for the future.

You can't assume that you are a respected leader simply because you are nice, fun, and nonthreatening. But if you are truly kind—that is, genuinely committed to the welfare of your company and your people through thick and thin—you will reap the broad and sustained benefits of trust, honesty, commitment and loyalty from every corner of your organization for years to come.

IN THIS SUMMARY, YOU WILL LEARN:

- The six virtues that cultivate and reinforce relationships.
- The benefit and necessity of kind leaders in and out of the workplace.
- How to nurture all employees universally while recognizing unique talents.
- Tips for preparing the next generation of leaders.

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What Kind Leaders Do

Enter Lady Macbeth. Reflecting on a witch's prophecy that her husband will become King of Scotland, she wonders if, despite his ambitions, he is too soft, "too full o' th' milk of human kindness," to do what it will take when the current king, Duncan, drops by.

At least since the time of Shakespeare, many have questioned the awkward alliance between kindness and leadership. Although the imperatives of leadership are not as extreme as murder, they may involve decisions that involve doing what is best for the company at the expense of other concerns: decisions, for example, that can cost others their livelihoods or affect the well-being of entire communities. In these situations, kindness is perceived as a self-defeating obstruction.

Kindness and leadership are complementary, and this combination specifically gives a leader a crucial edge. Our conclusions are based on our personal experiences, an understanding of the academic literature, and interviews with many business leaders who have quietly made a difference to their companies, their industries and, in some cases, their country.

Industrial Age Bosses

Kindness is not the first word associated with business. The image of business still largely includes old scenes from industrial America in the early 20th century: the age of hard work and tough bosses. Back then the goal was to keep production lines efficiently moving by any means necessary.

Today, the pressure for unremitting productivity from the forces of fierce competition in the global marketplace continues. New, unforeseen market entrants can suddenly emerge from anywhere in the world with a new technology, better business model or improved product to exploit a company's weaknesses and rob it of customers.

What every business presumably needs is a leader who is calculative, single-minded in the financial purposes of the enterprise and, perhaps, competitive to a fault: to the point of being overbearingly aggressive and belligerent.

The abiding impression of the modern manager remains haunted by images of past generations of over-controlling thugs: the new company man or woman who has just the right amount of indifference and interpersonal distance to make the unthinkable possible. He must get people to do their jobs the very best they can—without caring too deeply about their burdens.

Since many employees have had to endure the dismissive and erratic treatment of "shouters" during their tenures, our point is proven by that experience. We have a very long way to go before universal decency prevails within management.

Despite living in an era of unprecedented economic progress and scientific enlightenment, management practice remains primitive, with the incidence of buying in the workplace increasing, not decreasing, as one might have surmised.

What Kindness Is Not

Kindness is not a word that spontaneously comes to mind when we think of business, and its acceptance as a workplace virtue is made more quaint by highly salient experiences we have all had with loathsome, capricious bosses who somehow manage to escape detection and, inexplicably, ascend the corporate ladder.

Kindness comes packaged with many traits; thus leaders' own unique qualities give them a distinctive style. Kindness is part of a good leader's constitution, and others are able to brush aside some of the other qualities that leaders possess in order to see their compassionate centers.

Think of kindness as a key ingredient in a robust stew. The character of the stew is defined by all of the ingredients in combination, but omit just this one and the fine flavor is lost. Kindness, like many other traits, has an optimal level that makes it a virtue as opposed to a vice. Too little or too much transforms it into something ugly or suspect.

The Benefits and Necessity of Kind Leaders

In order for companies to improve, the people of the organization have to become smarter and more resourceful and work together more effectively over time. For this to occur, people actually have to care about their work, the company and one another. This requires the expert orchestration of a kind leader.

There is no shortage of rhetoric on leaderless groups or, what amounts to the same thing, groups in which everyone is equally conceived as a leader. True, many people are called upon at different times to assume greater authority, but the presumption of leaderless or, more accurately, leader-full groups tends to marginalize the role of one person in charge of it all.

Even well meaning, energetic people at times are unable to spontaneously ignite, and a very good reason why a leader is needed in most situations is to light the fuse. Everyone periodically suffers from inertia or self-doubt, is seduced into following an errant course or becomes distracted. Leaders

are needed because we cannot perform optimally without them. It takes a leader with unique abilities to achieve superior results. This homogeneous collection of abilities is referred to as "kindness."

The near-term goal of leadership is organizational survival by nurturing individuals' development and putting their expanding abilities to good use. The long-term goal is to produce individuals with the requisite capacities to lead by instilling those qualities that permit chronic expressions of kindness.

Who Kind Leaders Are

Warren Buffett summed it up best in mentioning three things required for success: integrity, intelligence and energy. He adds that if you are missing the first, the other two will kill you. That is, success can't be unqualified; it must be guided by conscience so that both the end results and the person achieving them are worthy of respect.

Personal Connection, Not Charisma

Yes, a great leader has to be able to organize his thoughts, communicate exceptionally well and have some sense of drama to be effective, but he needs something more to get the words to resonate with others. The words have to be spoken by someone who is concerned about you, who understands what you need and want for yourself, and who is unafraid to reveal that he or she—like you—is a member of the human race.

Kindness is an apropos term to apply to leadership because it implies precisely such root connections among people engaged in meaningful, reciprocal relationships. Those relations are cultivated and reinforced by six virtues, which are the ingredients of kindness that place encounters within the workplace in context:

Compassion. Compassion in the workplace matters because it provides employees with that extra amount of strength they need to perform, whether it's overcoming personal problems, trouble at home or job-specific challenges. The leader needs to have empathy: to understand what another is feeling and care enough to do something about it. Compassion provides the motivation to help, presenting the leader with an array of options to pursue, such as soothing and encouraging, guiding and coaching, or teaching and demonstrating.

Integrity. The distinguishing feature of companies that espouse integrity is that they make it clear that it really matters, and they are prepared to act on their principles. People with integrity reliably, consistently and predictably act on a set of values that ensures safety in interpersonal encounters. They keep promises and confidences, remain forthright and non-evasive, and are unbiased and even-handed.

Gratitude. Kind leaders have gratitude. To be grateful is to realize that one's life story includes many important characters, good and bad, and that one has benefited from the goodwill and sacrifices of others. In addition to having a sense of abundance and an aptitude to derive pleasure from the little things in life, gratitude is also revealing of an attitude. Fundamentally, in order to receive the gift of kindness, you have to accept that you cannot succeed alone.

Authenticity. Authenticity, in its various guises, matters to leadership. It is a valued commodity, both interpersonally and, as manufacturers can attest, in the marketplace, where producers are desperate to apply the label "genuine" to anything from leather goods to fine wines. Our view of authenticity and its antonym, fraudulence, is related to what we mean when we say that someone is a poseur. The way in which poseurs present themselves has no correlation to their inner lives and convictions. That is, they don't behave in a way that reflects what they truly think and feel.

Humility. The value of humility to leadership—and the reason it emerged as such an important asset among our cohort of leaders—owes to the "groundedness" of the people who have it. Humble leaders demonstrate two sides of realism. First, they temper their optimism with astute and honest assessments of corporate capability. They are pragmatists who understand what the organization is able to do and how quickly it can move.

Humor. Among other things, humor is a wake-up call to lighten up and view problems in a different light. And there is much to recommend for humor: A sense of humor has been related to interpersonal competencies such as warmth, ability to listen, flexible thinking and perspective-taking, openness, maturity and kindness. It is no wonder, then, that the leaders with whom we spoke included humor on their list of essentials for like leadership.

These are not optional character traits that are simply nice to have but are required if you want to be an effective leader.

Expectations Matter

How do we get someone who has basic intellectual aptitude and a healthy reservoir of knowledge to take nec-

essary actions and perform well? Michael Cherkowsky, former CEO of Marsh & McLennan Companies (MMC), offered us a three-part recipe for capturing performance potential based on three constituent ingredients: clarity, accountability and consequences.

Clarity. Clarity exists at different organizational levels. At the macro level, it involves articulating meaning and vision for the company, its value system and its strategic pathways. At the micro level, it involves framing communications that elicit action and defining specific goals in the service of the company's overall mission.

Accountability. Bridging the gulf between the acknowledgement of what must be accomplished and actually dong it involves recognition both that one is well equipped to act and has an obligation to do so.

Consequences. Usually when you try to invent or innovate, failure comes first. Roxanne Quimby duly notes that "Brilliance looks like devastating failure at some point in the process." There is no complete script to follow, no foolproof method. Risking failure is the natural price to pay for progress.

Doing Better: Process

Continuous improvement requires sound processes. Processes based on the storehouse of organizational knowledge and capabilities force the company to define how it will do its work. That is, routines are expressions of the best, most efficient ways to accomplish organizational objectives. Most importantly, routines impose discipline and define how members of the organization communicate and how operational problems are resolved.

We don't think the actual program a company adopts matters as much as the way it formalizes communications and problem solving. In general, the methods involve analyses of interdependencies, testing of causes and effects, making connections to and borrowing from other domains of knowledge and so forth.

Doing Better: Contingency Management

Rewards and punishments are part of any discussion of consequences. Put simply, the basic idea is that behavior is initiated and maintained by a host of consequential environmental factors that levy costs and benefits. People do things for which there are both tangible and intangible rewards and avoid engaging in activities when there are adverse consequences.

Good leaders realize that the best results are intrinsically motivated: that is, guided by a person's reason and internalized values. Highly motivated, achievement-oriented people can be self-sustaining for lengthy periods of time, requiring only periodic motivational boosters and occasional pit stops for tune-ups and repairs. The best leaders are able to keep employees engaged and performing with the throttle open.

Doing Better: The Opposite of Listening

All great leaders are superb listeners. But there is another valuable side to listening that is particularly important in shaping meaningful exchanges and quality performance: talking. The opposite of listening isn't not listening but rather talking and making sense. Thus, listening itself provides incentive for another to speak clearly and use all the facts on hand.

For kind leaders who listen, the difference is that they don't use numbers as blunt instruments to castigate and blame. They see measures as organization-wide indices performance that requires collective analyses and problem solving.

If, in your organization, you are reluctant to ask for help for fear of appearing weak or because of possible repercussions, ranging from public belittlement to career suicide, there is something very wrong with the leadership.

The Truth Matters

Given the importance of facing the facts in both organizational and personal development, it seems reasonable to ask why misrepresentations, distortions and other ways of concealing the truth abound. Why would those in business want to fool or mislead others?

Deceiving Others

It's hard to say, for example, that our company provides awful customer service, that an employee has "weaknesses" that need shoring up or that earnings growth has precipitously fallen. Any time we become evasive about the truth, we make the same assumptions about employees that the doctor may make about an ailing friend: that the truth is too frightening to confront and that the people of the organization are incapable of doing anything about it.

Shading reality shows a profound disrespect for both the character of people and the value of facts. Individuals need challenges to overcome, and living slightly off center as opposed to in quiet comfort makes us feel alive. Companies that create environments of faux bliss will get little in return.

In contrast to our kind leaders, who want the facts as people see them, flawed leaders view bad news as too

great a personal affront or too anxiety provoking to regard as welcome. If, to preserve a fragile ego, a leader takes the stance that he can do no wrong, then over time employees will oblige him and offer only glowing reviews, while hiding important but negative information.

Mostly Harmless Self-Deception

Humans as a species appear to be hard wired for a degree of self-deception: We lie to ourselves quite naturally. We adeptly manage our self-images so we appear more virtuous and competent than objectively warranted. We do this in three ways:

1. Self-Serving Attributions. People tend to attribute positive outcomes to personal factors such as ability or effort and negative outcomes to external factors such as bad luck or insufficient resources.
2. The Better-Than-You Effect. Studies have shown that self-evaluations of traits, abilities and performances are uniformly higher than if evaluated by others or based on an independent assessment of the facts.
3. The Bias Blind Spot. Typically, though people believe that others are vulnerable to bias and distortions, we think that we are not so affected. Miraculously, we see ourselves as more objective and self-knowing than others.

Art and Leadership on Common Ground

Poet Dana Gioia, chairman of the National Endowment for the Arts, once stated, "Art awakens, enlarges, refines and restores our humanity." One could add, "So does leadership." Both are expected to fulfill eudaemonistic functions of enriching our lives. A work of art by contemporary artist Bruce Nauman titled "The True Artist Is an Amazing Luminous Fountain" displays these words on a transparent, rose-colored Mylar shade that is hung over a window. The viewer is compelled to look through the working on the shade in order to see the outdoors and, in so doing, to reflect upon the artist as the generative source of one's vision.

If you replace the word "artist" with "leader," you have an equally poignant abstraction with which to probe an essential aspect of leadership: truth. The fact that Nauman's piece applies equally well to both leadership and art is probably indicative of their common heritage.

With that introduction, here are eight leadership principles, occasionally using Nauman's piece and other art as metaphorical points of departure:

1. **Craft Matters.** Everyone knows the truism that technically skilled people don't necessarily make the best managers. That obscures the fact that no one wants to be led by someone who is not proficient in her area or has a scarcity of domain knowledge. That is, we lose sight of the fact that even geniuses have mastered their respective craft.
2. **Leadership Is Based on the Ordinary.** Nauman's work exposes the hubris of the elite class. The use of a fountain as a metaphor for creative genius is part of the satire. Nauman is relying on our conventional notions of artists (or leaders) as separate from the everyday.
3. **Work Invisibly.** Fountains are places where people gather. Leaders, like fountains, provide a focus for action. They initiate it, encourage it and structure it but do not get in the way of it. They spontaneously stimulate the liveliness of a plaza without themselves becoming the center of attention.
4. **Leadership Requires Introspection.** Nauman's work also reminds us that art and leadership act as mirrors. The introspective aspect of the arts challenges the viewer to form an opinion, to question why he or she feels a particular way, to come to terms and perhaps to take a stand. One of the most basic questions a leader can ask himself is, "Why am I reacting this way (to a statement, idea, event)?" It is a question that puts him in control of the situation versus being controlled by it.
5. **Leadership Is Life-Affirming.** The best leaders ask us to adopt a new perspective on matters — to see things in new ways — and, further, get others to see themselves as members of communities. Invariably, great leadership, as with art, is life-affirming. Neither great leaders nor great artists require us to agree with their theses, but they do ask us to contemplate the human condition and to discover in our encounters that which has meaning.
6. **Leadership Is a Distillation of Chaos.** The Nauman piece reminds us that producing stirring images that capture attention requires extraordinary skills. It is the leader's job to assemble and depict fragments of reality in a manner that conveys an identifiable message, while simultaneously reducing distractions. A messy array of stimuli is distilled to a few ideas, and the leader's work suc-

ceeds or fails by the clarity, elegance and force with which these ideas are related.

7. **Leadership Requires a Novel Way of Seeing.** The frame and the colored Mylar covering also signal a purposeful attempt to hold something out as art. Viewers are being asked to suspend their customary way of perceiving and to adopt a particular attitude toward what the leader-artist is trying to accomplish through words, actions, symbols and such. That is, a leader or artist not only wants others to attend to and observe his representations but to look at them differently.

8. **Leadership Is About Keeping Passion Alive.** The word transformational, in both art and leadership, generally refers to a work's ability to challenge convention, to open new awareness, inspire new goals and stimulate actions consistent with those insights and revelations. But there is a more fundamental sense of the word: the ability to help others remain interested in and receptive to what leadership or art has to offer.

Good leadership meets us where we are. True leaders enable us to recognize in their messages those things we care most profoundly about, without distorting or minimizing the essential facts.

Great leadership, like great art, is filled with humanity. And like art, leadership is a human creation that is not so easily divorced from the human condition.

Growth Matters

Sometimes companies and their financial sponsors are born dumb, and the premises of their businesses are so far-fetched that there never was a chance of market success. And sometimes, technological change is as cataclysmic as a meteor pounding the Earth; the company has too little time to adjust.

But there is a vast region in between in which companies have been blessed with baseline capabilities, a decent product, and sufficient capital and time yet look on as it all falls apart. For companies to survive and flourish, they must acquire new organizational knowledge and repertoires that enable them to mobilize and react to potential environmental hazards in appropriate ways. That is, they must learn and grow.

Adaptive Options

Generally speaking, companies have only four ways to adapt at their disposal. Each maneuver is intended to align an organization's goals and capabilities with the demands of the environment.

1. **Accommodation.** The most familiar strategy is one of accommodation. The company changes itself to meet new environmental threats or to take advantage of new opportunities.

2. **Assimilation.** A company also can use assimilation strategies. A company that assimilates incorporates customer needs into existing operations.

3. **Enrichment.** A third adaptive strategy is enrichment. In this case, a company attempts to keep suitors for its customers away; bluntly, the goal is to occupy a monopoly position.

4. **Exit.** Finally, there always is the option to exit. A company can decide that it can't compete in its environment and that no other strategy can cost-effectively rectify that.

Prerequisites for Change

Although companies in the midst of technological and market upheavals may truly believe that the only constant is change, in practice all of the adaptive methods are used in combination, and a modicum of institutional stability is a prerequisite for change. While the world outside may seem chaotic, the world inside the organization can't be.

First, if a system is totally reactive to environmental conditions and pressures, it will never learn. Systems in constant flux can never retain and transmit any information and, thus, can never stabilize. At the other extreme, ultra-stable systems don't transmit information effectively either, and they, too, never change, or change only marginally. As such, neither system is capable of adaptation. For an organization to be able to change, a condition between chaos and fixation must be achieved.

Second, a system can only do what it is capable of doing. If an organization cannot reconcile the confusion, or doesn't contain the requisite capabilities or adequately coordinate functions, it will not be able to perform reliably and consistently. Put simply, superior execution is very challenging.

Very few companies operate as if the fire alarm just went off; instead, they manage to formulate and stick to some steady-state methods and procedures that at one time, at least, functioned efficiently. Successful adaptation, however, partly involves deviating from those states or replacing them entirely.

Execution presumes that basic abilities will develop and become increasingly complex in order to both extend the corporation's reach and recognize and react to new circumstances. The people of the organization must always be developing.

Fighting Cynicism

The pathology facing many companies runs much deeper than employees who are uncommitted and have emotionally removed themselves from the workplace. Rather, the pathological manifestation of maladaptation is cynicism. It is much worse than being disengaged and uncommitted. It is the attitude that all attempts at positive change and adaptation are doomed to failure and the most advantageous course is one of resignation: that the best one can do is tolerate one's circumstances as they exist. This is a sad state for individuals and for organizations, since the will to change has been lost.

You can imagine an employee asking, "Why bother?" "What's the use?" "What's the point of trying?" And they do ask. Viewed through the lens of maladaptive functioning, the organization is deprived of what people do best: think in a natural, healthy way. Instead, the organization is systematically impaired, and that intrudes upon or disables normal drives and activities. The result is a company that is competitively handicapped.

Let's find out how the vitality of organizations is lost. Or, conversely, what makes organizations vibrant, mindful and alluring places to work? In either case, leaders are the culprit or the inspiration, respectively.

Openness Versus Complacency

Open people tend to be imaginative, curious, independent thinkers who welcome novelty and variety and who are amenable to new ideas, approaches and perspectives. In contrast, those people at the opposing pole of this trait dimension are more comfortable with the familiar and conventional. In organizations, these latter people are defenders of the status quo and tend to gravitate toward methods and solutions that rely on tried-and-true ways of doing things. Leaders who are open are seldom content with the way things are and appreciate the potential for improvement and change. They are always on the lookout for how to make things better, even if everything seems to be working just fine the way it is.

But every company needs to create and innovate in order to adapt and grow. It helps if the leader is disposed toward continuous improvement. Regardless, there are principles to keep in mind that can facilitate an organization that is willing to experiment and change.

1. **Having a Prepared Mind.** Many people before Sir Isaac Newton watched apples falling from trees, but he was looking and observed what even those who were scientifically knowledgeable failed to notice. Serendipitous observations aren't made without curiosity.
2. **The End of Talent Management.** The quest for talent is a lot like looking for the snark. It is a search for a fiction. Exceptional achievements are more likely products of blends of attributes, including the substances of passion, discipline and stamina. The most talented people have a wealth of experiences to pull from. Thus, if you are looking for "talent," you would look for people who knew a lot about lots of different things.
3. **Finding Versus Solving Problems.** The most important and inspiring problems don't present themselves ready-made but are discovered by imaginative people who are able to see through the disorder of daily living and realize there is still much to be done. You want talent? Find someone who is willing to peer into the unknown and bring you problems.
4. **Create Obstacles.** It's common to think of obstacles as something to be avoided: If encountered, obstacles will stop you in your tracks. Thus, people often avoid roadblocks and look for the paths of least resistance that allow them to keep doing what they do best or have handy in their bag of tricks. But confronting obstacles head on does force you to reformulate your working assumptions and focus anew on the nature of the problem.

Preparing the Next Generation of Leaders

Good leadership is like leading people across a high suspension bridge. First, followers have to feel secure enough to venture out, and they need to trust that the leader will be there is needed and will not let them down. Secondly, they must convey that getting to the other side is a valuable endeavor or a worthy pursuit. Third, despite the fact that the trip may be treacherous, the leader must help followers to overcome their fears and to press on despite setbacks and unforeseen forces that urge them to turn back.

Companies that are known for their superior management acumen exercise kind leadership. They offer exhilarating jour-

neys that enable those who reach the other side to step off the bridge a different person. In preparing the next generation of leaders, what is it that we will want them to know and be?

In the business setting, we would minimally want our charges to qualify as good business people by becoming technically proficient in their fields and facile with the myriad aspects of general management. There are a few essential characteristics that not only foster leaders' own successes but are critical in developing future leaders who share the same ideals and attributes.

So what qualities do these leaders have and what types of people do kind leaders engender?

Self-confidence. There is nothing more indispensable to one's personal welfare and effectiveness than knowing that one is the competent agent of what life has to offer: that we are the authors of our development, growth and self-renewal.

Self-control. A well-adjusted adult is able to control his impulses in order to maintain a healthy perspective on what is most important and advantageous to his welfare in the long run. Self-control does not involve the repression of thoughts and emotions that arise from stressful encounters but, instead, the management of them, in order to maintain proper perspective on what is most important and to achieve longer-term goals.

Self-awareness. Great leaders recognize self-awareness and personal examination as virtues because these keep leaders attuned to the kinds of people they wish to be. Leaders will tell you that it is common for interests and values to collide within the marketplace and that the most important orienting device when navigating through dilemmas is one's soul.

Self-determination. The definition of self-determination is that the ownership of results resides with each individual. Responsibility for one's actions can't be carved up or displaced. It means there is always choice, and, yes, there are consequences for the choices we make.

Conclusion

Students increasingly are interested not only in careers with "big bucks" but in doing work that benefits society. Generation Y brings this ethic to the workplace where, as employees, its members expect to find a sense of purpose and connection, among many other qualities discussed in this book and engendered by kind leaders.

Generation Y should be admired for its audacity and optimism. Its members are filled with potential and promise, and we have high hopes for them. They are why leading with kindness matters so much, now more than ever before.

A few final words—these from Albert Schweitzer—on preparing the next generation of leaders: "Example is not the main thing in influencing others; it is the only thing."

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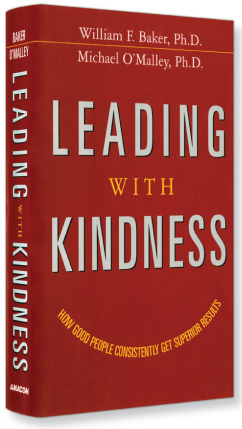

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Learning to Lead

Ron Williams with Karl Weber

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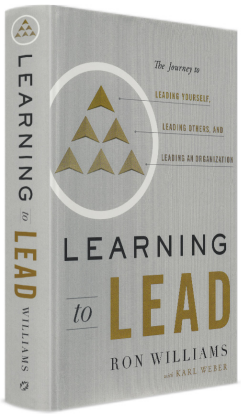
Learning to Lead

The Journey to Leading Yourself, Leading Others, and Leading an Organization



by **Ron Williams with Karl Weber**

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THE SUMMARY IN BRIEF

Society has a greater need than ever for talented, effective leaders. We live in a time when too many role models in the media represent styles of leadership that are far from ideal. Given the enormous social and economic challenges we face, organizations are desperate for people of every background who can formulate a compelling vision and inspire others to help make that vision a reality.

Developed from author Ron Williams's personal and professional journey, as well as experiences of America's leading CEOs, ***Learning to Lead*** is a master class on leadership, providing practical, tested leadership advice and strategies, whether you're searching for a new career, looking for proven management solutions, or seeking to transform your organization.

Learning to Lead will help you master a more creative, positive, and honorable way of leadership that will enable you to solve problems that appear unsolvable and to achieve levels of success you may never have previously imagined.

IN THIS SUMMARY, YOU WILL LEARN:

- Wisdom and strategies for leading yourself, teams, and organizations.
- The importance of reframing and asking the right questions.
- To define what's most important and plan intelligently.
- To create a positive company culture.
- To practice communication as a team sport.

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PART I: LEADING YOURSELF

Find Your Challenge: Launching Your Career Quest

Some have called me the least likely person ever to lead a $34 billion corporation. I grew up in the 1960s in a working-class family in one of the poorer neighborhoods of Chicago, then one of the most segregated cities in the nation.

The cultural, educational, and economic opportunities around me were sparse. But I inherited a strong work ethic from my mom and dad, and I was determined to make something of myself. After graduating from high school, I made my way to Southeast Community College of Chicago, then to Roosevelt University, where I majored in psychology.

After a brief stint working in the office of Illinois Governor Richard Ogilvie, I launched a business career—first as a consultant, then as an entrepreneur, and then as an executive at Control Data Corporation, Blue Cross of California, and WellPoint Health Networks. By the time one of America's biggest insurance companies was foundering, I'd established a reputation as a go-to guy—someone with a knack for making things happen in tough situations where others struggled.

Making Things Happen

I was recruited to help turn around Aetna in 2001. After a year as executive vice president, I was named president and a member of the board, and in 2006 I added the titles of CEO and chairman. Aetna had recorded an annual loss of $292 million in 2001. However, by the time I stepped down in 2011—thanks to a tremendous amount of hard work and creative thinking by thousands of dedicated Aetna employees—that loss had been transformed into an annual profit of $1.97 billion, and the company had become one of the most admired in the industry.

As even this brief summary shows, my background and experiences are definitely unusual for the head of a Fortune 100 company. But much more important are the philosophies, methods, and principles that helped me achieve success. I've tried to be both a dedicated student and a successful practitioner of the art of leadership.

Along the way, I learned lessons that have helped me succeed—and that, I suspect, many other people may find valuable. Here's the first lesson I'd like to emphasize: Growing into leadership begins with self-leadership—which starts with discovering and nurturing the inner drive that will spur you to seemingly impossible achievements.

I've also learned that having an overwhelming personal passion that guides and shapes your life isn't essential to business success. Two things are essential: a deep, personal commitment to excellence in everything you do and a commitment to continual improvement.

Career Step One: Take a Chance!

Here are some specific suggestions to consider as you tackle some of the early career decisions that will shape your lifetime path:

Reject stereotypical thinking. Don't let other people define who you are, what you can become, or what you can accomplish. Feel free to disregard the familiar assumptions that define the characteristics of a business leader.

Take a calculated risk. Which is the better choice for a young person coming out of school—a job with a big, established company or one with a tiny startup? If both job assignments appear equally appealing, my counsel is to take the job that you perceive as carrying the bigger risk. That's probably the job where you'll face the greatest challenges—and therefore learn the most.

Keep your future options open. When making any career choice, think in terms of increasing the number of options you will have in the future. Ask yourself, "If I take this job, will I have more choices at the end of the day?"

Exceed your job description. Team members who never provide any extra value—who avoid special assignments, ignore opportunities to take on new challenges, and never offer ideas for improving the organization—are asking to be passed over when promotions are being considered and are not investing in improving their own value to current and future employers.

Redefine What's Possible: The Art of Reframing

Every worthwhile leadership journey encounters roadblocks and detours. Unfortunately, far too many people succumb to frustration and give up the quest prematurely. Often they blame themselves. Sometimes they blame a business world that seems to throw up barriers for leaders who don't fit the traditional mold, like women, people of color, or those with unusual educational and career histories.

When you learn and practice the art of reframing, you'll find that almost any situation. . . can be transformed into a growth opportunity.

In either case, they fail to recognize that most of the limitations we experience in business and in life are self-created and therefore capable of being overcome. The ways we think define the box in which we find ourselves.

Reframing is about creating a new mental landscape with a larger scope of freedom, a greater degree of flexibility, and a set of alternative ways of approaching any problem—which can often lead to new and unexpected solutions.

A New Face in the Mirror: Reframing as a Career Tool

Sometimes reframing is about seeing *yourself* in a new light. During my early years I didn't see myself as a potential business leader. I came from a minority-group heritage and an inner-city neighborhood; I didn't match up in an obvious way with the conventional image of a leader.

Thankfully, over the past 50 years, social changes driven by the civil rights movement, the women's movement, and the gay rights revolution have done much to broaden the way we think about leaders.

Moreover, studying organizational dynamics offered me an entirely new way to think about business leadership. A corporate manager or executive didn't have to be a charismatic member of the "boys' club" who led his colleagues using the power of personal charm, social status, or flamboyant oratory. He (or she) could also be an introvert, someone deeply analytical, with a scientific bent, a gift for accurate observation, a strong sense of logic, and patience and determination. Someone like me.

Open Up to New Perspectives: How to Make Reframing Second Nature

One effective way to improve your talent for reframing is to deliberately open yourself up to new perspectives. Don't talk only to people from inside your own organization or even from your own industry. Meet, swap ideas with, and learn from people who come from different walks of life and apply quite different perspectives to the challenges and opportunities of life.

Immersing yourself in business history can also be a great way of developing your reframing skills. Study how innovative business strategies have been created simply through an adroit reframing of conventional thinking about an industry. Many of the famous breakthroughs by leaders of the past were the products of such reframing.

In the 1980s and 1990s, Howard Schultz took a commodity sold cheaply, practically everywhere, and made it the basis for a high-margin, worldwide business—Starbucks—by reframing coffee as an affordable, everyday luxury and reframing the coffee shop as a neighborhood hangout where people can work, socialize, and hold meetings. He created an experience rather than a product.

When you learn and practice the art of reframing, you'll find that almost any situation, even one that may appear hopeless, can be transformed into a growth opportunity.

Start with Minor Miracles: The Tougher the Challenge, the Bigger the Opportunity

Most businesspeople don't want to go anywhere near a company or a division that's in trouble. They fear being overwhelmed by the challenges and perhaps being tainted with the label of "loser." Yet, troubled businesses offer great opportunities for learning and growth, particularly to aspiring leaders who may not otherwise have a ticket to the fast track.

When you're willing to take on the tasks others shun, doors begin to open for you. Those at the top of the corporate hierarchy are likely to give you responsibilities and opportunities far greater than those you might otherwise enjoy. That's how many leaders—especially those from atypical backgrounds—get the chance to build a reputation as someone who gets things done, even when the company finances look dire, competitive pressures are intense, and employee morale is at its lowest.

Elease Wright worked with me at Aetna as senior vice president of human resources. Years earlier, she'd been a

rising star in the HR department when she dared to take on an incredibly challenging systems reengineering project that her boss warned her might be a career killer.

"I got sympathy cards, because everyone thought I'd been demoted," Wright recalls. "I lost my office, got stuck in a temporary cubicle, and had to beg for an assistant. But through hard work and by picking the brains of everyone in the organization with a creative idea, I made the project work. It ended up being one of my most powerful learning experiences as well as a stepping-stone to quicker career advancement."

Actually, Wright's willingness to take on a reengineering job that no one else would tackle was characteristic of her personality. Years earlier, upon graduating from the University of Connecticut, she began her job search in the middle of a serious recession—not exactly ideal timing. She ended up becoming one of the first women to work in an all-male maximum security prison, serving on the psychiatric staff as an inmate intake specialist.

Her job involved giving the new prisoners a psychological assessment and determining where to place them within the system. "When your first job is that challenging and depressing," Wright now says with a laugh, "you have no place to go but up."

Suffering isn't worthwhile in itself. Not every tough job is guaranteed to be a great learning opportunity. But many are. If the first few days or months of an assignment feel exhausting, overwhelming, or even painful, don't jump ship. Hang in there. There's a good chance that one day you'll look back on that job as the most difficult yet worthwhile growth experience you ever had.

PART II: LEADING OTHERS

'It Can't Be Done': Meeting the Toughest Leadership Challenge

There are plenty of obstacles to achievement in many organizations today. They include complacency, lack of clear goals, flawed assumptions, poor communication, inconsistent incentives, dysfunctional teams, and many others. One of the worst is sheer blindness—the systemic failure to accurately define the real challenges confronting the organization and the steps needed to meet them. That's the biggest problem I faced when I came to Aetna early in 2001.

I was recruited to join Aetna to help participate in a much-needed company turnaround. Like most executives joining a new team, I devoted my first few weeks on the job to getting the lay of the land—meeting key people, acquiring a sense of the corporate culture, studying the strategic position of the company, and asking managers from throughout the firm to share their perspectives on Aetna's strengths, weaknesses, challenges, and opportunities.

After that first month, it had become clear to me that the organization had tons of data but a severe shortage of timely information. Numbers? We had them aplenty. But they flowed across our desks too late, organized in ways that shed little light on the critical issues we faced and the choices we needed to make. We were like pilots flying in a dense fog, relying on instruments with a built-in lag in reaction time.

Transforming the Way We Think

So one of the first projects I undertook in my tenure at Aetna was to spearhead the creation of a new management information system that could enable us to—finally—get a grip on the problems the company faced. You might assume this would be a purely technical challenge—a task we could delegate to a few of our top finance, actuarial, and IT experts.

But the problem turned out to be much bigger and much tougher than that. It involved not only technical specifications and software design but deeply ingrained perceptions, attitudes, and relationships shaped by years of dysfunctional behavior at every level of the corporation. Fixing the system required hacking away at the roots of that dysfunction, including the sense of frustration, fear, anger, and helplessness that had gradually permeated Aetna, leaving thousands of bright, talented people sincerely convinced that our problems were simply too overwhelming to solve.

A technical problem? Sure. But it was also a matter of transforming the way we thought. The creation of what came to be called our executive management information system (EMIS) proved to be a turning point in the history of Aetna and in the lives of many of us who participated in it. It was an opportunity for me to apply some of the most important leadership tools I'd learned and honed throughout my career—and to begin spreading the use of those tools throughout the organization.

Together, my leadership team at Aetna discovered the effectiveness of asking questions that challenged deeply ingrained assumptions, the transformative power of fact-based decision making to inspire a vision of shockingly greater achievement, and the enormous value of investing

time and effort in rigorous planning before tackling any crucial project.

Building our new information system didn't only revolutionize our ability to run the corporation effectively and profitably—though it did that, in spades. It also taught us that there was almost nothing we couldn't accomplish by applying some clear thinking, tough-minded and open communication, a lot of hard work, and a bit of creativity. It's a lesson confirmed by the years of turnaround, rejuvenation, and growth that followed the crisis—and one that I'm convinced can be applied with equal success in almost any organization.

> Sometimes the most effective leader is one who knows what he doesn't know. . .

Changing the Problem Changes the Solution: Reframing for Business Leaders

In business and in life, the questions you ask invariably determine the value of the answers you get. Aetna executives had gotten into the habit of asking themselves, "How much have we grown this year?" Since the answer was always "a lot," they assumed that the company's overall state was healthy.

Beyond the "how much have we grown" question, Aetna's leaders should have also been asking, "Do we have a sustainable business model that is adapting to changes in the economic environment? Do we have the information, people, processes, and technologies needed to integrate the companies we've acquired? Are we maintaining good relations with our key stakeholders, and are we making sure that our company's reputation for integrity and service is being protected?"

Because of the failure to ask this broader array of important questions, the magic that Aetna's leaders were counting on failed to materialize. Financial losses continued to mount. Making matters worse, Aetna's failure to successfully integrate and operate the acquired companies led to a crisis of stakeholder relations. The overall poor leadership in the 1990's culminated in a series of costly lawsuits, judgements and settlements with patients and providers.

Working with CEO Jack Rowe, I helped Aetna's managers to begin focusing on our patients, customers, and questionsabout our business model, information, people, and technology.

In operating reviews, we started asking our executives, "How much money has this division made this year? And this one—and this one—and this one?" The answers would help the company determine which businesses to keep and grow and which to sell off. One by one, we identified the businesses that made no sense for Aetna to retain.

The philosophy Aetna applied in making these winnowing decisions recalls a famous dictum of General Electric's legendary longtime CEO Jack Welch—"If you're not number one or number two in a particular market, get out." It worked for GE, and it worked for Aetna, too. Over time, the company gradually divested businesses with a total of some eight million customers. Those customers didn't join the ranks of the uninsured; their policies were taken over by competing insurers in their specific markets.

The Search for Truth: Asking Questions that Open Minds

We sometimes assume that the leader in a group is the person who knows the most. It's not always true! Sometimes the most effective leader is one who knows what he doesn't know—and uses well-crafted questions to uncover hidden realities that make innovations possible.

In crafting an inspiring vision of change, a leader is likely to encounter barriers of many kinds—in particular, mental barriers—those unquestioned assumptions, unexplored options, or unchallenged rules of thumb that keep people stuck at a low level of achievement. Thus, an essential skill for anyone who wants to do the impossible is the ability to ask questions that expose and remove those mental obstacles.

The challenge is to frame questions that can provoke people into thinking about the problems they face in a new way—questions that guide people toward recognizing and reexamining the mental barriers that are holding them back—and to ask these questions in a style that doesn't elicit defensiveness, resistance, or fear. Here are some suggestions for positive, constructive questioning that you may find effective.

Avoid starting questions with the word "why." It's often important to get at the underlying reasons for people's behavior. Yet somehow that innocent word "why" has a way of sounding like an accusation. The question "Why did you do X?" seems to inevitably convey the implication that X was a stupid thing to do. I've found that I can elicit a less defensive, more forthcoming response to the same fundamental question by using a phrase like "what is the reason"—for example, "What is the reason you tackled the problem that way?" This wording assumes that there was a reason for the person's behavior and encourages them to share freely . . . and that's far more likely to enable you both to get to the heart of the problem more quickly.

Don't ask questions for which you think you already know the answer. The goal of asking questions is to garner information and to inspire creative thinking—not to quiz people, put them on the spot, or trap them.

Actively listen to the answers people give you. Don't be dismissive or scornful of the answers, even if you consider them misguided. Even answers that are factually incorrect are valuable in that they give you greater insight into the way a team member thinks and feels—and if one person thinks and feels that way, the chances are good that others do, too. Use "wrong" answers as an opportunity to introduce alternative ideas.

Ask follow-up questions. In many cases, the answer to one question merely points in the direction of the truth without delving deeply into it. One, two, or several follow-up questions may be needed to elicit a full picture of what is happening, and to open up the possibility of change.

Define What's Really Important—Then Make It Happen

One of the most crucial tasks of the leader is to help her team members set priorities and stay focused on the tasks that are most important. It sounds simple—but, in practice, it's quite difficult to do.

When you are receiving a steady bombardment of bad news—negative financial reports, customer or client complaints, key employee defections—it's easy to start responding in knee-jerk fashion to the latest bulletin rather than taking the time to sort out what's truly important from the merely urgent. Here are some questions you can ask that can help you determine whether an issue is truly important or simply eye-catching:

- **Financial impact:** If this issue were left unaddressed, how could it affect the finances of our organization over the next week? Over the next month? Over the next six months? Over the next five years?
- **Stakeholder impact:** How directly and significantly is this issue likely to affect our organization's key stakeholders, including customers, employees, investors, suppliers, business partners, and community members?
- **Future scope:** How probable is it that this issue will become more serious or widespread? How quickly is this likely to happen?
- **Reputational impact:** What is the likely impact of this issue on the reputation of our organization?
- **Underlying cause:** How likely is it that this issue is caused by underlying problems that are not yet presenting themselves directly? Is addressing this issue likely to help us uncover and begin to deal with those underlying problems?
- **Degree of uncertainty:** What is the degree of uncertainty regarding our knowledge of this issue? How confident are we that we understand the nature and the scope of the issue?

The answers to these questions can help you gauge the real importance of the issue before you.

The Neglected Art of Smart Project Planning

Some leaders routinely respond to important problems by asking team members to perform heroic feats of exhausting, frantic work. Occasionally, there's no way to avoid such drastic measures. But they can exact a high price in terms of focus and morale—particularly when they are made necessary by mismanagement or poor planning, or when they become habitual rather than rare. It's far better if you can avoid crisis mode through smart, deliberate planning.

Smart planning requires paying attention to the process rather than rushing through it. When scheduling a complex project, you should start by breaking it down into its component parts. List them in the order in which they need to be done. The parts of the project now become steps in a process that you and your colleagues will be carrying out.

You then should list the resources your team needs to perform each step. Be sure to note which resources will require help from other people or organizations. For each step, you should estimate the time required, taking into account other demands on the people involved. If several steps appear to

The collaborative process of exploring, defining, and implementing a set of ethical standards and values for Aetna eventually became codified in the 'Aetna Way.'

be especially lengthy, look for ways to streamline them.

Finally, you should define the results to be achieved in each step as clearly and specifically as possible, along with communication methods to be used to keep the whole team informed about what is happening.

PART III: LEADING AN ORGANIZATION

What Only the CEO Can Do: Creating a Positive Company Culture

When I joined Aetna, one of my most important tasks was to help reposition the company from being viewed as "one of those self-serving, greedy health insurance companies" into one that insiders and outsiders alike could regard as a progressive organization helping to lead America toward a more humane, efficient, and inclusive health-care system.

Before I joined Aetna, company leadership had tried a very different approach to employee motivation. The first line of the mission statement was something like "We will deliver a financial return of X percent to our shareholders." Of course, shareholders are important and so are financial returns. But this was the wrong message to send to employees.

Highlighting financial results in the first line of the mission statement said to everyone at Aetna, "It's all about the shareholders." It implicitly put everyone else—clients, customers, health-care providers, patients, even employees themselves—on a lower level.

The symbolism of that mission statement helps to explain the poor state of employee morale at Aetna during that period. It also explains some of the strategic mistakes the company was making at the time.

For example, when Aetna went on its acquisition binge, buying smaller insurance companies without thinking about how they would fit into the business or how they could be integrated culturally, it was being driven above all by the need to produce a high financial return for the shareholders.

I started by taking steps to figure out the underlying causes of the problem. Simply talking to as many Aetna team members as we could was part of the process. We also conducted a single annual survey that was thoughtfully designed and administered to yield meaningful results. We used employee town halls and other gatherings as venues to discuss some of the questions, complaints, and comments we encountered during the survey process.

Distilling the Aetna Way

We took our employees' concerns seriously. We started by addressing the financial and strategic issues that had led many workers to question the soundness of the company's management and the strength of its culture. On the ethical front, we responded by meeting with the people who were concerned and addressing their questions directly.

The collaborative process of exploring, defining, and implementing a set of ethical standards and values for Aetna eventually became codified in the "Aetna Way." This was a written document that spelled out the guiding principles behind our company's strategies and the decisions we made on a daily basis.

It placed customers at the center and identified four core values that we strove to embody in all our actions: integrity, quality service and value, excellence and accountability, and engaged employees.

The Aetna Way proved to be a powerful tool for leading the company toward a values-driven future.

Making Connections: Communication as a Team Sport

When you need to turn around a troubled organization or guide one through a complex change process, you need to engage the support of a critical mass of team members.

You don't necessarily need to capture the hearts and minds of 100 percent of your people, although of course you'll want to get as close to that goal as possible. But if you can

get a solid 10 percent of opinion leaders firmly in your corner, you can begin to make progress. Your first cadre of supporters will help spread your message through their daily words and actions. And over time, as signs of progress begin to appear, the remainder will gradually follow.

The first challenge for any leader in stressful times is to win over that critical 10 percent. That requires working hard to get your message clear in your mind and to communicate it as accurately and compellingly as possible. Fortunately, you shouldn't have to manage the messaging process completely on your own.

Identify a colleague or friend who can give you frank, specific, intelligent advice about how your messaging efforts are coming across. Practicing your speech in front of an advisor of this kind can help you lift your performance from the B-minus level to an A or even A-plus.

Multi-channel communication and feedback. When you have a message that everyone in your organization must understand, try to communicate it through every possible means—and keep repeating the message, even past the point when you are certain that everyone has been exposed to it.

Creating a common language. Another valuable communication skill for any organization leader is to establish shared definitions for important terms, ideas, and concepts. When these are missing, everyone in the organization is speaking a different language, with the most common result being that they start talking louder and louder—like tourists in a foreign country—trying to make themselves understood. True understanding is often a casualty.

Making human connections. You'll find you can do a much better job of motivating people if they feel they know you and sense that you truly care about them, their needs, and their concerns. One way I tried to do this at Aetna, with the help of my communications team, was through "Ask Ron," a question-and-answer column that appeared on Aetna's intranet every two to three weeks. We invited employees to send in their questions, ideas, or concerns, and for each column I would receive 20 to 25 letters on average.

Ordinary people—people like you and me—can achieve great things if they learn how to recognize and understand the barriers that limit them and then start overcoming them, deliberately, creatively, and persistently.

Your own abilities can suffice to make you an effective leader—provided you focus on the daily challenges around you and then work doggedly, thoughtfully, and positively with the people around you to overcome them.

If you do this, you'll be surprised and delighted to find that barriers you once assumed were insurmountable are beginning to fall, enabling you to achieve goals that once appeared unreachable.

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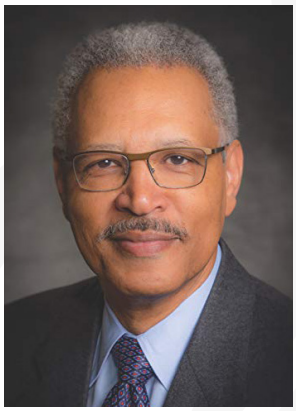

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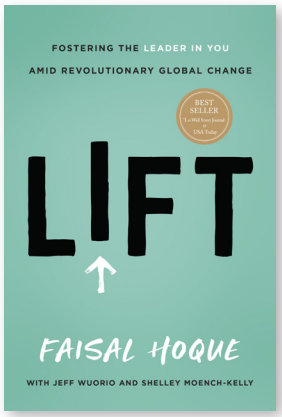

by **Faisal Hoque**

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THE SUMMARY IN BRIEF

There have been few periods in human history marked by as much transformation as this current era. From COVID-19 to the climate crisis, the Fourth Industrial Revolution to the rise of misinformation, the world is changing dramatically every day.

In ***Lift***, Faisal Hoque—thought leader, serial entrepreneur, tech innovator, advisor to CEOs and government leaders, and author—offers perspective on leadership at both the individual and organizational level. It explores the intersection of transformational leadership, systemic thinking, and experiential learning in an age of change and disruption, helping leaders of all kinds navigate these challenging waters. This book summary also explores ***Lift's*** perspectives on the importance of emotional intelligence in life and business, and how it can be developed and executed in today's world to massive benefit.

IN THIS SUMMARY, YOU WILL LEARN:

- How to master the intersection of transformational leadership, systemic thinking, and experiential learning.
- How to survive and thrive in the changes and disruptions of the Fourth Industrial Revolution.
- Why transformational leaders who focus on people and long-term solutions are the key to a prosperous future.
- How to become a transformational leader through empathy, execution, and knowledge.

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Introduction

In a world being transformed by unprecedented change, effective, meaningful leadership is becoming even more essential. Sweeping change is everywhere, much of it focused on technology. Labeled the "Fourth Industrial Revolution (4IR)," emerging technologies and their interactions with one another are upending how we work, play, educate, and govern ourselves. Artificial intelligence, augmented reality, big data, multidimensional printing, and the development of varied collaborative tools such as "cobots"-robots designed to interact physically with human beings in a collaborative environment—are just a sampling of the power and pervasiveness of technological disruption. But 4IR is not only about smart, connected machines and systems. Its scope is much wider as well.

For instance, waves of further breakthroughs are happening at the same time in areas ranging from gene sequencing to nanotechnology to quantum computing. It is the fusion of these technologies and their interactions across the physical, digital, and biological domains that is transforming how we work, play, live, and communicate.

The Fourth Industrial Revolution

The Fourth Industrial Revolution and other drivers of change have shifted the playing field as far as work is concerned. Although the COVID-19 pandemic was an absolute tragedy in most ways, it did compel people to acknowledge that 4IR has opened up work arrangements and tools that previously received little attention. Moving forward, a number of noteworthy companies and organizations have publicly committed to continue to offer a variety of work options, including full-time remote employment.

One downside to the proliferation of 4IR is a sharpened, justifiable concern over security and privacy, be it proprietary work material or medical records. As technology continues to spread and mature, it will be incumbent upon companies and organizations of all types to invest in and maintain rigorous security measures and protocols. Just as important, they also need to inform employees, customers, and others of all that they're doing to ensure that sensitive information and data remain secure. Lacking that sense of trust, many will be understandably gun-shy about using even the most advantageous and sophisticated technology—particularly so in an age where misinformation can cloud and distort well-intentioned and well-executed policies.

COVID-19

The impact of COVID-19 has highlighted the importance of one element of transformational leadership. Perhaps now more than ever, business leadership needs to emphasize empathy with clients and consumers. The pandemic has served to further consumers' growing emphasis on doing business with businesses that "do good," rather than just the least expensive choices. It's critical that businesses—through various means such as, soliciting consumer feedback on a regular basis—stay in close touch with clients' values and priorities. Price is still an issue but no longer holds the singular dominance it once commanded. To succeed and grow, businesses and organizations of all types will need to empathize with their end users to make certain that their priorities are aligned with the person making a buying or some other sort of decision.

Climate Change

Greater awareness of the impact of climate change mandates a systematic, comprehensive strategy to leverage that shift to the utmost. Here, it can be helpful to subdivide the global topic of planning and execution into two different categories. First is mitigation—those steps that can be taken to minimize and even reverse environmental damage, including retrofitting buildings to lessen environmental impact and leverage clean energy, developing more sustainable transportation, greater overall use of solar and hydroelectric power, and other actions. The second category is adaptation-policies and actions with which to adiust to the realities of climate change. These include preparing for longer and more active fire seasons, updating community disaster plans in anticipation of more severe weather, and other proactive steps that both acknowledge and prepare for climate change events. This two-pronged approach acknowledges the reality that climate change cannot be limited just to corrective action-it also underscores the fact that climate change isn't going to be solved overnight and that proactive planning is necessary to minimize existing damage as much as possible.

Misinformation

Experiential learning can prove central to better educating people of all ages about misinformation and ways to identify it. Whether within the confines of formal education or personal skill development, systemic thinking is absolutely essential to the growth of greater media literacy.

Approach misinformation and fake news with a sense of empathy toward others-not for people attempting to pull off such scams but for others who may be unwittingly taken in by misleading or potentially dangerous falsehoods. If you spot what you believe to be false news, call them out on it. Let the person posting the material know that you believe it to be false and cite your reasoning for doing so. Cite the questions and other means of investigation you used to identify the ersatz posting. Treat those who believe fake news with an understanding of how easy it can be to fall for such mischief.

Individual Opportunity— The Newly Empowered

Experiential learning and close observation are critical to pinpoint just how the individual—including you—is growing in influence and authority. While examples such as health-care portals, growing application of remote and flexible work, and other instances are perhaps the most obvious and visible, keep an eye out for more beneath-the-radar signs that many dynamics of everyday life are increasingly shifting toward the individual. For instance, does your employer seem more interested in soliciting feedback from employees and taking proactive steps to help ensure that the work environment is supportive and constructive? Did a company or organization with which you dealt-which never sent a "How did we do?" sort of email—now shoot you several? Being aware of these and other seemingly minute issues can reinforce your appreciation of your growing influence, further prompting you to act upon that leverage.

Opportunity in Business— Financial and Ethical

A primary opportunity driven by exponential change is the expansion of customer and marketplace appeal beyond issues such as price. Companies that practice an active form of empathy to maintain close contact with their customers' priorities are recognizing that factors such as social responsibility, environmental practices, employee relations, and other issues are playing a growing role in consumer decision-making. However companies maintain that contact—by way of blogs, consumer feedback opportunities, surveys, and other means-will prove essential to staying in step with the shifting values of their markets. And as change continues to take hold and evolve, technologically and otherwise, the more critical that commitment to empathy will become.

Businesses of all sorts also need to keep reminding themselves that this, for better or worse, is a brand-new world where many so-called rules and realities have yet to be firmly established. Accordingly, a mindset that emphasizes and is comfortable with experiential learning is valuable, not merely to identify new opportunities but also to start to learn what sorts of strategies and ideas will prove effective in a constantly evolving environment. The textbook of opportunity has yet to be written in full, so a focus on experiential and ongoing learning will prove critical to navigating change successfully.

Opportunity in Health Care— Shedding a "Sickcare" System

Health care needs to systemically evolve into a more closely coordinated industry in which partners of all sorts cooperate and collaborate much more than they traditionally have done. This can include everyone from the health-care industry itself to pharmaceutical manufacturers to insurance companies. Technology such as Al and other like developments will make such a confluence that much more viable to assemble, not to mention better positioned to analyze and subsequentlv apply conclusions and breakthroughs. Further, technology such as patient portals and other tools can make more complete and detailed information that much more readily available to patients.

Healthcare also needs to be empathetic to the needs and priorities of greatly empowered consumers. This dovetails with a growing emphasis on complete well-being, not necessarily just the physical. Similar to the synergy and cooperation outlined in the prior point, this will mandate closer cooperation between all sorts of health-care providers, including physicians, therapists (both physical and otherwise), and others. Technology can also help to boost the efficiency and efficacy of such cooperation, not to mention involve patients in a more ongoing, comprehensive manner.

Opportunity in the Public Sector— The Rise of the Digital Citizen

Although technology of all sorts holds extraordinary promise, the future of government lies in a decidedly less tech, more human form of operation. Whether a greater inclusion of citizens in the creation of policy or technology that affords greater human contact in government when necessary, a more empathetic approach is shifting the overall focus and activity of government to the end user-those impacted by the laws and regulations that are the purview of government. Ideally, the end result will be better-crafted laws and regulations that prioritize those they will impact.

The Overriding Essential— Emotional Intelligence

Emotional intelligence lies at the heart of effective transformational leadership. Incorporating trust, a willingness to take risks and to let others do so as well, and other traits compose a style of leadership that's in tune with the ongoing flux of today's world. Moreover, the more things change and evolve, the more the value of emotional intelligence will increase and become increasingly applicable and useful.

Empathy is a particularly important emotional component of sensitive, transformative leadership. To elicit the types of behavior and mindset that emotionally intelligent leaders value, it's essential to develop a genuine sense of connection with and understanding of others. A strong group belief in high, meaningful goals and commitment is only possible when a leader truly sees what makes others tick-and what positive actions can be taken to leverage those very personal characteristics. Emotional intelligence doesn't just benefit others. It also works to strengthen your own sense of personal worth, feeling of achievement, and growth. It only makes sense-if everyone around you feels and works better as a result of emotional intelligence qualities, why should you be the exception?

Emotional Intelligence, Systematic Execution

A transformational leader embraces experiential learning. By focusing on policies, practices, and outcomes, a transformational leader is constantly evaluating what's effective in actual practice. From there, a comfort level with adjustments allows the leader to make adjustments accordingly. A transformational leader also recognizes the novelty of many of the leadership challenges change has introduced in all areas of how we work and play. Since the playbook has yet to be written, learning as you go is the only effective way to navigate leadership challenges effectively.

Conclusion

There is no magic bullet. No single approach to making the most of the opportunity of the change we have experienced—and will continue to experience—will prove the be-all and end-all solution to the challenges that change poses for us. Rather, it will be a confluence of ideas, strategies, and actions that will prove effective in managing and making the most of sweeping change. That will involve not only constant experiential learning but also a willingness to experiment and improvise. The world that existed yesterday will be decidedly different from that of tomorrow and the day after. It will take a complete and adaptable toolkit for each of us to cope effectively with that ongoing cycle of reinvention.

But it's also an optimistic time to be alive. However grim reality can often be, mistakes, miscalculations, and even the most significant challenges are as mortal as we are. Approach them with the skills and an attitude born of opportunity and possibility, and the future can make the struggles and frustrations of the past seem like distant memories.

Faisal Hoque is an accomplished entrepreneur, senior executive, author, thought leader, public speaker, and advisor to management teams and BODs with more than 25 years of cross-industry success. He is the founder of SHADOKA, NextChapter, and other companies. They focus on enabling sustainable and transformational changes. Throughout his career, he has developed over 20 commercial business and technology platforms and has authored a number of books on leadership, innovation, mindfulness, resilience, organizational transformation, and entrepreneurship.

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Lion Taming

Steven L. Katz

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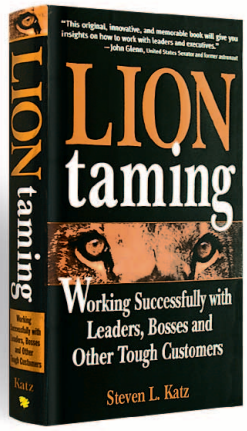

By Steven L. Katz

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Working Successfully With Leaders, Bosses and Other Tough Customers

LION TAMING

THE SUMMARY IN BRIEF

If you feel like you need a whip and a chair to work effectively with your boss, client or customers, the techniques of real lion tamers can help you achieve better results. Lions are the people in all organizations who wield power and influence, and they are roaming freely in our lives. They act differently because they think differently. But they don't have to be difficult to work with!

Lions are the people all around us with power, responsibility, authority and talent — as well as the people who may simply be preoccupied with gaining more power and authority. They can be leaders, bosses, executives, professionals, managers, owners, partners, boards of directors, elected and appointed officials, colleagues, customers, clients and employees. Lions roam freely everywhere, across all occupations and professions — throughout life. Following the lions in the workplace in order to find out how to act, and as importantly when to act, leads to a twisting trail.

According to Steven L. Katz, a right-hand executive and senior adviser to leaders and executives across the worlds of business, politics, government and nonprofit organizations, lions are never tame, and you need strategies to deal with that. Katz explains that lion taming is really lion teaming. This summary will get you inside the minds of the leaders, bosses and other tough customers in your life, and help you to communicate and work more effectively together.

What You'll Learn In This Summary

✓ **How to establish your presence, authenticity and credibility** with your boss or leader.

✓ **How to identify the lions around you**.

✓ **How to decode the lion's four senses** of dominance, territory, social standing and survival.

✓ **How to avoid being the prey, the enemy or ignored,** and become an influential member of the pride or organization.

✓ **How to establish rapport with the lion** so you can achieve things together that you never could alone.

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LION TAMING

by Steven L. Katz

— THE *COMPLETE* SUMMARY

PART ONE: LIONS ARE NEVER TAME

Lions Are Never Tame

We have all stood back from the lions in the office, the boardroom or wherever they appear on the scene. Who hasn't been afraid of getting their head bit off at work?

Many lions look to seize the advantage, even if it is by taking many small unobtrusive steps closer to power over a long period of time. They will patiently plan, wait and make their move. Lions thrive on whatever they get, whether it is information, intelligence, compensation, authority, territory, budget, head count or recognition. We need people who are good at being lions. We need them to use their persona to lead in a new direction; face challenges head on; expand the territory; and put their strength, power or position to use.

Lions at Work Are a Different Species

Of all the realities that must frame your outlook as a lion tamer in the workplace, it is that *you* are dealing with lions. As one executive who spent 25 years working his way to the top of his company observed about the company president, "*He's a different species,* and that's how I treat him."

You need to *feel* that you are a lion tamer before you walk into the equivalent of the steel-caged arena at work. As one astute lion tamer observed, "I know that I am about to enter a cage full of lions, and I think carefully about it before, during and after I go in." You need to be in possession of the self-image and strategies that put you on top of the situation as both a participant and an observer.

Lions in the wild and the workplace share four important traits:

1. **Lions need to be dominant and be secure in the feeling that they are dominant.**
2. **Lions need to control territory and know when and how to preserve, protect and expand it.**
3. **Lions need to know where they stand in the social hierarchy.**
4. **Lions are fine-tuned to any potential threat to their survival.**

Lions in the workplace are always highly aware of the people they encounter and the environment that surrounds them, and they see through any organizational framework to compete for a place in the hierarchy.

Hierarchies are particularly prominent in both the social lives of lions and the social order of the workplace, and have deep and often invisible effects on everyone. Lions often make the effort to operate beyond their existing terrain. But when they do, it is not to interact with just anyone — it is to satisfy their impulse to know where they stand as a lion. They have a need to validate themselves and others that they are lions — and this above all else is something that they must leave the isolation of their own hierarchy to achieve. They have a need for contact with each other, including the need to act aggressively with other lions. It is not just antisocial for them to do otherwise, it is "unbiological," as one scientist noted in the context of real lions. It is equally true in the workplace.

Identify the Lions Around You

No one likes to acknowledge that they may have to play lion tamer to a bigger lion, even though it could be the smartest job skill they ever master. One of the greatest challenges in the workplace is to function as a lion at your own level and as a lion tamer with the bigger lions above you.

The lion tamer is looking for the opportunity to work with the lions in ways that are proactive and productive, not reactive and perhaps disruptive. People who recognize this also know that stepping into the shoes of the lion tamer is something that they do well. ■

For additional information on familiar traits of the lions, go to: http://my.summary.com

The author: Steven L. Katz has worked for more than 20 years as a right-hand executive and senior adviser to leaders and executives in many industries and organizations. He has degrees in anthropology, history and law.

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Rules for Working a Lion Act

- ✓ Lions are a different species.
- ✓ Respect their power.
- ✓ Recognize the danger.
- ✓ Don't be thinking of anything else.
- ✓ Always maintain visual contact — keep them in front of you.
- ✓ Remain alert.
- ✓ Be determined.
- ✓ Patience is essential.
- ✓ Pay attention.

Get Inside the Lion's 'Skull'

The lions at work act differently because they think differently. In order to understand why and how to communicate and behave, "You've got to get inside the lion's skull."

You must first understand what shapes the lion's perception of the people and the world around them. Lions, including those at the office, make a simple and instinctive calculation the minute any living thing comes into view. ***You are either prey, the enemy or ignored.*** Prey they eat. The enemy they kill. Everyone else they disregard.

In order to work closely and effectively with lions, you cannot afford to be considered either prey, the enemy, or ignored. How do you deal with that? Surprisingly, it is more up to you than to the people who are the lions. You use your lion-taming skills to change your own focus from reacting as if you might be prey, the enemy or ignored. Instead, you make it your goal to communicate to the lions — by establishing rapport, trust and mutual respect — that it is to their advantage to have you working in support of their objectives. *You are aiming to be part of the lion's pride in the office.*

The Lion's Four Senses

The Lion's Four Senses are: Dominance, Territory, Social Standing and Survival. These four senses form the basis for how lions in the workplace determine where they stand and whether something is a good fit for them personally.

Applying the Lion's Four Senses is a good baseline analysis of how the lions are feeling and acting. You can use it to make your own determination as to whether they should feel confident about their degree of dominance, territory, social standing or survival — including what might need to be done to shore up support in any of the four areas.

Additionally, the Lion's Four Senses are useful to pinpoint and possibly remedy feelings of insecurity or uncertainty. If you can help someone see that their dominance, territory, social standing and survival are well established, they are likely to feel and act more confident.

Lastly, the Lion's Four Senses can be used to help the person who is the lion honestly gauge the wisdom of an idea through the way it might affect their position as a lion. While the lions may not like others telling them how to behave, they do appreciate it when people tell them that all the good things that they are doing to maintain their dominance, territory, social standing and survival might be placed at risk because of an idea or approach they are about to undertake. In many cases, this is an advantageous way of saying "no" and still have the people who are the lions respect that you are looking out for their best interests.

Instinctive Thinking

Lions in the wild and in the workplace operate by instinct. It is a unique and primal strength, both conscious and unconscious, that is shared by the lions that we encounter every day. Instinct is not so much unlearned as it is self-learned. In its most primal form, it is a highly personalized sense of knowing. It is the very core of the lion's confidence, and often is what propels them into our lives. Instinctive thinking and behavior is a dominant characteristic, significantly more pronounced and critical to their existence than in anyone else we encounter. As a result, it is worthwhile to magnify the characteristics and significance of instinct in the leaders and bosses around us, and the impact they have on everyone around them.

Every lion tamer in the office needs to be acutely aware of this. It is an important part of the lion's personal tool kit and his or her ability to simultaneously explore, learn, decide and act. Inside the lion's skull, instinct drives his or her behavior not merely to live another day but to survive and live *as a lion in lion society.*

Juggling Perspectives

In the workplace, that often means that the lions react to other lions in the same organization. The people who are lions have an *Instinctive Identity* that enables others to recognize instinctive leaders in all professions, occupations and walks of life by the way they think and act. As ***multidimensional thinkers***, lions are capable of juggling a variety of related perspectives and interrelationships among people, information and events. Be clear and organized in how you present something to them, but do not be one-dimensional. Include perspectives from others whose opinion they might respect or want to consider.

As ***adaptive learners***, they are keenly interested in how change will affect them and are often interested in how they can use change to their advantage. Always be upfront about the possibility of change, the factors that you believe are determinative, and the opportunities and advance preparation that might be required to be ready. Then be ready to help them prepare in advance so that they can both act instinctively and absorb new information while moving at the same time.

Focus on Doing

As people who are ***focused on doing***, lions are not afraid to do things — and while they have their own sense

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Get Inside the Lion's Skull

(continued from page 3)

of risk related to their status as lions, they are much more prone to and interested in learning by doing. Since they do not spend time analyzing their own learning process, it is not productive when you work with them to spend much time explaining how you are going to do something. Instead, put them into action as quickly as possible.

As people who must ***demonstrate their instinctive speed and strength upfront***, it is crucial that these lions use but do not abuse the opportunities to demonstrate their instinctive thinking and behavior publicly. The crucial point to remember is the social importance of instinctive thinking and leadership. The value of the lions that fall into this category is not simply triumph of a brilliant or intuitive mind, but the degree and manner in which others learn to look up to them. ■

The Top of the Food Chain

Instinctive thinking is one of the most distinct and important "species characteristics" of the lions. As one lion tamer observed, "The whole art and science of lion taming revolves around species characteristics."

The primacy of the lion's instinctive abilities poses an important irony that explains why the lions in the workplace need good lion tamers around them. The lions establish their territory, but it is your job to create the environment for them to be effective, feel safe and perform well. That includes scanning and interpreting the world around the lion.

Strengths and Weaknesses

There are always certain non-negotiable realities that you have to be prepared to accept and deal with, including:

- ***Individual instinctive strengths can sometimes be weaknesses.*** Instinctive thinkers can pull information from many sources and directions all at once. However, some people are capable of pulling the information without having the ability to organize it. Just as in real lion taming, the lions in the workplace need others around them who know their strengths and weaknesses, help them prepare in advance, and focus their energies so they can leap through hoops of fire without any visible assistance.
- ***Instinctive leadership that is effective in crisis may breed a climate of crisis.*** Some lions are good leaders in a crisis. But no viable organization or situation can remain stable and successful in a constant state of crisis.
- ***The same instincts and intuition, even genius, that gave rise to a great idea can limit its viability and success.*** The inherently personal nature of being a lion in the workplace can lead people in positions high up in the food chain to forget that there is always a supporting structure, framework or organization that also defines their dominance as the lion.

While life at the top of the food chain represents significant challenges and non-negotiable realities in the instinctive behavior of lions, as a lion tamer you have to be aware of the entire range of behavior and how to deal with it. The lion establishes his or her territory, but the lion tamer, as the person who is responsible for creating the right environment for the lion to operate in, must maximize the display of the lion's strengths, while managing the risks associated with the lion's possible weaknesses. ■

Bring Out the Lion Tamer in You

Kevin Patton trained lions and then acquired his own formal graduate education in biology. Here he describes the ways in which working with lions and people in the workplace are parallel experiences: "Choose your battles. Know the difference between when it is vital to have the lion's attention and when it is just convenient. If you see every situation as vital, all your energy will be spent on 'attention getting' and both the lion tamer and the lion will burn out quickly. Lions are not going to simply be soldiers on parade for you. Work on the steps essential to achieving goals and leaping through the true hoops of fire in the arena!"

Communicating and Working More Effectively

Stepping into the lion tamer's shoes is the part of everyone's job related to communicating and working more effectively with people who have more power. Being a lion tamer means:

- **Strengthening your own self-perception and self-image.**
- **Adding a dimension to how you think about yourself in the job you were hired to perform.**
- **Playing a proactive, observant and strategic role instead of having to feel that you are in a subordinate or weaker position.**

The signs that you are bringing out the lion tamer in yourself include:

- **Recognizing who the lions are and what they want to be the lions of.**
- **Trusting your own intuition and instincts while verifying what others see and experience in similar situations.**
- **Feeling and operating less defensively and more proactively with the lions.**
- **Observing more and reacting less.**
- **Establishing your own presence, reputation and authenticity.**
- **Deciding who you want to work with or for, and why.** ■

For additional information on "he never saw it coming," go to: http://my.summary.com

PART TWO: THE ART OF LION TAMING

The Art of Lion Taming

Contrary to popular ideas and circus posters, the art of lion taming is *not* about driving lions into a snarling frenzy, winning a battle of "man over beast" or sticking your head into the lion's mouth! Lion tamers use brains not brawn. Thinking that you can muscle your boss is a bad idea. Even if you have the ability to escape from the ring unscathed, you still do not have the option of sending the lions at work back to their cages after their act. They are roaming free, and the things that they can do and say will have an impact on you and everyone around you for a long time to come.

At the core of every lion tamer is an acute awareness founded on his or her respect and understanding of the lion. Lion tamers must think on their feet before, during and after they have gone into the ring with the lions. To do so, they must succinctly capture in their own minds the information that is most real and most important.

Just "standing up" to a lion can be suicidal. Only the lion tamer who understands how and where to stand his or her ground while shielding his or her personal fears can take the next steps. These steps are establishing their presence and reputation in the eyes of the lion, and building rapport, trust and mutual respect in order to work together.

Adjusting to a Dynamic Environment

One of the characteristics of a good lion tamer, both in the center ring and in the office, is the ability to accept that the environment is complex and dynamic. It means actively sensing and sorting out what is unfolding around you and why. Some of what you observe is about you, but much is also revealed about the nature of others.

Success does not come from the equivalent of just posing with the lion. As Alfred Court, the revered French lion tamer and animal trainer, wrote: "When does the lion tamer think most productively? When the muscles are warmed up ... the body steams with sweat ... the mind is busy ... a new idea emerges!"

Lion tamers recognize the need to create an opportunity for the lion and the lion tamer to adjust to each other. It is a core requirement in approaching the lion with the aim of having the lion approach you. Lion tamers have an adjustment agenda that precedes, helps establish and serves as a foundation for working toward rapport, trust and mutual respect.

Here are the corporate lion tamer's rules for building trust:

- **Don't bring anything to the table until you totally understand the lion.**
- **Work to create a first impression by getting to know the lion first. If you lose the first impression, it's over.**
- **Find out what makes them tick and what is important to them. Are they trying to accomplish something specific? Help them.**
- **Don't throw yourself at anyone.**

In order for the lions to approach, you must give them the ability and opportunity to AIM directly at you: *Attention*, *Interest* and *Motivation*. ■

Courage, the Whip, And the Chair

Clyde Beatty, the legendary American lion tamer of the big top and the big screen, created the fighting lion-tamer image in popular culture that has lasted across many generations. Standing poised and seemingly fearless in a steel-caged ring full of roaring and ferocious lions, he was protected by nothing more than a whip and a wooden chair.

You cannot afford to reveal either courage or fear in a dramatic sense to the lion, because as one observer stated philosophically, "Courage that is self-conscious betrays great fear." Indeed, in the workplace, the lions may interpret a display of courage as a direct challenge or competition and prey on your fear as a weakness. You will succeed in getting the lion's attention, but not in a way that is useful to anyone. The secret is found in the heart of every successful lion tamer: ***It is the courage not to show fear.***

In lion taming, you need to be more in control of yourself than ever. A truly courageous lion tamer is extremely aware and cautious. When lion tamers list the attributes they consider essential, courage and bravery may be implicitly essential, but *patience* is at the top of the list, and *overconfidence* always ranks at the very bottom.

The Invisible Whip and Chair

Whether you're in a steel-caged arena or the boss' office, you may be telegraphing your deepest feelings in the silent language of your facial expressions and your stance. You will communicate through your words, cues and footwork. Your courage and strength will reflect your mental focus, physical stamina and nerve. Ideally, everything culminates in an arc of understanding and communication that flows between the lion tamer and the lion. In all kinds of lion taming, you need to become aware and in control of yourself and these movements.

The invisible whip and chair can be words and ideas that move someone in a particular direction. You can use them how lion tamers use them — to break the lion's concentration, switch the subject or get things back on track.

Your goal in using courage, the whip and the chair as a lion tamer is not to control the lion, but to move and work in unison together. When it is the lion's turn to perform, it is the lion tamer's job to stand back and let the lion do it! ■

The Lion's Pedestal

How is it possible to meet the lion's need for dominance without giving in entirely to its will? The answer is to *put the lion on a pedestal*. Lion tamers don't do this simply for the dramatic effect or to help the audience see the act better (although it helps). The lion tamers guide the lions to a place where they will feel dominant and secure in the feeling that they are dominant. The lion tamer uses his or her knowledge of the lion's primal needs to establish a safe and secure ground so that the lion has his or her own space from which to begin communicating and working together. That's the real goal.

As one lion tamer explained: "To the cat, his seat is a security position. Other cats won't bother him there — he can't get in trouble for being there. The lion is rarely disciplined there unless he has just returned from a fight and is told that he is being bad."

Attention Getting and Attention Using

The lion's pedestal is the secret to minimizing attention getting while successfully maximizing attention using. Until the lion tamer gets the lion's attention, he or she cannot use it. That is why one of the most valuable secrets of lion tamers is, "If you don't get them to sit, you've got nothing!"

Natural lion's pedestals often exist in formal meeting rooms, such as executive conference rooms. However, it is important to remember that such settings can also change the dynamic of the way you are with each other from a private, one-on-one discussion to a public setting. In private, you can often confront and challenge the lion's views in a more open discussion, but in public the same discussion will be seen as competing with the lion or challenging the lion.

To get the attention of the lion, remember this: When it appears that you may be infringing on the lion's space and you have engaged the lion sufficiently, make sure that you are backing up at the same time to achieve the distance needed to remove the lion's motivation for attacking you. Remember that the motivation is not anything you said; it is the simple fact that you are in the lion's space. In fact, you will probably have to repeat what you said once both you and the lion adjust the space between you. ■

Sticking Your Head in the Lion's Mouth

Despite the popularity and danger of the trick, not all lion tamers believe that sticking your head in the lion's mouth is a feat worth attempting. In fact, some object strongly. Their reluctance provides several valuable lessons for the workplace.

Clyde Beatty addressed the subject as "The Head-in-the-Lion's-Mouth Trick — How It's Done and Why It Shouldn't Be." He may have saved many a future lion tamer the need to discover the apparent truths about "lion's breath." He believed strongly that nothing is so important — not even getting a roar from the audience — that you should put yourself in a totally defenseless position. For Gunther Gebel-Williams, the choice was simple, "I do not do anything ridiculous to show off, such as putting my head into a tiger's or lion's mouth."

There is always a triangle of perception between the lion, the lion tamer and the audience (not to mention the other lions). In the workplace, the triangle exists between employees, managers and executives. In the office, everyone observes the interactions of others, hearing about events they did not actually see, casting judgment, reaching conclusions and acting accordingly. They decide who is strong and who is weak, who is smart, who is a leader and who is dangerous.

The bottom line is that in business, the leaders, bosses and other tough customers are an investment. If you do anything to diminish their value, you will pay for the loss as much as they will, perhaps more.

The list of possible ways that people stick their heads in the lion's mouth at work reads like a coroner's statement of the hasty lion tamer's "cause of death." Whether it is a leader, boss or other tough customer, any of the following is the equivalent of sticking your head in the lion's mouth:

- **Bruising their ego.**
- **Challenging them gratuitously.**
- **Pushing them to do something they fear.**
- **Talking behind their back.**
- **Wasting their time.**

Executives interacting with one another often stick their heads in the lion's mouth. Their biggest weakness is failing to sense — instinctively, intuitively or just reading the sign on the door — when to assume the role of the lion tamer instead of the lion. ■

For additional information on the big fangs,
go to: http://my.summary.com

Lion Taming in Action

These basic laws of lion taming also apply in the workplace:

- **Maintain visual contact at all times.**
- **Keep a positive attitude and a firm, upbeat tone of voice.**
- **Stand back and give the lion room.**
- **Let the lion roar — after all, he's a lion.**
- **Respect the lion.**

When lions are ready to leap through a hoop of fire, your

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Lion Taming in Action

(continued from page 6)

job is to stand back — sometimes even very far back.

In lion taming, the painstaking work and patience that go into establishing the trust, respect, rapport and understanding between the lion tamer and the lion will determine the result. In this case, it proves particularly important to work with the lion to build and maintain his or her trust, set and meet expectations, and ensure that the lion does not feel threatened, and that you don't cause him or her to flee, bluster or attack.

In the end, the lion jumps through the hoop of fire on his or her own initiative. Lions in the office want to jump through hoops of fire, they just don't want it to appear that someone made them do it! ■

PART THREE: LION TAMING IS REALLY LION TEAMING

Lion Taming Is Really Lion Teaming

Lion taming is really lion teaming! This is the basis for the one-to-one relationship between the lion tamer and each of the lions. At the same time, it is the concept that connects the lions and everyone that surrounds them in the larger environment. While taking quite seriously the matter of establishing his or her own presence, credibility and reputation with the lions, the lion tamer works hard with a positive attitude to foster rapport, trust and mutual respect. Behind every performance are hours of long training and a sorting of roles between the lion tamer and the lion, and also others around them. It is the building of the lion team.

Hoops of Fire

The purpose of any team is to work toward a set of goals — hoops of fire, you might say. Executives, bosses, clients and customers need to jump through hoops of fire. These are not only identifiable goals, but are often the very reasons that bring people in contact with the lions that they work with every day. Four kinds of hoops of fire — leadership, management, communications and relationships — are good examples. Other hoops of fire may also be related to short-term decision making, direction setting, policy-making, resource allocation or delegation of authority — the hoops of fire that are always visible when you think of the reasons why you are walking into the boss' office.

Despite the appearance of strength and self-sufficiency, lions in the office can and will work with others to see goals, develop the process for reaching the goals, and execute individually and as part of a team. However, never forget that they are still lions.

Lions are hardwired to be dominant, but they are also hardwired as "pride" animals. Lions in the wild and in the workplace are social animals, and to survive as lions, they must operate in two parallel worlds — the hierarchy and the pride or group. Social dominance is meaningless without social context. These worlds are not merely complementary; they are necessary to the lion's survival.

The lion cannot easily camouflage himself. The lavish mantle around his neck and shoulders that shields him against slashing claws and ripping teeth is also a walking advertisement of dominance, strength and virility. When the large males are around, every other inhabitant of the animal kingdom knows it. "Male lions on the hunt look like large haystacks moving through the grass," a naturalist observed.

It is no different in the office, where the boss cannot begin showing up to every meeting. Imagine the chaos this would cause. Tension. Distraction. Stress. Uncertainty. All these limitations of power are the immutable laws of the corporate jungle. If the boss' presence does become too pervasive, nothing would ever get done.

Freedom and Responsibility

You can live and operate in the lion's world, but the lion usually cannot operate in yours. This inherent limitation of movement and relationships creates a need, a role, and responsibilities for others who can move more freely.

A very important role for others exists as part of the lion's team through their ability to operate in the world that the lions cannot easily roam. Because the presence of leaders and bosses can sometimes have unintended consequences, part of your job as a lion tamer is to determine how to help present and portray their presence in the office so that it is productive.

It is the lion's responsibility to see that the lion tamer is respected for his or her unique role. Together they must ensure that the role is viewed as authentic. ■

Bring Out the Lion *Teamer* In You!

When you work with lions, there is no parity, no equality — only rank. Teamwork may sound ironic in the context of leaders, bosses and other tough customers, but it leads to more effective roles and relationships because it complements their natural thinking and behavior in ways that managing your boss or "managing up" does not.

The secret is to recognize the complementary yet distinctively different worlds of the hierarchy and the pride that lions must live in simultaneously. If a lion perceives you as competing with them to operate in the hierarchy of lions, he will resist you and may try to eliminate you altogether. You may be the most capable, expert person to

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Bring Out the Lion *Teamer* in You!

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do what they need done, but if they view you or your approach as furthering your own importance, not theirs, you'll be up to your neck in teeth!

However, by approaching the lions in the workplace with an attitude of teaming, where the issue of status and roles is undisputed and the focus is on what needs to be done, you can be most helpful, influential and effective.

The lions must always know where you stand in relation to them, that your intentions are consistent with their business objectives, and that they can achieve something by working together that they could not achieve alone.

Contrast and Context

People are surprised at the enormous difference in size between the lion tamers and the lions — surprised in a way that confirms their anxiety on the other side of the steel bars. The same ingredients are needed in the workplace. Lions need other people to provide the contrast and context to reflect the lion's role and actions. Here are three lessons about power and contrast, which show invaluable roles you must play and why lions in the workplace cannot do it alone:

- **Power needs contrast and context:** to shape and present the lion's power — helping even the lion to recognize his or her own power.
- **Power needs communicators:** conduits for inbound and outbound information to organize, describe, condition and project — but not necessarily to speak for them.
- **Power needs other people who have more freedom of movement** because they are less conspicuous than "the boss." These people can represent them, be participant-observers inside and outside the organization, be diplomats ... and bring others closer to them. ■

Perform in the Center Ring

For many, the idea of working with lions arouses a sense of danger and doom. However, others repeatedly demonstrate in both real and corporate lion taming that the ability to spark a positive chemistry has a contagious effect on others around you. Try these techniques:

- **Acknowledge that you have a preference and an ability to work with the lions around you.**
- **Treat your instincts as if they matter.**
- **Recognize that these capabilities genuinely reflect your style of effectiveness.**

You will find that you implicitly communicate this to the people who are the lions. In fact, lions look for and recognize these qualities in the people they work with. It is part of what brings you together as a team in the first place, and is an essential part of the chemistry that enables you to work together successfully.

If you need to stand up to the lion, you need to do it in the right way and at the right time. Here are the strengths and strategies that the lion in the workplace will recognize and respect in this situation:

1. The *authenticity* of your reaction.
2. The lion's *realization* that his or her own actions might jeopardize a valuable and beneficial relationship upon which he or she relies.
3. The lion's perception that you have a capability — including knowledge or relationships — that he or she cannot pinpoint and does not wish to trigger.

The strength of your reaction alone will not suffice. It is the authenticity, timing, speed and proper context that give the lion in the office pause. ■

Build the Lion Team

One lion tamer learned his job by standing behind a more experienced lion tamer and holding on to his belt, following and learning every move, word and gesture. However, before he took on the challenge of entering the ring alone with the lions, he wanted to make sure he had prepared in his own mind:

"On my first solo in the arena, I used only props, no animals, going through the cues repeatedly, practicing footwork, bodily movements, verbal commands and cracks of the whip. While I must have looked rather silly, gyrating and talking to the animals that weren't there, it was worthwhile, for soon I had all the details of the act in mind, ready to carry them out reflexively."

Visualize Lion Teaming

The tool you need to work smarter and more strategically in collaborative relationships with others around you is *visualization — the hybrid of imagination and the way things really are.*

The first step in lion teaming isn't creating the team; it's seeing it. No matter where you work, there are almost always existing relationships, dynamics and perceptions that are embedded in a broader and deeper culture. Imagine yourself moving between pedestals and unlit hoops of fire.

Lions will accept you as a lion tamer if you do three things:

- **Help them succeed in new ways.**
- **Tacitly acknowledge that you can help them in ways they cannot accomplish alone.**
- **Don't be afraid to say no, alert them to consequences and keep them out of trouble.**

Realize that a genuine roar or a snarl may mean you have engaged their interest and involvement as much as if they were smiling. As one corporate lion tamer commented, "I didn't realize I was a lion tamer until I said no to the lion!" ■

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Loyalty Rules!

Frederick F. Reichheld

SOUNDVIEW Executive Book Summaries®

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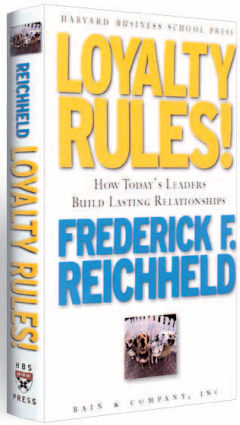

By Frederick F. Reichheld

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How Today's Leaders Build Lasting Relationships

LOYALTY RULES!

THE SUMMARY IN BRIEF

Loyalty, the key to success in today's economy? Be serious! What relevance could such a quaint, old-fashioned notion hold for a world in which customers defect at the click of a mouse and impersonal shopping bots scour databases for even better deals? What good is a small-town virtue amid the faceless anonymity of the Internet's global marketplace? Loyalty must be on the fast track toward extinction, right?

Wrong.

Far from being dead, loyalty is at the heart of every company that boasts high productivity, solid profits and sustained growth. For example, Harley Davidson recovered from near bankruptcy by building loyal relationships with all stakeholders. And Southwest Airlines, which has never had a layoff, is the only consistently profitable major airline in the United States every year since 1973.

According to author Frederick F. Reichheld — who wrote the bestseller *The Loyalty Effect* — the acid test of leadership is the ability to build strong bonds of loyalty in an age when leaders too often confuse profits with purpose, taking the low road to short-term gains at the expense of employees, customers and ultimately, investors.

This summary will show you how to become a loyalty leader — a leader who can transform customer, employee and investor loyalty into a sustainable economic advantage for his or her company. The key is a commitment to what Reichheld calls the six principles of loyalty:

1. **Play to win/win.**
2. **Be picky.**
3. **Keep it simple.**
4. **Reward the right results.**
5. **Listen hard, talk straight.**
6. **Preach what you practice.**

The following pages explore in detail each of these six principles, thus creating a step-by-step handbook on building profit-making loyalty in any company.

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Leadership Integrity Key to Employee, Customer Loyalty

We may be in the e-commerce age, but customer loyalty matters more than ever. With the high cost of acquiring customers on the Internet, e-commerce companies can't afford to lose them. Without the glue of loyalty, even the best designed e-business model will collapse.

It's the same for employee and supplier loyalty. Companies can't afford high turnover rates. Customer loyalty hinges, as it always has, on committed teams of high-caliber employees and suppliers, which in turn require a core of owners committed to building an enduringly successful enterprise.

The challenge of building loyalty has become the acid test of leadership.

The challenge of building loyalty has become the acid test of leadership. It's the test most leaders are flunking. Yet the long-term rewards of loyalty ultimately outstrip even the most spectacular short-term profits.

The Six Loyalty Principles

Benchmark scores from top companies reveal that the center of gravity for business loyalty is the *personal integrity* of the senior leadership team and its ability to put its principles into practice. Timeless principles of integrity, such as truth, fairness and responsibility, create the gravitational core for organizational loyalty.

Specifically, loyalty leaders such as Rich Teerlink of Harley Davidson and Michael Dell of Dell Computer share an unbending commitment to six loyalty principles:

1. Play to win/win. Profit at the expense of partners is a shortcut to a dead end.

2. Be picky. Membership is a privilege.

3. Keep it simple. Complexity is the enemy of speed and responsiveness.

4. Reward the right results. Worthy partners deserve worthy goals.

5. Listen hard, talk straight. Long-term relationships require honest, two-way communications and learning.

6. Preach what you practice. Actions often speak louder than words, but together they are unbeatable.

The Loyalty Acid Test

You must measure loyalty as carefully as you measure profits. Satisfaction metrics are a good start, but you can't stop there. Better than satisfaction scores are customer and employee retention rates — real behaviors with real consequences. But even retention rates don't tell the whole story. To get the whole story, you can use the Loyalty Acid Test Survey, which is a relationship report card specifically designed to help leaders evaluate and strengthen key relationships.

The Loyalty Acid Test is designed to prioritize your challenges and create an effective game plan for maximizing the loyalty of your business partners. Visit www.loyaltyrules.com for more information.

The Enterprise Rent-a-Car Story

Loyalty leaders have built loyalty through their personal integrity, superior business strategies and masterful implementation of the six principles of loyalty. Andy Taylor of Enterprise Rent-A-Car is one example.

When Taylor took over the company his father had started 16 years earlier, he had no idea he was on a road that would lead to the top of the car rental industry. It is his father's philosophy that guides him: "Put customers first and employees second, and the rest will take care of itself." Through this formula of service to others, Taylor has built the most loyal group of employees and customers in the industry and turned the car rental industry on its ear. Today, Enterprise is the largest car rental company in North America.

How did it achieve this position? First, by providing

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The author: Frederick F. Reichheld is a Director Emeritus of Bain & Company and author of the seminal book, *The Loyalty Effect.*

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Leadership Integrity Key to Employee, Customer Loyalty

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prices 20 percent below the norm, giving door-to-door service, and paying managers far more than the competition. Somehow, profits have taken care of themselves.

A decentralized organization also helped. About 90 percent of the U.S. population lives within 15 miles of an Enterprise branch. These branches provide small, stable teams who are responsive, flexible and accountable. Each branch has free reign to make decisions affecting their customers. Though company owned, each unit is a separate profit center, structured to operate as an independent entrepreneurial business.

Enterprise's compensation structure shows that the company focuses on employee loyalty as well as customer loyalty. Pay starts at $25,000 to $30,000, but can reach $200,000 within ten years of college graduation. The company has no limit on the number of managers who can earn top salaries, and officers in the company receive a base salary of about $35,000 and a portion of the profits earned by all the branches in his or her territory. The end result is a talented group of employees and satisfied customers. ■

Principle 1: Play to Win/Win

Loyalty isn't about frequent-flier miles. It is about earning people's enthusiastic commitment to a relationship that will improve their lives over the long term. When partners trust that you have the capability and commitment to help build their success, they will commit to doing the same for you, and profits will soar. But they must see more than good intentions; they must see a rational strategy for creating superior economics.

Every loyalty leader you will be introduced to in this summary understands that basic premise, and has built structural economic advantages through focused competitive strategies grounded in a thorough understanding of industry economics, customer segmentation and competitor capabilities. They have extended their advantage by ensuring that all partners understand the strategy and their role in making it happen. When partners are convinced that the strategy can create superior value to the ultimate customer, and trust that the leaders will follow high-road principles and work hard to assure each partner succeeds and is rewarded fairly, then they can concentrate their full energies on the most essential goal — delivering customer value.

More Than Profits

An unrelenting focus on customer value provides both economic and ethical superiority. This focus creates a win/win strategy in which the entire chain of relationships with employees, dealers, vendors and investors creates superior value for the ultimate customer. Only the continuous creation of customer value can fund the aspirations of a worthy organization and its network of partners.

If you want to deliver superior customer value, you must refuse to be satisfied. Only by helping partners

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State Farm Insurance

Few companies have logged as many miles on the high road as has State Farm Insurance. North America's leader in personal property and casualty insurance has been committed to building trustworthy, enduring relationships with its customers and agents since 1922. State Farm understands that maintaining its relationships isn't always easy, especially when technology and the marketplace create new competitive pressures. For example, in 1996 the company saw a pressing need to alter the basic contract it had with its agents.

State Farm saw that it had to reduce costs and improve customer service to compete with new Internet insurance companies. It needed to begin 24-hour call centers and create an Internet presence at a time when it was becoming harder to make money in the insurance business due to escalating repair costs, legal expense, and the cost of technology improvements. In light of these marketplace realities, the company concluded its existing commission structure was rewarding agents too richly for providing merely adequate customer service.

State Farm's leadership team understands that no partner is entitled to prosper unless he or she is constantly contributing to better levels of value for customers. A leader must never let its partners forget this basic fact because no partner — agent, supplier, employee or investor — is entitled to win individually if the entire network can't deliver superior results to the customer. State Farm used a win/win strategy to make the change.

Unlike some other insurers, State Farm didn't adopt a strategy of setting up alternative channels, including the Internet, to compete with its agents. Instead, it integrated new technology into the old system. Customers who call their State Farm agent after hours are automatically routed to a regional call center. Processing once done by agents has been centralized and automated. Agents were involved directly in the development of the improvements. Slowly, agents have voluntarily accepted the new contracts after seeing that those who deliver excellent service to customers will continue to reap benefits.

Principle 1: Play to Win/Win

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reach for the stars — by targeting customer value that is better than the best — can a leader ensure that the organization will stay on the high road to success.

As an aspiring loyalty leader, you must work hard on the continuous improvement of cost and quality in your organization. But even the achievement of Six Sigma standards of excellence does not allow you to ease up on the throttle. To ensure that your organization continues to set the standards of excellence, you must focus on the basics of cost, quality and timeliness and on discovering new levels of excellence.

Play Where You Can Win

Committing to a win/win strategy cranks up the pressure to create truly superior economic opportunity for your organization and your partners. You cannot afford to waste time and energy with businesses and customers with which you don't have a legitimate opportunity to be the very best. You must have the discipline to play only where you can win. Here's how:

You must have the discipline to play only where you can win.

- **Get rid of distractions.** Don't struggle to improve business lines that cannot realistically be expected to deliver the best customer value and that have little strategic importance to the core of the company.
- **Beware of the Rotting Core.** In your attempt to pare away distractions, remember that they don't always come from new ventures. Sometimes, the distraction you need to excise is what was once the core business.
- **Be Wary of Wall Street Wisdom.** Some of the most lethal distractions that suck leadership time and energy away from core priorities are provided by the constant flow of advice from Wall Street. Investors have a legitimate demand for outstanding financial results, but leaders who bow to investor advice on how to achieve them and allow themselves to be distracted from their tried-and-true strategy do so at their own risk.
- **Grow From Positions of Strength.** Your company must maintain a winning level of growth to attract and retain outstanding partners. The source of growth preferred by loyalty leaders is from deepening relationships with existing customers and from developing concentrated positions of strength rather than from spreading resources too thinly.

A second way to growth is to acquire additional customers that belong to the same segment as the firm's existing book of business. ■

How Dell Got Rid Of A Distraction

In 1994, Dell Computers was selling computers directly to customers as it had since the beginning, but had also established relationships with giant retailers like Circuit City and CompUSA. But after four years of effort, the Dell team couldn't find a way to make sales through retailers profitable. Worse, surveys showed that customers who bought Dell computers through retailers weren't as satisfied as those who bought direct. Not only weren't any profits being generated through the retailers, but the retail sales were actually harming the Dell brand. The answer was to concentrate on the original direct sales model and exit the retailer channel.

Principle 2: Be Picky, Membership Is a Privilege

Nothing speaks more clearly about your values and principles than your choice of associates and who you promote to positions of authority. When it comes to running a business worthy of loyalty, not all employees, customers, suppliers and vendors are equally worthy of membership on your team. Loyalty leaders will be the first to admit that they discriminate — not on the basis of race, religion or gender, but on the basis of character, capability and performance. They know it would be unfair and absurd to treat unprofitable customers the same as a highly profitable and loyal ones.

Loyalty leaders are especially concerned about who is invited to join the team. With so many hours devoted to the workplace today, success and happiness can result only when these hours are shared by people with the capacity to create financial results and the character to treat each other right in the process.

Picking Your Employees

Loyalty leaders list employee recruiting and selection among their most vital functions. They know that their employees are ambassadors to the outside world. Employee behaviors and attitudes communicate most directly to customers and suppliers just what the company stands for.

A high degree of initial selectivity lets leaders invest aggressively in each person's success. They can stick with employees much longer than less selective organizations can. Turnover rates will be minimal in companies that get the selection process right.

An example of the benefits of careful employee selec-

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Principle 2: Be Picky, Membership Is A Privilege

(continued from page 4)

tion is the success of Chick-Fil-A, the loyalty leader in quick-service restaurants.

Much of Chick-Fil-A's success results from the company's ability to be pickier than the competition, especially for the store operator position. Candidates for this position include graduates of West Point and Annapolis as well as management alumni from talent troves such as Accenture — credentials unheard of elsewhere in the fast-food industry.

The company can attract and retain outstanding talent because it offers a uniquely attractive entrepreneurial opportunity to earn as much as $200,000 to $300,000 with no more equity investment than an up-front $5,000 franchise fee. Its superior operating pool then allows the company to attract a higher-quality part-time workforce. The company targets high end high school students, and offers them scholarships as well as excellent training.

Don't delegate employee selection more than absolutely necessary. Loyalty leaders are involved in this crucial aspect of leadership. For example, at Home Depot, which hires 75,000 workers every year, some delegation had to take place. But leaders worked hard to assure that prospective employees are carefully screened for values and cultural compatibility. Every store has a computer kiosk that includes a screening test for core values important for success as a Home Depot employee.

Be picky about employees' initial experience. The first 40 hours of on-the-job experience make an indelible cultural imprint on employees. It frames their understanding of the company and its business. For this reason, loyalty leaders devote enormous attention to those hours. Most senior executives in high-loyalty firms find the time to get involved personally in employee orientation and training.

Be picky about who stays and who is promoted. When you hire carefully and then invest heavily in your recruits' development and initial career experiences, you can reasonably demand superior performance. Set "stretch goals." Many loyalty leaders have raised performance standards and created up-or-out career paths that make it difficult for executives to coast or become complacent. High-performance cultures cannot tolerate mediocrity.

Select Your Customers With Care

Being picky about customers may be a foreign concept for many companies, but it shouldn't be. Loyalty leaders are very picky about targeting only the right customers – those for whom their firms have been engineered to deliver truly special value. If you want to maximize sustainable growth and profits, focus on the right customers. Every customer acquisition involves an up-front investment that will be paid back only if the customer's loyalty is earned. Attracting the wrong customer will result in costly churn, diminished reputation and unhappy employees.

Pick customers carefully for faster growth. Ironically, by focusing on selectivity and discrimination rather than on unbridled customer acquisition, high-loyalty firms are growing into market leaders. Consider the example of The Vanguard Group, which is on track to become the largest mutual fund family in the world. The company wants loyal, long-term investors and scrutinized redemptions to assure that it is attracting those who aren't inclined to short-term investments.

Pick the right customers to reduce costs. For example, Dell Computer focuses on repeat customers rather than new computer users, because experienced users don't drain support and service assets the way new computer owners do. Dell narrowed its customer segment by focusing on the Internet as its primary consumer channel. Since only customers who already had a computer could get online, they were most likely experienced users and the least expensive to service.

Don't lure butterflies, collect barnacles. Unless you're managing customer acquisitions carefully, you're probably letting the wrong ones in the door. Marketing and sales departments often invest in lures to catch butterflies when they should be searching for barnacles. Consider the menagerie of prospective customers in your industry. Then consider who is the ideal match for the superior, long-term value your company can deliver. These are the customers who are likely to stick around for a lifetime if they are treated right. These are the barnacles. The butterflies tend to flit to today's sweetest deal.

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MBNA Attracts Barnacles

MBNA, a leader in the credit card industry, makes every effort to avoid butterflies and concentrate on barnacles. Knowing that mass credit card mailings tend to attract people who need credit now and who are least likely to pay their bills, the company's campaigns focus instead on affiliate marketing. They attract members of clubs and organizations, college alumni, and even fans of sports teams, who want an MBNA account because of the affiliation, not because they have an immediate need for credit. MBNA then carefully measures retention statistics for each solicitation to see how effective it was. Despite its rapid growth, MBNA has its loan losses well below the industry average.

Principle 2: Be Picky, Membership Is A Privilege

(continued from page 5)

Incentives aimed at attracting high volumes of new customers, such as price breaks and advertising campaigns that stress the latest fad, are sure to yield an inflow of butterflies. Unfortunately, butterflies aren't very loyal, and their lifetime value is likely to be the lowest, and may even be negative!

Don't reward volume alone. Don't reward an employee for mere volumes of new customers. Loyalty leaders create incentives for growth in profits and cash generation, not for new account volume. ■

Principle 3: Keep It Simple

Complexity is the enemy of speed and flexibility. Like it or not, the world today runs at Internet speed. Companies must have the capacity for rapid learning and rapid response. The link between loyalty and your capacity for speed and adaptability may not be apparent to everyone in your organization. You must convince them that the past will never be as good as the future. Great leaders know that the best business is so reliable and so adaptable that it does the best possible job in the fastest and simplest way. So to be an effective leader, you must resist the world's inevitable drift towards complexity by simplifying your organization.

Simple rules are golden. Almost nothing reduces complexity and slows organizational progress as severely as uncertainty and confusion about core values and operating principles. Loyalty to a clear and simple set of principles is the basis for flexibility and speed.

Treat them right. Some years ago, a father tried to purchase life insurance on his infant daughter. The company's agent submitted the application with the premium, but the baby's doctor was slow to send the necessary medical records. Finally, after weeks of prodding for the records, the company decided not to issue the policy, and called the father to explain. He told them it was too late, since his daughter had died from sudden infant death syndrome that morning. The insurer decided that if the medical records would have allowed the policy to issue, it would do so. When the records revealed a healthy baby, the policy was issued, and the policy paid. It was the right thing to do, and one of the reasons the insurer is a leader.

Keep score keeping stable and simple. If you want your partners to act according to simple rules, you must help them track their progress. Keeping score is one of a leader's most powerful tools for clarifying the rules and focusing the energies of his or her people. Avoid changing the rules. For example, Chick-Fil-A has kept the same simple pay formula since 1967. Operators earn a base salary, which is updated to account for inflation, and 50 percent of the store's net profits. Even though that means there are operators earning substantial sums, the result is operators who dig in and make their stores highly profitable.

Simplify with small, flexible teams. Loyalty comes naturally in a small town. People know each other and treat one another as neighbors might. Companies should think small if they want to recreate the small town feeling. Create small teams that work together to solve problems. Unfortunately, many growing companies let teams grow out of control rather than develop more small teams.

Teams of ten or fewer are the most effective. Don't be tempted to increase the span of control for supervisors. The cost of supervision may fall, but overall productivity will too.

Simplify by outsourcing. Outsource all functions for which you cannot deliver uniquely outstanding customer value to partners who can. Perhaps the best example of this principle at work is Dell Computers. Dell's partner relationships with the best component suppliers saved the firm from having to pour precious capital and management resources into areas where Dell couldn't create an outstanding customer value. The company also

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Avoiding Butterfly Infestations

You can avoid butterfly infestations by doing the following:

- ✓ Analyze a list of your long-term, loyal customers to determine what product or promotional campaign attracted them. Make these the priority marketing investments.
- ✓ Since barnacles are best attracted by referrals and not advertising, invest in referral programs and communications networks.
- ✓ Develop bundled packages that appeal to customers who want to consolidate their purchases with one supplier.
- ✓ Target customers who are interested in procuring services and parts from the same source as their original purchase.
- ✓ Be cautious with young customers; their frequent moves and changes in life situations make them fickle.
- ✓ Avoid price discounts to attract new customers; distribute free samples instead.
- ✓ Avoid business customers with high employee turnover and any consumers who move frequently.
- ✓ Avoid customers known to switch suppliers often.

Principle 3: Keep It Simple

(continued from page 6)

outsources most of its service. It insists on accountability, though. Every replaced component is sent to Dell for analysis, and the reason for the part failure passed on to the manufacturer who supplied the part.

Simplify by shooting high. Many loyalty leaders split off small teams of talented young managers and give them breathtaking challenges with short deadlines. In fact, this strategy may be the single most important step you can take to simplify company focus and create rapid and flexible responses in your business.

At Intuit, for example, an engineer with no general business experience and an MBA were tapped to build the company's online mortgage business into a force in a little over a year. Their job was to build the business from the ground up. They built Intuit into one of the leading providers of online mortgages in a matter of months.

When a small team accepts ownership of a sufficiently challenging mission, a wonderful dynamic emerges. Everyone stops worrying about who will get credit or whether this is a good career move or whether the team will get along. There is no time for petty squabbles. ■

Principle 4: Reward the Right Results

Most companies are shooting themselves in both feet with their reward systems. They pay on results that are easy to measure rather than on the right results. Incentives are misaligned, so individual interests trump team goals. Worst of all, employees and customers aren't rewarded for loyalty. In fact, loyalty is often penalized. High defection rates are the norm for star performers while loyal employees are perceived as lazy, satisfied with modest compensation and content to aim far below their potential.

Zero-Sum Games

Most of today's corporate reward systems are philosophically antithetical to the principles and practices of loyalty leaders. Most systems are designed to be reasonable and to satisfy the board of directors or an outside auditor. But the problem is that loyalty isn't generated by reasonable performance; it is generated by **overachievement** — and this level of performance requires outstanding teamwork by partners who trust one another's commitment to win/win results. Today's compensation systems rarely align partner interests; they create zero-sum games in which one player can win only at another's expense.

Examine Your Own System

Are you measuring the right things? What you decide to measure clearly reflects your values and your priorities. You can talk all you want about creating value, building loyal relationships and putting customers first, but if the majority of your score-keeping efforts go into measuring profits, then your customers and partners will get the unspoken message. To show them that loyalty is at the top of your leadership agenda, you must make sure your central metrics gauge the value you are creating for partners and customers.

Here's how to measure what matters:

- **Measure Retention — Carefully.** The most accurate gauge of whether your company is delivering the best value to your customers is customer retention rates. You must track them. At the *New York Times,* for example, executives track retention on three separate segments: new subscribers (less than 12 months); middle-aged subscribers (13 to 24 months); and mature subscribers (longer than 24 months). For mature subscribers, the retention rate is an astonishing 94 percent, far higher than the closest competition at 80 percent or the average at 60 percent. Using the figures, the company is striving to create even more loyal readers and to become better than the best.

- **Build a Better Dashboard.** Loyalty leaders must customize the right kind of dashboard for steering their company. Standard accounting metrics such as profits must be supplemented with gauges that monitor the creation of partner value and customer value. Many companies now have the technology to track customers very well, sometimes down to what they purchased, how often they buy and how profitable each one is. In some industries, its easy to measure retention, but in others it's considerably harder. For example, car makers have irregular purchase cycles, and fast food restaurants have a hard time tracking individual purchases. Some gauges to consider are those that consider lifetime ownership costs as a measure of satisfaction and those that look at service, product performance and order fulfillment.

- **Align Incentives.** Once you have designed the right gauges for your dashboard, the next step is to make sure the gauges correctly influence the route your organization takes. For example, companies should beware of paying workers based on profits alone, since that can encourage workers to think only of short-term profits, and not long-term ones. When Enterprise, the car rental company, became concerned that branch managers were boosting profits at the expense of quality customer service, the company began surveying customers with a simple two-question survey designed to identify the likelihood of the customer renting from the company again.

(continued on page 8)

Principle 4: Reward the Right Results

(continued from page 7)

Branch profit statements were then redefined so that customer response to the survey was reported along with the profit report. No employee is promoted if his or her branch is below the average in the customer survey.

- **Fix the Misalignments.** There are far too many examples of employee interests in conflict with customer interests. The car salesperson's commission is based on how much he can gouge the customer, the stockbroker is paid whenever he churns the client's holdings. These misalignments must be corrected.
- **Reach for the Stars.** Most reward systems today are too generous to mediocrity and far too stingy in rewarding superior performance. They set reasonable performance goals and define minimum levels of acceptable performance. Forget floors on performance, and get rid of ceilings. Pay rewards according to the real profits generated, not some arbitrary limit. Surround workers with others who want to put in a world-class performance, and they will all strive for gold. Home Depot takes this advice literally, employing more Olympic athletes than any other company. Other Home Depot associates benefit from being around dedicated world-class athletes.
- **Reward Loyal Customers.** Make sure all the partners who create the most value receive the most benefits. Don't reward customer loyalty with abuse! A classic example of this can be observed in the cellular telephone business. Most experience enormous churn rates. Yet they abuse loyal customers by rewarding new ones with the latest technology and free minutes while not offering the same to existing customers. You should share economic advantages with loyal customers. For example, loyal, profitable State Farm customers are rewarded with price reductions every three or four years. ■

How Loyalty Leaders Align Incentives

✓ **Cisco** requires that 20 percent of employee bonuses are driven by performance on customer satisfaction scores. Targets are raised each year.

✓ **MBNA** posts customer-oriented performance metrics daily in the company cafeteria and employee bonuses are funded every day that 90 percent or more of the targets are met.

✓ **Lexus** holds back a part of the sales commission until after the customer comes in for the first service visit, encouraging salespersons to introduce the service department and get buyers to schedule service.

✓ **State Farm** avoids front-load sales commissions to ensure agents will care about keeping customers and sell the right insurance.

✓ **Mary Kay** pays its agents ongoing commissions on the sales of everyone they recruit, encouraging partners to invest in each other's success.

Principle 5: Listen Hard, Talk Straight

The Internet is revolutionizing communications. The capacity to connect your operations with those of your customers and suppliers in a seamless web of digital communications can create enormous efficiencies and profit opportunities. But what we all need isn't more communication; we need better communication.

Too many executives define great communicators as masters of spin. Nothing could be further from the truth. Loyalty leaders tell their partners what they need to hear, even if they don't want to hear it. They want their partners to understand the company's strategy, core principles, priorities and problems. They want them to know what performance expectations are and where each partner stands. Loyalty leaders expect the same from their partners.

If you want to build a business community of enduring relationships, you must help everyone in your firm's network of relationships become more effective communicators. Everyone must:

- **Listen.** Good communication begins with listening.
- **Learn.** Once you listen, you must reflect and analyze so that you learn.
- **Act.** After listening and learning, its time for action.
- **Explain.** Once you act, explain why you are doing what you are doing. ■

Principle 6: Preach What You Practice

Each of us is preaching a sermon with our lives. If building loyalty is to become a central theme of your sermon, then you had better brush up on your preaching skills. You can't go quietly about your business and presume your results will speak for themselves. Unless you preach loyalty's wisdom with power, clarity and conviction, your actions and your words will be drowned out by the chorus of digital-age dogma that maintains that loyalty is dead and it's time to celebrate.

Build a repertoire of teachable stories that illuminate your loyalty principles. Encourage your partners to recognize teachable moments, and communicate them to all your partners. Finally, use case studies to show your organization how to put those principles into practice. ■

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Lunch With Lucy

Sherry Stewart Deutschmann

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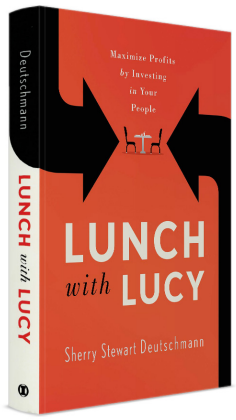
Lunch with Lucy

Maximize Profits by Investing in Your People



by **Sherry Stewart Deutschmann**

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THE SUMMARY IN BRIEF

According to a 2018 Gallup poll, 53 percent of employees in US companies are "not engaged"—they're doing the bare minimum. Worse, another 13 percent are "actively disengaged" and trying to influence their coworkers to be just as discontent as they are. This is a problem largely caused by uncaring, misguided employers and it's bad for the employees, the employers, and, more broadly, society.

For company leaders, ***Lunch with Lucy: Maximize Profits by Investing in Your People*** describes how and why a company with an employee-first, empathetic leadership business model is not only a place where people are happy to work but also more profitable than it would have been otherwise. Numerous real-life examples are clarifying and enlivening.

Author Sherry Stewart Deutschmann, with a high school education and grit, determination, and a heavy (at first) sprinkle of delusion, started a company on a shoestring in her basement and grew it to a $40 million enterprise. She attributes this success to the company's culture. The key ingredient of her secret sauce was leadership through empathy.

IN THIS SUMMARY, YOU WILL LEARN:

- Why you should put your employees, not your customers, first.
- How generosity to your employees results in greater profits.
- The benefits of getting to know your employees.
- Things to say "no" to.

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Sarah T. Dayton, Editor-in-Chief • Meghan Kozak, Director of Content • Kylie Waytuck, Graphic Designer

First Course - Appetizers

Sherry Deutschmann's philosophy is that customers don't come first. Employees do. If you take great care of your employees, you will create a team of happy people working together to take great care of the customers. Explain this concept to your customers. They'll get it! In fact, they'll love it.

Before she started the company that you'll read about in this book, Sherry worked in sales for a business that grew much too fast, failed to address internal issues, made constant mistakes, and had a CEO who failed to empathize with the effects of these problems on customers or employees. Sherry tried to figure out what the problem was, and it hit her: the employees didn't care about the company because no one cared about the employees.

The leadership team was not interacting with the employees. But it was the employees who had the knowledge, the answers. She made suggestions to improve morale and get everyone in sync, but her boss was dismissive. Eventually, she decided to start her own business and resigned. Her new business, LetterLogic, had caring as its cornerstone.

Second Course – Shared Plates

Lunch with Lucy: Getting to the Heart of the Matter

The title of the book, Lunch with Lucy, stems from one of many innovations at LetterLogic. To lead a true "people first" organization based on an empathetic leadership business model, Sherry had to know her employees better. By this time LetterLogic had grown to over 30 full-time employees. She began scheduling one-on-one lunches with all the employees, giving herself the alter-ego name "Lucy" to remove the anxiety they might feel about having lunch with the CEO. These lunches were not only beneficial to company culture, they also added to the bottom line because they helped retain great employees.

There are many advantages of really getting to know your employees. Employees who are happy and feel connected to you produce better work. Better work leads to happy customers. Happy customers are loyal and willing to pay more for your services and products. They are willing to weather a few difficult storms and stick with you when things don't go as planned.

Get to know your employees and you'll get a better understanding of your company's inner workings. You'll learn when your leaders are truly leading and developing their teams.

Once you really engage with your team members, you'll find that each one of them becomes part of the sales team. They are the ones who make or break the company's reputation in the community.

Fair Pay Is Every Entrepreneur's Privilege. . . and Responsibility

The reality of living on minimum wage is unsustainable. Minimum-wage work forces people to work two or more jobs and struggle to keep food on the table. How can an employee be expected to come to work with a great attitude and focus and produce high-quality goods and services when they're constantly exhausted and all they can think about is whether the electricity will be cut off at home? If you find good employees and pay them a fair living wage, you'll be rewarded with better products and services. When your products and services are superior, people will pay more for them. When people pay more, you'll take more to the bottom line. How dedicated would you be to an employer who paid minimum wage?

Paying employees low wages results in all taxpayers subsidizing their pay through food stamps and other programs. And the employers themselves pay the price too. So few of their employees are truly engaged that it takes two or three times as many employees to get basic tasks completed. Instead of paying one employee $15 an hour, they have to pay two or three people minimum wage.

A Profit-sharing Plan that Generates Even Greater Profits

At LetterLogic, Sherry developed a profit-sharing plan to not just reward but guarantee good results—a plan that would drive engagement and affect behavior. Profits were distributed monthly rather than annually, which made it easier for employees to remember the events that led to a profit or loss. The distribution was tangible. Paper checks were handed out at monthly company meetings. And everyone in the company shared in the profits equally. This showed every single person that their job was just as important as any other.

Don't be afraid of giving some of your profits (LetterLogic gave 10 percent) to your employees. Your company will grow faster because you're investing in your greatest asset, your people.

Empathy Is Contagious

The culture that thrived at LetterLogic was about more than fair wages, profit sharing, and empathetic communication. Everyone truly cared for one another. The positive environment it nurtured made its employees' personal lives better. Sherry wanted to inspire her work family to look out for one another and be quietly alert to challenges or problems that others may face. And they did. Time and time again.

Third Course – Entrees: The House Specials

Major in the Majors

Focus on your company's strengths. Experts may tell you to diversify, to add multiple products and service lines. This might be good advice in some industries or circumstances, but often it's the very reason a company fails. Know who you want to attract as loyal clients. Spend the bulk of your times on things that make the biggest impact to your business. Do one thing. Do it really, really well, and you'll succeed.

Direct, Empathetic Communication

If you want to make any message more palatable or meaningful to an individual, you must start by knowing that person well—and having that person know you well too. It's only then that you can put yourself in the other person's shoes (and them in yours) and be able to speak with directness and kindness as you deliver your message.

The most effective and compassionate way to deliver criticism or tell a customer about a mistake is to be direct. Calling a mistake an "inconvenience" or blaming it on a "glitch" or a "bug" is a total cop-out. Be direct and take full responsibility for a mistake. It will help diffuse the customer's anger and frustration. It's disrespectful to BS your way through a difficult conversation. Be kind. Be honest.

Transparency

LetterLogic had monthly company meetings over lunch. They started with the same announcements you'd expect at a typical family reunion—engagements, weddings, etc. They welcomed new employees. Each department then provided an update on the challenges and triumphs they'd experienced in the last 30 days. They talked about whatever might impact the daily lives of team members and answered any questions.

Then the CFO presented all the key financial figures. The factors that led to any disappointing month were discussed. When people understand how their actions (or inactions) positively (or negatively) affect profitability, they pay more attention. They care more.

This level of transparency fostered trust and confidence in the leadership team that could not have been achieved otherwise. The information they shared helped everyone make better decisions.

Fourth Course – The Sides

Profit Sharing and Living Wages Aren't Enough

On top of fair living wages and equal-distribution profit sharing, Sherry wanted to offer benefits that addressed the real day-to-day needs of her work family and made a real impact on their lives. The company offered tuition reimbursement and paid leave for new moms and dads.

Health insurance. LetterLogic offered excellent health insurance benefits: 100 percent of the healthcare, medical, dental, and disability insurance for all employees.

Home-buying assistance. Sherry encouraged employees to save money to buy their first homes and LetterLogic helped with a cash gift toward the down payment or closing costs.

Bring your kids to work. LetterLogic instituted a policy that allowed all employees to bring their kids to work whenever they needed to (when their usual daycare facility was closed, for example).

Personal loans. Employees who found themselves in a financial pinch had the option to borrow money from the company.

Entrepreneurship assistance. LetterLogic encouraged employees to be open about if they wanted to own their side businesses, and offered advice, mentoring, and financial assistance.

Trucks. The company allowed employees to borrow its company trucks on weekends if they needed them.

Some things didn't work out. On-site gyms, after the novelty wore off. Healthy snacks that almost no one ate. Paying for smoking cessation programs, which didn't have lasting results in most cases.

The biggest lesson was to get to know employees better to understand what matters to them. The company saw mea-

surable positive results from its benefits program because happy, well-cared-for employees are more loyal to the company, produce better products and services that customers are willing to pay more for, and keep customers happy and loyal.

The Power of Saying "No"

Saying no not only opens more doors; it opens better doors. When you say no to business that isn't right for you, you'll get more respect and more opportunities. And you'll close more business and it will be better business.

Salespeople are the lifeblood of a business, but don't say "yes" to every new product or service they ask for because a customer wants it. LetterLogic required salespeople make a business case to show why what they were asking for was financially viable. And since the company's financials were available to them, they could see for themselves the cost of expanding the scope of the business and were more likely to assign themselves with what was best for the company long term. They began to think like entrepreneurs and understand that all opportunities have costs to weigh.

Say no to some new business. All customers and all business are not of equal value to your company. Some accounts will never be profitable. Taking on new clients at the wrong time can create serious problems. And sometimes saying no to business means firing customers.

"Opportunities" to avoid:

- Taking business at a loss, just to get your foot in the door.
- Doing business with friends and family.
- Taking on business that does not fit your business model.

Say no to unnecessary networking events. Too much networking will kill you.

Say no to serving on a nonprofit board or committee until later, when your company is running smoothly. Your experience will be more valuable to the organization you're serving by then.

Say no to lunches, meetings, and lunch meetings. If you're doing well, eventually everyone will want time with you. The best way to handle endless requests for your invaluable time is to ask for an agenda.

Mentors and Coaches

Even the humblest founders have a stubborn streak that makes it difficult for them to see potential pitfalls that are right in front of them. They need a pool of advisors to keep them in check. Start building yours before you really need it. Knowledge and experience from folks who've been where you are can help you avoid the cliffs and pitfalls. And if you end up in a ditch anyway, they'll give you a hand up.

Dessert

It doesn't matter how big your company is. An employee-centric, empathetic culture will make a better company. There are many great examples of big companies, even public companies, that employ this strategy.

Your business will absolutely be more successful if you take better care of your people. Put people first. The profit and peace of mind will follow!

Sherry Stewart Deutschmann is a serial entrepreneur. Her first venture was LetterLogic, Inc., a company she founded in her basement and grew to $40 million before selling it in 2016. Sherry was honored by President Barack Obama as a White House Champion of Change in 2016. Sherry's passion is helping women-owned businesses get better access to networks, capital, and markets, and in 2015, she was appointed to the National Women's Business Council, a small group of women who advise Congress, the SBA, and the president on issues related to entrepreneurship for women.

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Making Big Decisions Better

Tim Lewko

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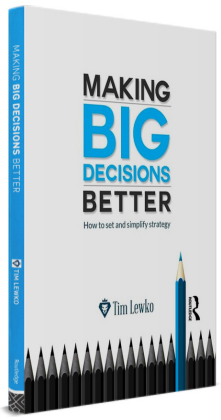
Making Big Decisions Better

How to Set and Simplify Business Strategy



by **Tim Lewko**

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THE SUMMARY IN BRIEF

With the escalating speed of change, short attention spans, wide range of stated and unstated stakeholder needs, and the insatiable urge to react rather than thoughtfully respond, we must equip ourselves and our organizations with practical strategy tools that enable ownership, promote more visual decision making, and get back to the basics of finding root cause in performance gaps.

In ***Making Big Decisions Better***, you'll discover how companies that are successful and deliver enduring profits in the marketplace have something in common. The executives and managers that lead these companies use a set of tools—the TDG System—a transportable toolkit that equips them to think, develop, and execute strategy better, more simply and devoid of consulting jargon. Strategy needs to be reintroduced as tools for decision making that create agility, are not event-driven and draw in profound competitive insights from the organization to serve its customers better, relative to the competition.

For those companies that choose this path, ***Making Big Decisions Better*** shows how to FIX, BUILD and USE a proven system of tools to deliver more predictable and enduring profitability.

IN THIS SUMMARY, YOU WILL LEARN:

- 4 ways to immediately fix and create a more powerful strategy.
- 3 powerful tools great leaders use to develop strategy and make tough choices.
- 3 must-have areas for setting sound strategic goals.
- 7 criteria to pressure-test the strength of any strategy.

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Sarah T. Dayton, Editor-in-Chief • Meghan Kozak, Director of Content • Kylie O'Connor, Graphic Designer

Introduction

The most important role a CEO owns is setting and executing strategy. Strategy can be made to be simple, practical, and most importantly dynamic. Most successful CEOs know that Strategy can no longer be static. The strategy system in my book shows how you can quickly use the powerful system to Fix, Build, and Use your strategy. This will equip you to think about, develop, and execute strategy better and more simply.

FIX Your Strategy

1. You Must Define What Strategy Means

Defining strategy for your company removes the unseen communication gaps and disconnects that undermine your organization's focus and effectiveness when dealing with issues.

Defining it creates focus. Not defining strategy creates chaos. Only you have power to make the simple change in your company or area you lead.

Strategy can be defined as a framework of choices that defines the purpose and path of the organization. This definition returns everyone back to the simplicity of strategy. Namely, it means making decisions with data about what products to offer, what markets to serve, and what capabilities to build—through the eyes of the customer and relative to competition. A successful strategy delivers superior profitability or return on invested capital relative to your rivals.

2. Strategy is a Decision-Making Process not an Event

If your company has no common, replicable and visible process for strategy, it handcuffs profit-generating potential.

Seasoned executives all have strategy processes in their toolkits to move their company forward — faster, with more alignment and with greater results. If your company does not have a process, take these actions to remove this Gap:

- Check to see if you have a common, transportable process for setting and testing strategy – if not …
- Develop or adopt one that integrates these 4 dimensions: Appraise, Decide, Plan, Adjust
- Ensure your process is tied to the fiscal calendar and cadence of your company and is used to assess performance and make mid-course corrections.

3. Don't By-Pass Sweat Equity

The executives, managers and employees you work with know more about the company's issues than any outsider. Targeted expertise, and objective feedback are always welcome, but if you want to set and really implement a strategy to achieve results, you must use those people who understand the nuances and can sweat collectively through the decisions. They will then author and own the outcomes.

The CEO take-away is: Create a strategy with your own executives and people. Don't outsource it.

4. Ensure the Revenue – Cost = Profit equation is clearly understood

Profit is good. It's the absolute hard-dollar output. Profitability is better. It's the return on resources that creates those hard dollars. Profitability keeps businesses sustainable and enables companies to reinvest or distribute wealth to owners.

Too many times, data used to drive decisions is only known at the Gross Margin level, which is not granular enough to make Product by Market decisions. This Gross Margin approach must be avoided as it skews where and how money is actually being made. Looking at consolidated or "rolled up" numbers is a sure way to miss what is really happening.

Further complicating this is a common belief that all your people know the workings of a P&L. Profit is an outcome of Revenue (Sales) minus Cost, these dimensions need to be taught or reskilled in organizations.

Legacy in operational roles and general lack of P&L experience have built a profit blindside into decision making and actions of many executives and employees. This gap needs to be fixed in many organizations.

BUILD Your Strategy

The TDG strategy system enables CEOs (and really anyone with a P&L) to have three one-page tools to set strategy, make better decisions, adjust for course corrections and apportion scarce resources to areas that have the greatest impact on their companies.

1. Strategic Assumptions and Implications — the Future: CEOs need to identify the 5 to 8 forces and factors they believe will unfold, quantify them, and draw out the parallel internal choices — product, market and capabilities — that will mitigate and/or exploit those forces. This connects Outside to Inside and helps avoid internal biases.

2. The Product Market Capability (PMC) Engine – the Decision Hub: This single-page economic decision-making tool visibly shows your product, market, and capability choices (your strategy) and the rationale behind their relative priority or emphasis, i.e. where you are placing your bets and allocating scarce resources.

The PMC Engine illustrates where you choose to play and profit based on external and internal forces and defines your path for growth—by products or markets. It becomes real because it contains the Revenue, Profit and Volume for each Product/Market Cell in a SHOULD versus ACTUAL performance reporting format that equates to your budget.

3. Goals and Gaps —– the Reality Check to Monitor and Make Changes: A company should have no more than three above-all-else goals to focus their resources. Goals have three practical aims in strategy: to force focus, enable accountability, and facilitate finding the cause of positive and negative performance gaps.

Goals with clear metrics, targets, and data source underpin the strategic aim of your company for one calendar year. Everyone in the company concentrates on and connects with these — above all else. They reinforce the competency and requirement of truly finding cause for over- or underperformance.

With these three one-pagers, you can manage, monitor and make critical decisions and more importantly always ask the vital questions to understand why your business is delivering the results it is. These tools connect the external environment to your internal choices, and specifically the goals that define success.

The reality of any company is that financial performance is the sum-total of daily decisions made by each of person. The quality and consistency of those decisions represent 100% of its EBITDA potential. (EBITDA is Earnings Before Interest, Tax, Depreciation and Amortization.)

These three one-page tools will equip your C-Suite and executive team with a common and quantified decision-making hub to enhance strategic thinking and decision-making competencies to gain your right share of profit.

Where Do Good Strategic Goals Come From?

Strategic Goals mirror and define the very definition of strategy. As companies work through the two pillars of setting strategy — defining their strategic assumptions and building a PMC Engine that explains their products to offer, markets to serve, capabilities to build, path for growth — they see the future benchmarks emerge that represent what they must become. Good, sound and practical strategic goals follow these categories:

Emphasis on Profit: Operating Income, Free Cash Flow, or EBITDA metrics for profit are good starting points. The emphasis on profit ties to the belief that if you are not making money that can be reinvested and/or distributed to shareholders, why are you in business? Strategic goals can also include a Revenue target as everyone can relate to it and recognize that Revenue minus Cost gets back to profit.

Product or Market: There really are two fundamental paths for growth — sell more products or sell to more markets. Depending on the path your company selects, you will have one strategic goal that represents your aim for growth. Here the metrics may be revenue, new product introductions, or new customer deals acquired for example.

Key Capabilities is the other category for which you need a strategic goal. Key capabilities are those competencies, skills and processes that drive competitive advantage or will drive advantage for your business in the future. To keep your premium or low-cost position relative to the competition, you need competencies to emerge that most likely support the Product or Market path for growth and deliver the Profit. Key capabilities are the lynch pin for investing in the business that support the other two goals.

In over 17 plus years of working and facilitating strategies for TDG clients, Profit, Product or Markets, and Key Capabilities always emerged as the three natural choices that made sense and provided meaningful focus for the company and its employees.

This simple rationale for setting strategic goals relieved many CEO's and leadership teams because it built in checkpoints that ensured elements in their strategy fit together from top to bottom.

USE Your Strategy

1. Test Your Strategy Against 7 Criteria

Business environments are dynamic and will continue to be. No Strategy ever devised is 100% correct. However, to give your firm a higher batting average in delivering on your strategy, you need to test it systematically when it's being developed and check on it quarterly as progress is made. Any CEO or business leader—no matter what formula or process they use to develop their next strategic path—

should evaluate their strategy against the following seven critical criteria and questions.

Confidence in Data: What level of confidence do we have in our data?

Board Approval: Will this new strategy gain board approval?

Industry Dynamics: Does your strategy have 5 to 8 external assumptions that drive quantified internal decision making and investments?

Cultural Shift: Does your strategy back-cast against the culture of the organization to determine if it can make the leap?

Strategic Fit: Does your strategy clearly outline common criteria to set relative priority on which products to offer(or not offer); which markets/customers to serve (or not serve) and which investments in new capabilities will drive superior and sustainable profitability?

Financial Impact: Are your goals Strategic? Do they follow the SMART (**S**trategic: contains PMC dimensions, **M**inimal: no more than three, **A**vailable: understood by all, **R**eal: no stretch goals, **T**ied to profit) dimensions?

Overall Risk (Probability X Impact=Risk): Are we willing to accept the overall probability of success and the resulting impact of this new path?

2. Reinstate Root Cause

In many organizations at best they ask Why for negative variances but overlook asking Why for the positive variances. These companies are only looking at 50% of what's in their wheelhouse to improve performance. And much of the root-cause thinking or tools at the executive level are either dusty or dismal—in terms of a systematic and common tool for finding cause. So what should we do about this?

We need to reinstate root cause. Establish an executive team routine to look at both positive and negative variances and apply a common process for finding cause. Getting better at finding the cause of negative and positive variations in your strategic performance gives the benefits of speed, it's proactive, uncovers more profit, it's data-driven and simpler.

At the end of the day, the strategy system and tools make the performance of your business visible so you can manage the positive and negative deviations and take action.

3. Check in Quarterly: Use it or Lose it

Quarterly reviews are critical to exposing issues that impede or exploit strategic progress against your three strategic goals. If your quarterly review sessions have turned into static presentations—now is the time to change that. To equip your firm to proactively *respond* to external and internal issues (rather than *react* to them) you should be able to clearly answer these questions:

- How much time do you spend quarterly using and testing your strategy to make mid-course corrections?
- Do you have a set quarterly meeting format to drive strategy meetings?
- Is there a mechanism you have to collect and move strategic issues up to the leadership table?
- Can your executive team distinguish between strategic vs. operational issues?
- How do you build Market and Competitive intelligence into your strategy process or cycle?

The best performing companies and most compelling CEOs can answer these questions and have built a smart review system to check their strategies.

In the end, the sum total of daily decisions made by your people determines the fate of your organization.

Tim Lewko is the CEO of Thinking Dimensions, a best-selling author, and leader of a global movement to simplify strategy for executives through better decision making.

He has worked with thousands of executives in 4 continents over the last 20 years to simplify strategy and ensure companies deliver better financial performance through better decision making. His clients include Private Equity Portfolio, NYSE, NASDAQ and Family Offices. His clients to date have achieved over $1 billion USD in improved EBITDA performance through his advisement and the tools presented in this book.

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Management Mess to Leadership Success

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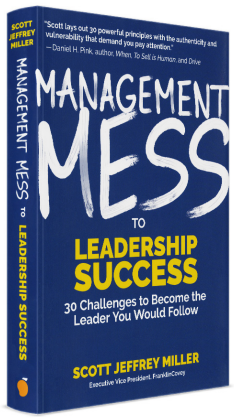
Management Mess to Leadership Success

30 Challenges to Become the Leader You Would Follow

by **Scott Jeffrey Miller**



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THE SUMMARY IN BRIEF

Millions have read the all-time global best-seller ***The 7 Habits of Highly Effective People*** by Stephen R. Covey. Both leaders and individuals have been inspired and transformed by its universal principles of effectiveness, including Scott Jeffrey Miller, the new voice of FranklinCovey leadership.

In ***Management Mess to Leadership Success***, Miller offers 30 leadership challenges you can apply now. When applied, these challenges can change the way you manage yourself, lead others, and produce results. The challenges will teach you to lead difficult conversations and celebrate success; inspire trust, actively listen, and challenge paradigms; put the right people in the right roles; create a clear and actionable vision for your team; and much more.

The wisdom in this book was learned through hard knocks and was honed by the FranklinCovey team through years of research and corporate training experience. With ***Management Mess to Leadership Success***, your leadership skills are about to change. Get ready to become the leader you would follow.

IN THIS SUMMARY, YOU WILL LEARN:

- The 30 challenges and how to apply them to your leadership.
- Why humility, trust, and listening are key parts of leading yourself.
- To build relationships, loyalty, straight talk, and coach continuously.
- To get results by identifying Wildly Important Goals® and aligning actions to meet them.

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Introduction

Leadership isn't always rewarding. It is exhausting, repetitive, and requires a constant stretch of your emotional and intellectual skills. It demands an "always on" mentality, as you're expected to have all the right answers and make all the right decisions, often on the fly.

Yet, often the things we struggle with yield the biggest return. It's okay if you admit that leadership can be hard and unenjoyable. But the benefits of being successful at it can be life-changing.

Maybe you're ambitious and bright, but leadership hasn't exactly felt like a calling from on high. Perhaps you're the first person in your family to attend college, let alone a board meeting. Or maybe you skipped college altogether. Maybe you're a woman rising to the top of a male-dominated industry or a veteran starting to make their way through the business world and drawing from a very different set of leadership styles and experiences.

If so, consider the following 30 challenges, honed by FranklinCovey through years of research and development, tens of thousands of client implementations, and countless coaching engagements. The challenges will make you a better leader, and are organized into three parts: "Lead Yourself" (Challenges 1–8), "Lead Others" (Challenges 9–21), and "Get Results" (Challenges 22–30).

Part I: Lead Yourself

Challenge 1: Demonstrate Humility

In FranklinCovey's best-selling book ***Get Better: 15 Proven Practices to Building Effective Relationships at Work***, Todd Davis writes, "Those who are humble have a secure sense of self—their validation doesn't come from something external but is based on their true nature. To be humble means to shed one's ego, because the authentic self is much greater than looking good, needing to have all the answers, or being recognized by one's peers. As a result, those who have cultivated humility as an attribute have far greater energy to devote to others. They go from being consumed with themselves (an inner focus) to looking for ways to contribute and help others (an outer focus). Humility is the key to building solid character and strong, meaningful connections."

Pick an initiative you're leading or participating in. Identify someone whose perspective on the initiative is different from yours. Schedule time to listen to their perspective. When they differ substantially, exercise the patience and respect to not just understand but to genuinely consider their point of view. What did you learn that might measurably improve the initiative? The relationship? Your own leadership style?

Challenge 2: Think Abundantly

You've probably had occasion to dine at a buffet. There are two schools of thought when approaching the line: First, there's only a finite amount of food, so grab everything you want before someone else does. On the other hand, you might believe that there's plenty of food to go around, more than anyone could possibly finish, so you can let the elderly man with the oxygen tank go ahead. This is the difference between a Scarcity Mentality (get yours before it's gone) and an Abundance Mentality (there's plenty to go around for everyone). Remember that you'll never have enough until you define how much is enough.

Address areas of your life where scarcity thinking could be limiting you and your ability to lift others up. Envision the impact of having an Abundance Mentality throughout your life.

Challenge 3: Listen First

Listening is one of the most undervalued communication skills, and it's rarely taught to leaders. Instead, we're instructed to clarify our messages, communicate with confidence and persuasion, and master the words we use. To really listen requires discipline, self-control, and a genuine desire to understand the other person's point of view. Listening requires you to care, perhaps even more than you may want.

When someone else is talking, purposely close your mouth and focus on the physical sensation of your lips being pressed together (your own lips, not yours to theirs). And when the other person has paused, count to 7 before responding. Doing so will increase the likelihood that they'll continue, often sharing crucial details about their point of view or situation.

Challenge 4: Declare Your Intent

Absent real facts, people make stuff up. Declaring our intent in conversations, especially in adversarial or high-stakes conversations, is crucial to creating mutual understanding, if not mutual agreement. We spend much of our attention and energy discerning people's intent and working through how we'll respond. But declaring one's intent cuts through much of the noise and mental static that impedes true listening.

Take stock of how often you begin conversations by declaring your intent—are you clear about your goals, or are you leaving people to guess? Early on, ask others to con-

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firm they are clear on your intent. Consider how you make it safe (or unsafe) for others to declare their intent. What should you stop doing, do more of, or do differently?

Challenge 5: Make and Keep Commitments

It's rare to see companies or individuals say no to business if it comes at the expense of delivering their best to previous commitments. How many of us have done the opposite and said yes, compromising not only our current commitments but also the ones we just took on? To quote Roger Merrill, Dr. Covey's co-author on the book ***First Things First***, "When you make a commitment, you build hope; when you keep it, you build trust."

Inventory your current commitments. Realistically determine whether you need to unwind some of them. Your greatest gift may be to back out before you fail them and further violate expectations.

Challenge 6: Carry Your Own Weather

When we're triggered emotionally, it's easy to forget we have a choice as to how we will respond. Central to Habit 1: Be Proactive®, from The 7 Habits, is the concept that between what happens to us and how we react exists a space. In that space lies our freedom and power to choose our response.

This is where the choice of carrying your own weather manifests itself. To carry your own weather, define your personal and professional values (from which your behaviors will be exhibited in both good and rough weather). When faced with a situation that threatens to hijack your emotions, stop. Take a breath and think carefully about the response you won't have to apologize for and that leaves people whole. Consciously calibrate your response to avoid a regretful revisit later. Recognize that most flash responses won't represent how you feel an hour (let alone a day) later.

Challenge 7: Inspire Trust

Trust is one of the most written-about and talked-about topics in the business world today. Ask yourself, "Am I more inclined to trust or distrust others?" Is your natural tendency to be suspicious of others, or are you able to extend trust even to those who have not yet fully "earned it"? As Abraham Lincoln famously said, "If you trust, you will be disappointed occasionally, but if you mistrust, you will be miserable all the time."

List all the people in your life who extended trust to you. To the side of their name, jot down a note that reminds you what their trust meant to you. Then, list the names of people on your team, in your division, organization, family, community, etc. Beside their name, write out what extending trust to them might look like—something you've not yet done. Jot down some actions, ideas, or projects that, with trust from you, they could potentially excel at. Be specific. Now, extend trust to them.

Challenge 8: Model Work/Life Balance

Without the energizing and renewing activities that take place outside the office, you can't be "whole" or fulfilled. And if you're not fulfilled in multiple areas of your life, you likely won't be as productive at work. When leaders themselves don't have a life, they not only look pitiful in the eyes of their teams, they also set a very low standard for how others behave, consciously or unconsciously. If you truly want your people to live balanced lives that allow them a sense of renewal, purpose, and increased productivity in the workplace, you have to model it yourself.

Recognize that the most influential people live balanced lives. Make a list of easy-to-implement things you could do to bring better balance. Discuss openly with your team the real pressures everyone faces to grow their careers and enjoy their lives. Make it safe for everyone to take the time they need to do both. Take time off to renew, and encourage team members to do the same.

Part II: Lead Others

Challenge 9: Place the Right People in the Right Roles

Business author and leadership expert Jim Collins famously wrote in ***Good to Great***, "Get the right people on the bus, the wrong people off the bus, and the right people in

the right seats." The challenge for leaders is that there's no shortcut to guarantee you've got the right people in the right roles. This isn't a skill you're born with—there's no workshop or list of absolute best practices to follow. It's an art, not a science—you earn it by learning and living it.

Identify someone's true passions and strengths so you can align those to your business needs. Seek others' ideas about your observations and opinions. Have courageous conversations to address situations around personality, emotional maturity, self-awareness, etc. Exercise the courage to remedy any misalignments.

Challenge 10: Make Time for Relationships

As Dr. Covey liked to say, "With people, slow is fast and fast is slow." Real relationships require us to slow down, even when everything around us is demanding we go faster. Our effectiveness as leaders requires us to take the time to get it right.

Ask yourself, is your default setting "fast"? If yes, is that shortchanging you and others? Is your efficiency mindset undercutting a more beneficial effectiveness mindset? Understand that there's no such thing as developing a relationship "efficiently." Trust, respect, and rapport take time and investment. Intentionally slow down and connect with others in ways they prefer. Commit to ask a team member or colleague how he or she is doing, and really listen to their response. When appropriate, sincerely explore their answer.

Challenge 11: Check Your Paradigms

Dr. Covey popularized the term "paradigm," which comes from the Greek root "paradigma," meaning a pattern, model, or representation of something. Our paradigms are the perceptions, frames of reference, worldviews, value systems, or lenses through which we see everyone and everything, including ourselves. They add meaning, true or false, to the world around us and affect the way we interpret what we see and experience, and how we interact and relate with others. Our paradigms are perhaps the most powerful tools we have in how we interact with others. It's worth serious introspection to check why we view others the way we do and to correct any misperceptions or outdated beliefs.

Make a list of all the people who report to you. One by one, reflect on your current paradigm of them as a professional or their promotability. Are you willing to challenge its accuracy? Could it be incomplete?

Challenge 12: Lead Difficult Conversations

Having to fire someone is a difficult conversation. Giving tough feedback is a difficult conversation. Yet, if you really want to be a leader (and it's okay if you decide you don't), leading difficult conversations is not something you can neglect, even if you're convinced you can work around them or they're not that important, given your long to-do list.

The skill of leading difficult conversations comes with practice. And lots of awkward attempts and outright failures. You have to practice, role-play, and rehearse these conversations repeatedly. You'll get better over time, and it won't be so awful. But here's the part you probably didn't expect: there's a strong possibility you'll provide someone the kind of insight nobody has ever offered them before.

Identify a difficult conversation you need to hold. If you've been delaying it, have an honest conversation with yourself about why. Pinpoint the root cause and address that first. Identify a more seasoned leader with whom you can role-play the conversation. Take a moment and challenge your paradigm—are you viewing the issue holistically? Have you gathered all the relevant facts? Have you considered the other person's point of view, and are you open-minded about the path forward?

Challenge 13: Talk Straight

In his book ***The Speed of Trust***, Stephen M.R. Covey characterized talking straight as "honesty in action," expressed as telling the truth and leaving the right impression. He wrote that effective leaders use straight talk that is "tempered by skill, tact, and good judgment." Leaders who talk straight call things by their right names, using common, plain language; don't spin or position for the sake of posturing; tell the truth in diplomatic yet clear language; and don't try to sound more intelligent than they are.

Think about where or with whom you tend to "spin" or even withhold the truth. Identify possible reasons you are avoiding straight talk. Next time you notice yourself "spinning," pause; then find a more accurate and tempered way to tell the whole truth.

Challenge 14: Balance Courage and Consideration

The best leaders assess their balance of courage and consideration intentionally and repeatedly. How do leaders find this balance while accommodating the diverse needs, preferences, and traits of our team members? By demonstrating courage in sharing opinions, tactfully calling out mistakes (including our own), and diplomatically challenging one's direction while simultaneously accounting for people's feelings, insecurities, and cultural norms.

Find a colleague whom you trust. Ask for specific examples of when they've seen you out of balance. Ask, "When do you feel I'm being overly nice or too considerate? When have you seen me be too tough, abrasive, or "in your face" with others?" Be mindful of triggers that may push you to overdo consideration or courage. These could be specific people, situations, or topics. Have the courage to ask *and* act.

Challenge 15: Show Loyalty

Dr. Covey said, "When you defend those who are absent, you retain the trust of those present." Showing loyalty to others is a simple but profound leadership competency. Stephen M.R. Covey deemed this principle so vital that he included it as one of his 13 Behaviors® of High-Trust Leaders.

Live by the Platinum Rule. Beyond treating people how you'd like to be treated (the Golden Rule), treat them how they'd like to be treated (the Platinum Rule). When someone is absent, speak about them as if they were actually standing there right beside you. Assume your email will be forwarded to the person you're writing about. When composing an email about another person, write as if you know the person will eventually read it. Finally, assume good intent, and presume every private conversation is confidential unless/until you can verify that it's not.

Challenge 16: Make It Safe to Tell the Truth

This is about you, the leader, owning the responsibility to make it safe for others to be truthful. As a leader, you should want to hear the truth for many reasons: to really know how others perceive you, to understand what it's like to be in a relationship (personal or professional) with you, to know your blind spots so you can address them, to assess whether your communication skills lift or diminish others, and so forth.

Here's how to help make it safe for others to be truthful in your presence: Show sincerity in wanting to know their truth. Build their confidence that there is zero downside to speaking up. Convey that you respect their point of view and will be vulnerable. Prove through continued experience that you won't dispute or challenge their position, defend your behavior, or dismiss their feedback out of hand. Perhaps most important, show through your new behavior that you value their risk-taking enough to improve.

Challenge 17: Right Wrongs

The best leaders know how to right wrongs. Righting wrongs starts from a place of humility and is communicated through personal responsibility. When righting wrongs, it's remarkably disarming to take full responsibility. Nothing neutralizes anger more than a sincere, excuse-free apology and an action to correct the situation.

Consider some version of the following when you find yourself having wronged someone: "I want to tell you something very important. I'm truly sorry for the way I behaved. I was wrong. I own it. I'm sorry. I hope you can forgive me, and I intend to make a sincere effort to ensure I don't ever do that to you again or to anyone else. I have learned a hard and valuable lesson, sadly at your expense, and I want you to know how seriously I am taking it. Furthermore, I intend to take [fill in the blank] action to make it right between us. Is that something you would value, or do you have a better suggestion I should consider?"

Nothing neutralizes anger more than a sincere, excuse-free apology and an action to correct the situation.

Challenge 18: Coach Continuously

Fortunately, increasingly rare are the days of the annual, mandated performance appraisal, where you're force-ranked against your colleagues to watch the lowest fed to the lions and the precious bonus pool allocated to the lucky few at the top. The antidote to this is coaching.

Coaching continuously requires a lot of engagement. Consider these behaviors: Be aware of what's happening with the team you lead. Who's struggling and why? Are they properly trained? Aligned? Delivering solid results but perhaps working on the wrong initiatives? Have you clarified what success looks like? Are deliverables clear and goals translated into actions and daily behaviors? These previous points are mainly your responsibility. Recognize the different ways team members want and need coaching. Balance your critical feedback with specific reinforcing praise. Ask how you can help. Ensure that everyone has the resources and tools to complete their work and help others. Add "coaching" to your daily task list.

Challenge 19: Protect Your Team Against Urgencies

It's vital to reduce the tension between the important and the urgent. Finding harmony between the two is often a delicate balancing act. As leaders, we can help protect our teams against urgencies by identifying and rewarding the specific behaviors that lead to achieving our goals. But first, we need to ensure we haven't modeled or reinforced a culture that rewards firefighting more than fire prevention. It's your responsibility to focus your team members on the "wildly important" (important and proactive efforts) and not the wildfires—even the ones you set!

Recognize that you may well be the source of many team urgencies. How do they show up? How will you plan better or say "no" to more? Ask yourself if your need for validation or excitement is undermining the focus of your team. Assign reasonable due dates to future initiatives. Reward proactive and preventative efforts, not just heroic firefighting.

Challenge 20: Hold Regular 1-On-1s

In the long run, nothing is more important than the people you lead (and knowing how to lead them), and you know it. But how you show that importance can be radically different from how they perceive it. As a leader, you know how many "invisible" hours you've dedicated to the success of your team. But what they need from you is time. They need 1-on-1s, to be specific, so they can bring up issues hindering their progress, get feedback and coaching, create a development plan, and problem-solve with you.

If you struggle with holding 1-on-1s, commit to starting slow. Declare your intent with your team. Before the 1-on-1, keep in mind that your team member will "own" the agenda. During the 1-on-1, commit to do no more than 30 percent of the talking. Find out what you can do to support your team member. Remember, coach, don't tell. Seek and give feedback as appropriate. Devote time to development planning and career-path discussions.

Challenge 21: Allow Others to Be Smart

In Liz Wiseman's profound leadership book ***Multipliers: How the Best Leaders Make Everyone Smarter***, she invites leaders to assess several key questions: Are you the genius or the genius maker? Are you a Multiplier (someone who uses their intelligence to bring out the best in others) or a Diminisher (the "smartest person in the room" who shuts everyone else down)?

Here are three skills you can use to empower and engage others to showcase their creativity, experience, and perspectives: Consider the percentage of time you spend talking versus listening. Listening is not just hearing but understanding and caring about what is said. Decide when to be the expert with the "right" answer and when to allow your team to work through the process of coming up with it themselves. Finally, step back from being the driver of the discussion. Ask someone on your team to take the lead.

Part III: Get Results

Challenge 22: Create Vision

Leaders *create* vision until it's shared by their teams and colleagues. They depict a vision so clear and aligned to the organizational mission and goals that anyone could communicate it in 30 seconds or less. Whether you use PowerPoint, pictures, models, or storyboards, creating vision requires others to see it. And because you can't climb into someone's head and know if they see (and understand) your vision, you must ensure that people can articulate it.

Draft a team vision by answering these questions: What contributions can our team make to the organization's mission and vision? If our team could make one extraordinary contribution over the next one to five years, what would it be? Take a moment to remember an inspiring vision that resonated with you. What about it made it personally motivating and powerful? Create a vision for your team by articulating not only the "why" and the "what" but the "how." The "how" may well be the key that brings it to success.

Challenge 23: Identify the Wildly Important Goals (WIGs)

The temptation to say yes to more of the great (even good) ideas that come our way might be the biggest trap leaders fall into. But more is not better; better is better. Wildly Important Goals are the few, highly important goals that must be achieved, or no other goal matters. How do you identify the WIGs for your team? As more fully outlined in ***The 4 Disciplines of Execution***, the best-selling book by Chris McChesney, Sean Covey, and Jim Huling, ask, "If every other area of our operation remained at its current level of performance, what is the one area where change would have the greatest impact?"

Determine a starting line, finish line, and deadline for each WIG. Align the WIGs with your organization's vision, mission, and strategy.

People like to win but not "fake" win. Your team wants to work for it. But they don't want the finish line moved and they don't want to kill themselves in the process.

Challenge 24: Align Actions With the Wildly Important Goals

This challenge focuses on actually getting the WIGs accomplished. For leaders, aligning to WIGs means everyone involved needs to change behaviors. Meaningful change comes from the inside out. It has to start with you as the leader, committing to and then enacting new behaviors. To further ensure your team has aligned the right actions to the WIGs, meet and brainstorm the specific behaviors you need from each other.

Focus your finest efforts on the one or two goals that will make the greatest impact. Choose the battles that win the war. Focus your attention on the critical items that will get you the victory. Veto but don't dictate. Allow your leaders and team members to define the actions that will support your WIGs. Your role is to bring clarity; the leaders below you will bring engagement (if you allow them to). Have a finish line in the form of "From X to Y by When."

Challenge 25: Ensure Your Systems Support Your Mission

In organizations, we settle into acceptable patterns, especially around areas of the business that seem fine. "Good enough" becomes "better left alone." We often step back and allow systems to just do their thing, even when they're not perfectly aligned to our mission and goals. Organizational systems are everyone's responsibility. Not just to complain about but to understand, support, and help improve.

Think about this in terms of your own team—do your systems support your mission? Have you engaged the patience and due diligence to understand how your systems align or misalign to your strategies, your WIGs, and your client needs? How about your employees' needs? Consider the following systems-alignment questions: Are the right people with the right skills doing the right work? Are the right roles and responsibilities in place for people to work well together? Are people recognized and rewarded in the right way? Are the right resources available to succeed? Are the right decisions being made by the people closest to the work? Do we have the right processes in place to get the most important work done?

Challenge 26: Deliver Results

It's not enough to get results; leaders must get the *right* results in the *right* way. "Right results" means what you're accomplishing is the right priority for the organization. It requires constantly recalibrating and checking in with your leader to make sure what you're working on is aligned to what your organization needs. And "right way" means getting the results in a way that won't burn out, injure, or demotivate your team. Leadership isn't about just running the current marathon; it's about that marathon and the next 30 and beyond.

Take the initiative and proactively check in with your leader to ensure you're properly aligned and focused on the right priorities. Goals shift, and you may not always be aware of that in real time. Don't hesitate to seek a reality check about your performance. Don't assume your results speak for themselves; you may need to highlight them or course-correct, based on the feedback you receive. Thoughtfully calibrate the pressure you place on your teams to ensure you are achieving results now in ways that will allow you to achieve them again in the future.

Challenge 27: Celebrate Wins

As a leader, remember that people like to win but not "fake" win. Your team wants to work for it. But they don't want the finish line moved, and they don't want to kill themselves in the process. And when it's over, they want to celebrate the victory. Don't hold back celebrating wins for just "very special days." On the flip side, don't celebrate every accomplishment, because you'll lose credibility and nothing becomes noteworthy. Find legitimate reasons to celebrate, and be generous with your "stuff." If you have a discretionary budget, spend it. Most important of all, use the time you have to invest in recognizing your team's accomplishments.

Plan your team's next celebration. What contributions should be recognized? Outline what you intend to say about each team member. Be specific.

Challenge 28: Make High-Value Decisions

As a leader, your reputation is, in essence, the sum of your collective decisions. Basically, you're paid to decide—it's that

simple. Leaders decide who to hire and fire, what to elevate as a priority and what to push aside, what to celebrate and what to ignore, and what gets funded and what gets starved.

In ***The 5 Choices: The Path to Extraordinary Productivity***, the authors write that high-value decisions result from working on the important, not the urgent—going for the extraordinary, not the ordinary; focusing one's attention on the right things—how leaders prioritize and manage their time; having sustained energy. Leaders who burn out and don't renew their energy won't have the capacity to recognize and drive high-value decisions to completion. In addition, making high-value decisions requires first admitting that it's okay if you don't have the answer. Help build the kind of trust with your leader that allows you to share what you're working on and get input on how to organize and prioritize your time.

Challenge 29: Lead Through Change

According to Alan Deutschman in ***Change or Die***, 88 percent of us take on a pessimistic outlook with change. The emotional impact organizational change has on your team must not be underestimated. Consider these practices for leading through change: Recognize how the change impacts you. How you relate to and experience it will impact how you communicate it to others. Ask as many questions as possible to ensure you can shape the context for your own team. The more you know and understand, the better you can lead them through the process.

Be intentional about what you disclose to ensure your team can process the change at the speed they need to. People can generally handle tough news. What they won't tolerate is the wrong news or no news. Decide what your communication style will be during the change. You may need to balance your own mixed feelings while honoring your professional responsibility.

Challenge 30: Get Better

This challenge isn't about making incremental improvements in your professional development, relevance, or competencies. Be fearless about your own professional development and learning. Make quantum leaps. ***The Speed of Trust*** offers these tips for getting better: Commit to continuous improvement. Increase your capabilities. Be a constant learner. Develop feedback systems. Act upon the feedback you receive.

Now go out there, jump into the leadership arena, and put the 30 challenges into practice. Don't be embarrassed by the bumps and bruises along the way, and engage in that most noble, life-changing, and potentially world-changing endeavor: to be a leader.

IF YOU LIKED THIS SUMMARY, YOU MIGHT ALSO LIKE:

- ***Leading Loyalty: Cracking the Code to Customer Devotion*** by Sandy Rogers, Leena Rinne, and Shawn Moon
- ***Get Better: 15 Proven Practices to Build Effective Relationships at Work*** by Todd Davis

Entering his 23rd year with FranklinCovey, Scott Miller serves as the Executive Vice President of Thought Leadership. Miller leads the strategy, development, and publication of FranklinCovey's best-selling books and thought leadership, which provide the framework for the company's world-renowned content and solutions. In his previous roles as Executive Vice President of Business Development and Chief Marketing Officer, Scott led the global transformation of FranklinCovey's brand.

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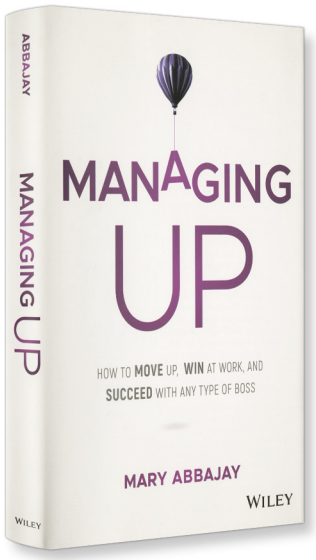

by Mary Abbajay

THE SUMMARY IN BRIEF

Managing Up is your guide to the most valuable "soft skill" your career has ever seen. It's not about sucking up or brownnosing; it's about figuring out who you are, who your boss is and finding where you meet. It's about building real relationships with people who have influence over your career.

Author Mary Abbajay helps you build the sort of relationships that foster more communication, collaboration, cooperation and understanding between people at different levels of power, with a variety of perspectives and skills. This type of bridge-building strengthens your reputation for effectiveness and fit, so you can start skipping rungs on the ladder as you build a strong, successful career.

Real-world strategies give you a set of actionable steps, supplemented by expert advice from a top leadership consultant that helps you get on track to advancement. It's never too early or too late to start adjusting your alignment. *Managing Up* is your personal manual for building this vital skill so you can begin building your best future.

IN THIS SUMMARY, YOU WILL LEARN:

- Why learning to follow is a crucial skill.
- To assess yourself and your willingness to manage up.
- Skills to manage both introverts and extroverts.
- Four common workstyle personalities and how to manage them.
- Strategies to identify and manage the top 10 difficult types of bosses.

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THE COMPLETE SUMMARY: **MANAGING UP**

by Mary Abbajay

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Introduction

The number-one reason people quit their jobs is still because of their boss. Year after year, studies show that the most common reason people leave their employer is due to having a bad boss or having a bad relationship with their boss.

Could there really be so many bad bosses out there? Or is it that we just don't know how to deal with difficult bosses? Could it be that we have failed to highlight and teach a far more important strategy — how to manage those who manage us?

While there are thousands of books (and TED talks, conferences, YouTube videos, etc.) on how to lead and manage downward, there is very little out there on a far, far more important skill — how to manage up. In other words, how to be a successful follower.

In America, we love-love-love leaders. We talk incessantly about leadership. We preach it, we teach it, we hit everyone over the head with it. We are obsessed with it. But in the real world, where most of us actually live and work, we need to know how to follow, too.

While we might resist the notion of being a follower, the truth is that the majority of us spend more of our working time following than leading. Even a CEO must be a follower, too. Everybody has a boss.

The real world of work requires close integration of leaders and followers. It requires cooperation and collaboration across hierarchies. It's time for us to learn how to be empowered followers, to take an active role in managing our careers, ourselves, our bosses and our experience.

It's time to learn to manage up.

Stop Complaining and Start Winning

Managing Up Is the Key to Your Success

Managing up is not about brownnosing, sucking up or becoming a sycophant. Managing up is about consciously and deliberatively developing and maintaining effective relationships with supervisors, bosses and other people above you in the chain of command. It is a deliberate effort to increase cooperation and collaboration in a relationship between individuals who often have different perspectives and uneven power levels.

Managing up is about *you* taking charge of *your* workplace experience. Here's why it's the key to your success.

Your boss matters. Establishing strong, productive working relationships is the single most effective way to accelerate success in any organization.

People are who they are. Your boss isn't going to change who she is or how she operates just because you would prefer her to be different. By understanding what makes them tick, you can adapt strategies to create a more robust relationship. You can't change how they deal with you, but you can change how you deal with them.

Your career matters. It is your career that will suffer if you and your boss have a bad relationship. Your role in the relationship is to provide your boss with results and performance. You must learn the essence of good "followership."

Choice is empowerment. When confronted with any difficult situation, you always have three choices: change the situation, leave the situation or accept and adapt to the situation.

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Time to Man Up

"Man up" is shorthand for managing up. To man up is to take responsibility for your choices, actions and attitudes. It's about doing what needs to be done while keeping your integrity and values intact.

To successfully man up, one must make a rigorous and honest analysis of the landscape of self and others. It's a simple three-step process:

1. **Assess your boss**. Before you begin to manage up, you need to have a good sense of what you are managing up to. What is your boss's workstyle personality? How does she interact with others? How does your boss like his information? How does she prefer to communicate? What are his priorities? What are her goals? What are his concerns, challenges and pressures? What is her experience? How did she get to where she is? What does she expect from you? What truly matters to her?

2. **Assess yourself**. Managing up requires being brutally honest with yourself in terms of who you are, what you want and what you need. It's also about understanding your contribution to the equation. Ask yourself, What is my workstyle personality? How do I like to interact with others? How do I prefer to communicate? What are my priorities and goals? What do I really need to operate at my best? What are my nonnegotiables? In what ways am I compatible with my boss? In what ways am I not? Is my boss really difficult or just difficult for me? What are my workplace strengths? What are my workplace weaknesses? Am I doing the job I was hired to do? Is my job a good fit for me?

3. **Assess your willingness to man up**. Managing up is about deploying adaptive strategies, so in order to work, you must be willing to adapt. Ask yourself, Do I like/love my job itself? Do I like/love my organization? Do I need this job (financially)? Do I need this job (for experience/career development)? Where am I on the scale of happiness/stress? Where is my boss on the scale of difficulty? What are the politics/organizational culture of my company? Is my boss a unicorn, or is his/her style pretty indicative of the overall management style? Am I willing to make changes to my behavior and/or attitude? Do I even want to try?

Managing up is like putting together a puzzle. Part of it is your boss, part of it is you and the rest of the pieces are the strategies you are willing or not willing to try.

Is Your Boss an Innie or an Outie?

One of the first and best things you can do to manage up is to understand whether your boss is an introvert (an Innie) or an extrovert (an Outie) and then adapt your communication and interaction style accordingly.

Extroversion and introversion are core personality preferences that have an impact on two very important workplace elements: source of energy and source of communication style. Building and maintaining a successful working relationship with your boss requires communicating effectively and making sure you are working with their source of energy and not against it.

Introversion and extroversion are personality traits and preferences that are characterized by the following:

- **Source of energy**: Introverts energize from internal stimuli. Extroverts energize from outside stimuli.
- **Direction of energy**. Introverts focus inward. Extroverts focus outward.
- **Response to external stimulation**. Extroverts respond well to higher levels of external stimulation, while introverts prefer less external stimulation.

It's best to think of introversion and extroversion as a continuum, meaning that everybody has a little of both and nobody is 100 percent of anything all the time.

The Outie boss leans towards extroversion. This means the boss readily shares information; sometimes over-shares information; regularly has team meetings; talks a lot at team meetings; can be long-winded; has an open-door policy (and means it); makes an effort to get to know you; feels warm and friendly; reveals his/her thought process; likes to move to action quickly; doesn't mind interruptions; and works frequently with others.

The Innie boss leans towards introversion. This means the boss shares minimal information; team meetings are infrequent; listens more than talks at meetings; can seem overly succinct or terse; often works alone with door closed; doesn't often shoot the breeze; does less relationship building; rarely walks around the office interacting; likes to reflect/process before taking action; is not a huge fan of brainstorming; is less open to interruptions; and you rarely know what they are thinking.

Workplace Styles: Assessing Your Boss's Workstyle Personality

Treat your boss how *he or she* likes to be treated, not necessarily how *you* like to be treated.

To manage up effectively, it's helpful to consider your boss's workstyle personality. Workstyle personality refers to the types of behaviors people tend to use when interacting with others at work. The following four styles are basic workstyle personalities.

The Advancer

Advancers are highly focused on tasks, achieving results and taking action. They are usually less concerned with building warm and fuzzy relationships. They are often perceived as confident, work oriented, efficient and demanding. And they love to be in charge.

Positive traits include being strong, decisive, determined, pragmatic, efficient, objective and businesslike. Potential negative traits including being aggressive, dictatorial, arrogant, insensitive, unbending, dominating and impatient.

Strategies to manage up:

Speed up! Your Advancer Boss is already five steps ahead of you before you even open your mouth. You must move and speak quickly to keep pace and get their attention. Prioritize what you want to say, and get to the point.

Avoid analysis paralysis. Advancers can easily become frustrated or annoyed by lengthy discussions over decisions. They are often willing to overlook minor imperfections in favor of speed, action and impact.

Bring solutions, not problems. When you identify a problem to your Advancer Boss, you must be able to clearly articulate three things: why it is a problem, how it is affecting progress and your idea for a solution.

Don't take it personally. For Advancers, workplace relationships are built through trust and respect, and trust and respect are built by getting stuff done. Their efforts at workplace relationship building are minimal.

The Energizer

Energizers are full of energy, personality and optimism. They are the ultimate "people" people. They are sociable, stimulating, enthusiastic and good at involving and motivating others. They are known for their enthusiasm, humor and risk taking. They are adept at selling their ideas to others.

Positive traits include being enthusiastic, imaginative, extroverted, persuasive, spontaneous and active. Potential negative traits include being superficial, immature, overbearing, impulsive, manipulative, unrealistic and undisciplined.

Strategies to manage up:

Build the relationship. Energizer Bosses are people-focused. Their currency in the workplace is relationships, so take the time to build one. It's time consuming but worth it.

Think fast, move fast. Energizers are fast moving and fast talking. Try your best to keep up.

Don't be an eeyore. If you are always pointing out the problems with ideas right off the bat, the Energizer Boss will quickly get frustrated with you. Even when faced with tough projects, try to be upbeat and optimistic.

Plan and execute. The Energizer Boss loves nothing more than people who can take ideas off his plate and bring them to fruition. The person who can take ideas, put a plan in place and execute that plan is the perfect yin to his yang. You will be recognized for your efforts.

Be creative. The Energizer Boss wants you to bring ideas and solutions, not problems. Stay on the lookout for potential areas for improvement, come up with a few possible ways to move forward, and then bring those ideas to the table.

The Evaluator

Evaluators prize quality, precision and accuracy. They tend to be organized and want all the facts (and history) before taking action or making a decision. Their preferred approach is to minimize risk by looking at all the options before making a decision. They are the quintessential "measure twice, cut once" type. Positive traits include being detailed, factual, logical, systematic, precise, questioning and quality oriented. Potential negative traits include being critical, negative, dogmatic, nitpicking, isolated and inflexible.

Strategies to manage up:

Be prepared. If you are passionate about a particular aspect of your work or you want to inject some creativity into a project, you need to do your homework before unloading all of your ideas on your boss. Without details and facts, your boss is going to be skeptical of anything new and dismiss it for lack of factual support.

Raise your standards. You probably already work very hard and want to produce quality work. Your Evaluator Boss likely has even higher standards. They are perfectionists, after all! Try your best to focus your energy on just a few projects at a time, and pay close attention to detail.

Focus on the facts. Remember that your Evaluator Boss uses data, not feelings or impulses, to make decisions. If you can show your boss that your request makes logical, rational sense, he is more willing to agree with you.

Impress with detail. While some bosses (like Advancers and Energizers) are easily bored with details, Evaluators thrive on them. Make sure you have command of the details and are prepared to demonstrate this knowledge at a moment's notice.

Manage your emotions. If you have a disagreement with your boss, give him details and facts to support your position in a calm, neutral way.

The Harmonizer

Harmonizers value people, relationships, stability and harmony. For harmonizers, the workplace climate is very important. They want to help people be successful and happy. Their favored approach is to get consensus and to mediate between disparate opinions because they believe that the best solution is one where everyone is "on board." Positive traits include being friendly, cooperative, loyal, diplomatic, understanding, helpful and agreeable. Potential negative traits include being soft, indecisive, gullible, too laid-back, cowardly and weak.

Strategies to manage up:

Focus on the team. Your boss is happiest when the team is working well together, and everyone is getting along. Do your part to establish and maintain harmony. If you have a conflict with someone, try to work directly with that person to resolve it.

Think about safety. Do you have a laundry list of ideas that go nowhere with your Harmonizer Boss? Try reframing them in terms of how a change could enhance safety or stability for you, your team or your customers. Your boss is focused on adhering to guidelines and keeping everyone safe (and happy).

Slow down. Harmonizer Bosses are often methodical people. If you barrage them with all your ideas at once or jump from one suggestion to the next, they will feel overwhelmed and shut down. Introduce one idea at a time and provide plenty of detail, steps to accomplish the task and how you will collaborate with others.

Find a mentor. Look for a mentor who is in the next stage of your career and has a different workstyle from your boss. This may be someone in a different department or a different company. It will help you rely less on your boss for professional development and can help you gain leadership skills that your boss may lack.

Difficult Bosses

If you stay in the workforce long enough, at some point you are going to experience a difficult boss. While this is unfortunate, it doesn't have to be the end of the world or a roadblock in your career. Learning to manage a difficult boss means being able to adopt a strategic perspective. It requires you to work a little harder, reflect a little more and make conscious choices.

Here are the top 10 difficult bosses you are likely to encounter in today's workforce:

- Micromanagers
- Ghosts
- Impulsives
- Narcissists
- Pushovers
- Best Friends
- Workaholics
- Incompetents
- Seagulls and Nitpickers
- The Truly Terrible: Psychos, Tyrants and Bullies

As you read through the following strategies, keep in mind the following perspectives:

Appreciate the opportunity and embrace the challenge; you will learn and grow more from a difficult boss than you ever will from a great or easy boss. The most important thing you will learn is what kind of leader you want to be when it is your turn.

Rather than label your boss a difficult person, try to identify the difficult behavior or behaviors. This will help you break down the problem into smaller, more manageable bits.

Assume positive intent. More often than not, many difficult boss behaviors result from a lack of self-awareness, a lack of emotional intelligence or a lack of basic managerial know-how, rather than from an evil intent.

All human behavior stems from some inner drive, want or need. The more you can figure out what the inner driver is, the better you can align your strategy to meet that need.

Finally, one of the most important questions you must ask yourself is, "Can I live with this behavior?" Do you want to make it work? Stay in a place of choice, because a place of choice is an empowered place.

1. The Micromanager

Nobody likes to be micromanaged. Having someone draped over your shoulder, constantly scrutinizing your every move is frustrating and soul crushing. Human beings have an innate neuropsychological need for some level of autonomy, so a boss who denies you this can be very difficult on both an emotional level and a workplace engagement level. Micromanagers who dictate and control your every move prevent you from exercising independent thought, creative problem solving and risk taking — all things that lead to growth.

Strategies to manage up:

Do not resist. Instead, dig in and manage up. Stop being surprised by this behavior. The truth about overcoming this managerial dysfunction is that it requires you to do more in the short run in order to gain more in the long run.

Develop trust. Much of micromanaging is based on fear, so you must develop trust with your boss. Your boss must trust your judgment, your ability to meet her goals and expectations, and your ability to consistently deliver quality work.

Deliver high-quality work every time. Double- and triple-check everything you do before giving it to your boss. Learn what markers of quality your boss wants/needs and her preferences.

2. The Hands-Off, Absentee, Ghost Boss

There are several types of hands-off bosses and many reasons why they ghost. The hands-off boss takes pride in being a macro-manager by delegating and empowering. The too-busy boss may want to provide guidance and support but can't seem to carve out the time. The apathetic boss not only doesn't show up, he doesn't really care. The technical expert is the boss who has the time but not the inclination to manage you

Strategies to manage up:

Do your job. It sounds simplistic, but it can be easy to veer off course when someone isn't supervising or guiding you. As tempting as it may be, resist the urge to pick and choose your work or take long lunches every day.

Build strong team relationships. Do everything you can to support the team and encourage strong team relationships and communication. You can turn yourselves into a self-directed team, which is a team that effectively combines their different skills and talents to work without the usual managerial supervision toward a common purpose or goal.

Find a mentor. Build other mentoring and coaching relationships in your organization and industry. Not only will this help you grow professionally, but it will also help you build a network of resources to help you solve problems and find answers.

3. The Narcissist

One of the most dreaded and difficult bosses to deal with is the Narcissist. Narcissist Bosses have an exaggerated sense of their importance and their entitlement. They care more about their success and self-promotion than they do about the organization or their people. They have an unrelenting need for admiration, praise and ego-stroking. They are quick to take credit for everything and even quicker to place blame on others. The Narcissist is incapable of self-reflection or acknowledging failures.

Thriving under a Narcissist is difficult, which means surviving a Narcissist is often the best option.

Strategies to manage up:

Assess the upside. Is it worth it? Many Narcissists have built huge empires and have blazed trails in new industries. If you are able to navigate the difficulties of the Narcissist Boss, there may be positive payoffs in terms of career success, experience and professional connections.

Protect your self-esteem. When working for a Narcissist, it is important that you don't take her behavior personally. Narcissists' demeaning and demanding behavior is who they are. Do whatever you can to compartmentalize their behavior. Protect your soul.

Get out. Narcissism, like any other personality trait, is a spectrum. Mild or even medium-level narcissism might be manageable. But if you find yourself working for an extreme Narcissist, the best advice is to get out.

4. The Impulsive Boss

Most human beings are wired to seek stability, certainty and homeostasis, so working for a boss who creates chaos and uncertainty can be very challenging. There are multiple reasons that your boss may be impulsive. Some are easily bored, some love change, some are desperately trying to make their mark and some are just incapable of sustained focus.

Strategies to manage up:

Appreciate the intention, and reshape the energy. Impulsive Bosses are often trying to make a positive impact. They probably want to do good and meaningful things; they just may not know how. Try to think of this behavior as a positive energy force that you have to learn to reshape into something useful.

Be open-minded. Don't become so resistant or annoyed by working for an Impulsive Boss that you close yourself off to innovation and good ideas. If your boss has a track record of impulsiveness leading to some successes, then your best strategy may be to buckle up and go along for the ride.

Recap and keep track. Shifting direction is what Impulsive Bosses do best, so they have a tendency to lose track of decisions, priorities, projects and goals. Take responsibility for recapping conversations, project announcements, priorities, assignments, etc. Put them in writing. Recapping helps to focus, clarify and confirm. It also provides cover.

5. The Pushover

Pushover Bosses' inability to take a stand or to have the courage of their convictions can be extremely detrimental to organizational productivity and positivity. Pushovers can't stick to a decision. They allow employees to walk all over them, and they never have your back. Because the Pushover rarely holds employees accountable, the ones who suffer the most are the high-performers, who quickly become frustrated with the lack of direction and the refusal to hold low-performing employees accountable.

Strategies to manage up:

Get to know them. Knowing their history, experience and personality will help you determine how best to navigate them. If they lack confidence because they are new managers, be sure to encourage and support them when they make good decisions. If they are insecure because they are new to the organization, help them understand how things work at your company.

Seek constructive feedback elsewhere. The Pushover is not going to give you any useful or constructive feedback. Look to other high-performing colleagues or mentors to help with your professional growth and development.

Fill the vacuum. A Pushover Boss leaves a power vacuum. Look for ways to fill it (using your powers for good, of course). Take some calculated risks. Look for opportunities to make decisions. Look for ways to proactively solve organizational problems and fill needs.

6. The BFF Boss

There is a big difference between being *friendly* with your boss and being *friends* with your boss. Remember that your boss is your boss first and your friend second. He doesn't love you unconditionally — as a friend would. He loves you conditionally — as long as you perform and give him what he wants or needs.

Strategies to manage up:

Be friendly but not best friends. It's a fine line that you'll have to walk with the boss who wants to be BFFs. You *do* want to engage in friendly conversation and show interest in her life. While getting to know your boss as a person (and vice versa) will help build trust, never forget that it's a slippery slope.

Get busy. While you should accept the occasional invitation to socialize with your boss, you want to limit this so as to avoid crossing the threshold from friendly to BFF. If your boss constantly asks you to go to lunch, have coffee, do happy hour, hang out or talk on the weekends, then you need to get busy with other commitments, real or imagined. Decline with kindness.

Mind the social media. Be careful about including your boss in your social media outlets. Facebook, Instagram, Twitter and the like are potential career land mines. Weigh the pros and cons carefully before accepting the invitation from your boss to follow your feed. Or better yet, let your boss know that you would prefer to connect with him on LinkedIn.

7. The Workaholic

Workaholic Bosses are everywhere. They "live to work" and often expect (and usually) favor those who share their appetite and zeal for this "all-in" work mentality. This "live to work" mentality can be exhilarating and exciting. However, working for a Workaholic can be extremely stressful, overly consuming and downright damaging to your physical, mental and emotional health.

Strategies to manage up:

Isolate the issue. Is it the pace of the workload? The amount of work on your plate? The level of incessant urgency? The number of hours required or expected? Whatever it is, make sure you are clear about where you are struggling.

Align your boundaries with their expectations. It's okay to set boundaries with your Workaholic Boss. Don't be passive-aggressive. Verbalize your needs while still expressing dedication to the job and a desire to meet your boss's expectations.

Decide what you really want and act accordingly. The bottom line is that if you want work-life balance or if you are a live-to-work person, then don't expect to succeed in an organization, profession or industry where workaholism is the path to success. Choose a profession, organization or industry that better suits your life plan.

8. The Incompetent

Organizations love to promote people for technical skills instead of managerial skills. This often creates problems when the technical expert turns out to be a totally incompetent manager. The incompetent boss avoids decisions, prefers inaction, makes bad choices, passes the work and hires the wrong people.

Strategies to manage up:

Diagnose the disorder. Is your boss an Incompetent or a Fraud? Incompetents are often good people who just lack the skills or sensibilities needed for success. Frauds talk their way into positions for which they are not qualified. Try to figure out which one you are working for as it will help you decide if you want to manage up.

Check yourself. Before labeling your boss an Incompetent, take a good look to make sure your judgment is sound and not coming from jealousy, spite or ignorance.

Show them the way. If you suspect that your Incompetent just lacks the experience or confidence, then show her the way. Instead of approaching your boss with disdain and derision, approach with compassion.

Step up, compensate and cover. Become your boss's best asset. Offer to take more responsibility and projects.

9. The Nitpickers and Seagulls

Nitpickers love to, well, nitpick. Nothing is ever perfect enough. They dive into the most miniscule details. Instead of praising (or even acknowledging) the good parts of your work, they focus on the one error they find.

Strategies to manage up:

Learn what they like. In order to please Nitpickers, you need to learn what pleases them. Pay attention to what they nitpick over. Learn their style and preferences. Don't guess. Ask.

Seagulls swoop, and there are actually two types of Seagulls: poopers and poachers. The pooper Seagulls are those who swoop in at the last minute (or at the first sign of trouble), poop on everything and then swoop out. They make lots of noise, create a big mess and leave it to the team to clean up. The second type of Seagull, the poacher, is the boss who assigns you a project and then, when you are almost done, swoops in and poaches it for herself.

Anticipate the swoop. If you have a Seagull Boss, don't let the swoop surprise you. If your boss is a poacher, then pay attention to the types of projects she likes to poach. There is usually a pattern. The more you can anticipate the swoop, the less jarring it will be when it happens.

10. The Truly Terrible — Psycho Crazy Bully Tyrannical Screaming Egomaniacs

The Truly Terrible are everywhere. These are the bosses who are not just difficult to deal with but are truly psycho, crazy, bullying, tyrannical, screaming egomaniacs. These are the bosses who use dominance, power and control to lead. These are the bosses who are emotional (and sometimes physical) abusers. These are the bosses who are unyielding control freaks, blamers, manipulators and tyrants. They thrive on intimidating, bullying, humiliating and browbeating their staff.

No one can work for a psycho, crazy, bully, tyrannical, screaming, egomaniac boss long term and thrive. The following strategies are designed to give you time to look for a better (or just different) job.

Strategies to manage up:

Protect your psyche. This is probably the most important thing you can do. At the beginning of every day, imagine you are putting on a golden shield or force field around your soul. This golden shield needs to keep you from internalizing the behaviors and impact. Visualize your force field or shield blocking your boss's poison arrows. It sounds flaky, but it really works.

Plan your exit. You should start planning your exit as soon as possible. Get your résumé updated. Activate your network. Search out other opportunities both within and outside your organization.

Document everything. It's important to keep a paper trail of your boss's abuse, in case you do decide to go to HR or seek legal recourse.

It's Okay to Quit

While sticking things out is a noble and often useful tenet, there are times when quitting is and should be the best course of action.

Signs it's time to quit include, you wake up miserable every day and dread going to work; you feel unsafe at work; your stress level is permeating your entire life; you've tried to make it work, and nothing makes it work.

Once you make the decision to quit, Get your ducks in a row — get your personal belongings together, gather any company equipment and know what they owe you. Give proper notice, and do not burn bridges. Be as professional and respectful as possible, and be gracious in the exit interview.

Managing up is good for you, good for your boss and good for the organization as a whole. Mastering this rare skill can mean the difference between surviving and truly thriving in your career.

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Move Fast and Fix Things

Frances Frei, Anne Morris

Book Snaps™
In-depth reviews of best-selling business books.

Move Fast and Fix Things

The Trusted Leader's Guide to Solving Hard Problems

By Frances Frei and Anne Morriss

Frances Frei is a professor at Harvard Business School. She served as Uber's first Senior Vice President of Leadership and Strategy, helping the company navigate its crisis in leadership and culture. Frei regularly works with companies embarking on large-scale organizational transformation. Her TED talk on the topic of building trust has had over six million views.

Anne Morriss is an entrepreneur, leadership coach, and founder of the Leadership Consortium, a first-of-its-kind leadership accelerator that works to help emerging leaders thrive. Her collaborators have ranged from early-stage tech founders to Fortune 50 executives to public-sector leaders building national competitiveness.

A Book Review by Soundview

Reinventing the Playbook for How to Lead Change

In their book, ***Move Fast and Fix Things: The Trusted Leader's Guide to Solving Hard Problems***, authors Frances Frei and Anne Morriss use the standard five day work week as a template for solving difficult problems in an organization. They begin by asking their readers to evaluate their own organizations and to determine which of four quadrants their organizations belong to. These quadrants help explain the level of trust within an organization as well as the speed with which things move. Ideally a company can move fast and fix what needs fixing, but many organizations end up either stagnating or moving fast recklessly, breaking things along the way. Frei and Morriss want organizations to move fast, but they want them to do so responsibly and strategically. In their book, they lay out a five step process for identifying and fixing problems with each step representing a specific day of the week.

Monday

Monday represents the first day of the change process. While some organizations prefer to wait until symbolic moments arise to initiate change, like the start of a new year, Frei and Morriss believe that any Monday is a good time to start the process because Monday represents a new beginning built into every week. On Monday, leadership's job is to define a problem and gather the information needed in order to solve the problem. Frei and Morriss advocate using the word "problem" because "it carries a sense of urgency." They believe that most organizations have stories they tell about themselves that are frequently untrue and can lead to stagnation and other issues. The job on Monday is to weed out these false stories so the stories can be corrected. Curiosity is mandatory on Monday, and part of opening up curiosity is to shut down judgment because judgment always inhibits curiosity. Frei and Morriss find that most often leaders find it most difficult to stop judging themselves. They write, "Your organization isn't perfect, and you probably had some role in its imperfection." All this means is that leaders are human.

Once judgment is ruled out and curiosity is opened up, leaders must then assemble a team to complete the Monday activities. They advocate for choosing people for this team who are empathetic and observant and who are comfortable dealing with other people's emotions. They call these people empathy anchors. It is important that people on the team hold different perspectives and represent different areas and levels of the organization. These people are tasked with having difficult conversations about what is really happening rather than focusing on what everyone just assumes is happening in the organization. Every aspect of the organization must be open to discussion. The group should be tasked with answering certain questions, and one particular place where emphasis should lie rests in when the organization has to say no to either employees or to customers and then find out what opportunities are missed because of this no. This leads to questions such as "Who are the organization's gatekeepers, and are they truly serving the interests of the business? What are the fears and anxieties underneath their resistance?" It is important to select a skilled facilitator for this discussion because people will often disagree at this stage. Once problems have been identified, the team needs to select a problem to work on this week. Other problems can still be dealt with as early as next week. To find this problem, it can be helpful to make short summaries of each problem. The team can vote on which problem is most pressing.

Now that the problem to be addressed this week is clearly identified, the group needs to gather Sunday night data. This is data that the organization already has. This data can come in any number of forms including the organization's mission statement, strategy documents, customer surveys, and employee achievement records. It is important for the team to learn all that the company already knows. Then the team can go out and find information they do not know. New information can be gathered by talking with stakeholders both formally and informally with the main goal being to listen to what the stakeholders have to say. It is important to pay attention to both large and small issues because the smaller issues can lead to large effects. By the end of Monday, the group should be in agreement on the problem that needs to be solved.

Tuesday

On Tuesday, "you'll stop pretending that you know how to solve the problem without first testing your ideas and finding out if they work." Frei and Morriss call Tuesday a sandbox day. This is because they want their readers "to get into the organizational sandbox and play." This should be a joyful process, and it requires a willingness to embrace failure. An organization that is not facing failures is not trying enough new things. This attitude requires an experimental mindset. Frei and Morriss suggest trying to experiment with anything that has a decent chance at success.

These experiments should have stakeholders at the center. The focus should be on ways stakeholders have lost trust in the organization. Frei and Morriss believe trust breaks occur because of authenticity, logic, or empathy. Problems with authenticity occur when what the organization says it does is not the same as what it actually does. Problems with logic occur when the organization does not meet stakeholder needs in a reliable way, and problems with empathy occur when the stakeholders do not believe that the organization cares about them. When stakeholders lose trust in an organization, it is likely because the organization wobbles in either authenticity, empathy, or logic.

Once trust wobbles are identified, the reader is called to find good enough plans to fix these problems. The authors suggest looking at logic wobbles that are problematic at the basis of the business model. These wobbles commonly occur when employees cannot meet the needs of stakeholders. Situations like these can be solved by training current employees, changing the way employees work, or finding new employees. Frei and Morriss suggest first looking to develop current employees. This helps build loyalty and makes current employees more satisfied with their jobs. When it becomes necessary to hire new employees, Frei and Morriss suggest first trying to hire within, again to help build loyalty and trust among employees. When a company must turn down a current employee for a new position, it becomes important for the company to do so in a way that builds trust by speaking directly to the rejected employee and helping them grow their career in other ways. Otherwise, "even when you've led a good-faith internal search, there is a risk that a hiring process destroys more trust than it builds." Sometimes it will be necessary to lay off current employees that are bringing the company down. They recommend doing this in a way that minimizes humiliation. Poorly executed separation decisions can actually bring profitability and the job satisfaction of remaining employees down. Still, when an employee is acting in bad faith, these decisions must be made.

Wednesday

Wednesday is focused on inclusion in the workplace as the authors instruct their readers to "make new friends" in their title for the chapter. Inclusion is important as Frei and Morriss state that "Whatever problem you're tackling this week, you're going to be better at solving it with people who don't already think like you do – people with different perspectives, different assumptions, different experiences of moving through the world." They explain that in inclusive companies, people do not just tolerate other people's differences; rather they are celebrated. Inclusive environments help curb the wobbles of inauthenticity, lack of trust, and lack of empathy discussed on Tuesday.

Frei and Morriss list ten benefits inclusive organizations earn. One of these benefits is that organizations will find it easier to recruit high quality candidates if they are inclusive. This is because many talented people seek out inclusion in the workplaces they choose to enter. They also note how inclusive organizations are often more resilient organizations. To demonstrate this, Frei and Morriss explain how during the years between 2007 and 2009, there was a 35% decline in stock performances, but there was actually a 14% increase in performance in inclusive companies. They attribute this difference to the ability inclusive organizations have to be adaptable and to be comfortable with change. Among the other nine benefits inclusive organizations reap is the money more inclusive organizations make. Because inclusive organizations make better decisions and are more

Despite all of the benefits inclusive organizations reap, it can be difficult to achieve true inclusion as it requires more than just a diverse workforce."

highly productive, they often see increases in revenue. Frei and Morriss see "no other distinction that can deliver these kinds of advantages" making inclusion a key facet of organizational culture that leaders should foster.

Despite all of the benefits inclusive organizations reap, it can be difficult to achieve true inclusion as it requires more than just a diverse workforce. Frei and Morriss insist that creating a diverse group will not help the organization unless the environment is truly inclusive. In fact, homogeneous teams perform better than heterogeneous ones do unless the teams are truly inclusive, honoring the unique contributions of all members. One reason diverse teams may struggle is because of the common information effect. This effect explains how people tend to focus on what they have in common with other people. When people in a group have little in common, they have little common information to focus on. Inclusion overcomes this common information effect because inclusive groups celebrate what it is that makes everybody different, opening up more areas for exploration. Frei and Morriss note that "inclusion does not mean exclusion." Every person's perspective should be considered in inclusive groups, not just opinions coming from people in traditionally underrepresented groups.

Frei and Morriss discuss an inclusion dial. There are four distinctions on the inclusion dial: safe, welcome, celebrated, championed. Each step on the dial must be met before an organization can move on to the other steps on the dial. For example, people cannot feel championed unless they are first celebrated, welcome, and safe. In safe environments, people feel safe not only physically but also psychologically and emotionally. In welcoming environments, people feel they can be themselves, and in celebrated environments, people feel celebrated "because of who they are." Finally when people feel championed, an entire organization's culture is inclusive, and inclusion is seen as a moral imperative.

Frei and Morriss urge organizational leaders to survey people in different parts of an organization to determine where people feel the company falls on the dial. Oftentimes leaders are surprised to find that those they lead do not feel as included or even as safe as they previously believed. Furthermore, it will be likely that those who feel the most inclusion will tend to center around good managers and leaders who are particularly good at fostering an inclusive environment. Frei and Morriss go on to explain how they want everyone to move up the dial. In some organizations, men start to feel more insecure about making missteps as women and nonbinary people become more included. This is not ideal as an inclusive environment should make everyone feel more included and secure. "The higher up we find ourselves on the Inclusion Dial, the greater our imperative to reach down and help pull others up."

Thursday

On Thursday, the focus of the organization will change to the story leaders tell about changes to be made. Human beings are story-centered individuals, so the way a story is crafted and shared is of the utmost importance. This story should focus on both the why and the how of the intended changes, and it is based on all that was learned earlier in the week about problems the organization is facing. Crucial to effective storytelling is the ability to tell a story in simple terms. "The objective of change storytelling is to understand the story deeply enough that you can describe it simply to the people you want to act on that story."

First, Frei and Morriss advocate for honoring the past, both the good and the bad. It is important to honor the good because almost all organizations have people who serve as gatekeepers who respect the past history of the organization and do not want to see changes erode what it is they respect and honor about the organization's past. This requires people to focus on the parts of the organization that they do not want to see changed. This will help ease the anxiety of the gatekeepers. These gatekeepers are so important that Frei and Morriss recommend keeping one near so those in leadership can understand the anxieties people face as they attempt to move the organization forward. A sense of continuity is important if leaders want people to get on board with proposed changes. Once the good parts of an organization's history are acknowledged, it is important to then move on to the not so good parts of an organization's history. These are generally places of wobbles found on Tuesday. At this stage, leaders need to focus on both honesty and optimism.

The next step in the storytelling process is to project a tone of both rigor and optimism as leadership lays out the plan for needed change. This can be done by appealing to logic, and data can be a useful rhetorical tool. But when it comes to data, Frei and Morriss urge readers not to inundate people with too much data, instead choosing to focus on what is most important or compelling. The story then needs to be told with optimism because optimism is an important tool because of its highly infectious nature.

All of these points of the story then need to be put together. Frei and Morriss recommend using a three part structure utilizing the following headings:

1. "The Good Ol' Days"
2. "The Change Mandate"
3. "The Optimistic Way Forward."

This story should be practiced and read aloud, and once it has been finely tuned, it should be repeated frequently. Most people do not share the story enough and likely need to at least double or triple the number of times they share the story. Feelings do not need to be ignored. In fact, they can help build both trust and a sense of authenticity.

Friday

On Friday, Frei and Morriss advocate for speed. They start out their exploration of speed by making the assertion that "There is such a thing as being too late" as they believe that when an organization does something matters as much as what it is that it does. Not only is speed important, but if the steps outlined in Monday through Friday have been implemented, the authors believe that a right to speed has been earned. Because the steps have been taken, breaking things is far less likely had action just been jumped into.

Frei and Morriss believe there are ten beliefs that get in people's way of moving fast. The first of these is people's perceptions that change happens slowly. Frei and Morriss believe that "history lurches forward when changemakers decide that the moment that matters most is right now." Frei and Morriss further believe that a belief that things can be done later can lead to a reticence to change. This desire to push change into the future can come with a high price. Another problem people run into is a belief that they need more information in order to make changes. Frei and Morriss counter this belief by sharing Jeff Bezos's belief "that most decisions should be made with about 70 percent of the information you want." Part of the problem of waiting for absolute certainty is that the company is vulnerable while leaders wait to make a necessary change.

One stumbling block organizations come across when trying to implement change at a fast pace is that they have too many systemic stumbling blocks. This often means that decision-making capabilities are confined to too few individuals. This can cause change to get stuck in a pipeline. A solution is to teach people how to think, giving people the required authority to make decisions once they are fully informed about the criteria necessary to make the change.

Another stumbling block organizations face is a reticence to do some things poorly. Frei and Morriss discuss the impossibility triangle. The three points of this triangle are speed, quality, and cost. At most, two of these criteria can be met. Therefore, if speed is important, either quality or cost will suffer. To cope with this reality, leaders are tasked with deciding which tasks can be done poorly. Frei and Morriss use the example of Southwest Airlines. In order to keep costs low while also prioritizing speed and efficiency, they must compromise on service. This can make people uncomfortable at times, but the only way to get people where they want to go at a low cost is to compromise in that manner. When leaders refuse to acknowledge the reality of this triangle, "the alternative is to pretend you can be great at everything and lose trust as you go."

The goal Frances Frei and Anne Morriss set out to achieve in their book is to help leaders analyze their organizations, recognize problems, create solid plans quickly, and implement these plans with a sense of urgency. Frei and Morriss's book focuses on the people in an organization as it attempts to help readers create environments that are conducive to the flourishing of all stakeholders. Underlying their book is the premise that when stakeholders are respected, progress can be made. This is because empathy, logic, and authenticity are all keys to successful organizations and effective change. Along these lines, the authors end their book discussing the weekend. This is a time of rest and replenishment that comes at the end of a week of change and that can lead to recovery. Part of the reason they chose a week as a framework for institutional change is because weeks have built in weekends that can allow for this recovery.

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Moxie

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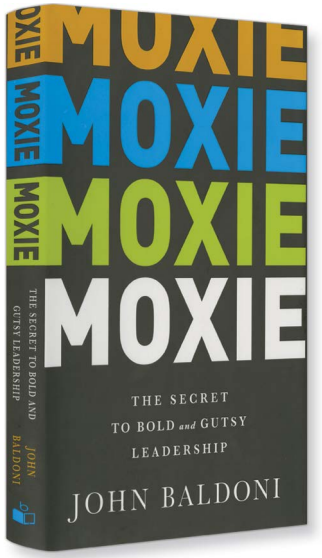
Leadership

Moxie

The Secret to Bold and Gutsy Leadership



by John Baldoni

THE SUMMARY IN BRIEF

Leaders today need to be mindful of their circumstances as well as mindful of their own strengths and shortcomings. They need to have the disposition to succeed as well as the inner resourcefulness to persevere. Leaders must be willing to do things differently but also draw on tried and true traits, such as courage and gumption.

Moxie is a concept that the modern leader is wise to adopt — one part courage, one part can-do spirit and one part recognition. In *Moxie: The Secret to Bold and Gutsy Leadership*, author John Baldoni uses concrete, tried-and-true steps to bring out the inner leader in everyone. For management and employees alike, *Moxie* provides a roadmap to inspire innovation and effective leadership.

Whether you're already at the helm of your organization or still looking for a way up the ladder, *Moxie* is the leadership tool you can't do without. Built on the MOXIE framework, leaders will learn how **M**otivation, **O**pportunity, an **"X"** factor, **I**nnovation and **E**ngagement work together for success.

IN THIS SUMMARY, YOU WILL LEARN:

- Inspiring stories of heroes embodying the principles of MOXIE.
- Why mindfulness is necessary for leadership success.
- Why it's essential to create opportunities both for yourself and for others.
- The most important X factors you need to become outstanding.
- The ground rules for fostering innovation.
- Why listening and commitment are key to engaging your people.

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Skillsoft

THE COMPLETE SUMMARY: **MOXIE**

by John Baldoni

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Introduction

Moxie! The very word conjures up images of tough-talking guys with bent noses and fedoras pulled down low over their eyes. It is a word that was common in the 1930s and typically associated with people born on the wrong side of the tracks. Common people to whom circumstances had not been kind. They had to make do with what they had, even if it meant using their fists.

Three-quarters of a century later, moxie is not a commonly used word, but it is the essence of what makes a leader tough on the inside and soft on the outside. These people know what it means to get knocked down, but better still, they know how to get back up. They also stick up for others, especially when the chips are down, and you want them on your side. And lucky for you, they most often are.

By definition, moxie is gumption (get up and go), guts (courage) and determination (perseverance) all rolled into one. It is one part courage, one part can-do spirit and one part recognition. Here, we explore how the concept focuses on what leaders need to be as well as what they need to do.

In short, moxie is an acronym. Specifically, leaders need to be **mindful** of their circumstances as well as of their strengths and shortcomings. Leaders must be **opportunistic** in the sense that they want to make positive things happen. They also need to have the **disposition (x-factor)** to succeed as well as the inner resourcefulness to persevere. Leaders know that risk is involved with most ventures, so they must be willing to do things differently. They must be **innovators**. And all good leaders know that they, by themselves, accomplish very little. They must **engage** with others in order to achieve sustainable goals for themselves, their teams and their organizations. Moxie is an attribute that successful leaders use to make a positive difference in the world in which they live.

Mindfulness

People with moxie know that good things happen to those who seek them. Such folks are aware of their situation and, most importantly, are aware of their ability to effect positive change.

Nelson Mandela

World leaders come and go, but few have captured the imagination like Nelson Mandela. Born into royalty in his homeland, he assumed chiefly duties. Seeking wider influence, he soon ran smack into the vicious and oppressive apartheid system designed to keep black Africans, the overwhelming majority, in a state of subjugation.

As head of the African National Congress, Mandela was tried on terrorism charges and sentenced to five years in prison in 1961. He was sent to Robben Island, a remote spit of rock in the Indian Ocean, four miles off the coast of Cape Town.

Later, when his papers were found in a distant farmhouse, Mandela, still in prison, was tried on treason charges and sentenced to death. His death sentence was later commuted, but the hardships endured. He pounded rocks in the blazing sun day after day, years upon end.

It was mindfulness, as well as the cohesion of his comrades on Robben Island, that enabled him and his fellow prisoners to persevere. During this time, Mandela looked forward, and in doing so, learned Afrikaans, the language

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Amanda Langen**, Graphic Designer; **A. Imus**, Contributing Editor

of his jailers, as well as Afrikaner culture. He came to understand that, unlike the English, who might re-emigrate to Britain or another commonwealth nation like Canada or Australia, should black people come to government, the Afrikaners, descendants of Dutch farmers who had emigrated to Southern Africa in the 17th century, were home. They referred to themselves as Africa's White Tribe.

After Mandela was released to worldwide acclaim and adulation in 1993, he traveled the world. When it was decided that there would be free and fair elections, he ran for president and won. This thrilled the hearts of his fellow Africans but absolutely terrified the whites.

Mandela, being a wise man with a capacity for human understanding that dwarfed most others, understood that he needed to pull the nation together. His method was rugby. South Africa, long banned from international sports competition, was designated the host nation for the Rugby World Cup of 1995. This was a huge deal for the Afrikaner population, less so for fellow Africans. But Mandela understood that this was his opportunity to make a statement to Afrikaners that he needed them as partners in the government as well as partners in the nation.

Only someone with Mandela's sense of purpose could have shepherded a nation whose government was so virulently racist through a peaceful transition that facilitated reconciliation and allowed the country to survive. Mandela exemplifies what it means to be mindful: aware of your situation but at the same time focused on what you can do to improve it.

Self-Awareness

The capacity to know oneself is essential to being a leader. Self-awareness is the ability to understand yourself as well as to know how others perceive you. Too often, we overlook self-awareness as an important attribute of strong leadership. According to a 2012 survey of 17,000 employees, conducted by the Hay Group, only 19 percent of executives possessed a degree of self-awareness.

How we build our self-awareness says something about how we will succeed as leaders. The first step is acknowledging that we have work to do. Often that comes from feedback we receive from a trusted source, be it a boss or a colleague. Applying that feedback so we make positive changes is essential.

If you are not aware of what others think of you or the situation, then it can be difficult to connect with them. Leadership requires persuasion, and that can only occur if the parties understand each other. Self-aware leaders know what is happening around them; they live in the present but are aware of the future. They know that what they do has consequences, and for that reason they are attentive to how they interact with others.

Self-awareness is fueled by mindfulness, the ability to think and act in the present. Mindfulness is a state of being, and it requires attentiveness to the here and now as well as to what is happening with others.

Mindful Practice: Patience

Savvy leaders develop self-knowledge through mindful practice. It can begin with patience. For the many leaders whose internal motor powers them to act, the concept of patience can seem foreign. It can be perceived as passivity. In actuality, patience is an active process. While we cannot control the situation, we can control how we react to it.

Mindfulness enables us to check our emotions so we can discern things with a clearer perspective. As such, mindfulness enables us to listen, engage and connect with others in a more open and honest way.

Applying patience in the workplace means making time for employees and keeping an open-door policy so employees feel free to come in and chat. It sends a signal that you value their contributions. Mindfulness also means you make time to reflect on what you observe and what you hear. It does no good to listen and not act.

Mindfulness requires practice. You build up the practice of it through disciplined observation and being present but also through physical action. Breath control is key. By focusing on breath, something borrowed from yoga, the individual can slow down the external world and focus on the internal.

We can train ourselves to be mindful of our own thoughts and feelings, and we can do the same with others. And, being mindful of the situation around us is critical to developing an ability to connect with others. It is not easy.

As Rich Sheridan, cofounder and CEO of Menlo Innovations, an Ann Arbor–based software firm, notes, "As a leader you're pulled simultaneously in two directions constantly. And I think that is the challenge of leadership. There's that one aspect of leadership that requires the ability to envision a better future than where you're at today and that requires you to lift your head up and look down the road as far as you can. But that only gets you kind of half the way there because the other part is, what's happening today?" says Sheridan.

Situational Awareness

Another form of mindfulness is situational awareness, knowing where you are and what you need to do next.

Situational awareness is paramount in managerial situations. Managers need to ask themselves what is going on, or not going on, in their departments. The manager needs to know what resources she can share with her team. And most importantly, she needs to evaluate the skills and talents of her team.

Understanding the situation comes from asking the right questions. As CEO of Campbell Soup Company, Doug Conant and his team focused on "listening before leading." Doing so is not as easy as it sounds. In the press of business, as Conant explains, executives are pushed to make decisions out of a sense of expediency with "quick judgments." The challenge, as Conant explains, is to slow down and let things settle a bit.

A mindful leader is vigilant but also attuned to the inevitable forces of change. Mindfulness, then, prepares leaders to focus on the present as well as prepare for the future.

Opportunity

Individuals with moxie do not wait for things to come to them. They seek new opportunities. And that is critical for a leader. Few, if any, are content to sit back and wait for things to happen. They look for windows of opportunity where they can apply what they know and do what needs doing. They are opportunistic in mindset, and their need to succeed drives them to take advantage of what happens next.

Facing Adversity

The heart of a leader's responsibility is to tell the truth. That truth begins with a look inward. In his more than 30 years of research, including collecting best practice stories for *The Leadership Challenge* (now in its fifth edition), Jim Kouzes notes that nearly every story featured offers an example of someone facing a significant challenge. Inherent in facing adversity is a willingness to look beyond the immediate problem to see possibilities over the horizon.

One of Kouzes' favorite quotes is from legendary Hollywood agent and deal maker Swifty Lazar, who said, "Sometimes I wake up in the morning and there's nothing doing so I make something happen by lunch." Kouzes likes to tell leaders to "Post this quote on your wall or computer screen so you can remind yourself to take initiative. Every day when lunchtime arrives, if you haven't made something happen, delay lunch." That's where opportunity enters.

Making Things Happen

Opportunities often arise from disruption. Disruption can be an effective strategy when it comes to doing something different and making it work to build a business. One example is Netflix, which has disrupted the marketplace not once but multiple times.

As TV critic David Carr noted, Netflix first disrupted video distribution by using the U.S. Post Office as its distributor of DVDs. This effort was immensely popular, and the business grew. Then Netflix began streaming video directly to subscribers, who paid a monthly service fee that entitled them to watch as many movies or TV shows per month as they wished. Again, the business model proved successful.

The next disruption was self-inflicted. In August 2011, Netflix decided to split the businesses into two different business units, meaning customers needed to pick which service to use or pay 60 percent more to keep both. The outcry was huge, and Netflix lost as many as one-third of its subscriber base. But, as Forbes.com commentator Adam Hartung wrote, "CEO Hastings actually did what textbooks tell us to do — he began milking the installed but outdated DVD business. He did not kill it, but he began pulling profits and cash out of it to pay for building the faster growing but lower margin streaming business." And it worked. The streaming business grew, and the DVD business declined.

It was now time for its third disruption — creating exclusive content for Netflix. The first major effort was the funding of 26 episodes of a Netflix-only series, *House of Cards*, a political drama starring Kevin Spacey as an ambitious politician on the make. The first 13 episodes were launched in spring of 2013, and the response was hugely positive.

Nothing Netflix did was extraordinary per se, but by looking at what consumers wanted in terms of television watching, it was able to deliver movies and TV shows directly, first through the mail and later via the Internet. Creating its own content was the next huge step, and it shows that innovation need not be totally original; rather, it must be focused on providing something different in terms of convenience.

Taking Opportunity to the Next Level

Successful leaders capitalize on opportunities, but they do something more. They create opportunities for others. The greatest untapped reservoir of organizational strength is purpose. Wharton Professor Adam Grant says, "In corporate America, people do sometimes feel that the work

they do isn't meaningful. And contributing to coworkers can be a substitute for that." Grant's research proves his thesis. Employees are more engaged and motivated when they feel they are contributing beneficially to others.

Grant said, "Many leaders underestimate the power of operating like a giver." It is different from charitable giving and volunteerism. "The giver mindset is a focus on making other people better off…There is compelling evidence that when leaders operate like givers they do better, and so do their organizations."

Purposeful organizations deliver on the service equation, both internally and externally. So how can we show service in the workplace? First and foremost, consider not so much what you do but the outcome of what you do. That is, think, "What effect will doing my job well have on my coworkers?" Next, put your mindset in place. Consider these options:

Listen; don't judge. Rather than preemptively dismissing a comment, keep an open mind, and use this flexible stance as a point of leverage for conversation. Ask an open-ended question, or ask the person to expand on his comment.

Think "want to have" rather than "have to." We all have must-do tasks. Thinking of them as things you want to do to help another person perform her job better reframes the work as a matter of helping, not simply completing.

Put benefits before tasks. Look for ways to turn what you do into things that benefit your colleagues.

Adopt a "me-last" approach. It makes a positive impression when you, as a senior person, defer to a subordinate. It shows that you have respect for others and a sense of humility about yourself.

Step out of the limelight. Let others get credit for a team effort when things go right. And if the reverse occurs, stand up for your team.

X Factor

Each of us has a unique set of talents and skills that we use to make our way in the world. More than just talent, it includes what makes you — your character, convictions and personal beliefs. Consider this set the X factor: what enables you to do what you do and do it well. They are essential to your ability to take charge of your life as well as to radiate the authority you need to bring others together for common purpose.

X factors are integral to leadership because they provide the backbone a leader needs to stand up and be counted, as well as the ability to do so with grace and dignity. Leaders are always on. The higher their profile, the bigger the stage; their words and actions are magnified by the outsize roles they hold. That is, a word from a CEO or commander rings with importance, but it also carries significance. Such leaders hold power over others, and therefore what they do is of consequence.

Key X Factors

It is essential to consider factors in addition to self-awareness that help personal growth. According to the 2013 *Time* Creativity Poll, those surveyed rated the following as the characteristics they most valued in others:

Creativity: Sixty-two percent of those surveyed said that "Creativity is more important to success in the workplace than they anticipated it would be when they were in school." Clearly, creativity is valued, and if organizations do not do enough, then it is up to individuals to develop it in themselves.

Intelligence: Intelligence is the raw horsepower needed to process information and make sense of it. And while processing power is highest in young people, the ability to apply it — knowledge — comes with experience. Intelligence is the baseline for competence.

It would be a mistake, however, to restrict intelligence to verbal and mathematical abilities alone. Harvard professor, psychologist and best-selling author Howard Gardner has championed the cause of multiple intelligences. The multiple dimensions include spatial and kinetic, necessary for athletes; rhythmic, necessary for musicians; and interpersonal, vital for forming relationships, among others.

Compassion: While passion is essential to success at work — you need to love what you do — compassion is the element that others value. People want to know that their leaders care. Compassion is a virtue rooted in the dignity of the individual.

Compassion takes many forms. We see it when employees pitch in to help a colleague in need. Sometimes the aid takes the form of a donation for a medical expense or hardship. Other times we see coworkers offer a fellow employee assistance by cleaning his house or shopping for groceries. And very often if an employee is out, her coworkers will band together to cover for the individual to make certain the work is done on time.

Humor: Life is hard and work is tough. Truisms, yes, but no less relevant in our daily lives! So when people can find laughter, it is something to be valued. Humor adds richness to our daily lives. Those who can look at a situation — whether at work, at home or at play — and find humor are those we like to be around. Having a sense of humor is a good attribute for a leader to possess. This is es-

pecially true when the leader turns the humor on himself. A leader who can laugh at his mistakes and poke fun at himself is one who is confident in his abilities and, at the same time, projects a sense of humanity and fun that draws people to him.

Ambition: While ambitious people can grate on us at times, ambition is an essential component in personal drive. Ambition sparks our internal motivators, it fuels our get-up-and-go, and it prompts us to tackle the challenges of the day. Ambition focuses energy on career goals, but it also provides a stimulus for action and execution.

Curiosity: While curiosity was not mentioned in the *Time* survey, many leaders value it and look for it in others. According to Ryan Lance, a curious leader is one who is trying to figure out why things are what they are. A curious leader is forever asking questions. She does this as a means of discovery, of provoking thought. A curious leader is one who is looking to find possibilities where others may have overlooked them.

Character: As important as the preceding attributes are, none is more important than character. It is the foundation upon which an individual and, certainly, leaders stand. Without it an individual lacks backbone. The elements of character, as OneGoal founder Jeff Nelson sees it, emerge from five aspects: integrity, resilience, resourcefulness, professionalism and the one just discussed — ambition.

Resilience: There is no shame in getting knocked down. It is what you do next that matters most.

Courage: Many leaders have noted that courage is not the absence of fear but rather the management of it. Courage for us means choosing a moral path: putting what's right ahead of what's expedient. In that regard, we make choices to stand by our convictions and, in the process, make sacrifices that may initially hurt us but in the long run instill character. Courage comes in many forms and is integral to the ability to lead others.

Confidence: A leader without confidence is like a boat without a rudder, drifting aimlessly. There are many ways to think of confidence, but I like to think of it as the internal spirit of "can do." It emerges from within us all. Confidence emerges from our accomplishments. It arises from what we have done and what we have learned, so that when we face the next challenge, we have a reservoir of something inside of us that says, "Yes, I can do this."

The challenge for you is to find these factors and incorporate them into your leadership persona. Then you can lead in ways that bring people to you, so that together you can achieve intended results.

Innovation

Individuals who have moxie are not content with the status quo. They are continually seeking to acquire new skills and apply them in new ways.

Sergio Marchionne

He does not look the part of an automotive mogul, with his sweater, cigarette and slightly rumpled clothing. But looks in this case do not tell the story. He may be the auto executive with the most challenging job in the world: reviving the fortunes of two flagging automakers, Fiat and Chrysler. His name is Sergio Marchionne, and as CEO of both automakers, he led a turnaround effort that startled those who do not know him, though it has not surprised those familiar with his track record.

Marchionne was born in Italy but immigrated to Toronto with his family when he was a teenager. The fact that he did not speak English was a stumbling block, and his teen years in school were not marked by academic success. But unlike others his own age, he did have a remarkable ability at cards. His tolerance for risk was high, and he seemed to keep his cool, two traits that would hold him in good stead in his career.

After buckling down to the books, he went to university and did well enough to earn a degree in chemistry. He gained a job with a Swiss company and ended up running SGS, a Swiss subsidiary of Fiat. He turned the company around, which earned him the notice of Fiat's senior management. As the 21st century dawned, the company that had defined Italian manufacturing prowess was foundering. The biggest cash drain was Fiat Auto, and Marchionne was tapped to run it. Urgency was the order of the day, as the company was close to insolvency. Some executives would have withered under the assignment; Marchionne did just the opposite. He thrived.

When Marchionne took over Fiat and Chrysler, heads rolled. But with both companies in dire straits, decisive action was necessary. That said, Marchionne has a sense of humility. When he spoke to Chrysler employees for the first time, in 2009, he said that he needed their ideas and their effort to succeed.

Marchionne likes to be close to the action. At Fiat he spent time walking around getting to know people, and when he identified his key people, he pulled them toward him in a matrix management style that enabled everyone to stay close. At Chrysler he did the same.

Marchionne did not take over the plush office on the top floor of Chrysler's headquarters. Instead, he located his office on the engineering floor, to be close to the people

who were revamping the product line. He insisted that the Fiat engineering team share its expertise with Chrysler engineering teams, a process that would accelerate the development of smaller vehicles to meet the automaker's need for improved fuel efficiency.

In making these changes, Marchionne sent a signal that he was actively engaged in the business but that if the company was to be successful, it would need to think and do differently. It would need to innovate, and in this regard, he is a model of a leader who exemplifies what it takes to energize an organization through the spirit of innovation.

Innovation is applied creativity. Leaders have to enable employees to be creative by providing conditions that let the imagination flourish. They also must take what emerges and push or pull it throughout the organization. And that is not easy.

Setting Ground Rules for Innovation

When Rich Sheridan founded Menlo Innovations with his business partner in 2001, he resolved, "Number one thing, hands down, you have to pump fear out of the room. You cannot innovate in an environment of fear because fear causes your body to produce the powerful chemicals adrenaline and cortisol. These chemicals shut down the most interesting parts of your brain, because the blood is now being channeled to your extremities so you can run and to your heart so you get enough oxygen to run. Blood is channeled away from the front — prefrontal cortex of the brain. And now you've lost all ability to be creative, to be imaginative, to be innovative, because now you're in reptile mode.

"If people aren't afraid, they will begin to trust one another. If they trust one another, they might begin to collaborate. And if they collaborate, suddenly you will get creativity, innovation, imagination! And that's what companies are looking for."

Driving out fear is only the first step; you need to take it further, according to Sheridan: "We want joy here, defined as the people for whom we're designing and building the software love what we've done. They are delighted, and we've made their lives better. So that's that whole idea of working on something bigger than yourself."

"Chalk the Field"

Jim Haudan, CEO of Root, says, "Innovation can only occur with the mindsets that recognize that Big Ss come from small Fs, and that means big successes can only come from small failures. So if we can't fail, we will never succeed." To do that, organizations must "fail forward fast," says Haudan. "You need to hug the failures and embrace the failures" rather than run from them.

Haudan advises leaders to limit risk and go for "small, fast and cheap." For example, go for process improvements and incremental changes to products rather than entire new product lines. Use them as learning lessons rather than "bet-the-company options." Once you have learned, you can take bigger risks, developing entirely new products or even product categories.

Haudan notes a pitfall of innovation: applying it where it is not needed. So he advocates that you "chalk the fields," that is, determine what you will change and why. "There are places where you want absolutely no innovation, because reliability and predictability are key," says Haudan.

People often resist innovation because it disrupts their comfort zone. When it does, they put up resistance. Again, it is necessary to keep trying. It falls to the mindful leader — one who looks for opportunity — to push the organization to do something different in the quest for improvement.

Engagement

Persons with moxie seek to engage with the wider community around them. They are focused on making a positive difference in their teams and in their organizations.

Leaders do not work in isolation. They work with others in order to bring their ideas, their dreams and their aspirations to fruition. To do this they must engage with others. The engagement can be as simple as one-on-one conversations that lead to relationships, or it can be engagement with groups, teams or entire organizations.

There is no one-size-fits-all approach to engagement, but there is a fundamental principle to which all highly engaged workplaces adhere. It is this: there is dignity in work, and when we treat workers with dignity they become contributors to results as well as to success.

Strategy is important but what truly matters, according to Jim Haudan, is "when people come together with aspirations to build something that doesn't exist." The challenge is to focus on purpose, or, as Haudan says, move from the "unconscious to the conscious. [This] invigorates the power of human beings to make a difference."

The question is, how do we engage with purpose? First, leaders must enable others to recognize purpose on two levels — organizationally and personally. Leaders

must instill purpose by linking what a company does (its mission) to what it wants to become (its vision). They do this through their communications and their actions. They leverage purpose as the why of work, that is, why do we do what we do?

Purpose, however, is something to which people relate for one simple reason. It gives meaning to what they do. As Haudan says, it's that "larger than themselves" connection we all crave.

Engagement Begins with Listening

Fernando Aguirre, former CEO of Chiquita Brands, believes that engagement relies upon two important factors: "One is to communicate all the time; and two is to find objectives that are common and that employees can make them their own."

When Aguirre joined Chiquita as CEO, he spent his first 90 days as chairman and CEO "going on a listen and learn campaign and told employees that [he] was not going to make any major decisions in those first 90 days." Aguirre processed what he learned by writing about and reporting his findings to various business units.

The listening and learning continued throughout his tenure at Chiquita. Aguirre says, "Anytime I would visit any of our operations, I would hold town hall meetings with every employee that was in the building, no matter what level, no matter if they had joined the day before or if they had been in the company 35 years. And I would talk a little bit about results. I would talk a little bit about what we were doing strategically, and then I would answer their questions."

Aguirre extended his town hall concept globally. He held quarterly review sessions that were broadcast throughout the company. He says, "I started every single town hall (or quarterly) meeting by reminding folks that the most important part of this session is going to be your questions." As he explains, such commonality ensures that everyone is focused on the same goals, but it also enables managers to implement their own ideas in order to achieve the best results for their business units. In this way, Aguirre says it is employee "ideas that end up influencing the work."

Mindful Engagement

While engagement is nurtured one on one, it will not work if the leader herself is not committed to the process. Personal connection to the work is critical. And that only occurs when leaders and followers are on the same wavelength. When they are both connected to the work and to the purpose, exciting things can happen.

The way to build upon personal connections is to "connect the dots." That is, the leader must relate the work of individuals to the collective work of the team and ultimately the organization.

Engagement as Commitment

One element of engagement that many organizations overlook is commitment. Jim Haudan believes firmly that employees feel more engaged when the workplace is a place where they feel a sense of belonging. In part, this concept is derived from Haudan's approach of viewing employees as customers. Adopting this mindset shifts the balance from what *we do to* an employee to what *we can do for* them. Making the personal connection between the employee and the work is vital to engagement, but more importantly, it creates a bond between the employee and the enterprise. Once an employee feels connected, she will go the extra mile to achieve intended results.

At Root, management fosters commitment in a variety of ways. One method is borrowed from something that Haudan witnessed at a ceremony at Lourdes University in Ohio. Freshmen at the school are given a ceramic medallion. When they graduate, they give the medallion to the person at the school who helped them the most. Haudan adapted that concept to recognize employees. Employees were given a tree and then asked to give that tree to the person who had meant the most to him and helped him feel part of the Root organization.

A leader is more than a sum of what he has accomplished. A leader is judged by how well he enabled others to achieve their aims in ways that benefit the entire organization. That is the essence of engagement — bringing people together for common purpose.

RECOMMENDED READING LIST

If you liked *Moxie* you'll also like:

1. ***Grounded* by Bob Rosen.** Rosen proposes a new approach to leadership in which leaders at every level can become more self-aware, develop their untapped potential and drive better results for themselves, their teams and their organizations.

2. ***Hacking Leadership* by Mike Myatt.** Myatt identifies 11 leadership gaps that can be holding leaders back and affecting their performance.

3. ***Why Motivating People Doesn't Work...and What Does* by Susan Fowler.** Fowler shows leaders how to help people meet their needs for autonomy, connection and competence for long-lasting motivation.

· Book 200 of 388 ·

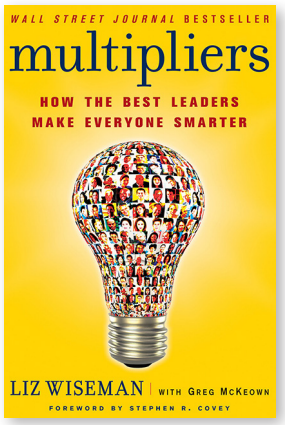
Multipliers

Liz Wiseman

Executive Book Summaries®

Multipliers

How the Best Leaders Make Everyone Smarter, Revised and Updated



by **Liz Wiseman**

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THE SUMMARY IN BRIEF

Consider two dramatically different types of leaders. The first type drains intelligence and capability from the people around them and always needs to be the smartest person in the room. They are Diminishers. Then there are leaders who amplify the smarts and capabilities of the people around them.

When these leaders walk into a room, ideas flow and problems get solved. These are the Multipliers, and the world needs more of them, especially now when leaders are expected to do more with less.

In this revised and updated edition of the best-seller ***Multipliers***, leadership expert Liz Wiseman explores these two leadership styles, showing how Multipliers can have a resoundingly positive and profitable effect on organizations. With two new chapters, this revered classic proves better than ever how the five disciplines of Multipliers are skills that everyone can learn to use.

Just imagine what you could accomplish if you could harness all the energy and intelligence around you. ***Multipliers*** will show you how.

IN THIS SUMMARY, YOU WILL LEARN:

- Three key insights of the revised and updated ***Multipliers***.
- The five disciplines of Multipliers and how to practice them.
- To recognize the Accidental Diminisher.
- Tips for dealing with Diminishers and strategies to become a Multiplier.

Preface

Multipliers began with a simple observation: *There is more intelligence inside our organizations than we are using*. When the book was released in 2010, this idea struck a chord with managers around the world, perhaps because it came on the heels of a global recession, at a time when a tectonic shift was occurring in management and the ground was moving under all our feet.

Ideas that were once considered subversive are the new normal. Diminisher bosses still exist, but like old BlackBerry phones, it is only a matter of time before they become obsolete and people upgrade to newer models. As companies do the math, they realize that they simply can't afford leaders who waste talent, suppress vital innovation, and slow business growth.

In 2011, research showed that managers were utilizing just 66 percent of their people's capability on average. When considering only direct reports, that number increased to 72 percent. Slow, steady improvement has occurred, rising from 72 percent in 2011 to 76 percent in 2016. While managers have become better at estimating their diminishing impact on others, most managers are still overestimating their Multiplier characteristics.

In realizing a richer way of working, many critical questions remain: How fast can we get there? What is the best path to impact? Who can make the shift and who can't? What do we do with those who can't? How do we move and reshape an entire culture?

Three New Insights

Here are the three most essential insights that have shaped this new edition of ***Multipliers***:

- **The need is universal**. People across cultures, across professions, across industries come to work each day hoping to be well utilized—not by being given more and more work but through the recognition that they are capable of contributing in significant ways and doing progressively more challenging work.
- **Sometimes the good guys are the bad guys**. Previously, most Diminishers appeared to be tyrannical, narcissistic bullies. But the vast majority of the diminishing happening inside our workplaces is done with the best of intentions, by the Accidental Diminishers—good people trying to be good managers. Hence, "The Accidental Diminisher" section below is new and offers a glimpse into how our best intentions can go awry and how, with self-awareness and simple workarounds, otherwise good managers can become great leaders.
- **The biggest barriers are contextual and cultural**. To build organizations where intelligence is richly utilized, we need both an offensive and a defensive plan. The reductive effect of a Diminisher is not inevitable. While you cannot change another person, you can change your response and smooth the sharp edges of your diminishing boss or colleague. The new section "Dealing with Diminishers," offers strategies and tactics that help reverse the cycle of diminishing, or at least minimize its effects.

The Multiplier Effect

Some leaders make us better and smarter. They bring out our intelligence. These leaders access and revitalize the intelligence in the people around them. They are called Multipliers.

Multipliers create collective, viral intelligence in organizations. Other leaders act as Diminishers and deplete the organization of crucial intelligence and capability. But what is it that Multipliers do? And what do Multipliers do differently than Diminishers?

Multipliers get more from their people because they are leaders who look beyond their own genius and focus their energy on extracting and extending the genius of others. And they don't get just a little more back; they get vastly more.

2 x Multiplier Effect

Let's begin by examining how Multipliers influence the people who work around them. In interviews, people were asked to identify the percentage of their capability that a Diminisher received from them. The numbers typically ranged between 20 and 50 percent. For Multipliers, the numbers typically fell between 70 and 100 percent. Multipliers got 1.97 times more, an almost twofold increase—a 2 x effect.

The reason for the difference is that when people work with Multipliers, they hold nothing back. They offer the very best of their thinking, creativity, and ideas. They give more than their jobs require and volunteer their discretionary effort, energy, and resourcefulness. They actively search for more valuable ways to contribute.

The Logic of Addition, the Logic of Multiplication

The logic of addition is the dominant logic that has existed

You can often spot Talent Magnets inside organizations because they are the ones who ignore org charts.

in corporate planning: that resources will be added when new requests are made. Operational leaders entrenched in the logic of resource allocation and addition argue, "Our people are overworked; our best people are the most maxed out; therefore, accomplishing a bigger task requires the addition of more resources."

It seems persuasive, but it ignores the opportunity to more deeply leverage existing resources. The logic of addition creates a scenario in which people become both overworked *and* underutilized.

Better leverage and utilization of resources at the organizational level require adopting a new corporate logic based on multiplication. Instead of achieving linear growth by adding new resources, leaders rooted in the logic of multiplication believe that you can more efficiently extract the capability of your people and watch growth skyrocket by multiplying the power of the resources you have.

Here is the logic behind multiplication: Most people in organizations are underutilized. All capability can be leveraged with the right kind of leadership. Therefore, intelligence and capability can be multiplied without requiring a bigger investment.

The Mind of the Multiplier

Diminishers and Multipliers hold radically different assumptions about the intelligence of the people they work with. The Diminisher's view of intelligence is based on elitism and scarcity. Diminishers appear to believe that really intelligent people are a rare breed and that they are of that rare breed. From this assumption, they conclude that they are so special, other people will never figure things out without them.

Multipliers look at the complex opportunities and challenges swirling around them and think, "There are smart people everywhere who will figure this out and get even smarter in the process." And they see that their job is to bring the right people together in an environment that liberates everyone's best thinking—and then to get out of their way and let them do it!

Let's now look at the five disciplines in which Multipliers differentiate themselves from Diminishers: the Talent Magnet, the Liberator, the Challenger, the Debate Maker, and the Investor.

The Talent Magnet

Multipliers operate as Talent Magnets to attract talented people and then use them to their fullest capacity, that is, working at their highest point of contribution. Multipliers have access to the best talent, not because they are necessarily great recruiters but because people flock to work for them.

In contrast, Diminishers operate as Empire Builders who hoard resources and underutilize talent. They bring in top talent and make big promises, but then they underutilize their people and disenchant them. Why? Because they are often amassing the resources for self-promotion and their own gain. Empire builders accumulate rather than multiply; they collect people like knickknacks in a curio cabinet—on display for everyone to see, but not well utilized.

The Four Practices of the Talent Magnet

Research revealed four active practices that, together, catalyze and sustain the cycle of attraction for Multipliers.

Look for talent everywhere. Talent Magnets are always looking for new talent, and they look far beyond their own backyard. Multipliers cast a wide net and find talent in many settings and diverse forms, knowing that intelligence has many facets.

You can often spot Talent Magnets inside organizations because they are the ones who ignore org charts. Such charts are handy for finding out who works for whom and who's in charge if something goes wrong, but these issues are of relative unimportance when you are searching for genius.

Find people's native genius. Talent Magnets know how to uncover and access the native genius of others. "Native genius" means something even more specific than a strength or a skill that might be highly rated on a 360-degree leadership assessment. A native genius or talent is something that people

do not only exceptionally well but absolutely naturally.

Finding people's genius begins by carefully observing them in action, looking for spikes of authentic enthusiasm and a natural flow of energy.

Utilize people at their fullest. Once a Talent Magnet has uncovered the native genius of others, he or she looks for opportunities that demand that capability. Some of these are obvious; others require a fresh look at the business or the organization. Once they've engaged the person's true genius, they shine a spotlight on them so other people can see their genius in action.

Remove the blockers. Talent Magnets go beyond just giving people resources. They remove impediments, which quite often means removing people who are blocking and impeding the growth of others. In almost every organization there are people who overrun others, consuming the resources needed to fuel the growth of people around them.

Sometimes a Talent Magnet removes the prima donna who is blocking the intelligence of others. But sometimes the blocker is the leader him- or herself. One corporate VP had a favorite saying, quoted often and written on her door: "Ignore me as needed to get your job done."

The Liberator

Michael Chang began his career in a small consulting company. As a young manager, he was forceful with his opinions and veered toward brutal honesty.

Michael began to realize that when you become the leader, the center of gravity is no longer yourself. He had a mentor who taught him that the leader's job is to put other people on stage. As he began to shift his focus to others, he became less controlling and learned to give people space.

He found that not only do other people step up, they often surprise you by producing something better than you would have. Today, this manager is the CEO of a thriving startup company. The accomplishment is significant when you consider that the path of least resistance for most smart, driven leaders is to become a tyrant. Even Michael said, "It's not like it isn't temping to be tyrannical when you can."

The Three Practices of the Liberator

Research reveals three common practices among Multipliers.

Create space. Liberators deliberately carve out space for others to be able to make a contribution. They release others by restraining themselves. It is a huge victory to maintain that space and resist the temptation to jump back in and consume it yourself. They shift the ratio of listening to talking. They listen to feed their hunger for knowledge, to learn what other people know and add it to their own reservoir of knowledge. They also define a space for discovery and level the playing field.

Demand people's best work. Liberators defend the standard. As a manager, you know when someone is below his or her usual performance. What is harder to know is whether people are giving everything they have. Asking whether people are offering their best gives them the opportunity to push themselves beyond previous limits.

Requiring people's best work is different from insisting on desired outcomes. Stress is created when people are expected to produce outcomes that are beyond their control. But they feel positive pressure when they are held to their best work.

Generate rapid learning cycles. Liberators give people permission to make mistakes and the obligation to learn from them. When Chris Pirie, the general manager for sales and marketing working for Lutz Ziob at Microsoft, was newly promoted to lead sales for Microsoft Learning, he tried a risky promotion. Unfortunately, it didn't work. But instead of rationalizing the mistake, he went to Lutz and admitted the misstep, diagnosed it, and then tried something different.

Chris said, "With Lutz, you get to make mistakes. But you are expected to learn fast. With Lutz, it's okay to fail. You just can't make the same mistake twice."

The Challenger

Diminishers operate as know-it-alls, assuming that their job is to know the most and to tell their organization what to do. Because they are overly focused on what they know, they limit what their organization can achieve to what they themselves know how to do.

In setting direction for their organizations, Multipliers have a fundamentally different approach. Instead of knowing the answer, they play the role of the Challenger. They use their smarts to find the right opportunities for their organizations and challenge and stretch their organizations to get there.

They aren't limited by what they themselves know. They push their teams beyond their own knowledge and that of the organization. As a result, they create organizations

The secret to a great decision is what the leader does before the debate starts.

that deeply understand challenge and have the focus and energy to confront it.

The Three Practices of the Challenger

Research reveals three common practices among Challengers.

Seed the opportunity. Multipliers understand that intelligence grows by being stretched and tested. One of the best ways to seed an opportunity is to allow someone else to discover it themselves. When people can see the need for themselves, they develop a deep understanding of the issues, and quite often, all the leader needs to do is get out of their way and let them solve the problem.

Multipliers provide a starting point but not a complete solution. In this way, they generate more questions than answers. These questions then encourage their team to fully define the opportunity while giving them confidence that they are building on a solid foundation.

Lay down a challenge. Once an opportunity is seeded and intellectual energy is created, Multipliers establish the challenge at hand in such a way that it creates a huge stretch for an organization. While Diminishers create a huge gap between what they know and what other people know, Multipliers create a space between what people know and what they need to know, and that draws people into the challenge. They establish a compelling challenge that creates tension. People see the tension and the size of the stretch and are intrigued and, perhaps, even puzzled.

Generate belief. Multipliers generate belief—the belief that the impossible is actually possible. It isn't enough that people see and understand the stretch; they need to actually stretch themselves. When people create the plan that they eventually will implement, belief in its viability will be inherently high.

Led by Ray Lane in 1996, Oracle not only built a strategic intent, it also built a deep belief within the organization that Oracle could lead the internet era. Because 250 senior leaders were given the opportunity to co-create the corporate strategy, they understood the challenge ahead and knew what actions would be necessary to achieve it. They had built the collective will and energy needed to execute. The organization was ready to take the challenge.

The Debate Maker

How leaders make decisions is profoundly influenced by how they engage and leverage the resources around them. Research has shown that Diminishers tend to make decisions solo or within a small inner circle. As a result, they not only underutilize the intelligence around them but also leave the organization spinning instead of executing.

Multipliers make decisions by first engaging people in debate—not only to achieve sound decisions but also to develop collective intelligence and to ready their organizations to execute.

The Three Practices of the Debate Maker

In research, Multipliers did three specific things very differently from Diminishers when it came to decision making.

Frame the issue. The secret to a great decision is what the leader does before the debate starts. They prepare the organization for discussion and debate by forming the right questions and the right team. Then they frame the issues and process in a way that everyone can contribute. In framing an issue, there are four parts to a well-crafted frame: What is the decision to be made? Why is this an important question to answer? Who will be involved in making the decision? How will the final decision be made?

Spark the debate. A great debate is engaging, comprehensive, fact based, and educational. There are two key elements that couple and form the yin and the yang of great debate. The first is to create safety. The second is to demand rigor. Multipliers do both.

Multipliers create a safe climate for people's best thinking by removing the factors that cause people to doubt themselves or their ideas. They demand rigor by asking the questions that challenge conventional thinking.

Drive a sound decision. Multipliers may relish a great debate, but they pursue debate with a clear end: a sound decision. They ensure this in three ways. First, they reclarify the decision-making process. Second, they make the decision or explicitly delegate it to someone else to decide. And third, they communicate the decision and the rationale behind it.

The Investor

Multipliers operate as Investors. They invest by infusing others with the resources and ownership they need to produce results independent of the leader. It isn't just benevolence. They invest, and they expect results.

The Three Practices of the Investor

As Investors, Multipliers define ownership up front and let other people know what is within their charge and what they are expected to build. They invest in the genius of others in a similar way. They teach and coach. They back people up, infusing the resources they need to be successful and to be independent.

Defining ownership. Giving someone 51 percent of the vote and full ownership creates certainty and builds confidence. It enables them to stop second-guessing and start getting second opinions. Clarifying the role that you will play as a leader actually gives people more ownership, not less.

Time after time, people say that Multipliers got not only 100 percent of their skills and know-how but 120 percent or even more. One way that Multipliers incite this growth is by asking people to stretch and do something they've never done before.

Investing resources. The moment Investors establish an ownership position, they step in and begin investing. They protect their investment by infusing the knowledge and resources the person will need to successfully deliver on their accountability. Diminishers tell you what they know; Multipliers help you learn what you need to know.

K.R. Sridhar, CEO of Bloom Energy, is a masterful teacher. When the team is wrestling with a technical setback, K.R. engages not with a solution but with a thought-provoking question. He'll ask, "What do we know about what doesn't work?" and "What assumptions led us to these outcomes?" His team pursues these questions in turn, unearthing their individual knowledge and building a collective body of intelligence.

Holding people accountable. Investors get involved in other people's work, but they continually give back leadership and accountability. Give people an opportunity to complete their thinking and their work. Encourage them to stretch and exercise intellectual muscles that might otherwise atrophy in the presence of other smart, capable people. Multipliers never do anything for their people that their people can do for themselves.

Allowing consequences to have their effect allows natural forces to inform intelligent action. It communicates that the manager believes people are smart enough to figure things out. By providing the possibility to fail, these leaders give others the freedom and the motivation to grow and succeed.

The Accidental Diminisher

While the narcissistic leaders grab the headlines, the vast majority of diminishing happening inside our workplaces is done by the Accidental Diminisher—managers with the best of intentions, good people who think they are doing a good job leading.

We all have Accidental Diminisher moments. The secret to the Multiplier effect is knowing what your vulnerabilities are, spotting them in action, and turning these situations into Multiplier moments. Here are a few of the ways that really well-intentioned leaders end up having a diminishing impact on the people around them:

Always on. This dynamic, charismatic leader exudes energy; he or she is always engaged, always present, and always has something to say. They assume that their energy is contagious, like a virus to be caught by anyone in their presence. But, like the common cold, this leader can be draining. As she expands, like a gas consuming all the available oxygen, others suffocate; most find her just plain exhausting.

Rescuer. He is a good manager and a decent person, the type of leader who doesn't like to see people struggle, make avoidable mistakes, or fail. At the first sign of distress, he jumps in and helps. This is the most common way leaders accidentally diminish. Because he interrupts a natural performance cycle, he starves people of the vital learning they need to be successful.

Optimist. This positive, can-do manager always sees possibilities and believes that most problems can be tackled with hard work and the right mindset. She is a "glass half full" kind of person. But when you play the role of the optimist,

People who cope best with Diminishers don't bark at every disturbance. They've learned what to ignore.

you undervalue the struggle the team is experiencing and the hard-fought learning and work. Your staff may wonder if you have lost your tether to reality. When the leader sees only the upside, others can become preoccupied with the downside.

Perfectionist. We all know the leader with perfectionist tendencies: He appreciates excellence and loves the feeling of getting something perfect. He goes beyond setting a high standard for others to follow and wants everyone around him to have the satisfaction of getting it just exactly right. So, he offers helpful critiques and points out little mistakes and flaws. But, while he sees an A+ in progress, others see nothing but red marks all over their work. They see blood and loss and can easily become disengaged and disheartened.

Are You an Accidental Diminisher?

As a leader, how do you know whether you are having a diminishing effect, despite having the best intentions? How do you increase your self-awareness? Formulating and recording your own insights is a reasonable first step, but you'll learn more by asking the people you lead to share their insights. Here are some questions you might use to elicit this feedback:

- "How might I be shutting down the ideas and actions of others, despite having the best of intentions?"
- "How might my intentions be interpreted differently by others?"
- "What can I do differently?"

Dealing with Diminishers

You *can* be a Multiplier while working for a Diminisher. With the right mindset and a set of smart tactics, you can minimize the diminishing effect. There are no templates, just sound ideas that must be executed with discretion and savvy.

Turn down the volume. People who cope best with Diminishers don't bark at every disturbance. They've learned what to ignore. They don't avoid the Diminisher or pretend the problem doesn't exist; they merely tune out some of the interference. They choose to turn down the volume, reducing the Diminisher's intrusion into their head and the other person's consumption of their life and psychic energy.

Strengthen other connections. If you can't get inside the Diminisher's trust circle, build other circles of influence. The individuals who most effectively deal with Diminishers take steps to broaden their support base and strengthen other relationships, much like a torn ligament requires the strengthening of proximal muscles. A petty officer in the US Navy described it this way: "When I find myself dealing with a bad leader, I still take their orders, but I latch on to another leader that I trust, someone who can give me an alternative point of view, especially about myself."

Assert your capability. Sometimes you need to tell an overly helpful manager or colleague that you don't need help. There's no need to throw a tantrum; just announce and assert your capability. For example, you might say, "I appreciate the help, and I think I can handle this one," or "Can I try this by myself and come to you if I get stuck?"

Shop for a new boss. If you are in a diminishing environment, you have to ask yourself if this is the right place for you. If you are being forced into a small box where you can't grow, you might need to take the hermit crab's approach and find a bigger home.

Becoming a Multiplier

Bill Campbell, former CEO of Intuit, began his career more than 30 years ago as a college football coach at an Ivy League university. As a coach he was smart, aggressive, and hard-hitting. When he was recruited into the consumer technology business, he operated in much the same way.

While working under detail-oriented John Scully at Apple Computer, Bill became the ultimate micromanager. He burrowed into every detail in the business and directed every decision and action. He said, "I drove everyone nuts. I was a real Diminisher."

Bill recalls one of his worst moments. During an important staff meeting, a member of his management team asked a simple question. Bill, annoyed at the uninformed manager,

sharply replied (with unprintable colorful language), "That's the dumbest question I have ever heard."

The room went silent. Bill continued the meeting, uninterrupted by any other annoying questions. Over the next few weeks, he noticed that most everyone stopped asking him questions. He had dismantled the group's curiosity.

Counsel from two bold colleagues was just the dose of self-awareness that Bill needed. He could see his need for a course correction, and he made it. He started by listening more and telling less. He began to develop a deep appreciation for what his colleagues knew.

Bill became a better leader over time. It was a steady transition that happened naturally out of his desire to preserve his team and to realize the value of the incredible talent that he had attracted. By the time Bill became CEO at Intuit and led the company past the $1 billion revenue mark in 2000, he had uncovered the Multiplier inside of him.

Five Accelerators

Examples such as Bill Campbell and countless others show that Multiplier practices *can* be learned and developed. The following five accelerators are proven fast-track practices—both for arriving sooner and for staying longer.

1. Start with the assumptions. Because behavior follows assumptions, you can knock out a whole set of behaviors by adopting a Multiplier mindset.

2. Work the extremes. Begin by assessing your leadership practices and then work the two extremes: 1) neutralize a weakness; 2) top off a strength.

3. Run an experiment. Effective and enduring learning involves small, successive experimentation using new approaches—testing new behavior, analyzing feedback, adjusting, and repeating.

4. Brace yourself for setbacks. Give yourself permission to stumble as you cultivate new Multiplier behaviors while transforming old habits. Know that it will be hard.

5. Ask a colleague. If you really want to accelerate your development as a Multiplier leader, let a colleague—an employee, peer, or boss—choose your experiment for you.

Bono, musician and global activist, said, "It has been said that after meeting with the great British Prime Minister William Ewart Gladstone, you left feeling he was the smartest person in the world, but after meeting with his rival Benjamin Disraeli, you left thinking you were the smartest person." The observation captures the essence and the power of a Multiplier.

The choice matters. Which will you be: a genius? Or a genius maker?

Liz Wiseman is a researcher and executive advisor who teaches leaders around the world. She is a former executive at Oracle Corporation and the author of three best-selling books: ***Multipliers, The Multiplier Effect***, and ***Rookie Smarts***. Liz has been listed on the Thinkers50 ranking and named one of the top ten leadership thinkers in the world.

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No Substitute For Victory

Theodore Kinni and Donna Kinni

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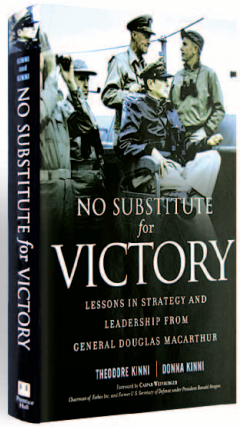

By Theodore Kinni and Donna Kinni

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Lessons in Strategy and Leadership From General Douglas MacArthur

NO SUBSTITUTE FOR VICTORY

THE SUMMARY IN BRIEF

Gen. Douglas MacArthur's extraordinary life of leadership spanned more than six decades in the military, education, public administration and business sectors. The five-star general, one of only five in U.S. Army history, defined principles of leadership that were decades ahead of their time: principles reflecting shrewdness and wisdom about strategy, motivation, organization, execution and personal growth.

This summary reveals what MacArthur knew about setting the right goals; building sleek, fast-response organizations; inspiring subordinates to unprecedented performance; focusing relentlessly on results; and winning. In No Substitute for Victory, *Theodore and Donna Kinni distill powerful leadership lessons from MacArthur's life and career — lessons you can use, no matter where you lead and what you intend to accomplish.*

What You'll Learn In This Summary

Accept no substitute for victory in your endeavors by learning and applying the key strategies and techniques used by Gen. Douglas MacArthur to:

✓ **Utilize the lessons of Inchon.** Discover how MacArthur conceived and executed the famous amphibious invasion that is still studied by strategists.

✓ **Define victory — and pursue it relentlessly.** Learn how MacArthur's relentless focus on the right goals drove a lifetime of achievement.

✓ **Use *all* your weapons — especially speed and surprise.** See how MacArthur was able to emerge victorious even when he had far fewer resources than the enemy.

✓ **Become an inspirational leader.** Find out how MacArthur used visibility, image and behavior to motivate and inspire his followers.

✓ **Capture the power of language and personal resolve.** Learn how MacArthur used three words — "I shall return" — to turn the course of the war in the Pacific.

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NO SUBSTITUTE FOR VICTORY

by Theodore Kinni and Donna Kinni

— THE *COMPLETE* SUMMARY

The Great Commander

Gen. Douglas MacArthur stood at the bow of the *Mount McKinley*, the flagship of Task Force 90, facing the coast of South Korea in the darkness ahead. It was 2:30 a.m. on Sept. 15, 1950. Operation Chromite, MacArthur's audacious amphibious invasion of the port city of Inchon, was scheduled to begin at dawn.

"Within five hours, 40,000 men would act boldly, in the hope that 100,000 others manning the defense lines of South Korea would not die," he later wrote. "I alone was responsible for tomorrow, and if I failed, the dreadful results would rest on judgment day against my soul."

MacArthur's 'Perfect Job'

The story of Operation Chromite begins in the earliest days of the Korean War. On June 24, 1950, when the North Korean People's Army (NKPA) swarmed across the 38th parallel, South Korea and its allies were taken by surprise. By June 28, the South Korean capital of Seoul had fallen, and the defending army was in a state of collapse. On the next day, MacArthur flew to Korea to see the situation firsthand.

The general and his party landed 20 miles south of Seoul at an airport that had been bombed by the North Koreans just hours before. He traveled by car to the Han River on Seoul's south side, to a point where enemy mortar shells were exploding approximately 100 yards away. Here, he stopped to examine the fighting and the deportment of the troops. This personal reconnaissance on a battle's front line was a MacArthur trademark. "I cannot fight them if I cannot see them," he declared.

'Wrest Victory From Defeat'

Later, MacArthur described his thought process while standing on the bank of the Han River. He said, "In these reflections the genesis of the Inchon operation began to take shape — a counterstroke that could in itself wrest victory from defeat." Thus, the conception of the Inchon invasion was firmly rooted in the famous precept that guided MacArthur's approach to command: "In war, there is no substitute for victory."

MacArthur chose the port city of Inchon for his counterattack, but it hardly seemed an auspicious choice. Inchon's 30-foot tides, second only to the Bay of Fundy, are so extreme that it would be accessible to the invasion's landing craft on only two days in September 1950. The daily fluctuations further limited access to three-hour windows. Any delay or unexpected resistance from the North Koreans could easily strand the invaders. Also, Inchon was many miles behind the front lines. If the North Koreans could stop the existing U.N. forces from breaking out at Pusan, they could isolate and overwhelm the invasion force.

These difficulties were exactly why MacArthur was so adamant in his choice of Inchon. "In war, surprise is decisive," said the general. He was convinced that the

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MacArthur on the Eve of Inchon

For MacArthur, Inchon was a climactic moment in an extraordinary life. The five-star general was standing at the pinnacle of a career that had stretched for more than half a century. At age 70, he was the supreme commander for the Allied powers, a position that made him the de facto leader of occupied Japan and its 82 million citizens. Simultaneously, he was the commander in chief of the U.N. Command, a position that made him the military leader of the allied forces in the Korean War, which to this point had been a bitterly fought defensive action.

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The Great Commander

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North Koreans would never expect or prepare for such an attack, so it would succeed.

In fact, it did. By the end of the invasion's first day, the U.S. Marines had captured a secure foothold at Inchon — roughly 150 miles behind the bulk of the NKPA and the hotly contested front lines of the Korean War.

This was a catastrophic surprise to the North Koreans. As U.S. troops and supplies streamed ashore, the NKPA's supply lines were cut from behind, and the enemy army found itself trapped. When the North Koreans turned to face the threat to their rear, the pressure eased on the U.N. forces, which had been bottled up behind the Pusan perimeter, the final 100-mile-by-50-mile foothold in the southeastern corner of the Korean peninsula. South Korea's defenders launched a full-fledged offensive and broke out.

Caught between two pincers, just as MacArthur had planned, the North Korean army was soon decimated. In September, the U.N. Command recorded 130,000 enemy captured and 200,000 enemy casualties. It was estimated that only 25,000 NKPA troops made it back above the 38th parallel. Winston Churchill called it "a perfect job."

The initial goal of the war, the liberation of South Korea, was accomplished in short order. On Sept. 29, MacArthur formally restored Seoul to the Republic of Korea President Syngman Rhee. By the final week of October, the U.N. forces, under the command of MacArthur, had occupied the North Korean capital of Pyongyang and had reached as far as Chosan, a city on the Yalu River — the border between North Korea and Communist China.

Leadership Incarnate

As dramatic and successful as Inchon was, it remains just one event in a life of leadership. MacArthur held an impressive array of top leadership positions in a variety of disciplines — including the military, public administration, education, sports and business.

MacArthur's most dramatic leadership roles were those related to command positions in wartime. He personally led troops in World War I as the Rainbow Division's chief of staff and briefly was its leader and the youngest divisional commander of the war. In World War II, MacArthur first served as the commanding general of the U.S. Army forces in the Far East. He was then appointed commander in chief of the Southwest Pacific area and, finally, commander in chief of the U.S. Army forces in the Pacific. In the Korean War, he served as the commander in chief of the U.N. Command.

Although MacArthur's military accomplishments garnered comparisons with Robert E. Lee and earned him a leading position among the nation's greatest commanders, his work as an organizational leader and public administrator was equally impressive. MacArthur served as the Army's chief of staff through the Great Depression. He was a field marshal in the Philippines and responsible for the development of that nation's military forces. Most notably, he oversaw the occupation and recovery of post-war Japan as supreme commander for the Allied powers.

In the field of education, MacArthur served as superintendent of West Point. In sports, he was appointed president of the American Olympic Committee and led the U.S. team in the 1928 Olympics in Amsterdam. Entering the world of business after his retirement from the armed forces, MacArthur accepted a position as chairman of the board of Remington Rand Corp., which after several mergers, has become Unisys Corp.

MacArthur's accomplishments as a leader in a variety of positions and disciplines suggest that his principles and approach can be effective in a wide range of organizations. The longevity of his career, the diversity of its circumstances and the magnitude of the changes his world underwent (as a child, MacArthur lived on a frontier Army post during the final years of the Indian Wars; in his final years, astronauts were routinely orbiting the Earth) suggest that lessons derived from his experiences can be relevant to today's leaders. ■

MacArthur's Principles of Strategy

First and foremost, great leaders in every field of endeavor are visionaries and strategists. They must be able to choose the goals they and their organizations will pursue, and then design strategies capable of attaining them. MacArthur, a master strategist, was an expert at both tasks. Here are several strategic principles he used:

- **Define and pursue victory.** Every organization strives for victory in one way or another. Victory can mean winning a war, capturing market share or reaching a fundraising goal. Leaders are responsible for defining what victory means, focusing the intention of the organization on it and shepherding their followers in the quest to attain it.

MacArthur defined victory in various ways during his career. As superintendent of West Point, victory meant producing a steady stream of new officers who were adept at modern methods of warfare and management. As Army chief of staff, victory meant maintaining the preparedness of the Army and Army Air Corps in the face of the Great Depression. And, most famously, as a general at war, victory meant defeating aggression and

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MacArthur's Principles of Strategy

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forcing the enemy to surrender. But one precept always remained fixed in MacArthur's mind: The definition of victory is the first determinate of strategy.

● **Manage the environment.** All organizations are part of a larger environment — a market, an economy or a military theater. The organization's capability to operate within that environment is a primary element in its success. Leaders are responsible for understanding and maximizing that capability.

MacArthur understood that the environment in which an organization operates is *neutral*. That is, it does not inherently favor any one competitor over another. But he also knew that the environment offered powerful advantages to the leader and organization that could best adapt to it. He said, "Nature … if you can get it on your side and the enemy does not, it becomes a powerful ally."

Confound Competitors

● **Utilize surprise.** Surprise is a highly effective weapon in the strategic arsenal and can be a decisive factor in the success of organizational plans. It can confound competitors, undermine their defenses and relegate them to playing catch-up. It can also delight customers, win their loyalty and build market share. Smart strategists incorporate the element of surprise in their plans.

The advantage of surprise is a well-established, battle-proven fact of military strategy, so it is no surprise that MacArthur was a firm advocate of the principle. As previously described, the plan for the Inchon invasion was rooted in the element of surprise. In fact, during the fateful conference that resulted in the operation's approval, MacArthur turned the myriad objections to the plan on their head by appealing to the power of surprise. He told the plan's opponents: "The very arguments you have made as to the impracticabilities involved will tend to ensure for me the element of surprise. For the enemy commander will reason that no one would be so brash as to make such an attempt. Surprise is the most vital element for success at war."

● **Multiply your rate of movement.** The need for speed in organizational movement and response has been widely acknowledged in the past decade. Lumbering corporate giants have either stagnated or disappeared from the business scene. Sleek, fast-moving companies that are able to stay ahead of changes in society and technology have dominated many markets. Leaders in successful organizations have embraced MacArthur's dictum: Multiply your rate of movement.

In his drive to Manila during the retaking of the Luzon in 1945, MacArthur acted, as well as commanded, to increase the speed of the attack. Frustrated by Gen. Walter Krueger's cautious and slow progress with the 6th Army, MacArthur set up his own headquarters 50 miles closer to Manila than Krueger. Over the objections of his staff, he took to touring the front lines of the advance in his jeep, prodding the troops to move faster by his own example. He also peppered Krueger with messages, such as this one on Jan. 30, "There was a noticeable lack of drive and aggressive initiative today in the movement toward Calumpit." In the end, MacArthur ordered three different units to enter Manila, setting off a race to determine which would capture the honor of being first.

To those who would ignore the need for speed, MacArthur warned: "The history of failure in war can almost be summed up in two words: Too Late. Too late in comprehending the deadly purpose of a potential enemy; too late in realizing the mortal danger; too late in preparedness; too late in uniting all possible forces for resistance; too late in standing with one's friends."

● **Ensure supply and support.** The successful execution of strategy is critically dependent on supply and support. In war, it is fatal to launch an attack without adequate ammunition and protective support. Likewise, in business, it is futile to fight for an expanded market share for goods and services you cannot produce or deliver. Leaders in all types of organizations must consider and ensure adequate supply and support to achieve their objectives.

In a very real sense, the story of the Southwest Pacific Theater in World War II is one driven by the flow of supply and support. It started with the very outbreak of the war. The attack on Pearl Harbor cut the U.S. supply lines to the Far East and destroyed the naval fleet on which MacArthur was depending for support. The inability of

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Maintain the Element Of Surprise

MacArthur did not simply conceive a plan based on surprise and leave its success to the fates. He frequently used feints and other deceptions to disguise his intent. In preparing for the invasion of Hollandia in New Guinea, the 5th Air Force bombed the more likely targets of Hansa Bay and Wewak as often as the real target itself. Decoy PT boat raids were made, dummy parachutes were dropped, "covert" missions were purposely seen and submarines released life rafts at the alternative targets. MacArthur explained: "Comprehensive deception plans were put into effect to further the enemy's belief that the attack would fall on Wewak and Hansa Bay. He strengthened these positions to the neglect of the real points of attack." On April 22, 1944, the invasion of Hollandia began. In just four days, the area was successfully secured.

MacArthur's Principles of Strategy

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the United States to supply and reinforce MacArthur's forces made the loss of the Philippine Islands inevitable.

MacArthur held to this principle of support in planning his operations. He would not outrun his support. In the Hollandia operation, in which he leapt more than 500 miles up the New Guinea coast and beyond the range of the Army Air Forces, MacArthur went so far as to execute a simultaneous invasion at the Japanese airfields at Aitape. Aitape was between existing U.S. airfields and Hollandia, and by capturing it, MacArthur ensured a base from which air support could be launched if needed. ■

For additional information on another of MacArthur's most successful strategic principles, go to: http://my.summary.com

Inspirational Leadership

To effectively execute strategies and successfully achieve goals, leaders must motivate their followers to act. Throughout his career, MacArthur exhibited an extraordinary ability to inspire his followers. He combined command authority, charismatic image and a paternal humanity into a highly effective leadership persona. On his command, tens of thousands of soldiers risked their lives, and 80 million citizens of Japan embraced radical cultural change and a new constitution and government. Here are some of the principles of inspirational leadership MacArthur used:

- **Unify command.** The foundational lesson of inspirational leadership is that there must be a clear leader. Committees and management teams are rarely charismatic; they do not easily inspire the energy and loyalty of followers. Whenever possible, MacArthur insisted on a formal chain of command leading to a clearly identified and empowered leader.

MacArthur was determined to avoid chaos in command in the Pacific, but it was not to be. Instead, the command was split into two regions. MacArthur was assigned the Southwest Pacific region, with its greater landmass; the Navy, under Adm. Chester Nimitz, was given the rest of the Pacific. The result, as MacArthur predicted, was a great deal of interservice rivalry and competition. Often, both theaters pursued different strategies and competed for resources.

- **Be a role model.** For better or for worse, leaders are the most influential role models within their organizations. Leaders' actions, even more than their words, communicate their values, priorities and expectations to their followers. Great leaders live up to their words and offer an example that their followers can emulate because, as MacArthur said, "Soldiers of an army invariably reflect the attitude of their general."

Much of the larger-than-life image that MacArthur created for himself was meant as a model for his officers and troops to follow. He knew that his example as commander set the tone and style of his command. He also knew that his example had the power to inspire others.

MacArthur used his position as leader to model the policies and changes he wanted to implement. While MacArthur was working to implant democratic values in Japan, many of its citizens thought of him as a living god, much like the Emperor. Crowds would gather outside his building to watch him enter and leave. On one occasion, when a woman prostrated herself before him, he helped her to her feet, saying, "Now, now — we don't do that sort of thing anymore."

MacArthur also made sure to exhibit his support for the Occupation's reforms in the area of women's suffrage. In 1946, when the first women elected to the Japanese Diet were ignored by their male counterparts, MacArthur made his feelings on the issue clear by invit-

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The Near Disaster at Leyte

During the invasion of Leyte, the Japanese Navy laid a trap for the American fleet. It used a carrier force as bait and successfully drew the 3rd Fleet, under Navy command, away from Leyte. The Japanese then sent their main naval force to attack the 7th Fleet, which was under MacArthur's command and still in the gulf, and the land forces on the beach. The only thing that saved the American invasion force from total destruction was Japanese Adm. Kurita's mistaken decision to break away from the fight. He simply did not realize that he was winning the battle.

MacArthur used the near-disaster at Leyte to reiterate the lesson of unity of command. In December 1944, he drafted a message to the War Department, which said, in part: "After having narrowly avoided disaster in the Leyte operation as the result of the absence of coordinated naval command, we now enter the more difficult Luzon phase under the same handicap … We shall again enter battle with our naval forces split into two elements under commanders who are thousands of miles apart. The fleets themselves will operate in the same waters against the same enemy, covered by air elements under different commanders … The present arrangement divides the potential of resource, and under guise of unity of command in an artificially compartmented area, makes impossible a unified effort. The situation is thoroughly bad and for a local commander who carries responsibility for results is becoming intolerable."

Inspirational Leadership

(continued from page 5)

ing the new female representatives to his office and giving a speech celebrating their achievements, which was released to the press.

● **Visibility matters.** The presence of a leader enhances the morale and accountability of followers. In good times and particularly, in bad times, leaders must share in the action by taking a prominent place in the midst of their followers. Inspirational leaders are visible leaders.

MacArthur was a firm believer in "being there." In 1943, when Gen. Kenney, MacArthur's air commander, was planning the first major parachute jump of the war at Nadzab in New Guinea, MacArthur insisted on accompanying the troops on the flight to bolster their confidence. When Kenney protested that the risk was too high, he replied, "Honestly, the only thing that disturbs me is the possibility that when we hit the rough air over the mountains my stomach might get upset. I'd hate to get sick and disgrace myself in front of the kids." MacArthur was awarded the Air Medal for his participation on the operation.

Visibility also plays a key role in reinforcing a leader's messages. As superintendent at West Point, MacArthur broke precedent by auditing classes and evaluating them with the professors afterward. During the 1928 Olympics, MacArthur not only met regularly with the coaches and players, he took to the field to lend his support during the competition.

Refuse to Hide

MacArthur passed the real test of leadership by refusing to hide when visibility might have harmed his reputation and career. In World War II, when troop and shipping shortages forced the cancellation of the rotation policy designed to return soldiers to the United States after fixed periods of combat, MacArthur took the added steps of writing and personally signing each copy of the order, which was posted at the same time in each of the units under his command.

Col. Aubrey Newman, one of MacArthur's officers, explained, "[The troops] realized he knew what such a reversal of policy meant to them, and he showed his confidence in them as military men that they would understand that this was the proper course to follow, hard as it might be. No one had ever before seen MacArthur's personal signature, much less on an order that, in effect, bypassed every echelon of command to go from him to the individual men in the ranks, explaining directly to them why the decision was made, and that he had made it … As a result there was no loss of morale, only soldierly acceptance of a fact of war." ■

For additional information on MacArthur's approach to public speaking, go to: http://my.summary.com

MacArthur's Principles of Management

By most measures, MacArthur was a superb manager of people. He was an excellent boss who understood the fine balance between personal control and delegation. He knew how to coax the highest level of performance from his subordinates. His poor relationship with President Truman aside, MacArthur was also skilled at managing up. He had an enviable ability to persuade his superiors — from U.S. presidents to the Congress to the Joint Chiefs of Staff — to adopt policies and approve strategic and budgetary plans with which they initially disagreed.

● **Weigh change carefully.** Change is an organizational imperative, but the choice of when — and when not — to change is a fundamental leadership issue. As the turbulent 1960s dawned, MacArthur offered a warning about change — one that continues to be relevant today. He said: "I realize full well that the reckless spirit of the times seeks change. But change should not be made for the sake of change alone. It should be sought only to adapt time-tested principles which have been proven in the crucible of human experience to the new requirements of an expanding society."

Nurture Change Programs

Understanding that change does not take hold instantaneously, MacArthur also preached the necessity of shepherding and nurturing change programs until they are established. "A program, however, is in itself a lifeless thing, a mere skeleton," he said, "and it has been the constant effort of my administration to put flesh and blood upon it and to imbue it with life."

● **Invest in training.** Leaders are responsible for the preparedness of their followers, and training is a foundational element of preparedness. Even when training is essential to the successful execution of strategy, leaders often mistakenly treat it as an ancillary activity — one that can be reduced when budgets are tight and ignored when its need is not obvious. Ironically, those are exactly the times when training is most important.

In the midst of the Great Depression in the early 1930s, military preparedness was not high on the list of priorities of the nation's leaders. Yet, Chief of Staff MacArthur was relentless in his pursuit of training.

He warned: "From the beginning of warfare, professional skill and discipline have invariably been most important, and frequently the decisive factors in battle. To quote instances would imply a necessity to argue the obvious. Yet strangely enough this outstanding lesson of each of our own as well as of all other wars has invariably been the one most speedily forgotten by our people during years of peace. It has been the history of the American

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MacArthur's Principles of Management

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Army that adequate opportunity for its proper training has habitually been, except in war, injudiciously curtailed."

● **Develop management depth.** In recent years, middle managers have often been maligned. They have been treated as organizational dead wood and their ranks have often been mercilessly downsized. Leaders of large organizations sometimes forget that managers convey and execute strategies. They represent an organization's front-line leadership.

MacArthur needed no convincing that managers were a most important component of an organization. In fact, MacArthur successfully conducted a running battle to maintain the size and quality of the officer corps throughout his tenure as chief of staff. "An efficient and sufficient corps of officers means the difference between victory and defeat," he said, explaining that without the officer corps to train and lead the many civilians who would be drafted into the military in case of war, the creation of an effective fighting force was impossible.

In the 1930s, Chief of Staff MacArthur supported the acceleration of the officer promotion rate and pay scales. These policy revisions were aimed at maintaining a high-quality officer corps, and MacArthur used better pay to attract and retain better officers. Lest MacArthur's largess and concern for his officers seem softhearted, it should be noted that he had good reasons for wanting the best available officers. "[T]here can be no hope of preparing efficiently, or of winning in actual campaigns, without the skilled leadership of trained and devoted officers," he said. And MacArthur was always intent on winning.

● **Manage people positively.** Great leaders tend to be motivational experts. They might choose to use positive methods or negative methods of motivation, or (most often) some combination of both. But no matter the type of organization in which they lead, they are able to create and maintain motivated and energized work forces.

Admiration and Respect

One measure of MacArthur's success was the fact that the more closely people worked with him, the more they admired and respected him. His greatest defenders were often his own staff officers. His greatest critics, on the other hand, tended to be people who either did not know him at all or did not know him with any degree of intimacy.

Praise, a no-cost form of recognition that too many leaders neglect, was one of MacArthur's most effective motivational tactics. In December 1944, for example, two privates in the 11th Airborne requested an audience with the five-star general to find out why their division's accomplishments had not received more press attention. Instead of sending them away, MacArthur met with them, explained that he did not want to endanger the unit by publicizing its position and results, and provided a message of praise for the division and its commander to deliver on their return to combat. ■

For additional information on MacArthur's philosophy on delegation, go to: http://my.summary.com

For additional information on MacArthur's tenets of people management, go to: http://my.summary.com

A Leader's Personal Traits

MacArthur's achievements as a leader were supported and enabled by his personal beliefs, traits and skills. Great leaders develop and manage themselves before and after they take on the work of leading others. MacArthur embraced his future as a leader at an early age, and he managed his own life and career to maximize that future. Here are some of the leadership principles he used that were guided by his personal beliefs and traits:

● **Study history.** While the Internet boom was driving the irrationally exuberant financial markets at the turn of the millennium, many business leaders and investors believed that a breaking point in economic history had occurred, and that historical measures of performance were irrelevant. They paid a steep price for ignoring history when the boom turned to bust. When it comes to history, past performance is a relevant indicator of future success.

A Student of History

Even a superficial browse through his personal library makes it clear that MacArthur read deeply in the subject of history. Indeed, he was a committed student of history.

In August 1941, at a time when the Nazi war machine appeared unstoppable, correspondent William Dunn was surprised to hear MacArthur predict the outcome of Hitler's thus far highly successful Russia campaign and then, his ultimate defeat. "This marks the beginning of the end for Adolf Hitler," MacArthur flatly declared. This was the first positive comment Dunn had heard, and he replied that many observers were expecting a total Russian collapse.

MacArthur retorted, "They haven't studied their history. Napoleon made the same mistake, and Hitler will wind up just as Bonaparte did, and with infinitely greater losses. The Russians will never surrender. They have unlimited manpower, and they can retreat, mile by mile, clear across Siberia. In two months the rains will start, and a month later the Russian winter will set in. No people in the world can withstand a Russian winter like the Russians, certainly not the Germans."

Two months later, as it became clear that the Germans

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A Leader's Personal Traits

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had become bogged down in Russia, MacArthur told Dunn, "History, Bill, just history! It was all there, but Hitler didn't read it, or else he didn't believe it."

● **Embrace innovation.** Innovation is the lifeblood of all organizations. It represents the ways and means of improving what already exists and the leaps of creativity that enable breakthroughs into new, uncharted territory. Organizations need innovation to survive and prosper. Leaders provide the encouragement and impetus that the innovative spirit needs to thrive.

Rapid innovation in air force methods and equipment enabled MacArthur's highly successful "hit 'em where they ain't" strategy. For example, the installation of extra gas tanks gave fighter planes added range and were instrumental in MacArthur's successful leaps across the Pacific. They enabled the virtual total destruction of the enemy air power staged at bases the Japanese believed were outside the range of American planes.

● **Accept risk.** Many leaders eschew risk. They perceive it in a negative light and struggle to avoid it. But in Portugal in the 16th century, the word "risk" was used to describe the great sea voyages of exploration, and one of its root meanings was "to dare."

Carefully Manage Risks

Although MacArthur often embraced risk, he was not foolhardy. He well understood that there is risk in every alternative, including the alternative of *not* acting, and he carefully weighed, minimized and managed the risks that he undertook.

The invasion of Los Negros in the Admiralty Islands, which secured a fleet anchorage and provided a key point in the isolation of the Japanese stronghold at Rabaul, is a striking example of MacArthur's approach to risk. The invasion was originally planned for March 1944, but when reconnaissance revealed a dearth of enemy activity, MacArthur made a fast decision to capture it a month earlier than planned (and with only 1,000 troops in the 1st Cavalry Brigade instead of a full division).

MacArthur's staff opposed the operation. It allowed them only four days to mount the invasion, and in light of previous estimates (which turned out to be accurate) of 4,000 Japanese troops on the island, they believed that the invasion force could be easily overwhelmed on the beach. MacArthur overruled them. Based on previous behavior of the Japanese, MacArthur was convinced that they would not mount a major defense on the beach with their full force, and that the surprise attack would succeed.

The risk paid off. The 1st Cavalry Brigade took and held the beach, the Japanese never mounted a concerted attack and the Admiralty Islands were captured by mid-March. The jump to Los Negros enabled MacArthur to eliminate three previously planned operations, with the attendant savings in lives and resources; Rabaul was cut off sooner than had been planned; and the great leap to Hollandia was enabled. ■

'I Shall Return'

In December 1937, MacArthur retired from the U.S. Army, but in July 1941, President Franklin D. Roosevelt recalled the 61-year-old to active duty as a lieutenant general and named him commander of U.S. forces in the Far East. On Dec. 7, the Japanese attacked Pearl Harbor and destroyed the Pacific fleet. That afternoon, a similar attack was launched on the Philippines. Half the U.S. air power in the islands, a critical element in the American defense plan, was destroyed.

MacArthur's ensuing defense of the Philippines was predicated on the eventual arrival of relief. He did not know that Roosevelt had already committed to support the war in Europe as a first priority and there would be no reinforcements. In February 1942, with food and supplies dwindling and no relief in sight, over MacArthur's objections, Roosevelt ordered him to Australia to assume command of the Southwest Pacific Theater.

A Heroic Icon

MacArthur's high-profile role in the Pacific made him a heroic icon in the eyes of the American public, and he used this platform to transform the Philippines into an emotion-laden symbol for victory in the Pacific. Shortly after his arrival in Australia on March 17, 1942, he told reporters: "The president of the United States ordered me to break through the Japanese lines and proceed from Corregidor to Australia for the purpose, as I understand it, of organizing the American offensive against Japan, a primary object of which is the relief of the Philippines. I came through and I shall return."

The last phrase became one of the most famous of the war, and MacArthur plunged into making it a reality. Over the next two years, MacArthur created and executed a series of operations that demonstrated his strategic brilliance. He used a "triphibious" strategy, in which he combined air, sea and land forces to advance hundreds of miles at a clip, and he adopted the "hit 'em where they ain't" strategy to sever lines of supply and communication and isolate Japanese forces. This strategy worked so well that hundreds of thousands of Japanese troops were effectively neutralized, whereas casualty numbers in MacArthur's theater were notably low.

On Oct. 20, 1944, with the most powerful naval armada yet assembled at his back, MacArthur waded ashore at Leyte and proclaimed over the radio, "People of the Philippines: I have returned."

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Non-Obvious Megatrends

Rohit Bhargava

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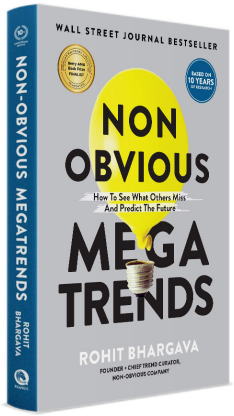
Executive Book Summaries®

Non-Obvious Megatrends

How to See What Others Miss and Predict the Future



by **Rohit Bhargava**

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THE SUMMARY IN BRIEF

What if you could predict the trends that will change your business? For the past 10 years, Rohit Bhargava's signature annual Non-Obvious Trend Report has helped over a million readers discover more than 100 trends changing our culture. Now, in ***Non-Obvious Megatrends***, Rohit and his team reveal 10 revolutionary new megatrends that are transforming how we work, play, and live.

How might the evolution of gender-fluid toys change our culture? What can the popularity of printed books teach us about the future of business? Why do machines that diagnose human ailments actually demonstrate the importance of humanity?

The answers to these questions may not be all that obvious, and that's exactly the point. But you don't need to be a futurist or innovator to learn to think like one. The key to growing your business or propelling your career into the next decade lies in better understanding the present. The future belongs to non-obvious thinkers, and ***Non-Obvious Megatrends*** is your guide to becoming one.

IN THIS SUMMARY, YOU WILL LEARN:

- The five key mindsets of non-obvious thinking.
- To use the Haystack Method to curate non-obvious ideas.
- Why digital technologies are spurring demand for tangible products.
- How Flux Commerce is changing the way products are bought and sold.

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PART I: THE ART OF NON-OBVIOUS THINKING

Introduction

Seeing what no one else sees is often described as creativity, and we live in a world that celebrates it. But finding the solution to a particularly tricky problem or discovering a world-changing idea takes more than creativity.

Isaac Asimov earned the reputation of "the man who knows everything" by writing nearly 500 books in his prolific lifetime. He is most widely known for his ground-breaking work in science fiction, but he also wrote everything from an illustrated children's guide to dinosaurs to a comprehensive two-volume guide to The Bible.

Asimov credited his creative thinking to his legendary appetite for reading and learning about everything he could from a young age. "I am not a speed reader," he once said. "I am a speed understander."

It's hard to imagine following Asimov's recipe for understanding in today's world. We are inundated by content, and most of it is not good. Digital tools have made it easy for everyone to share ideas, even if they are one-dimensional or idiotic.

To face this landslide of bad content, we are increasingly relying on a combination of algorithms and one-dimensional opinions shared on social media to help us filter the noise. And we've pioneered new methods of skimming out of sheer desperation. We watch television at accelerated speed, use speed-reading apps that flash a single word at a time, and turn to productivity gurus specializing in "time hacking."

Be Intentional

None of these solutions work for long. The problem is that expecting to get smarter from processing content faster is a bit like entering a speed-eating contest to enjoy a good meal. Eating 26 hot dogs in 60 seconds might satisfy your hunger, but you're likely to feel sick afterwards.

You can't understand the world better simply by reading about it as much as possible. You do so by being intentional about what you pay attention to in the first place. What if you could become a life-long learner, curious about the world and able to see, understand, and expect things others miss? What if you could use that skill to understand patterns, spot intersections, and see around the corner to develop an observation of what the future might hold? And what if, once you put all the pieces together, you could actually learn to predict the future?

You can, through non-obvious thinking, and it can change your life.

The 5 Mindsets of Non-Obvious Thinkers

According to renowned Stanford psychology professor Carol Dweck, most people have either a growth mindset or a fixed mindset. People with fixed mindsets believe that their skills and abilities are set. They see themselves as being either good or bad at something and tend to focus their efforts on tasks and careers where they feel they have a natural ability.

People with growth mindsets believe that success is the result of learning, hard work, and determination. They think that they can achieve their true potential through effort. As a result, they thrive on challenges and often have a passion for learning. They are also more likely to treat failure as "a parking ticket, not a car wreck." They're more resilient, have more self-confidence, and tend to be happier.

Beyond having a growth mindset, there are five additional mindsets that non-obvious thinkers have adopted to propel themselves and their organizations toward the future faster than others.

Non-obvious mindset #1: Be observant. Pay attention to the world, and train yourself to notice the details that others miss. Being observant isn't simply about seeing the big things. It's also about training yourself to pay attention to the little things. What do you see about a situation that other people are missing? What do the details you notice teach you about people, processes, and companies that you didn't know before? And how can you use that knowledge to win—even if that victory is something as small as getting your luggage a little bit faster than everyone else?

Our devices excel at keeping us from seeing the world around us. Instead of navigating daily tasks such as walking down the street or taking the subway with your eyes fixed on your phone, try putting it away and looking around. Look for interesting things, observe people's body language, or start a conversation with a stranger.

Non-obvious mindset #2: Be curious. Ask questions, invest in learning, and approach unfamiliar situations with a sense of wonder. We humans are naturally curious but often bury our curiosity because it can seem like a distraction. It is easier to move on than to stop and explore something more deeply.

Good trends always focus on the shift in an underlying human behavior or belief.

Consume "brainful media," content and experiences that fuel your curiosity and make you think. Watch an engaging TED Talk, read a book on a topic you know little about, or attend a lecture on an unusual topic. Read unfamiliar magazines, and ask questions constantly.

Non-obvious mindset #3: Be fickle. Save interesting ideas for later consumption without over-analyzing them in the moment. Often the meaning of ideas and the connections among them surface only after setting the ideas aside. Analyzing them later can give you more ideas and perspectives that enable you to see the connections more deeply.

Save ideas offline. Tear stories out of magazines and put them all in an ideas folder. To avoid the temptation to overanalyze an idea, try using a timer to limit how much time you spend on it. Take shorter notes. Jot down a few words to remind yourself why you found something interesting.

Non-obvious mindset #4: Be thoughtful. Take time to develop a meaningful point of view, and consider alternative viewpoints. The internet is sadly filled with useless, biased, half-thought-out comments and uninformed opinions. Being thoughtful is harder to do when the priority seems to be responding quickly, regardless of what you have to say.

To be more thoughtful, we need to remind ourselves to take a moment and consider the divergent thoughts of those around us, particularly those who may not think the same way we do. Whether you are interacting online or in person, taking the time to think about what you want to say always pays off. Not only will you say what you really mean, but you'll avoid making a gaffe because you haven't considered how others might misinterpret your thoughts.

Non-obvious mindset #5: Be elegant. Describe ideas or insights in more beautiful, deliberate, simple, and understandable ways. Simplicity is fundamental to being elegant in how we express ourselves. When you eliminate unnecessary words, you can distill your ideas and make them easier to understand.

Poets use metaphors, imagery, alliteration, and other tools to express emotion and meaning in their writing. What can you do to use more provocative language and avoid clichés? Everything doesn't need to be "great" or "awesome." Why not describe it as breathtaking or miraculous, or badass, or formidable?

These five key mindsets can help you think differently and escape lazy thinking that leads to obvious ideas. Once you get in the habit of using the five mindsets, you'll be ready to take your non-obvious thinking to the next level: identifying interesting ideas and patterns and curating them into insights that can help you win the future.

The Haystack Method for Curating Non-Obvious Ideas

When thinking about the future, many people encounter the pitfall of describing something that is ultimately transient and meaningless. The problem is, most people don't know what a trend is or isn't. Let's start with a definition: A trend is a curated observation of the accelerating present.

Good trends always focus on the shift in an underlying human behavior or belief. Trend spotting isn't the same as identifying actual trends. When you focus on spotting stories that stand out, you gravitate toward collecting interesting ideas without understanding the broader context of what they mean.

The trend-spotter myth drives many people to equate the process of identifying trends with finding a needle in a haystack. The needle-in-a-haystack cliché is so pervasive that it inspired the name for this process of curating trends: The Haystack Method.

The Haystack Method starts with gathering stories and ideas and sorting them into groups that make sense (the hay), then analyzing each of the groups to see whether they reveal an underlying trend (the needle). There are five steps.

Step 1: Gathering is the disciplined act of collecting stories and ideas while taking notes of why they are interesting. The best way to get value from the daily deluge of media is to form a habit of saving the most interesting stories to examine later. The key is to give yourself a reminder of what you

found interesting about the story when you saved it. This will make your notes more useful when you return to them later. Start a folder, set a timeline, and seek concepts, not conclusions. Perspective often comes from the passage of time and the patience to allow patterns to emerge on their own.

Step 2: Aggregating is the process of grouping ideas together to uncover bigger themes. Once you've gathered ideas, you'll need to identify how they connect to one another. What broad group or demographic do these stories describe? What is the underlying human need or behavior revealed in these stories? What are they an example of? How is the phenomenon the stories describe affecting multiple industries? What qualities or elements make these stories interesting?

Sometimes focusing on the underlying human emotion in a story or idea can help you see why it matters and how it connects with others.

Step 3: Elevating involves identifying the underlying themes that align a group of ideas to describe a single, bigger concept. Consider these questions: What interests you most about this group of ideas? What implications of the stories might you have missed earlier? What is the broader theme that these stories have in common? How can you link stories from multiple industries into a single idea?

As you review your groups of ideas and stories, look for key words that can reveal the common themes among them. When you recognize idea clusters, look for industry-specific clusters to combine with it.

Step 4: Naming is the art of describing a collection of ideas in an accessible and memorable way. A great name should convey the trend's meaning with simplicity and be memorable. How well you name your trend will make it either stick in people's minds and stand out—or be quickly forgotten.

Consider these questions: Is the name already in use or well understood? Is it relatively simple to say out loud in conversation? Does it make sense without too much explanation? Could you imagine it as the title of a book? Are the words in the name unique, not clichéd or generic? Does it describe a topic in an unexpected way?

Step 5: Proving entails seeking out data, stories, and conversations to validate whether a collection of ideas can justifiably be described as a trend. You can evaluate trends using a framework of three key elements: the core idea of the trend, its impact, and its acceleration. For ideas, ask, is the idea unique enough to stand out? Has anyone published research related to this trend idea?

For impact, ask, are the media starting to uncover examples of this trend, suggesting that people and businesses are changing their behavior? Are smart early-moving companies adopting the trend in some way?

For acceleration, ask, are there enough examples of the trend across multiple industries? Is the trend likely to continue for the foreseeable future?

Use authoritative sources. Proving will yield better results if you have sought out authoritative sources to support your trend ideas. In practice, this means gathering stories from reputable media sources, organizations, or academic institutions.

How to Apply Non-Obvious Thinking for Fun and Profit

Trends might offer a signal that you should consider abandoning an existing product line or staying the course in a direction that hasn't paid off yet. Or they could suggest that you should pivot the focus of your career to learn new skills.

What gives you the power to receive these signals and reach these conclusions is intersection thinking, a method for connecting disparate concepts and beliefs from unrelated industries to generate new ideas or products. There are four ways to engage in intersection thinking effectively:

- Focus on similarities.
- Embrace serendipitous ideas.
- Wander into the unfamiliar.
- Be persuadable.

Let's now explore how to put trends to work. Here are five tips for using trends.

Tip #1: Engage your customers. Understanding and leveraging trends to improve how you engage customers starts with building a better picture of how your customers behave. One useful tool is the customer journey map—a diagram that illustrates the phases that typical customers go through when they interact with your product or service. Mapping this customer journey can help you understand where and when in the journey to engage in a trend to improve customers' experience and win their loyalty.

Tip #2: Share your story. A powerful story can inspire support. Unfortunately, the internet is filled with boring "about us" pages instead. These are not the same as a story. A brand story is emotional and human. It inspires people to believe in a product, brand, or message.

Trends can influence how you tell your story. What is the larger purpose behind why your brand exists? What shifts in consumer beliefs or your industry have made your existence more relevant today? These are the sorts of questions that a well-told story can help to answer.

There is a growing understanding that a person's gender can differ from that person's sex.

Tip #3: Evolve your story. Tapping into trends can help you make changes to your company's strategy, whether it's evolving your business model or considering new partners to help you connect with unexpected audiences. Focus on five key areas:

- **Mission:** Why you do what you do and what you believe in.
- **Positioning:** What makes your brand unique compared with that of your competitors.
- **Business model:** How you charge customers and make money.
- **Products and services:** What you sell to your customers.
- **Innovation:** What new products or services you may offer.

Tip #4: Strengthen your company's culture. Contrary to what you might have read, you don't have to provide free food, massages, or ping-pong tables to inspire a great company culture. Workplace surveys after surveys show that what people desire most is making an authentic human connection with their co-workers feeling that their work matters, and having some autonomy over their own time. Tapping into trends can help you strengthen your company's culture in all these areas.

Tip #5: Develop your career. Trends can help you anticipate the growth of an industry or offer insights into what customers are looking for, enabling you to make timely new product or service recommendations at work. They also can help you forecast what new skills you might need in the near future so you can invest time to learn them now.

Let's now look at four of the 10 non-obvious megatrends and learn how to use them.

PART II: THE NON-OBVIOUS MEGATRENDS

Ungendering

Traditional gender divisions and labels are getting replaced with a more fluid understanding of gender identity, forcing a reevaluation of how we see employees, customers, brands, and one another.

We are living in the time of Ungendering. As the stereotypes of feminine and masculine ideals are supplanted, the traditional labels and roles once prescribed to our identities based on gender are no longer as meaningful. This is leading to an evolved view of what role gender should play in the products we buy, the experiences we enjoy, and even the way we define ourselves.

For a growing number of organizations, this is forcing a fundamental reimagining of basic assumptions and messaging in marketing, merchandising (men's and women's sizes), and how they deliver services or even categorize their products themselves.

Gender X

Though the concept of a nonbinary gender identity still might seem like a fringe idea, there are signs that this often-misunderstood label is gaining mainstream acceptance across the world. There is a growing understanding that a person's gender can differ from that person's sex.

A newborn's sex is assigned at birth based on the baby's genitalia. Gender, however, is to many a question of identity; it's how you carry yourself and interact socially with the world. For a growing number of people, gender is never described in singular terms but rather along a spectrum depending on how they present themselves to the world.

Jonathan Van Ness, one of the stars of the Netflix show Queer Eye, perhaps summed up this perspective on gender best in an interview for *Out* magazine: "I'm gender nonconforming. Like, some days I feel like a man, but then other days I feel like a woman."

At the time of this writing, more than 10 U.S. states have passed legislation allowing individuals to select a gender-neutral choice of X (this is the letter used instead of M or F) on their driver's license and ID cards. Over the past decade, about a dozen countries, including Australia, Germany, Canada, and India, also have allowed for a third gender option on passports.

As nations around the world become more accepting of non-binary gender status, companies and brands are responding by reshaping the products and experiences they sell to fit into this new world of Ungendering.

How to Use Ungendering

Remove unnecessary gendering. Look closely at your current products and services, especially how they are packaged and marketed, and consider how you can remove unnecessary gendering and make them more inclusive and expansive.

Encourage nontoxic masculinity. When men or boys express a passion or curiosity for exploring traditionally feminine things, avoid making quick judgments, and instead, encourage them. To reinforce these experiences, consider using nonconforming images and messaging when portraying men and their relationships to women, to encourage nontoxic views of masculinity and ensure the men, and particularly boys, feel it is acceptable to love what they love, share their emotions more openly, and treat all people with respect regardless of gender identity.

Have more gender empathy. Shifting one's thinking to consider gender as being on a spectrum rather than binary is not easy. Yet leaders, teachers, and politicians who do will become far more effective because they will earn the respect and loyalty of those who previously were considered outcasts and finally feel understood.

Revivalism

Long-running magazines such as *Newsweek* and *Teen Vogue* have announced they are shifting to digital-only publications. According to PwC's Global Entertainment & Media Outlook 2018–2022, "sales of physical video games, recorded music, and home video are expected to decline each year, in some instances by double- digit percentages." Yet one form of media has proven remarkably resistant to this shift: printed books.

The same PwC report also notes that sales of physical books are expected to grow modestly during the next several years.

We increasingly value things that we can hold in our hands and experience in a tactile way. These items feel more significant precisely because we spend so much of our lives in the digital realm. The photos we print and display, for example, hold an added significance apart from the thousands we take and then archive in our phones or on the cloud, never to be seen again.

Today we see a broader shift happening. As we become overwhelmed by a general sense that life has become too complex, we are finding solace in items, products, and experiences that are more nostalgic, such as a book or a board game, and reminiscent of a simpler time in our lives.

This shift is at the heart of the megatrend Revivalism, which explains everything from our growing desire for less tech-enabled products, to the resurgent appeal of artisan crafts and iconic retro brands, to our desire to preserve our history and the simpler times and "good old days" it represents.

After 131 years in business, Eastman Kodak declared bankruptcy in 2012. Yet, since 2017, Kodak has been capitalizing on the growing desire for more analog experiences, as well as our good will for the brand by marketing its heritage and analog products heavily. It has relaunched its iconic Super 8 cameras, resumed production of its Ektachrome film for diehard enthusiasts, launched a print magazine called Kodachrome to celebrate "analog culture," and partnered with a fashion retailer on a line of retro streetwear featuring its brand logo.

How to Use Revivalism

Share your history. Whenever possible, preserve and catalog your company's history. One way to do so is to capture your employees' stories about working at your company, building its products, and marketing them. These stories can offer a wealth of content that not only increases engagement with consumers but also yields company lore that contributes to culture building, recruiting and training efforts, and marketing and PR.

Offer a classic mode. Sometimes consumers want to downgrade the functionality in the products they buy. The best companies offer an easy way to do that. For example,

Just as we must serve as role models for our children, increasingly we will need to serve that same role for our technology as well.

whenever Microsoft launches a new operating system, it allows users to revert the interface to a classic view, one from the previous version they were used to.

Make your experience collectible. Part of the appeal of tactile products such as physical books or art comes from the human desire to collect things. We enjoy the sense of achievement when we complete a collection or add meaningful pieces to it. It is the reason that we love getting another stamp in our passports at immigration, or why we like buying products in sets rather than individually. Consider the aspects of your customer experience that you might be able to make collectible in print, so customers come back again and again to collect them.

Protective Tech

As we increasingly rely on predictive technology that keeps us and our world safe and makes life more convenient, we must contend with the privacy trade-offs required to make it work.

Smart, predictive technology not only helps us lead healthier, easier, safer, and more productive lives; it also helps us protect the environment and enjoy a more efficient society. However, the more we get used to these devices, the more blindly we rely on them, which has opened up all sorts of questions—from whether it's a good idea to let technology make certain decisions for us to whether we are leaving ourselves and our democratic process vulnerable to hackers, fraudsters, manipulators, and others who might wish us harm.

To understand what's at stake, there is perhaps no better place to start than health care, where striking the right balance between convenience and privacy can have life-or-death consequences. Facebook has been building tools that can detect content indicating that individuals might be considering harming themselves or others. The goal is for these tools to provide early warning signs to friends and family members so they can intervene quickly.

Health-tech startup FacePrint created a tool that can diagnose Parkinson's disease through using facial recognition software and was inspired by a high-school student's obsession with the work of psychologist Paul Ekman, who studied "micro-expressions."

This is the future of health care, where everything from your facial expression in a selfie to the data streams from a fitness tracker can be used to proactively improve your health, diagnose your ailments, and even predict suicide and intervene before it happens.

The tension between the desire for smart tech to help us manage our lives—in this case, our health—and our worry that it might infringe on privacy will only grow as this tech becomes more ubiquitous. It raises a natural question: Should we cede so many health and life decisions to machines?

How to Use Protective Tech

Be a role model for technology. As learning technology gets smarter, its evolution will largely come from watching humans and parsing the media that humans create—which leads to an unusual challenge for humanity. Just as we must serve as role models for our children, increasingly we will need to serve that same role for our technology as well.

Recognize and appreciate the protection. Many of the ways that technology protects us can become so well hidden that we forget to even acknowledge, appreciate, or value them. In the future, we will need to work harder to remain conscious of where technology offers this protection so we can avoid blind overreliance on it.

Demand more technology transparency. The more potential applications we see for Protective Tech, the more important transparency will become in terms of who has access to provide it on our behalf. The positive or negative benefits to society will increasingly depend on the mission and ethics of those who have earned (or demand) the right to access it.

Flux Commerce

Over the past decade, one of the most wide-ranging trends is the disruption not in what we choose to buy or who is selling it but how those products and experiences are bought and sold.

This megatrend, Flux Commerce, describes how successful companies are increasingly evolving their business models and distribution methods—aspects of the business that were once fixed—and changing how they innovate to keep up.

Capital One, for example, has been transforming bank branches into comfortable cafes and co-working spaces. Retail brands such as West Elm, Muji, Taco Bell, and Armani are all opening their own branded hotels, betting that customers who spend a night immersed with their products might buy more of them.

In the world of consulting, longtime players like IBM, Accenture, PwC, and Deloitte are hoping to make inroads into the marketing industry with their new interactive and creative services groups. Powerful media brands like *The New York Times*, *Wall Street Journal*, *Forbes*, and *New York Magazine* have recently launched their own custom content studios where journalists work on the side to produce high quality content for brands.

How to Use Flux Commerce

Find the blur. As you think about how to transform your business strategy, consider what would happen if you put two unlikely models together. What if you sold cars the way that a donut shop sells donuts? Or what if Airbnb decided to start a pharmacy? These sorts of mind-bending questions encourage us to think outside our comfort zone and find new ideas in the "blur" between industries.

Be strategic, not reactive. Often, companies will mistake invention for innovation. This common mistake can lead to shallow ideation, one-dimensional product or service ideas, and undifferentiated engagement with your customers. Look beyond products to consider new business models that integrate greater purpose and deliver more robust experiences that delight customers.

Seek out and support the innovators. Nearly every successful corporate effort dedicated to innovation finds new ways to bring in entrepreneurs as a first step. Sometimes this takes the shape of startup competitions or newer tactics like the "switch pitch," where established brands pitch to startups the business challenges they face; then the startups partner with the brand to develop solutions. But first look inside your company. Find the employees who are devoted to innovation—and who are often overlooked.

Curating trends is certainly about seeing what others miss. But it's also about developing a mindset of curiosity and thoughtfulness. It's about moving from being a speed reader to being a "speed understander," as Isaac Asimov wrote.

The future will belong to the non-obvious thinkers who use their powers of observation to see connections between industries, ideas, and behaviors and curate them into a deeper understanding of the accelerating present.

IF YOU LIKED THIS SUMMARY, YOU MIGHT ALSO LIKE:

- ***Personality Not Included: Why Companies Lose Their Authenticity—And How Great Brands Get It Back***
  by Rohit Bhargava
- ***Leadership 2030: Six Megatrends You Need to Understand to Lead Your Company into the Future***
  by Georg Vielmetter, Yvonne Sell

Rohit Bhargava is on a mission to help the world be more open-minded by teaching others how to be non-obvious thinkers. He is the founder of the Non-Obvious Company and is an entertaining, original, and "non-boring" keynote speaker on innovation and trust. He is the number-one *Wall Street Journal* best-selling author of six books and has been invited to deliver keynote presentations in 32 countries around the world. His insights have been used by the World Bank, NASA, Intel, Disney, Colgate, Swissotel, Coca-Cola, Schwab, Under Armour, NBC Universal, American Express, and hundreds of others, to win the future.

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Once Upon a Leader

Rick Lash, Christine Miners

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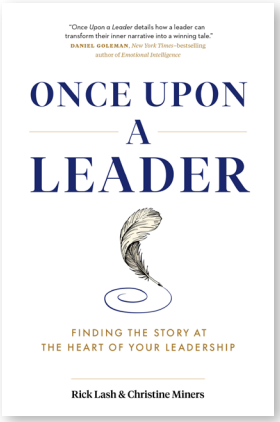
Once Upon a Leader

Finding the Story at the Heart of your Leadership



by **Rick Lash and Christine Miners**

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THE SUMMARY IN BRIEF

There are moments in just about every leadership journey when the path forward suddenly feels unclear. Struck by uncertainty and a lack of confidence, your sense of self—and your clarity of purpose—is out of balance. It's as if you have ceased to be the hero in your own story. During periods of disruption and transition like these, you need a rewrite.

Executive coaches and leadership experts Rick Lash and Christine Miners wrote ***Once Upon a Leader: Finding the Story at the Heart of Your Leadership*** as a transformative guide to leadership development that illuminates how your internal narrator acts as the operating system of your mind. Through engaging stories, research-backed insights, and techniques, you'll gain the tools to re-engage and update the story you tell yourself so that you can operate at a higher, more effective level.

IN THIS SUMMARY, YOU WILL LEARN:

- How to find your internal narrator.
- The role your narrator plays in leadership effectiveness.
- How your narrator becomes an insufficient partner in your leadership over time.
- The materials and steps you need to find and refine your narrative.
- How to help your internal narrator become a more mature version of itself.

Introduction

This book is divided into two parts, starting with an introduction to your internal narrator, the role it plays in leadership effectiveness, and how your internal narrator becomes an insufficient partner in your leadership over time or during periods of disruption and transition. In the second part, you will go to work on your own leadership narrative.

We will lay out the materials and steps—the recipe—you need to find and refine your narrative so you can, in your own way and on your own time, help your internal narrator to become a more mature version of itself. A narrator that is more intentional, experienced, and credentialed. We have seen firsthand the substantial payoffs—a personal story that is more grounded and anchored in your true self, a story that is less fragile and more resilient, better able to adapt and to withstand the relentless pressures of leadership and your life. Your narrator will earn the right to be your author.

Part 1: Meet Your Narrator

A Leader Is Born

A growing body of research suggests that many leaders develop a core narrative that defines who they are as leaders. The core narrative serves as a system that leaders use to not only convey how they see themselves as leaders, but also as a key source of personal motivation, drive, and action that they continually draw upon to guide their decisions and make meaning of what they do. The research identified four themes that emerged consistently in the leaders' narratives—being born leaders, overcoming struggle and hardship, finding a cause, and learning from experience.

As a senior leader, what holds you back is often not a lack of skills or knowledge, but a fragmented and patchy leadership narrative that is frozen in time—one you rarely go back to see if it needs revision.

The Home Of Your Narrator

Becoming conscious and deliberate authors by intentionally reconstructing our story using the well of autobiographical memories available to us is the most essential task we can undertake in our lives, especially in times of struggle and change when our narrator is most vulnerable and we risk losing our sense of self. It is core to what makes us human.

Throughout adulthood, our internal narrator continues to generate stories. But, more often than not, those stories are a product of a narrator whose active development peaked in the early stage of our lives and is in need of an upgrade. As a result, the narratives it produces are often overly simplistic or merely inadequate for the complex demands of adult life. This is particularly true whenever we face a major career change, experience personal trauma, or must navigate difficult challenges.

Our narrator is operating like a younger version of ourselves that has not benefited from our more mature life experiences and evolving values. If we can teach executives like ourselves how to re-engage and upgrade our narrator, we can become better equipped to make meaning of ourselves in the new and ever-changing context within which we find ourselves, be it at work or in other aspects of our lives.

Why We Give Up Authorship

Existential psychology identifies death, meaninglessness, choice, and isolation as the four ultimate anxieties that all human beings must deal with as a fact of being alive. It claims that much of our narrative-construction work is conducted unconsciously to help us cope with these four existential anxieties. Our need for protective narratives can find fertile ground in organizational life.

Allowing your organization to write your narrative has short-term benefits, but it also can come at a significant cost. Organizations are generally poor caretakers of your leadership narrative. And we know that the connection between your leadership narrative and your core narrative is at the heart of leadership excellence in every regard. In other words, taking back authorship of your leadership narrative is one of the most important exercises you can undertake.

Reinvestment On The Road To Personal Transformation

Your brain has limited capacity to process information. Your short-term working memory can handle only a few bits of information at a time. But with learning and experience, we acquire new memories and two things start to happen that help get around these limitations and reduce complexity: chunking and automating.

When it comes to developing your leadership narrative, it is not about developing new skills or capabilities to become an expert. Instead, you are rewiring memories that are intimately connected with your core sense of self and your

identity as a leader. It is a personal journey of transformation. You have to be willing to deliberately reinvest your spare thinking capacity—to engage your narrator once again—to build your leadership narrative.

Your narrator serves as your composer, and you strengthen it through reinvestment. It is an ongoing cycle—the more you reinvest into your leadership narrative, the more your narrative will help you reduce the complexity of challenges you face as an executive, creating the spare capacity to continually reinvest to grow and evolve your narrative.

What House, M.d. Can Teach Us About Leadership Narrative

As a scriptwriter best known for her work on the network television show House M.D., Pamela is responsible for crafting storylines that are not only engaging but believable. Her career success hinges on her ability to propel the television show's characters through compelling and unexpected growth opportunities.

In a lot of ways, rehabilitating your narrator and authoring your own leadership narrative is like writing a screenplay—but rather than assigning a story to fictional characters, you're reframing your own past in a way that makes you the hero in your future.

If the writer of the episode does their job well, they don't just have believable and entertaining dialogue, but they've taken disparate elements from their lives, melded them together, and embedded them into the storylines of the fictional characters—and the audience is none-the-wiser. Rather, all the viewer sees is a seamless story—one that flows, entertains, and captivates their attention. One they have no trouble believing.

Are You Ready?

Deep work is the heat needed to distill the essence of what will become your leadership narrative. Deep work is precisely the kind of mental activity needed for your narrator to do its work—deliberately reinvesting your spare capacity to build your leadership narrative. You will be reflecting on your past, challenging your deeply held beliefs about yourself and your leadership, connecting new insights to what you know, experimenting with bringing your narrative alive, at times feeling uncomfortable and seeking support from others as you progress on your journey. It takes time, patience, and a high tolerance for ambiguity as you work through the building blocks of your leadership narrative. Deep work provides the gentle heat to create the reduction you need, allowing you to skim off the impurities to gain access to your core leadership narrative.

Part 2: Finding Your Story

There is no final destination on the journey of leadership narrative. Rather, the process is more important than the end product, and it is important that you have the mindset and skills to see your leadership narrative as a process of ongoing reflection, restoration, and renewal.

To do this, you need to have the tools to do the following:

- Productively reflect on your own past and build deeper insights into what motivates you. You need to be able to wade through your feelings, identify what gives you energy, separate yourself from your limiting thoughts and behaviors, and distill your personal story down to a number of key ingredients.
- See the pivotal elements of your story through a fresh set of eyes and rearrange them in a way that suits you better. You need to be able to view your skills, experiences, and backstory from a different angle and reframe your memories in a way that gives you authorship and agency.
- Leverage the insights of others to strengthen your personal story. Seeing yourself from the outside in can help you see yourself in a new light.
- Maintain control of your narrative—even when it meets real life. You need to be able to respond to challenging life events by modifying and adapting your leadership narrative in a way that keeps you on the right track.

Phase 1: Prepare

Collect the materials needed to construct your leadership narrative before you begin to build. Some of those materials will come from mining your autobiographical memories. Some will need to be imported from the outside to provide you with an outside-in perspective, helping you appreciate how others see your strengths and the value you have brought through your leadership. Other elements—your inner motives—are more deeply hidden and must be brought to the surface.

This phase teaches how to:

- Start with the foundation
- Find your power source
- Get the outside view

Phase 2: Build

Having prepared all the building materials, it is time to see how they might fit together. It is in this phase that you will be integrating the complex and sometimes conflicting data sources into a coherent, singular leadership narrative. The analogy of building a house breaks down a bit, however. There is no clear blueprint to guide you. Rather, the blueprint starts to emerge from the assembled materials. It is here where your narrator truly gets down to work, sifting through old memories, shining a light on long-forgotten events, and discovering new meaning, identifying hidden strengths and looking for the strands that connect it all. Patience is key, but the elements of what will become your leadership narrative start to emerge. In this phase, you will seek to answer three fundamental questions that lie at the heart of your narrative: Where do I come from? What do I bring? What impact do I seek to create?

This phase teaches how to:

- Get to work
- Find the connections

Phase 3: Activate

Overall, it is the process of developing your leadership narrative that is transforming. Developing your leadership narrative is not like writing a speech, although you may use elements of it when creating a presentation. It is not writing an essay, although you may choose to include parts of it in your communications. Rather, the process of building your leadership narrative is subtler and harder to get your arms around. Like other executives who have embarked on a challenging but deeply rewarding journey, you will find that the end product is more profound than a concrete product. Like them, you will find yourself using your leadership narrative when you suddenly unearth renewed conviction to express your views at the executive table. You will find yourself using it when making difficult decisions that defy clear answers. And you will find yourself using it when you are at a crossroads and need the courage to choose a different path.

This phase teaches how to:

- Engage others
- Align teams

Conclusion

As you edit and upgrade your internal narrator, you'll develop a personal story that is more grounded and anchored in your true self: one that is less fragile, more resilient, and able to withstand the relentless pressures of leadership—and life.

Valued for his deep expertise and thoughtful, creative approach, **Rick Lash** has contributed to the Harvard Business Review, the Ivey Business Journal, Chief Executive magazine, The Wall Street Journal, Forbes, and the Globe and Mail's Leadership Lab series.

Valued for her depth of expertise, practical approach, and authentic style, **Christine Miners** is a sought-after advisor, facilitator, and speaker.

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One Piece of Paper

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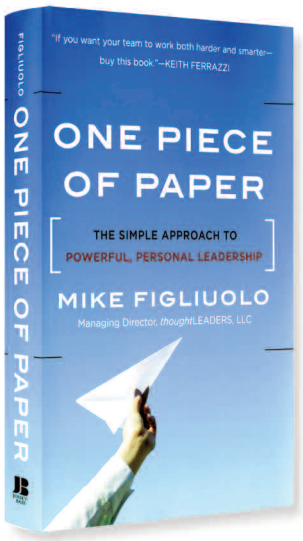
Leadership

One Piece of Paper

The Simple Approach to Powerful, Personal Leadership



by Mike Figliuolo

THE SUMMARY IN BRIEF

Leadership seems complicated to many. With competing philosophies and methods, as well as a rapidly changing workplace, is it possible to clearly, succinctly and simply convey your personal approach to leading others?

One Piece of Paper provides an authentic, accessible model for any leader to do just that. Simple, applicable and without pretense, it's real leadership for the real world.

Based on leadership expert Mike Figliuolo's popular Leadership Maxims training course, *One Piece of Paper* guides you through a simple approach for creating, articulating and living your personal leadership philosophy — one that can be shared on a single piece of paper. Figliuolo's model distills leadership to four easy-to-understand aspects: leading yourself, leading the thinking, leading your people and leading a balanced life.

By answering simple, provocative questions that guide anyone to a set of personal leadership maxims, you build a living document that communicates your personal passions, goals and standards that define your leadership style. The result: one piece of paper that provides an accessible touchstone for both you and your team, enabling you to work together effectively, build your organization and achieve great results.

One Piece of Paper can help anyone achieve his or her true potential as a leader.

IN THIS SUMMARY, YOU WILL LEARN:

- How to determine your rules of personal conduct.
- How to innovate to drive change.
- How to lead a team as individuals rather than faceless cogs in a machine.
- How to achieve equilibrium between work and personal obligations.

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THE COMPLETE SUMMARY: **ONE PIECE OF PAPER**

by Mike Figliuolo

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One Piece of Paper: The Simple Approach to Powerful, Personal Leadership by Mike Figliuolo. Copyright © 2011 by Mike Figliuolo. Summarized by permission of the publisher, Jossey-Bass, a Wiley Imprint. 238 pages, $27.95, ISBN 978-1-118-04959-4. To purchase this book, go to www.amazon.com or www.bn.com.

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For additional information on the author, go to www.summary.com.

Part One: The Leadership Maxims Approach

Imagine being able to explain your leadership philosophy on one piece of paper — a simple 8.5-by-11-inch summation of all you are and all you want to be as a leader. How powerful would it be to have a discussion about that single page with the members of your team? They would be thrilled to have just one page to read, understand and internalize. Envision how that one page could simplify and clarify how you want your team members to conduct themselves. Think about how impressed candidates and new hires would be if they could quickly understand your standards, expectations and goals easily and from one single page.

To get a complete view of your leadership philosophy, you need to evaluate four aspects of leadership:

- *Leading yourself:* What motivates you and what are your rules of personal conduct? What do you want "future you" to look like and stand for?
- *Leading the thinking*: Where are you taking the organization and how will you innovate to drive change? What are your standards of performance for how you will safely get to your destination?
- *Leading your people*: How can you lead your people as individuals rather than treating them like faceless cogs in the machine?
- *Leading a balanced life*: If you are burned out, you are worthless. How do you define and achieve balance?

A maxim by definition is a principle or rule of conduct. In the context of the leadership maxims approach, it is a short, personally meaningful and easily explained statement that reflects one of your beliefs about leadership. Maxims do not contain buzzwords (like *leverage, optimize, outside the box, win-win*). Maxims are simple, clear statements that serve as reminders for how you want your team members to behave. When written well, your leadership maxims become simple daily reminders of how you should behave so your actions are consistent with who you want to be as a leader.

Understanding the Leadership Maxims Approach

Articulating your maxims requires a process of introspection. You need to answer questions pertaining to each of the four aspects of leadership and use those questions to define your personal approach to leadership in that arena. For this to work, your answers must be open

Your One Piece of Paper

You need that one piece of paper staring you in the face every day to reinforce your maxims. It is a snapshot in time of your leadership philosophy.

Your maxims should be 15-25 bullet points, phrases, lyrics, images or sentences. Each one should evoke an emotion or remind you of a story. They need to be as personal as you can possibly make them. No corporate-speak or buzzwords allowed. If you cannot understand a maxim in one quick glance, it is too complex. If you cannot relate a personal story behind the maxim when you share it with someone else, it is not personal enough.

Your maxims will be a constant reminder of what is important to you. They are *your* rules. By evaluating them a few times a year, you can ensure that they stay relevant and continue to push you to grow as a person and as a leader.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Amanda Langen**, Graphic Designer; **Chris Lauer**, Contributing Editor

and honest; that is what makes your maxims authentic and easily understood by those around you. The synthesis of your answers into emotionally compelling and resonant statements will serve as the foundation for your leadership philosophy. Your answers will eventually become your personal leadership maxims.

The all-encompassing nature of your leadership maxims provides you with a means for living your leadership philosophy during every waking moment of every day. It is the constant application of your leadership maxims that strengthens the leader you are and will become.

Part Two: Leading Yourself

The first step in articulating your leadership maxims is determining how you will lead yourself. Nobody is going to follow you if you do not know where you are going. You need to have a clear set of goals and standards for yourself because it enables you to focus on what's important and it gives your team something to identify with and support. If you don't have a clear direction or well-articulated values, your efforts can become diluted and ineffective, and your team will very likely become confused about who you really are and what's important to you. By creating maxims focused on leading yourself, you can eliminate this potential lack of focus and confusion.

Learning to Lead Yourself

Your ability to define what you want to be in the future and to hold yourself to higher standards is the basis on which all your other maxims will build. If you are unable to inspire yourself, how can you expect to inspire your people? To determine how you are going to lead yourself, you need to explore who you are and who you want to become.

To start the introspection process, there are five questions you need to explore:

- **Why do you get out of bed every day?**
- **How will you shape your future?**
- **What guidelines do you live by?**
- **When you fall down, how do you pick yourself back up?**
- **How do you hold yourself accountable?**

Answering these questions will help you crystallize what motivates you and what your personal rules of conduct are.

Why Do You Get Out of Bed Every Day?

The better you are able to align your work with what you love to do, the more successful and fulfilled you will be as you do it. At some point in your life, there will not be anyone else to excite you and motivate you about your work; you will need to find that motivation internally. Creating a maxim focused on what you love to do will help you choose jobs, positions or projects consistent with your passions. It will also help you avoid roles that are inconsistent with your passions, thereby keeping you out of situations where you will be unhappy with the work you are asked to do.

My maxim that answers these questions is two words: **Light bulbs**.

Light bulbs are the reason why I am excited to get to my desk to start work every day. I teach leadership, communications, strategy, and other business and professional development topics I find fascinating. I cannot help but get excited when I work with energizing and smart clients discussing their most pressing issues. These activities give me a deep sense of satisfaction.

I know that when I am teaching and make a point or connection that resonates for a participant in the class, I have had an impact on him or her. The indicator I watch for is that look on a person's face that says "You made a light bulb go on for me. I get it now. You have helped me have a moment of clarity." Turning light bulbs on for people is why I am excited to go to work.

How Will You Shape Your Future?

How do you define your future self? Focus on yourself and the person you want to become regardless of what happens in the world around you. This is about defining you first, and then, how you will react to the world. This reverses our normal way of thinking, whereby we first define the potential future world and then adapt to that external environment. To make this mental shift, you need to answer two powerful questions:

- **What do I want my epitaph to say?**
- **What do I want the summation of my career (or more loftily, my life) to be?**

These questions focus exclusively on you and what you stand for as a person. They are designed to cut through all the extraneous events and expectations surrounding you and expose the true core of your aspirations in life. Choose a maxim that inspires you to reach for goals that are personally meaningful to you in terms of how they define who you want to become.

What Guidelines Do You Live By?

Ask yourself two direct questions to define your ethical guidelines:

- **What are you willing to sacrifice to reach your goals?**

- **What are your nonnegotiables?**

Those are big, weighty questions. The answers must encompass all aspects of your life, not only what you do at work. The tradeoffs you make at work are important, but by broadening the view of where this maxim applies, you can build consistency into your behaviors in multiple arenas. Consistency will strengthen those "good behavior" muscles you are trying to develop. It will also help you avoid a career-destroying moment that can happen when you have one set of ethical boundaries at work, yet behave in a manner inconsistent with those ideals during your personal time away from work. If your maxim guides your behavior both at work and at play, you reduce the risk that mistakes you make in one arena will cause difficulties in the other.

When You Fall Down, How Do You Pick Yourself Back Up?

A good leadership maxim will be your tool for refocusing yourself. I have found and relied on two maxims to help me during difficult times. One helps me reframe the situation so I can tackle it more professionally and productively. The second helps me pick myself back up after I have been battered.

I have been known to do my fair share of complaining. During one prolonged session led by me, a great boss of mine gave an exasperated sigh and said, "**It is what it is. What are you going to do about it?"**

With one statement and one question, he elegantly pointed out that the past had passed and my job was to lead my team forward. When I returned to my desk I added his comments to my leadership maxims. This maxim helps me admit I have fallen down and the task ahead is to stand up and get back in the fight.

I use something more powerful during times when it feels like the world is coming to an end. I found the perfect maxim a long time ago.

In eighth grade we were required to read *The Old Man and the Sea* by Ernest Hemingway. I read two sentences that have since changed my life on multiple occasions. Hemingway wrote: "**But man is not made for defeat. A man can be destroyed but not defeated."** Hemingway's words were my first personal maxim. I relied on those words to keep me going during the many times I considered dropping out of West Point because the experience there was difficult.

How Do You Hold Yourself Accountable?

How will you define a maxim that will help *you* move from being accountable to being responsible? It needs to be something that drives you to action and keeps you from laying blame at the feet of others. You are trying to write a maxim that pushes you to always be a take-charge type of leader. It is designed to prevent you from ever saying the words, "*That's not my job*." This maxim needs to shift your bias from observing to acting, regardless of the situation. Here are a few questions to get you started:

- **Have you ever taken charge of something not directly assigned to you, after which your involvement helped drive a successful outcome?**
- **Have you ever seen a problem, not taken responsibility for it and regretted it later?**
- **How do you keep yourself from playing the blame game?**

Do not feel limited to only answering these questions. Write down the thoughts, images, phrases and sayings that come to you as you consider the answers. Write down how you will hold yourself accountable. ●

Part Three: Leading the Thinking

Once you have defined how you will lead yourself, you need to create some maxims to get you looking forward and to set new directions for your organization. The status quo is never good enough. In fact, the best leaders I have worked with continuously challenge the thinking, blow up business models and question how they can get their organization to a better place. This is what leading the thinking is all about.

Becoming a Thought Leader

A thought leader is someone who delivers business results by agitating for and leading change.

The following questions can help you explore how you will lead the thinking. Through this part of the process, you will define your own leadership maxims that serve as daily reminders to push the thinking beyond "that's how we've always done it."

- **What standards do you hold your team to?**
- **Where are you taking your people?**
- **How will you foresee the future?**
- **After all that thinking, how will you drive action?**

The leading-the-thinking maxims you define will get you to look at problems differently. They should shake you from your usual daily routine and help you lead your organization beyond business as usual.

What Standards Do You Hold Your Team To?

As you created maxims to guide your own behavior when you defined how you will lead yourself, you also need to provide maxims concerning performance standards for your team. Ideally, these will clearly point your team in the direction in which you want them to go. These standards will keep you and your team on track and ensure that quality remains high as all of you head toward your goals. By creating standards, you help ensure that the actions your team takes are consistent with the vision of what you want your organization to become. This clarity also reduces confusion and inefficiency caused by members of your team trying to figure out your expectations of them.

To generate a leadership maxim to explain your standards, ask yourself, "How do I want my team behaving when I am not there to give guidance? What are my expectations for how they perform?" You also need to set expectations for how you want them to deal with you, as well as what you want them to focus on as they deal with others.

Where Are You Taking Your People?

Whatever your situation or your title happens to be, the simple fact remains — you need to articulate a vision for the future state of your organization. We usually leave this up to the C-suite, but writing a vision statement at any level is a powerful exercise. Your people want to be excited to come to work. They want to be part of something bigger than they are. If you can paint a compelling future picture for them, they will be more excited to follow you to that destination. The earlier in your career you learn how to create vision statements, the more successful you will be at writing them as your responsibilities expand.

When written well, a vision statement can and should be one of your leadership maxims — that is, your vision maxim.

How Will You Foresee the Future?

Vision is great, but action is what gets you there, and for action to occur, you must first identify the opportunities and ideas on which to act.

As you create this maxim, keep two things in mind. First, it must remind you to think beyond the status quo and challenge the way things are usually done. Second, it should articulate to your team your new approach to thinking in a manner such that they too can identify new opportunities.

Here are three questions and ideas to get you started:

- **What is the most innovative or visionary idea you have ever seen?**
- **What is the best idea you have ever had?**
- **What do you believe are your biggest limitations to innovation and how can you remove them?**

Write down the stories, phrases, ideas and memories that come to mind as you consider these ideas.

After All That Thinking, How Will You Drive Action?

Now you need to drive action. Ideas are great, but someone has to set them in motion for them to be worthwhile.

Consider these questions:

- **Do you notice any commonalities between decisions you have made and decisions others have made that you are happy with? If so, what are they?**
- **Are there similarities between decisions you have made and decisions others have made that you are unhappy with? What are they?**
- **Are there similarities between the decisions being delayed? What are they?**
- **What themes emerge as you look across all these decisions and what are your reactions to them?**
- **Does one of your stories stand out as an example you would hold up as the pinnacle of great decision making? Choose one of these stories on which to base your maxim.**

Part Four: Leading Your People

You are a leader. Management and leadership are not the same thing. The difference: *you manage things; you lead people*. Admiral Grace Murray Hopper coined this elegant, clear distinction.

What It Means to Lead Your People

Leadership is people-focused. It is the words spoken and actions performed that inspire something deep within another person that leads that person to act independently to advance the interests of the team. Leadership is inspiring and influencing people to act in ways they ordinarily would not.

The following straightforward questions can help you define a powerful set of maxims for leading your people:

- **What is your natural style?**
- **How will you remember to treat your team**

as individuals?

- **How will you stay connected to your team's reality?**
- **How will you commit to your people's growth?**

The maxims you create to describe how you will lead your people will govern your day-to-day interactions with members of your team.

What Is Your Natural Style?

Authentic leaders' beliefs and values do not change from one scenario to the next. Their reactions to events do not differ depending on who is listening. Their words, perspectives and opinions are spoken from the heart, and they believe deeply in all of them.

Style is the construct through which leaders demonstrate their authenticity. There are many ways to convey ideas, beliefs and values. There are just as many ways of putting ideas into action. By now you have likely found approaches for communicating and acting that are comfortable for you and other approaches that are not. Those comfortable techniques become your preferred style over time.

How Will You Remember to Treat Your Team Members as Individuals?

Write down the names of your direct reports or people you are responsible for leading on a regular basis. Leave plenty of room on the page under each of their names. Now for each person, write down as many personal things you can think of about that individual. Do not include things like their job description or their current project responsibilities. Focus on capturing things that make them unique. If you are having trouble getting started, try answering these questions:

- **Where did he or she grow up?**
- **Does he or she have children? Pets?**
- **What are his or her kids into? Sports? Performing arts?**
- **Does he or she have any hobbies?**
- **What is his or her proudest accomplishment? Biggest disappointment? Career aspiration?**

Use these questions to guide you, but write down anything else that springs to mind.

If the draft maxim you have written does not change the way you view and interact with your people, consider revising it until it does.

Coaching and Feedback

You must also provide coaching and feedback to the members of your team. Regardless of whether someone is in a stretch role or not, you need to provide guidance on a regular basis. It is easy to avoid difficult conversations, but doing so only makes subsequent conversations that much harder. Both you and your team members will benefit from your defining a maxim that pushes you to correct poor performance sooner rather than later.

How Will You Stay Connected to Your Team's Reality?

You need to create a maxim to consistently remind you to get in touch with your team's reality and see the context in which the tasks you are asking them to do must get done. If you understand and appreciate the challenges they face, you can make more reasonable and intelligent requests of them. They will also appreciate and respect you for being cognizant of what they must overcome to achieve the goals you set for them.

To create these maxims, start by getting an understanding of what you know about your team members' jobs. Take notes on the following questions:

- **What are the major deliverables your team members believe are their highest priority?**
- **Which activities consume significant amounts of the team's time yet return little in the way of results?**
- **Which difficult aspects of their jobs would your team members say you appreciate the least?**
- **What subjects would they say you should know a great deal more about?**

Once you have cataloged your lack of knowledge and understanding about what your team goes through every day, you need to do something terrifying — go speak with trusted members of your team and validate your responses to these questions.

How Will You Commit to Your People's Growth?

People expect to grow and be challenged at work. Your responsibility, as their leader, is to create that environment for them. You must calculate the risks of putting people in stretch roles and take those chances when appropriate. You have the power to give or deny them growth opportunities at work, and if you do not create those opportunities for them, either they will get

frustrated and have low morale or they will seek challenging growth opportunities outside your organization. If your development maxim reminds you to take those risks, you improve your chances of retaining and motivating talented people. ●

Part Five: Leading a Balanced Life

The first step toward living a balanced life is realizing that both your life and your work need to be in balance. Many times we perceive this balanced life concept as only pertaining to not working late or on weekends. That is just one aspect of balance.

Another aspect is doing work you enjoy. If work sucks, life sucks. You probably spend more time at your workplace than you do with your family and friends. To achieve balance in your work, you need to define the most rewarding aspects of your job. This definition ties back to feeling challenged and effective in the work you do. Work balance consists of working on enough of the things you love to do to balance out the things you dislike doing but have to put up with at your workplace.

Creating maxims for balance at work requires you to define what is or is not acceptable behavior for you, your boss, your co-workers and your team. If you focus on finding work you enjoy and have passion for, achieving work balance will naturally flow.

There are three questions you need to answer to create your maxims for leading a balanced life:

- **How will you define your boundaries?**
- **How will you keep things in perspective?**
- **What are you passionate about?**

The maxims you build around these questions will enable you to balance your work so that you are working on enough things that excite and interest you. They will also help you put boundaries around how much working and how much living you do, help you regain perspective when you lose it and keep you focused on the most important things in your life.

This last aspect of leadership is critical. Your leadership philosophy must encompass your entire life, not just your work life.

This holistic approach is designed to create integrity and consistency in your leadership approach in any situation. It creates checks and balances between looking internally and externally; short term and long term; at work and at home. If you can have a consistent leadership approach in all these areas, you will be a more comfortable and effective leader.

How Will You Define Your Boundaries?

You are the only one who can protect your time and your interests. You have to establish "the line" you are not willing to cross or allow others to cross. Whether it is the number of hours you work, the work you do (and the work others do) or the physical layout of your workspace, there are parameters that are or are not comfortable for you. The problem is, no one knows where your line is until you tell them they have crossed it.

Unless you let others know what your comfort zone is, they will superimpose their own on you. Nine times out of 10 you will be dissatisfied with their choice. You have to set boundaries to establish those lines.

Your balance maxims must withstand the pressures that work puts on you. Invariably you will be asked to take on tasks at work that are less than exciting. Your work balance maxim is a vehicle for pushing back and trying to get an acceptable mix of exciting and unexciting work. Your life balance maxim must have the power to make you close the laptop and go home.

Creating and maintaining good boundaries helps prevent the pressures of work from pushing you out of balance. Your maxims are simply the articulation of those boundaries and serve as a way to communicate them to others and reinforce them on a regular basis.

How Will You Keep Things in Perspective?

Dan, a Chinese-American director at a financial services firm, had a simple maxim that helped him and those around him maintain perspective: **Calm**.

Dan explained it both humorously and eloquently. "It's pretty hard to miss that I'm Asian, and even though I've lived in the U.S. my entire life, people always ask silly stereotypical questions like if I practice tai chi or martial arts. I always laugh at their expressions when I tell them I grew up in the mean streets of Philadelphia. That said, I have found that I'm able to exude calm during chaotic situations, and people around me respond to my calming influence. My ability to get everyone around me to stop, take a breath and relax, reduces stress and helps me and the team put things in perspective. So that's my maxim — calm. It's only one word, but it reminds me to stop, breathe, focus and then act."

As Dan shared his story, it was clear how his demeanor and this maxim combined to create a powerful means of regaining perspective.

What Are You Passionate About?

A good maxim will remind you that work is a means to an end. It will enable you to make better decisions

about where you allocate your time and energy to ensure that you have a balance between the work you do and the things you love in life.

You might think that creating your maxim for achieving balance in your life will be simple. I will caution you that it is quite difficult. The simplicity stems from your having a deep understanding of what you are excited about in life.

You likely have favored hobbies or pastimes that come readily to mind. It is easy to zero in on those as the source of raw material for creating this maxim. The difficult part is writing your maxim in such a way that the emotional trigger to take action is powerful enough to overcome the inertia of your work life. If the maxim cannot get you to step away from the laptop and leave the workplace, it is worth less than the one piece of paper it is written on. You must find an emotional trigger that creates a visceral reaction inside of you. ●

Part Six: Making It Real

At the beginning of this process, when I told you there was a way to clearly define yourself as a leader on a single page, it may have seemed like a difficult task — perhaps even impossible. But you've done it. And it was simple, wasn't it? OK, perhaps "simple" is too strong a word. Let's use "straightforward." Articulating your leadership philosophy does not have to be complicated.

The hard parts of the leadership maxims process are the introspection about and the personalization of your philosophy. It can be difficult to remove the veil of "professionalism" and accept your own humanity. It is scary to put the real you out there for everyone to see. It is much easier to hide behind terms like synergies, value maximization and employee engagement. It is exponentially more powerful to expose the real you to the people you are supposed to lead. That is what it means to be authentic, and the more authentic and direct your leadership philosophy is, the more powerful it will be.

Living Your Maxims

Having your maxims on one piece of paper is powerful. Eventually they will change your behavior and you can take massive strides toward being the leader and the person you want to be.

Once you have written the first version of your maxims, you can start living by them. Remember, a maxim is nothing more than a principle or rule of conduct. These are your rules. You set them for yourself. You have to live with them and you will be a better leader if you abide by them.

Your maxims will help you make better decisions and choices, especially during difficult times. They will keep you on track to reach your goals and they will guide your behaviors along the way. Your maxims will serve as a tool for setting and maintaining standards for both yourself and your organization. Most important, your maxims will humanize you and help you build the trust critical to running a high-performing team.

Sharing

Share your maxims with others who are interested in your development and growth. Share them with people who care about you and who want to help you be a better leader and a better person. Share them with your team and your boss, your family and friends.

When you share your maxims with your team members, do not simply e-mail or copy your one piece of paper and distribute it without further context. Instead, have either a team meeting or one-on-one conversations with your people. Tell them that you want to share your leadership philosophy with them. Explain how that philosophy encompasses the four aspects of leadership (leading yourself, leading the thinking, leading your people and leading a balanced life). Share the process you went through to generate your maxims and help them understand how you used your personal story to define your leadership philosophy. Make it clear that your maxims are your standards and expectations not only for yourself but for them as well. Talk through each maxim and share the story behind it. Let them know who you truly are as a person. You will be surprised at how warmly your story is received.

Once they have heard your story, allow them to ask questions about it. Help them understand how your maxims will be applied to everyday situations. When they see how you will apply your maxims to situations they are familiar with, you become more predictable for them. As you finish this conversation, make it clear that you will be using your maxims every day. ●

RECOMMENDED READING LIST

If you liked *One Piece of Paper*, you'll also like:

1. ***Credibility* by James Kouzes and Barry Z. Posner.** Learn why leadership is, above all, a relationship, with credibility as the cornerstone, and why leaders must "Say what you mean and mean what you say."
2. ***The New Leader's 100-Day Action Plan* by George B. Bradt, Jorge E. Pedraza, Jayme A. Check.** A practical guide to help manage your leadership transition so you can take charge, build your team and deliver results.
3. ***The Truth About Leadership* by James Kouzes and Barry Z. Posner.** Kouzes and Posner share 10 time-tested fundamental truths about leadership and becoming an effective leader.

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Originals

Adam Grant

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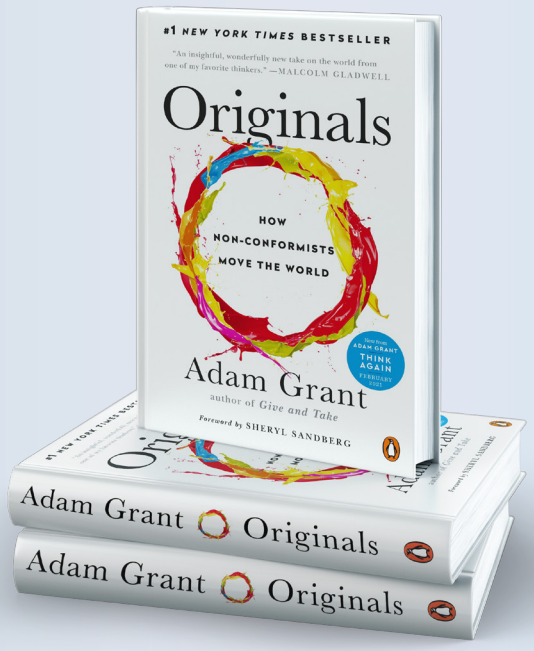

Originals

By Adam Grant

Adam Grant is an organizational psychologist at Wharton, where he has been the top-rated professor for seven straight years. He is an expert in how we can find motivation and meaning, and lead more generous and creative lives. He is the #1 New York Times bestselling author of five books that have sold over 2 million copies and been translated into 35 languages: *Give and Take, Originals, Option B, Power Moves,* and with his wife, Allison Sweet Grant, *The Gift Inside the Box.* His books have been recognized as among the year's best by Amazon, the Financial Times, Harvard Business Review, and the Wall Street Journal and been praised by J.J. Abrams, Richard Branson, Bill and Melinda Gates, Malcolm Gladwell, and Malala Yousafzai.

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How Nonconformists Move the World

Adam Grant is a researcher, teacher, management thought leader, and writer. In 2009, a young entrepreneur came to offer Grant an opportunity to invest in the company he and three of his college buddies were launching. Grant declined and bills it as "the worst financial decision" he ever made. The company was Warby Parker and it revolutionized the way people buy eyewear. In 2015, it landed the number one spot on Fast Company's most innovative companies list. That same year it reached "$100 million in annual revenues and was valued at over $1 billion." Grant wanted to understand why he reached the decision he did with Warby Parker, which launched him on the track to researching and writing ***Originals***.

In it, he teaches readers how each and every one of us can become more original ourselves and in doing so, make life better for us all. Oftentimes, we come to accept the "dissatisfying defaults in our world" as the natural order of things. If we can think about them in an original way, though, that curiosity allows us to recognize that most of those things are actually social norms created by people. "And that awareness gives us the courage to contemplate how we can change them."

In the foreword, Sheryl Sandberg says that in our lives and in our work we may find ourselves wondering if one person can actually make a difference and if so, could that one person be us? Grant's answer is a "resounding yes." Every person is capable of "championing ideas that improve the world around us." ***Originals*** shows us how.

The Surprising Habit of Successful Originals

Many of the world's "most eminent and influential people" were not geniuses who began life as child prodigies as we may assume. Children who are intellectually gifted often go on to become highly successful in a specialized area of expertise but they don't often spark cataclysmic progress or innovation in the world at large. They work hard at being the very best in a chosen instrument or field of science but they don't compose their own music or produce scientific breakthroughs. "Practice makes perfect, but it doesn't make new." Achievement becomes more

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highly valued than creation. "Instead of aiming for unique accomplishments," we take the safer, more certain road to success. Great ideas are lost along the way.

Grant shares examples of how some of the most notorious change agents in history came to their positions only after being prodded, pressed, or pushed in that direction. Martin Luther King Jr. and founding fathers John Adams and George Washington had no intention whatsoever of leading monumental moments of change for humankind. Yet people in their lives exerted their influence to place them in public positions and as a result a country and later, a civil rights movement were born. We may not have huge ambitions on the scale of changing a nation or the world, but we "do have ideas for improving our workplaces, schools, and communities." Few of us take steps to put those ideas into action. We fear that the risk is too great.

A surprising pattern emerges when we study entrepreneurs. Most people think that starting a business requires a single giant leap where all the time, energy, and focus is directed towards the new idea. Studies have shown that the opposite is true. Entrepreneurs who hedge their bets, mitigate risk, and take steps, not leaps, have a far greater chance of launching a business that is built to last. Grant likens it to having a diversified stock portfolio. If you decide to invest in a stock that is unproven, you balance that decision out with a stable stock. A balanced portfolio isn't made up entirely of moderately risky stocks. Entrepreneurs, likewise, do not stick to safe middle ground. Instead, "successful originals take extreme risks in one arena and offset them with extreme caution in another."

Picking Winning Ideas

People are able to generate a hefty stock of original ideas but we lack the ability to pick the ones that will be winners. Grant helps readers identify the challenges encountered and the best practices to put into place in picking original ideas that have legs. Sometimes people get stuck refining an idea they think is great instead of continually coming up with new ideas. Originals need to rely on sheer numbers to increase their chances of hitting on some winners. "Even the most eminent creators typically produce a large quantity of work that's technically sound but considered unremarkable by experts and audiences." Producing a "huge volume of work" is the single most important thing someone can do to be original. Thomas Edison filed nearly 1,100 patents and Mozart composed 600 pieces of classical music. But they are remembered for merely a handful of them.

We have an inherent bias in favor of our own ideas. Our misguided perceptions of quality go hand in hand with the problem of quantity. "Conviction of our ideas is dangerous not only because it leaves us vulnerable to false positives, but also because it stops us from generating the requisite variety to reach our creative potential." We are "not reliable judges of the quality of our ideas" so we have to turn to others for feedback. The most accurate forecasters for an idea's potential are other creators. To assess the merit of an idea, we would be best served in turning to colleagues who have "no particular investment in our ideas" and "enough distance to offer an honest appraisal."

Another trap we fall into when choosing ideas is following our intuition when we don't have the right experience in the domain to rely upon it. It is best to have experience creating things in a particular area such as entertainment, technology, or transportation, before you rely on your gut to predict the success of a novel idea in that area. Intuition is "only trustworthy when people build up experience making judgments in a predictable environment." Analysis is a far better "source of insight" when considering new ideas.

How to Raise Original Children

There is a robust and fascinating area of scientific research focused on birth order. Whether looking at sports, politics, or science, laterborns consistently show greater ease with taking risks, accepting radical ideas, and embracing societal progress when compared to first borns. As Grant dove deeply into this research he came to realize that birth order is not the real reason that we see these patterns emerge. Rather, the parenting practices we typically adopt in relation to later born children are more responsible than birth order itself. Grant "examines the family roots of originality," to determine what impacts siblings and parents have on risk taking and how parents can steer their children into rebelling in a constructive, not destructive, direction.

The impact of birth order on achievement has long been the focus of research. Studies have shown that firstborns are more likely to rise to executive level positions in corporations, win Nobel Prizes, and become congressmen, for example. "Birth order doesn't determine who you are; it only affects the probability that you'll develop in a particular way."

Firstborns are typically more risk averse than laterborns. This tendency can be partly explained by the way parents raise younger children differently. In cases of larger families, it is common for the youngest of the children to have surrogate parents in their older siblings. Siblings do not enforce as many rules or punishments and furthermore, younger siblings learn to follow the lead of the older siblings, doing what they do, rather than following the lead of their adult parents who make more "carefully considered choices." In cases where older siblings are not heavily involved in raising the younger children, parents themselves tend to start off strictly with firstborns and become "increasingly flexible" and relaxed with laterborns.

If we want our children to become original and creative, we have to give them freedom to do so, regardless of their birth order. The challenge is to encourage risk taking in a way that channels that originality in the right direction. We all know rebellion can lead us down a destructive path. There are several factors "that shape whether children use their freedom to become honorable or antisocial, proactive or passive, creative or destructive."

Parents who focus on an explanation or reason-based discipline have favorable outcomes to those who use threats or punishment. A clear rationale helps internalize standards of conduct and develop "one's ethical code." A fascinating paradox arises from this. Children raised this way will "comply voluntarily with rules that align with important values and questions rules

> . . . leaders should move away from the maxim that team members should only bring up problems when they have a solution to accompany it.

that don't." When a rule doesn't make sense internally, these budding originals will rebel against it and take active steps to change the rule itself.

One kind of explanation is particularly effective in "enforcing discipline." Parents who focus on the consequences of a behavior to others will develop empathy in their children. This distinction "directs attention to the distress of the person who may be harmed" by a particular behavior. Explaining to your child that washing their hands will help keep their classmates from getting sick will lead to better hand-washing habits than explaining that hand washing will keep them from getting sick, for example.

Praise for making good behavior choices also goes a long way in sending children down a more desired path. How parents provide that praise can have an impact. Research shows that praising the child, not the action, is more effective at fostering character traits we all want to see in our children. For example, let's say a child shared a toy with a playmate. Praise focused on the behavior would sound something like, "That was nice to share your toy." Praise focused on the child herself would sound more like, "You are a nice person for sharing that toy." "When our character is praised, we internalize it as part of our identities. Instead of seeing ourselves as engaging in isolated moral acts, we start to develop a more unified self-concept as a moral person."

How Managers Can Foster Nonconformity

Groupthink is "the tendency to seek consensus instead of fostering dissent." According to Grant, it is the enemy of originality but traditional theories of cohesion breeding conformity are a myth. He examines the real causes of groupthink and ways leaders can prevent it. Ordinary people and organizations have the ability to "breed originality early on and embrace it over time."

In the short run, companies stand to realize an advantage by creating what are called "commitment firms." These organizations value culture over all and hire people that conform to the established set of characteristics. Similar people are hired so that they will fit in and research shows that these firms outperform other types of hiring practices initially. But over time, this "weeds out diversity in thoughts and values." In more volatile markets, the need to change is often ignored, they fail to adapt, and they suffer financially as a result. They favor "the comfort of consensus over the discomfort of dissent" so mistakes are left uncorrected and innovations are never pursued.

Leaders can avoid these pitfalls by hiring and soliciting input from a diverse set of team members. Dissenting viewpoints are incredibly valuable, even when they end up being wrong for the company. They "stimulate divergent attention and thought," stirring up ideas in everyone and ultimately, leading to innovative and creative solutions. "Promoting the expression of original ideas" is correlated with huge organizational success.

Many leaders fall short in fostering dissent when they rely too heavily on assigning a purposeful "devil's advocate." In a robust research study it was discovered that having someone tasked with dissenting against a majority opinion had very little impact on drawing out a diversity of ideas. The others in the group seem to be sensitive to the lack of sincerity and do not take the advocate's opinions seriously. It is far more powerful, Grant states, to "unearth a devil's advocate" then to assign one. Leaders can accomplish this by offering opportunities for "open-minded debate" with the purpose of reconciling differences.

Finally, leaders should move away from the maxim that team members should only bring up problems when they have a solution to accompany it. Grant says this is a mistake that can have dire consequences. Countless problems are left unexplored because people feel they cannot bring them up. Instead, leaders should invite complaints, with or without proposed solutions, creating an "invaluable safeguard" for the organization as a result.

There is little question as to why Adam Grant is described as a management guru. His thinking is evolutionary, his writing is entirely convincing, and he points followers down an enlightened and clear path to improvement. Every principle introduced in the book is backed by extensive research and made relevant through real-world examples found in well-known corporations, teams, and individuals. It does all of this while being compulsively readable, a difficult feat when grappling with such subject matter. One of the most appealing aspects of the book is its relevance to a wide swath of readers. Managers, policy makers, teachers, parents, and literally any individual who wants to "generate, recognize, voice, and champion new ideas" will find the book useful. ***Originals*** is captivating, refreshing, and insightful in making a case for going against the grain ourselves and in fostering the same in our children, employees, and students.

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Otherwise Engaged

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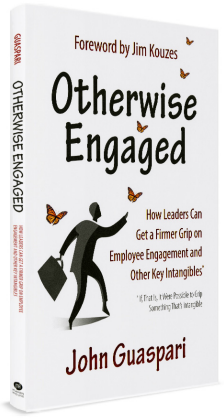
Otherwise Engaged

How Leaders Can Get a Firmer Grip on Employee Engagement and Other Key Intangibles



by **John Guaspari**

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THE SUMMARY IN BRIEF

Leaders know that they need to get a grip on the Intangibles to raise employee engagement. What are The Intangibles? They are the "soft stuff," such as employee engagement, empowerment, trust, respect, and company values. ***Otherwise Engaged*** is about leadership and The Intangibles.

Leaders know that getting a grip on The Intangibles will lead to better business outcomes. Businesses work hard to find the best practices for helping to increase empowerment and engagement, and work to build trust and respect among their employees. But time and again, many leaders find that their employee engagement activities fail. Why?

Author John Guaspari teaches about why businesses' employee engagement activities and other attempts at fixing "the people stuff" aren't working. He outlines a paradigm shift to help business leaders focus on what will really lead to change. Leaders will learn why creating an ethos of respect and a focus on the other will maximize employee engagement and lead to greater business success and ROI on human capital.

IN THIS SUMMARY, YOU WILL LEARN:

- What the Intangibles are.
- Why it's hard, yet necessary, to get a grip on The Intangibles.
- Why you need to infuse respect into everything.
- How to increase employee engagement leading to maximum efficiency.

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Getting a Grip on The Intangibles

This is a book about leadership and engagement. It is indisputable that there is a correlation between high levels of employee engagement and improved business results. Therefore, leaders must attend to engagement along with the other "soft stuff" – the people stuff – such as empowerment, trust, respect, and company values.

Leaders know this, and try hard to take action on this, following what they believe to be the best practices. Leaders have a strong bias toward logical, rational, data-driven solutions to problems. But you can't apply utilitarian prescriptions to what is essentially a problem of the spirit. That's why so many employee engagement activities fail.

You need to recognize that The Intangibles are…intangible. They are not rational, and so cannot be handled with a rational approach. It's not that they are irrational; it is that they are "other than" rational – they exist on another plane.

When we discuss The Intangibles, it is very important that we choose our words carefully. Most of us are more comfortable with rational, left-brained thinking, so we tend to use words that bias us toward that type of thinking. Many of us feel uncomfortable dealing with "softer" topics, yet we realize that we need to do so. We need to consciously make an effort to use our right-brains when handling these topics.

Let's take a look at each Intangible up close.

Engagement

Strong engagement among employees has been shown by research to correlate with dramatically better business results. "Engagement" is generally used to connote some form of ***interaction*** or ***connection.***

But we need to be careful how we define "engagement." While it can signify things coming together, such as an engagement to be married, or two gears interlocking and being "engaged," this is not necessarily the meaning of the word that leads to better business results. Many managers think that it is and try to increase employee engagement by doing things like holding off-sites and having break-out groups during meetings.

Often, these types of activities don't work. In fact, they often lead to cynicism and disengagement. That's because the type of engagement that leads to better business results has this definition: ***The extent to which a person invests incremental energy and effort into the task at hand.***

There are various models used to illustrate engagement. They share the common characteristic of the need to account for both the rational and emotional dimensions of humans. Both sides need to be addressed.

The currency of the rational side is ***information***. So if the problem you are trying to address within your company is not getting the right information to the right people, then you need more engagement defined as interaction and connection.

But what if that is not the problem – what if the problem has more to do with your employees asking: "Why should I care?" or "What does this mean to me?" In that case, you need to be addressing the emotional side of your employees. The currency of emotional commitment is ***meaning***. People want meaning from their work. They crave meaning.

Your propelling question should not be: How can we ensure more interaction/connection? Rather, it should be: How can we ensure that we do the things necessary to bring meaning to the other person?

Engagement is not a matter of leaders engaging employees. It's about leaders creating the conditions necessary for employees to be more fully engaged in their work.

Empowerment

Employees who are empowered accomplish more for the company than employees who are always seeking approval or permission before taking any action.

People don't get a feeling of empowerment by being told they are empowered. Rather, it's a sense of assuredness that people have as they do their jobs. They feel safe to exercise their own judgment. Empowerment is a feeling that the other person has, not an assertion made by the leader. Leaders need to take a step back and consider the world from the point of view of the other person.

Trust and Respect

While engagement and empowerment are relatively new goals in the business world, everyone has heard of trust and respect throughout their lives and knows that they are important. However, many employers are unsure what to do to increase trust and respect among employees, so they make up some reasonable action steps and call it a day. Clearly, this is not helping them to meet their business objectives.

In order to accomplish anything, you need to define the

words first. Trust is a feeling, like engagement and empowerment. Trust is a feeling of confident expectation. In order to create an environment of trust, expectations must be very clear. Make them clear, and then do your due diligence to ensure that you have an acceptable degree of confidence that your expectations will be met.

Respect is defined in the dictionary as "a sense of the worth or excellence of a person." But like the other Intangibles, we need to be precise in our definition. The definition that we should use is: "Giving due consideration to the other." It's important that we say it in the singular like this, rather than saying "respect others." We need to give consideration to each person.

Values

Businesses want to project a clear and shared sense of values. The best way to promulgate your company values is to live them. Be guided by them, use them when making decisions and making hires. Set an example and guide your employees to follow your lead.

People are very good at noticing any gaps between purported values and actual behaviors. So don't talk about the values too much. The words and concepts become devalued if you talk about them too much, and people will be on the lookout for hypocritical behavior.

Also be careful to make it clear that company values aren't meant to be exactly the same as personal values. That can lead to trouble. Make it clear that you are stressing company values not so people will change their personal values to match them, but in order for them to decide if your company is the right place for them.

"The People Stuff"

- All of what happens in the running of a business flows from what's done or not done by people. Therefore, the business is the sum total of the actions taken by those people.
- The effectiveness of those actions depends on the degree to which those people are engaged – the extent to which they bring the full measure of their skills, wisdom, and experience.
- Engagement is fundamentally affected by a leader's skill at attending to "the people stuff," a.k.a. The Intangibles.
- Therefore, separating "the people stuff" from "running the business" is a false distinction.
- Accepting this is step one on getting a grip on the Intangibles because it forces you to do something effective.

There are several historical precedents that demonstrate how changing one's focus can dramatically improve business results:

- ***Total Quality Management*** (TQM) was a shift in business practices that occurred in the 1980s. It changed quality management from inspecting products for defects after production to preventing those defects in the first place by looking at the process that produced defects and fixing the process. Businesses learned that all of the careful inspection systems set up for after production had the effect of blocking their line of sight to a much better and more profitable way of doing things.
- ***Just-In-Time Inventory*** (JIT) was a revolution in business in which people learned that excess inventory doesn't insulate you from the effects of quality problems. Rather, it insulates those problems from their solutions. Its main principle is that businesses should carry no inventory other than just the amount needed, where it's needed, when it's needed.
- ***Lean*** extended these ideas of removing the excess to other parts of business besides manufacturing. Businesses learned the value of "running lean" in administration, customer service, and all areas by removing extra steps that didn't add value.

If you think about it in this context, you begin to see a pattern. Could we look at The Intangibles in the same way? Might we be implementing programs and processes to improve our results regarding The Intangibles that are actually blocking our line of sight to the real issues? Could it be that putting up posters about values and respect and having break-out sessions to discuss empowerment are actually drowning out the actual problems and solutions?

Respect Revisited

Remember, the proper definition of respect is "giving due consideration to the other." Respect is different from the other Intangibles in that it is the only one over which all of us have full control. It's entirely up to each person as to whether or not he or she will infuse respect into whatever circumstances are at hand. Respect is also the only Intangible that is an input rather than an output. Respect is the fuel that will get you to the other Intangibles.

Be guided by the need to infuse maximum respect into everything. As a leader, you should be thinking things like: "Who

are the people attending this meeting? What's important to them? What's most likely to resonate with them?" You are giving due consideration to the other. Thinking this way will lead to making things more productive.

Lack of respect (and other Intangibles) is a complex situation to be managed rather than a problem to be solved. A lot of logically-minded people are much more drawn to problem solving. If you don't look at it as a "problem" you change how people approach it.

The power of a more single-minded focus on respect has to do with fostering an atmosphere of what we have come to label as trust, which in turn will help people have a deeper feeling of what we have come to label as empowerment, which in turn will result in people who are more deeply and fully characterized by what we have come to label as engagement.

All of this will result in higher levels of efficiency and ROI to the business.

Solipsism

We have a tendency to not give sufficient consideration to the other. This tendency can be called ***solipsism***, which is a theory in philosophy that your own existence is the only thing that is real or can be known.

Solipsism, both institutional and individual, is the root cause of our inability to attend more effectively to The Intangibles.

If solipsism is the disease, then respect is the antidote. Respect begets trust begets empowerment begets engagement begets a greater return on your investment in human capital begets a better financial ROI for your shareholders.

What Should You Do Right Now?

- Stop talking about trust, empowerment, engagement, and values. If you must mention them, use them as adjectives rather than nouns. You want "empowered employees," for example, not "empowerment." Focus on the people.
- Create an ethos of respect. Make sure everyone understands that it means giving due consideration to the other.
- Introduce the concept of solipsism and make sure others understand that it's corrosive to the culture you want to create.
- Embrace the fact that The Intangibles are intangible. They're not like the rational/logical issues with which business people are comfortable dealing.
- Become otherwise engaged: Adopt an approach to engagement that is other than the one traditionally used, and focus on how everything we do affects the other.

For the past thirty years, John Guaspari has helped leaders take on the challenge of being more effective at attending to the so-called "soft stuff." He has worked with and made presentations for hundreds of corporate clients in scores of industries, and he has delivered some 1500 intangibles-related presentations, seminars, and workshops. As a result, John has gained an enviable reputation for his ability to unravel complex subject matter and communicate it in the kind of accessible and engaging way that leads to real learning.

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Out Think

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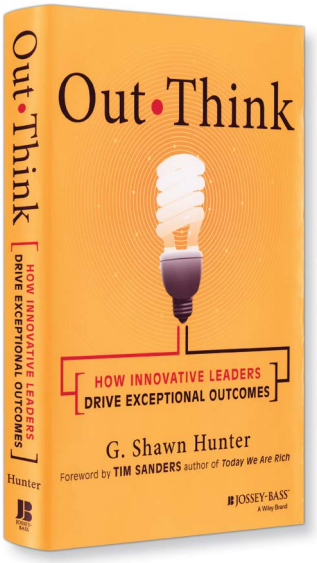
Out Think

How Innovative Leaders Drive Exceptional Outcomes



by G. Shawn Hunter

THE SUMMARY IN BRIEF

Out Think provides a spectrum of thought, analysis, insight and stories on how organizations are searching for ways to leapfrog their businesses to the leading edge, imprint their brand on the public consciousness, and become more relevant in the ever-changing global marketplace — to transform their businesses into competitive, 21st-century game-changers.

We've entered a new era. Call it the age of imagination, ideation, conceptualization, creativity, innovation — take your pick. Creativity, mental flexibility and collaboration have displaced one-dimensional intelligence and isolated determination as core ingredients of competitive advantage. But these 21st century methods and mindsets needed to drive innovation are only found by tapping into the discretionary levels of passion and initiative within us. This is where *Out Think* leadership comes in.

Each chapter presents a key idea, behavior or mindset shift and illustrates these shifts through unparalleled interviews with business leaders conducted by the author. Techniques are described to show how the shift or idea can be implemented, with real-world examples. The book highlights assessments, exercises and actionable messaging throughout.

While other books also address the changing economic landscape and the challenges of the creative age, *Out Think* is unique for its author's unparalleled access to executives and thought-leaders who are, in fact, making a measurable difference. Through interviews and collaboration with these individuals, Hunter has assembled insights, stories and actionable takeaways, with an emphasis on results that can drive the innovation that leaders want and need in their organizations.

IN THIS SUMMARY, YOU WILL LEARN:

- Why and how innovation has become the primary driver of successful companies in the 21st century.
- Key components of innovation and ways to implement them in your organization.
- How to find and encourage innovative practices, including establishing trust, embracing risk, collaborating, borrowing brilliance and connecting with why.

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THE COMPLETE SUMMARY: **OUT THINK**

by G. Shawn Hunter

The author: G. Shawn Hunter is vice president and executive producer for Skillsoft's leadership video-learning products. In developing these products, Hunter has collaborated with and interviewed hundreds of executives, thought-leaders, academics and authors in the United States, Canada, the United Kingdom, Europe and Australia. Hunter cofounded Targeted Learning Corp. (TLC) with his father, Hal Hunter, PhD. TLC was acquired by Skillsoft in 2007.

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Introduction

This book is about the importance and power of engaging ourselves in our work, connecting with the people and world around us, and deviating from convention to reliably create innovative value in this new age. "Innovation" is now what "entrepreneurial" was to the 1990s and what "excellence" was to the 1980s. The pursuit of innovation has been urgently added to the business buzz vernacular because the velocity of change demands that companies constantly innovate to remain relevant.

Consider: Disney, CNN, MTV, Hyatt, Burger King, FedEx, Microsoft, Apple, 20th Century Fox, AT&T, IBM, Eli Lilly, Bristol-Myers — the list goes on. All of these organizations were started during economic downturns. Our greatest opportunities exist in such times, but we need to let go of some of the attitudes and attributes, methods and mindsets that have worked in the past because they're not working so well anymore.

Having interviewed, collaborated with and filmed hundreds of successful executives, business leaders and researchers, I have discovered some consistent guiding methods and mindsets for individuals, groups and organizations around the world that have been proven to be reliably valuable in today's volatile economy.

The Out Think process is not a linear blueprint for success. It's not a series of infallible steps that will lead you, the reader, inexorably toward innovation, market leadership and world domination. *Out Think* is a set of ideas and practices for generating new value in the form of innovative products and services. It requires that you participate in the journey.

Marketquake: Moving Beyond Arrested Decay

We have moved to the age of creative, symphonic thinking, where the ability to harness seemingly disparate pieces of information and ideas and mash them into wholly new iterations that can be used to create innovative solutions is, in fact, the competitive advantage for individuals and for organizations.

But how does innovation differ from creativity and invention? Paul Sloane, author of *The Innovative Leader*, lays out the distinctions: "Creativity is the capability or act of conceiving something original or unusual. Innovation is the implementation of something new. Invention is the creation of something that has never been made before and is recognized as the product of some unique insight."

We urgently need a process by which we can accelerate our new-product and value-creation pipelines. We've discovered an innovation-delivery gap that is shrinking. This gap is between an organization's ability to create new and distinctive value the market recognizes and rewards and the speed at which competitors can emerge and deliver innovative products and services to the market.

Several accelerating forces are influencing this competitive marketplace innovation gap. These include the ubiquity of technologies that enable global collaboration and the increased accessibility of new ideas and commercial opportunities in emerging markets. Added to these are the broader adoption of open-innovation practices and companies' increasing tendencies to develop capabilities with individuals and groups outside of their own organizations.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Amanda Langen**, Graphic Designer; **Corbin Collins**, Contributing Editor

The volatility of the current economy — something I like to call "marketquake" — is demanding that organizations become agile in order to survive. The companies emerging from the global financial ash of five years ago are those that are embracing new management practices.

Consumers are also changing. They've never had so much information or so many options. They want to be involved in the creative process and, with the ability to post reviews, they can collectively bring a company down. Today's consumer has abundance of choice, wants to participate, yearns for experiences, not products, and is attracted to a narrative. In almost any buying circumstance in which products seem comparable, today's consumer is more likely to be drawn to those with a compelling story behind them.

Innovation is creativity in action. Everyone can be creative and contribute to innovative outcomes that create economic value and competitive advantage. Innovative leaders nurture, act upon, implement, and take creative ideas into breakthrough change and invention. It's not enough to just be ambitious and determined anymore. Leaders must hire, inspire and develop innovative people while stirring curiosity, creativity, relationship building, global awareness and integrity.

Trust: Establish the Engine of Leadership

To find new paths to innovation, the expectation is that we all have a shared understanding of some of the foundational aspects of leadership, starting with building trust, which means keeping business operations transparent. To be innovative leaders, we must build on this base by constantly reiterating and communicating core ideas, using powerful stories to propel change, modeling the behavior we wish to see, and above all, creating and sustaining energy in others in the organization. These foundational traits of the innovative leader constitute the terra firma underlying the journey to innovation.

If we want those in our organizations to remember the key priorities or to remember the reasons why we're going in a certain direction, we need to develop and share strategic stories that help remind others of the purpose of their work and what they must consider in making decisions. People remember little from looking at data and statistics, yet easily recall compelling stories. If we want people to behave in particular ways when they are away from us — which is much of the time — we should use provocative stories that have a singular message and require a few key actions to achieve the depicted goal.

Great leaders love what they do and feel great purpose in it. That rubs off on those they work with. It's hard not to get caught up in the enthusiasm of the person who is leading us. Out Think leaders don't think of themselves as sitting at the top of an organization they oversee but rather as supporting people and processes from beneath, as a servant to the organization. The Out Think leader has a persistent and unwavering commitment to constantly sustain and grow the energy of others in these ways:

- **Create and Communicate a Compelling Vision of the Future:** The key word here is *compelling*. Those energizing individuals capable of instilling a powerful and compelling vision of the future are able to convey a future they envision that is both believable and feasible as a goal.
- **Convey That Others Are Making Meaningful Contributions:** Specific praise and recognition of individual contribution is a hallmark of strong energizers. Skilled energizers also build opportunities for people to make contributions.
- **Identify and Convey a Clear Sense of Progress:** It is not monumental breakthroughs or audacious aspirations that sustain individual motivation. Rather, it is constant progress and work that holds meaning for that individual making consistent and measurable steps forward on a daily basis.
- **Fully Engage in Each Interaction:** In each interaction, energizers, however powerful or important the world believes them to be, will make every person feel as if he or she is the most interesting, important and valuable person in the room.

Inquiry: Provoke with Questions, Not Answers

In the inquiry part of the Out Think journey, we ask, probe, investigate, and remain ever open and curious about the paths on which our inquiry may take us. We need to follow the positive idea threads that matter to us. Inquiry applies to the people, the places and the processes in which we participate — who, where and how we ask questions. In the context of developing innovation, the power of inquiry can be enhanced in each of these domains. The goal here is to ask those creative questions that will drive tangible innovation that is meaningful and valuable.

Expose yourself to new external environments outside of your current domain expertise and work groups. Become more connected to people and ideas that may posi-

tively influence your thinking. Finally, *get curious*. Curiosity about the ideas of others can drive innovation in leaders. In moments of curiosity, we find ourselves extracting the most out of experiences. We ask probing questions, read deeply with intent, manipulate and examine objects, and persist in activities and tasks that we find both challenging and stimulating.

"In the beginner's mind there are many possibilities, but in the expert's there are few," said Zen master Shunryu Suzuki. We have to nurture curiosity continually to enable creativity to emerge. We do this by remaining open to all ideas and new ways of seeing the world. Experiences, emotions and understandings of information that confronts us tend to *converge* in our minds as we try to make sense of it. Yet innovative ideas and solutions often require our thinking to *diverge* out from a central idea or experience.

To accelerate and sustain our own ability to innovate, we must first change our approach to thinking — step out of cognitive ruts we may have developed or that were imposed on us, and embrace divergent thinking without fear. A few strategies to nurture such thinking include allowing all ideas to surface without bias, pursuing "accidental" innovation, choosing ideas carefully, and exercising optimistic thinking.

Exploration: Go to the Woodshed

Known in jazz circles as "going to the woodshed" or "woodshedding," the term means secluding oneself to develop virtuosity through practice and hard work.

Innovation may start with a spark of inspiration and be fed by aspiration, but every new idea needs to be probed, prodded and explored in detail. This component of the innovation journey requires work, grit, determination and unflagging perseverance to maximize innovation within ourselves, inspire others to do the same, and ultimately contribute to the innovative end result to which we aspire. It's in this part of the innovation journey that we are most likely to get distracted or lose momentum.

It is grit — perseverance and passion for long-term goals plus a willingness to remain tenacious in the face of adversity — that leads to deep expertise and mastery necessary to propel innovation.

A key component of companies that differentiate themselves well from their competitors is the ability and willingness to put a stake in the ground on key market expertise. Developing deep niche expertise is critical to making valuable contributions. It requires developing the right kind of cultural environment and expectations, including clearly defined and valued products and services in the market. To develop such deep expertise, employees need the time and space to fully explore their ideas.

Capturing internal voices of distinction is also key. Great stories are at the heart of the world's best businesses and an integral part of any successful communication strategy. To develop these stories, we can ask questions like these:

- What does the corporate mission mean to you?
- How do you embody that mission in the way you work and how you live your life?
- What positive outcomes do you feel you have achieved, and how did you achieve them?
- What advice would you give to new employees or those being promoted?

With these stories, we can tap into three key ingredients for building success for the business:

- **Use of strategic stories:** Stories that illustrate a concept tend to be memorable. Strategic stories are targeted stories intended to elicit a specific outcome.
- **Tapping strong internal credibility:** We can tap into one of the most valuable aspects for translating mindsets and skill sets by presenting a familiar and credible person to deliver the message.
- **Sustaining company identity:** To build a truly iconic, signature brand, a key guiding force comes from the existing people in the stories readily available in the company. By capturing and sharing those voices of distinction, a company can sustain and reinforce the culture.

Aspiration: Dream Well — You May Find Yourself There

Aspiration can come from many sources, but often it's from a person, fictional or real, whom we find heroic. Emulating the traits of heroes is an important part of realizing the aspirational self and leader. An aspiration is not only an articulated goal but also a feeling of hope and optimism about an intended success as well as a tangible outcome. Aspiration is one of the most powerful ideas leaders can give to others:

- **Share Truth:** To get closer to the truth and gain higher aspirations of everyone in the organization, first we have to find the hidden truths and share them. We have the obligation to say out loud when we don't know the intricacies of complex projects, and we expect and demand that those closest to the detail publicly bring to the surface any concerns.

- **Make It Personal and Heighten Aspirations:** Andrea Jung came on board Avon as a consultant and immediately diagnosed the problem with fresh eyes: the product was associated with low quality and outdated styles. She asked her salespeople, "How many of you use Avon products?" As the Avon ladies looked around the room, they saw how few among them actually used their own products. Something clicked. They understood how much trouble the company was in and took on a higher aspiration for the company because it became personal.
- **Offer Hope:** Innovative leaders recognize their capacity for inspiring greatness in those around them. When we focus our energies on developing the potential of those around us instead of pandering to those above us, we, our team, our department and our entire organization become far more successful.
- **Focus on the Team, Not the Boss:** If we go in with a grand plan to make a difference and expect people to execute on it without involving them in its development, we've lost their buy-in. When we don't engage our team members, paralysis can set in, or a catastrophe can occur that keeps us from delivering on a project.
- **Play to an Individual's Aspiration and Strengths:** The best coaches develop a deep emotional fluency such that they have a strong understanding of their players' strengths.
- **Expect the Best of Everyone:** By simply expecting the best of those around us, they can live up to that higher expectation, even if it isn't even explicitly stated. People around us respond to our body language, nonverbal cues and vocal intonation in addition to what we actually say.
- **Develop the Guru in Others:** By tapping into the intrinsic motivation to build an eternal legacy of wisdom, executives see clearly that they have a path to create a legacy and preserve their own immortal wisdom through others. To be successful, the entire organization must adopt a higher aspiration.
- **Develop Higher Aspirations As an Organization:** By sustaining not only the business but also other dimensions that drive social and environmental value, companies can prosper successfully in multiple dimensions. By simply changing the shared aspiration of the organization, we change the behavior and outcomes of those within it.

Edge: Embrace New Kinds of Risk

In the innovation process, the edge is where we experience a heightened sense of engagement, accelerated learning and creativity. "Flow" is the mental state in which a person is fully focused on what he or she is doing, where he or she is totally immersed in an activity. Being truly engaged frees those in flow to be deeply curious and explorative. They are more about solving a puzzle — finding out what lies beneath the surface of a problem — than about power, position and money.

We face risk to ourselves and our companies in every component of the innovation process. We can risk our ability to operate — to produce, deliver and support our products and services in the market. We can also take social risks — to our reputation, brand identity and social integrity. Risk can increase exponentially as we push ourselves and our companies to the edge of our creative capacity, but it can also hone our innovative abilities.

Embracing innovation means embracing risk. It starts when we first share our ideas with others. Even in the most open, welcoming environment, we risk the opinion others have of us, our credibility, even our jobs. While what seems like a wild idea at first can ultimately bring hugely positive results, it can also make others, even ourselves, question our common sense, if not our sanity.

If we carry this willingness to risk our personal reputations to the way we interact with our customers and speak to markets, we can recognize a significant upside without risking operational integrity.

Connection: Collaborate to Innovate

An innovative effort based on trust, with appreciative inquiry, great aspiration and deep exploration, can only be realized through the help and collaboration of others — through connection. It is the process component in which we, as individual contributors or leaders, reach out, engage and collaborate with those around us to discover powerful new ideas, leverage external expertise, and co-opt like-minded collaborators on the Out Think journey.

While we may start with our immediate and intimate circles of colleagues and friends on this part of the journey, we must go beyond that to connect with people who can bring new nuance, insight and skill to bear on the innovation challenge. Only by reaching beyond — and creating bridges from — our own immediate domain of expertise to cross-pollinate ideas, processes and components can we move forward in the innovation process.

Thinking, planning, making decisions, and working out action plans are all best done collectively through teamwork. Google's leaders believe their company thrives in an

organizational environment that is flat (rather than hierarchical), devoid of any pressure, and enables and encourages collaboration. They find that groups make better decisions than individuals on their own.

To truly connect with people in our organizations, we should spend more of our time and energy as leaders asking them to examine more closely how they perform their tasks and collaborate as teams and how the organization as a whole operates.

Successful teams are the result of hiring the right people, building relationships among them based on trust and concern, creating a shared vision of mission, and keeping communication open. Diversity is the mark of great creative teams, where differences are strengths, not weaknesses. Connecting personally through deep listening and conversation is also crucial. If we slow down and listen, retain our curiosity about other peoples' ideas and remain open to them, and ask the right questions to explore more deeply others' views, people become more trusting. As a result, relationships will deepen, and conversations will become richer, opening the doors to innovation.

Mash-Up: Borrow Brilliance

One of the most exciting components of the innovation process is actively combining disparate ingredients to come up with a whole that is greater than the sum of its parts. Once we have connected to people who are doing innovative work in separate domains, we can begin combining these ideas in our work environment by applying what we have learned elsewhere and inviting others to participate in the process. By constantly mashing up ideas, concepts, applications and other disparate outcomes gathered from our diverging ventures, we invent powerful new combinations.

Great ideas are built on the shoulders of giants — that is, most of what seems to be original thought is in fact built on the strength of the thoughts of those who came before us, who in turn based their thoughts on those before them. Once we accept the fact that we build on the creativity of others, our creative process becomes deliberate and intentional. Because we never know where a good idea may be lurking, we need to look everywhere — other industries, science, art, music, society … everywhere.

As we examine the ideas we borrow, we need to look at them from all angles with a fresh mind and be skeptical. We have to understand their weaknesses so that we can improve on them. The creative process is an evolutionary one, and the mechanism used to take it forward is judgment.

Only the Truth Sounds Like the Truth

Former Starbucks president Howard Behar told me a personal story of an early life lesson he learned as a young COO of a failing company. Behar had been brought in to devise a turnaround plan. He assembled the top executives and asked each to come up with a plan for reducing personnel. Someone made photocopies of the plan, and unfortunately, the original was left on the copier after everyone went home.

Howard started to get phone calls from other people in the organization who wanted to know the truth. Howard immediately summoned the private executive group back together to discuss how to handle the leak. Many executives suggested they deny the plan and publicly say that it wasn't true — that it was just an old draft.

His assistant in the room turned to him and said, "Howard, only the truth sounds like the truth." And he knew she was right. He assembled the entire company in a town-hall-style meeting and shared everything with them — the good, the bad and options for next steps. Something interesting happened. One by one people stepped up with solutions.

"Here I thought I was going to get shot, figuratively, or maybe literally, and it's not what happened at all," Howard recalled in our interview. "One by one people stood up and started applauding. People started to ask, 'How can we help?' There I was, in my early 30s; I would have never thought that would happen. It's probably one of the single most valuable lessons of my leadership life."

Unorthodox use of products is often the key to unlocking new value potential. The real purpose of a product is to do a job, and innovative thinking requires engaging the customer in the creative process to discover the jobs that need doing and the adaptations and innovations customers derive to get the job done.

Leaders need the backup of the organization and a global perspective to support the process of innovation. If we wish to encourage divergent thinking, thereby discovering new perspectives, we must tap into disparate cultural backgrounds.

Action: Get Moving or Accept the Consequences

The critical part of the Out Think journey is the doing — putting action to the words, values and ideas. All the curious inquiry, deep exploration, thoughtful conversation and mindful reflection won't amount to any kind of innovation — much less remarkable innovation — unless we act. Action distinguishes innovation from creativity.

At this point in the Out Think journey, the volume of activity and experimentation is critical, and the innovative leader celebrates failure and success equally, punishing only in action. This part of the innovative process requires rapid prototyping and active experimentation. Many innovation journeys stall at this point because of failure to actually take out a hammer, put pen to paper, write the code, build the prototype, or otherwise get our hands dirty.

One of the most important drivers of innovative outcomes is action that is novel and unique. Unfortunately, a characteristic of being human is a persistent sense of overconfidence when it comes to habitual activities.

We all often suffer from overconfidence in our abilities and knowledge of a wide range of subjects. We believe that we will be correct more often than we usually are regarding those behaviors and beliefs in which we regularly participate. If unchecked by organizational culture, managerial oversight and self-reflection, overconfidence can lead to failed endeavors and poor decisions for us and for our work. Here are a few actions and behaviors to help overcome decision overconfidence:

- **Solicit the Opinion of More People:** When we ask a larger group of people their opinion on a question, their collective judgment is almost always better than our own.
- **Solicit Your Own Second Opinion:** Try asking yourself the same scenario and decision outcome in a different way, and see if you come to the same conclusion.
- **Consider the Extremes:** We should ask ourselves what we consider the extreme positive and negative boundaries of these outcomes.
- **Separate Our "Deciding" Self from Our "Doing" Self:** When we conclude the deliberation, shift to our "doing" self, and act on that decision, it's important to remain optimistic, focused and steadfast in supporting our "doing" self.

We can test hunches by assessing our experience with the situation or problem, gaining timely and direct feedback, recognizing the degree of complexity influencing cognitive and intuitive evaluations, and discerning the personal level of desire to take one course over another.

Signature: Make It Your Own

A signature innovation comprises the core identity of those who have joined in the innovation journey, executed with the unique personalities of everyone participating and sustained by the mission of the organization. Signature innovation isn't easily copied or pirated because it comes out of a truly unique cultural identity within an organization.

Most organizations recognize and embrace the notion of modeling best practices — studying operations and teams that exemplify the kinds of traits and behaviors they wish to learn from and adopt. Such modeling can be useful in many situations to gain market share and adapt quickly to developing technologies. Being a fast follower — a second or third to market — can be quite powerful. Facebook came along after Friendster and MySpace were in the marketplace. The iPhone was eight years late to the smartphone business.

Yet creating signature solutions is unlike a wholly borrowed, or "best," practice. If a company aspires to being the best in its market, it has to lead. And only by the organization's developing its own voice — its signature — can it attain this leadership position. A company with signature solutions will get unique products to market faster and establish brand loyalty because it doesn't get bogged down in copying others or creating commodity products. Signature innovations are based on a unique blend of individual and organizational personalities, intentions and convictions.

Purpose: Connect with "Why"

Business models, manufacturing and distribution processes, brand loyalties, pricing strategies and even profits are not why companies exist. To survive, companies must provide products and services that the market recognizes as valuable, and do so on a sustainable basis. To do this, companies need the committed creativity and involved passion and initiative of human beings. The surest way of gaining this is to connect people with a greater sense of purpose. No matter how mundane or utilitarian an employee's task may seem, the greatest leaders can help connect that task and that person to a greater sense of meaning.

Ultimately, innovative products that have lasting value in the world must be connected to a larger purpose — one beyond self or financial gain — that serves the community touched. Why? Because with purpose we bring something of greater value to our community — local, national or global.

We All Borrow Ideas

Charles Darwin's *On the Origin of Species* didn't arrive fully formed from the cosmic Muse. It germinated from the influence of Darwin's grandfather, Erasmus Darwin, who wrote *Zoonomia; or, The Laws of Organic Life* in 1796. In that book, Erasmus Darwin suggested that sexual behavior and competition might affect species change.

In 1971, Ray Tomlinson was working on ARPAnet and mashed up terminal networks with an existing application that allowed users on the same terminal system to share messages. He did this by writing a script that enabled messages to distinguish between different machines and jump from one to another. Thus, Internet-based email was born.

What set Steve Jobs apart as an industry icon is a combination of his innovation, leadership, and, perhaps more importantly, his ability to recognize a good idea. In the 1980s, he saw a demonstration of the mouse with a graphical user interface and recognized the combination as perfect for a personal computer. The result: Apple's Macintosh computer. Bill Gates got the idea for Windows from Apple's graphical user interface.

In the 1990s, Jobs saw a demonstration of a new animation software program developed by filmmaker George Lucas and his company. He bought the company, combined the software with storytelling, and created Pixar and the first computer-animated film, *Toy Story*.

Over ten years ago, Jobs saw the first MP3 player. He combined it with an integrated website, iTunes, and, with cutting-edge design from Jonathan Ive, created the iPod.

Business gurus suggest that employees should be comforted and heartened by the knowledge that the product they are contributing to matters to the customers they serve. Here's the thing: no matter how hard we try to sell the company to our employees, they still won't buy it until they are sold on who *they* are. Until people find out their own "why" — their own reason for doing what they do — they aren't going to buy the why of their boss or the why of the company they work for. Until people feel wholly fulfilled, focused and energized by their own core personal mission and focus, they aren't going to care completely about their employer's version of why.

Truly creative people are intrinsically motivated, working for the sheer joy of it. As people's options and choices increase, so does intrinsic motivation.

Sustaining the Innovative Mindset

If we are to sustain innovation in our business lives, we have to selectively abandon past behavior and pick up new habits and actions in equal parts. What is happening today may not be happening tomorrow; trends come and go, but constantly looking for ways to improve a product or process, or invent a new one, will keep us competitive in an ever-changing marketplace.

Seismic changes in the world have brought about increased connectivity, interrelatedness and interdependency. In such a rapidly changing world, no matter how cataclysmic the change, being optimistic about the future and embracing continual innovation are key to growth and stability. Change and upheaval clear the ground of orthodoxy and prime the pump for an explosion of ideas.

To keep moving ahead, organizations will have to keep rethinking and redefining their systems. Few of the traditional, orthodox methods and systems will be enough to carry us through the century and beyond.

Remaining curious, growing a repertoire of ideas, creating new mash-ups, and cross pollinating ideas with others is the new path that leaders must take. The path leads to taking bold actions that create new value. Step boldly.

RECOMMENDED READING LIST

If you liked *Out Think*, you'll also like:

1. ***Idea Agent* by Lina M. Echeverria.** Echeverría offers seven proven principles through which new ideas come to fruition.

2. ***Disciplined Dreaming* by Josh Linkner.** Linkner distills his years of experience into a 5-step process that will make creativity easy for you and your organization.

3. ***Engaged!* by Gregg Lederman.** Lederman teaches how to design and implement a sustainable culture and customer experience.

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Passion Purpose Profit

Donna Karaba

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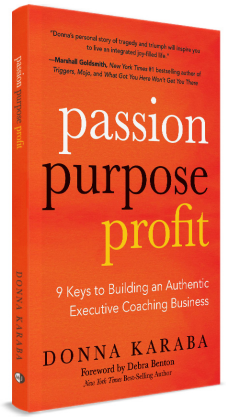
Passion Purpose Profit

9 Keys to Building an Authentic Executive Coaching Business



by **Donna Karaba**

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THE SUMMARY IN BRIEF

When people who have been successful in life become parents, their perspectives shift dramatically. Their roles and identities change. Parents wonder if they can make a living, be true to themselves, and spend the time they desire with their children. In ***Passion Purpose Profit: 9 Keys to Building an Authentic Executive Coaching Business***, author Donna Karaba shares how you can be the parent of your dreams and do the work you love.

You can surpass your corporate salary with a business you operate from home. You can be happy, make a great living, and have the time to raise your children as you wish. ***Passion Purpose Profit*** opens the doors to her business so you can step inside, see how it works, and make your dreams come true.

IN THIS SUMMARY, YOU WILL LEARN:

- How you can realize success through acting upon your passion.
- What nine steps you can take to run a successful executive coaching business.
- How to overcome obstacles that impede your path to success.

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How to Realize Success

Donna Karaba left her last corporate job in 2002 and began taking training classes through the Coaches Training Institute. Shortly thereafter she announced to colleagues that she was starting her own coaching business. She landed her first paying client with that announcement. When you begin acting upon your passion, you light a fire within you and that fire feeds other aspects of your life. Others notice something different about you. People are attracted to your confidence, joy, and personal presence. You become magnetic.

Karaba began developing herself spiritually as a coach, developing her intuition through meditation, reading, and writing material that caused her to dig deep emotionally. She found a clear sense of self as she discovered her calling. She was able to bring her spiritual being into her work in the material world. She became someone that helped free people to be happy in work and in life and help them become more fully present. And so can you.

A-U-T-H-E-N-T-I-C Leadership Business Model

Karaba has trained countless people how to start a successful executive coaching business. The heart of her program is the Authentic Leadership Business Model™. The underlying force is authenticity: drawing it forth in yourself, your clients, and in all your business relationships. She has been refining this model for over a decade. Use these steps as a recipe for success, adapting to your clients' needs. By utilizing these nine steps you will create fertile soil for your executive coaching business to thrive and blossom.

A: Awareness Forms Foundation

The foundational component is awareness. By enhancing awareness one can develop emotional intelligence (EI), a crucial ability for leaders. Leaders must be conscious of their emotions, behaviors, and words to be able to choose their responses. Awareness forms the foundation of leadership. Why? One of the key behaviors needed in leaders is the ability to listen and be fully present to another human being, primarily their staff, as well as their internal and external customers.

Consider the many demands on a leader throughout the day. Meeting after meeting, decision after decision. With so much activity, it can be difficult to clear the mind and be present. Ideally the leader can put aside what is pulling from the past or future and become present to the person or situation at hand. Being able to shift gears to listen with an open heart and open mind is a skill that can be developed through mindful practice. Thus, developing a personal mindfulness practice is key for leaders.

As a coach, it is best to lead by example and develop a mindfulness awareness practice of your own. As you cultivate awareness in your own life you become more grounded, more intuitive, and more present for your clients. It is also important for your client to develop these same qualities to become a more mindful leader. Start your client meetings with an awareness exercise and see the difference it makes to the quality of the meeting and the outcome for your clients.

U: Understand Needs

Understanding the needs of your client is crucial to your ability to provide value. The key to satisfying the needs of your customers is listening. Further, it is important to listen to your heart and ensure you understand your own needs. Remember that you cannot effectively serve others if your needs have not been met first.

Understanding the needs of your client will drive the activity of the business and will set the course for your service offerings and product development. Probe with open-ended, powerful questions and then remain quiet. Give them your full attention as they tell you what they need. Through inquiry and dialogue, those areas that are most important to your client will naturally surface. From there, you can assist your client in developing an action plan to reach their goals.

Understand your client's business goals so that you can do your work with clarity. It is helpful to understand the context in which you are working and what is at stake for a successful outcome. There are four reasons to establish clarity on the deliverables: 1) to quantify the potential value your coaching will bring the client company before you quote your service offerings and retainer fee, 2) to ensure you complete a successful engagement, 3) to determine the ROI and what impact your work can have on the client company who is funding the work, and 4) to obtain a client testimonial and reference for marketing purposes in securing new business.

T: Trust by Caring

You have many natural talents that create trust and lasting relationships. Your genuine care creates trust with your clients immediately. Do not take your abilities lightly. Too often we negate our natural talents and skills because we have not had to work hard to obtain them.

CEOs are people who rarely have an impartial ear where they can speak openly. The freedom to be vulnerable is not an option for CEOs because those close to them are either a board member, peer, staff, or family member and each has a stake in the matter. Your trust and care are valuable.

You are not only a confidant, but often a strategic thinking partner who is able to offer exceptional insights. Because you care about your client's happiness, you can provide a safe space, impartial ear, and an open mind that allows your clients to think clearly without concern for other peoples' agendas. Your client can be free to express their true potential. People are focused on their own problems and if you demonstrate genuine care in helping them solve problems, then you will build trust which opens the door for their higher self to come out. It is your job to establish trust. It is essential to a successful coaching engagement.

> Remember to always start and end on a positive note.

H: Honor Mission and Vision

It is optimal to work with ideal clients whose mission and vision is in alignment with your values. Meet with key stakeholders to ensure you understand their mission and vision as well as their expectations for a successful engagement. Be prepared to compare your ideal client profile to each coaching candidate. Take on assignments that align with your integrity. Be smart about what clients you agree to take on and insist on open engagement or walk away. Any leader worth their title will be happy to work openly with an executive coach because they know they will only improve their effectiveness. Do not compromise your integrity as a coach and trusted advisor and insist on common denominators for a successful engagement.

You need to review your mission, vision, and values regularly. Your mission is the effect you wish to have on the world. Your mission may be to make people happy at work, and lead from a place of authenticity and service. Your vision is how you see the world in an ideal state of being. Your vision may be a world full of engaged workers and leaders self-actualizing themselves and their organizations. Honor your vision and mission as you build your ideal clientele. Honor your client's mission and vision by drawing it out, clarifying it, and helping your client articulate that mission and vision to maintain focus.

E: Explore Stakeholder Feedback

To further a leader's self-awareness, it is helpful to gather 360-degree feedback. This involves assessing the client as they see themselves and assessing how others surrounding the client view the client as a leader. You should gather data from approximately twelve stakeholders: at least one superior, five peers, five direct reports, and external customers where appropriate. After interviewing all stakeholders and compiling the data, prepare a feedback report. It is helpful to present the feedback sharing client strengths and one or two areas of development. Deliver feedback to your client with compassion, kindness, and respect. Remember to always start and end on a positive note.

N: Nurture Highest Self

As an executive coach, you will address the very important, ineffable, inner world of your clients. Higher self, passion, soul, spirit, essence, and true self all describe this internal seed. Just as a plant needs the proper environment to grow and blossom, so does your higher self. Your job as an executive coach is to treat that delicate seed with loving care! Your goal is to provide the optimal environment in which that seed can grow and develop to its full potential. Self-awareness is what we are truly going for, because often the areas that are perceived as needing development are areas that the client is not aware of. As soon as you shed light on those areas, the client has a choice and can do something about it.

T: Teach Gaps in Leadership

After delivering the 360-degree feedback report, it's time to explore the gaps between where your client is and where your client wants to be. As a coach, you will teach your client specific leadership skills incorporating the client stakeholders' objectives, candidate objectives, and 360-degree feedback. With new insights, the client can decide how best to practice strengths and new skills to become more effective.

Examining the gaps and coaching your clients from where they are now to where they want to be empowers them to make meaningful change. Update the primary focus

regularly to ensure you are helping your client close the gap between where they are now and where they want to be as a leader and in life.

I: Investigate ROI

An ROI analysis may help you realize the success of the work being done and save you agony over pricing and self-doubt as to the value your client receives. If you can quantify the total value of the worth of the assignment - what it would cost the company to lose this employee at this time, or what the client company will gain by developing the executive - the information will help you justify your fee to yourself.

Having priced your services at the range you are comfortable working, determine now how much value you brought to the company by solving this problem. Review the estimated ROI to the actual ROI to understand how much the company gained realizing the coaching objectives. Price your services according to the value you bring.

C: Cultivate New Business

As a business owner, you will need to create a marketing funnel, or a continual flow of leads that can become prospects and eventually clients. Cold calling CEOs and executives is an excellent initial way to generate prospects and clients. If cold calling is not for you, you can choose another route to secure business with your ideal clients. Speaking and writing is another way to attract clients. Obtain email addresses or other contact information when presenting your information to an audience. Submit articles to online or print magazines or write a book about your business and convert readers to clients. Speak at local golf clubs, Rotary meetings, or chambers of commerce. When you open your business, you will devote 100% of your effort on business development.

Realizing the ebb and flow of business, it is recommended that you do business development 50% of the time and at an absolute minimum of 25% of the time after you have an established clientele. Use your existing clients to cultivate new ones through testimonials and referrals.

Obstacles and How to Overcome Them

You will find reasons to doubt yourself as you step into your own greatness. A common fear is, "Am I good enough?" Do not allow fear to get in your way. You must create a compelling vision for your future to move through and conquer fear.

It is helpful to create a vision statement of the person you are becoming and read this statement to yourself out loud every day. Your subconscious mind will accept the statement describing the person you are becoming and get to work in assisting you to become that person. Your vision will then draw you through the obstacles.

Keeping Your Dream Alive

Your spirit, your soul, and your passion matter. You must take yourself seriously and listen to your calling in life. Be persistent, believe in yourself, and follow the Authentic Leadership Business Model™ to transform your life into the one you have always imagined.

Donna Karaba, founder of Karaba Consulting, combines Fortune 500 experience, coaching, and transpersonal psychology to actualize leaders and organizations. She created The Authentic Leadership Business Model™ to teach coaches how to build successful businesses. Donna resides with family in Santa Fe, NM.

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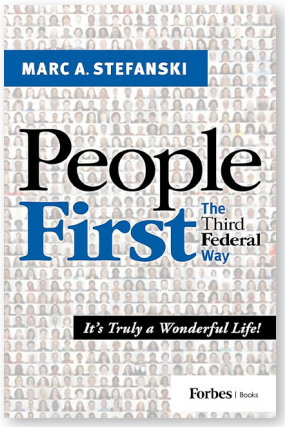
People First

Marc Stefanski

Executive Book Summaries®

People First

The Third Federal Way



by **Marc A. Stefanski**

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THE SUMMARY IN BRIEF

This is the story of how a business builds a culture – and how the values behind that culture have touched so many lives. In 1987, Marc Stefanski succeeded his father Ben as Third Federal chairman and CEO. This is where the story begins.

People First: The Third Federal Way is a story that invites reflection on how we live both our personal and professional lives. Third Federal survived numerous challenging moments. Its leadership team went through the Great Depression, the savings and loan crisis of the 1980s, the housing bubble of the 2000s, the Covid-19 pandemic, and others. Through all these challenges, Third Federal remained strong, stable, and safe.

IN THIS EXECUTIVE BOOK SUMMARY:

- The secrets of running a successful family business
- Leadership paves the way forward
- The most important Third Federal values that have remained unchanged through the decades
- Learn how business and family life can complement each other

Chapter 1: Values, Family, and Business: An Introduction

The Third Federal story really starts with my father, Ben Stefanski. Not when he started the bank, but many years before that, when he worked as a real estate secretary and managing officer at Pyramid Savings in Cleveland. My father was moving through a promising career when the stock market crash of 1929 happened, and Pyramid became one of the many financial institutions that failed.

By collecting mortgage payments when possible and selling off property when he could, he eventually paid every penny back to Pyramid's depositors.

"A hundred cents on the dollar," he used to say, which meant that he intended to mark and repay every last cent, to piece back together every dollar he'd been entrusted with.

My father's attitude toward his depositors back in the Pyramid days and his drive to treat his depositors as if they were his own family are still alive in the values of Third Federal. They're the foundation upon which the now multigenerational bank has been built. After my father had paid back all his depositors, he founded Third Federal Savings and Loan.

Third Federal Savings and Loan is a $17 billion thrift founded in 1938 in a predominantly Polish neighborhood in Cleveland by my father and mother, Ben and Gerome Stefanski. The bank has prospered because it embodies the sort of respect and integrity my father showed throughout his career.

Our values have resulted in astounding growth, perpetuated healthy families among our associates, and re-energized many of the communities we serve. We believe that work should be gratifying and fun while also believing that all these values lead to a commitment to excellence.

These values create a positive feedback loop that not only makes Third Federal a stable, prosperous company for its associates but also one that helps its community and finally often makes a great impact upon the families of those who work and bank there. This book is meant to showcase these values for those not familiar with Third Federal and also to serve as a celebration of the Third Federal values for its associates and its customers.

Much of this book is about how the core values became an integral part of the leadership at Third Federal. As an introduction to these values, it's important to examine the way our leadership style led us to these values. My dad's heart attack was, unfortunately, the de facto succession plan for the bank, which really took effect when he subsequently suffered a series of debilitating strokes.

A critical moment in my journey to finding the values of Third Federal came when I was asked to step up as the CEO of Third Federal. I wasn't in charge, and then the next moment I was.

As I took over, I knew that anxiety was the prevailing feeling among the longtime associates at Third Federal; it's not easy to watch someone new take the lead, especially so unexpectedly. One counterbalance was to be open about my thoughts and what I saw as being best for the organization. It was time to expand the bank beyond my dad's dominant personality. I told the associates that I was determined to make my mark as CEO in my own style. Since my natural inclination is to build and enjoy trusting, caring relationships, I wanted to make people the bank's focus, as well.

Chapter 2: Leadership

The heart is always involved in leadership—caring for people is the soul and spirit of influence and guidance. This kind of leadership wasn't new to my mother, not really. It was a deeply held philosophy of hers, and it just took me some time and maturity to see it. When I used to go to her office at the bank to visit with her, she'd say, "Marc, use your position to firmly guide with kindness and understanding."

In addition to nurturing, I think leadership involves being one who shows the way. A leader is somebody who is looking to the future, and I think leadership (as opposed to management) is more about the heart than the head.

As a company, Third Federal uses its vision of leadership to provide a sense of continuity and to perpetuate a culture in which it is easy to thrive. Our practices support our goal of using values to build relationships.

When leaders show personal interest, have integrity, and embrace the value of love, they take action on the behalf of people. They have the opportunity to give of themselves and to make an effort for others' well-being. Caring—that's the true joy of leadership and also a way to make life's challenges easier to bear.

None of this is to say that Third Federal doesn't emphasize profitability.

An emphasis on profit is needed to balance out compassionate leadership. The emphasis Third Federal has on helping

Love, in reality, defined in terms of the values of Third Federal, means a genuine concern for others.

its various communities does require a steady and clear vision in its leadership. Leadership in this style needs to balance being soft on people with being hard on issues

Chapter 3: Love

"Love" is the kind of term that gets a cringing reaction from the cynical realists of the world. It's the kind of term that might even earn someone an HR meeting in the right context. Love, in reality, defined in terms of the values of Third Federal, means a genuine concern for others.

At Third Federal, love is one of our values—perhaps the value from which all our other values, in one way or another, originate. In the context of Third Federal, love refers to the genuine concern for others. It guides our organization, the culture among our associates, and our interactions with our customers. It's the foundation for our customer service, the products and services we offer, and for how we interact with our community. So how do we practice love on an institutional level, and how does that end up benefiting Third Federal and its customers?

For starters, we place our genuine care for our customers and our associates above all other concerns. This means we do not engage in short-term strategies that might alienate customers, be bad for our associates, or damage the long-term reputation of Third Federal.

This genuine care we have for our customers has been so effective that we retain customers for decades and generations, and we draw in many of them through referrals. We also regularly receive letters of thanks. Both our associates and our customers tell us that they feel as if they are part of our family when they're interacting with Third Federal—that they are grateful that our organization is what it is and that they feel thankful to be a part of it. It all sounds very utopian, but it's also a practical matter. This culture centered around the value of love greatly strengthens Third Federal and has enabled us to be a multigenerational bank that is the cornerstone of the communities where we have established branches.

In addition to using love as a guiding principle for our interactions with customers, we emphasize love among our associates.

As a result of this emphasis, we have minimal annual turnover among our associates. We also only have a third of the associates an organization our size typically has. Our associate turnover is under 5 percent. The turnover for financial institutions tends to be much higher, typically 23 percent in the banking industry. These numbers let us transition a significant portion of our company into an online workplace almost instantly during the COVID-19 pandemic, and it kept our workforce intact through it all. People at Third Federal are willing to go the extra mile for our values.

Chapter 4: Trust

Although trust itself is a soft value, the results speak for themselves. We have a record of strength and stability, so our customers knew to believe us when we told them that the proceeds from our IPO would be used to further increase our capital position and facilitate an expansion that would make us even more stable. Third Federal had a $5 billion market cap and $10 billion in assets at the time. It currently has $17 billion in assets as of 2024. This is a result of the trust our customers place in us. Our commitment to honoring that trust is what put us in a strategic position that allowed us to survive the 2008 mortgage crisis.

When we pursue trust with customers, we start off by establishing a strong sense of mutual communication. One of the frequent pieces of positive feedback we receive is that we use "layman's terms" as we explain our loan offerings and the loan origination process. We also engage in the fastest turnaround times possible with our loan approval process and document preparation. Customers left waiting generally trust the process less and grow more anxious about what's going on with their loan. Similarly, we let customers know exactly what their rate will be when they apply. Many banks wait until the loan is being finalized and closed before offering the true rate. They want to bait and switch the customer—obviously not a move that's going to

inspire trust. Ideally, our customers know what's going on throughout the entire process, and they trust us once they see that we're plain dealers who uphold our end of the relationship. We want them to see for themselves that we prosper when they prosper and that we survive by keeping them as a customer and even earning their trust and support so that they bring their families and friends to Third Federal.

Trust is, by its very nature, a long-term commitment. Life would be easy if things like our IPO story could have a fairy-tale ending like "happily ever after," but some of our customers who had been with the bank almost since the beginning, began to run into problems a few years after purchasing the preferred offering of our stock. We began to get calls from customers who had purchased stock and who had since become widows or widowers or who were the surviving family members of those who had purchased the stock. In many cases, these customers were unfamiliar with stock ownership and the disposition of their investment.

Chapter 5: Respect

Respect is critical. It's why it's one of the values at Third Federal. It has these apparent benefits that many people could trace, but it often leads to even more intangible benefits.

So how does an organization create an atmosphere that fosters respect? One of the things we do is to emphasize the achievements of teams and groups rather than heaping glory upon an individual leader. We want to make sure that everyone in the bank is aware that we know of their contributions and that we know how critical they are — even if those accomplishments aren't necessarily as visible as those of their colleagues. We want everyone in the company to be aware of these ideas—to that end, we frequently make an eff ort to bolster and reinforce that teamwork with special events and visiting public figures.

Sometimes fostering respect in your company might take some big leaps and some significant guidelines. For instance, for most of our history, Third Federal generally has not allowed associates to work from home, and since the pandemic, we offer hybrid schedules rather than fully remote positions. Emailing and video conferencing from home may have their advantages, but in other ways, they undermine the effort to reinforce a culture of caring.

Expanding on the idea, we also put a lot of emphasis on respect for the customers.

Demonstrating the respect we have for our customers is of paramount concern to Third Federal. The "Yes! We Can" campaign was meant to emphasize this for both our associates and our customers. Customers who know that we respect their needs are more likely to choose us as their bank. I believe it's one of the many reasons we have so many multigenerational clients.

Chapter 6: Excellence

By the end of the 2008 mortgage crisis, Third Federal was still standing, and in better shape than most of the competition. This is because we hold our associates to a higher standard in terms of commitment to the job, production, dedication, and loyalty.

Here's what outside analysts often don't understand about Third Federal—that my father's experience in the Great Depression still guides the bank to this day. My father always made sure the bank had more than enough capital. My father also only found new markets in clients who he knew would pay back their loans. He was not only flexible but also careful. Third Federal invests heavily in its community, but the risks we take are very calculated. When we give loans in less than ideal circumstances, we make sure they are endeavors that are going to improve the communities we serve.

To reinforce this and provide stability, we stay profitable by focusing our marketing strategies on attracting strong customers who will pay us back. This strategy has helped us to keep a capital ratio that is well above that of our competitors. All of this means that, as much as we would like to help them, borrowers who intend to engage in speculation or flipping are welcome to look elsewhere. That conservative approach is the right thing to do for Third Federal, and it is the basis for our commitment to excellence. Simultaneously, Third Federal has a large commitment to lending in its communities, ensuring that we provide growth that helps everyone thrive.

A commitment to excellence involves constant evaluation. Are you setting the bar high enough? Are you engaging with the needs of both associates and customers? Are you constantly questioning your own perspective? Are you adhering to your values while you do all this?

The associates at Third Federal are trained to ask themselves the following: What kind of quality and diligence are we putting into our relationships? Are we fully satisfied with the way we help our customers? If not, is there room for

Reacting to chaos, and sometimes even creating it, is a part of growth and innovation.

improvement in those interactions and tasks?

A true drive for excellence involves a number of endeavors where perfectionism is virtually impossible. People who strive for excellence have a strong need for order and organization, but they also need to understand that not all will be ordered. Reacting to chaos, and sometimes even creating it, is a part of growth and innovation. Those who strive toward excellence obviously have high expectations for themselves, but they also need to be able to accept their own mistakes and have positive ways of coping with those situations where perfection is impossible. One of the most vital traits of a person who achieves excellence is that they are able to both recognize and learn from their mistakes.

Chapter 7: Fun

As ironic as it seems, fun is a serious part of Third Federal's overall strategy for success. It's the way that we manage people, our message, and our delivery of value to our customers. We take ourselves seriously, but levity is important to our culture. We approach fun as a way of keeping our culture intact, reinforcing our values, and strengthening the bonds we have with each other.

One of the main ways that we accomplish all of this is with the events we have for our associates and their families. We make fun events part of our work routine at Third Federal all year long, and we promote many company-sponsored events across April, so many that we call April "Fun Month." In addition, I host a Christmas gathering for associates in each of our regions, and a summer concert and celebration for associates and their families in both Cleveland and Florida each year.

Chapter 8: Making a Difference: A Legacy of Love

Charity is one of the chief virtues of being a human being. We're at our best when we're helping others. It's always been my opinion that those who have the means to help others are under the obligation to do so. It's important to leave a legacy of love for our families and communities. Charity is a way of doing this that isn't just about making widgets.

Starting with my father, my family has always done our best to contribute to our community. The Slavic Village neighborhood and the other areas surrounding our bank are some of the main areas in which we engage in community investment, but they're just the start of the impact of the Third Federal Way and our values.

One of the biggest impacts on our drive toward charity, and the namesake of one of the main charities of the Stefanski family, is named for my wife, Rhonda, who passed away from pancreatic cancer in 2014.

Rhonda was on the path to carrying out her own philanthropic undertakings when she was diagnosed with pancreatic cancer during a routine examination. Her efforts were cut short, as she passed away within ninety days of her diagnosis. It was quick and devastating for me and our five children.

After having seen the awful effects of cancer and knowing that Rhonda didn't get to carry out the biggest charitable endeavor she'd ever undertaken on her own, the Stefanski family started Rhonda's Kiss. This charity is aimed at bringing comfort and providing patient support services to those families who are undergoing cancer treatment and don't have the means to meet the various financial challenges a cancer diagnosis presents.

Conclusion

In 1999, Third Federal hired an analyst to look at our business. I wanted to make sure we were in great shape—to get an outside opinion. It's easy to miss something if you limit your perspective. They poked and prodded around the bank, getting to know the people involved, our processes, and how we managed our workforce. When finished, we sat down in my office and went over the big report at the end of their examination. They projected graphics, ran down the figures, and had generally dissected the entire business.

They were deeply impressed with how we do things. The

results Third Federal gets are, after all, undeniable. But they had one nagging issue. Why not get rid of all the touchy-feely stuff? Why not eke out even more profit and productivity? Why not service customers faster?

Why not expand more?

These are the kinds of questions I've come to expect from people who don't think the Third Federal Way. They put short-term profit over the core values we have, and it shows. Growth doesn't matter if it isn't stable. Profit doesn't matter if you need to exploit your customer, or your associates, to get it. That's how you lose good people. In our experience, that profit is likely to be destabilizing. Third Federal makes a profit by thinking in the long term. Our goal is always to be among the best in the market, and we do that by acting fairly and remembering our values.

The love, trust, respect, commitment to excellence, and fun that drive the Third Federal Way make us exceptional. Adhering to all our values makes us a formidable force in the banking business.

As I write this, I've been reflecting on a new practice I've dedicated myself to—and preached heavily to my team. On holidays and special occasions, we've come to expect gifts—cards, objects, and money. Sometimes it's something a person really wanted; other times it might not be. Either way, I've realized that we rarely get what we want from these exchanges—the sentiment behind them. I'm now dedicated to giving people the gift of words. These can be kind, encouraging, loving, supportive, nurturing, or fun, but they'll definitely be words that are meaningful to the person I'm speaking to, like: "I love you;" "You're special to me;" "I couldn't run this company without you;" "You make a huge difference here."

The gift of kindness matters at home as well as at work. Imagine if we had more kind words for our significant others and friends and coworkers. The world could be changed.

An awareness of how much people matter, of how we need to trust, love, and respect each other, and to have fun in our quest towards excellence, those are priceless things. They're the Third Federal Way.

I couldn't be more grateful for the chance to live my life the Third Federal Way.

I hope you have a chance to live that way too.

Marc A. Stefanski is chairman and CEO of Third Federal Savings & Loan, headquartered in Cleveland. The company was founded by his parents, Ben and Gerome Stefanski, in 1938. Under Marc's leadership, the company has grown from $2 billion to $17 billion in 2024. Marc, the youngest of five children, grew up in Shaker Heights, Ohio. Along with his family, his first loves were music and sports, forming his own rock back in eighth grade, a version of which continues today.

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Powerhouse

Kristine Lilly and Dr. John Gillis, Jr.

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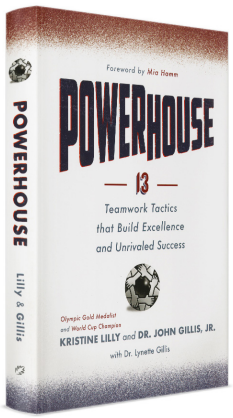
Powerhouse

13 Teamwork Tactics that Build Excellence and Unrivaled Success

by **Kristine Lilly and Dr. John Gillis, Jr.**



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THE SUMMARY IN BRIEF

A high-performing team must be more than a collection of high-performing individuals. In the sports world, these synergistic groups are called powerhouses. You can learn to cultivate well-oiled teamwork in your organization.

Author Kristine Lilly was only sixteen when she was asked to join the US Women's National Soccer Team. In ***Powerhouse***, you will learn more about how she and her teammates successfully and continuously won World Cup championships and Olympic gold medals, and how you can apply these same "tactics" to shape your business's journey forward to success. Complementing Kristine and her teammates' expertise, you'll find research on teamwork and business examples from John and Lynette Gillis.

Four pillars frame the tactics that teams need to take. These pillars are: Transform, Empower, Achieve, and Motivate. The final tactic, "Doing What Is Right," serves as a foundation for everything the team accomplishes. It will not always be easy, but with practice and perseverance, you can be well on your way to building your own powerhouse.

IN THIS SUMMARY, YOU WILL LEARN:

- To select the right talent and align them with the team direction.
- How to empower a team, both individually and collectively.
- To lead a group to generate, evaluate, and implement team solutions.
- Ways to build a team grounded on trust.

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Sarah T. Dayton, Editor-in-Chief • Meghan Kozak, Director of Content • Kylie O'Connor, Graphic Designer

Transform

Effectively transforming a group of individuals into a powerhouse starts with selecting the right talent to join your team. This team determines its purpose as well as its strategy. Once a strategy is set for execution, each team member acts interdependently to contribute to the completion of a clear, specified, and common goal.

Selecting Exceptional Team Members

When Kristine was a freshman at UNC, members of the soccer team had to pass a fitness test to play in each game. The test measured the player's fitness levels, but it also built respect and trust among the team. With a lap to go, as a "green" inexperienced player, Kristine was struggling. Tracey Bates Leone, a "gray" senior on the team, decided to help by running backward next to Kristine and encouraging her, even though this meant Tracey would have a slower finish time on the fitness test. They pulled each other through and finished the lap on time.

Team composition matters. If you have a collection of team members with different working styles and various levels of experience, your team will be stronger and more effective. At your corporation, your team members will come from a continuum of "green" and "gray" colleagues. These different generations bring different skills, experiences, expectations, and other factors to the workplace. As you build successful teams, the key is to identify and optimize each person's diverse offerings for the benefit of the unit.

Aligning the Team Direction

All successful teams need a reason for being—their raison d'être. Organizations that have a meaningful and understood purpose will outperform those that do not. The reason for this is simple: Those organizations have focus and ambition behind their work. Purpose answers the question, "Why do you do what you do?" Purpose drives performance.

Coach Dorrance once told the women's national soccer team, "Every time you step on the field you're selling the game, changing minds, and changing the culture of what is possible for women and everyone." When Kristine first heard this statement, her response was, "I just want to play soccer." Eventually, she came to understand everything he taught them, and each action they took on the field was selling the game. They were helping not only themselves as athletes become more successful but also their team, and by extension, they were helping to establish women's soccer as a professional sport.

Scoring a Goal

Building a powerhouse comes from being focused on scoring goals. These goals should be specific to align team activity. A team should have both stretch goals and attainable goals so they can achieve small victories in the short term, while simultaneously challenging themselves to achieve greatness in the long term. Goals should be shared with the team to hold all members accountable in a competitive environment.

When Kristine was younger, there was no women's soccer in the Olympics, but as a young girl, she thought maybe one day she could compete in the Olympics. With the dream to win gold, she set out to accomplish smaller, more specific goals first. To contribute to her team's success, her objectives were about individual preparation, working hard, and making a difference. Later, she and her teammates had a constant mission: to win. Not just the World Cup or the Olympics, but every game. Every game reflected their team's capability and gave them opportunity to work together.

Empower

In a powerhouse, there is a leader who inspires, sets expectations, and develops others. Principled leadership asserts authority in an empowering manner, aligning individual rewards with the team's goals. If the situation is global, there is an opportunity to cross-pollinate better practices from different countries.

Setting the Team Foundation

When a leader effectively sets a foundation, they must build on solid ground. To create a solid base for the team, a leader should inspire the team, set clear expectations, and develop talent. Without these actions, the foundation is more like sand, and the team's performance will be unstable.

One CEO set his company's team foundation by focusing on product quality. One day, he was walking through the assembly plant and saw that one of the finished products had a slight imperfection. To make a point about the expectations he had about product quality, he went over to the end of the assembly line and destroyed that product. This action was extreme, and the story went viral throughout the company. By doing this, he set a team foundation: quality was essential, and imperfection was not acceptable. This leader's behavior was much more impactful than a "value" posted on the wall.

Leading the Team

A captain is the leader of the team who connects and builds

trust on the team. When Kristine didn't serve as team captain, her role was to follow the teammate who had been selected to lead. This following of the leader is still a leadership role; it just doesn't come with a title. It is more pull than push, showing up the way you want others to show up. As a team member, you need to know when a team needs you to lead and when the team needs you to follow. If you are leading, then remember to empower and recognize those supportive followers who are aligned to the team's direction.

Serving on International Teams

When serving on international teams, be culturally aware, as your culture's norms and expectations are different than others. You also want to cross-pollinate, to learn about better practices from other countries that you can adopt and bring to your business.

A global technology team was dealing with different cultural expectations. The company, headquartered in Canada, had deployment phases around the world. This global team had to adapt to local preferences to be successful. In Great Britain, this meant small differences like the size of standard paper in the printer or the preference of a raincoat for team swag (useful for their weather) instead of the usual company-issued hoodie (which was culturally looked down upon). In Asia, the attempt to survey employees for input had minimal impact due to their hesitation to give feedback. In South America, meetings always started late even though timing was critical to the team. The company's financial cost grew the longer the project ran, yet in Europe, no one works in August, and the organization burned millions while the local employees took their annual vacation. The team adapted to each regional variation to overcome the differences and implement the technology on budget and on time.

Achieve

To achieve, the powerhouse must learn through preparation, practicing, and then, performance. Honest communication and listening to each other ensures each decision is made collaboratively. When a problem does emerge, the team engages to generate, evaluate, and implement a proactive or reactive solution.

Learning Teamwork

Basketball has isolation plays, baseball has individual execution, and even American football short set plays dictate exactly what a player is supposed to do. Soccer players, however, are always interdependent on one another in a fluid, creative, and ever-changing context. Players must know each other so well that they can intuitively sense what other players are going to do. What one player does on the field impacts what another does—where they move and what the strategy is.

Preparation, practice, and performance are integral parts of a powerhouse. Team members prepare themselves to help the team reach its potential. They then practice their teamwork process through a dress-rehearsal simulation. Finally, they perform when it's time to execute their winning strategy.

Communicating with the Team

Communicating effectively within the team includes active listening. It also entails establishing a social network so that team members understand whom the central person is. And lastly, it involves collaboration so that the team functions as a unit.

A business school dean has a practice of listening 80 percent of the time and only speaking 20 percent. He also says that 20 percent should be full of questions. He uses inquiry to fully understand what is going on, seeking to understand and challenge the assumptions below the conversation's surface. The dean ends the conversation by asking, "Is there anything left that you have not told me? Is anything that we have discussed unclear? Is there any other information you need that I have not yet provided?" These questions effectively communicate his desire to help the person he is speaking to. What would be the point of hiring a good team member with excellent experience and potential if you're not going to trust them?

Handling Team Conflict

Out of all key tactics in this book, the mismanagement of conflict is the most significant potential derailer. Task conflict is a "what to do disagreement." By contrast, relationship conflicts consist of disagreements based on interpersonal issues, political norms and values, and personal taste.

Kristine's team captains took care of business. They put out fires when most of the team or the public didn't even know there was a fire. When needed, the captains facilitated a conversation to hear everyone's opinion. They never avoided anything. They dealt with the issues head-on, whether that was talking with the head coach about the team being burned out or talking with unhappy players to understand each player's perspective.

Motivate

The members of a powerhouse create a team culture,

based on trust, with specific roles clarified for each person. Through the work that the members of the team are committed to, they build friendships and a sense of belonging as well as their individual self-awareness. They have a positive mentality while seeking a standard of excellence. Working synergistically brings satisfaction for all.

Creating Team Chemistry

To be effective, a powerhouse needs chemistry—created by clarifying roles and engaging every player on the team. They also achieve chemistry by building trust from being benevolent, reliable, and honest in team relationships. Finally, they demand accountability.

At the 1999 World Cup Final Game, Brandi Chastain, scored the final goal for her team to beat China, a shot that would change their lives forever. Brandi spontaneously took off her jersey in celebration and slid on her knees, flexing her arms with fists clenched. The moment was captured in one of the most famous soccer photographs ever. Yet, it wasn't about Brandi and her achievement. The team needed many crucial plays to get the win that day. The game consisted of ninety minutes of hard-fought regulation time and two fifteen-minute grueling overtimes. The game was years of work by twenty women pushing each other to be the best. It was a team putting the team first.

Cultivating the Team Ethos

A team ethos is the guiding character of an organization, its reputation. A corporate ethos exists, whether a leader engages to create it or not. The team ethos comes down to three principles: build friendships, increase self-awareness, and develop team awareness. Friendships are important to have on the team, as this creates a healthy bond and psychological safety net for team players. Increased self-awareness comes by knowing yourself. Team-awareness is also vital so that individual members of the team can understand how they are perceived by others while also focusing on the specific dynamics within team relationships.

Seizing a Winning Mentality

Rudy's Bar-B-Q has a motto that drives quality: "The Love of Excellence." Whether it is in ingredients or customer service, Rudy's delights guests with a memorable dining experience because their "why" is quality. They accomplish this quality by overcommunicating, overlearning, over-measuring, and trying to be perfect—even down to the amount of lemonade to pour into a glass so that it satisfies the customer without overflowing when a lid is put on.

Doing What is Right

Finally, when doing the right thing, powerhouses overcome adversity by confronting their failures. These teams should seek diversity for the positive business impact by finding their centered set. A powerhouse is ethical, clearly knowing right from wrong and working to transform its culture so that it can effect societal change.

Kristine Lilly is an expert on effective teamwork and provides lessons gleaned from her remarkable career as an Olympic midfielder for the United States Women's National Soccer Team.

Dr. John Gillis, Jr. facilitates executive leadership development using a dynamic business simulation for LeadershipX and has worked for IBM, Accenture, Center for Creative Leadership, and The Conference Board.

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Practically Radical

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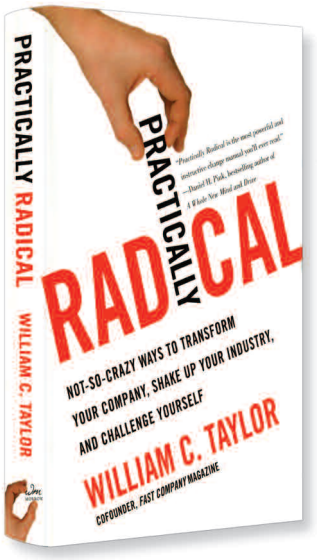
Leadership

Practically Radical

Not-So-Crazy Ways to Transform Your Company, Shake Up Your Industry and Challenge Yourself



by William C. Taylor

THE SUMMARY IN BRIEF

Practically Radical is a manifesto for change and a manual for making it happen — in an era when change is the name of the game.

Businesspeople everywhere are engaging in a dramatic "rethink" of how they lead, work and get results. In an age of fierce competition and stubborn recession, the status quo just doesn't cut it. But how do you break new ground when there is so much pressure to do things the same way as everyone else? Using his years of experience and thought leadership in the business world, William C. Taylor, the co-founder and founding editor of *Fast Company* — one of the world's most admired business magazines — offers radical ideas and practical advice to help you fix what's wrong with your organization, launch new initiatives with the best chance to succeed and rethink the logic of leadership itself.

Practically Radical goes deep inside numerous for-profit companies and non-profit organizations to find out how they've made remarkable strides in tough circumstances. It is a handbook for successful transformation and a great tutorial for implementing your change agenda.

IN THIS SUMMARY, YOU WILL LEARN:

- How to see opportunities the competition doesn't see.
- How the most successful organizations embrace one-of-a-kind ideas in a world filled with me-too thinking.
- How practices that are routine in one field can be revolutionary when they migrate to another field.
- How the middle of the road is the road to ruin.
- How to get the best contributions from the most people.

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THE COMPLETE SUMMARY: **PRACTICALLY RADICAL**

by William C. Taylor

The author: William C. Taylor is an agenda-setting writer, speaker and entrepreneur. As the co-founder and founding editor of *Fast Company*, he launched a magazine that won countless awards, earned a passionate following among executives and entrepreneurs around the world and became a legendary business success. He is the co-author of *Mavericks at Work: Why the Most Original Minds in Business Win; Big Boys: Power and Position in American Business; No-Excuses Management;* and *Going Global.*

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Introduction: A Game Plan for Game Changers

Most executives worry more about sinking the boat than missing the boat, which is why so many organizations, even in flush times, are so cautious and conservative. However, the opportunity for executives and entrepreneurs is to recognize the power of *rocking the boat* — searching for big ideas and small wrinkles, inside and outside the organization, that help you make waves and change course.

That's the call to action: Don't use the long shadow of economic crisis and slow recovery as an excuse to downsize your dreams or stop taking chances. The challenge for leaders in every field is to emerge from turbulent times with closer connections to their customers, more energy and creativity from their people, and greater distance between them and their rivals.

More and more executives, deep down, are beginning to appreciate that caution and conservatism — doing more of the same, but with less confidence and conviction — is a formula for disaster, not a source of stability or shelter from the economic storm. For these aspiring game changers, *radical shifts* represent a direct challenge to convention and a break with the status quo. At the same time, most leaders are realists of the first order. They may get energized by new ideas, but they recognize the limitations within their companies, among their colleagues and even inside themselves to bring these new ideas to life. In that spirit, there are ready-to-go techniques — *practical steps* they can apply right away. ●

PART ONE: TRANSFORMING YOUR COMPANY

What You See Shapes How You Change — The Virtues of Vuja Dé

Let's be clear: We are living in the age of disruption. You can't do big things anymore if you are content with doing things a little better than everyone else or a little differently from how you've done them in the past. The most effective executives don't just rally their colleagues to outrace the competition or outpace prior results. They strive to *redefine the terms* of competition by embracing one-of-a-kind ideas in a world filled with me-too thinking. That's a defining challenge in times of great dislocation: What do you see that other organizations don't see?

Or, to put it differently, the best leaders demonstrate a capacity for vuja dé. We've all experienced déjà vu — looking at an unfamiliar situation and feeling like you've seen it before. Vuja dé is the flipside of that — looking at a familiar situation (an industry you've worked in for decades, products you've worked on for years) *as if you've never seen it before* and, with that fresh line of sight, developing a distinctive point of view on the future. If you believe that what you see shapes how you change, then the question for change-minded leaders becomes: How do you look at your organization and your field as if you are seeing them for the first time?

Vuja dé may be a strange term, but it's become a strangely popular term among some of the brightest

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Edward O'Neill**, Graphic Designer; **Chris Lauer,** Contributing Editor

thinkers on creativity. What matters here is how leaders apply the vuja dé mindset to the challenge of making big change in tough times. And that's where the unlikely twist comes in.

The virtue of vuja dé is that it reframes how organizations make sense of their situations and build for the future. But that's different from a wholesale disavowal of the past. Sometimes, the very act of rediscovering and reinterpreting the past creates the clarity and confidence necessary to craft a distinctive game plan for the future. ●

Where You Look Shapes What You See

"Every great advance in science," wrote the philosopher John Dewey in *The Quest for Certainty*, "has issued from a new audacity of imagination." That's true for leaders as well as scientists — and what better way to fuel your imagination than to look for inspiration beyond your field?

How Toyota Taught Virginia Mason to See

It's easier to see intractable problems with fresh eyes if lots of eyes are trained on those problems — and focused on solutions from new and unfamiliar fields. Game-changing strategies that evoke Dewey's "audacity of imagination" don't have to spring from the imaginations of a few senior leaders.

One audacious example of this phenomenon is the bottom-up transformation of Virginia Mason Medical Center, a 90-year-old hospital in Seattle, Wash., with 400 doctors and nearly 5,000 employees.

For years, despite a rich history, Virginia Mason struggled with deteriorating finances, inefficient processes and uneven quality — like so many other big, established hospital systems in the United States. Its CEO, Dr. Gary Kaplan, who took charge in February 2000, understood that merely trying to borrow ideas and techniques from the medical establishment might not have that great an impact on Virginia Mason's fortunes — best practices in the field, truth be told, weren't all that great.

As they searched for new sources of ideas, Kaplan and some colleagues got exposed to, and became fascinated with, the most advanced practitioners of Japanese-style quality management in general, and the Toyota Production System in particular — the blend of "just-in-time" assembly techniques (*kanban*), continuous improvement (*kaizen*) and frontline employees who fixed problems in real time (*jikoda*).

The legendary Eiji Toyoda had used the Toyota Production System to drive Japan's flagship company to global prominence — and Kaplan came to believe that his organization could borrow methodologies from this rich tradition to fix its problems and advance the state of its practices.

So he and the hospital's top executives began an intensive program of learning about the theory and practice of Japanese quality management, and the entire leadership team took its first trip to Japan in June 2002 to see for itself how the ideas worked on the ground. Ever since, literally hundreds of Virginia Mason staff members have made similar trips, with Kaplan leading all of them, in which doctors, nurses and hospital staffers get exposed to the intricacies of how Toyota organizes work, tracks quality and solves problems.

Kaplan explains. "We stick a bunch of doctors on an assembly line. We use the methods and tools we've learned, we come up with suggestions and the Japanese put them into place! It's a very intense experience."

Years of in-depth study of the Japanese quality movement have transformed Virginia Mason. Among its many achievements, the hospital eliminated millions of dollars of needless inventory, cut the time required to deliver lab results by 85 percent and reduced staff walking distances by 60 miles per day. One rapid-improvement team redesigned how nurses interact with patients and with each other — allowing nurses to spend 90 percent of their time at the bedside, as opposed to 35 percent before. ●

Radically Practical (I) — Five Truths of Corporate Transformation

If what you see shapes how you change, and where you look shapes what you see, then the hope is that seeing what these leaders have achieved will help you achieve your agenda for reform and renewal. Specifically, the hope is that it will allow you to reckon with the five truths of corporate transformation. Because the truth is, the work of making far-reaching change in long-established organizations is the hardest work there is.

1. **Most organizations in most fields suffer from a kind of tunnel vision, which makes it hard to envision a more positive future.**

That's why the first challenge of change is originality — for leaders to see their organization and its problems as if they've never seen them before and, with new eyes, develop a distinctive point of view on how to solve them. All too often, especially in long-established companies, long-held expertise gets in the way of groundbreaking innovation.

2. **Most leaders see things the same way everyone else sees them because they look for ideas in the same places everyone else looks for them.**

That's why the most effective leaders I know aren't big fans of "benchmarking" the competition — a commonplace exercise for inspiring change that often serves to reinforce the problem of tunnel vision. How enlightening is it, really, to learn from the "best in class" in your industry, especially if the best in class isn't all that great? So why not learn from innovators *outside* your industry as a way to shake things up and leapfrog your rivals? But looking for ideas in unfamiliar fields is not just about relocating what works from one industry to another. It is also (and more significantly) about reimagining what's possible in an industry.

3. **In troubled organizations rich with tradition and success, history can be a curse — and a blessing. The challenge is to break from the past without disavowing it.**

For even the most determined change agents, history and tradition can be unrivaled sources of strength — guides to enduring values, reservoirs of timeless expertise. Psychologist Jerome Bruner, in his collection of essays, *In Search of Mind*, has a pithy way to describe what happens when the best of the old informs the search for the new. The essence of creativity, he argues, is "figuring out how to use what you already know in order to go beyond what you already think."

4. **The job of the change agent is not just to surface high-minded ideas. It is to summon a sense of urgency inside and outside the organization, and to turn that urgency into action.**

There's a reason Harvard Business School's John Kotter titled one of his most recent books on change *A Sense of Urgency* — that's the big missing ingredient. "It occurred to me how often I was being asked, 'What is the single biggest error people make when they try to change?'" he wrote. "After reflection, I decided the answer was that they did not create a high enough sense of urgency among enough people to set the stage for making a challenging leap in some new direction."

5. **In a business environment that never stops changing, change agents can never stop learning.**

Sure, it is the job of leaders to be effective and engaging teachers — to rally their colleagues around a distinctive set of ideas and a well-designed strategy for bringing those ideas to life. But the best leaders I've met, regardless of their industry, experience or personal style, have also been insatiable *learners*.

PART TWO: SHAKING UP YOUR INDUSTRY

Are You the Most of Anything? Why Being Different Makes All the Difference

Ray Davis, president and CEO of Umpqua Holdings, based in Portland, Ore., took charge in 1994, when Umpqua was a pipsqueak of an outfit with six branches in and around the southern Oregon town of Roseburg, assets of $140 million and, in his words, a "plain vanilla" strategy. Since then Umpqua has been one of the regional-banking industry's rising stars. It has 150 branches stretching from Napa Valley to Seattle, assets of $8 billion and a unique strategy that positions Umpqua as a lifestyle brand rather than as just another local bank. Davis and his colleagues like to answer their phones with the greeting, "Welcome to the World's Greatest Bank, how can I help you?" and the training department is called "World's Greatest Bank University."

Davis explains his bank's approach to business, in boom times or dark times, this way: "In an industry like ours, which is so old, where people are used to doing things one way, with blinders on, this model is not just shifting the paradigm. It's crashing and burning and nuking the paradigm! That's how you stay relevant. And if you can't stay relevant, you're done. The banks that are failing have no value proposition — nothing — other than, 'We are a bank and we will offer you a higher rate.' We have a one-of-a-kind value proposition in our industry."

The lesson is as simple as it is subversive: It's not good enough to be "pretty good" at everything anymore. You have to be *the most of something*: the most elegant, the most colorful, the most responsive, the most focused.

For decades, organizations and their leaders were comfortable with strategies and practices that kept them in the middle of the road — that's where the customers were, that's what felt safe and secure. In the new world of business, with so much change, so much pressure, so many new ways to do just about everything, the middle of the road has become the road to nowhere.

As Jim Hightower, the colorful Texas populist, is fond of saying, "There's nothing in the middle of the road but yellow stripes and dead armadillos." To which we might add companies and their leaders struggling to

stand out from the crowd, even as they play by the same old rules in a crowded marketplace. ●

Different on Purpose — Motivation, Inspiration and the Heart of Innovation

In his inspiring and instructive book *Rules of Thumb*, *Fast Company* co-founder Alan Webber identifies two questions that demand the attention of leaders. The first is familiar: What keeps you up at night? What are the problems that nag at you? The second is less familiar, but even more important: What gets you up in the morning? What keeps you and your people more committed than ever, more engaged than ever, more excited than ever, particularly as the environment around you gets tougher and more demanding than ever? That's a question every organization needs to ask and answer if it hopes to prosper in an era of hypercompetition and nonstop dislocation.

Even the most disruptive and creative leaders recognize that long-term success is not just about thinking differently from other companies. It is also, and perhaps more important, about *caring more* than other companies — about customers, about colleagues, about how the organization conducts itself in a world with endless temptations to cut corners and compromise on values.

For leaders, the pressing question isn't just what separates you from the competition in the marketplace. It's what holds you together in the workplace.

Love Is More Powerful Than Hate

Of course, the best leaders have known this all along. There's a biography of Vince Lombardi by David Maraniss, a Pulitzer Prize-winning reporter at the *Washington Post*. After the Green Bay Packers captured their first-ever Super Bowl, Maraniss writes, Coach Lombardi, as tough an SOB as there ever was on the American sporting scene, found himself in high demand as a speaker to executive audiences who wanted him to translate his principles for victory on the gridiron to success in work and life. (His first business talk, Maraniss notes, was to a big American Management Association conference in New York City, and Lombardi "considered it a seminal moment in his emergence as a public figure known for more than winning football games.") In what became a recurring message to corporate America, Lombardi set out seven principles of competition and leadership, most of which you'd expect from the greatest football coach of all time. But his most important principle was also the most surprising: Love is more powerful than hate.

"The love I'm speaking of is loyalty, which is the greatest of loves," Lombardi told his audience. "Teamwork, the love that one man has for another and that he respects the dignity of another. … I am not speaking of detraction. You show me a man who belittles another and I will show you a man who is not a leader. … Heart power is the strength of your company. Heart power is the strength of the Green Bay Packers. Heart power is the strength of America and hate power is the weakness of the world." ●

'Disruption Days' at TBWA Worldwide

The cutting-edge marketers at TBWA Worldwide, the celebrated Madison Avenue agency, have learned to look hard at what's come before as inspiration for disruptive ideas about what comes next.

As marketing specialists, TBWA personnel have designed memorable campaigns for some of the most glamorous brands of the last few decades, from Absolut to Adidas to Apple.

As creative strategists, TBWA marketers have invented a blueprint for organizational renewal that the agency calls "Disruption Days" — wide-open, freewheeling, yet highly structured examinations of the assumptions, practices and behaviors that stand in the way of progress for a brand, a company or an industry.

Radically Practical (II) — Five New Rules for Starting Something New

How do you control the future? By inventing it yourself. That is, by doing more with less, by reacting quickly to setbacks and surprises rather than agonizing over how to avoid them and by never losing sight of why you got started in the first place — the impact you aim to have in your field and in the world. So whether you aspire to shake up your industry with an independent startup or shake up your company with an internal venture, here are five new rules for starting something new.

1. **It's not good enough to be "pretty good" at everything. Blank-sheet-of-paper innovators figure out how to become the most of something.**

Most traditional thinking about strategy and competition emphasizes the intricacies of money, power and business models. But many start-from-scratch innovators have prospered based on the audacity of their *mental* models. Robert MacDonald, the one-of-a-kind insurance entrepreneur, says that starting something new is a matter of "reminiscing about the future." Davis, the customer-obsessed CEO of Umpqua Bank, argues that the real work of leadership is to "find the revolution before it finds you" — that is, to be the driving force for transformation in your field, rather than a lagging indicator.

2. **Just because you're "the most of something" doesn't mean you can't do lots of different things. Being unique is not about being narrow.**

Tony Hsieh, the high-profile CEO of Zappos.com, understands that his fast-growing company is revered among shoe lovers for the vast array of footwear it offers, and that it owes much of its success to its mastery of this one product category. But he is adamant that as a brand and as a culture, Zappos is not primarily about selling good shoes — it is about delivering great service, a most-of-something commitment that can take the organization into all sorts of related (and unrelated) categories without diluting what makes it distinctive. Already Zappos offers clothing, bags and other fashion accessories, plus housewares and skin care, and Hsieh is reluctant to rule out expanding into all sorts of new fields.

3. **Long-term success is about more than thinking harder than the competition. It's also about caring more than the competition.**

The leaders at Magazine Luiza, the Brazilian retailer whose growth has confounded its mainstream rivals, make a direct connection between what they think and how they work. Among business professors and management consultants, Magazine Luiza's unorthodox business strategy is the stuff of admiration and curiosity. But among rank-and-file Brazilians, the company's larger-than-life workplace rituals and open-book culture generate as much attention and acclaim as its focus on low-income customers. Every Monday morning, for example, employees around the country assemble to sing songs, say a prayer, do exercises and celebrate birthdays and the arrival of new colleagues. Every Thursday, staffers watch an entertaining 45-minute broadcast (TV Luiza) in which executives discuss the latest wrinkles in tactics, high-performing employees share their best practices and everyone reviews the latest ads and promotions. Meanwhile, the company shares detailed information on revenues, costs, margins and profits across the organization.

4. **In a world of endless choice, companies must engage customers emotionally, not just satisfy them rationally. Remember, if your customers can live without you, eventually they will.**

That's the simple (and powerful) lesson behind Gallup's research on the relationship between companies and their customers. The differences in behavior between customers who were "rationally satisfied" with products and services versus those who were "emotionally engaged" were striking — and had a striking impact on business performance. Overall, Gallup found that "fully engaged" customers "deliver a 23 percent premium over the average customer in terms of share of wallet, profitability, revenue and relationship growth."

5. **Starting something new doesn't always mean starting a new company. You don't need to be a blank-sheet-of-paper entrepreneur to embrace a blank-sheet-of-paper mindset.**

Starting something new doesn't have to mean starting from scratch. Some big, established organizations can become the "most of something" in their field — if they can find ways to challenge middle-of-the-road thinking and develop strongly felt opinions that respond to fast-changing markets, fast-moving technologies and fickle customers. ●

PART THREE: CHALLENGING YOURSELF

Leadership Without All the Answers — Ambition, Humbition and the Power of Hidden Genius

What's humbition? Jane Harper is a 30-year veteran of IBM who devoted her career to transforming how this once-famously top-down organization, founded by the larger-than-life Thomas Watson, approaches innovation, collaboration and leadership. Humbition, Harper explains, is the blend of humility and ambition that drives the most successful businesspeople — an antidote to the hubris that infects (and undoes) so many executives and entrepreneurs. (She says the term was coined by researchers at Bell Labs who were looking to describe the personal attributes of the most effective scientists and engineers.) The smartest leaders, she argues, are smart enough to admit that they cannot take all the credit for their success. More likely than not, what they've

achieved is some combination of good fortune, great colleagueship, and the random collision of smart people and bright ideas.

In a manifesto of sorts that urged up-and-coming IBMers to embrace a new leadership mindset, Harper and a group of her colleagues offered a compelling description of what it takes to succeed in a complex, fast-moving, hard-to-figure-out world. Their strongly worded advice to aspiring leaders inside IBM should be read as words of wisdom for leaders at every level of all kinds of organizations.

"Humbition is one part humility and one part ambition," they wrote. "We notice that by far the lion's share of world-changing luminaries are humble people. They focus on the work, not themselves. They seek success — they are ambitious — but they are humbled when it arrives. They know that much of that success was luck, timing and a thousand factors out of their personal control. They feel lucky, not all-powerful.

"Oddly, the ones operating under a delusion that they are all-powerful are the ones who have yet to reach their potential. … [So] be ambitious. Be a leader. But do not belittle others in your pursuit of your ambitions. Raise them up instead. The bigger leader is the one washing the feet of the others." ●

Hidden Genius at Work — From Shared Minds to Helping Hands

Are there examples of group genius at work that the rest of us can put to work in our organizations?

One colorful answer to this pragmatic question involves the leadership journey of John Fluevog. For nearly 40 years, this Canadian-born designer has been creating high-profile, high fashion (and pretty high-priced) shoes that he sells in his own high-end boutiques in Boston, Toronto, Montreal, New York, Los Angeles and several other cities across North America.

With tongue in cheek, Fluevog calls himself the company's "sole proprietor" — and there's no question that when it comes to footwear, few designers have his flair or his following.

Some of the world's biggest stars wear his shoes, from musicians to supermodels to Hollywood celebrities. In *Truth or Dare*, the behind-the-scenes documentary of her "Blond Ambition" tour, Madonna flaunts her hot-pink Fluevogs (along with much else) before the cameras. Absolut Vodka devoted one of its iconic advertisements to a silver shoe designed by Fluevog, and his enthusiasts around the world describe themselves as "Fluevogers."

In other words, when it comes to creating shoes that are off the beaten path and on the cultural radar, Fluevog is something of a genius.

The Sole of Collaboration — John Fluevog's Genius By Design

In recent years, though, Fluevog hasn't just been presenting ideas about shoes and style to customers; he has also been soliciting ideas from them — encouraging enthusiasts to submit their own sketches for leather boots, high-heeled dress shoes, even sneakers with flair. He posts the submissions on his company's website, invites visitors to vote for their favorites, and then manufactures and sells the most promising designs.

"Customers want to express themselves, to be involved with the brand," Fluevog explained in Boston, at his boutique on shopper-centric Newbury Street. "For so long, people would hand me a drawing of their personal design for a shoe or ask if I had considered an idea they liked. This program is a natural outgrowth of that desire for connection. People want to be involved with companies they care about. We want companies to hear us."

Patricia Seybold, the influential technology analyst who chronicles the changing relationship between companies and their customers, has heard this message loud and clear. In a well-regarded book titled *Outside Innovation*, she offered a big-picture perspective on the sort of mindset flip that Fluevog's invitation presents.

"There's an underlying assumption that drives traditional innovation: 'Our experts are smarter than our customers,'" Seybold writes. "While it is certainly true that your company probably has deep subject matter expertise in a certain domain — automobile design, financial derivatives structures, new drug discovery — it's also true that your customers are subject matter experts in their own right. In particular, your customers know more about their context, their desired outcomes, their needs and their constraints than you can ever hope to learn." What's more, Seybold adds, what customers know and want will affect how they behave. "They will innovate — with or without your help — to create better ways to do things or to design products and services that meet their specific needs," she argues. "If you want to harness the power of customers' organic creativity, you need to support their creative processes with tools, with resources and with imagination."

That's precisely what Fluevog has done, and the results have been dramatic. Since he invited his customers to share their ideas with him, literally thousands of sketches have flowed into headquarters in Vancouver.

To date, nearly 300 have been good enough to get posted as finalists on the website, and the company has introduced 12 shoes based on customer designs. ●

Radically Practical (III) — Five Habits of Highly Humbitious Leaders

Yes, game-changing executives champion new ideas and disruptive points of view — they have a compelling vision for the future. But that doesn't mean they have to (or expect to) see the future by themselves. Instead, they understand how to solve problems and make things happen in a world where no one — not even them — can expect to have all the answers. What follows, then, is a set of attributes to encourage you to challenge your own ideas and assumptions about what it means to lead. Here are the five habits of highly humbitious executives:

1. **Real business geniuses don't pretend to know everything.**

Instead, they recognize that in an interconnected world bursting with small, well-trained, enthusiastic people, the most powerful ideas often come from the most unexpected places: the quiet genius that surrounds the organization, the hidden genius of customers, suppliers and other constituents who would be happy to share what they know if they were asked. That's the mindset of executives who figure out how to get killer results without killing themselves — and the difference between raw ambition and open-minded humbition.

2. **The most creative leaders don't just tap the power of hidden genius to attract new ideas. They leverage the virtues of collective genius to evaluate the ideas they attract.**

As creativity guru Keith Sawyer notes, "The real challenge to creativity isn't only quantity; many managers are fond of saying that 'ideas are cheap.' Just as important is that, eventually, someone has to pick the best ideas."

Which is why humbitious leaders don't just encourage lots of different people to become part of the idea-generation process — they give them a voice in the *decision-making* process as well.

3. **Not all new ideas are good ideas. So leaders who ask for lots of ideas have to get good at rejecting the bad ones without demoralizing the people who contributed them.**

If you want to maintain a healthy flow of energy and ideas, you've got to keep information flowing about how and why certain ideas rise to the top.

'Ignore the Real World'

In *Rework*, a concise book that describes their expansive worldview with respect to competition and innovation, the founders of 37signals, the self-declared "enemies of mediocrity," urge their fellow entrepreneurs to "ignore the real world" as the first step to success. "The real world sounds like an awfully depressing place to live," they argue. "It's a place where new ideas, unfamiliar approaches and foreign concepts *always* lose. The only things that win are what people already know and do, even if those things are flawed and inefficient." Their company, the founders go on, has prospered because it "fails the real-world test" in so many ways — from devising ultra-simple products in a market ruled by complexity, to attracting millions of customers without salespeople or advertising. "The real world isn't a place, it's an excuse," they conclude. "It's a justification for not trying."

4. **Leaders who are eager for outsiders to share ideas with them have to be eager to share their ideas with outsiders.**

The most humbitious leaders and organizations also tend to be the best teachers, those most eager to *share* with others.

5. **Humbition can be more than an individual style of leadership. It can be an organizational way of life.**

The highest form of humbition is when executives rethink and reimagine the role of the organization itself, when they ask searching questions not just about how to charge up their supply of ideas, but about who's in charge in the first place. If you agree with creativity guru Keith Sawyer that "innovation can't be planned, it can't be predicted: It has to be allowed to emerge," then you should also agree that the ultimate opportunity for leaders is to allow as many participants as possible to emerge as leaders. ●

RECOMMENDED READING LIST

If you liked *Practically Radical*, you'll also like:

1. ***Disciplined Dreaming* by Josh Linkner.** Linkner distills his years of experience into a 5-step process that will make creativity easy for you and your organization.
2. ***Flash Foresight* by Daniel Burrus with John David Mann.** Discover the seven radical flash foresight "triggers" that have transformed dozens of careers, fortunes and lives.
3. ***Eat People* by Andy Kessler.** Kessler offers 12 surprising and controversial rules for radical entrepreneurs.

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Primal Leadership

Daniel Goleman, Richard Boyatzis, and Annie McKee

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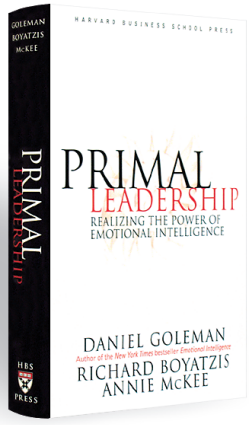
FILE: LEADERSHIP



By Daniel Goleman, Richard Boyatzis and Annie McKee

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PRIMAL LEADERSHIP

THE SUMMARY IN BRIEF

Great leaders move us. They ignite our passion and inspire the best in us. When we try to explain why they are so effective, we speak of strategy, vision, or powerful ideas. But the reality is much more primal: Great leadership works through the emotions.

Humankind's original leaders earned their place because their leadership was emotionally compelling. In the modern organization this primordial emotional task remains. Leaders must drive the collective emotions in a positive direction and clear the smog created by toxic emotions whether it is on the shop floor or in the boardroom.

When leaders drive emotions positively they bring out everyone's best. When they drive emotions negatively they spawn dissonance, undermining the emotional foundations that let people shine.

The key to making primal leadership work to everyone's advantage lies in the leadership competencies of emotional intelligence; how leaders handle themselves and their relationships. Leaders who exercise primal leadership drive the emotions of those they lead in the right direction.

What You'll Learn In This Summary

In this summary, you will learn the secrets of primal leadership by:

✓ Understanding what primal leadership is and why, when practiced correctly, it creates resonance in your organization.

✓ Understanding the neuroanatomy that underlies primal leadership and what emotional intelligence competencies you need to succeed.

✓ Understanding the six leadership styles you can use — from visionary to coaching to pacesetting — to inspire others, and when to use each one.

✓ Understanding who you are and what you need to change to become a primal leader, and then develop a plan to make those changes.

✓ Learning how to build emotionally intelligent organizations.

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The Vital Emotional Component of Leadership

Gifted leadership occurs where heart and head — feeling and thought — meet. These are the two things that allow a leader to soar. All leaders need enough intellect to handle the tasks and challenges at hand. However, intellect alone won't make a leader. Leaders execute a vision by motivating, guiding, inspiring, listening, persuading and creating resonance.

As a result, the manner in which leaders act — not just what they do, but how they do it — is a fundamental key to effective leadership. The reason lies in the design of the human brain.

The Open Loop

The brain is an open loop. We rely on connections with other people for our emotional stability. Scientists describe the open-loop system as "interpersonal limbic regulation," whereby one person transmits signals that can alter hormone levels, cardiovascular function, sleep rhythms and even immune function inside the body of another. Other people can change our very physiology and our emotions.

The continual interplay of limbic open loops among members of a group creates a kind of emotional soup, with everyone adding his or her flavor to the mix. Negative emotions — especially chronic anger, anxiety or a sense of futility — powerfully disrupt work, hijacking attentions from the tasks at hand.

On the other hand, when people feel good, they work at their best. Feeling good lubricates mental efficiency, making people better at understanding information and making complex judgments. Insurance agents with a glass-is-half-full attitude, for example, make more sales, in part because they are able to withstand rejection better than their more pessimistic peers.

A study on 62 CEOs and their top management shows just how important mood is. The CEOs and their management team members were assessed on how upbeat — energetic, enthusiastic and determined — they were. They were also asked how much conflict the top team experienced. The study found that the more positive the overall moods of people in the top management team, the more cooperative they worked together and the better the company's business results. The longer a company was run by a management team that did not get along, the poorer the company's market return. ■

Laughter and the Open Loop

A study at Yale University showed that among working groups, cheerfulness and warmth spread most easily. Laughter, in particular, demonstrates the power of the open loop in operation.

Unlike other emotional signals which can be feigned, laughter is largely involuntary. In a neurological sense, laughing represents the shortest distance between two people because it instantly interlocks limbic systems. This immediate, involuntary reaction might be called a limbic lock. Laughter in the workplace signals trust, comfort, and a shared sense of the world.

Why Good Leaders Must Read Emotions

Dissonance, in its original musical sense, describes an unpleasant, harsh sound. Dissonant leadership produces groups that feel emotionally discordant, in which people have a sense of being continually off-key. Ranging from abusive tyrants to manipulative sociopaths, dissonant leaders are out of touch and create wretched workplaces

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Why Good Leaders Must Read Emotions

(continued from page 2)

— although they have no idea how destructive they are, or simply don't care. Meanwhile, the collective distress they trigger becomes the group's preoccupation, deflecting attention away from their mission.

Emotionally Intelligent Resonance

Resonant leaders, on the other hand, are attuned to their people's feelings and move them in a positive emotional direction.

Resonance comes naturally to emotionally intelligent leaders. Their passion and enthusiastic energy resounds throughout the group. When there are serious concerns, emotionally intelligent (EI) leaders use empathy to attune to the emotional registry of the people they lead.

For example, if something has happened that everyone feels angry about (such as the closing of a division) or sad about (such as a co-worker's serious illness) the EI leader not only empathizes with those emotions, but also expresses them for the group. The leader leaves people feeling understood and cared for.

Under the guidance of an EI leader, people feel a mutual comfort level. They share ideas, learn from one another, make decisions collaboratively, and get things done. Perhaps most important, connecting with others at an emotional level makes work more meaningful. ■

The Four Dimensions Of Emotional Intelligence

There are four domains to emotional intelligence: self-awareness, self-management, social awareness and relationships management. Within the four domains are 18 competencies. These competencies are the vehicles of primal leadership. Even the most outstanding leader will not have all competencies. Effective leaders, though, exhibit at least one competency from each of the domains.

The four domains and their competencies are listed below:

Self-awareness

- **Emotional self-awareness:** Reading one's own emotions and recognizing their impact and using "gut sense" to guide decisions.
- **Accurate self-assessment:** Knowing one's strengths and limits.
- **Self-confidence:** A sound sense of one's self-worth and capabilities.

Self-management

- **Emotional self-control:** Keeping disruptive emotions and impulses under control.
- **Transparency:** Displaying honesty, integrity and trustworthiness.
- **Adaptability:** Flexibility in adapting to changing situations or overcoming obstacles.
- **Achievement:** The drive to improve performance to meet inner standards of excellence.
- **Initiative:** Readiness to act and seize opportunities.
- **Optimism:** Seeing the upside in events.

Social Awareness

- **Empathy:** Sensing others' emotions, understanding their perspective, and taking active interest in their concerns.
- **Organizational awareness:** Reading the currents, decision networks, and politics at the organizational level.

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Leadership and the Brain's Design

New findings in brain research show that the neural systems responsible for the intellect and for the emotions are separate, but have intimately interwoven connections. This brain circuitry provides the neural basis of primal leadership. Although our business culture places great value in an intellect devoid of emotion, our emotions are more powerful than our intellect. In emergencies, the limbic brain — our emotional center — commandeers the rest of our brain.

There is a good reason for this. Emotions are crucial for survival, being the brain's way of alerting us to something urgent and offering an immediate plan for action — fight, flee, freeze. The thinking brain evolved from the limbic brain, and continues to take orders from it when it perceives a threat. The trigger point is the amygdala, a limbic brain structure that scans what's happening to us moment by moment, always on the alert for an emergency. It commandeers other parts of the brain, including the rational centers in the cortex, for immediate action if it perceives an emergency.

Today we face complex social realities with a brain designed for surviving physical emergencies. And so we find ourselves hijacked — swept away by anxiety or anger better suited for handling bodily threats than office politics.

Fortunately, emotional impulses pass through other parts of the brain, from the amygdala through the prefrontal area. There an emotional impulse can be vetoed. The dialogue between neurons in the emotional center and the prefrontal area operate through a neurological superhighway. The emotional intelligence competencies hinge on the smooth operation of this circuitry. Biologically speaking, then, the art of primal leadership interweaves our intellect and emotions.

The Four Dimensions of Emotional Intelligence

(continued from page 3)

- **Service:** Recognizing and meeting follower, client or customer needs.

Relationship Management

- **Inspirational leadership:** Guiding and motivating with a compelling vision.
- **Influence:** Wielding a range of tactics for persuasion.
- **Developing others:** Bolstering others' abilities through feedback and guidance.
- **Change catalyst:** Initiating, managing and leading in new directions.
- **Building bonds:** Cultivating and maintaining relationship webs.
- **Teamwork and collaboration:** Cooperation and team-building. ■

For an example of how one company identified and developed distinguishing competencies, go to: http://my.summary.com

The Leadership Repertoire

The best, most effective leaders act according to one or more of six distinct approaches to leadership. Four of the styles — visionary, coaching, affiliative and democratic — create the kind of resonance that boosts performance. The other two — pacesetting and commanding — should be applied with caution.

The Six Styles of Leadership

1. Visionary. The visionary leader articulates where a group is going, but not how it gets there — setting people free to innovate, experiment and take calculated risks.

Inspirational leadership is the emotional intelligence competence that most strongly undergirds the visionary style. Transparency, another EI competency, is also crucial. If a leader's vision is disingenuous, people sense it.

The EI competency that matters most to visionary leadership, however, is empathy. The ability to sense what others feel and understand their perspectives helps leader articulate a truly inspirational vision.

2. Coaching. The coaching style is really the art of the one-on-one. Coaches help people identify their unique strengths and weaknesses, tying those to their personal and career aspirations. Effective coaching exemplifies the EI competency of developing others, which lets a leader act as a counselor. It works hand in hand with two other competencies: emotional awareness and empathy.

3. Affiliative. The affiliative style of leadership represents the collaborative competency in action. An affiliative leader is most concerned with promoting harmony and fostering friendly interactions. When leaders are being affiliative, they focus on the emotional needs of workers, using empathy.

Many leaders who use the affiliative approach combine it with the visionary approach. Visionary leaders state a mission, set standards, and let people know whether their work is furthering group goals. Ally that with the caring approach of the affiliative leader and you have a potent combination.

4. Democratic. A democratic leader builds on a triad of EI abilities: teamwork and collaboration, conflict management and influence. Democratic leaders are great listeners and true collaborators. They know how to quell conflict and create harmony. Empathy also plays a role.

A democratic approach works best when as a leader, you are unsure what direction to take and need ideas from able employees. For example, IBM's Louis Gerstner, an outsider to the computer industry when he became CEO of the ailing giant, relied on seasoned colleagues for advice.

5. Pacesetting. Pacesetting as a leadership style must be applied sparingly, restricted to settings where it truly works. Common wisdom holds that pacesetting is admirable. The leader holds and exemplifies high standards for performance. He is obsessive about doing things better and faster, quickly pinpointing poor performers. Unfortunately, applied excessively, pacesetting can backfire and lead to low morale as workers think they are being pushed too hard or that the leader doesn't

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A Visionary Leader

When Shawana Leroy became director of a social agency, there were clearly problems. Her predecessor had mired the agency in rules that the talented staff the agency had attracted because of its mission found draining. Despite increased needs for the agency's services, the pace of work was slow.

Leroy met one-on-one with staff and found out that they shared her vision.

She got people talking about their hopes for the future and tapped into the compassion and dedication they felt. She voiced their shared values whenever she could. She guided them in looking at whether how they did things furthered the mission, and together they eliminated rules that made no sense.

Meanwhile, she modeled the principles of the new organization she wanted to create: one that was transparent and honest; one that focused on rigor and results. Then Leroy and her team tackled the changes. The agency's emotional climate changed to reflect her passion and commitment; she set the tone as a visionary leader.

The Leadership Repertoire

(continued from page 4)

trust them to get their job done.

The emotional intelligence foundation of a pacesetter is the drive to achieve through improved performance and the initiative to seize opportunities. But a pacesetter who lacks empathy can easily be blinded to the pain of those who achieve what the leader demands.

Pacesetting works best when combined with the passion of the visionary style and the team building of the affiliate style.

6. Commanding. The command leader demands immediate compliance with orders, but doesn't bother to explain the reasons. If subordinates fail to follow orders, these leaders resort to threats. They also seek tight control and monitoring.

Of all the leadership styles, the commanding approach is the least effective. Consider what the style does to an organization's climate. Given that emotional contagion spreads most readily from the top down, an intimidating, cold leader contaminates everyone's mood. Such a leader erodes people's spirits and the pride and satisfaction they take in their work.

The commanding style works on limited circumstances, and only when used judiciously. For example, in a genuine emergency, such as an approaching hurricane or a hostile take-over attempt, a take-control style can help everyone through the crisis.

An effective execution of the commanding style draws on three emotional intelligence competencies: influence, achievement and initiative. In addition, self-awareness, emotional self-control and empathy are crucial to keep the commanding style from going off track. ■

For a story of how one visionary leader inspired janitors, go to: http://my.summary.com

The Case of Too Much Pacesetting

The superb technical skills of Sam, an R&D biochemist at a large pharmaceutical company, made him an early star. When he was appointed to head a team to develop a new product, Sam continued to shine, and his teammates were as competent and self-motivated as their leader. Sam, however, began setting the pace by working late and offering himself as a model of how to do first-class scientific work under tremendous deadline pressure. His team completed the task in record time.

But when Sam was selected to head R&D, he began to slip. Not trusting the capabilities of his subordinates, he refused to delegate power, becoming instead a micro-manager obsessed with details. He took over for others he perceived as slacking, rather than trust that they could improve with guidance. To everyone's relief, including his own, he returned to his old job.

Developing Emotionally Intelligent Leaders

The key to learning that lasts lies in the brain. Remember that emotional intelligence involves circuitry between the prefrontal lobes and the limbic system. Skills based in the limbic system are best learned through motivation, extended practice and feedback.

The limbic system is a slow learner, especially when trying to relearn deeply ingrained habits. This matters immensely when trying to improve leadership skills. These skills often come down to habits learned early in life. Reeducating the emotional brain for leadership learning requires plenty of practice and repetition. That's because neural connections used over and over

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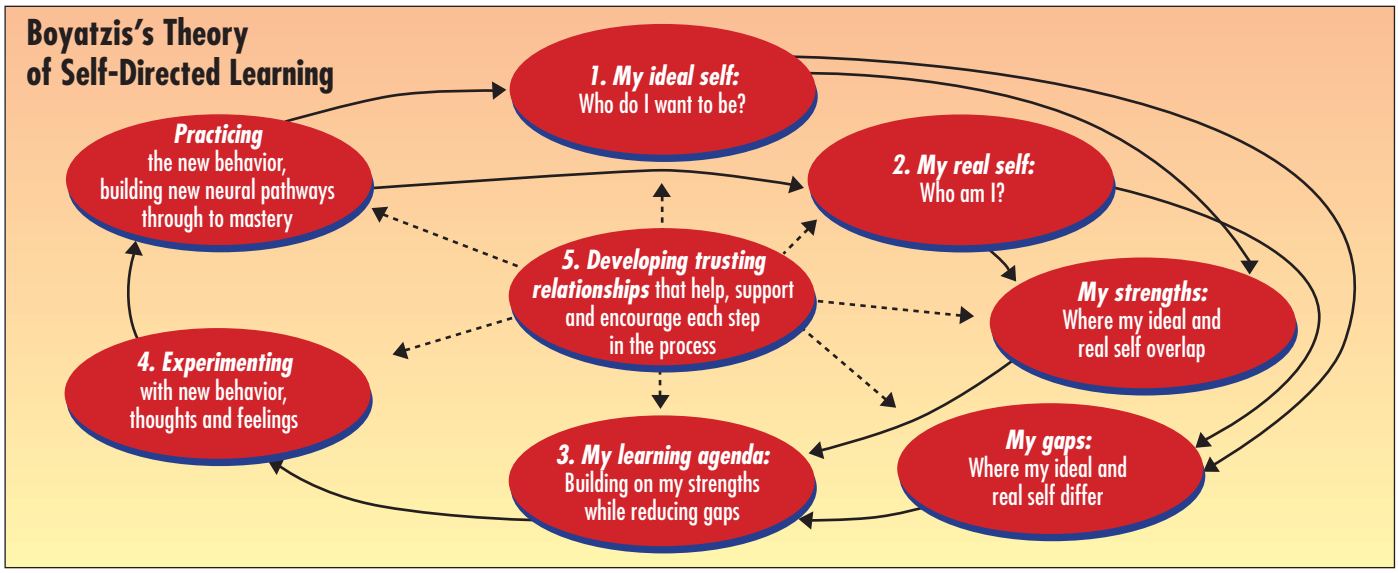

How One Leader Changed

When Nick, a star salesman, took over as head of an insurance agency in a new city, he knew he needed help. The agency was in the bottom quartile. He hired leadership consultants, who determined what type of leader Nick was. He fit the pacesetting mold, with elements of the commanding style. As pressure mounted, the atmosphere grew increasingly tense.

Nick was encouraged to focus on his salespeople's performance rather than his own. This required he use the coaching and visionary styles. Fortunately, some of the traits that made him a great salesman — empathy, self-management and inspiration — transferred well. He seized the opportunity to work one-on-one and stifled his impulse to jump in when he got impatient with someone's work. Eighteen months later, the agency had moved from the bottom to the top and Nick became one of the youngest managers to win a national award for growth.

Developing Emotionally Intelligent Leaders

(continued from page 5)

become stronger while those not used weaken.

Self-Directed Learning

To work, leadership development must be self-directed. You must want to develop or strengthen an aspect of who you are or who you want to be. This requires first getting a strong image of your ideal self, and an accurate picture of your *real* self.

Self-directed learning involves five discoveries, each representing a discontinuity. The goal is to use each discovery as a tool for making the changes needed to become an emotionally intelligent leader.

People who successfully change move through the following stages:

- **The first discovery:** My ideal self — Who do I want to be?
- **The second discovery:** My real self — Who am I? What are my strengths and gaps?
- **The third discovery:** My learning agenda — How can I build on my strengths while reducing my gaps?
- **The fourth discovery:** Experimenting with and practicing new thoughts, behaviors and feelings to the point of mastery.
- **The fifth discovery:** Developing supportive and trusting relationships that make change possible. ■

For an example of how limbic learning works, go to: http://my.summary.com

The Motivation to Change

The first discovery — the ideal self — is where change begins. Connecting with one's passion, energy, and excitement about life is the key to uncovering your ideal self. Doing so requires a reach deep inside.

You, Fifteen Years from Now

Think about where you would be sitting and reading this summary if it were fifteen years from now and you were living your ideal life. What kinds of people are around you? What does your environment look and feel like? What would you be doing during a typical day? Don't worry about the feasibility. Just let the image develop and place yourself in the picture.

Write down your vision, or share it with a trusted friend. After doing this exercise, you may feel a release of energy and optimism. Envisioning your ideal future can be a powerful way to connect with the real possibilities for change in our lives.

Next, determine what your guiding principles are. What are your core values in the areas of life that are important to you, such as family, relationships, work, spirituality and health. Write down everything you want to experience before you die. Doing so will open you up to new possibilities.

Look at Your Real Self

Once you see your ideal self, you need to look at your real self — the second discovery. Then, and only then, can you understand your strengths. Taking stock of your real self starts with an inventory of your talents and passions — the person you actually are. This can be painful if the slow, invisible creep of compromise and complacency has caused your ideal self to slip away.

How do you get to the truth of your real self? You must break through the information quarantine around you. Actively seek out negative feedback. You can do this using a 360-degree evaluation — collecting information from your boss, your peers and your subordinates. Multiple views render a more complete picture because each sees a different aspect of you.

Once you have a full picture of yourself, you can examine your strengths and gaps. Do this by creating a personal balance sheet, listing both. Don't focus solely on the gaps.

Metamorphosis: Sustaining Leadership Change

It's now time to develop a practical plan to learn leadership skills, which is the third discovery. Focus on improvements you are passionate about, building on your strengths while filling the gaps. Craft specific, manageable learning goals that are tied to the goals that motivate you. When goal-setting, consider that:

(continued on page 7)

Are You a Boiling Frog?

If you drop a frog into boiling water, it will instinctively jump out. But if you place the frog in a pot of cold water and gradually increase the temperature, the frog won't notice the water's getting hotter. It will sit there until the water boils. The fate of that poached frog isn't so unlike some leaders who settle into a routine or let small conveniences solidify into large habits — and allow inertia to set in.

The Motivation to Change

(continued from page 6)

- **Goals should build strengths.**
- **Goals must be your own, not someone else's.**
- **Plans must be flexible and feasible, with manageable steps.**
- **Plans must fit your learning style.**

The Experimenting Stage

The fourth discovery requires you to reconfigure your brain as you practice new behaviors to the point of mastery. You can only do this by bringing bad habits into awareness and consciously practicing a better way. Rehearse the behavior at every opportunity until it becomes automatic.

Improving an emotional intelligence competency takes months because the emotional centers of the brain are involved. The more often a behavioral sequence repeats, the stronger the underlying brain circuits become, as you rewire your brain. Like a professional musician, you must practice and practice until the behavior becomes automatic.

A powerful technique you can use is the mental rehearsal. Envision yourself repeating the behavior you want to master over and over again. This, coupled with using the behavior as often as possible, will trigger the neural connections necessary for genuine change to occur.

Supportive and Trusting Relationships

Finally, begin applying the fifth discovery — the power of supportive relationships. For anyone who has gone through leadership development that works, the importance of the people along the way is obvious. Having supportive people around when you want to change can make a big difference. Positive groups help people make positive changes, especially when the relationships are filled with candor, trust and psychological safety.

For leaders, that safety may be crucial for learning to occur. Leaders often feel unsafe in the spotlight, and avoid risk-taking change. Where can you find these relationships? One approach is to find a mentor. Another is to hire an executive coach. ■

Building Emotionally Intelligent Organizations

When it comes to leadership, changing a single leader is only the beginning. The rest of the job is to develop a critical mass of resonant leaders and thereby transform how people work together.

Parallel Transformations

The most effective leadership development works hand in hand with parallel transformations in the organizations that those leaders guide. Groups only begin to change when they understand how they work, especially if there is discordance. They must understand what the underlying group norms are, and then develop the ideal vision for the group.

The Power of Group Decision-Making

Group decision-making is superior to that of the brightest individual in the group — unless the group lacks harmony or the ability to cooperate. Even groups with brilliant individuals will make bad decisions in such an environment. In short, groups are smarter than individuals when (and only when) they exhibit the qualities of emotional intelligence.

> ***Groups are smarter than individuals when (and only when) they exhibit the qualities of emotional intelligence.***

Leaders ignore the power of the group at great cost. You can't assume that the force of your leadership alone is enough to drive people's behavior. Don't make the common mistake of ignoring resonance-building leadership styles and steam-rolling over the team using the commanding and pacesetting styles exclusively.

To lead a team effectively, you must address the group reality. Leaders who have a keen sense of the group's pivotal norms and who are adept at maximizing positive emotions can create highly emotionally intelligent teams.

Maximizing the Group's Emotional Intelligence

A group's emotional intelligence requires the same capabilities that an emotionally intelligent individual does — self-awareness, self-management, social awareness and relationship management. A group expresses its self-awareness by being mindful of shared moods as well as the emotions of its members.

Emotions are contagious, and a team leader needs to understand how to keep a bad mood from spreading. For example, imagine a meeting held in an out-of-the

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Building Emotionally Intelligent Organizations

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way location and a team member arriving late exclaiming that the meeting location is very inconvenient for him. If the member's anger is allowed to fester, it will infect the whole team. But if instead, the leader acknowledges the sacrifice the member is making and thanks him, the anger dissipates.

The leader who wants to create an emotionally intelligent team can start by helping the team raise its collective self-awareness. This is the true work of the team leader. Initiate the process by looking at what's really going on in the group. Uncover the team's less-productive norms and work with the team to change them. ■

For examples of group havoc, go to:
http://my.summary.com

Reality and the Ideal Vision

Just as was the case with teams, a leader who wants to change an organization must first understand its reality. Change begins when emotionally intelligent leaders actively question the emotional reality and cultural norms underlying the organization's daily activities and behavior. To create resonance and results, the leader has to pay attention to people's emotions. Even toxic organizations can change.

Dynamic Inquiry

A process called dynamic inquiry can help you discover an organization's emotional reality — what people care about, what is helping them, their group, and the organization to succeed, and what's getting in the way. The process uses focused conversations and open-ended questions intended to get to feelings.

A leader who wants to change an organization must first understand its reality.

Themes become apparent from these conversations, which are then taken to small groups for more discussion. The conversations that ensue about what's right and what's not create momentum. People feel inspired and empowered, willing to work together to address their collective concerns.

Once they do, you will be able to help the organization define its ideal vision — one that is in sync with individual hopes and dreams. ■

For a story of how one Ivy League school changed, go to:
http://my.summary.com

Shoney's Transformation

The Shoney's restaurant chain had a close-knit group of executives at the top — people who knew each other well, shared history and beliefs, and generally thought they knew how to run their business. In reality, they were an old-boy's network of white male senior executives with an underlying culture that left people of color behind.

All that changed when the company paid $132 million to settle a class-action lawsuit by employees and applicants who alleged discrimination. A cadre of new leaders have changed the company's culture and broadened opportunities so much that ten years later, the company was listed as one of the top 50 companies for minorities by Fortune magazine.

The change occurred because the lawsuit was a wake-up call regarding the reality of the company's dissonant culture. The new leaders identified an ideal vision that would guide hiring practices, and the organization embraced that vision.

Creating Sustainable Change

How does a leader create sustainable resonance in an organization? Every large organization has pockets of resonance and dissonance. The overall ratio determines the organization's emotional climate and performance. To shift the ratio toward resonance, cultivate a dispersed cadre of emotionally intelligent leaders.

To do that, leadership training must be the strategic priority and be managed at the highest level. Commitment must come from the top. That's because new leadership means a new mindset and new behaviors, and in order for these to stick, the organization's culture, systems and processes all need to change.

Let's say that as a leader, you get it. You've set the stage by assessing the culture, examining the reality and the ideal. You've created resonance around the idea of change, and you've identified the people who will take top leadership roles. The next step is to design a process that lets those leaders uncover their own dreams and personal ideals, examine their strengths and their gaps, and use their daily work as a learning laboratory. That process must also be self-directed and include the following elements:

- **A tie-in to the organization's culture.**
- **Seminars emphasizing individual change.**
- **Learning about emotional competencies.**
- **Creative learning experiences.**
- **Relationships that support learning, such as executive coaching.** ■

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Primordial Leadership

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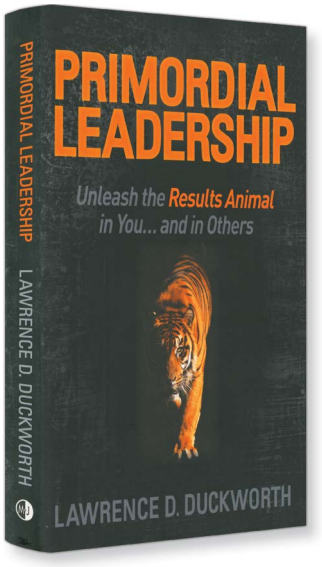
Unleash the Results Animal in You ... and in Others



by Lawrence D. Duckworth

THE SUMMARY IN BRIEF

In *Primordial Leadership*, seasoned C-executive Larry Duckworth applies cutting-edge neuroscience to the business world to reveal why people behave the way they do — at the most basic "Primordial" level — and how to leverage these powerful behavioral insights into extraordinary results.

Science has identified that our most basic Primordial Drive™ as humans is to perpetuate the species' genes. Duckworth goes further and identifies how six enabling Primal Drives™ — Safety, Self-Interest, Hope and Transcendence, Honesty and Trust, Energy and Time Optimization, and Sociability — are at work in specific leadership settings. Harnessing these deeper Primordial forces present in all human "animals" can clearly differentiate you as a more powerful, valuable leader to both your followers and from the peers with whom you're competing.

Duckworth's C-level practical, Primordially based advice has been field-tested and proven in private and public businesses, non-profits and government entities. *Primordial Leadership* will help you ignite zeal; improve innovation; effectively manage strategic, annual and operating planning; avoid change resistance; and know what to do when there is "no way out."

True leadership excellence is within you. It's time to unleash the beast!

IN THIS SUMMARY, YOU WILL LEARN:

- Effective Primordial Leadership To-Dos.
- The six leveragable Primal Drives.
- Steps that will help align Primal Drives to change.
- How to envision success and then execute the vision.

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Skillsoft

THE COMPLETE SUMMARY: **PRIMORDIAL LEADERSHIP**

by Lawrence D. Duckworth

The author: Lawrence D. Duckworth brings both professional leadership and performance improvement expertises and experiences to BusinessExcel, LLC and to EGL Holdings as a Business Excellence consultant and CEO-In-Residence. He has been a C-Executive for private and public companies, has taught business and leadership at three universities, and has led leadership seminars in various industries. He is a frequent presenter for PEX Network.

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For additional information on the author go to www.primordialleader.com.

Preface

The fact is that you, all of your peers and all of your stakeholders are *animals*. Science has taught us, as animals, that the deepest Primordial Drive at the core of all of us is to perpetuate our species' genes, no matter what. More than any other drive or motivation we may experience in life, this Primordial Drive is the most powerful, pervasive drive of all.

The Primordial Drive is enabled by consistent, powerful Primal Drives™, and all can be leveraged via the Judo Principle™ for results-generating leadership. Effectively "unleashing the animal" in you and in others will yield many results, benefits and rewards by taking your leadership to the next, A-player level.

The Primordial Drive and the enabling Primal Drives represent the key, *deepest possible* "Why" behind our behavior. When an understanding and leveraging of the Primal Drives is combined with the power of envisioning and values, the improved leadership results can be remarkable.

As business leaders, we are after results and are on a constant quest to better achieve those results. Developing our envisioning capability, applying core values, and leveraging the six Primal Drives, with provided methods and tools, are a way to consistently do so, when used in self-management, leadership, marketing, sales and other relationships. The six Primal Drives are

1. Safety
2. Self-Interest
3. Hope and Transcendence
4. Honesty and Trust
5. Energy and Time Optimization
6. Sociability

The first three, in order, are the most powerful and prevalent, and the second three slightly secondary in power. Different combinations of the Primal Drives, or a "marbling" effect, will exist in different situations. The "art" of leadership lies in understanding what kind of marbling achieves results per situation.

The Judo Principle, applying the principles of Judo/Jujitsu, means proactively harnessing the power of the key, basic Primal Drives *for* you, rather than letting them overcome you. The Judo Principle can also be used for all forces you encounter, pro and con (the latter for turning problems into opportunities).

The leader who understands the true, underlying, controlling Why of behavior motivation and then Judo-leverages the insights is the one who will achieve better, deeper, more powerful results.

A Brief History of Western Leadership Thought in the Last 100 Years

To establish the context for the new art of Primordial Leadership, we must first summarily trace the evolution of leadership thinking in the last 100 years in the industrial regions of the world, especially the West. A seminal evolution/revolution in "modern" leadership thinking started in America and continues to develop today. This context shows why the focus on Primordial Drive and its enabling Primal Drives is the next step in continual leadership excellence.

During the Industrial Revolution, workers were treated as veritable servants. Prior to more modern sensitivities, workers up until the early to mid-1900s were very typ-

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Rebecca Clement, Publisher; **Sarah Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Amanda Langen**, Graphic Designer; **Elizabeth Van Woert**, Contributing Editor

ically subjected to low status, harsh roles, abusive conditions, poor pay, and even physical danger and death.

Attempts to unionize to gain power for workers started to gain traction in the late 1800s, originally often by women. In the later 1800s and early 1900s in the U.S., Samuel Gompers and others eventually founded labor unions to fight for more worker power against the top-down, one-sided impositions of industrialists.

More modern leadership views began evolving in the early to mid-20th century in the West. As economic strength increased, there were more societal pressures for owners to be more compassionate and flexible.

Maslow, Herzberg and Drucker

The mid-20th century work of Dr. Abraham Maslow was a major breakthrough in beginning to better understand human behavior in the workplace. Maslow set up a hierarchic theory of needs. All of his basic needs are instinctive, equivalent of instincts in animals. Maslow's basic needs are as follows:

- Physiological needs (Air, Water, Food, Shelter)
- Safety Needs
- Needs for Love, Affection and Belongingness
- Needs for Esteem
- Needs for Self-Actualization

Maslow importantly described the *impacts,* or the *results,* of the underlying (yet unidentified) Primal Drives, including a flow of needs as each lower level was met, and thus by identifying their symptoms, he got close to the lower, causative Primal Drives.

Dr. Frederick Herzberg, a psychologist and professor, helped us understand even more about human motivations, with his Two Factors Theory. As explained by Joseph Gawel of the Catholic University of America: "In summary, *satisfiers* describe a person's relationship with what she or he *does*, many related to the tasks being performed. *Dissatisfiers* have to do with a person's *relationship to the context or environment in which she or he performs the job.* The satisfiers relate to what a person does, while the dissatisfiers relate to the situation in which the person does what he or she does."

Satisfiers include achievement, recognition, work itself, responsibility, promotion and growth.

Dissatisfiers include pay and benefits, company policy and administration, relationships with coworkers, supervision, status, job security, working conditions and personal life.

In terms of the Primal Drives, Herzberg missed the deeper Why causal factors, but he did reflect the marbling nature and impacts of them in varying, complex situations.

Dr. Peter Drucker of Harvard has been called the most influential management thinker of the 20th century. His books were and are devoured by leaders.

He stressed five key things:

- Managing time
- Choosing what to contribute to the organization
- Knowing where and how to mobilize strength for the best effect
- Setting the right priorities
- Knitting all of them together with effective decision making

Drucker's "Five Most Important Questions" were

- What is our mission?
- Who is our customer?
- What does the customer value?
- What are our (target) results?
- What is our plan?

Successful leadership yields *results*. Drucker says to focus on the key areas that will make the biggest difference, picking only the key ones as important, communicating the Whys (including why the rejected alternatives are not as strong), gaining emotional support, and executing to exceed plans.

Primal Leadership, the 2004 evolutionary book by university professors Daniel Goleman, Richard Boyatzis and Annie McKee, got the closest yet to the key Whys behind how to successfully get the most out of yourself and others. It presents many compelling scientific studies and surveys linking the brain's functions to management.

In addition to being based on direct observation, Primordial Leadership moves the ball forward from these great minds by addressing the very deepest Why behind behavior and providing powerful, practical tools and insights.

Summary of the Primordial Drive and the Enabling Primal Drives

The Primordial imperative is to survive the very competitive, unsympathetic "natural selection" process that is required for survival and to perpetuate the genes of the species, which is the most basic, "primordial," DNA-level drive of all.

Thus, we need to proactively understand, appreciate and leverage that core drive and its enabling Primal Drives in all human interactions — as an imperative. We need to realize several very important things:

• There is indeed a deep, primordial "factory" or "engine" that drives our genes' survival probability.

• Along with strong, spatial cognitive envisioning skills and values, leveraging the Primal Drives provides strong, differentiated capabilities relative to those less knowledgeable. This allows us to stand out as different and more valuable.

• While we may know the term "Primal Drive," until now we have not deeply understood and applied on a purposeful basis the unequaled powers of the Primal Drives for better and different business results.

• Although we may not have been consciously aware of them, the Primal Drives are even more pervasive and powerful to utilize than leadership training and management books to date have identified! New insights allow new skills and actions.

The Six Primal Drives

Think of the Primal Drives as being the quiet but all-powerful "operating system software" that secretly manages everything we do, but well below the conscious/awareness level.

1. Safety: Safety is the most controlling and pervasive Primal Drive we have, and it needs to be proactively harnessed *at all times*; yet its power and pervasiveness are usually not sufficiently understood or not used strongly and purposefully enough. It is the elephant in the room, and we must *always* harness it to avoid getting trampled.

When change or a new opportunity or a challenge comes up, we will, far below the conscious level, instantly first determine if the contemplated action or situation is Safe or not — or if not acting is perhaps even more unsafe. The scope and importance of the issue will determine the degree to which this factor plays.

2. Self-Interest, including greed, selfishness, self-realization and some narcissism: Adam Smith spoke of the Self-Interest drive in his *1776 Wealth of Nations*, noting "the invisible hand of self-interest" as being pervasive and vital to success. He was correct.

Even though second in power of the Primal Drives to Safety, Self-Interest is the most controversial Primal Drive, especially if no Sociability is involved (taking into account what is also good for others) as a brake. Self-Interest (greed) is a derided Primal Drive, but it is a key to business, democracy and capitalistic prosperity. It is key to wealth being generated for others, versus all being at subsistence levels.

3. Hope and Transcendence: These linked drives are a forward-looking Primal Drive that leads to Safety and Self-Interest *in the future*, recognizing that change is inevitable over time.

Leadership that evokes a vision, hopefully correctly, automatically communicates Hope. The loss of Hope is when most relationships finally end, including at work and at home as well.

Transcendence is a Primal Drive for constant change and improvement over time. It provides a change openness mentality if properly positioned and explained. A key is to credibly paint a vision of what the planned actions will *avoid* in the future or even now.

4. Honesty and Trust: Honesty and Trust Drives are protectors of Safety, Self-Interest, Transcendence and Sociability, today and tomorrow, and are kind of a "third-dimension" protective Primal Drive for managing results via people relationships over time. These are powerful drives and important to Judo-leverage, but truth must be pervasive to be successful. The Honesty and Trust drive results in all of us having a good barometer of the character and thus dependability (Safety) of other parties in a relationship relative to our own self-interests.

The fact that "the truth hurts" has led some to believe that being evasive or dishonest is the easier path. However, other people have very rich "antennae" and will subconsciously quickly pick up honesty and trustworthiness concerns.

Honesty and Trustworthiness are powerful Primal Drives to be Judo-leveraged for you and not against you. Such drives must come from the core of individuals to be received as real and not just "put on."

5. Energy and Time Optimization: The Energy and Time savings Primal Drive is responsible for very innate, DNA-level, important sub-drives such as laziness, procrastination, continually seeking easiness and convenience, taking shortcuts and saving time. There is a drive in us that says to save Energy calories for emergency use when needed and to do so purposely. Thus, laziness and procrastination are no accident; they have a core, DNA, genes-protection purpose. Saving Time has the same imperative.

When the Energy or Time cost is worse than the gain, we do not act, which may seem lazy or procrastinating, but it is deeply calculated. It is Primordial.

We constantly strive to get more results from our Time use. We see Time as a priceless resource and try to optimize its use for gain. We constantly look for more results in a time period. We also understand that "timing is everything." It is an underlying Primal Drive.

What are some everyday examples?

- Easy-open packages
- Fast-food drive-thrus

- Express lanes in the store
- Pre-packaged foods
- Bullet trains
- Microwaves
- HOV lanes

These examples did not just happen. They were *caused* to happen by the low-level energy surplus/time saving Primal Drive.

Habits are a result of this Energy Optimization Primal Drive. *Comfort zones* also form due to ease and Energy savings control — and Safety probably, since the present outcome is pre-known versus variable. These comfort zones become the enemy over time due to changes constantly occurring. We get comfortable with the status quo and do not want to expend the energy to change or accept the risks.

6. Sociability (Constraints on Self-Interest, to Enhance General Safety): Sociability has a genes-perpetuating purpose far beyond just being nice. Per Dr. Gazzaniga of the UC Santa Barbara Center for the Study of the Mind, "... Social relationships are merely byproducts of behavior originally selected to avoid our being eaten by predators" (or today, being beaten by competitors, technological change, the economy, or legal changes, the authors add).

Sociability is not a whim or accidental. It is a key survival drive, varying in intensity across individuals, is most strong in trying situations, but is the weakest Primal Drive generally. The power of "strength in numbers" causes us to protect Social circles and ties that can contribute to our Safety, Self-Interest, Energy saving and Hope/Transcendence. This drive requires us to obey mores, customs, ethics, etc., such as the Golden Rule.

Owing to nurture variances, some are obviously better than others at Sociability, and some need it less than others due to the confidence and comfort of operating alone or having insecurity about being around others.

Altruism is centered in the Sociability arena. There is Safety strength in numbers by helping others and getting the rewards indirectly by contributing to causes others will reward. Yet, altruism often fades quickly when higher-order Primal Drives are controlling, which is a special challenge to volunteer and charity organizations.

The *combination* of understanding the importance of the Primal Drives, envisioning, and values and executing this understanding via the Judo Principle is a 1 x 1 = 4 combination. Each without the other is incomplete. The combination is essential to optimal results. Together, good insights, visions and ideas that are motivational to others are powerful and provide a path to success.

The Importance of Envisioning and Values for Leadership

Stephen Covey suggested that we "begin with the end in mind." Differentiated leadership requires an innate ability to intangibly and spatially *envision an end beforehand* and the path to get from here to there (like working a maze backwards).

Great athletes envision success and then execute to the vision. Creative people, like architects, composers and others, envision the result *before* they start. A leader must do the same. A literal back-to-front "roadmap" vision in the mind is needed. Its motivating force is palpable.

Having employees tell you that they would follow you across a minefield is a metric of your envisioning capability. The other–side, end objectives are valuable to them (justifying the risks), and they know that you know how to navigate all of them through the risks and resistances that will be encountered on the journey.

Once the end is defined, the road to it is automatically more clear. For leading a project, program or entity, moving *right-to-left* is smart when planning:

1. Establish the right end: List goals and what should *not* happen.
2. Then move sequentially to the left:
   a. Key Success Factors (KSFs)
   b. Strategies for KSFs
   c. Tactics for strategies
   d. Organization
   e. Assignments for tactics
   f. KPIs (key performance indicators)
   g. Deadlines
   h. Resources
   i. Measurement
   j. Rewards
3. Note that this is a Why, What, How, Who, When flow. *Always* use it.

Therefore, in any meeting, when planning or conceptualizing, the ability to first correctly conceptualize the correct end(s) and the optimal path to get there is an important leadership intangible. Being able to "see" how things fit together and correct cause-effect associations, without even thinking about them, is an insight art and a blessing.

This native "spatial" skill of Why envisioning is the number one attribute of a leader, only after core values and the ability to understand the Primal Drives at work.

Even a narcissistic "jerk" with the right vision who protects the Safety, Self-Interest and Hope of subordinates will have zealous followers because the success potential will be worth the negatives. In the obverse, a nice person in whom no one has visionary faith will have few followers because the vision does not meet Primal needs of subordinates.

Values

Values are significantly learned by life's experience and are formed on the bedrock of the Primal Drives. The leader's values will be reflected by the organization.

Here are a few of the key value spectrums for leaders:

- Honesty or dishonesty?
- Risk taking or risk aversion?
- Brave or cowardly?
- Accepting responsibility or shirking?
- Giving others the credit or taking credit?
- Empathy or insensitivity?
- Teaching or blaming?
- Hard work or laziness?
- Working as a team member or being a loner?
- Role satisfied or dissatisfied?

In their book *Growth Thinking,* Simmons and Crawford listed five key value constructs: creating value for shareholders, creating value for employees, creating value for the ecosystem, creating value for customers, and creating value for communities.

Assessing your self-leadership potential and challenges is critical. Either leveraging or overcoming one's own values and challenges takes total self-awareness, understanding of the need to self-manage and values. Any assessment must be job specific per profiles, EEOC validated, and just one tool.

You Can't Manage Others Until You First Manage Yourself

Before we can get the most from others, we must first master ourselves. Self-management means to at least stay out of the way of others harnessing their own Primal Drives for the organization's benefit, even if we don't actively foster their Primal Drives. At a minimum we must not be part of the problem. Hopefully we can be part of the solution.

Just as respect is earned, true leadership power is earned. If others do not sense opportunity based on their Primal Drives being realized, they will be less productive than we need and perhaps even resistant. Here are the four key elements that we as leaders need to earn true leadership power:

1. We must have the insight and vision to correctly determine *what* needs to be done and Why; and communicate it.
2. We must ensure that others' Primal Drives will be met both by the correct vision and in how that vision is executed.
3. We must practice the needed Values that serve the Primal Drives in others.
4. We must not get in the way, at the very least.

Thus, we must first be worthy of success as a leader. Vision, smarts, bravery, a giving character, inner confidence, values and drive are all required — and self-management, to align and maximize the Primal Drives of ourselves and others — are the combined keys.

With the exception of a powerful, controlling vision, nothing trumps a leader's emotional commitment to harnessing his own Primal Drives to get others to commit so as to realize their Primal Drives — including other important leadership characteristics such as proactiveness, competitive spirit, street sense, risk acceptance, passion, values and charisma. All of those can and should also exist.

But unless leaders emotionally put their shoulders to the wheel to harness their own and others' Primal Drives, results will not happen as desired. As a matter of fact, if the Primal Drives are energized, then weaknesses in the other leadership areas can be overcome (except for vision quality and values).

Therefore, energizing the Primal Drives in others does require leaders to live and display the many above attributes. If not, the loss of Safety, Self-Interest, Hope and other Primal Drives will arise in others as barriers to success. We must both talk and walk these attributes at our core. They cannot be faked. It is not what we say but what we do that counts and how we do it.

Effective Primordial Leadership

The list below summarizes the actual To Dos for each Primal Drive to be Judo-leveraged in others, which means that we redirect the power of a force to our advantage. Organizing the To-Dos according to the six Primal Drives reveals the important, underlying, DNA-level Whys behind the truisms of Maslow, Herzberg and others. This helps to fortify the value of those leadership bromides by verifying that they are not whims of mere observers but actually reflect deeper, core drivers in all humans, as increasingly discovered by neuroscientists and socio-

biologists. The six Primal Drives provide a consistent, least-common-denominator construct for leadership action strategically and tactically.

Safety/Risk Aversion

- Be emotionally strong and confident, "charismatic."
- Be moral and honest, no matter the costs.
- Proactively practice good manners; insist on it for all.
- Be steady, and absorb pain.
- Use insight, vision and fairness as motivators.
- Do not allow politics to exist.
- View all as favorites.
- Communicate well.

Self-Interest

- Be a "giver"; never be a taker.
- Proactively care for the self-interests of others.
- Take calculated risks, even if failure is a possibility.
- Don't take credit; accept blame.
- Mentor and develop high-potential people.
- Practice using zeal.
- Remember to use Self-interests in action plans.

Hope and Transcendence

- Find and define the higher meanings (resonance) of plans.
- Never let others see you down.
- Never let others see management team dissension.
- Do not let political turfs control results and rewards.
- Practice urgency.
- Provide unlimited merit-based opportunity.
- Facilitate participation.
- See delegation as a means versus an end.

Honesty and Trust

- Never deceive anyone.
- Never cheat.
- Take responsibility.
- Give credit when due.
- Never allow dishonesty.
- Never allow politics.

Energy and Time Optimization

- Be seen as hardworking.
- Be energetic; set the pace.
- Lead from the front.
- Set the timetable.
- Reward hard, smart work.
- Prioritize.
- Decide what not to do or not to do yet.

Sociability

- Be personally secure; be a romantic versus a cynic.
- Trust others.
- Be sensitive.
- Use humor.
- Be approachable.
- Walk around; talk to all, and listen openly.
- Put the employees first and you second.

In just a little over 50 years, leadership success practices have dramatically evolved — and will continue to do so. The cultural, economic, technological and political contexts will also continue to change. But our core Primal Drives will not. However, they just have to be connected to the surrounding contexts by smart, savvy, results-focused leaders who strongly serve the Primal Drives of followers.

Vision, character, confidence, courage, correctly used power and drive are all needed to achieve results in an ever more challenging world. That's your job. Go for the gold intelligently, with common sense, a giving purpose and vision, attitude, judgment and ethics. Bring out the Primal Drives in your people by practicing the To-Do elements for each Primal Drive.

Planning and Effective Change Management

Planning and continual replanning are critical given the reality that not only is change an imperative, but it is even existential. Darwinism, or the survival of the most adaptable, is real, and its power must be Judo-leveraged. The alternative to doing so is very bad, recognizing that change is constant and will define and redefine destinies.

In *Future Shock,* Alvin Toffler noted that the generation at the time would see more innovation than all prior generations combined since any records were kept. Thus, change is continual in humans and is generally caused by four key forces:

- **Technology:** This is the fastest moving and most disruptive driver of change. It is also the best opportunity to change the fastest and best versus competitors.
- **Competition:** Those pesky devils! They are always doing something to change the competitive rules.
- **Laws:** Laws and regulations constantly change and enable or destroy businesses. This is especially true for federal laws. Forecasting these is a major challenge.
- **Economic conditions:** Booms and busts regularly occur. The "Kitchen" and other economic cycles are well

known. Multiple forecasting services exist to help understand what is coming.

Regardless of the right timing, knowing what changes are coming and the threats and opportunities to be prepared for to Judo-leverage is critical. How do we do that?

First, recognize that just using internal views is silently self-limiting. The hidden, inherent "as is" (change resistant) bias versus the "could be" or "should be" (change causing) is a critical challenge to be overcome from the beginning. Many methods to do so exist, including using facilitators and outside experts. Since they have no "as is" vested interests and can leave, are experienced and skilled at managing the games that will occur, and use proven processes, several types of value are provided.

Building a Change-Resilient Culture

Gaining change acceptance can have stages. These few steps regularly and consistently practiced will insulate people from the change impacts and will help align Primal Drives to change:

- Knowledge is power! Relative to change's imperative, educate, educate, educate — on the Why, What and How levels.
- Openly and often educate about our natural, Primordial, *emotional* resistance to change.
- Regularly communicate, top-to-bottom, that change is the *number-one competitive critical success factor.* Who manages it best wins and vice versa.
- Constantly communicate the changes going on around the company and the impacts.
- Note that competitors' employees are the same, so this is a change competition between us and them to best self-manage. "Let's beat those guys!"
- Educate about the *worse-evil* costs of *not* changing.
- Get ideas to adapt to the changes. Reward them, especially wins. Get buy-in.
- Solicit ideas to become the future innovator, driving changes. Reward them.
- Set up "Change Agent of the Quarter"-type reward and recognition programs at multiple levels. Make them real, visible programs. Celebrate successes.
- Do not permit change resisters, openly or quietly, to prevail. Listen to objections, looking for merit in the views. If it's just for backside protection, shut it down. Sanction if necessary.

It is a law of nature that who best plans and changes wins. Well-thought-out change is important to purposely pursue regardless of the resistance. Avoiding that resistance is usually the best path: an ounce of prevention is worth a pound of cure.

However, change is a threat for many Primal Drives if not properly and proactively handled. Not doing so is a major inhibitor of progress and may even become debilitating. Proactive methods exist to hopefully preclude change resistance from arising or to quell change resistance as much as possible. Proactive leaders position the company to see change-seeking (which is even stronger than change-resilience) as its key competitive advantage.

Conclusion

Thank goodness for leaders! They create jobs for families, enable spending in the economy and its multiplying effect, pay taxes to support governments, contribute people and monies to charities, are the backbone of our economic wealth, and supply the resources for defense from foes.

Being different and better than other leaders is key. Continually improving leadership skills is a hallmark of A-player leaders.

Recognize that your people are your key asset, and *their* Primal Drives are the "fuel" for your organization's success now and over time. Beyond not being in the way, bring out the best in them.

Study and practice the Primal Drives in ways that are creative and additive. Use the insights, methods and tools that have been provided. Per the Judo principle, proactively practice envisioning and related planning. Apply good values. Proactively get your organization to welcome change as a competitive weapon. Now, go lead!

RECOMMENDED READING LIST

If you liked *Primordial Leadership*, you'll also like:

1. ***Primal Leadership*** **by Daniel Goleman, Richard Boyatis, Annie McKee.** Great leadership works through the emotions. The authors, experts in the concept of emotional intelligence (EI), describe what managers and executives must do to become emotionally intelligent leaders.

2. ***Drucker on Leadership*** **by William A. Cohen, PhD.** Management expert William A. Cohen, Ph.D., explores Drucker's lost leadership lessons — what they are, why they are important and how to apply them.

3. ***The Truth About Leadership*** **by Barry Z. Posner, James Kouzes.** Leadership experts James Kouzes and Barry Posner share 10 time-tested fundamental truths about leadership and becoming an effective leader.

· Book 214 of 388 ·

Propeller

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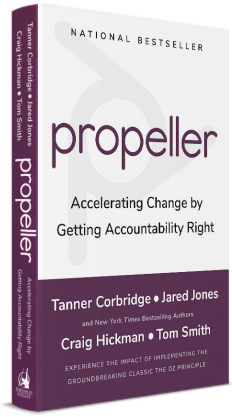
Accelerating Change by Getting Accountability Right

by **Tanner Corbridge, Jared Jones, Craig Hickman, and Tom Smith**



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THE SUMMARY IN BRIEF

The Oz Principle has sold more than a million copies since it debuted in 1994, establishing it as the go-to reference on workplace accountability throughout the world. By embracing its practical and invaluable advice, tens of thousands of companies have improved their organizational accountability—the key to achieving and sustaining exceptional results.

Now, the team at Partners In Leadership is applying 30 years of proven success to a whole new concept: ***Propeller***. This book presents a modern take on accountability while remaining faithful to the elegantly simple premise: When people take personal ownership of their organization's priorities and accept responsibility for their own performance, they become more engaged and perform at a higher level.

With all new examples and stories, ***Propeller*** builds on the ***The Oz Principle's*** legacy to inspire the next generation of readers to tap the incredible power of personal, team, and organizational accountability.

IN THIS SUMMARY, YOU WILL LEARN:

- To use accountability as a powerful, positive motivator for achieving great results.
- What it takes to operate Above the Line.
- Key principles to help you and your people See It, Own It, Solve It, and Do It.
- To practice effective Above the Line leadership.

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The Power of Getting Accountability Right

In L. Frank Baum's classic story ***The Wonderful Wizard of Oz***, Dorothy and her companions learn that no matter how difficult your circumstances, the power to address your challenges and achieve the results you desire lies inside you, not in some external force or in the hands of some guru pulling levers behind a velvet curtain.

From this, Partners in Leadership created the Oz Principle: "Only when you assume full accountability for your thoughts, feelings, actions, and results can you direct your own destiny; otherwise someone or something else will." For the past 25 years, organizations around the world have implemented this principle as a Propeller to accelerate change by getting accountability right, C-suite to front line.

Propeller captures in one word what the Oz Principle and the Steps to Accountability create: accelerated movement in a needed direction. No matter how daunting the obstacles you face, you can deepen your resolve to take accountability for your results—past, present, and future.

Such resolve moves leaders, teams, and organizations to choose optimism when pessimism is justified, to accept responsibility when blaming others is easily explained, and to move forward and win when giving up is understandable.

Ask any CEO or senior leader, and most will readily acknowledge the mistakes they've made. The most influential leaders, however, demonstrate a unique ability to make egoless adjustments to their previous decisions. They take total ownership for current circumstances and inspire a sense of optimism within the teams they lead. These are the leaders who get accountability right. And when they do, everyone who works with them wins.

Accountability for Key Results: Applying the Oz Principle, C-Suite to Front Line

Consider what images spring to mind when you hear the word "accountability." Most likely you picture some sort of punishment for a mistake, perhaps someone in authority holding your feet to the fire or hammering you for wrongdoing.

But accountability is not an accounting for misdeeds or a reckoning for one's missteps; it's a powerful motivator for getting results.

Accountability is a personal choice to rise above one's circumstances and demonstrate the ownership necessary for achieving desired results; to See It, Own It, Solve It, and Do It.

This definition suggests that accountability begins with a decision to do something to create a better outcome. It urges the person taking accountability to avoid the temptation of falling victim to difficult circumstances and embrace the opportunity of working toward a better end result.

No one gives accountability to you; you must take it. When you take it, you put yourself in charge of the outcomes you want and need to deliver.

Accountability Principles

Three basic principles will help you harness the power of accountability:

Understand the steps to accountability that promote ownership and propel change. A line separates the unproductive, time-wasting, results-impeding blame game from the Steps to Accountability that must be taken in order to deliver results. Below the Line, people focus on what they can't control, they play the victim, ignore and deny the problem, point their finger at others, cover their tails in order to get themselves off the hook, claim that it's not their job, act confused while expecting someone else to tell them what to do, or just wait to see if the issue or problem will magically resolve itself.

Above the Line, people focus on what they can control, and they assume accountability for resolving issues or problems by taking four sure steps toward getting the right result: They See It, Own It, Solve It, and Do It. People who languish Below the Line prepare stories that explain why past efforts went awry; people who reside Above the Line empower themselves to strive for better results.

Apply the model to yourself to reduce time spent below the line. There's not one of us who is immune to giving in to the temptation to take ourselves off the hook with one excuse or another: "I didn't have enough time." "That's not my job." "The schedule is too tight." "We need more resources."

It's not wrong to go Below the Line. It's human nature. We all let the gravitational force that accompanies victim thinking pull us Below the Line into the realm of excuse-making when things go wrong or challenges confront us.

But all of us can acknowledge that it's totally ineffective

The Above the Line and Below the Line language is sticky because of its simplicity and intuitiveness.

to stay there, continually rationalizing and explaining why we're stuck and can't move forward. When we find ourselves Below the Line, the best thing we can do is acknowledge where we are and choose to move Above the Line.

Adopt the common language of accountability to accelerate movement. The Above the Line and Below the Line language is sticky because of its simplicity and intuitiveness. When companies learn to use the Steps to Accountability model, they use the model's language to talk about their work. Above the Line, the Line, and Below the Line become an integral part of their daily discussions as they seek to solve problems and move forward. Adopting common performance management language gets everybody on the same page.

Key Results: Defining and Achieving What Matters Most

Creating accountability begins with clearly defining results. Clearly defined and well-understood results are those select, few deliverables that every individual in the organization is aligned around and committed to achieve, no matter his or her role, function, department, or geographical location.

These select, few deliverables are Key Results. Ideally, Key Results should be limited to three to five meaningful, measurable, and memorable outcomes.

Key Results Principles

A culture wherein you get accountability right is created and sustained by applying four fundamental principles:

Define key results to promote accountability and facilitate needed change. As leaders clearly define a manageable number of meaningful, measurable, and memorable Key Results, individuals are actually empowered to take accountability to look at what else they can do to achieve them.

Create joint accountability to improve the probability of achieving Key Results. Since achieving Key Results almost always requires a concerted effort by more than one person, success depends on shared ownership and joint accountability. When you get a workforce asking the question "What else can I do?" to achieve the result, especially during times of uncertainty, stress, challenge, or difficulty, magic can happen. That's the power of joint accountability. Joint accountability often requires that a company dismantle its silos and create cross-functional teams.

Realize that working to achieve Key Results is the essence of working above the line. When people get stuck Below the Line, they have given up on the results and are now working on the story they can tell to justify why they can't do it. Taking accountability always poses a certain amount of personal risk. "I'm just doing my job" creates a comfort zone, but that comfort zone often threatens your ability to get results. The comfort it provides is an illusion. Overcoming that illusion requires taking accountability for owning "my impact" on achieving the Key Results, which only happens Above the Line.

Ring the bell of success as progress is made to keep people focused on their impact. Leaders should "ring a bell" that signals achievements along the road to results. It can take many forms, be it an actual bell or something else that provides meaningful recognition. Without clear reminders of progress, people can get lost in the daily activity it takes to do their jobs and lose their focus on results. Recognizing positive performance wherever and whenever it shows up creates momentum and reinforces the importance of taking personal and joint accountability for what matters most.

See It: Mustering the Courage to Acknowledge Reality

Seeing It is the first and the hardest step Above the Line. Seeing It requires a level of curiosity, courage, and humility that allows you to hear what you may be uncomfortable hearing.

In order to fully See It, you must be hungry for perspectives you don't already have, you must be able to face reality, and you must be willing to acknowledge that you don't have all the answers. Without curiosity, courage, and humility, you will be severely limited in your ability to See It.

See It Principles

These four See It principles will help you begin to change what needs changing:

Park your ego at the door to improve your vision. Egotism is a choice one makes to place themselves at the center of their world and focus almost exclusively on satisfying their own needs and welfare first. This choice keeps people from seeing the full picture.

If you want to increase workforce engagement, ensure everyone knows you hear their voices. Engaging workers requires that leaders set aside any preference for the outdated "command and control" or "the boss knows best" style of management.

Welcome difficult conversations to make them contagious. Candid and honest dialogue helps everyone to see the reality of a situation. Do "candid and honest" occasionally, and you will go broke gradually, then suddenly. Do it all the time, and you will prosper.

Kelli Valade's promotion to president of Chili's Grill & Bar in 2016 shows the benefits of having open feedback ingrained as a habit. Her new job put Kelli in charge of overseeing all aspects of domestic restaurant operations, marketing, franchising, and human resources for the brand, which operated roughly 1,600 restaurants at the time.

Immediately after assuming the top job, she knew that effectively leading the company's far-flung network would depend on increasing the number of difficult conversations she and her people had. She formed what she called "Kelli's Councils." These councils, composed mostly of front-line staff and managers, became her operational eyes and ears.

As she formed these councils within every region of the organization, she began learning about tactical problems that were occurring within the restaurants' day-to-day operations. This early warning system enabled her to streamline operations and increase revenue quickly, thereby demonstrating to the entire organization that "feedback is priceless," a mantra Kelli recited to her people every day.

Embrace the feedback you receive to accelerate your ability to change. It takes patience, persistence, and courage to ask for and listen to the hard truths. Seeing It depends as much on your ears as on your eyes. As you come to understand that reality at your core, you will seek and provide feedback as if your life depends on it.

Link what you see to Key Results to keep you on the path to achieve them. You may see a lot of problems you think your organization should solve, but unless a given problem prevents you from achieving the Key Results you're seeking, you should not make it a top priority. You must both know and understand the Key Results, why they must be achieved, and whether or not specific problems need to be solved in order to achieve them.

Own It: Assessing Agreement and Defining Involvement

Taking the Own It step goes way beyond a dictionary's definition of ownership. Someone demonstrates ownership when they are able to connect present circumstances with both the past and the future.

All of us have made decisions, taken actions, and responded to information that has led us to our current circumstances. We need to own those realities. When we do own them, we find greater power to affect our futures.

Own It Principles

The following model provides an easy-to-remember snapshot of the most common levels of ownership. The two key elements that determine each level of ownership are agreement and involvement.

Understand the consequences of (−) negative ownership. Negative Ownership = uninvolved and disagree. This (−) Negative Ownership posture, where people disagree with the direction and refuse to get involved in its implementation and achievement, undermines the delivery of Key Results at every turn. Issues and problems remain unseen and unaddressed as people purposefully withhold information needed to identify, correct, and resolve them.

Additionally, individuals at the (−) Negative Ownership level rarely remain quiet about their discontent. They often work to recruit allies to support their disgruntled positions, often becoming a cancer that infects the entire culture. When you add up their lack of agreement and their lack of involvement, you get (−) Negative Ownership that actually pulls you backward.

Resist the deception of (0) Zero Ownership. Zero Ownership = uninvolved and agree. A leader with (0) Zero Ownership has thoughts like these: "I agree something needs to be done, but it's not my job to figure this out. It's *their* problem. Let *them* figure it out."

The problem here is, people really believe it's not their job to be involved. For this reason, (0) Zero Ownership can be very deceptive. On the surface it sounds like there is some ownership. People speak to the issue at hand with passion, fully acknowledging the severity of the situation, but then exempt themselves from actually participating in the process of solving it or engaging with the team to achieve it.

If left alone, (0) Zero Ownership can establish a precedent for inaction throughout the organization. For those at (0) Zero Ownership, the buck keeps passing without ever landing on anyone's desk.

> Applying the Solve It step requires openness, authenticity, and humility on the part of the leader.

Embrace the advantage of (+) Positive Ownership. Positive Ownership = involved and disagree. This involves those who disagree with the target but are entirely involved in achieving it. Their disagreement can manifest itself in countless ways. Some may disagree because the metric and target they've been asked to deliver don't seem reasonable. Others might disagree simply because they lack data or understanding or needed context.

What's the advantage of (+) Positive Ownership? It's simple: While people with (+) Positive Ownership openly communicate their disagreement, they are committed to focusing on what else they can do to get the needed result and taking the necessary actions to make it happen. In this case, their involvement speaks louder than their disagreement.

Positive Ownership propels you forward precisely because people at this level take positive steps, despite the fact that they disagree.

Harvest the power of (++) Total Ownership. Total Ownership = involved and agree. Here, people fully agree with and quickly become involved in delivering the needed direction, target, or outcome. Their agreement and buy-in are what separate them from the (+) Positive Level of Ownership. Because of their agreement they do not, even for a moment, vacillate between opinions. Once a decision is made, they move without hesitation and immediately invest themselves in delivering the targeted result.

They bring their best creative selves to their jobs, never giving up, always rejecting Below the Line thinking, and working tirelessly to succeed.

Solve It: Obtaining the Wisdom to Solve What You Own

When it comes to the Solve It step, high achievers channel their creative thinking into answering this deceptively simple yet powerfully propelling question: "What else can I do?"

If achieving needed results begins to seem increasingly unattainable, they again ask themselves if there's something else they can do to get things back on track and moving in the right direction. Asked over and over again, this question, "What else can I do?" reflects the Solve It attitude and mindset that most often differentiates those who win from those who lose.

Solve It Principles

Four Solve It principles will help you stimulate the creative thinking needed to achieve Key Results:

Create space for others to fill. Applying the Solve It step requires openness, authenticity, and humility on the part of the leader. Inviting people to ask "What else can we do?" suggests that the leader expects them to come up with the best answers.

Arrogant, egoistical, and overconfident leaders will often think to themselves, "What else can I do to show people my awesome power?" Hey, look, it's a superhero! What a beautiful cape, what a guy, what a gal! But look again, and you will see someone who easily falls prey to the Emperor's New Clothes syndrome, gaining the verbal admiration of people while failing to win their minds and hearts.

Effective leaders resist the temptation to jump in and Solve It themselves and instead maximize the human capital entrusted to their leadership by encouraging everyone to keep asking, "What else can I do?"

Engage more brains at work. Ed Catmull, co-founder of Pixar Animation Studios and president of Pixar Animation and Disney Animation, once disclosed in an interview, "At Pixar, we believe strongly that filmmakers

should develop ideas they are passionate about. This may sound like a no-brainer, but in fact, the big movie studios in Hollywood have whole departments devoted to acquiring and developing projects that will only later be paired with a director for hire."

"Pixar, by contrast, never buys pitches from the outside. Instead, we encourage our people to build their ideas from scratch and we give them the resources and, crucially, the candid feedback that are required to transform the first wisps of a story into a truly compelling film."

The Pixar story illustrates an understanding of the basic human desire to create something. Human beings come hardwired with that desire. We involve ourselves in creating and improving the life that surrounds us.

Leaders who invite everyone in their organization to solve and improve the world around them reap the benefits of their people's innate desire to contribute value to that world.

Stay engaged, be persistent, think differently, and create new connections. Stay engaged. Solutions generally come only when you take the initiative to explore, search, and question, even after you think you have done everything you can.

Be persistent. You must constantly ask the Solve It question: "What else can I do?" It makes it possible for you to keep formulating the creative solutions that propel progress.

Think differently. The same thinking that got you into the problem won't get you out of it. Always solicit and strive to understand a wide range of different, even diametrically opposed, perspectives.

Create new connections. Many solutions require innovative approaches that tap into unfamiliar ways of thinking about a problem. You can take advantage of new perspectives by forging relationships with people you may not have previously considered as sources of good ideas.

Previously unconsidered relationships may include your competitors, your suppliers and vendors, or someone in another department in the company.

Maintain a culture intent on achieving key results. Ironically, some people interpret the Solve It question as "What more can I do?" which is not the same as "What else can I do?" There's a huge difference between the two. "More" can mean "more of the same old, same old." It's not just about doing more!

The word "else" suggests coming up with something new, different. "More" often courts failure; "else" generates creative new thinking that leads to success.

Do It: Exercising the Will to Do What You See, Own, and Solve

No matter what the task, you must always ask the key Do It question: Who will do what by when?

This question keeps priorities straight by removing confusion and false assumptions about important tasks. If you can't answer the Do It question, you don't have a plan or a path forward.

Do It Principles

No matter how brilliantly you've traversed the first three steps, See It, Own It, and Solve It, they mean nothing unless you use them to Do It. The value of "ideation" manifests itself in the "doing." These four Do It Principles will help you take that final step:

Learn from failed attempts to Do It. When it comes to following through on solutions, people tend to fall back Below the Line for two main reasons: an unwillingness to take the risks associated with action and an inability to maintain the discipline it takes to keep going when the going gets tough.

Learning from failed attempts to Do It ultimately means helping yourself and others to Do It. Just as a line separates the behavior needed to deliver on the Key Results from the blame game, an even finer line separates good companies from great ones: the line between Solve It and Do It.

Recognize that you're not taking full accountability until you Do It. The leaders of Redstone Federal Credit Union (RFCU) of Huntsville, Alabama, set their sights on making RFCU the best company in its industry. With 24 branch locations and 830 employees, RFCU had established an outstanding track record over the years, never failing to hit its numbers. RFCU's leaders wanted even better results.

An extensive internal survey led to two important discoveries: (1) many of the company's departments functioned in silos, with little or no interaction among key departments, and (2) members of the leadership team were not perfectly aligned behind the company's mission. The RFCU senior leadership team, led by CEO Joe Newberry, decided to build a corporate Culture of Accountability.

If leadership is an art, then Above the Line leadership is the ultimate art form.

A series of workshops led by key RFCU executives implemented the Steps to Accountability to create a company-wide commitment to achieving best-in-class status in the industry. To communicate that commitment in a clear and tangible way, they collected every single one of the organization's grievances and complaints and wrote them down on a large hatchet-shaped paper. Then they buried that hatchet. Literally.

Within six months, RFCU's already good-to-great culture became even greater. Cross-functional communication to make sure everyone could See It became a daily cultural trait, and every leader and manager aligned behind the mission to become best in class. The bank ultimately achieved 55 percent growth in annual noninterest income; 1,052 percent increase in loans; and 1,179 percent increase in average annual total member giveback (excluding dividends).

Make the Do It question part of every meeting. If you record a typical meeting, you will probably find that it ran over the allotted time, followed an agenda with too many items, did not cover all of those items, and ended with no one knowing what to do and by when to deliver the Key Results.

If you need to improve your meeting culture, make sure that the appropriate people are invited to the meeting; set a specific time limit; and make sure the meeting does not end without answering the Do It question: "Who will do what by when?"

Never stop until you achieve the key results. In 1978 an engineer was working in his garage on a way to enhance computer databases that could rival offerings from IBM and other large suppliers. Two years later, the engineer's hard work met with big success when his company, Teradata, sold its first system to a large East Coast company. That accomplishment prompted a huge celebration among Teradata's employees, who had worked together as a close-knit family for two long years.

It was Saturday morning in the parking lot of the Teradata facility, the renovated warehouse that had replaced the garage. A group of 52 excited employees and their families were holding balloons and waving banners with the slogan "Ship the Big One."

The American Van Lines driver who had been contracted to deliver the shipment couldn't help but catch the excitement from the festivities as he climbed into the cab of his 18-wheeler. As the driver started his engine and pulled out of the parking lot with The Big One aboard, the Teradata families cheered wildly. Moved by the moment, the driver waved back, shouting that he would not let them down.

Almost eight hours into his trip, the driver pulled into his first weigh station only to discover that his load weighed 500 pounds more than the legal limit. He knew the overweight problem would require a lot of paperwork and approvals that could cause a full day's delay and prevent Teradata from meeting its promised delivery date.

You can probably imagine how easy it might have been for the driver to fall Below the Line, blaming the company for the overweight problem. After all, it wasn't his fault. However, the driver stayed Above the Line by choosing to do something to solve the problem.

After some quick thinking, he turned the truck around and drove to the nearest truck stop, where he unpacked the truck's winter chains, removed a number of extra water containers and spare chairs, and then hid everything in a nearby ditch under some brush.

When he returned to the weigh station, the truck weighed 50 pounds below the limit. The American Van Lines driver made it to the East Coast and delivered The Big One on time. After hearing about the driver's experience, Teradata congratulated and celebrated him for taking accountability to get the right result.

Above the Line Leadership: Holding Yourself and Others Accountable for Results

If leadership is an art, then Above the Line leadership is the ultimate art form. First and foremost, who is the most important person to get Above the Line? Hopefully, you just answered, "I am!" Above the Line leaders work, act, and

live Above the Line. Because they do, they quickly recognize when others have become stuck Below the Line.

How do you coach people to take accountability in a way that motivates them to do their best to overcome the obstacles that block the path to achieving Key Results? Apply the LIFT Accountability Coaching model:

Listen for obstacles (See It). Above the Line leaders commit to hearing what others are thinking. They want to know what's getting in the way of achieving the needed results, and they want it all out on the table. They listen intently, withhold judgment, and ask for clarification as needed.

They do not solve problems for their people; they coach their people Above the Line, enabling them to reengage their hearts and minds so they feel responsible for discovering the needed solutions.

Identify the obstacles you can influence (Own It). Above the Line leaders help people move from See It to Own It. They do this by encouraging others to identify and prioritize the obstacles they can actually control. Sometimes it helps to list what's in and outside of the team's control.

Facilitate the Solve It question (Solve It). Sometimes jarring someone out of the habitual Below the Line thinking requires a little jolt to their psyche. "What if your life depended on it?" can provide that jolt. Regardless of the situation you face, circumstances will not likely improve until you have coached everyone to pack away their excuses for poor results and put on their best thinking caps, asking over and over and over again, "What else can I do to get the result we need?"

Test for movement (Do It). The LIFT Accountability Coaching Model is not a problem-solving tool. It's really a reengagement tool. Success is found with LIFT when people have moved Above the Line and are reengaged in solving the problem.

When testing for movement, if the team or individuals respond by saying something like, "I (we) just don't know what to do," Above the Line leaders have the patience to begin again. They Listen. Identify. Solve. Test. More often than not, people will move and re-engage.

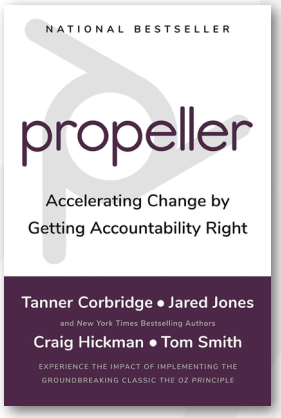
Above the Line leaders get the most out of the LIFT model when they do two things really well: keep people focused on what matters most; and model Above the Line behaviors.

Success comes from applying a more proactive version of accountability—a version focused on *taking* accountability for better results, not being held accountable after the fact. Make taking accountability the way we do things around here, and see how your results change.

Propel yourself, your team, and your organization to a brighter and better future.

IF YOU LIKED THIS SUMMARY, YOU MIGHT ALSO LIKE:

- ***The Oz Principle*** by Craig Hickman, Tom Smith, Roger Connors
- ***How Did That Happen?*** by Roger Connors, Tom Smith



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Provoke

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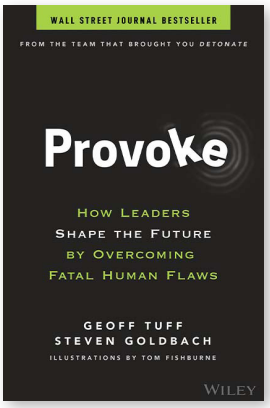

by **Geoff Tuff and Steven Goldbach**

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THE SUMMARY IN BRIEF

There's a new and effective method for seizing opportunity in the face of uncertainty. In ***Provoke***, renowned strategy consultants and best-selling authors Geoff Tuff and Steven Goldbach insightfully explore how people act tentatively in the context of uncertainty, and the authors provide the tools we need to do things differently.

Tuff and Goldbach offer the compelling argument that taking a "wait and see" approach is the exact opposite of what helps visionary leaders change the world. Drawing on principles from business and behavioral economics, the book shows readers from all walks of life how to provoke action as a mechanism to advance.

Perfect for leaders or aspiring leaders in all walks of life where uncertainty abounds—which is to say, almost everywhere—***Provoke*** will become your go-to guide to overcoming the natural human instincts that keep us frozen in place and prevent us from seizing our opportunities.

IN THIS SUMMARY, YOU WILL LEARN:

- To overcome cognitive biases that distort leadership decision-making in the face of uncertainty.
- To recognize the phase change when uncertainty moves from a question of "if" to a matter of "when."
- Five models of provocation that leaders can use to anticipate, drive, and execute phase change to create a desired future.

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Introduction

Kids love rollercoasters. They just love them. Although they exhibit patience for nothing else, they are willing to wait in a long line just to get a few minutes of thrill. They smile with glee as the car grinds and clacks up the track at a snail's pace, anticipating the hair-raising freefall that comes on the other side when all that potential energy is converted to kinetic. Not knowing precisely what's coming doesn't scare them. It excites them.

In adulthood, it's safe to say one's relationship with roller-coasters changes. There are some who still love them, but experience suggests it becomes a smaller and smaller proportion of the population as we age. For those who do not enjoy rollercoasters, the thrill is gone, and the experience is quite literally the opposite of the glee of youth.

Those Who Embrace the Ride

The history of leadership is chock-full of people who look like both types of riders: those who embrace the ride and others whose fixation on each possible pitfall renders them immobile. Both groups, in past decades, have had a reliable foundation on which to "ride," with predictable outcomes linked either to carefree confidence that everything is on a safe path or obsessive over-analysis of knowable details.

But the plight of each archetype is complicated by the realities of today's environment, which are serving up increasingly unpredictable twists, crests, and dives. Leaders will have a harder and harder time anticipating and capitalizing on the peaks.

Yet, it's at these peaks when new opportunities shift from the possibility of "if" to the inevitability of "when." To make matters worse, basic human cognitive biases—fatal flaws—narrow individual and organizational peripheral vision and lead to all-too-typical dysfunction.

The best leaders rise above these constraints to gain perspective; they set aside their terror of the ride and summon their inner child, who can better deal with the twists and turns. They recognize—and even appreciate—that while they may not be able to control all the outcomes, they can plan for and control their reactions.

These days, the conviction to act—especially in the absence of perfect data—is the only way to provoke the future you desire. Action creates potential energy. Action allows you to position yourself to see the peak sooner and more clearly than others. Action gives you the power to move through the phase change of "if" to "when" so that you can make the most use of the kinetic energy when it's released.

This is about looking forward and working through the natural human instincts that keep people frozen in place, thinking and analyzing. It is about forcefully gathering the will to act in the face of deepening uncertainty and DO SOMETHING!

PART I: PREDICTABLE PATTERNS

Patterns From the Past

When an anomaly emerges, something that might be important, the vast majority of humans behave in a persistently predictable pattern. It's as if executives are riding that roller-coaster but fail to recognize that they are in fact going up a steep slope that will at some point tip over into the ride of their lives—and not in a good way.

The potential of the trend—if it might happen—shifts to when it will happen. Too many executives fail to anticipate that phase change. They miss the trend, deny the trend, analyze the trend, or respond meekly to the trend:

Miss the trend. In general, we miss trends not because we aren't looking but because our brain processes the raw data of what we see through an unconscious filter of our own experiences. Unless you consciously learn how to turn that filter off, it can be hard to see something right in front of your nose.

Deny the trend. Denial can take many forms. People question and discredit observations. With other trends (e.g., humans' impact on climate, vaccines), that denial can include just an outright refutation of the findings. But after missing something for a long time, having it pointed out to you frequently sparks a negative response, and deniers will dig in. The lesson? People don't like to be shown they have missed something important.

(Over)analyze the trend. After a period of denial, some will turn to analysis. Executives will start to ask lots of questions about how big it is, how fast it's moving, how many people it will impact. And there are meetings . . . so many meetings . . . and all with their requisite PowerPoint decks. Some analysis leads to more analysis. The more you look at something, the more you find other ways you could look at it.

Respond meekly to the trend. Sadly, in the rare cases where executives take action—after an unduly long period of study—it's often too little, too late.

Once an 'if' becomes a 'when,'
the nature of a leader's response must change.

A chasm separates if something will happen (true uncertainty) from the uncertainty of when something will happen. This difference dictates how you act in the face of the trend, and the failure to recognize this nuance in meaning is what leads most leaders to miss, deny, analyze, and respond meekly.

These biases are the subject of Part I, which also offers solutions you can start implementing now to overcome some of these issues. Part II introduces five moves you can make, depending on whether you face an "if" or a "when." These tools will help you avoid those biases that prevent meaningful action, expand your peripheral vision to better assess your playing field, and prompt you to actually DO SOMETHING!

On the Importance of 'If" Versus 'When'

There are two phases of any trend, each characterized by the nature of the uncertainty around the trend. In the initial "if" stage, it's still uncertain if the trend will come to fruition; in the "when" stage, the trend has progressed, gathered momentum, and crossed an important inflection point where it's no longer uncertain whether it will come to fruition. It's only a question of when and, sometimes, to what extent.

Once an "if" becomes a "when," the nature of a leader's response must change. The opportunity is to focus on the moves you can make that will shape the trend to create a better future, one where your organization is advantaged.

The "if-to-when" shift is similar to a rollercoaster. That big initial climb as a cable pulls the car up the hill is the "if" stage. The rollercoaster cars are building up a ton of potential energy, and if they stop, they might just slide backwards.

But when the cars get to the peak and start to tip, that potential energy becomes kinetic and the momentum takes the cars through loops, twists, and turns, seemingly with a life of their own. Once you hit that inflection point, the "when" stage kicks in. During this transition, the critical question is how long it will take for the trend to resolve into inevitability.

The Balanced Breakthrough Model

While it's impossible to be exhaustive about all the mechanisms that might be at play in moving from "if" to "when," it's helpful to lean on something from the world of design-driven innovation called the "Balanced Breakthrough Model."

The basic notion is that a "balanced" innovation that has more likelihood of succeeding in the market will simultaneously build in aspects of desirability (the market wants it), feasibility (the innovator can produce it), and viability (the innovator can eventually make money from it).

Similarly, a trend that seems headed in the direction of checking all three of these boxes has a much higher likelihood of passing through the phase change to "when" than other, less robust trends.

Consider the launch of ride-hailing services. In markets like New York, where the existing taxi infrastructure didn't allow for calling a taxi, or consumers didn't find the experience clean, having the ability to hail a clean car from your phone at a similar price is unequivocally more desirable for the vast majority of consumers. It was quite predictable that ride hailing would take off quicker in markets with less attractive existing competition (other things being equal). The question was not "if" but "when."

As a general rule of thumb, anything that has the possibility of impacting your foundational business model—or mission—should be paid particular attention to.

Personal Patterns

It happens just about every day in organizations around the world. A combination of basic human biases—fatal flaws—and organizational dysfunction mean that most businesses systematically miss the opportunity to take early action against emerging trends—whether they are still in the "if" stage or the early stages of "when." They wait until the only choice is one of adaptation.

These fatal flaws can make the difference between an orga-

nization failing or thriving. Successfully spotting subtle—or not-so-subtle—trends that meaningfully impact the prospects for businesses is a fundamentally important capability that impacts every business, big or small, old economy or new economy, virtual or physical.

When businesses are faced with fundamental changes to the environment in which they operate, leaders have a choice—*but only if they can effectively identify the meaningful trends*. Those choices involve either riding the trend downwards, adjusting the business model to fit the emerging trend, or shaping the trend to create advantage. Let's explore several of the cognitive biases:

Availability bias. This is the tendency to rely on examples that are easy to access mentally. You've probably been in a meeting where someone would say something like, "I gave a sample to my daughter and she hated it." Although it's unfortunate that his daughter disliked the product, it certainly does not imply that research is faulty.

Egocentric bias. This is the tendency to overweight data that is consistent with one's previous point of view. The world is a muddy place, and there is often lots of data that is unclear. If you are more likely to select and use data that conforms to your view of the world, then it makes it harder for you to incorporate different views into your overall perspective.

Affect heuristic bias. This bias suggests that people base their judgments on their perceived affect toward what they are judging. Affect heuristic is a "gut" response to something that is triggered when we have strong feelings associated with the subject.

Each of the preceding three biases contributes in part to the inability of individuals to see trends that are at the "if" stage, or even the early "when" stage. The challenge of not seeing trends is further exacerbated by the human tendencies that prevent action against those trends. Several well-known biases include

Status quo bias. This is a preference for the status quo over a change. One explanation for this bias is that a deviation from the status quo is perceived by people as "losing" something—and humans are quite loss averse.

Overconfidence bias. People overestimate the likelihood that they are correctly judging a situation. Several studies have demonstrated this bias by asking people to answer questions such as how to spell words, or true/false statements on general knowledge topics, and then assessing their confidence in their answers. Systematically, people overestimate their chance of being correct.

Cognitive bandwidth of leadership. Time has become the scarce resource. Most senior leaders' days are filled with meetings, travel, and meals, with not a lot of time for themselves or to think. As a result, they rarely have sufficient time to think about the future and the challenges their businesses might face in the future. Too many organizations are governed by the tyranny of the urgent.

When all of this is taken together, what do we end up with? We have people in organizations who are biased against even seeing possible impactful trends in the marketplace, just by the nature of being human—not because they are incompetent or evil.

If they do identify a trend, they are biased against seeing it as important to their business and tend to discount it entirely. And if a trend does get raised, there are considerable organizational impediments to taking any meaningful action against it.

But there are ways for companies to pursue strategies that have them adapt and thrive.

Expanding Peripheral Vision

There are tactics you can adopt that will expand your and your organization's peripheral vision so that you can see more of the playing field, and so you'll be more likely to see the "if-to-when" trends and more prepared to take on the Provoke strategies.

Embrace Diversity

One of the best antidotes to a narrowing of organizational peripheral vision is to embrace diversity. More-diverse groups are better at solving complex problems and creating new possibilities. If you diversify the group working on a problem, you'll more likely get the right answer. How does this work mathematically? Researcher Scott Page explains it using the following formula:

Group Error = Average Individual Error – Diversity

Groups benefit from cognitive diversity because each individual in the group selects different data based on their personal biases, processes that data differently based on their experiences and learned heuristics, and reaches different conclusions.

Page explained the benefit of diversity against problem solving using the simile of an episode of the television show CSI. After interviewing one witness, you have a single angle on the crime in question. You might be able to eliminate one or two suspects.

But as you keep adding eye-witnesses, each of whom had a different angle on the crime, you can incrementally eliminate suspects and are more likely to find the perpetrator. But interviewing a bunch of eyewitnesses who saw the crime from the same angle advances the investigation less.

There are things that organizations can do to take advantage of diversity they already have:

> We must dispel the notion that strong leaders don't change their positions . . . or learn.

Teach productive interactions to embrace inclusion. The goal is to make sure that each member of the group is willing to *advocate* for the things they see, sharing the data and the logic for how they reached their conclusions. But, importantly, they also *inquire* about the data and logic of others, with the intent to learn about the way others perceive the world. This is a learned skill, and it takes a lifetime to perfect.

A simple reminder before every meeting goes a long way. You can say to yourself, "I have a point of view worth hearing, but I might be missing something."

Make flexibility in thinking a positive leadership trait. We must dispel the notion that strong leaders don't change their positions . . . or learn. This is not to suggest that flip-flopping with no explanation is a desired leadership trait: That amounts to just whipsawing the organization by constantly changing your tune about an issue with no basis for the change.

However, flip-flopping when you have new information—flexing your thinking in an explicable way—is absolutely a hallmark of effective leadership in the face of accelerating change.

There's more to being a provocateur than just being able to identify trends. You have to know what to do with them when you find them. Let's next explore five strategies for what you can do when you discover a trend that impacts your organization. How you do so depends highly on where you are in the "if-to-when" phase change.

PART II: PRINCIPLES OF PROVOCATION

Birth of a Provocation

The bombing of Pearl Harbor and the terrorist attacks of 9/11 are two of the most ingrained stories of attacks by a foreign enemy on American soil in history. The attacks share a common thread: Prevailing wisdom of the time, built on an understanding of the world, had been up to that point overshadowing the voices of those raising the alarm to the potential danger.

Many may be familiar with the failure to collate related intelligence warnings prior to the 9/11 attacks but are less aware that the attack on Pearl Harbor had its own warnings that were ignored. At the core of this breakdown was an idea—fueled by historical precedent, conventional wisdom, and basic racism—that the Japanese military simply did not have the wherewithal to attempt such an aggressive and ambitious operation.

The failure of the United States to anticipate and prepare for Pearl Harbor is a prime example of what happens when orthodoxy based on past experiences and embedded belief systems congeals to create an inability to act. Many boardrooms and C-suites are beset by the same issues.

The call to action for all leaders today is to provoke a better future—and if you're a business, a better future means one in which you are advantaged.

The Provoke Quintet

There are five general models of provocation:

- **Envision:** The foundational provocation that allows you to see the future(s) that could emerge over time.
- **Position:** Situate your organization to take advantage of the emerging future(s).
- **Drive:** Directly create an impact that is advantageous to you.

- **Adapt:** Shift your business model to best fit the inevitable outcomes, moving as quickly as possible to create advantage.
- **Activate:** Trigger a network or knock-on effect—often through an ecosystem—that stands the highest chance of leading to your desired outcome.

Let's dive into these in more detail.

Envision: Seeing the Future

Any successful envisioning exercise will allow you to accomplish three things. First, it will help you understand your frame of reference through a desired outcome. Second, it will help you develop scenarios and place initial bets. Third, it will enable you to identify signposts and leading indicators of how the future is unfolding to track over time, setting yourself up to course-correct as necessary. Consider these three steps:

Create a focal question that allows for consideration of a diversity of desired outcomes. The trick is to effectively translate your desired state into as concrete a focal question for consideration in your scenario development as possible, one that specifically addresses the decision you need to make. It should allow for flexibility to explore the rosiest of plausible scenarios you desire, but also encompass alternative futures that do not work in your favor.

Develop scenarios and place initial bets. Most organizations prize the ability to see into the future with certainty through ever-more sophisticated access to data and analytical techniques. For the increasingly complex environment in which most companies operate today, that's simply not possible. Instead, the purpose of scenarios is to "imagine with confidence" rather than bulletproof certainty.

At the heart of good scenarios lies a comprehensive understanding of all the driving forces that might impact the desired outcome and focal question. Those forces must be sorted and narrowed to focus only on the forces that will have meaningful impact on the focal question, honestly and confidently declare which of them are already in the "when" phase and should not be treated as uncertain (except regarding timing), and result in a subset of the highest- impact forces that are genuinely uncertain (i.e., in the "if" stage).

Identify leading indicators to track over time, enabling course correction as necessary. The final stage of a good envision provocation establishes what we should be paying attention to as we manage through the face of uncertainty. These are leading indicators (primarily quantitative) and signposts (primarily qualitative) that we need to build sensing systems to monitor in an increasingly intuitive way over time. These indicators and signposts provide the backbone of a sensing system that will be one of the best sources of information about when uncertainties are resolving into trends.

Position: Preparing for the Change

When you are still living in the uncertain "if" phase, there are three actions you can take to simultaneously try to provoke a phase change to "when" and try to understand when you have entered that phase change. The trick is to execute them with foresight and purpose.

Situate. With a sense for how the future might unfold through different scenarios, actions that help situate you are ones in which you place bets that maximize the likelihood that your future desired state comes to pass.

Frame. Once you know what you are trying to achieve and are in a position to take action, you need to frame an experiment in a way that will give you data on whether a hypothesis is coming true and/or whether you can catalyze events in a way that will lead it to come true.

Test. Testing is, of course, execution of the designed experiment. But the active work in this provocation goes beyond just pulling the trigger. It largely consists of constantly monitoring outcomes in a way that allows you to place new bets, frame further experiments, and launch new tests until you shift from "if" to "when."

The key distinguishing feature of these three moves in the "if" phase is that you need to treat them as a system, interconnected and often executed repeatedly in a series.

Betting on the Business Model

In early 2008, four classmates at Wharton Business School, Neil Blumenthal, Andrew Hunt, David Gilboa, and Jeffrey Raider, wondered why prescription eyeglasses were not sold online. It's not that others hadn't had the same thought, but most believed such a business model was unsustainable. The eyewear market was characterized by a very small number of large global players controlling nearly all name-brand frames and distribution channels. Barriers to entry were high, to say the least.

Additionally, the idea of buying eyewear online, a deep-

The act of adapting to a foregone conclusion that doesn't favor you is the hardest provocation of all.

ly tactile purchase, seemed doomed to fail in the earlier e-commerce days, when buying books online made sense but—for example—personal fashion didn't. But there were signs that might change.

Ahead of many others who had likely explored the market, the four co-founders were able to both sense and demonstrate that high-touch retail experiences could effectively transfer online. As such, they were partially the cause of this moving from an "if" to a concrete "when." The convergence of two factors was key: the rapidly expanding e-commerce market and Americans' growing comfort with online shopping, and an eyewear industry with bloated "middleman" costs that was ripe for disruption.

Against the backdrop of this landscape, Warby Parker launched a vertically integrated company that eliminated waste in the distribution system through a direct-to-consumer model, passing savings on to consumers. This, coupled with a deep passion for customer experience and a willingness to respond to feedback and iterate, has driven much of the success of this company—valued in late 2020 at a remarkable $3 billion.

Much of the company's continued success comes from a willingness to continually design, test, and reposition in response to the market.

Drive and Adapt: Taking Control

The best provocateurs bring a combination of foresight, well-timed action, and a constant attention to "what's next" in the market to constantly work the swirl between catalyzing the world they envision and riding the waves that they make.

Drive

Drive is when a single organization can have a meaningful impact on the outcome of a broader trend, where an actor has the opportunity to "just do it." Often, if you catch a trend early enough in the phase change, you may have a slightly higher ability to influence the outcome.

But Drive is also the move that requires the most confidence and commitment to seeing it through, even in the face of plenty of evidence that the move is anything but a sure thing.

With the platform company Tencent and the app WeChat, Ma Huateng (aka Pony Ma) has changed the face of communication.

Pony Ma was in the ideal place at the ideal time, living through China's rapid rise from an agrarian society to an industrial powerhouse that became the world's factory in just less than 40 years. Ma recognized how quickly society and people within it will adapt and adopt new ways of doing things that clearly make their lives better.

The phase changes that Ma recognized in or around 2010—and positioned himself and his company to take massive advantage of—were the rise of the smartphone as the primary mechanism for accessing the internet and the subsequent shift to instant messaging as a way to stay in touch. There's no doubt that the company helped lead the way as a key catalyst in the exponential rise of smartphone use.

And since then, it has always seemed to be able to stay one step ahead of the next trend. WeChat has continuously added to its wealth of offerings to lock its large, loyal user base into the ecosystem. As of 2020, the range of WeChat services includes the offerings of multiple large-tech companies in the West, including Google, Uber, SnapChat, Amazon, Craigslist, and Facebook.

Adapt

The act of adapting to a foregone conclusion that doesn't favor you is the hardest provocation of all. Sometimes, that's due to operational or positioning challenges.

But more often the biggest challenges are emotional ones, because by definition this reality is one in which you have little ability to shape a future that is advantageous to you, and a great degree of complexity in the path forward. It therefore requires an admission that your business model is no longer fit for the purpose.

While it's great to be able to see the wrecking ball coming, it's even better when you can get out of the way and configure

yourself to take advantage of the emerging trend. This requires embedding—with foresight—a plan to adapt predictably, building it into your business model from the outset.

Activate: Harnessing Your Ecosystem

The Activate provocation involves working with and through an ecosystem to get things done. It's unique from the others, however, because while the provocateur may see a very straightforward path to their desired outcome, they have little ability to directly influence—except at the very outset—whether it is achieved. At its heart, it is a move to trigger a knock-on effect that, once set in motion, you just have to hope is seen all the way through.

Increasingly, ecosystems are one of the best ways to sense, respond to, and when appropriate, accelerate a phase change to a more certain—and desirable—future.

Increasingly, if an organization wants to remain competitive, it can't rely on the capabilities it can conceivably create within its four walls. Further, because of technology, it's becoming easier and easier to access the capabilities of outside organizations.

Ecosystems are not new, but in the face of this new optionality, it is newly important that leaders need to make clear ecosystem choices. The most foundational choice that organizations need to make as it relates to ecosystems is what to use them for.

What to Use the Ecosystem For

There are several factors that need to be considered when evaluating whether to do something solely in house or with one or multiple outside parties as you try to provoke the future you desire:

- How much better (or cheaper) could we deliver against the business objective by working with outside parties?
- How quickly can we build the capability with others versus doing it ourselves?
- If we build the capability with others, can our competition access similar (or even the same) partners to build the same capability?

Ultimately, each choice needs to be examined on its own merit, and sadly, there is no simple formula. There is one rule of thumb: If the capability is a critical part of delivering your organization's overall differentiation, then it's more important that the capability be proprietary in nature.

If your differentiation lies, instead, in your ability to convene and lightly orchestrate the activities of many, then virtually nothing other than your word-of-mouth reputation as a force for good need be proprietary.

Action, in some ways, is nearly always superior to inaction because action provides more immediate, more valuable feedback.

Whether you're the one in charge or the newest member of a team, we will all live in a better world if you just go out and DO SOMETHING!

Geoff Tuff is a principal at Deloitte, where he holds a variety of leadership roles across its sustainability, innovation, and strategy practices. His work centers around helping clients transform their businesses to grow and compete in nontraditional ways. Steven Goldbach is a principal at Deloitte and serves the U.S. partnership as the firm's chief strategy officer. He helps executives and their teams transform their organizations by making challenging and pragmatic strategy choices in the face of uncertainty.

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Purpose

Ben Renshaw

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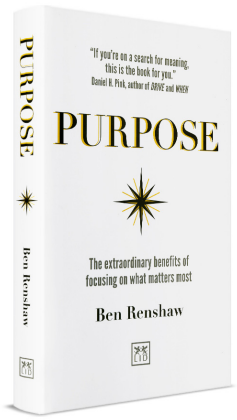
Purpose

The Extraordinary Benefits of What Matters Most



by **Ben Renshaw**

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THE SUMMARY IN BRIEF

Have you ever asked yourself, "What fulfills me?" It's an awkward question, but one that is important to understand who you are and where you want to go in life. People who know and pursue what fulfills them have better productivity, focus, and overall health.

The question, "What fulfills me?" is another way of asking yourself "What is my purpose?" If you don't know your purpose, or if you don't feel you have the right purpose, this book will help you discover it. ***Purpose – The Extraordinary Benefits of What Matters Most*** helps you understand how to find your purpose and how you will benefit from it.

Author Ben Renshaw breaks down how to find your purpose, why you need to find your purpose, and how knowing your purpose will positively affect every aspect of your life. Renshaw shares practical examples and personal stories of purpose throughout many industries. Whether you are a teacher, a salesman; young, or experienced - ***Purpose*** is for everyone. Everything you do is guided by your purpose, and this book will help you find it.

IN THIS SUMMARY, YOU WILL LEARN:

- The benefits of leading a life with purpose.
- How to identify your personal purpose.
- Skills that will help you lead and live with purpose.
- How to turn your purpose into action.

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Introduction

As a child, author Ben Renshaw was trained as a classical violinist. He toured the world and showcased his extraordinary talent. But in spite of his success and recognition, he wasn't happy. Renshaw felt he didn't have a purpose and was afraid that all his time practicing and performing was for nothing.

Ben embarked on a personal journey to discover who he really was as a person. He realized his purpose was people. He loved connecting with others and interacting with all types of people, so he pursued the field of personal development to focus on relationships, happiness, and leadership. This new purpose made him a new person. A purpose helps you learn who you really are and leading with purpose will have a huge impact on your life.

Before we identify your individual purpose and how to use it to help others, we'll share the benefits of leading a life with purpose.

Lead a Life with Purpose

Making Meaning

Once you are clear on your purpose, you can apply meaning to every aspect of your world. This meaning is important at all times, but especially in hard times. One inspiring example comes from one of the darkest times in history. Victor Frankl was a Viennese psychiatrist who survived seven concentration camps during World War II. He believed man's deepest desire was to search for meaning and purpose. His purpose was to have hope amidst all the despair around him, and he believed that's what helped him survive. Your purpose helps you find your meaning, and it can guide you through whatever trials you experience in your journeys.

Being Yourself

We spend so much time trying to gain new skills and knowledge in the hopes of being better than everyone else. This constant pursuit of the future prevents us from taking a step back and trying to learn who we are in the present. Being authentic, admitting our limitations, and being transparent in our communication helps others believe in your skills as a leader.

Boosting Energy

We can't hope to lead others or believe in ourselves if we don't have the energy for it. You need to know what energizes you and, just as important, what de-energizes you. People can be either a source of energy or exhaustion. For those who energize you, you need to ensure you keep in touch with them. The energy those people give you will help you in following your purpose. For those that exhaust you, you need to cut them out of your life. Every second you spend with someone who de-energizes you is a second you are not serving your purpose. Physical health is another source of energy. What kind of foods do you eat? How much sleep do you get? Emotional health is another source – do you have a positive outlook on life, or are you constantly focusing on negative emotions? These questions help you understand what is driving your purpose and what is damaging it.

> A team that has purpose can stay focused on the goal so they don't get derailed from distractions.

Inspiring Others

The most important role in leadership is to inspire others. Organizations that have inspired employees are more productive, have greater profit, and have lower turnover than organizations with people who don't feel inspired. You won't be able to serve your purpose by yourself, so inspiring others ensures you reach and help the most people.

Winning Teams

The key foundation for high-performing teams is to have a clear sense of direction. This direction comes from purpose. A team that has purpose can stay focused on the goal so they don't get derailed from distractions. Whatever distractions or challenges occur, your team can always look at their purpose to guide their actions.

Creating Business Differentiation

Organizations driven by a clear purpose have more loyal customers, increased returns for shareholders, and create economic and social value. This purpose-driven mindset is important for all employees, not just the senior leaders.

Now, you understand what is at stake and how leading with purpose can benefit everyone. The next step is defining your personal purpose.

Identify Your Personal Purpose

Your personal purpose is your reason for being. It inspires and guides everything you do in your life. Your purpose is your "Why." It's important to note that your purpose cannot be a value, like "honesty." A value shapes how you behave, but it's not the reason why you behave that way. A purpose can also not be a goal. A goal is what you want to do, but it's not your "Why." Think of your goals as your "What," your values as your "How," and your purpose as your "Why."

Now that you know what a purpose is, you need to identify your purpose. There are 8 easy steps to guide you towards identifying your purpose.

1. Think back to the peak moments in your life when you were at your best.
2. Think about what was happening (an activity like a sport, a relationship you had, etc).
3. Identify the key themes that are shared across your peak moments.
4. Group the themes into broader categories like "helping people" or "making change happen."
5. Identify a category that stands out above the others.
6. Ask a trusted person to help you explore that stand-out theme…What does it mean to you, and why?
7. Ask them to take that information and summarize a potential purpose for you.
8. Clarify an initial purpose statement that means something to you.

In this activity, keep it simple and don't be vague. A purpose like "leave a legacy" doesn't give you any specific direction. An example of a powerful purpose is Nelson Mandela's – "Live in a way that respects and enhances the freedom of others."

In addition to you finding your purpose, your team needs to find its purpose as well. Your team's purpose needs to be created with input from everyone on the team. It cannot be dictated by one person. A purpose is not something you have to do – it is something you want to be. You, your team, and your organization need to be clear on their purpose in order to be successful and make a difference in the world.

So far, we've covered the benefits of leading with purpose and identified your purpose. In this next section, we're share six key skills that are the building blocks to help you serve your purpose.

Live and Lead with Purpose

Listening

To learn what is most important to others, you need to purposefully listen to them. You won't get anything done if you don't know the other person's goals, motives, and who they are.

Storytelling

Everyone loves a good story. Stories have the power to connect people through a common vision to achieve a common goal. Instead of just telling someone what your purpose is, tell them a story to bring your purpose to life.

Coaching

Coaching is a learning approach based on eliciting truth through questions and answers. Whether you are a parent developing a child or boss developing an employee, coaching is based on bringing out the potential people have in them. Instead of just telling them what to do, you need to bring out the answers they already have inside them through asking them questions. Unlocking this potential is the key to high performance.

Feedback

Feedback is usually associated with negativity, where something is wrong and you have to tell someone how to fix it. The true definition of feedback is the art of encouragement. This encouragement can be to reinforce someone when they are performing a task correctly, or it can be helping someone improve an area of opportunity. Both lead towards a positive outcome.

Relationships

If there is one leadership skill that rises above all others, it's the ability to build and sustain meaningful relationships. You are not going to get anything done by yourself and building relationships will help you serve your purpose, so you can help others.

Focus

We live in a world of distraction where it is hard to focus on what matters most. Purpose helps you focus by basing your attention on what will and will not serve your purpose. This

makes it easier for you, your team, and your organization to focus on what really matters.

Of course, having a purpose and having those skills means nothing if you cannot turn it into action.

Turn Your Purpose into Action

To take meaningful action, you need to have a support system, like your team. Your team needs to believe in you as a leader if they're going to take the actions to serve your purpose. The essence of leadership is authenticity – share your flaws, admit your struggles, and just be yourself. When your team sees you as a person and not someone just trying to get ahead, they are more likely to follow you. Once you have them believing in you, you need to play to your and their strengths. We spend so much time trying to find/fix weaknesses, but we should be highlighting our strengths and using those to drive us towards living our purpose.

Leading with purpose means you need to develop compassion towards others. Compassion means truly learning about the other person, verifying you are both on the same page, and offering to help and serve others.

Your purpose should never just be about how it can help you – it should be how you are going to help others. Knowing your purpose, and living it, will help you as you experience struggles and setbacks.

Struggles can either hurt you or help you. In a way, your struggles can strengthen you by boosting your resiliency – your ability to recover from setbacks. Unfortunately, we are sold the idea that life should be easy, and if it's not easy, then something is wrong. This could not be further from the truth. We need to be flexible and adapt to change as it happens. We can't succeed with a plan that's failing – we need to adapt and keep going in the face of adversity.

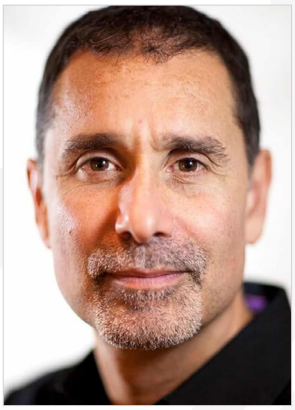
Your purpose should lead you to build and sustain connections with others. Great relationships lead to great results, and you need to develop those great connections to live and serve your purpose. Six traits of a connected leader are someone who is aware of the world around them, works constantly on maintaining their network, embraces diversity among their connections, adapts to unpredictable circumstances to benefit everyone, collaborates professionally and effectively with others, and is focused on achieving success as a team.

As a leader, you can lead change by creating an environment that encourages it. People need to understand why the change is needed, they need to feel empowered to participate, and they need to know the change will continue to benefit them instead of be abandoned/forgotten when times get tough.

Lastly, having a clear purpose can positively affect your health. Anxiety, sleep deprivation, and stress are parts of our everyday lives, and these factors cause us to ignore personal health and wellbeing. Think about your wellbeing as it is now – are you where you want to be in terms of health? If not – what actions can you take in the next six months to be better?

Conclusion

A personal purpose provides you with an anchor, a sense of meaning, and a clear focus in a disruptive environment. Following your purpose helps you make a difference in the word. Now, it is up to you to identify that purpose and lead with it.



Ben Renshaw builds purposeful partnerships with leading organizations to develop leadership capability, high performing teams and transform organizational cultures. He believes that discovering and leading with purpose is the greatest opportunity in life.

Speaker, coach, consultant and popular author of 8 books including ***Purpose, Lead***, and ***Super-Coaching***, Ben inspires people to go beyond what they think is possible. As a consultant he is renowned for getting to the heart of situations and creating the conditions for new solutions to emerge and as an author Ben blends his depth of insight with practical calls to action.

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Put the Moose On the Table

Randall Tobias with Todd Tobias

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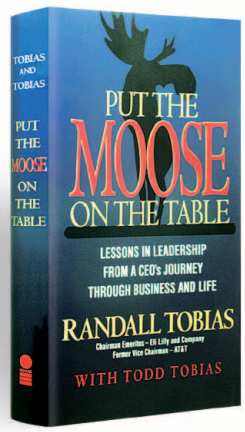

By Randall Tobias
with Todd Tobias

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Lessons in Leadership from a CEO's Journey ...

PUT THE MOOSE ON THE TABLE

THE SUMMARY IN BRIEF

Randall Tobias, former CEO of pharmaceutical giant Eli Lilly and Company, knows what it takes to get to the top. In Put the Moose on the Table, *Tobias mixes personal anecdotes with his thoughts on effective business and leadership practices, often focusing on the intangible qualities — integrity, dedication and respect for colleagues — that separate the best from the rest.*

A vice president at AT&T when he took the job at Lilly, Tobias recalls how a major crisis on his first day tested his abilities. Despite the concerns of some Lilly managers who wondered whether the "phone guy" could handle a crisis in which lives were at stake, Tobias immediately demonstrated the management, communication and interpersonal skills that would define his successful tenure as Lilly's CEO.

As a bonus, this summary includes boxed sidebars that capture in Tobias' own words his views on values and culture, vision, change, risk-taking, communication, organizational structure and more.

What You'll Learn In This Summary

✓ How leadership means establishing boundaries based on values and proper priorities — then letting your competent people do their jobs.

✓ How success requires good fortune — and the ability to grab the opportunities that come your way.

✓ How integrity means more than not lying, cheating or breaking the rules — it means never hiding problems, even for the best reasons.

✓ How this philosophy of "putting the moose on the table" helped Tobias cope with an unimaginable tragedy.

✓ Why managers who insist on employees working long hours are hurting not only their employees, but their companies as well.

✓ Why CEOs must prepare their succession based on the company's needs, not the needs of their egos.

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The Simplest Explanation

A principle known to scientists as Occam's Razor suggests that all things being equal, the simplest explanation is probably the correct explanation. In business, I have found the same holds true for the simplest questions or the simplest actions — they are often the most important and can produce the most significant results.

On the morning of Monday, June 28, 1993 at the Indianapolis headquarters of Eli Lilly and Company, I walked into the executive conference room and unknowingly put this theory to the test. Three days before, Lilly had sent a shock wave through Wall Street and its own employees by announcing that the company's president and CEO, Vaughn Bryson, was resigning and that the Vice Chairman of AT&T, Randall Tobias, would become Lilly's new Chairman, President and CEO.

The Phone Guy

In the 117 years since it was founded, Eli Lilly and Company had an extraordinary record of achievement. During the entire twenty-year tenure of former CEO Dick Wood, the company had enjoyed an outstanding financial performance that included an unbroken record of consecutive quarter-over-quarter earnings growth that was second only to that of one other company in the Fortune 500.

But over the course of the preceding 18 months, Lilly's market value had steadily declined, from $24 billion to $14 billion. Certainly the problems facing the company were largely not the creation of the current management, but the solutions would have to be. After several months of difficult debate, the board reluctantly concluded that a change in leadership was necessary.

The transition I was about to take on came with a sobering reminder that success and praise in the corporate world often has a shelf life about as long as a gallon of milk.

Wall Street analysts did not see the logic in choosing a lifelong telephone executive to lead the turnaround of a pharmaceutical company. And when asked to comment on their new leader, most Lilly employees said they cared very little about my success in former jobs; what they cared about was the status of their own.

Tobias on Leading

✓ "Leadership is about far more than producing results through one's own initiative — it's about producing results through others."

✓ "Leadership is as much about listening, about building relationships, about providing encouragement when it's needed, as it is about communicating one's own ideas."

✓ "Leaders almost always think out of the box. They listen, observe, share ideas and shamelessly borrow from the experiences of others."

Crisis in the First Hours

On my first official day of work as a full-time Lilly employee, I was immediately plunged into a crisis that concerned a clinical trial involving a potential product called FIAU (an abbreviation for the chemical compound fialuridine). One of the patients in the trial needed to be hospitalized because of profound liver failure; several other patients were showing signs of liver toxicity and were in grave danger. Meeting with a group of key Lilly employees involved in the trial was the first item on my day's agenda. The circumstances were doleful and I was intent on listening and observing. The lawyer responsible for the legal issues involved told me later what she thought to herself as she saw me walk into the meeting: "We'll see what this guy is made of, because I bet none

(continued on page 3)

The authors: Randall Tobias was Chairman and CEO of Eli Lilly and Company from 1993 to 1998, when he retired from the post. He is now Chairman Emeritus. Prior to joining Lilly, Tobias had a long career at AT&T, rising to become Vice Chairman. Todd Tobias is President and Editorial Director of Table Moose Media and founder of *Indy Men's Magazine*.

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The Simplest Explanation

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of his telephones ever killed anybody!"

After listening to the scientists, lawyers and public relations people gathered, I expressed my confidence in their ability to handle this crisis. I would not get in their way. However, I did offer one opinion: Our most important priority was to focus on what we could do for the patients and their families. Their well-being should be the driver of our decisions, first and foremost, not only because we had a responsibility to do those things, but more importantly, because it was the right thing to do.

Without realizing it, I had delivered my first speech as Eli Lilly and Company's new leader. I suspect it was not only what I said that morning that engendered the trust of my new colleagues, but also what was left unsaid. Boundaries had been established based on values and proper priorities. I was not going to manage every detail from my office. It was clear that what needed to be done was being left to those with the competence to handle it, within the boundaries I established. The newly anointed chairman intended to treat them with respect and not only agreed with the company's long-standing values — people, integrity, excellence — but recognized the importance of truly walking the talk. ■

Get the Moose on the Table

"Get the moose on the table" is a phrase I used often as Lilly's CEO. It was adopted to signal, in a lighthearted way, the need to speak openly and transparently about an issue at hand.

Integrity Also Means Transparency

I spent a lot of time talking to Lilly employees about the company's core values — people, integrity and excellence — and the relationship those values had to our business success. To me, the accepted definition of the second word in our values statement — integrity — was far too limited. That definition was hampering our ability to communicate effectively and to make timely, sound business decisions. Integrity had been, and continues to be, a very important part of the culture at Eli Lilly and Company. The company does not tolerate those who lie, cheat, steal or break the rules. But to me, that was a very limited definition of integrity.

If you were a Lilly employee in 1993 sitting in a conference room talking about several ways to deal with a particular problem and you had a strong point of view that wasn't going to be popular with the group or with your boss, chances are you probably didn't offer that opinion for fear of damaging your career or worse. Also, you didn't want to hurt someone's feelings.

That attitude can be very counterproductive, so we all made a concerted effort to "get the moose on the table," which meant telling each other, in a professional, courteous way exactly what we were thinking.

Coping with Unimaginable Tragedy

My philosophy of getting the moose on the table helped me survive the unimaginable grief of my wife Marilyn's death on May 16, 1994 — the day she took her own life. For several years before her death, a wide variety of diagnoses had been suggested for Marilyn's discomfort, including Lyme disease, chronic fatigue syndrome, a liver disorder of unknown origin, and others. A few months after I joined Lilly, we finally learned what was wrong: She was suffering from clinical depression. Eli Lilly is the manufacturer of Prozac, and is home to one of the world's most significant assemblages of expertise on diseases of the brain. Had I not joined Lilly, Marilyn might have never been correctly diagnosed. Tragically, the diagnosis was made too late.

I could tell you more about those final months, and the heroic efforts of many to first diagnose and then discreetly treat Marilyn. But the hard reality is that my wife is dead. In spite of her best efforts and mine, the help that she needed to identify her illness and treat it in a timely way had simply not been there. Our lack of knowledge about the symptoms of clinical depression prevented her from getting the help she needed in time to save her life.

Dr. August M. Watanabe, Executive Vice President of Eli Lilly and head of the company's research laboratories, credits my ability to "put the moose on the table" as one of the sources of my strength during those difficult months. I could cope because I was able to confide in people. Gus also believes that my openness with the media and the company after Marilyn's death regarding her battle with depression demonstrated exactly what I meant by "getting the moose on the table." ■

Tobias on Vision

✓ "Without a shared vision that is compelling and truly embraced with passion, it's nearly impossible for any organization to be successful."

✓ "Most visions have many 'fathers.' But in the end, people must be able to see and believe that their leader is the ultimate father, and truly owns the vision."

✓ "To make a vision stick, at least two very critical components must exist. The vision must be crystal clear. But even when it is, you cannot simply order people to 'believe.' For a vision to take hold, it must also be compelling."

When Communicating, Know What's Being Heard, Not What's Being Said

Effective communication is more than simply delivering a collection of well-considered statements. It's also where and how and, above all, when these words are delivered that truly cause messages to take hold and behaviors to change.

Test Drive the Words

During my years at AT&T, I learned that not all audiences hear a particular message the same way, so I tried to be very sensitive to what would be *heard*, not just what was being *said*. Before making announcements that would impact AT&T employees, I asked a select group of people to react to my messages and give me their interpretation of whether the words communicated exactly what I wanted to say. This practice taught me that messages must be timely and must communicate as much as possible to get the desired results.

It goes without saying that organizations that run on questionable ethics and practices will find themselves in hot water. There's no way those organizations can "communicate" themselves out of trouble — it just doesn't work. But many leaders don't realize that without the proper management of communications, day-to-day mistakes or wrongdoings can grow into serious issues that gain the public's attention. Corporate communication is very much about filling information voids.

Actions Communicate

Some corporate managers feel that communications is a set of writing and speaking functions. I think it's that and much more. Communications consists of all the activities that demonstrate, through words and actions, what a leader, and what a business, is all about. If it's an airline, for example, communications is the media releases, the employee publications and the advertising, but it's also the quality of the ticketing process, the way baggage is handled at check-in and arrival, the size of your seat on the plane and the attitudes of the flight crew.

The real challenge for many leaders is not communicating *per se;* it's integrating what they speak and write into the way they behave. It's behavior that is totally focused on customers and their needs, and on the needs of every one of the corporation's stakeholders. The activities of organizational communicators are means to other ends, not ends unto themselves. When it comes down to it, corporate communications is just another form of cross-functional teamwork. It's doing away with fiefdoms, doing away with turf. Put another way, communicating effectively is leading by example. ■

Tobias on Communication

✓ "Effective communication is more than simply delivering a collection of well-considered statements. It's also where, how and above all, when these words are delivered that truly causes messages to take hold and behaviors to change."

✓ "Leaving an information void is always a terrible mistake. Whenever employees or the media or analysts or others have to fill such a void, they are most likely to fill it with the worst-case scenario they can imagine."

✓ "Communicating to audiences, friendly and hostile, large and small, formally or informally, is a skill that is one of the hallmark responsibilities of any corporate executive."

The Hierarchy of Secrets

Those who become successful leaders must have certain innate abilities and characteristics: the ability to motivate others, to communicate effectively and to withstand the rigors of long hours and travel. In my own case, the development of my leadership skills can be attributed to the sum total of a variety of unique experiences: parental influence, education, job assignments, extracurricular activities in college, mentors and early successes and failures.

Assuming that two people have equal capabilities, why does one move ahead in business and the other doesn't? Beyond sheer ability, there are many factors that come into play. To steal a line from Clint Eastwood's aging gunslinger in the movie *Unforgiven*, when success doesn't come to those who are deserving, it's mainly because "deserve's got nothing to do with it."

Seize Opportunities

Having the capabilities is absolutely necessary, but it's not enough. Success also requires opportunity. It's critical to make things happen by seizing opportunities when they come along. With every opportunity comes the possibility of growth and development, which opens the door to even more opportunity.

I don't discount the influence of either nature or nurture on my success, but I have come to believe that there are two important components that determine whether a person steadily advances in a career. The first is whether you have the capacity to consistently demon-

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Tobias on Career Development

✓ "When the glare of the spotlight suddenly shines on your stage, you have to be able to dance, to be sure. But you also have to be ready at any time to give what may be a career-determining performance."

✓ "The more a career discipline requires — and rewards — coloring strictly inside the lines, the more likely it is that people who have excelled in that environment will have difficulty dealing with the uncertainty and ambiguity of more broadly based leadership."

✓ "The ideal preparation for becoming a senior leader is having experience with both depth and breadth. Both are vitally important. But if you must choose one or the other, choose breadth. It's at the heart of leadership success."

The Hierarchy of Secrets

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strate both the ability to excel and the drive, desire, energy and enthusiasm to be motivated by all of the jobs you find yourself working in, even if some assignments don't fit into your career plans.

The second factor is fate, or luck, or whatever you believe creates opportunities. I believe that the defining events in any career, more often than not, have to do with the intersection of these two factors. A person must have both the ability to consistently deliver results and the opportunities to demonstrate that ability, especially when that rare, unexpected, career-altering opportunity presents itself.

So when I'm asked how I became a successful CEO, my response is simple. I believe I was blessed with some of the required abilities, certainly. But it was also important to do my best, to be ready when opportunity knocked. And then I always tried to answer the door.

Other Factors

Other factors can certainly influence the development of a successful leadership career.

One of the key indicators for separating those who most likely have the potential to become successful leaders from those who probably do not is their level of comfort with ambiguity.

Depth in some professional field is essential as preparation for taking on broader leadership. Somebody who knows only a little bit about a lot of things is not likely to be an effective a leader.

And sometimes success in the corporate world is like the proverbial frog in children's literature — the happy endings often lie behind the guises and forms where you least expect to find them. ■

Managers or Leaders?

Quite often, after a presentation I've made to a college class or a corporate audience, a young student or employee will approach me with a legal pad full of questions. While they usually find a creative and polite way to ask their questions, what they're often asking is, "How did you do it?"

What they really want to know is how can they do it. What types of leadership traits should they try to develop? Are they taking the right courses? Should they enroll in a master's program? What qualities are corporations really looking for on a résumé? In other words, what is the secret formula for becoming a CEO?

The Secret List

The honest and perhaps obvious answer is that there is no magic formula. But there are predictors that are important and fairly dependable indicators of leadership capacity that have been important to all of the organizations I have been associated with. It would be a mistake to believe the identification of leadership talent could be reduced to something as straightforward as a list like the one that follows. Nonetheless, here is my list, based on some of the attributes I believe are worth the effort for aspiring managers to try to develop:

- **A leader inspires confidence and trust.**
- **A leader communicates effectively, internally and externally.**
- **A leader consistently achieves superior results and produces results through other people.**

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Tobias on Risk-Taking

✓ "By encouraging more risk-taking, mistakes will be made, to be sure. But the ultimate measure should be the net impact of the successes and failures on the creation of shareholder value, not just the number of times a well-considered decision doesn't turn out as planned."

✓ "When decisions are made and things go wrong, much more than just the end result needs to be evaluated. What was known and when was it known? Was the decision made at the most opportune time? Was the risk of making the decision and being wrong outweighed by the likelihood and benefits of being right?"

✓ "At some point in the process of making most decisions, you are far better off to make a timely decision based on sufficient but partial data than to do all the things necessary to make a perfect but untimely decision based on waiting for all of the data."

Managers or Leaders?

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- **A leader pursues continuous learning and fosters a learning environment.**
- **A leader produces other leaders.**
- **A leader develops cross-functional knowledge and versatility.**
- **A leader embraces change and looks for ways to use it as an advantage.**
- **A leader is constantly on the lookout for innovative ideas, particularly in unlikely places.**
- **A leader builds alliances to further corporate goals, internally and externally.**
- **A leader balances the short term with the long term by focusing on both.**
- **A leader embraces ambiguity.**
- **A leader practices and encourages thoughtful risk-taking.**
- **A leader champions cultural diversity.**
- **A leader's contributions leave "footprints."** ■

Adding Value(s)

When there is pressure to produce, if you intend to adhere to certain standards of behavior, you have to make those intentions clear by your words and, more importantly, by your actions.

Not unexpectedly, many board members and senior executives involved in the recent rash of corporate wrongdoings have pretended to be ignorant of their companies' problems. In some cases this is true, at least in a strictly legal sense. But from a leadership perspective, I think all of the decision makers involved are at least guilty of leadership negligence.

Did these leaders do enough to ensure that their organizations instilled a value system that would keep such problems from occurring? Did they do anything with company-wide emphasis to ensure that those connected to the well-being of the organization understood which actions would be tolerated and which would not?

Granted, even the most values-driven companies can be victimized by greedy, misguided employees, or even CEOs. Having well-defined and emphasized values won't prevent problems, but it will certainly help to identify them — if those at the top are really paying attention. ■

Crisis Center

How could the need for values-driven behavior and cultural change be balanced with the need of Lilly employees to be part of an institution with meaningful cultural traditions? Could we embrace the change and uncertainty of a constantly changing work environment while also honoring the past?

I had come to strongly believe in a simple principle for managing change: *When an organization is involved in wrenching upheaval, it's important that everyone touched by the organization have something comfortable and familiar to hang on to.* Whether it's a mission statement, a quotable blurb or a familiar slogan, reenergizing a meaningful symbol from the past can act as a flotation device.

When too much change is implemented to an entire company, it can increase the sense of turmoil and further alienate workers, but communicating ideas about the organization's past successes can serve as a rallying point for employees. ■

Tobias on Change

✓ "Change is a lot like fire. Manage it, turn it to your advantage, and you will bask in the warmth of its glow; ignore it or manage it poorly, and one thing is certain — eventually you will get burned."

✓ "When one is in the midst of enormous change and all of the ground rules are being thrown out the door, it's absolutely essential to ask — and answer — *'What business are we really in?'*"

✓ "The sooner leaders recognize that change itself can represent the very core of competitive advantage, the sooner they will taste success."

Recipe (Reciprocity) For Success

Just as competitive pressures and the need for organizational effectiveness require a company to do more for its employees these days, those same pressures require that today's employees do more for their company. For example, because Lilly believes employees are the foundation of its success, the company expects a lot of them.

This mutual bond begins with the premise that in these times of continuous change, any guarantee of job security is gone. So in recent years, Lilly employees have become more responsible for their own work lives, managing their performance, upgrading their skills and planning their careers. Of course, for this to work, companies are more obliged than ever to provide mentoring, career resources and opportunities for training.

But it doesn't stop there. The bond between employers and employees still demands that at times, people must make an extra effort to accommodate the company's

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Tobias on Organizational Culture

✓ "The thin line separating the winners from the losers is often determined by how well an organization chooses and structures its people in a way that is consistent with its plans for tomorrow, not yesterday."

✓ "Organizational structures are seldom bad or good; they are just different from each other, with different benefits and different shortcomings."

✓ "It's important to remember that changing the organizational structure alone will not create success; it will only create a structure where success may be more readily achieved. Changing from one type of structure to another in the belief that it will fix a problem is a big mistake."

Recipe (Reciprocity) for Success

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needs. This means that employees might have to relocate or accept new jobs. Offering this kind of flexibility has always been a fact of life in business and remains the same during this era of revolutionary change.

Some critics see this mutual bond as a way for organizations to avoid the commitment to provide stable jobs. But I think they miss the point. The bond is mainly about organizations getting rid of the "entitlement mindset" in which employees put their own needs ahead of the needs of shareholders. ■

Flex Appeal

If work-life initiatives give a company a competitive advantage, today's leaders must remove the barriers that stand in the way of implementing them. Top management must do everything they can to hasten the transition from talking about enlightened values, commitments and policies to making them happen. It's not enough to simply offer benefits and programs — the underlying cultural issues that keep them from happening must be addressed.

The Problem with Long Hours

We all know there are people who regularly work twelve, thirteen or more hours a day and rarely take much, if any, of their vacation time. When asked why they behave that way and often expect others to do the same, they usually answer that they've been rewarded for this work style or they've seen others rewarded for it. In many cases, these employees are striving to create and reinforce an image of heroic commitment.

All too often, this work style may distract their managers and colleagues from focusing on their actual results. This kind of "dedication" not only leads to imbalances in employees' personal and professional lives but can also create problems for colleagues whose schedules are affected by their long hours.

When I observed that people were consistently working late into the night and on weekends, I often asked them directly about their personal effectiveness and the reasons why they couldn't do a better job of managing their time and working more efficiently.

I'm not saying that I don't value hard work and extra effort. What I am saying is that Lilly's culture needed to stop encouraging managers to expect this type of ongoing heroic commitment from their employees.

From time to time, there would be periods when employees would be asked to provide extra time and effort at the office — that's the reality of corporate life and it simply couldn't be helped. What could be helped is that Lilly's culture would not only refuse to reward leaders who consistently demanded that their people never see the sunshine — it would even frown on such behavior.

The Pursuit of Shared Values

Today's organizations can't succeed without the efforts of a fully committed workforce that is continuously growing, learning and retooling for the future. Lilly's work-life efforts and the company's newly defined core values helped its employees greatly.

The pursuit of shared values, like the pursuit of work-life support for employees, is a journey, not a destination. It won't happen in fifteen days, fifteen weeks or fifteen months. It takes time, a great deal of conscious effort and a lot of role-modeling that begins at the top of a company and extends throughout the organization. ■

Tobias on Values and Culture

✓ "More than the heroic hours, more than pay incentives, certainly more than strategy alone, shared beliefs — *values* — can be the key to unleashing the talents of all the people in an organization. Values can be the very foundation of success."

✓ "When you see radical downsizing, when you see sudden and massive job losses, it is at least in part a sign of the failure of leadership to adequately and creatively plan, to anticipate, to accept responsibility for the future."

✓ "People are the ultimate competitive resource, and you should embrace the responsibility for nurturing that resource to the best of your ability. Not just because it's good business, but because it's simply the right thing to do."

When It's Time to Go

In the corporate world, succession planning doesn't seem to get the attention it deserves. Sometimes there is an assumption on the part of CEOs that succession planning is the board's job. CEOs are reluctant to start the planning because they don't want to begin the process of giving up their own power.

It has long been my view that succession planning and implementation of those plans are among a CEO's most important responsibilities. If done properly, the process ensures leadership continuity and, therefore, the corporation's continuity.

Almost immediately on becoming Chairman and CEO, I set out to develop and put in place a comprehensive succession-planning process for the senior leadership to manage CEO succession.

Shared Assumptions

When it comes to succession planning, too often the board of directors and the retiring CEO don't take the time to agree on a shared set of assumptions before the plan is developed. If the former CEO is staying on indefinitely as non-executive chairman, or even planning to stay on the board of directors at all, the board should know and agree that it is best. If he plans to remain in the office he's occupied as CEO, or even in some other space in the executive suite, why is that in the best interest of the corporation?

If the answers to these questions reveal that the decisions made are primarily for the benefit of the former CEO and not the company, then the plan needs to be revisited. It's my view that when it comes to succession planning, all too often leadership transitions are handled with the main objective of determining the best way to address the ego-related concerns of the person who is leaving.

For example, the timing and manner of a leadership change have more to do with the personal objectives of the leader who is stepping down than with a combination of other factors that center around what is best for the future of the enterprise. When you're putting a new organization in place, the planning must be done by the people who are going to be on your new team, not those on the old team. That's the only way they'll have total ownership.

Maintain Momentum

When I decided to step down as CEO of Eli Lilly, I felt the business was generally being well-managed, was largely under good operational control, and was heading in a very positive direction. Our people were feeling very good about themselves and about the future of the company. We had a clear and shared vision of our future, and we had a strategy that was increasingly well-understood throughout the company and being aggressively implemented. At the same time, I believed the leadership team and, increasingly, Lilly employees more broadly understood that there was no entitlement, and without full and continuous attention, success could evaporate overnight.

Appropriate questions a CEO should ask when leaving a company are: "How can positive momentum best be sustained in the company?" and "What approach will contribute most to helping the new CEO be successful?" Without the right objectives, the implementation of a succession plan becomes an eleventh-hour fire drill.

Implementation

When I stepped down, members of the board were clearly surprised by my decision. But once we got past that, everyone in the room was well aware that the succession-planning process had been underway for several years. What we needed now was the implementation of that plan.

Assuming that the board concurred with the plan I'd laid out, I thought it would be useful to give the new CEO, Sidney Taurel, the opportunity to think about his new role and thoughtfully develop a transition plan that would address priorities, people, structure and how to fully take advantage of the energy that could come from a leadership change. In the end, it would need to be his plan and the board's, not mine. I told Sidney that I would be there to assist him in every way I could.

Gratifying as my experience as Lilly's CEO had been, I still had a number of additional things I wanted to do with my life, including having more time for myself and my family and having more time to give back to a society that had been very good to me. I was proud of what we had accomplished during the five years I'd been there and I was optimistic about what I believed could be accomplished in the years ahead.

I felt extraordinarily privileged to have had the opportunity to lead and be part of a great company. ■

Tobias on Succession Planning

✓ "All too often, in virtually all fields, leaders step down when it's convenient for them, without regard to whether that corresponds with what's in the best interests of the organization they are leading."

✓ "The success of any CEO's stewardship should be measured not only by the results achieved in power but also by the results achieved after the CEO is gone."

✓ "CEOs who stay around for a long transition after their successors are selected and announced are mostly doing so because they just don't want to let go."

For Additional "Lessons on Leadership" from Tobias, go to: http://my.summary.com

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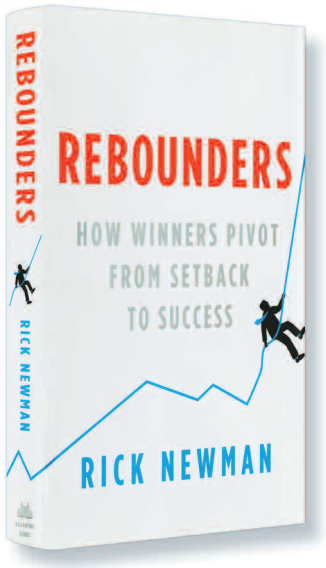
How Winners Pivot From Setback to Success



by Rick Newman

THE SUMMARY IN BRIEF

Let's face it: Setbacks happen, and failure is always a possibility. But here's the good news: Amazing success has been achieved by people who once fell flat on their faces. The secret lies in how we respond to life's bumps and potholes and unwelcome detours — from getting fired or losing a business to enduring a professional rejection or pursuing a passion that fails to pan out. Misfortune, it turns out, can be a springboard to success.

In *Rebounders*, prominent journalist Rick Newman examines the rise and fall — and rise again — of some of our most prolific and productive figures in order to demystify the anatomy of resilience. He identifies nine key traits found in people who bounce back that can transform a setback into the first step toward great accomplishment. Newman turns many well-worn axioms on their head as he shows how virtually anybody can improve their resilience and get better at turning adversity into personal and professional achievement.

Each lesson is highlighted by candid and inspiring stories from notable people, including Vanguard founder Jack Bogle, musician Lucinda Williams, inventor Thomas Edison, army veteran and double-amputee Tammy Duckworth and former New York Yankees manager Joe Torre.

In this uncertain and unstable time, *Rebounders* lays out the new rules for success and equips you with the tools you need to get ahead and thrive.

IN THIS SUMMARY, YOU WILL LEARN:

- Why setbacks can be a secret weapon.
- How defensive pessimism trumps optimism.
- The importance of knowing when to walk away at the right time.
- How to "own the suck" and rise above true hardship.

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THE COMPLETE SUMMARY: **REBOUNDERS**

by Rick Newman

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Introduction: Four Surprises About Failure

What am I doing wrong?

This is a lousy question to have to ask yourself. Most people, when faced with a major disappointment, come up with a lot of other explanations before they begin to examine their own culpability.

I avoided asking myself that uncomfortable question for years — but finally ran out of convincing alternative explanations. I had been divorced for a while. A custody battle had gone against me, forcing me to move two hundred miles to another city to be near my two kids. That meant giving up a prominent job with a lot of valuable connections — the lifeblood of success for a journalist like me — and taking a more obscure one where I started with an empty Rolodex.

I lived in a cluttered rental apartment. Many other people I knew seemed to be in an upgrade phase of life. For me it was like trudging up a long stairway, gasping for air while other people were cruising upward on an escalator. Then my industry started to struggle, as news began to appear free on the Internet, and newspapers and magazines began to lose money, then go out of business altogether.

To overcome the career setback, I applied the doctrine of hard work: Keep applying effort until you get what you want. But it wasn't paying off. So after I pondered the awful possibility that maybe I was doing something wrong and causing my own frustration, I asked myself an even worse question: Was I failing?

I applied my journalistic instincts and started to research failure. What I found was more enlightening than I expected. A lot of renowned and successful people had failed at something, occasionally at something big. The lucky ones failed early and learned quickly, whereas others failed later or took longer to get over it. But the important thing always seemed to be that they learned from failure and used that knowledge to become better and more successful.

As I continued my inquiry, one revelation followed another, and I made these four important discoveries:

1. Setbacks can be a secret weapon. When I began to study successful people and ask them to tell me their stories, it became clear that the pivotal events in their lives weren't the breakthrough moments when everything finally fell into place, but the quit points, when success was in doubt and support was scarce. Overcoming setbacks can make people stronger, smarter and more durable. Psychologists call this quality resilience.

2. Small adversities matter, just like big ones. Many non-traumatic events count as legitimate adversities: job or relationship stress, money woes, a nagging illness, even getting stuck in traffic. Small challenges are the building blocks of resilience. That's how we develop the vital skills that help us cope with bigger setbacks in the future.

3. We're addicted to alluring shortcuts and incomplete slogans. It's not really true that you can do anything you set your mind to. Just loving what you do probably isn't enough; you also have to be good at it, often really good. And if you love to do something that nobody's willing to pay for, don't expect to make a living at it. Consider it a hobby instead.

4. Optimism is overrated. For some people, optimism is the same as denial. If you believe that things will work out simply because they should, you might be ignoring problems. Successful people rarely believe

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor In Chief; **Andrew Clancy**, Senior Editor; **Amanda Langen**, Graphic Designer; **Corbin Collins**, Contributing Editor

things will simply work out. They're more apt to practice "defensive pessimism," anticipating worst-case scenarios so they're prepared when things go wrong.

Some people, I began to realize, react to failure much better than others. I began to call them Rebounders because they have an enviable set of skills that enables them to bounce back from adversity. Wallowers, by contrast, often do the opposite. They get rattled when something goes wrong, even something small. They spend a lot of time figuring out who to blame for problems, usually absolving themselves.

I wanted to know what kept Rebounders going, where their confidence came from, how they found their way in the dark and what they learned along the way. ●

What Makes a Rebounder

"What doesn't kill me makes me stronger," wrote German philosopher Friedrich Nietzsche in his book *Twilight of the Idols*. Nietzsche, it turned out, was more right than he knew: enduring a few slings and arrows can make people happier than living a charmed life and experiencing none at all.

Resilience is the core strength of a Rebounder. And while Rebounders have been around forever, the science that helps us understand their special qualities is relatively new and still evolving. Researchers have proven that some resilience is innate. About one-third of people are born with a natural reservoir of resilience that allows them to cope effectively with challenges or setbacks, overcome them and end up better off.

But what about the other two-thirds? One of the most important insights about resilience is that it's as learnable as any other skill, and it doesn't take years of psychoanalysis or other rigorous effort to accomplish.

The opportunities to learn resilience and add to our natural supply begin when we're kids. Decades of research now make it clear that "controlled" exposure to adversity helps kids become confident and adaptable. Several of the Rebounders I interviewed and studied endured some kind of unusual stress as children, such as an abusive parent, divorce, financial strain or neighborhood violence. Some people feel comfortable taking measured risks as adults because they learned as kids that they can survive scary challenges. The good news is that resilience is learnable at any age, and it pays dividends no matter when it starts to work in your favor.

There can be an upside to stressful events, which can transform and improve the way we react to them. ●

The Elements of Persistence

Americans find it gratifying to think of their nation as a land of natural geniuses or trailblazers destined for greatness. But that's highly romanticized. Since its founding, America has been a nation of failers. What makes it a remarkable place is that America is also a nation of Rebounders.

Benjamin Franklin ran away from his parents in Boston at the age of 17. His first business venture left him out of money and stranded in London for 18 months, unable to pay the return fare. George Washington lost his father at the age of 11, which forced him to forgo a college education, a gap that nagged at him his entire life. He bumbled through a variety of frontier skirmishes early in his military career, suffered financial duress and lost more battles than he won during the Revolutionary War.

Thomas Edison was perhaps the ultimate Rebounder. He cultivated failure in his hundreds of laboratory experiments because he knew that rich learning came from studying mistakes and capitalizing on them. He endured three economic depressions in his career and ran short of money many times. Yet he rarely got discouraged. He famously said, "Genius is one percent inspiration and 99 percent perspiration."

Edison's boyhood seems to have been a model experiment in itself, a series of small challenges that gradually grew bigger as the boy became adept at handling them. Edison learned that he had the ability to land on his feet. He was becoming resilient.

Edison's Lessons for Innovators

But Edison's legendary persistence — the "perspiration" part of his "Genius is one percent inspiration and 99 percent perspiration" formula — wasn't simply the result of hard work. Edison succeeded over and over for three reasons that are as valid for innovators today as they were then. First, instead of making all-or-nothing gambles on one or two consuming ideas, Edison developed many ideas at once and prioritized those that seemed to be most promising. He was an inveterate multitasker. Second, he learned to let pragmatism be his guide, prioritizing practical inventions over ones he grew emotionally attached to. Finally, Edison found remarkable value in failed experiments and other setbacks, which often produced insights and nuggets of knowledge that contributed to other breakthroughs later on. Edison rarely felt discouraged when he hit a quit point because to him every setback was a signpost that might point to a more productive outcome in a different direction.

Edison's first major invention involved a rookie mistake that many first-time entrepreneurs have repeated since: he came up with a clever innovation before bothering to find out if anybody would be willing to pay for it. Edison vowed to "never waste time inventing things that people would not want to buy." Another early lesson for Edison was the value of backup plans, and if one project didn't pan out, he usually had another to turn to.

Edison's breakthroughs were laborious, and many occurred only because he had the confidence to challenge his own assumptions. ●

When Hardship Is a Privilege

Jack Bogle was born just a few months before the Wall Street crash that marked the start of the Great Depression. Bogle's parents lost a sizable inheritance from a lucrative family business. Bogle's father became a heavy drinker. There never seemed to be enough money for anything. Bogle's father eventually lost his job, then moved out.

Jack got into Princeton, where a scholarship covered part of the cost, and he took jobs to pay for the rest. Years of privation made him determined to build a successful career, and he chose as a topic for his thesis, "The Economic Role of the Investment Company." He interviewed for a job with Wellington Management Company. Walter L. Morgan hired the smart young Princetonian and tapped Bogle to be his successor.

The stock market began to plunge in 1973, the start of a bear market that would last five years. It was 10 to one in favor of firing Bogle. Then, another option materialized. Bogle had a second role at Wellington as chairman of the various mutual funds the firm administered.

The Birth of Vanguard

He named the fund company The Vanguard Group. He proposed that it start an "index" fund that wouldn't be managed by so-called experts trading stocks every day. Instead, it would be "passively managed," simply holding shares in all the firms comprising the S&P 500 stock index. The advantage would come from extremely low costs. Like many innovative new ideas, it barely survived its debut. Critics dubbed the fund Bogle's Folly, and some of his own colleagues suggested scrapping the idea. But Bogle trusted his math. No, he said, it will just take some patience.

By 1990, Vanguard was the second largest mutual fund company in America.

After getting fired as CEO, he could've been satisfied with the role he salvaged for himself and the fund company and quietly fulfilled his duties instead of launching a disruptive reform plan and trying to remake the business. He could've given up when Vanguard's first index fund flopped. All along, Bogle had heart problems that provided ample excuse to take extended leave or to retire.

"I have come to regard failure as another essential of leadership," Bogle wrote. "It is often best if things do not come too easily in this life." On a list of lessons for entrepreneurs that Bogle generated, number two was, "Turn disaster into triumph." Number four was, "Get fired." ●

The Dangers of Optimism

For a while in his 40s, Jon Luther worried that he might never reverse a sharp career downturn that left him struggling to pay his bills and pushed his boldest ambitions far out of reach.

Luther grew up in a tough, working-class neighborhood. He left the local liberal arts college after two years because of too much partying and too little studying. He flipped burgers and tended bar. His first real job was managing the cafeteria of a Wurlitzer plant in North Tonawanda, New York, where 400 hungry Polish women came for lunch every day.

After a stint at Aramark running the company's luxury restaurant division, Luther felt it was time to break free of the corporate mothership and do something on his own. He started talking to some investors. They offered him the chance to run a food service company called Benchmark. He invested most of his life savings in Benchmark.

His dream popped quickly. The economy began to slow. He thought the investors were just as committed as he was. He learned otherwise when they decided to sell the whole operation and abruptly fired him one day in late 1990. It left Luther out of a job and nearly out of money. Both of his kids were in college by then, and a nationwide recession was beginning.

A Rebounder Takes Off

Jerry Jacobs's company had contracts to provide the food at a variety of stadiums and arenas. The weakest part of the company serviced airports. Luther's name came up when Jacobs started looking for someone to turn around the airport division. Jacobs offered him the job. Luther became president of a money-losing subsidiary known as CA One, operating 38 airport restaurants that were far down the food chain from the luxury bistros he once ran. High costs and falling revenues left understaffed restaurants serving stale, unappetizing food.

He started by asking the airports to slash their rent in exchange for a pledge to remake the restaurants, bring in more customers and boost revenue by 30 percent.

The first level of reforms was to make some airport dining areas more like the food court at the mall, with familiar brands and food that was at least tasty and affordable. He brought in chains like Au Bon Pain and Burger King. Los Angeles became a turning point. Luther's first move was to approach renowned California chef Wolfgang Puck. The first Wolfgang Puck Express opened in LAX's Terminal 7 in 1995. Puck's imprimatur helped draw other upscale eateries. Luther's new concepts drew strong reviews in the press. CA One turned a steep loss into a healthy profit.

He's far from the first human being to be motivated by poverty — or the fear of it — but that alone isn't what got Luther through a crucible moment. He also summoned Rebounder skills that helped him identify his weaknesses, strengthen his own capabilities and sustain the confidence it took to keep taking risks.

Sometimes it's the stumbles that reveal what you still need to learn. "I always felt I had to work harder because I didn't have that four-year degree," Luther told me. "I've always been a continuous learner." ●

How Passion Misleads

The dangerous myth about passion is that if you love something intensely enough, you'll be successful at it. Just do something you love, the saying goes, and the rest will fall into place. Many of us know people who disprove that adage, and there's now some scientific data that backs up the anecdotal evidence. The concept is pleasingly simple: Practice makes perfect, and 10,000 hours of it seems to be a threshold at which greatness becomes possible. Yet devoting 10,000 hours to any one thing is a huge commitment that requires a lot more than passion and blocks out many other activities people find enjoyable, so it could be a goal reached only by people who are extraordinary to start with. You can still get good at something by devoting 5,000 hours to it or 2,000 hours, but don't expect to develop the kind of expertise that makes you a breakthrough success.

Musician Lucinda Williams followed her bliss down a rutted, unmarked road that seemed to lead nowhere for a long time. She spent much of her career struggling in the professional dead zone between country, folk, rock and blues. Record companies repeatedly dropped her because they couldn't figure out how to promote her music. She refused to conform to more recognizable styles that would have been far easier to commercialize.

The Long Road to Success

Twenty-five years after she started performing, Williams finally produced a bestselling record and earned one of the most coveted adjectives in her profession, becoming a Grammy award-winning musician. Her uncompromising individuality became the very thing that drew thousands of fans. But for a long time, it seemed like a liability that could derail her career. Her ambition was modest. "Pay the rent and just make a living playing music," she said. It took years to reach it. "I've seen so many people with talent but without the drive," she said.

As somebody who had made an all-or-nothing bet on a music career, she was a case study in the cost and the reward of following your bliss. Most people can't afford to stick with something they love for 20 years if they are not earning a decent living at it. But Williams also personifies the challenges that many people face at decision points that force them to choose a direction in their career and try to get better at something they love.

Lucinda Williams didn't have to bounce back from one huge or daunting failure. Instead, she had to withstand a series of minor setbacks that were exhausting in their endlessness. Like many Rebounders, she also had an accurate understanding of what she was good at and what she wasn't, a key component of resilience that helps distinguish Rebounders from unrealistic dreamers.

When to Quit

Tim Westergren had passion, drive and talent, and he probably hit the elusive 10,000-hour threshold associated with high achievement at a fairly early point in his career. But after years of effort, all he had to show for it was a raging case of burnout and an empty bank account. So he tried something else for four years and struggled at that, too. In his third attempt at a career, Westergren founded the Internet radio site Pandora, which *The New York Times* described as a startup that spent most of its first decade on the "verge of death."

Westergren's story provides an alternative view of persistence and shows that Rebounders follow no fixed template. Instead of sticking with one thing until he got it right, Tim Westergren quit one thing, then another, then tried something nobody had ever thought of after his first two efforts didn't work out. He showed the ability to shift his goals and even change his mind when new circumstances arose. And there was consistency to Westergren's pursuits because all along, he was indulging something he loved — music. If he hadn't failed to make a living at it, Pandora probably wouldn't exist.

After graduating from Stanford University in 1988, he formed a six-person band called Yellowwood Junction, which did all the things a band needs to do to have a shot at commercial success. But Yellowwood Junction never made enough money to ease the financial stress on the band members, and tensions grew. "I remember the relief I felt when I decided one day I'm no longer going to do it," Westergren said. "In some ways, that's your compass."

Mapping the Mind of Music

For his next act, Westergren got into something equally competitive: composing film scores. While analyzing different types of music, he realized that he could create a mental map of hundreds of musical attributes. Most listeners, he realized, tended to prefer certain musicological characteristics — distinct elements of melody, harmony, tempo, instrumentation, rhythm, vocal style and mood.

Then he realized that this idea — mapping all the individual characteristics of music the way scientists had started mapping all the characteristics of DNA — might be the basis for a business. He envisioned a service that might help music lovers and musicians connect more efficiently.

In the late '90s, venture capitalists were eager to fund almost any idea that might turn out to be the next technology breakthrough. But after the dot-com bubble burst, Westergren spent most of 2002 firing his staff as the money ran out. He maxed out 11 credit cards and took out all the personal loans he could. It amounted to about $250,000 in personal debt.

He made hundreds of pleas to investors, begging for money to keep his company alive. On the 348th attempt, he got what he was after. The investors ponied up $9 million, which was enough to plug the huge hole in the ship and start running his organization like a more professional company. He rehired some of the talented employees he had been unable to keep back in 2002 and then recruited a CEO, Joe Kennedy, who had run successful businesses at E-Loan and General Motors.

By 2007, Pandora had 7 million registered users and more than half a million songs in its database. But unforeseen problems are a fact of life at startups. A government panel that regulates music royalties tripled the fee that online radio services like Pandora had to pay record companies every time they played a song. More than 1 million Pandora users contacted Congress. The regulators didn't give Pandora everything it wanted, but they lowered the royalty rates enough for Pandora to stick with its business model.

By adjusting his thinking, Westergren found new ways to follow his bliss until one of them finally paid off. Westergren capitalized on his failures. The unique challenges of managing a band turned out to be good practice for running a startup. An awareness of his own limited prospects led him to seek ways to distinguish himself. The jobs he left behind were contributions to his personal database of knowledge, which finally became deep enough to persuade skeptical venture capitalists to invest millions in him. ●

Own the Suck

Severe hardships can be the toughest tests we face in life, capable of neutralizing ambition and wrecking years of careful planning. People who overcome traumatic adversities often do it by applying habits learned through lesser setbacks. In the same way that small triumphs can help build incremental layers of competence and toughness, overcoming major hardships can generate newfound capabilities that may not emerge any other way.

One day toward the end of 2004, 36-year-old Tammy Duckworth awoke in a hospital room, wondering where she was and what happened. She heard doctors and nurses talking about a helicopter crash. It came back to her in fragmented, terrifying snapshots. Iraq. Heat. Sky. Dust. A deafening flash. Screeching machinery. Blood. Fear. For days in the hospital, she felt an overwhelming sense of dread as she grasped at comprehension.

Over the following months, Duckworth would transform shock, horror, pain and a crippling new disability into an intensified sense of purpose. Modest goals grew into more ambitious ones. Her pace of accomplishment accelerated. Barriers to advancement that had once seemed imposing no longer got in the way. Duckworth developed the confidence to try bold and difficult things because the risk of failing no longer intimidated her.

Captain Tammy Duckworth, call sign Mad Dog 06, was a Black Hawk helicopter pilot assigned to the Illinois National Guard's 106th Aviation Battalion when it was sent to Iraq in 2004.

On November 12, 2004, Duckworth and her crew started flying around 7:00 a.m., ferrying troops and supplies around Baghdad in support of a big battle raging near Fallujah, about 40 miles west of the Iraqi capital. When they were just 10 minutes from landing, Duckworth heard the alarming metallic sound of small-arms fire strafing the side of her aircraft. Almost simultaneously, a blinding fireball tore through the floor of the helicopter's right front quarter where her feet were and blew straight through the top of the aircraft.

Duckworth instinctively tried to press the foot pedals that controlled the helicopter to get it on the ground. But the pedals had been blown off. So had most of her right leg and her left leg below the knee.

Duckworth had never experienced personal trauma or anything remotely close. But she still felt like she knew what she needed to do in order to recover. Like Jack Bogle and many other Rebounders, she had learned early on that hard work was a reliable formula for overcoming challenges.

She wanted to know what it would take to pilot a helicopter with artificial legs. The answer started with a lot of mundane and often painful exercises. She welcomed them, doing four repetitions if the therapist told her to do three. "Rehabilitation was my new mission," she said.

The Hard Road to Washington

As she recovered, Duckworth got drawn sporadically into the klieg lights of official Washington. Sen. Richard Durbin, from her home state of Illinois, invited her to be his guest at the 2005 State of the Union address. She met top officials from the Pentagon, who occasionally stopped by Walter Reed to visit with injured troops. Duckworth also got to know Barack Obama, the other senator from Illinois.

The idea of running for office terrified Duckworth. She was comfortable taking on tough challenges as long as it was in the incremental, familiar manner that had helped her excel at flight school. But doing something new and risky was something she had always dreaded. For all of her pluck, Duckworth was still a political novice, running as a Democrat in a district that was largely Republican. She lost the sixth district by a narrow 51 to 49 margin.

It was just the sort of rejection she had long feared, and for a while, it felt crushing. But three days after the election, Illinois's governor offered her another job as director of veterans affairs for the state. She jumped at the chance. She campaigned for Barack Obama when he ran for president in 2008, and after he won, Obama appointed her to be one of the top officials in the Department of Veterans Affairs in Washington.

"In Iraq," she said, "we had this phrase: 'owning the suck.' It sucks being over there. It sucks being deployed. Know that it sucks. Acknowledge the suck. Own it. But keep doing your job. Because you have to do your job."

After serving more than two years in the Veterans Affairs office, Duckworth left in the middle of 2011 to prepare for another run for Congress in the 2012 elections. Losing again, she knew, would suck. But she also knew that if it happened, she would own it. ●

The Soldier's Creed

Duckworth asked her husband to hang a copy of the Soldier's Creed near her bed. It says, in part, this:

I will always place the mission first.

I will never accept defeat.

I will never quit.

I will never leave a fallen comrade.

The creed, notably, doesn't say, "I will never fail." Instead, it says, "I will never accept defeat," no doubt because there are many failures in military affairs, which is often the art of accomplishing the difficult. Defeat would be yielding to those failures and giving up.

From Wallower to Rebounder

Rebounders don't always know they're Rebounders. Anybody who doubts their potential as a Rebounder should learn about the transformation of Joe Torre, the professional baseball player and manager who led the New York Yankees to six American League titles in the 12 years he spent managing the team and four World Series championships. When the Yankees hired Torre in 1995, he had the hallmarks of a has-been: He was in his mid-fifties with a career losing record as a manager. Plus he had been fired from each of the three teams he had managed before.

One big factor in Torre's long-sought success was longevity. Like Lucinda Williams, John Luther and many other Rebounders, he stuck with his craft long enough to overcome mid-career setbacks and capitalize on the experience that takes years to build. But other key factors were the peaks and valleys of his own playing career, from the highs he hit when winning the MVP award in 1971 to the lows he endured as a part-time player in decline on a losing team.

The Voice of Experience

Torre knew what it felt like to be a cocky up-and-comer hiding his own fear of failure, a star and a discouraged down-and-outer questioning his own contribution to the team. There were 25 talented professionals on a team, and a lot of them had to deal with less playing time or other managerial decisions that seemed unfair. "I know what it's like to play on a part-time

basis," Torre said. "I knew how to sit down at somebody's locker with them. They respect the fact that I've experienced it. It made me a better manager."

Torre also felt that beneath the fear and anxiety he endured when he was younger and the dismissive arrogance that later masked those feelings, he had a kind of empathy for the underdog that made him a good listener, another skill that helped him as a manager. Listening to his players and figuring out how best to use each one of them game by game gave Torre the kind of edge that made him a repeat World Series champ. "It's a matter of continuing to learn, continuing to find things out about people. We won four World Series, but we did it a different way each time."

Joe Torre could have remained arrogant and self-absorbed and still ended up with an impressive playing career. But Torre probably would not have become a model manager if he hadn't learned how to break free of his own struggles, understand his failures and listen to other people worth trusting. He was a Rebounder long in the making. ●

The Nine Attributes of Rebounders

All the Rebounders I studied exhibit basic qualities that are typically associated with success but aren't unique to Rebounders. Here are the nine additional attributes that give Rebounders an important edge:

• **They accept failure.** For Rebounders, failure is frequently an option. That's because they attempt things that are hard to do. Most Rebounders hate to fail. But if that happens, they fail productively.

• **They compartmentalize emotions.** A kind of equanimity allows them to overcome guilt, blame, anger and other bad feelings that often accompany setbacks. They don't internalize bad feelings or become dominated by emotion.

• **They have a bias toward action.** Taking purposeful action to fix a problem is one of the hallmarks of resilient people. They do it because they believe they can influence what happens next, instead of capitulating to the vagaries of fate.

• **They change their minds sometimes.** Changing your mind often means you have to be able to recognize your own mistakes. Rebounders have confidence in their ability to adjust.

• **They prepare for things to go wrong.** Few Rebounders expect everything to go their way just because they feel they deserve it or because they're lucky. They've learned through personal experience that effort produces results.

• **They're comfortable with discomfort.** Rebounders are willing to accept hardships and inconveniences as long as they feel they're getting close to an important goal.

• **They're willing to wait.** There's rarely a substitute for time when it comes to the accumulation of vital experience. What sets Rebounders apart is the determination to succeed on their own terms no matter how long it takes.

• **They have heroes.** Some Rebounders are romantics with a surprisingly strong belief in the power of narrative and their own role in something historic. Heroes help Rebounders set and meet higher standards.

• **They have more than passion.** Passion is a powerful motivator but also has a way of leading Rebounders into trouble since they're willing to take risks to pursue it. But passion doesn't always get them out of trouble. That takes a higher form of resilience.

Some people are sure that everything happens for a reason. I have my doubts, but more important, the problem with ascribing hardship to some cosmic scheme that's beyond our comprehension is that it diminishes our own responsibility to extract something valuable from something difficult. It is not inherently good when bad things happen. It's up to us to turn a bad situation to our advantage. If growth or knowledge comes from tribulation, it's only through our own effort that it happens. Rebounders don't possess a magic formula, but over time, through practice and dedication, they develop a kind of psychological muscle memory that enlarges their capacity to harness adversity. Rebounder or not? Nearly everyone has the ability to ask themselves that question and, sooner or later, answer yes. ●

RECOMMENDED READING LIST

If you liked *Rebounders*, you'll also like:

1. ***The Adversity Paradox* by J. Barry Griswell and Bob Jennings.** Two experienced consultants show you how to use the very experiences that would stall or tumble a career to build uncommon success.
2. ***Derailed* by Tim Irwin.** Tim Irwin chronicles the collapse of six high-profile CEOs and identifies the factors that drove their downfalls. Derailed teaches you how to avoid derailment by applying principles to stay on track.
3. ***Clutch* by Paul Sullivan.** Do you choke under pressure, or are you "clutch"? Sullivan offers a strategy to help you consistently deliver when it counts.

· Book 219 of 388 ·

Return on Impact

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Return on Impact

Leadership Strategies for the Age of Connected Relationships

by David Nour

THE SUMMARY IN BRIEF

LinkedIn. Twitter. Facebook. You're there, but is your social networking presence driving growth, cost performance or other quantifiable outcomes? How are your members and customers better off because of your social media platforms?

Beyond doing social, organizations must transform their strategic vision, structure and governance, capabilities, talent development and operational execution to become more social enabled. That's where social market leadership can create a unique and highly sustainable differentiation. *Return on Impact* defines a valuable roadmap in that transformation.

Author David Nour provides a fundamentally different approach to evolving an organization's strategic vision, governance model and "iTunifying" its capabilities. Based on interviews with association and corporate senior executives, case studies, examples, illustrations and pragmatic advice, *Return on Impact* reveals that success from social media comes from more than picking the right tools. Placing members and customers at the center of the organization's purpose, capabilities and evolution as a transformative source for those who choose to belong isn't simply a luxury; it's a fundamental necessity.

With the IMPACT model — Immerse, Member, Participate, Accredit, Community and, finally, Transform — *Return on Impact* provides an iterative, predictable process for leveraging social as the organization's growth engine.

IN THIS SUMMARY, YOU WILL LEARN:

- How to quantify the outcomes of social media and social collaboration.
- How social impacts every employer, customer, organization and leader.
- How your involvement online impacts your financial results.
- How to navigate the social space and drive quantifiable impact.
- How to think and lead differently because of social.

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THE COMPLETE SUMMARY: **RETURN ON IMPACT**

by David Nour

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Welcome to the Age of Empowered Customers!

Digital technology continues to get smaller and less expensive while becoming more powerful and prevalent. Technology and transparency are enabling decision-making processes for consumers, members, employees, partners and shareholders who expect and often demand to connect with organizations whenever they want and on the device of their choosing. They are wireless, mobile, sensor-equipped, plugged-in and far more intelligent and *empowered* than ever before. As customers, they want a consistent experience in all channels — physical, digital and mobile. They read and belive others' comments about organizations, products, services and experiences more than they believe marketing or advertising. They compare notes and instantly share personal experiences. They champion a brand or sully a reputation with one click. The intelligence and connections available to customers are forever changing the business of designing, creating, selling and delivering information, products and services. Whether as members or customers, consumers have soaring expectations.

The disruptive forces of social-media-savvy consumers are rippling through to organizations and across entire industries, affecting the fundamental need for credible content and interaction within a community of like-minded individuals working toward a common mission and vision, or against an enemy, such as legislation. At the individual member or customer level, it's not just about the connected consumers' driving the "iTunification" of business; the networked work force is collaborating in new ways both inside and outside organizations. Empowered citizens are digitally engaged and networked, making their voices and votes count on Wall Street, in ballots, with proxies and on Twitter.

'There Are No Shortcuts!'

Responding to the evolutionary digital landscape isn't a switch; it's a dial. You have to *lead differently*! Leadership strategy for the age of connected relationships isn't about putting up a Facebook fan page or the CEO tweeting three times a day! It's about the unequivocal need to *think and act differently* as a leading organization because of social: to harness its power and promise while avoiding its inevitable pitfalls, to embrace it as an enabler of your value-add, not block access to it out of fear of malice.

Social is more than a communication channel. Social is a wake-up call to engage members and customers alike, differently. It requires commitment from the entire organization and a redefined value proposition. Social customer relationship management is about truly understanding the impact you're having in the market, one engagement at a time. Social analytics will force you to examine more intently what your members or customers are saying about your industry or brand, and what matters most to them. What does your industry or brand do to improve their condition? Are they better off because of your value-add? Do you delight or annoy them? Is your value-add simply talk or does it act to become value-perceived by those most critical to your future prosperity? ●

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A New Definition for 'Social'

In English, the use of *social* refers to an informal gathering, as in a "neighborhood social." I'm taking liberty of using the same reference to informal gatherings via digital interactions, within and external to an organization. My reference to social is more than social networking, such as LinkedIn, Twitter or YouTube. As such, we need a new definition for social as a fundamental shift in mindset, toolset and roadmap for an individual, team and organization to:

- Put its customers/members at the center of its structure, suite of offerings, job descriptions and value creation efforts.
- Creatively collaborate in real time, while becoming more agile, responsive, streamlined and direct.
- Be more open in its communication and transparent in its governance, encouraging, authentic and trusted.
- Be more caring, accessible, agile and innovative.
- Be proactive, engaged, connected and self-directed.

Do You Still Matter?

OK, so they're talking about you on Twitter, chatting with you on Facebook and searching for you on Google. In a world that is increasingly empowered by social media and connected screens, out of your control and enthralled by innovation, how can you be sure you are still relevant? I respectfully suggest that all that matters is the story your members or customers tell about your brand or your brand's value, in 140 characters or less. Is it a compelling story, a disappointing story or no story at all?

Associations and member-based organizations have an enormously untapped resource of amazing stories, as do companies. The stories are not about themselves, but of members and customers, employees and suppliers, all of whom dramatically altered their paths because of the impact of the organization. Our lives revolve around stories. We think narratively and record our history through narrative. Our culture is, in essence, a story; stories teach us values, and we create and share bonds through them. Stories are especially effective in communicating ideas, and very often there are people who "get it" through stories.

The Rest of the Story ...

Unfortunately, many organizations confuse stories with situations — first this happened, then that happened and here is how it turned out — almost as a matter of fact. A great story takes the middle part and creates tension and conflict, which draws all of us in to learn what happens next.

Stories are so much more memorable than statistics or simple anecdotes and are the fuel that allows social communities to grow. Strong stories become infectious and, when told well, become interwoven into the fabric of an organization. *With stories, the culture becomes the vision delivered.*

According to Jennifer Aaker and Andy Smith, the authors of *The Dragonfly Effect* (Jossey-Bass, 2010), there are four important stories that all organizations should have readily available in their portfolio:

1. "Who Are We?" — How we got started;
2. "Vision" — Where we're going in the future;
3. "Apology and Recovery" — What a transgression is for an organization and how they might respond to it; and
4. "Personal" — What personal stories are being incubated and cultivated within the organization.

What makes stories interesting are unexpected events, provocative ideas, counter-intuitive findings, suspense and mystery, and thematic complexity — the degree to which multiple interpretations lie below the surface. If an organization can make its stories relevant to the listeners' issues and give sufficient information so as to be understandable and coherent, listeners will be able to vividly identify with the characters.

Authenticity and Transparency

Authenticity is also critical in compelling storytelling. People have to believe you and that's very difficult to achieve if you don't believe the story yourself. Authenticity and transparency become important in social because of the essential underlying trust required to engage others in a low-trust environment. ●

Develop a Robust Social Strategy, an Imperative First Step

The silver lining in an economy of contrasts is that visionary leaders and entrepreneurs have the opportunity to question the status quo and explore new frontiers. That's what many member-based organization executives and corporate leaders are doing with the question of social. With the slowing of the economy, the pace and change is accelerating at so many levels in organizations that many people believe how a member or a customer-centric organization will operate in the next decade cannot be imagined today.

Unfortunately, many of my interviews reveal that social is not an integrated topic in an organization's overarching strategic plan. In one such survey conducted via the ASAE *[a Foundation devoted to management research]* we asked, "Do you currently have a social media strategy?" The most frequent response was a resounding "Yes." But upon further examination, most associations actually had a social media plan, and a tactically focused one at that. For example, many simply send out a monthly electronic newsletter and create a social media corner, perhaps by using a Facebook fan page to drive traffic and awareness of an upcoming event. Some plans were poorly developed, ignoring the power of choice and focus, trying instead to accommodate a multitude of conflicting demands and interests.

It's time to put leadership back into strategy.

The IMPACT Model

The IMPACT model is derived from a careful examination of the membership life cycle and an organization's biggest influence on each critical touch point along the way:

- **Immerse.** Educate the broader market, share value openly, engage and influence.
- **Member.** Allow them to opt-in to your value-add and pay to join.
- **Participate.** Give them the opportunity to experience the value of the community, where, when and how they need it.
- **Accredit.** Create definitive value and sustainable differentiation for the members through your affiliation, credibility, exclusivity, brand/legacy value.
- **Community.** Empower them to share the good, the bad and the ugly.
- **Transform.** Deliver measurable and influential personal and professional growth to every individual your organization touches.

A robust social strategy must cut across the entire organization to be effective, yet focus the right people and sufficient resources of the organization behind it to execute it.

Embrace World-Class Engagement

Have you ever been engaged with an organization to the extent you were enthusiastic enough to recommend it to your friends and family? *Really* engaged? How did it make you feel? Did you go back for another experience or to purchase additional products or services? Did you or would you pay a premium for the enhanced engagement? For those who stay at the Ritz-Carlton, shop at Nordstrom or spend time at Apple's in-store Genius bar, the answers are emphatic: "Oh yes, I went back multiple times, absolutely, amazing, told everyone, the premium was worth every penny!"

World-class organizations unleash their potential for growth by optimizing their most valuable relationships on- and offline. According to Gallup, organizations that optimize engagement outperform competitors by 26 percent in gross margin and 85 percent in sales growth. Customers who are fully engaged represent an average 23 percent premium in terms of share of wallet, profitability, revenue and relationship growth over the average customer. Actively disengaged customers represent a 13 percent discount for those same measures. In essence, members and customers who are engaged buy more, spend more, return more often and stay longer.

Trust: A Benefit That Is Bestowed

With the decline of discretionary time and attention, and the accelerated increase of product choices and media clutter, *trust drives transactions*. When we feel authentically engaged and have a vested interest in the improvement of our condition, we develop a comfort, dependence, reliance and trust in a brand. "I know I can trust this source for credible, reliable, timely information."

Trust is no longer a commodity that is acquired, but rather *a benefit that is bestowed*, earned through action and reinforced by transparency and engagement. Organizations have the opportunity to build an enduring foundation of trust if their leaders commit to a strategy that brings value to both investors and society by addressing the *what* and the *why*. However, given today's low-trust environment, the organization must further explain *how* it makes money, demonstrating a new level

Evolve to a Social Organization

Social organizations shift their lens to really understand what members and customers do: Participate in a set of highly related and relevant interactions that, when combined, make up their unique engagements. This perspective should stimulate much needed dialogue among senior leadership and the board in five distinct areas:

1. **Make Social the Entire Organization's Priority.**
2. **Evolve Your Capabilities.**
3. **Expand Your Definition of Resources and Staff.**
4. **Make Social Engagements About Consistent Execution.**
5. **Move with Purpose and Empirical Evidence.**

of transparency in business practices; for example, revealing ingredients in products or, after a sale, listing a "service and maintenance process." Finally, it must build relationships across the entire stakeholder universe (the *where*) by engaging audiences across a multitude of media sources — mainstream, new, social and owned — and joining the conversation by adding value and learning from the critics. ●

Build a Different Kind of Organization

"If social [media] can take down the government of Egypt, it can take down your organization," says Doug Chia, assistant general counsel and corporate secretary of Johnson & Johnson, in a recent interview with *Corporate Secretary*. So, who should own social? Social isn't a function to abdicate to a 20-something staffer to increase Twitter followers or Facebook "likes." If senior leaders of visionary organizations truly seek not only to develop a strategic direction with social, but also to dramatically affect their organizations and industries, they must examine their structure and governance models, because the immediacy and ungoverned nature of social is in direct conflict with the hierarchical and controlled business structure of many institutions. Culture and community, the cornerstones of social, thrive and perform when trusted and tracked more so than when commanded and controlled.

Organizational Structures

Some social media experts have described organizational structures as "distributed, centralized or coordinated." Frankly, labels such as these depersonalize and create categorical responses that are inevitably inaccurate. You can't lump an entire generation's unique preferences, buying patterns or specific nuances into a bucket and refer to them as specific to only that generation, such as "Gen-Xer attributes." A distributed structure where social strategy is grown organically from within a department without guidance or institutional support will be challenged to sustain growth and evolve in viability. Its lack of coordination with the rest of the organization, members, strategic partners or external knowledge assets will cause it to miss strategic insights that fuel the organization into what it could become. A centralized structure, guided by a marketing department where a single group controls the message, allows for very little flexibility across functions. It forces the controlling department to try to understand and keep up with a broad base of constituents. Furthermore, the development of new strategies for other functions screeches to a halt in the bureaucratic approval processes. A coordinated model that hands down rules to the department or functional level for a specific message to a finite audience is often glaringly absent of collaborative culture and may require years to establish.

Effective Reinventions

The most effective reinventions don't just reshuffle the boxes and lines on committee assignments. Instead, they focus on improving the organization's ability to handle its most important decisions. They enable people at all levels to make better, faster decisions while increasing the return on the impact of some or portions of effectively executed decisions. *An organization's performance is the sum of the decisions it makes and executes*. As such, a reinvention won't make much of a difference unless it prioritizes the critical decisions for the organization, specifies who is responsible for crafting the strategic roadmap and demonstrates how the new structure will help people make and execute decisions better. Reinvention will shift the focus of the board and the senior leadership from documents and project plans to the source of energy, creativity and decision making that moves the organization forward: people. ●

'iTunify' Your Capabilities

The most profitable, sustainable way to build and scale an organization is to find a group of individuals (never forgetting that relationships are between individuals) who have problems that drive them crazy and who are willing and able to pay for solutions to solve them. If the organization becomes a student of those problems — studying where they come from, how they manifest themselves, what the alternatives and risk associated with addressing them are — and is obsessed with solving them, it can create a clearly differentiated value proposition, one that many individuals are often willing to pay a premium for versus the alternative. Member-based organizations have been somewhat insulated from the competitive forces of most businesses, but social networking is dramatically and increasingly challenging the perceived value of member-based organizations to those "customers" with problems. Many leaders forget this simple proposition; businesses have fallen in love with their own products and services, and many associations are drinking way too much of their own Kool-Aid, completely losing touch with the problem-solving or quantifiable value-adding side of the formula.

An issue of *Time* magazine illustrated a particularly interesting and relevant concept around how the late Steve Jobs extended Apple's influence beyond Macs. Jobs had the vision that Apple would be more than gadgets. He understood that devices drive consumption. Consumers of entertainment, products and content have made Apple a player in music and video distribution, retail and publishing. Industry giants in various sectors have bet their digital presence on apps in the iTunes store, with its estimated 250 million plus users and their buying patterns.

Strip Away Obstacles

The price of an offering often includes features or functionality consumers have little interest in, which begs the question: When was the last time you and your team went through the portion of your business that is meaningless to your members and customers?

Doing so often has far greater positive impact on most organizations than any single strategic planning item from some off-site meeting. By stripping away obstacles that surround an organization's products and services, including the unwanted junk mail, the unnecessary and wasteful repetitions, the unwelcomed attitude of overworked and stressed staff, and the senseless bureaucracy that we tend to bucket as "policy," you can create value for your target members or customers. *By focusing on providing less of what they dislike, you create greater value and impact in what they're really looking for!* ●

Attract and Develop Unparalleled Social Talent

The transformation process of any organization in becoming more socially enabled has to start with the manner in which it identifies and attracts world-class, social talent. Attracting and retaining world-class social talent is a painstaking challenge for many small- to medium-sized organizations. This is especially true for those with limited financial resources, such as early-stage ventures, nonprofits and associations that are trying to add social as yet another "must-do" on their existing overflowing plate of action items. Many such organizations recruit less experienced talent and ask them to learn social on the job, attend conferences or get self-educated through trial and error. That may work in many other functional areas, but for an organization to evolve in its strategy, embrace engagement as a core competency and modularize its capabilities, it will need a different type of talent. It will require intelligent employees with the drive to take the initiative and combine personal characteristics with natural creativity and curiosity, an accelerated learning curve, no fear of failure and the ability to learn from every interaction to execute the organization's social strategy.

Tapping Into a Global Work Force

Associations must find creative ways to tap into a global work force, passionate about both the organization's cause and the will to create an exceptional social presence for that cause. How? By focusing greater attention on engines that can dramatically alter the talent pipeline flow into nonprofit, civic and public service sectors.

Companies can also do more to mentor nonprofit leaders and offer internships in nonprofits for current and future employees. Businesses can also provide incentives for retirees and alums to go to work for nonprofits. Bridgestar has emerged as exemplary in enhancing the flow and effectiveness of passionate and highly skilled leaders into and within the nonprofit sector. ●

Socially Enable Your Execution

Without particular attention to the following 10 strategy execution best practices, your efforts to engage, enable and empower connected relationships within the organization or external to it, will falter:

1. **Challenge status quo, certainty and critical assumptions.** When you, as an individual, a team or an organization, think that you're undeniably right, that is exactly the right time to ask: What might we be missing?
2. **It's not about perfection; it's about progress.** The relentless pursuit of diverse opinions promotes the evolution of novel ideas. Building focused communities that help improve the quality and speed of gathering business insights will accelerate your ability to generate new ideas and to constantly improve upon them.
3. **We evaluate logically but decide emotionally.** The combination of high-quality ideas and frequent real-time feedback from those eager to share their experiences give you a much stronger sense of the member's, customer's or industry's pulse than an annual satisfaction survey.
4. **When in doubt, take the high road.** Combine your great products or services with *obsessive service* — inside and outside the organization — and you build unparalleled barriers to entry for your competitive landscape.
5. **Infuse love for the organization and its purpose.** We don't often hear about love for an orga-

nization, but social communities are about deeply passionate people who genuinely love what they do, who they do it for, who they do it with and the results they create as a community of like-minded individuals.

6. **As individuals and organizations, we're richer than we think.** From our educational foundation to our professional pedigree, transformation evolves our positions, possessions and perspectives. Compared to much of the rest of the world, we're richer in all three.
7. **Humility + Learning = Exponential Growth.** Only when members or customers feel their own transformations will they come full circle to further immersion in your value-add.
8. **Purpose is created and reinforced by your discoveries.** Members or customers return, expand their involvement and refer others to an organization's breakthrough products and services, thus fueling the organization's growth.
9. **If you don't respond, you'll signal that you're incompetent or just don't care.** If the organization is engaged by others who choose to participate and it doesn't respond, particularly to requests for clarification of information, dissemination of misinformation and inaccurate or blatant mistruths, the brand and all of its constituents risk alienating those most crucial to the organization's ecosystem.
10. **Be the starfish and not the spider.** My friend Rod Beckstrom, co-author of the best-selling book *The Starfish and the Spider*, believes that at the extreme, all organizations behave either like centralized, top-down spiders, or like decentralized, collaborative starfish. Understanding the difference can be the key to success. ●

Deploy Social Analytics to Listen Louder and Tell a Compelling Story

Metrics should measure against agreed-upon objectives and values, and help to create course correction along the way — more like a *dial* you turn up or down than a *switch* you turn on or off. Here is the problem: The overemphasis on social media tools, propagated by a cottage industry of vendors and platforms, once-a-week conferences, and fly-by-night consultants and their glorified blogs, is the tail wagging the dog. Too often, organizations allow the tools to dictate rather than define what to measure. Social analytics should be about aligning objectives with the strategy, the implementation process, the effectiveness of each smart touch point, success metrics that move the member or customer to their next logical decision point, rich data sets and, finally, the tools. Social analytics should help to measure these stages and modify the original objectives or the strategy.

Organizational objectives, as defined by business outcomes, must be a driving force in implementing a social campaign for desired change in an organization. Understanding organizational objectives will facilitate the design of broad social parameters for analyzing and selecting the right tools.

The *implementation process* should be focused entirely on the business function that the social campaign will address.

If member or customer acquisition is the organizational objective, a funnel process (creating awareness, supporting consideration, developing organizational or brand preference, getting people engaged to join and sustaining loyalty) may be the most appropriate measure. Other implementation processes often encompass member or customer support, customer relationship management, organizational reputation and advocacy generation.

Success Metrics

Success metrics depend on the preceding implementation process, as each social process requires unique metrics. Member or customer acquisition objectives drive metrics such as percentage of unaided awareness, percentage of the total target market audience who would consider the organization/its products and services, incremental revenue, percentage of member renewals or repeat purchases from key customers.

Rich social data sets that are actionable are derived from ratios — a numerator and a denominator — that when independently modified will create both "what if" scenarios to explore alternative paths as well as the necessary course correction in the implementation process, engagement through the touch points or recalibration of the success metrics.

Only when the organization understands what data is needed to calculate meaningful social metrics can it assess the right class of tools to best deliver the insights it seeks. ●

Fail Intentionally and Learn From It

If an organization and its prominent change leaders candidly internalize why and how they've failed in any past endeavor, they'll soon realize that:

- Failure is not always bad, wrong, detrimental, debilitating or catastrophic.
- Learning from organizational failures are hidden gems, with insights about how to uncover, analyze and institutionalize them.

Just think about how many times, on average, employees of a global organization — or a local association, for that matter — fail daily. One of the best ideas I've ever heard was to designate a "failure wall" for staff to record scenarios where they failed, lessons they learned from failure and sign their name. Granted, it's not a Facebook wall or a Twitter hashtag — neither were in existence 10 years ago when the idea was shared with me — but because it was a prominent location and visible to all employees, partners, customers, guests, family and friends who visited, it communicated a sincere and honest need for the culture to share growing pains and recognize how the organization was better off because of them. Another client has launched Yammer internally and is asking employees every day, "What problem are you trying to solve?" This one simple idea has spun off a socially enabled knowledge management system, highlighting pockets of amazing discoveries across the organization.

Social adds an additional layer of complexity to organizational failures. It provides context-specific scenarios where multiple dependencies affect the less-than-stellar results. Beyond the obvious excuses, such as "the right process wasn't followed" or "we were ahead of our market," it's time to think differently about the organization's belief system. The first step is for the organization to get beyond what Harvard Business School Professor of Leadership and Management Amy Edmondson refers to as "the blame game." The dilemma becomes that beyond learning from failures, people withhold sharing those incredibly valuable insights for fear of lowering the performance standards or expectations across the organization. ●

Reinvent ROI

Let's take one of the most obvious applications of social media and marketing that creates awareness and gravity. According to the *MarketingSherpa 2011 Social Marketing Benchmark Report*, chief marketing officers' (CMOs) priorities have changed dramatically. Not long ago, few marketers believed that social media was a channel that could be quantified in terms of a financial return on investment (ROI). The value of social media was qualitative and defined in terms of "awareness," "engagement" and other soft metrics difficult to attribute to ROI. This is no longer the case. Senior marketing executives are adamant about quantifiable ROI or enablers of logical conversion steps that lead directly to ROI.

The financial value of improving the cost efficiency of customer support programs is often overlooked when calculating ROI. Using social channels to enable customer "self-service" after the initial transaction can significantly reduce associated post-acquisition costs as well as enhance retention and renewal metrics. Yet only about one in 10 organizations considers implementing social customer service a priority.

Monetization drives an organization's growing investment and confidence in social marketing. Beyond the "hype" surrounding the business value of social media in the last several years, with few proven practices or success stories, marketers are turning the promise of social media into the ROI of social marketing. In the same *MarketingSherpa 2011* report, 20 percent of CMOs said that social marketing is producing a measurable ROI for their organization, and that they would continue to invest in it as a viable channel, nearly tripling the 7 percent who said that a year ago.

What's Your Focus?

One of the most direct ways to capture and articulate ROI from social efforts is to conceptually agree on business objectives, measures and value in advance of crafting the social strategy or an implementation plan. Succinctly understanding the business outcomes the organization seeks makes it easier to not only focus the efforts on that desired outcome but also craft the most relevant strategies and use the most effective tools in the market.

Alan Weiss, Ph.D., has trademarked what he refers to as "the 1 percent rule": improve by 1 percent a day and in 70 days, you're twice as good. Many people won't be able to transform their organizations to a social one overnight. You don't have to. It's about making intentional progress toward a vision in the future, using a robust strategy and uncovering the resources to execute consistently along a development path. ●

RECOMMENDED READING LIST

If you liked *Return on Impact*, you'll also like:

1. ***Open Leadership* by Charlene Li.** Li offers the next-step resource that shows leaders how to tap into the power of the social technology revolution and use social media to be "open" while maintaining control.
2. ***Real-Time Marketing & PR* by David Meerman Scott.** Learn the proven, practical steps to act and react flexibly as events occur, position your brand in the always-on world of the Web, and avoid embarrassing mistakes.
3. ***The Third Screen* by Chuck Martin.** Martin defines the strategies and tactics businesses will need in a world gone mobile. Marketers who don't understand the untethered consumer risk becoming obsolete.

· Book 220 of 388 ·

Rock the Boat

Danelle Barrett

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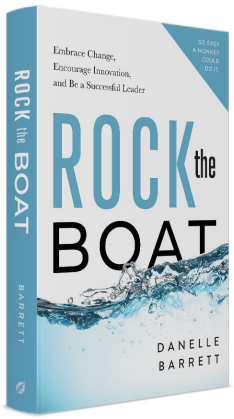
Rock the Boat

Embrace Change, Encourage Innovation, and Be a Successful Leader



by **Danielle Barrett**

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THE SUMMARY IN BRIEF

Being a leader is a calling above being just a manager. A leader must devote themselves to the people around them— understanding their wants, needs, motivations, skills, what they're capable of, and how to connect with them. In this way, leadership and mentorship go hand-in-hand.

In ***Rock the Boat: Embrace Change, Encourage Innovation, and Be a Successful Leader***, Danelle Barrett shares everything she's learned about the intersection of leadership and mentorship and how leaders in all arenas can use these secrets to unlock the potential of their people. Whether you're looking to inspire more, achieve more, be a more effective mentor, or encourage better communication and collaboration in your organization, *Rock the Boat* has principles to transform you and your leadership for the better— and, in turn, transform your organization for the better.

IN THIS SUMMARY, YOU WILL LEARN:

- How to inspire the people around you, from teams and employees to mentees.
- How leadership and mentorship go hand in hand, and how to weave them together to great success.
- How to translate your leadership vision into reality with actionable steps.
- Communicate, connect, and collaborate better with the people around you— from subordinates to team members to superiors.

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Meghan P. Kozak, Editor-in-Chief • Kylie Waytuck, Graphic Designer

Introduction

Leadership, unlike management, is not science and numbers. It's about people. It is intrinsic and learned behaviors that people use to inspire others to follow and exceed expectations while achieving common objectives. Through innate ability and experience, everyone develops their own unique style as a leader. That style is heavily influenced by both the good and bad behaviors they have observed in other leaders over the years but remains unique to each individual. Those who stand out are able to translate their vision into reality by the way they communicate, connect, and collaborate with others to generate excitement about that vision and see their role in achieving it. A leader's courage, tenacity, and ability to not be deterred by cynics or obstacles motivate others to follow in their footsteps.

Leadership and mentorship are two sides of the same coin, and you have to be deliberate in your actions to do them well. They both require integrity, empathy, and the ability to inspire others. They require you to excite your team, your employees, and your mentees. You must genuinely connect with other people, clearly and frankly communicating what to expect, how you measure success, and that what you do means more than what you say. Above all, they both require you to not be a jerk. To that end, this book features both leadership and mentorship concepts, alternating between chapters with the intention of showing their interconnectedness and how the best leaders align their efforts in both areas effectively.

Lead Change

You can't think of something new if you're doing the same things as everyone else. Be open to new approaches and expect your people to think and act differently. If you mentor them on how to do that, they will. Don't get stuck on old processes or the way things are done. Think about—and have your people think about—what can be jettisoned. Start with new processes from a different angle. This is a completely different way to look at the problem and offers more opportunity for truly transformational thinking and results.

Being truly transformational with technology requires agility to pivot ot the next technology, speed to use it quickly, and focused attention to balance multiple efforts simultaneously. Only by embracing change, seeking out new ideas, and leading your team to always move forward can you create the future.

Why Mentoring Matters

A good mentor supports you and guides you on your path. They know when to listen and when to give advice. They are a good sounding board for ideas or can help you work through a tough leadership or ethical situation. They look for opportunities for you and support your advancement and professional progress with others. They don't give you the answers; they teach you to think through the problem to find the answer yourself. They talk to you about options you should consider in the calculus of the decision you will make and the possible consequences of choosing one of those options over another. In short, they lift you up and make your success as much of a priority as—or more than—their own. Having a good mentor can change your life personally and professionally.

Managing Expectations

Exceptional leaders set clear expectations and help others achieve those goals. They ensure that their teams understand their vision and objectives and what each person needs to contribute as part of the team to meet those high standards. To be a good leader, your expectations must reflect your values. Priorities will change, but your values will not. Establishing a high bar encourages people to reach beyond what they thought possible, and allowing for stumbles along the way shows them you understand that they may struggle in meeting those expectations and where you can jump in to help.

As a leader, you should be as clear as possible about your vision, desires, and expectations. You also need to be unambiguous when it comes to roles, responsibilities, and accountability. You can't have everyone in charge or no one in charge.

Frank Conversations

A mentor or a leader cannot provide the best advice if they don't know the full story, and a mentee cannot get the help they need without the same. In the context of rankness, the mentor and mentee have to acknowledge that they may have different communication styles that could impact their relationship. For the mentor-mentee relationship to thrive and survive, communication styles that tend toward circumspection or talking around the issue for fear of hurting someone's feelings won't work. Being blunt and direct may be out of a mentor or mentee's comfort zone— or both— but it will be necessary. As a mentor, you don't want the conversation to end up with your mentee leaving the discussion more upset, confused, or adrift than when it started.

No one relishes having a difficult conversation where they need to deliver bad news, provide an unpopular opinion, or recommend something that they know goes against what the person thinks should happen. Mentors and leaders owe it to those who are looking to them for advice to be honest and deliver information unemotionally, clearly, and in a timely manner. Bad news does not get better with time, so you owe it to the individual to initiate that tough conversation and make the message clear. Don't waffle.

Effective Communication

Effectively communicating their vision and desires to their organization and to those on the outside is one of the most important things a leader can do. Being able to articulate vision, challenges, successes, future plans, and current operations succinctly and in terms that people can understand sounds easy, but it takes time and effort to get it right. You need to have a deliberate strategic communications plan that identifies the theme or message you want relayed, the intended audience, the media to be used for information dissemination, the frequency of communications, and the methods of measuring efficacy of the messaging. You can codify your plan with these specifics and see it become a living, breathing document that gest revised for longer-term plans or used as a jumping-off point for similar short-term efforts.

Career Mapping

Passion is one of those terms that generally results in one of two competing reactions. On one hand, you're supposed to be passionate to show that you care about your work and that you're putting serious energy into it. But passion can also be pejorative, implying that you are blind to the reality of a topic or problem. It's often heard throughout the military for the author: "She is too passionate about this," or, "He gets too emotional about that; he is too close to the problem." But passion is an asset, as long as it goes hand in hand with being able to consider other perspectives objectively as well.

Work-Life Balance

Work-life balance will be as much of a priority as you make it. Allowing your team members time with their families or to take care of their health doesn't take away from productivity or efficiency; it increases it. A proper balance keeps your workforce from burning out, becoming despondent, and leaving. But make sure that your focus on balance is communicated through your actions. Words aren't enough. Many organizations have a mismatch between what they say and what they do. In meetings and official communication, they'll tout their strong support of family and life outside work, then they'll expect their employees to be in the office very weekend or to miss their kid's recital. You've heard that actions speak louder than words, and this is a clear example: what you do means more than what you say.

Finding Inspiration

As a mentor, you can help your mentee find the inspiration to excel at what they are passionate about. That can come in many forms— from people, nature, physical objects, music, poetry, and art to acts of courage, grace, and selflessness. Get inspired by innovative, bold thinkers who see a future that others cannot. Walt Disney. Elon Musk. Whoever it is for you, who doesn't love someone who is transforming an entire industry. Then they make those visions into reality. Those are the people that can inspire us to our greatest potential.

Pick the Hill You Want to Die On

Sometimes leaders can't see the forest through the trees to properly prioritize so everything becomes a crisis that everyone in the organization tries to respond to. It's like watching 20 five-year-olds chase a soccer ball. In other instances, people feel like they can only act and react if they are in crisis mode, so everything gest prioritized in a crisis. Either way, it is a leadership and management fail.

Remember: life is short. You don't have to work for or with jerks. That is a choice, so choose not to, because there are enough people who won't act that way and will appreciate that you don't either. Be clear on your standards, then stick to them consistently, publicly, and with transparency in your communications and, more important, in your demonstrated actions.

Leadership and Mentoring in Times of Crisis

Your organization will experience a crisis at some point. It may be temporary, or it could be existential. Either way, the crisis is real, and how you respond sets the tone for how you will come out of the crisis at the other end.

If you have established a reputation as a person of courage, integrity, intelligence, empathy, good judgement, and transparency, then your employees will be with you from the start, supporting what you ask them to do. Those requests may be above and beyond what they have normally done; testing the status quo in challenging times is expected.

Fail with Grace

True leaders have their fair share of battle scars for screwing things up. You don't know what you don't know, so sometimes you just make the wrong choice, even with the best information, intentions, and support from your team or senior management. But there are very few mistakes that you cannot recover from with the right degree of humility, a proactive demonstration that you've learned from it, and confidence in yourself and your core values to right the wrong.

Don't let others cause you to doubt that last point. Your confidence and the confidence you instill in others with your integrity, reliability, transparency, steady hand, vision, and uncompromising standards will have people continuing to line up behind you, wanting to work with you, and continuing to support you even through failure or missteps.

Overcoming Your Own Biases

Mentoring is a multidimensional activity. It's important to be aware of factors that influence the mentor-mentee relationship. We all have biases and preconceived notions about the ways of the world. These notions are based on how we are raised, our values, religion, lifestyle preferences, careers, families, external cultural influences, and so on. We need to be reflective and aware of our potential biases, keeping them in check so we do not project them onto those we mentor and cloud good advice.

Guard Your Reputation as a Leader

As you advance and grow in your career, you will establish your reputation. The choices you make in each job form an aggregate that will both precede and follow you. Be aware of how your actions are perceived by others so that you are comfortable with the reputation you establish. Others' opinions are formed by observing the way you lead and manage; how you align your words to your actions; how you treat subordinates, peers, and superiors; and how you make decisions, take risks, and innovate. Understanding how others see you enables you to better collaborate and ensure you're meeting the high standards they expect.

You Only Live Once

Don't shortchange your health— take it seriously. You only go around this rodeo once. By taking care of your health, you are sending an important message to those you lead and mentor that it matters. It also matters to those who depend on you, care about you, and want you to succeed. It sends the message that you care about yourself and your life outside the workplace as much as you do about the job. This opens the door for your employees and mentees to take care of themselves too.

As an admiral, Danelle Barrett served as Director of Current Operations at U.S. Cyber Command, and as the Navy Cyber Security Division Director and Deputy Chief Information Officer on the Chief of Naval Operations staff. An innovator, she implemented visionary digital transformation to modernize with unprecedented speed, significantly improving Navy Information Warfare capabilities. She currently executes a portfolio of work that includes being an Independent Director on several Corporate Boards, consulting, public speaking, and writing with over 36 articles published.

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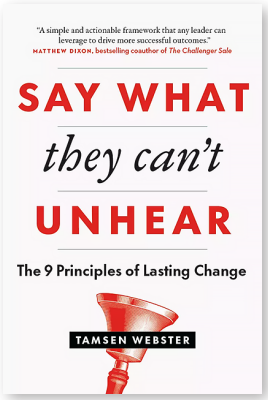
Say What They Can·t Unhear

Tamsen Webster

Executive Book Summaries®

Say What They Can't Unhear

The 9 Principles of Lasting Change



by **Tamsen Webster**

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THE SUMMARY IN BRIEF

In many organizations, leaders struggle to secure genuine buy-in for change. Teams may nod along in agreement, but without deeper conviction, any shift in direction often fades as quickly as it begins. Sustained change requires more than mandates or motivational speeches; it requires framing ideas in a way people can't ignore, dismiss, or forget.

That challenge sits at the center of ***Say What They Can't Unhear: The 9 Principles of Lasting Change***, a concise guide for anyone responsible for influencing others. The book provides a practical framework for turning hesitant stakeholders into enthusiastic participants, giving leaders the mental tools to spark shifts in thinking that lead to enduring shifts in behavior.

Through nine "persuasion proverbs," author Tamsen Webster outlines the behavioral and psychological foundations of durable change, showing leaders how to move beyond short-term compliance and toward long-term commitment. Instead of relying on pressure or persuasion tricks, she offers a model rooted in ethical influence, one that helps audiences understand change from the inside out.

IN THIS EXECUTIVE BOOK SUMMARY

- Understand how to earn lasting buy-in without relying on authority, urgency, or manipulation
- Learn how to use ethical persuasion to spark internal motivation for change
- Find out how to connect new ideas to existing beliefs so audiences see change as logical and desirable
- Get guidance on applying nine practical "persuasion proverbs" to make your message unforgettable

Introduction

Some people experience life-changing moments like a light bulb turning on in their brain. For me, it's always a sound. *Ding!* It's that moment when the clarity of an idea or concept I've seen, heard, or read cuts through all the competing information and advice, and suddenly, I can't think of anything else.

One day I heard that ding for real, when an instructor was demonstrating "sympathetic resonance" with two tuning forks-son resonance boxes, set a short distance apart. When the instructor struck one tuning fork with a rubber mallet, that fork vibrated and emitted a loud, clear tone. A few seconds later, the instructor touched the fork with his hand. The vibration stopped, but the tone continued.

As someone who had spent more than twenty-five years in change communications, I had to know: Was it possible to build a case for change that created the same reaction in the same way—but with people?

The answer is a resounding yes. When you understand the principles behind how this kind of sympathetic response happens, you can recreate it yourself. The same is true in communication, especially communication about change. When you understand the principles that transfer the desire for change to someone else, you can craft your messages to create the same effect.

People are resistant to change because balance and harmony are a natural state of the universe. When things change, as they inevitably do, other things must change to maintain or restore that balance. There are only two exceptions to this natural resistance:

- When a proposed change doesn't register in the brain as dangerous or likely to cause harm
- When the change represents something a person actively wants or values

With that in mind, think of the stakeholders for your change as falling into one of four groups, each representing a different level of desire for it:

1. **The Actives**: These are your true believers and ideal supporters, those already attuned to the change and what it will mean.
2. **The Ambivalents**: This next group also wants the anticipated outcome of a change, but with that desire comes *dissonance*—a tension with something else that resonates just as strongly.
3. **The Indifferents**: The folks who aren't interested in the change and likely never will be.
4. **The Antagonists**: With this group, the dissonance they feel has devolved into disagreement.

Yet, even when you understand what category someone falls into, sometimes you discover that your approach to creating change works in some situations, but not in others. Nevertheless, you persist. When inspiring a change is important enough, you're willing to do just about anything to make it successful.

The question is: Which approaches to making or inspiring a change, when applied at the beginning, make it more sustainable over time? What do you need to say or do to transfer the thoughts and feelings that make change last?

The answer seemed obvious: align your approach to change with the forces that make it endure. As with the tuning forks, make a change resonate so strongly that acting on it feels inevitable. In other words, say something people can't *unhear* and eventually adopt as their own.

As my work expanded—from developing change messages for myself and my clients to helping others develop their own—I began summarizing key concepts into phrases and then tested and honed them until I could express the ideas in ways that made them impossible to unhear. The result is the nine principles this book is all about.

- The first three principles set the foundation for how long-term change happens.
- The next three principles frame the primary ways in which inspiring long-term changes are different from driving short-term action.
- The final three focus more specifically on how to put the principles into action to inspire the change you seek.

All of this requires one bonus principle that you already intuitively know: *Persuasion is personal.* Outside of a few universal truths on how change happens or doesn't, the reason someone decides to change is as individual as they are.

PRINCIPLE 1

Change Isn't Just an Action—It's a Reaction

Many of us view change as an action people take. Although that's true, it usually starts as a reaction to a change in something else, much of which is out of our control. Change may begin with external triggers, but sustained change requires an internal and renewable reward. That reward is known as "intrinsic motivation," and it's the holy grail of change.

> People align what they do with how they want to be seen: as smart, capable, and good.

You can't create intrinsic motivation in someone else. Intrinsic motivation arises entirely within the other person. That said, how you present a change directly affects whether it resonates enough to inspire the intrinsic motivation that lasting change requires. For internally motivated change to occur, someone must see a clear link between the action you're asking them to take and an outcome they personally desire.

In other words:

Your approach can just as easily impede a change as inspire one. Align your actions with the reaction you want.

Why It Matters

Trust and belief are the bedrock of change. If someone doesn't trust you, it's hard for them to believe you. Research by psychologist Susan Fiske and her colleagues shows that people assess trust based on two factors: capability and intent. When you're trying to persuade someone, they need to see you as credible and that you have the capacity and ability to deliver on the outcomes you're attaching to the change. They also need to believe you're doing it for the right reasons.

People assume that if you're resorting to what they perceive as manipulation or coercion, then your intent isn't good. In other words, pushing for a "yes" is much more likely to produce a "no."

Ultimately, your approach to a change is the only contribution to change that you fully control, which is why it needs to be the first and central focus of your attention.

What Gets in the Way

Experience has taught people to be wary of persuasion tactics. It's not uncommon for people to feel challenged or that their long-standing methods are being labeled as wrong or outdated. Although imposing your authority or bribing stakeholders with incentives can drive them to act, that kind of extrinsic motivation can also lead to resentment and unethical behavior.

That's why, even with the best of intentions, your approach can trigger one of the greatest risks to successful change—what psychologists call "reactance." Reactance is when people resist a suggested change because they feel forced to make it.

Putting It into Practice

While you can't control where someone starts on the continuum from Antagonist to Active, you *can* control the aspects of your approach that directly influence where they end up. You control:

- What information you present and how understandable it is
- Which point of view you argue from—your own, theirs, or one you share
- How you show up in the interaction and the approach you choose to take
- What you think about the other person and your true intentions

PRINCIPLE 2

Every Decision Has a Story

There's no such thing as a truly rational decision. What you may think of as a rational decision—a logical and conscious consideration of the pros and cons of why a decision is right or wrong—is, in reality, something you create after your brain has already decided. It's a story you tell yourself.

The stories we tell others show how cause and effect work together to achieve the transformation necessary for a desired outcome (happy endings) or not (not so happy).

When people decide to act, it's because they've unconsciously accepted their brain's internal argument for how and why a particular action will deliver on a desired outcome. That's why any argument for change you present to a stakeholder needs to make even more sense to them than the story they're telling themselves now.

In other words:

Any action someone takes ends an internal argument about why doing so makes sense. If that story makes sense, the decision will too.

Why It Matters

What doesn't work internally will never work externally. Even when people's internal arguments for action aren't ra-

tional, they still feel rational because they follow their own kind of logic. They have a consistent structure, with consistent elements: the "cause" (the action or change someone makes) and the "effect" (a desired outcome).

True arguments for change include not only the action to take and the outcome it should produce but also the assumptions or beliefs that create the logical connection between the two. To inspire change in others, you must clearly state your conclusion and the otherwise silent assumptions so that your stakeholders can determine, even if unconsciously, whether every aspect of your case is in tune with theirs.

What Gets in the Way

A story that would or should work for a particular person won't work if it's missing any parts of the argument behind it. Unfortunately, most persuasion and influence messaging, including almost all sales and marketing messaging, leaves out the silent assumptions that make internal arguments work. Usually, the messages include only the action and outcome, leaving out any information about why one leads to the other.

Putting It into Practice

Although you can't rely on knowing exactly what story someone is telling themselves, you can rely on that story being the driving force behind what they do, how they do it, and why. So when crafting a case for change, go beyond a simple explanation or edict of what you want to happen. Make it an actual case—an argument people would build themselves.

PRINCIPLE 3

Principles Set Patterns

Often, our subjective beliefs become so much a part of who we are and how we see the world that we begin to see them as *principles*—as universal, objective truths that not only determine what we should do and how, but what we even see as possible. Because our beliefs are true to us, whether they're objectively true or not, they guide our behavior.

This link between what someone thinks and how they act is critical to understanding why a particular case for change doesn't work and figuring out how to craft one that does.

Once you see the value of making a change, it can be hard to understand why someone else doesn't see that value too. But if someone doesn't see the world the way you do, they can't see the value the way you do. Without understanding the value, they have no reason to act.

The good news is that inspiring change is still possible, but only if you change your perspective to see the world their way. Once you do that, you can see which principles you share, build a case that connects those principles to the change you seek, and make an unfamiliar action align with someone else's familiar patterns.

In other words:

The actions that people agree with are based on beliefs they already have. To understand an action, understand the outlook that explains it.

Why It Matters

Deep beliefs are the foundations of all change because they determine the patterns for which stories, arguments, and actions someone agrees with—whether consciously or unconsciously. What someone has believed in the past almost always determines what they will believe and act on in the future, and it's their principles that set these patterns.

By bringing these core principles into the light and by saying them in a way someone can't unhear, you can open the door to alternative outcomes and deeper understanding, and connect with others on a more fundamental, human level.

What Gets in the Way

Understanding the principles that drive others' actions seems straightforward in theory, but it's often not so easy in practice. The primary obstacle? Our innate tendency to assume that others share our worldview, a cognitive bias known as the "false consensus effect."

The complexity of human belief systems adds another layer of difficulty. The diversity of backgrounds, experiences, and beliefs in most organizations amplifies these obstacles, making one-size-fits-all approaches to change rarely effective.

Putting It into Practice

The essence of inspiring change lies not merely in what you say and do, but in how both of those connect to and reflect the underlying beliefs and principles of the stakeholders involved. Instead of imposing your outlook, work to understand theirs. When you look for, acknowledge, and respect people's deepest principles, you forge paths to agreement and action that are embraced—not enforced—which leads to meaningful change. To say something they can't unhear, begin with what they already want and believe.

> The less painful a change is, the more sustainable it is.

PRINCIPLE 4

Identity Is the Greatest Influencer

Most people *want* to make good decisions. That's because most people share a fundamental human desire: to be seen as smart, capable, and good. Done well and with the right intent, any approach that acknowledges this smart-capable-good aspiration can be incredibly effective.

When your proposals and ideas about change make someone feel even smarter, and even more capable and good, you're respecting and validating them for who they already are. Not only does that increase their openness to new ideas, but it also contributes to their sense of current self-worth and agency, both of which make any action they undertake much more sustainable. It also avoids a battle with their desired self-identity—one you'll always lose in the long term.

In other words:

People align what they do with how they want to be seen: as smart, capable, and good. Defend that desire as strongly as they will.

Why It Matters

There's a reason leveraging the power of identity in persuasion is so effective: it's the only form of extrinsic motivation that even comes close to the power of intrinsic motivation. When you start from the perspective that the person you're talking to is smart, capable, and good, you're much more likely to perceive and present your case as an enhancement of their existing strengths and qualities.

What Gets in the Way

Even small nuances in how you present a change can significantly impact its resonance and how stakeholders receive or interpret it. And even when you don't directly challenge the desire of people to be seen as smart, capable, and good, not acknowledging it can still undermine your efforts.

Another important point to remember is that people's identities are not monolithic. While the desire to be seen as smart, capable, and good is a significant part of human identity, any individual person's identity is far more complex.

Putting It into Practice

In every conversation and proposal with people whose buy-in you need for change, make sure you actively seek and affirm the smart, capable, and good qualities of their current practices and beliefs. Thanks to the strength of the smart-capable-good desire, almost any message that includes that kind of affirmation becomes a message people can't unhear.

PRINCIPLE 5

The Deepest Beliefs Are the Hardest to Shift

Our tendency to believe and behave consistently is both the greatest obstacle and, counterintuitively, the greatest opportunity when it comes to persuasion and change. What's more, the longer someone believes something, the stronger that belief becomes.

But even though one deep-seated belief may stand in the way of that change, it doesn't mean that all of someone's deep-seated beliefs do. In fact, someone may have equally strong or even stronger beliefs that, if surfaced, would support your change.

In other words:

The longer someone has held a belief, the stronger it will be. Search for something even stronger than what's standing in the way.

Why It Matters

Cognitive inertia, a person's innate tendency to cling fiercely to their beliefs and the stories they tell themselves, is one of the biggest challenges to change. Instead of searching out the weak points of someone's beliefs or position, search for the stronger beliefs you share and base your case on them instead. When you do, you create a sense of collaboration and continuity, which allows people to see a change as a natural extension of what they already know or believe to be true. Even better, they may begin to see you as someone they can trust to help get them there, rather than as an obstacle to overcome.

What Gets in the Way

In many ways, your understanding of this principle helps you avoid some of the most common pitfalls of change. When your approach to change incorporates ingrained beliefs instead of antagonizing them, you're more likely to avoid activating the negative, knee-jerk responses that arise from perceived threats to someone's agency and identity.

When you're faced with strong opposition or deeply ingrained viewpoints, it can help to focus your aim on learning instead of winning. Only through curiosity and openness to someone else's viewpoint will you be able to spot the points where you and your stakeholders align.

Putting It into Practice

Don't challenge beliefs—exchange them. When you identify and empower beliefs that are as strong or stronger than those opposing a change, you lay an equally strong foundation for new behaviors or perspectives.

PRINCIPLE 6

Pain Is the Enemy of Long-Term Change

Pain—whether emotional, physical, or psychological—is something we humans naturally avoid. This instinct is crucial to remember when you want to inspire lasting change in others (or yourself).

Painful changes, no matter how beneficial or good they may seem, rarely stick. Why? Because sticking with an action that continually causes discomfort goes against your basic human nature.

Because you're wired to stop the pain, you'll eventually stop what's creating it and the change you were hoping for. Thankfully, the solution is in the problem: the less painful a change is, the more sustainable it is.

When you're working to create change with others, the more you reframe a change to reduce emotional, mental, and, where appropriate, physical pain, the more the change will align with a person's inherent desire for stability and well-being.

In other words:

Humans are wired to avoid pain—both in the moment and over time. Ask for the largest action that's easiest for stakeholders to sustain.

Why It Matters

People are more likely to adopt behaviors that are in line with their previous actions and beliefs, thanks to what's known as "behavioral consistency." When you're trying to inspire change in others, understanding behavioral consistency can make all the difference. It explains why people revert to past actions and lays the groundwork making a proposed change feel like a natural and painless extension of what someone is already doing.

What Gets in the Way

A lot of advice about persuasion and influence focuses on creating pain or discomfort for the person you're trying to persuade. Although pain may be the ally of quick action—it gets people to move, and often to move quickly—no human will continue to do something long term that feels emotionally, physically, or mentally painful.

Putting It into Practice

If you only want short-term action or results, by all means, bring the pain if that aligns with your beliefs and values. But if your goals require longer-lasting change, try reducing the pain instead. The lower the level of discomfort a potential change creates, the higher the probability of long-term success.

PRINCIPLE 7

When Two Truths Fight, Only One Wins

Every change involves a choice. Sometimes, that choice is between two things someone deeply believes or values. That kind of choice creates "cognitive dissonance," which is the discomfort someone feels when conflicting beliefs or desires challenge their current understanding of the world.

Cognitive dissonance is incredibly powerful. As soon as someone feels the discomfort a conflict of truths creates, their brain will quickly choose one of them to make the discomfort disappear. When two truths fight, only one wins.

Because cognitive dissonance is the mental spark that turns contemplation into action, creating it is a requirement for instigating long-term change. Once a person decides and resolves a dissonance, the pain dissolves. This may seem to violate the previous principle where the pain is the enemy, but this is one of the few scenarios where pain is, indeed, your ally.

> People don't regret the decisions they believe are right.

In other words:

Change requires choice. In a battle of beliefs, the strongest source of self survives.

Why It Matters

Understanding and carefully creating cognitive dissonance is crucial: change doesn't happen without it. The art of using cognitive dissonance effectively lies in framing your argument's assumptions in a way that naturally aligns the desired change with someone's deeper values and identity.

What Gets in the Way

Humans are delightful hypocrites. We say one thing, do another, and then side-eye someone else doing the exact same thing. Dr. Matt Grawitch, a professor at Saint Louis University, explains that people have two kinds of values:

- **Personal values** are the principles we hold dear. They set the patterns of our behavior and form the core of our belief system.
- **Relational values** shape the nature of our relationships and social connections and determine our needs for belonging, respect, and understanding in our interactions.

Not only do personal and relational values differ from person to person, but also the individual weight someone assigns to them differs depending on the situation—and so do the actions that result.

When your case for change surfaces the hidden assumptions that drive actions, you shed light on values people may not have realized were in play or in conflict. But your task is not to explicitly point out someone's inconsistencies. People don't like to be called hypocrites because it violates their desired smart, capable, and good identities.

Putting It into Practice

Sustainable change is a personal journey, one that hinges on the individual's battle of beliefs. Your task is to craft narratives that bring these inner conflicts to the fore, but once they do, only the other person can decide which desires or beliefs win out. Offer your arguments and align them with your shared values but respect their agency and right to deliberate and decide. When the path to change aligns closely with their core self, that's when change sticks.

PRINCIPLE 8

You Can't Want It More Than They Do

While you can—and should—make sure your stakeholders understand your case for change, your job is over once they do. It's one of the hardest lessons of inspiring change, but also one of the most important: you can't want a change more than the person you're presenting it to.

In other words:

Desire can overcome any objection, but yours is no substitute for theirs. You can only influence understanding.

Why It Matters

To say something people can't unhear, anchor it in something they won't *unwant*—that is, something they are unlikely to ignore or reject later.

Given a choice, it's also a lot harder for someone to say no to what they already want or have than to say no to something new, like a change they didn't ask for. A person's desires are part of their identity and drive many of their current and past behaviors.

This is why distinguishing the states of desire is critical. When there's a battle for change, it's won or lost with the Ambivalents. Enlist the Actives in your cause, expect the Indifferents to go along (just don't expect them to be excited about it), and convert or neutralize the Antagonists when you can.

Understanding where your stakeholders currently stand helps you focus your efforts where they're most likely to work best.

What Gets in the Way

Benefit bombing tops the list of the most common pitfalls. Benefit bombing is when—once you've established the link between your change and an actively desired outcome—you list every advantage and feature of your idea hoping

something will spark that desire you know you need. But if you list seventeen possible desires, you've started seventeen stories that will need seventeen valid and sound arguments that lead to a happy ending.

As I say to my clients, "You can only have one front door." When you give people too many options, they often don't choose any of them. Instead of trying to convince them with all possible features or benefits, determine their desire and align with that.

Putting It into Practice

When applying this principle, borrow a concept from market research: remove the neutral position. You can remove the neutral position for your change by framing your message as the response to an urgent or important question your stakeholders actively want answered.

PRINCIPLE 9

There's No Such Thing as Believer's Remorse

If you've ever impulsively clicked the "Buy" button and later wondered, "What was I thinking?"—you've experienced buyer's remorse.

But there's no such thing as "believer's remorse." If someone believes their decision was right, and if it continues to resonate with who they want to be and how they see themselves, they won't regret the decision itself.

Change communication or selling an idea isn't about persuading others to jump blindly. It's a process of leading people, step-by-step, through a narrative they already know, like, and trust, along a path to your new idea. Rather than one big "yes," you secure a series of what author and human connection expert Tim David calls "little yeses," each serving as permission to proceed.

In other words:

People don't regret the decisions they believe are right. Instead of asking for leaps of faith, build bridges of belief.

Why It Matters

If a person doesn't understand the change you're presenting, they won't act on it—at least not for long. The more that any new information you introduce aligns with what a person already knows, the more likely it is that both the case for change and the change itself will make more sense.

What exactly are these little yeses? They are the answers to questions raised by each element of an argument for change. Instead of asking people to leap blindly into change, you're guiding them to see your perspective through their lens—and likely expanding your own view and understanding in the process.

What Gets in the Way

One of the most common mistakes in any kind of persuasion is starting from a perspective that's clear to you but alien to your audience. I call this common mistake the "turn-by-turn problem," after the turn-by-turn directions that a navigation system or map application might give you.

By aligning a new idea or action with what the audience already knows and believes, you give them a map to follow as you build your case and reduce the risk that drives resistance. What's more, you transfer what resonates for you about a change to your audience, which opens up the opportunity for it to reverberate far beyond you and the moment, into the movements that drive change.

Putting It into Practice

In his book *Never Split the Difference*, former FBI hostage negotiator Chris Voss says that "the sweetest two words in any negotiation are actually 'That's right.'" Unfortunately, it's more common for us to push until we hear someone say, "*You're* right," but the two phrases aren't the same. The phrase "you're right" is more like an empty concession, a polite nod, or a desperate attempt to get you to stop talking. But when someone says, "*That's* right," the situation is different.

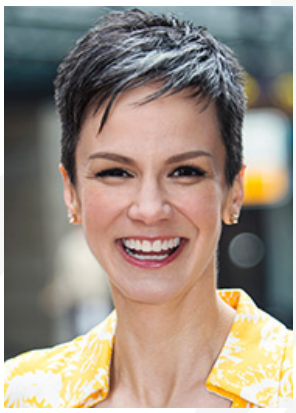
As Voss explains, "that's right" means someone has "assessed what you've said and pronounced it as correct of their own free will. They embrace it." When tuned to what people want and believe, one simple note, one simple idea, one simple case can resonate strongly enough to ring true with others—not just once, but over and over again—and inspire transformational change that lasts.

Coda

Each principle presented in this book introduces a counterpoint to conventional approaches and is a critical component of understanding how to inspire change that lasts. Taken together, these principles produce an approach that isn't about posturing for power, controlling conversations, or overwhelming persuasion. In fact, it's not really about persuasion

at all. It's about guiding someone through a journey of realizations and agreements.

When you think of inspiring change this way, you're much more likely to create a case so aligned with someone's worldview, so reflective of their own thoughts and feelings, that each point you make feels like a confirmation of what they already know and believe. You're also much more likely to say something they can't unhear, and to create, together, a change that lasts.



Tamsen Webster is a message designer, strategist, and doctoral student who helps leaders quickly clarify and communicate ideas that spark lasting change. She has worked with major organizations including Harvard Medical School, Fidelity Investments, and Databox, and serves as a judge and mentor for the Harvard Innovation Labs. Tamsen is also a professional advisor at the Martin Trust Center for MIT Entrepreneurship and spent more than a decade as the Idea Strategist for one of only nine legacy-level TEDx events worldwide. Named to the Thinkers50 Radar in 2022, she is the author of *Find Your Red Thread* and *Say What They Can't Unhear*. She lives in Boston with her husband, their two sons, and their greyhounds, Hazel and Walnut.

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Scaling Leadership

Robert J. Anderson & William A. Adams

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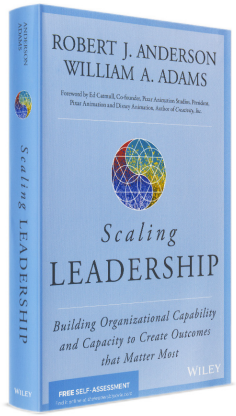
Scaling Leadership

Building Organizational Capability and Capacity to Create Outcomes that Matter Most



by **Robert J. Anderson & William A. Adams**

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THE SUMMARY IN BRIEF

How do you navigate our increasingly complicated and volatile world such that you scale new and innovative solutions to complex business, organizational, and global problems? The answer is leadership!

Scaling Leadership is the just-in-time guide for those in positions of senior leadership who need to transform their organizations. You do this best when you start with yourself. Drawing on a huge international database of senior leaders providing 360-degree written feedback to fellow senior leaders, ***Scaling Leadership*** distills lessons from successful leaders into a powerful and universal leadership framework that will let you chart your specific path of development.

With this framework, leadership experts Robert J. Anderson and William A. Adams challenge you to evolve your leadership in deep relationship with others and with exceptional integrity. ***Scaling Leadership*** is an essential guide that offers senior leaders the information needed to develop conscious leadership at scale within their organization.

IN THIS SUMMARY, YOU WILL LEARN:

- The meaning of the development gap and how to address it.
- Why scaling leadership can be achieved only by developing others.
- How and why leaders "cancel themselves out."
- To transform Reactive leadership into Creative leadership.

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Exposed at Scale: Spiritual Boot Camp for Leaders

Over the past decade, the term VUCA (volatility, uncertainty, complexity, and ambiguity) has become part of the business lexicon as executives, managers, and others grapple with its effects. The level of disruptive change coming at us is unprecedented, and we can only expect it to increase.

As leaders, we must learn to navigate the permanent whitewater in which our organizations operate. It is not enough to cope with the volatility and unpredictability in our markets; we must develop a new level of leadership literacy, mastery, and agility. We either rise to meet the challenge or get swamped. This is the new normal.

As businesses grow, their long-term, sustainable success depends on more than developing great products and services, securing necessary financing, or hiring and retaining talented people. It also depends on scaling leadership.

Ineffective leadership caps the ability of an organization to grow, and this liability is exposed the minute you start to scale. Leadership that works at one level of scale is likely to run into serious limitations at the next level. As an organization becomes larger and more complex, the number of people being led is larger, and the issues and opportunities requiring a leader's attention are more numerous, more frequent, and more consequential than ever.

The Development Gap

For most of us, our inner game (the complexity and structure of our internal meaning-making system, our decision-making system, our level of self-awareness and emotional intelligence, our mental models, and the inner beliefs and assumptions by which we define and deploy ourselves moment to moment) lacks the capacity and maturity to thrive amid all the complexity.

Hence, most of us are in way over our heads. We are running an internal operating system that is not complex enough for the complexity we face. This is our development gap. Since the context in which we lead will continue to challenge us, the rate of our leadership development, individually and collectively, must at least keep pace with the rate of change and escalating complexity, if not close the gap.

Scale can only be achieved by developing capacity and capability in others. Effective leaders develop other leaders. A critical prerequisite to effective organizational leadership is leadership of self. Here, self-leadership is defined as creating outcomes that matter most. Optimal self-leadership is the wherewithal to show up in our lives in ways that best serve our desired outcomes—loving families, strong relationships and friendships, work that matters, and futures worthy of our life's commitment.

The moment we start to work on our effectiveness as leaders, we begin to improve our effectiveness as human beings. Because our humanity is ultimately the foundation of our leadership, these paths are inseparable. This puts us right in the middle of a spiritual path.

Spiritual does not mean religious, except that the essence of all religions is radical transformation. This choice calls on the highest and deepest within us. We are challenged to become higher versions of ourselves—to mine our true human greatness and put it in service of others.

Leadership is the deployment of self into circumstances. As a leader, *you* are your primary asset. How you show up moment to moment is your leadership impact. When you lead, who shows up? Which self do you deploy?

Profiles in Leadership: Every Leader Has One

Jim Geiger, the CEO of LiquidWeb, offered this brilliant insight regarding leaders: "Leaders bring the weather." When a great leader walks into the room, everyone is on notice and everyone notices—the energy is palpable. The tone, mood, presence, focus, and behavior of the leader is the weather in any organization—a force of nature.

So, what is this weather—this powerful leadership presence that leaders bring with them wherever they go? In effect, the weather is the leader's profile in action. Each of us has a leadership profile. It's the way we show up to our people, how we tend to respond to certain situations or crises, what is and is not permissible to discuss, and much more.

The Leadership Circle Profile (LCP) is a tool that measures what great leadership looks like. It is designed to measure all the leadership conditions necessary and sufficient for scaling leadership. The tool incorporates progressively developing levels of leadership—Reactive, Creative, and Integral—developed by the authors in their book ***Mastering Leadership***. Creative leadership is more effective at leading in complex environments than is Reactive, and Integral is even more so. Each level of leadership is powered by a different internal landscape, or Internal Operating System, that governs how we deploy ourselves moment to moment.

Reactive Leaders can and do get results, but they create an unhealthy "or-else" ultimatum culture that brings burnout and diminishing returns over time.

The optimal LCP reflects the responses of 50,000 leaders and employees worldwide who were asked in a study to describe ideal leadership: "What kind of leadership, if it existed, would enable the organization to thrive in its current marketplace and into the future?"

Creative vs. Reactive Leadership

The Leadership Circle Profile (represented as a circle) is divided into two hemispheres, upper and lower. The upper half, Creative, represents the kind of leadership that emerges as leaders mature into Creative leadership. It displays 18 Creative Competencies that tend to arise naturally as we move into the Creative level of leadership: caring connection, fosters team play, collaborator, mentoring and developing, interpersonal intelligence, selfless leader, balance, composure, personal learner, integrity, courageous authenticity, community concern, sustainable productivity, systems thinker, strategic focus, purposeful visionary, achieves results, and decisiveness.

The correlation between the average rater score on all 18 Creative Competencies and leadership effectiveness is 0.93. It is based on more than 1 million rater surveys from around the world. This remarkably strong correlation shows that as you improve your scores in the Creative half of the circle, you will likely be experienced as a more effective leader.

The Reactive half of the circle in the LCP is comprised of 11 Reactive Tendencies: conservative, pleasing, belonging, passive, arrogance, critical, distance, perfect, driven, ambition, and autocratic.

Embedded in each Reactive tendency is a strength, but it is a strength being run reactively. In effect, these are default behaviors. They are go-to strengths on which we habitually rely when we feel under pressure or at risk.

When we run our strengths reactively, we often create unintended consequences that limit our effectiveness. When we deploy a strength reactively, we often cancel out that strength and introduce liabilities in its place. Consequently, Reactive Tendencies are inversely correlated to Leadership Effectiveness.

The correlation between Reactive Tendencies and Leadership Effectiveness is –0.68. This solid inverse relationship shows that the more we lead reactively, the less likely we will be experienced as an effective leader over time.

Yes, Reactive leaders can and do get results—sometimes extraordinary results. They may sell more, innovate more, and deliver more than anyone else in the organization. But they often leave behind them a trail of broken, disenchanted, and disengaged employees, peers, and other stakeholders who invariably feel pushed, coerced, pressured, or let down. Reactive Leaders create an unhealthy "or-else" ultimatum culture that brings burnout and diminishing returns over time.

High-Creative Leadership Strengths: What Differentiates the Most Effective Leaders

How do leaders describe the very best leaders? Here are descriptions of the 10 most strongly endorsed strengths of High-Creative leaders, in language commonly found in the written comments of the study:

1. **Strong people skills**: Has a high level of interpersonal capability. Is caring, compassionate, big-hearted, and respectful. Connects well with others and makes them feel valuable.
2. **Visionary:** Communicates a compelling vision of the future that fosters alignment. Knows and sets strategic direction and business plans that allow teams/organizations to thrive.
3. **Team builder:** Unites, engages, and supports the team's efforts. Gives support to team members and advocates for initiatives.
4. **Personable/approachable:** Is friendly, likable, and has a good sense of humor. Maintains an open-door policy. Is accessible and available.
5. **Leads by example:** Good role model. "Walks the talk."

6. **Passion and drive:** Enthusiastic, driven, and strongly committed to the success of the organization and self.
7. **Good listener:** Attentive and present when people are presenting their views.
8. **Develops people:** Shares experience and provides mentoring, coaching, career planning, and development experience to ensure growth and development.
9. **Empowers people:** Shares leadership and encourages people to take ownership, find their own solutions, make their own decisions, and learn from mistakes. Trusts people's ability and their willingness to follow directions.
10. **Positive attitude:** Optimistic and upbeat with a can-do attitude.

The biggest gaps between High-Reactive and High-Creative leaders are in the areas of people skills, listening, team building, and leading by example. The gaps are big because these two groups of leaders are experienced in very different ways. The High-Creative group had an average Leadership Effectiveness score at the 87th percentile, while the High-Reactive leaders were ranked at the 10th percentile on Effectiveness.

The Strengths of High-Reactive Leaders: Non-Differentiating Strengths

The study showed that High-Reactive leaders are most strongly endorsed/acknowledged for a much different set of strengths than are High-Creatives. Here are the top 10 strengths of High-Reactive leaders, listed in rank order:

1. **Drive and passion:** Enthusiastic, driven, and strongly committed to the success of the organization and self.
2. **Visionary:** Communicates a compelling vision of the future that fosters alignment. Knows and sets strategic direction and business plans that allow teams and organizations to thrive.
3. **Strong networker:** Builds partnerships with other business leaders. Is good at bringing diverse groups together and provides a strong customer focus.
4. **Domain/technical knowledge:** Excellent knowledge, technical skills, and experience—particularly related to the organizational culture and market.
5. **Results focused:** Knows what needs to be accomplished and how to get results. Holds people accountable, can be depended on to deliver results. Is reliable and action-oriented.
6. **Intelligent/brilliant:** Keen mind and sharp thinker.
7. **Strong people skills:** Has a high level of interpersonal capability. Is caring, compassionate, big-hearted, and respectful. Connects well with others and makes them feel valuable.
8. **Creative/innovative:** Thinks outside the box and pushes for change.
9. **Personable/approachable:** Is friendly, likable, and has a good sense of humor. Maintains an open-door policy. Is accessible and available.
10. **Positive attitude:** Optimistic and upbeat with a can-do attitude.

High-Reactive leaders are rated 12 points higher on passion and drive than are High-Creative leaders. In addition, High-Reactive leaders are endorsed more often for being intelligent, creative/innovative, thorough, hard-working, results focused, and more. This leads to a question: Is it possible to be *too* driven?

The answer is yes. High-Reactive leaders are described by other senior leaders as more driven and far less effective than High-Creative leaders. This result is consistent with decades of leadership research showing that excessive drive is a big issue with many leaders. We have all heard statements such as, "He's wound too tight," "She is constantly in overdrive," "He is excessively ambitious."

The issue here is not the strength itself but how the strength is deployed. The over-extension of a strength becomes a weakness in most every case. High-Reactive leaders are described similarly to (if not more strongly on these strengths) High-Creative leaders, but they could not be more different in how they are experienced by others as leaders. High-Creative leaders have similar to lower scores on these strengths, and yet they are experienced by others as far more effective than High-Reactive leaders.

This led to the conclusion that High-Reactive leaders are leading with Non-Differentiating Strengths—strengths that don't differentiate between the most-effective and the least-effective leaders. These Non-Differentiating Strengths comprise the bulk of the strengths for which High-Reactive leaders are endorsed.

The lesson? Not all strengths are equal as it relates to leadership, and if you overplay certain strengths, you get in your own way. You block your effectiveness as a leader. Leading from Non-Differentiating Strengths is not scalable leadership, or at least these strengths scale only to a point. You need to have them or you don't make it into leadership positions, let alone reach the top. But as you move up, they become table stakes.

Effective leadership is something entirely different. That "something different" has to do with the strengths for which High-Creative leaders are most strongly endorsed.

> When an extremely talented leader is reaching his or her limits, these limits are (more often than not) within their inner game.

The Canceling Effect: Are You Canceling Yourself Out?

How many times have we heard people say, "He can't get out of his own way." "She keeps shooting herself in the foot." "He is canceling himself out." "Could you believe that conversation? It completely undid all that we've done for the last three weeks."

These statements are indicative of the Canceling Effect. When leaders, or entire leadership organizations, experience the Canceling Effect, their strengths are canceled out by their liabilities. As a result, their leadership cannot and does not scale.

Here is feedback to Jim, a senior leader. In these comments, you can clearly see the Canceling Effect at work in his leadership:

"Jim is all over the map in his management style—from extremely professional and centered, to childish and petty. He needs to believe in the values he espouses and then align his behavior consistently with those values."

"Jim seems a bit disconnected on a personal level from those he should be mentoring. While I know he is often pressed for time, I suggest that he strive to connect with those in the organization and be willing to share some of himself to develop a bond with them so they want to follow him."

"Jim undervalues the power of relationships and the synergies those relationships can create in accomplishing his vision and those of others. He tends to go it alone, instead of working to figure out how to combine resources and efforts with his peers to be able to accomplish an expanded vision."

Jim is a capable professional, but his leadership is neither scaling nor is it scalable unless he changes his approach.

A Matter of Development

The phenomenon known as the Peter Principle happens when managers eventually get promoted to a position that's beyond their capability to perform. It says, "People are promoted to their highest level of incompetence."

There is some truth to it. However, ineffective leaders at this level have reached the limits not of their competence but of their development. This conclusion redefines how we go about developing leaders for the future.

To understand how significantly this redefines leadership development, we need to understand how each level of leadership described here is underpinned by a progressively maturing Internal Operating System. This inner game runs the outer game. Creative leadership arises on a more mature inner game than does Reactive leadership.

So, when an extremely talented leader is reaching his or her limits, these limits are (more often than not) within their inner game. Their inner game is reaching its Peter Principle and needs to evolve. They are not reaching the limits of their level of competence but of the development and maturity of their inner game.

How Leaders Scale Leadership

Some us may be born to lead; still, the leadership ability we are born with must be developed, coached, and exercised regularly. To have a developmental (if not transformative) effect on your people, your teams, your organization, and the world around you, you must scale your leadership.

How do the best of these leaders change themselves, scale their leadership, and in so doing, transform their organizations? Three key steps will get you there:

Step 1: Start with yourself. Take a deep look within yourself to understand your strengths and liabilities as a leader. Take the Leadership Circle Profile to see where you sit in the spectrum between Creative and Reactive. Specifically,

- Awareness first; acknowledge your gap.
- Harvest your feedback-rich environment.
- Focus on the One Big Thing (the one big thing you need to change).
- Reach out for help.

Step 2: Develop leadership teams. Once you have an understanding of your own strengths and liabilities as a leader, the next step is to shift the focus to your leadership teams. This begins the process of scaling leadership beyond yourself. Specifically,

- Lead the development agenda.
- Assess individual and collective effectiveness.
- Get the right people in place.
- Build alignment around what matters.

Step 3: Build leadership systems. Creating long-term organizational change that will survive those who catalyzed it requires building systems that develop Creative or higher leadership throughout the organization. Specifically,

- Create a developmental organization.
- Focus on measuring results.
- Institutionalize the development agenda.

Transforming Reactive into Creative Leadership: A Fundamental Shift of Mind and Heart in Three Movements

Your level of leadership is related to your level of adult development. Robert Kegan, a psychologist and professor at the Harvard Graduate School of Education, shows that when adults evolve, they move through three progressive stages of development:

- Socialized Mind,
- Self-Authoring Mind,
- Self-Transforming Mind.

If your self is constructed from Socialized Mind, you likely lead Reactively. If you do the hard, spiritual work of transforming Socialized Mind into Self-Authoring Mind, you more likely lead Creatively. Likewise, Self-Transforming Mind tends to boot up Integral leadership. Each level of mind and leadership is developmentally more adapted to meet complexity and thrive within it than the one before it.

Shift from Reactive to Creative in Three Movements

The shift from Reactive to Creative leadership is nothing short of a transformation—a fundamental shift of mind and heart. This evolution occurs in three movements. As we make this shift, we move from

- Authored by others to authored by self;
- Safety to purpose;
- Ambition to service.

The first movement. The first movement is from a person who is authored by others to one who is authored by self. The leader authored by others is running a Socialized Mind—the conditioning we were given in our youth and the identity we constructed over the years.

However, when we deploy ourselves from a Socialized mind, we are more likely to lead and live Reactively, because our behavior is being authored by outside circumstances and expectations. We depend on outside validation for our security and self-esteem. The structure of this game is self-limiting—it is not mature enough for the kind of complexity most of us face as leaders.

Out of all the many external messages, the Self-Authored leader has discerned what is most important and what he or she chooses to stand for. From this move is derived the definition of self-leadership: creating outcomes that matter most. What matters most defines the Self-Authored leader. Stephen R. Covey called this stage independent, not because those in it act independently (lone wolf) but because they no longer depend on outside validation for self-worth.

The second movement. The movement from safety to purpose is embedded in the first movement. The primary tension in adult life is between purpose and safety. We want to be part of something great, but at the end of the day, we still need to pay the mortgage. Both are important. If we ignore safety, we put purpose at risk. If we focus too much on safety, we also put purpose at risk.

Leaders working their way to the top are motivated to move up safely. The more we want to move up safely (knowing

As our leadership transforms from Reactive to Creative, we become less ego/self-centric and more focused on what is good for the whole.

the fall gets farther and harder with each promotion), the more we need approval of those around us, especially those above us. Most of us would do almost anything to avoid losing the confidence of key stakeholders. Here's the rub: You can't pursue purpose and safety at the same time.

In the first movement, we let go of being constantly driven by the voices from our past and the expectations of others. As we do so, we play the second movement—we re-optimize the tension between purpose and safety. We move from playing not-to-lose to playing on purpose and what matters most. There is no safe way to be great!

The third movement. The third movement, from ambition to service, is interconnected with the first two movements. As our leadership transforms from Reactive to Creative, we become less ego/self-centric and more focused on what is good for the whole. We become a servant of bringing into being what matters most.

Our drive for personal success moderates and becomes maturely balanced with the success of others and with the success of the organization's mission. As this shift happens, leadership is freed up to scale.

Leadership becomes less self-centric and more about developing the capacity and capability of the organization. It becomes more approachable and skillful in working with people, listens well, builds high-performing teams, mentors, and develops capability in others and then empowers them.

Practices That Transform Leadership: Change Is Simple, Change Is Hard

It is hard to change deeply grooved patterns in how we show up every day in our lives and our leadership. Transformation—fundamental change—is an acquired taste. It takes hard work individually, and it takes more hard work to do it collectively and at scale. If we pull it off, our leadership becomes a competitive advantage.

Effective leaders create the conditions for leadership at scale in themselves, in others, and in the organization by engaging in these four practices that work to establish and hold generative tension:

1. Tell the truth about what we want. Create vision. Focus attention on the outcomes we want to achieve together. Set our intention to create them. Choose to have this become our current reality. Hold and reaffirm this intention daily.

2. Tell the truth about how you are creating your current reality. Tell the truth about the results we are creating right now, especially those that are inconsistent with what we want. Get underneath how we are creating our current reality, individually and collectively, until we see the embedded beliefs driving the behavior that gets us what we don't want.

Surface those beliefs within yourself and within your team members. Delve into these beliefs deeply enough to see the falseness in them.

3. Rinse and repeat to continue to hold generative tension. Do this as an ongoing practice—that is, telling the truth about what we want and what we've got.

4. Practice every day. Make daily experiments. Take small steps every day to move toward what we want. Learn from your experience.

It helps a lot if you get feedback all along the way; have a practice of daily reflection; trust your intuition, and develop the openness to intuitive insight in your teams.

The leaders who quickly make the most progress scaling leadership do two additional things that help them change personally while catalyzing systemic transformation: They take a long-term, systemic approach to development, and they lead the change publicly, personally, and vulnerably.

Integral Leadership Informed by Grace: The Future of Leadership for a World at Stake

The future of leadership is Integral leadership—creating organizations innovatively designed to scale leadership at

every level, to innovate at the pace of change, and to thrive amid complexity. This puts us right back into our spiritual boot camp. The pressure of the business context relentlessly requires us to develop even further.

In the shift from Creative to Integral leadership, we move from being Self-Authored to Authored. That means we are neither authored by others nor exclusively by our own sense of personal purpose. We let go to being authored by something much larger than ourselves—something that seems to want to come through our life and leadership. We let ourselves be used by a great purpose while becoming the servant of our emergent collective future.

We see that the system's development gap is related to our own development gap. We no longer merely sponsor change in the organization; we radically, humanly, and in deep relationship lead change from the perspective that the system is mirroring the function and dysfunction in us, individually and collectively.

We experience others, much like ourselves, as a work in progress, and we engage in dialogue from a place of listening, learning, compassion, and strength. Within our leadership teams and extended leadership teams, and among our stakeholders, we generate the kind of dialogue that's more likely to create innovative, adaptive, breakthrough solutions to complex problems in which all stakeholders win. We learn together and out loud. We let go of our knowing and certainty because the solutions we seek will take a high level of collective intelligence and systemic wisdom. No one person is smart enough.

Together, we innovate new and agile organizational designs that are inclusive, engaging, developmental, and fit for purpose in a VUCA world. As such, we become the servant and system architect of an emergent future that is our collective welfare.

All of this is informed by grace. We are graced with the wisdom that rides in on intuitive waves of insight when we suddenly know what has to be done, where we need to go, or what/how we need to change, however counterintuitive. We are graced when we break through to deeper levels of self-understanding and find, in that awareness, our deep kinship with humanity. We are blessed and surprised with the synchronicity of events arising at just the right moment to propel us forward.

The future of leadership is Integral leadership informed by grace and leading from the presumption of our inherent unity. This is how we will create a thriving future for all of Earth's inhabitants.

IF YOU LIKED THIS SUMMARY, YOU MIGHT ALSO LIKE:

- ***The Change Maker's Playbook: How to Seek, Seed, and Scale Innovation in Any Company*** by Amy J. Radin
- ***Leading Clarity: The Breakthrough Strategy to Unleash People, Profit, and Performance*** by Brad Deutser

Robert J. Anderson is the Founder, Chairman, and Chief Creative Officer of The Leadership Circle and co-founder of the Full Circle Group. He created The Leadership Circle Profile (the first of its kind), a 360-degree feedback tool integrating behavioral competencies with underlying motivational systems. William A. Adams is the CEO of the Leadership Circle and co-founder and CEO of the Full Circle Group. He has worked with CEOs, senior leaders, and boards of directors as a leadership consultant and trusted advisor for over 30 years.

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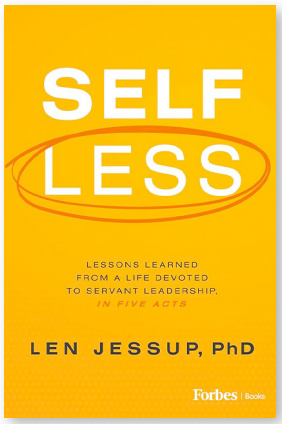
Self Less

Len Jessup

Executive Book Summaries®

Self Less

Lessons Learned from a Life Devoted to Servant Leadership, in Five Acts



by **Len Jessup**

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THE SUMMARY IN BRIEF

Leadership that drives real positive change doesn't manifest via a top-down authoritarian system. Instead, it demands focusing on serving people.

The book ***Self Less: Lessons Learned from a Life Devoted to Servant Leadership, in Five Acts*** uncovers the value of lifelong learning, relationship building, staying true to one's purpose, and maintaining resilience in a leadership position. The pages within emphasize on building a selfless mindset to maximize positive impact on people through leadership, innovation, teamwork, and community partnerships.

Author Len Jessup chronicles his journey – from childhood moments to university experiences – that shaped him to become a selfless leader committed to organizational transformation. His insightful and memorable life lessons inspire us to tap into the power of humility and service to drive real organizational change.

IN THIS EXECUTIVE BOOK SUMMARY:

- Learn how "Self Less" leadership prioritizes others' needs and teamwork.
- Become a selfless leader devoted to organizational transformation.
- Prioritize service and humility in your leadership endeavors.
- Drive meaningful change through innovation and community partnerships.

Introduction

This book is about selfless leadership as a way to lead others in transformational organizational change. Yes, this sounds counterintuitive. After all, aren't great leaders supposed to take charge and tell people what to do? While I know it's natural to think this way, just the opposite is true. Selfless leading helped me and others to do some amazing things together. It was and is for me a powerful way to lead others in some amazing, transformational organizational changes.

So that's the central plot here: selfless leadership as a powerful tool for leading others through transformational organizational changes. To delve into this idea, I will share a series of personal examples to illustrate my points. From there, I'll use that foundation to describe how those moments shaped my approach to leadership. And then I'll drive home these points by sharing stories about how teams I've led accomplished some wonderful objectives.

Act 1: Origins

Confidence Shaken to the Core

When I entered college, there was so much I didn't understand. But I had a voracious appetite to learn. I recall the time I wrote an extensive paper for my art history class. I submitted my paper, and a few days later, the professor accused me of cheating and said my work was too good to be true. But I gathered myself and swore to my profession that I had written the paper. After countless questions, the professor was finally certain that it was indeed my work and said that it was very well-written. I felt so relaxed and left his office feeling affirmed: Perhaps I could succeed at college, and perhaps I deserved to be there!

Don't Let 'Em Bring You Down

After finishing two years of college, I followed my friends down to Chico State. Another one of my professors at this college didn't believe that I had written one of my papers. This time though I was ready. I was able to quickly dispel their skepticism about the authenticity of the paper, without being shocked or even surprised. There have been so many people who doubted me along the way: teachers, professors, coaches, colleagues, and even my own dad. I knew what I was capable of, and that was enough for me.

Don't Let Them Take Away Your Power Over Yourself

After two years at Chico State, I finished my undergraduate degree in fine style. And those same two faculty members who grilled me over my paper became friends and let me know I was among the top students graduating in that major. I was proud I had completed the program and done well. I decided to stay for an MBA, but my parents could do little to help me pay for my education. I worked multiple jobs every summer as well as a part-time job during school each year. Dad had finally taken the attitude that I must be doing something right.

Turning the Corner with My Dad

By the time I finished my MBA, my dad's attitude about me attending school had completely shifted. He finally saw value in what I was doing and was affirming me. Soon afterward I entered my doctoral program at the University of Arizona. When everything was packed in my car and I was ready to leave, Dad walked me out, and in private out on the front porch, looked me in the eyes with a warm smile. Holding me by my arms, he somberly nodded and said, "You're off on a great adventure…"

Off on a Great Adventure

When I arrived at the University of Arizona, I felt very lonely. I had never lived so far from home, I didn't yet know where I would spend the night and felt intimidated by this new, high-powered research university with an even smarter group of people around me. They introduced me to the other doctoral students. Everyone was smart and helpful. Even though I had a serious case of imposter syndrome by that point, I saw that my grades and references from my supportive faculty were exceptionally good. They showed that I had gotten into the doctoral program by the skin of my teeth.

The Life of the Mind

I was growing intellectually and gaining more self-confidence, but I still had lingering self-doubts. The upside was that it caused me to work even harder. My mantra became that if a day goes by where I don't embarrass myself, I'm not trying hard enough. I was surrounded by so many smart, talented people that I figured I was bound to say or do something embarrassing.

But I had to let that go. I knew that for me to continue to grow, I had to continue to learn and get better. Mistakes weren't likely going to be catastrophic. Rather, they were opportunities for learning and growth.

Shaped My Past

I think back on this time in my life often and can see now

A good leader, by definition, can influence the way people think and act.

how these events and people shaped me. Somewhere in early adulthood, this all rang clear for me, and it shaped my life's purpose: "When I get to the end of my path, I want to be able to look back and know at that moment that I did everything I possibly could, to do as much good as I possibly could, to have as much positive impact as I possibly could, for as many people as I possibly could, and that I never shied away from an opportunity to do so."

I would live a purpose-driven life in service to others. I would be a servant leader, and higher education would be my platform and vehicle.

Act 2: Beliefs

Strongly Consider Accepting Even the Little Assignments

I never shied away from an opportunity to help, to speak up, or to lead, whether in informal or formal rules. And as I kept saying yes to these opportunities, the roles and assignments got bigger, and the potential for impact became correspondingly larger. Within a literally short time, I was offered roles that forged my skills and reputation as a leader and change agent. Each of those moves made total sense to me at the moment, and each felt like it was exactly the next thing I was supposed to do to achieve my life purpose.

Take On Big Challenges, but Do So with Eyes Wide Open

A good leader, by definition, can influence the way people think and act. A leader might simply be trying to get people to perform tasks in a certain way, under certain constraints, and within a prescribed time. On the other end of the spectrum, a leader might be tasked with trying to move an entire organization from an undesirable "as is" situation to a "to be" state in the future that is better. In all cases, a leader must get things done with and through other people. So, at its core, leadership is fundamentally about leading change, leading people through change, and motivating people to collectively enact that change.

Leadership Is Organizational Change

Think back again to the basic definition of leadership: to influence the way that people think are act. With that in mind, maybe you find yourself in a position where you need to influence people to do something. You might think you know what it is they need to do and the direction you need them to move, but don't be so certain. You need to figure out what the problem is and confirm it with the people who are involved and impacted. Because I always assume I don't know anything, I always begin by listening, learning, asking a lot of questions, and talking with as many people as I possibly can.

Listen Before You Speak or Make Up Your Mind

Whether you talk with people directly or someone else helps you listen to others, you are going to need to learn from the people impacted by the change about to happen. From all that learning, you will get to the point where you have a good sense of what you think the current state of the organization is, what the real problems are, why they are happening, how they are holding the organization back, what the desired state of the organization is, how that can be enacted, where the opponents and hot spots are, where the change agents are, and so on. You won't have the complete picture, and it will likely morph over time, but through this learning phase, you will have a much better handle on things than when you started.

You've Got to Size It Up Before You Take It On

So, you've listened, you've learned, and you've gained at least an initial basic sense of what needs to happen. Your next step is to ensure that the relevant people involved see clearly and consistently that there is a need for change and what that change needs to be. You and your team, including those key influences, will need to work together to explain, persuade, cajole, negotiate, prove, incentivize, and sometimes plead with others involved. Eventually, you'll get a clearer sense of the opposition and how you need to contend with them as well. These organizational transformations are often grounded in very simple values. And these values exist as basic truths for people in the organization.

Distill the values into core tenets. From there, communicate both the good and the bad and rally people around the productive values while sidelining the negative ones, until enough people are on board to begin moving the organization forward.

In This Case, Values and Organizational Culture Will Eat Strategy for Breakfast, Lunch, and Dinner

The most difficult aspect of organizational transformations is convincing people that the vision you are presenting is possible. But when people think something isn't possible, it's hard to move to the next level with them. A limiting belief is a state of mind that you might have, or a belief about yourself or your situation, that restricts you in some way. Changing people's beliefs about what is possible for them, and their organization is perhaps the most difficult component of leadership. To illustrate this point, let me share a personal example.

No Way We Are Going to Get This Done

Jack, one of my amigos from my doctoral program, recruited me to join him at Washington State University (WSU) to help build a grow a nascent information systems program in the business school. Things were going remarkably well until the prior dean left and we found ourselves with interim leadership. So, I threw my hat in the ring for the dean's job. In my first day on the job, I was barraged by my new staff with a host of problems. Several things were broken in terms of the way the business school operated. Many of our alumni and other external stakeholders had disengaged, and our finances were problematic on several dimensions. Worst of all, we were on probation and about to lose our AACSB accreditation.

I had never faced anything quite so difficult before in my professional life. I wondered what I had gotten myself into. But about this time, I received some good advice from some mentors to be forthright with my team about these problems. And so, I did just that. I let everyone within the business school see the full report and all twenty-six key problems. I also let leadership across campus see what we were up against. I basically confided in anyone I felt needed to know or whom I felt could help us be successfully re-accredited.

That turned out to be the right thing to do. Everyone now knew exactly where we stood, and they saw the gravity of the problems we faced. Much to my surprise, nearly all of them leaned in and wanted to help, and together, we dove into the accreditation report and made recommendations on how we could fix each of the twenty-six problems within the twelve-month deadline.

Transparency, Transparency, Transparency

The good news in being so transparent with everyone about reaccreditation was that we all had the same sense of the problems we faced and the importance of working together to solve them. The bad news with being so transparent was that everyone in the business school was now acutely aware of the gravity of the situation and the difficulty in getting this all done on time.

Fortunately, I was able to persuade the accreditation agency to give us some extra time because I was new and a first-time dean. They graciously agreed to an additional six months, which provided a little more breathing room. Then, we left no stone unturned to convince people that immediate change was possible. The result? We got everything fixed within the eighteen-month time frame. We worked aggressively every day to continuously make the business school better at a time when many undergraduate business programs were stagnant.

It All Begins with the Belief That It is Possible

We humans aren't immune to doubting ourselves from time to time. This is why having a solid belief system in place is vital to stay focused on our goals. To truly build a belief system that it is indeed possible to achieve the goals you've set for yourself and your people, ask yourself: What might your limiting beliefs be about what is possible or not possible? More to the point, what might your limiting beliefs be as a leader? What might be the limiting beliefs among your team members, and how might they be holding the team and your organization back in what you all might accomplish? What can you do to help your team see what is possible? How might these beliefs shape prevailing values, and how might core values be driving or hindering what people believe is possible or desired? When you envision a positive, possible future for you and the others on your team, how does that feel?

The Naysayers Never Go Away; They Just Have Fancier Titles

Another experience I had while in leadership roles at WSU shook my beliefs to the very core. I was talked about as a possible candidate to succeed my boss as president. But a senior, key, external advisory member for the university confirmed that she had spoken against me because she felt I was too nice to be a university president.

Sometimes you must realize that you cannot get everyone's support, so you must either work around them or redirect them for other important tasks.

Despite some naysayers like that along the way, I've been fortunate to be a part of many transformations, and overcoming limiting beliefs was a difficult problem in every case. Her lack of belief in me didn't shake my belief in myself. Further, my values about what I was doing were so strong and deep by that point that I wasn't going to let her limiting beliefs about me deter me from my path.

Act 3: Adversity

Resistance Can Take Many Forms, Some Not Easy to See

There are several types of adversity you're likely to face when transforming an organization.

Many of them are environmental and things outside the organization that are likely beyond your control. Examples might include a pandemic or an economic downturn. But the type of adversity I'm talking about here is the internal kind. It's the kind of adversity primarily stemming from people who are not onboard with your proposed changes. Don't count out or ignore those in opposition. You'll encounter them often, and you'll need to deal with them one way or another.

Sometimes You Need to Ask the Resistors to Step Aside

When we faced resistance against launching an online MBA program, we found a way to essentially get this group of faculty members to politely stay out of the way of those who would pour their hearts into building and delivering a great online MBA. We got to the place we needed to, but not with everyone onboard. Sometimes you must realize that you cannot get everyone's support, so you must either work around them or redirect them for other important tasks.

You'll Need to Develop Patience, Resilience, and Nerves of Steel

When I was facing one of the toughest challenges in my life during my presidency at UNLV, I learned useful lessons in patience and resilience. I was playing the long game and worked hard not to let a few adversaries hold me or the university back. When I got knocked down by them, I rose up, dusted myself off, and got back in the game to make another play. I also had to be very careful to take care of myself mentally, physically, emotionally, and spiritually through those trying times.

Act 4: Impact

Lighten Up on Yourself Because You're Not the First

The other component of my purpose statement has to do with impact. In fact, impact is at the core of my purpose statement. I want to have a positive, visible, tangible, felt impact, and not just a little. I want to have done as much of that as I possibly can. The final note about that purpose statement is that I am focused on positively impacting other people. In business, we often talk about having an impact on people, profits, or planets, and the trade-offs for an organization between chasing after one of those versus another.

If You're Not Having a Positive Impact on Others, What's the Point?

In our modern Westernized society, work dominates our limited waking hours. As a leader in an organization, the people under your charge are spending a disproportionately large proportion of their limited waking hours with you working. Keeping this in mind, wouldn't you as the leader want to try as hard as you can to make sure this time is well spent? Wouldn't you want to make sure they are spending that time meaningfully?

Sometimes What Seems to Be the Small Stuff Is Often the Most Important and Difficult

During my time at UNLV, I noticed that the institution offered a generous personnel benefit available to faculty and professional staff that offered nearly free tuition and fees to that person's spouse. But that incredible tuition benefit was not extended to the classified staff. This included groundskeepers as well as people in areas such as maintenance, janitorial, and secretarial – the people who needed that tuition benefit the most for their spouses and depen-

dents. Despite facing a lot of resistance from some people, we managed to bring this policy change, which ended up being truly transformational in people's lives in perpetuity on that campus.

Act 5: Legacy

Raising Money on the Palouse

When I was a junior faculty member, I had several ideas for my program and for my own research, but I quickly figured out that the university couldn't possibly fund them. So, I set to figure out how to secure funding to breathe life into these visions.

Fast forward a few decades, and I have now had the privilege to help raise a lot of money for several projects that drove positive impact. I learned so much about fundraising that I could tell stories over wine for hours on end. I stepped in to lead the overall funding for WSU, that storied university in the beautiful inland Palouse area in the Pacific Northwest. Throughout my fundraising journey, we got to spend time with amazing people and fantastic homes, ranchers, startups, and so on. Even better, we got to visit troubled schools we were helping and spend time in desperate neighborhoods.

You're Never Too Old to Need a Mentor

Throughout this narrative, I've mentioned the many mentors who helped me on my journey. They've played a huge role in my life. Right from the beginning, I always openly, and actively sought out help, and I can think of very few cases where anyone turned me down. Even today, I benefit from the wise council of many university presidents, board members, business leaders, elected officials, and others. And these experiences taught me a valuable life lesson. You're never too old, successful, experienced, or smart to benefit from the mentoring of someone else.

Leadership is Often a Gift and Privilege in Being Allowed to Experience Moments with Others When They Are at Their Best

A very wise fundraising consultant, Bruce, imparted a practical lesson to me that proved useful, especially as I moved into university presidencies. He explained that when I found people who really liked what we had determined were the university's most vital needs and most impactful projects, where in a sense my own values and vision for advancing the university resonated on a deep and consistent level with the donor's values and vision, that was where the magic would happen. Thanks to his advice, I was able to then participate in some truly transformational gifts that were also incredibly meaningful to the donors.

Beautiful Things Can Happen When Values Align

Over time I learned to shape my fundraising in many healthy and productive ways. It also saved me from having a destructive mindset. For example, I never subscribed to the "own a donor" mentality that is prevalent on a lot of university campuses. We don't own our donors. With the donor-centric approach, we're there for them. Over decades of fundraising in higher education, I've had many funny or awkward moments that stand out. When one donor made one of his first large gifts to the university to help us build a Center for our business students, he initially wanted to name the facility after me. I was flattered, but I explained to him that we needed to name that facility after his family. It was their legacy, not mine.

Sometimes It Is More about Their Legacy and Less About Yours

While at UNLV, I found out that a long-time donor to the university was not in good health and would soon be passing. I quickly grabbed our vice president of development, Scott, and we scheduled a visit for him within a few days. When he arrived with his wife, we talked about programs and students who had flourished as a result. We were also careful to draw out the subsequent role that all of it played in enabling more recent projects like the new stadium in medical school. The donor couldn't communicate too well, but he frequently fought back tears throughout that ride.

There Is Perhaps Nothing Better Than Helping Secure the Legacy of Someone Else

Your legacy lives on in terms of the continued impact your efforts and investments have on successive generations long after you're gone. After I'm gone, I think the highest praise people could give me would be to say I was a nice guy who worked hard. Leadership is perhaps better thought of as trying to reach a state of true enlightenment. It's about the pursuit and not the destination. I don't think of myself as a leader per se. Rather I think of myself as being a student of leadership, always learning and growing.

Leadership Is an Ongoing and Endless Pursuit, Process, and Journey. It Is Not a Definitive Outcome, Destination, or Fixed Trait

Do you ever think about the impact you're having, and whether there might be a continuing impact from your efforts after you're gone? What might your legacy be as a result of your efforts and impact, and how might people perceive it and you long after you're gone? Are you doing all you can to shape that impact and legacy in ways that enable you to continue to do good even when you're not here to do it yourself?

Conclusion

In this book, I tried to focus on the positive, but please understand that this all didn't come without sacrifice, pain, sadness, and regrets. My meta-level lesson from all of this is that I work hard to continue to learn and, in some cases, continue to learn how to learn. I continue to learn and grow in being a better dad, friend, brother, husband, partner, and leader. I'm grateful for the opportunity each day to be enlightened, I suppose you could say that I devoted my life not only to being in service to others but also to learning. Indeed, I can't wait to see what lessons tomorrow brings.

Len Jessup is a two-time university president, two-time business school dean, long-time business school professor, and a startup investor and pioneer. Len is also a visionary leader in higher education, known as a consensus builder with a deep interest in innovation, entrepreneurship, leadership, and organizational change. He is currently president of Claremont Graduate University, a member of the prestigious Claremont College consortium in southern California.

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Silence Kills

Scott Harvey

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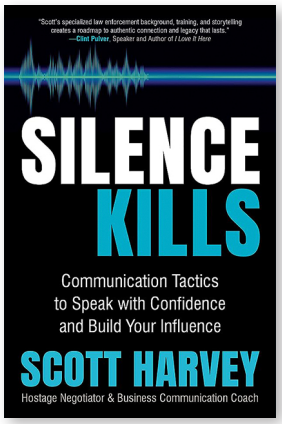
Silence Kills

Communication Tactics to Speak with Confidence and Build Your Influence



by **Scott Harvey**

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THE SUMMARY IN BRIEF

Most of us get trapped in the illusion of silence when a problem knocks at our door. But does silence truly solve a problem that stares us right in the face? The answer is a massive "no."

An insightful take on breaking the "silence bubble," ***Silence Kills: Communication Tactics to Speak with Confidence and Build Your Influence***, points out the most pressing problems that replace result-oriented communication with the threat of silence. The book lays out detailed solutions to combat each one of these problems by mastering the art of effective communication.

Former FBI-trained hostage negotiator and public information officer, Scott Harvey breaks down how communication is the most critical element for an organization's (and an individual's) success. He infuses the book with his own experiences from his hostage negotiation days to bring home the value of rapport, active listening, kindness, and clarity and drive positive outcomes from every conversation.

IN THIS SUMMARY, YOU WILL LEARN:

- How to know what to say.
- The skills needed to deliver your message clearly.
- How to lead your team with confidence.
- How to win the trust of your customers and clients.

Introduction

No organization is immune to crises. When a problem knocks at your door, you're forced to deal with it. You can either stay silent and watch the emergency unfold, hoping there are no casualties. Or you can communicate clearly to negotiate a positive outcome.

Silence Kills: Communication Tactics to Speak with Confidence and Build Your Influence is your training to not be afraid of saying the wrong thing, always knowing what you can say, the best tactics to deliver your message, to lead your team with confidence, and get your clients and customers to trust you.

The skills you learn here are the skills you will use every day. They'll not only make you better at work, but they'll also make you a better spouse, a better parent, and a better friend. That said, welcome to Training Day!

Phase 1: The Problem

Silence

We live in a world that is knee-deep in technology and it seems to be never silent. So, naturally, "silence" of any kind often seems like a threat. Why? Because of the difference between situational and dispositional attribution.

Situational attribution is when we infer that someone's actions are a result of their situation (external factors). Meaning, if your boss didn't respond to you in a timely manner, it could be because she's busy. Dispositional attribution is when we infer that someone's actions are a result of their disposition (internal factors). Meaning, if your boss didn't get back to you promptly, it's because she doesn't like you.

Without enough rapport built up, our brains interpret silence as a dispositional attribution. When there is no explanation for why someone important to us is silent, our brain naturally alerts us to an imagined threat. But in reality, silence is more often a situational attribution. This is where the need for rapport or communication comes in.

The Brain

As discussed before, silence without rapport feels like we don't care. This is why it's important to say SOMETHING during a crisis. Sure, you won't kill the story by not talking but you WILL lose control of it by keeping silent. The best way to go about the process would be to release a statement as soon as you can, and then get about fixing the problem.

When communicating a message, however, you have to do more than simply craft the words.

Evolutionarily speaking, our brains prefer to process communication in a face-to-face mode. Research says we only get 7% of the message from the actual words someone says. Our brains extract 38% of the message from the tone and the other 55% from nonverbal cues.

If we want to tell our story, we must make sure our message is heard. We have to acknowledge the importance of tone and nonverbal cues and understand how important it is to manage stress and fear.

Stress

Stress. Anxiety. Depression. We don't like to talk about these, and that's not okay. We can only heal what we are about to talk about. Open and honest discussions are often the only way we can improve things. We need to understand the hindrance that stress creates for people whom we are hoping to communicate with.

One of the key things I learned in hostage-negotiator training is about the teeter-totter in everyone's brain. In the teeter-totter of everyone's brains, emotion sits on one end, and logic/reason sits on the other.

When one side is low, the other side is high. Meaning, when emotion is high, the logic/reason side of our brain is low, and vice versa.

Don't allow someone's unbalanced teeter-totter to unbalance your own. At the same time, don't focus only on logic. The goal here is to bring the perfect balance of emotion and logic. Start by addressing their emotion and follow the conversation through with logic.

Fear

The more we try to tap-dance around some perceived hot-button issue, the more awkward we make things. The more awkward something becomes, the more offensive it ends up being. So, in an effort to not offend anyone (or stay silent), we end up being more offensive because we draw all the attention to things we're not trying to say!

Fear keeps us silent. But there is nothing to be afraid of except inaction. Staying silent won't solve a problem, taking action will. Even if this action seems difficult. Recognize the fear. Label it. And then take appropriate action even though you're afraid.

Phase 2: The Solution

Rapport

Phase one was all about identifying the problems: silence is deadly, and fear and stress stand in the way of showing up. Phase two is all about identifying the solution. So, what breaks the silence and helps us speak up in spite of our fear? The answer lies in one little word, "communication." The only way to capture and keep someone's attention and have your message heard is with these three skills:

- Building genuine rapport
- Listening like it's your superpower
- Choosing your words wisely.

We do business at the speed of rapport. People do business with organizations they know, like, and trust. Don't just build a rapport for the sake of making a sale. Eventually, you'll come off as manipulative. Instead, understand your people – this could be your customers, team members, or clients. Know their fears and goals. Understand their motivations. Speak their language. Most importantly, demonstrate words and actions that you want them to succeed. Manipulating your way to long-term success never truly works. But when you help people get what's best for them, rapport becomes a natural byproduct.

Another way to build rapport is with consistency over time. The people you lead at work will learn to trust you or hide from you by the little ways you show up every day. For instance, when your team member walks in frazzled and late, kindly ask them what held them up instead of directly reprimanding them. Build rapport by showing up and being present and listening as much as you can.

Listening

The world today is so noisy that listening almost seems like a superpower! Perform "Active Listening" to be more actively involved in listening to someone. People will only reveal their feelings if they know you're listening.

- Maintain eye contact. Remember, you're not listening if you're not looking. Our ears face forward for a reason, after all.
- Offer minimal encouragers. This involves smiling, nodding, saying things like "I see," "Okay," and so on. The more minimal encouragers you use, the more a person is going to feel heard, connect with you, and talk.
- Paraphrase. By simply repeating back to someone what they have said, or what you heard them say, you move into an advanced level of active listening. Paraphrasing shows you are paying attention and enables you to build trust.
- Help them With Emotional Labeling. When you help someone label their emotions, you help them move from the primitive part of their brain to the rational part – from reacting for survival to thinking and responding. When people label their feelings, they balance their teeter-totter.
- Ask open-ended questions. This helps you avoid the one-word-answer trap. For instance, a question like "How was your day?" could be followed by a one-word answer, "Good." But a question like "What surprising thing happened today?" would require more thought. Asking open-ended questions is key to truly helping our clients, colleagues, and even stubborn teenagers!
- Disclosing similar experiences. The reason this is last on the list is that nobody cares about your experiences until they feel like you care about them. The goal here is to not move to the solution too early.

Remember, amidst all the listening, you will occasionally be expected to respond. So, when you do, make every effort to balance clarity and kindness.

Kindness & Clarity

I believe in the absolute POWER of our words. When you run your organization with clear communication that comes from your heart, you will prevent many disasters, and your team members will love coming to work. Words not only hurt, but they have the power to shape what we believe about ourselves. Once we believe those words, we will often become those words.

What story are we telling our team members? What story are we inviting our customers to? What do they believe to be true about us? What do they believe to be true about themselves when they interact with us? We should be using our words to invite people into an identity that will make them, and this world, better!

Clarity wins every time, in every conversation. If I was planning on killing myself, your asking directly about that greatly reduces the chance that I will actually do it! When the time comes to have a difficult conversation, being unclear is synonymous with being unkind. If you're speaking with a team member, customer, or client, make sure you're

100% clear. If you cannot meet a deadline, let them as soon as you can. Clarity is the kindest way to do business.

Phase 3: The Tactics

Face-to-Face

Phase 3 is all about unpacking some of the more popular ways that people are communicating, and some of the pros and cons of each method.

Face-to-Face is often the best way to have an important conversation with someone. Successful peoples go by the same philosophy because they know the key to clarity is not just what you say, but how you say it. Here, people feel seen and heard when they connect with people. What's more, it's the only way to build rapport through shared experiences.

Sure, virtual meetings are popular. They may even be the next best thing to being face-to-face. They're way better than not interacting with people at all. But those who have experienced the power of face-to-face conversations know that nothing can replace the power of being in the same room with people or comprehending the tone and nonverbal cues that are so valuable for conversations.

However, in scenarios where you cannot be present, at least use video to be virtual and make an effort to hear the sounds of Voice and Tone.

Phone

If you cannot get face-to-face (in person or virtually), a phone call is your best bet. When you are on the phone, others will at least pick up the cues in your tone.

One of the ways that our brain identifies emotions is through tone. When tone is added to the message, our brains begin to pick up on how someone is feeling about what they are talking about. When we catch the emotions behind the words, we begin to build rapport. Tone often communicates sincerity. Sincerity builds trust. Trust increases business.

As a hostage negotiator, I have literally been able to save lives based on phone conversations. The phone can be POWERFUL if you choose the right tactic at the right time.

Print

Putting words in print must be treated with respect – and that means we must use print thoughtfully and intentionally. We must not forget how the words we type are open to interpretation, can build up or tear down, and become a permanent record.

When we put something only in print, we risk leaving 93% up to interpretation. In other words, it's important to be cautious about communicating only in print with people you don't yet have a relationship with. Every piece of writing you send to someone is always permanently saved and can even be used against you. So, when you do decide to use it for communication, here are three specific ways to go about it:

- Use it to schedule and re-cap. Whether it's scheduling an event or re-capping a phone call, print is a great way to remember and clarify details.
- Use it to reach a wider audience. This could be for all-staff emails, website content, press releases, newsletters, and more.
- Keep a written record. Records can serve organizations internally and help build individual rapport.

Social Media

Social media is great for market research, brand building, reaching potential customers, or anything you want to communicate with your audience. However, not understanding social media today can cause more problems than achieving a goal. Let's bust some myths to strategically build your business on the social media frontier.

Myth 1: Personal = Private

Truth 1: Things said on social media, during our personal time, can spill over into our work time.

Myth 2: Social media = Free online store

Truth 2: Social media is a rapport-building machine where people come not to buy a product but to engage with a community.

Myth 3: Everyone understands social media

Truth 3: Set the expectations by crafting social media policies for what your team members can and cannot post about your company.

Other Media

Traditional media has been telling stories for hundreds of years. Newspapers, radio, and television are always looking for stories. Celebrations, new products, events, and local impact stories are a few of the stories these forms of media would be interested in.

Other ways to communicate include podcasting and writing a book. Over 144 million people listen to podcasts in the U.S. alone, making podcasts a strong medium of communication. Writing a book, on the other hand, benefits both the readers and the writer by learning and sharing valuable content.

Conclusion: The Debrief

Becoming a better communicator isn't just for work. Improved communication makes you a better spouse, a better parent, a better friend, and a better coworker. So, when a problem knocks at your or your organization's door, what would help solve the problem, silence or communication? Silence may make you feel safe but it won't keep you from drowning. Build the boat of communication to let your message reach the shore and even save the day!

Scott Harvey spent 20 years as an FBI-Trained Hostage Negotiator and Public Information Officer for a police force in Central Kentucky. Since 2010, he has spoken to hundreds of thousands of people who want to communicate more effectively. Harvey seeks to help people break the silence and communicate their way through any crisis. He currently resides outside of Lexington, KY.

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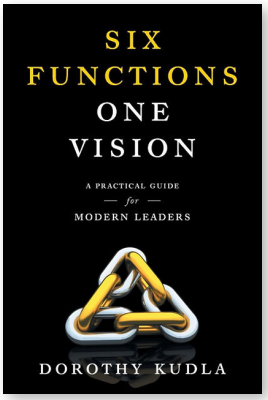
Six Functions, One Vision

Dorothy Kudla

Executive Book Summaries®

Six Functions, One Vision

A Practical Guide for Modern Leaders



by **Dorothy Kudla**

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THE SUMMARY IN BRIEF

Six Functions, One Vision presents a practical view of modern leadership grounded in the shift from individual achievement to enabling consistent performance through others. Dorothy Kudla addresses the central challenge leaders face as work grows more complex: how to translate responsibility and intent into results without relying on outdated assumptions about control, speed, or personality-driven leadership. The book frames leadership as a discipline shaped by awareness, judgment, and purposeful action rather than by role or temperament.

The book advances the idea that effective leadership requires slowing down to understand oneself, accurately assess situations, and choose responses with intent. Kudla emphasizes diagnosing what a moment truly requires before acting, replacing reactive behavior with disciplined focus. Leadership effectiveness emerges through creating shared direction, clarifying expectations, sustaining engagement, supporting growth, strengthening collaboration, and reinforcing progress through feedback and coaching, treated as continuous responsibilities rather than a fixed sequence.

Structured to move from leadership mindset to applied practice, the book connects everyday leadership behaviors with long-term outcomes. Its scope centers on building repeatable, sustainable performance by aligning purpose, people, and action, positioning leadership as an ongoing practice of elevation rather than control.

IN THIS EXECUTIVE BOOK SUMMARY

- Discover the Six Functions of a leader and learn how to put them into action
- Strengthen and elevate your leadership skills with proven, practical strategies
- Explore methods that help your team perform at its best and thrive in any environment over time and at scale
- Create a culture that fosters continuous growth, collaboration, and success

Introduction

Leaders aren't born fully formed. Like superheroes, they must learn to harness their abilities and develop their skills with intention and purpose. Stepping into leadership is like stepping into the ring with a brand-new opponent—the game has changed. It's no longer about your individual performance but about how well you can support and guide others to succeed.

This is where the Six Functions of a Leader come into play. Yes, effective, performance-optimizing leadership can be boileddown into six functions. That doesn't mean mastering leadership is easy or that every aspect of these functions is simple, but within these pages you'll find a blueprint that can help you find and hone your superpower and transform your approach to leading others. The key objective of a leader is to ensure that those they lead discover their full potential and accomplish goals in a repeatable, sustainable, and optimal way. The Six Functions will provide you with the tools to diagnose any situation and select the best strategies that address real issues.

Leadership, like heroism, is built on intentional actions that make a real impact. The journey from potential to proficiency requires moving beyond theory and into practice. The practical strategies and actionable insights presented here will help you uncover your unique leadership style and inspire you to lead with confidence, authenticity, and effectiveness.

CHAPTER 1

Modern Leadership

Unlocking your leader superpowers requires mastering all six functions. However, we need to consider a bigger question: What is leadership? Specifically, what does it mean to be a good leader?

It's time to pull back the leadership curtain and discuss the mindset a modern leader must adopt to succeed. Leadership is not about traits alone—it's about action and inspiring and guiding others on a path of growth so they can realize their full potential.

Just as superheroes must adapt to new threats, emerging opportunities, and evolving landscapes, so must a leader. Being an effective leader today requires learning new approaches and, perhaps even more importantly, unlearning outdated ones. It's time to let go of the beliefs, mindsets, or practices that may have worked well in the past but now can hinder progress—and embrace a new way of leading that makes the most of the time you already invest in your team.

Go Slow to Go Fast

Leadership today isn't about keeping up with the pace of change; it's about navigating complexity with clarity and purpose. To do this, leaders must be intentional and focus on what truly matters. With that in mind, I developed a simple framework built around three key pillars:

1. **Self-awareness** – the leader's ability to recognize and understand their own emotions, strengths, and weaknesses, as well as their influence on others. They need to see their own blind spots and understand how their actions land with others.
2. **Situational awareness** – the leader's ability to accurately perceive the information, events, and dynamics around them, interpret those details in context, and understand how they will impact the team, goals, and overall environment.
3. **Intentional action** – represents the culmination of self-awareness and situational awareness insights that move into tangible outcomes. It involves making informed, confident decisions and acting upon them with purpose and responsibility. The action is intentional because the leader knows precisely what problem they are solving and what outcome they are looking for. To be effective, you must resist the urge to jump into action without a pause for reflection. Always interrogate the purpose behind the action. What problem is it solving? What outcomes will I get? Slowing down like this will enable you to go fast in the long run.

Your Mission

Your mission as a leader is straightforward: to elevate and capture the full potential in people and situations. Leadership is not only about the paths you choose or the decisions you make; it's about ensuring those paths and decisions illuminate the strengths of those you guide, fostering environments where optimal outcomes can naturally emerge.

By practicing self-awareness, situational awareness, and intentional action, you can avoid common leadership pitfalls and choose a different path—one that's rooted in understanding, strategy, and effective execution.

Modern leadership demands we slow down enough to move forward with greater clarity, purpose, and velocity, and it can be learned. That's the beauty of a skill set built entirely on intentional, purposeful actions: the Six Functions.

> The key objective of a leader is to ensure that those they lead discover their full potential and accomplish goals in a repeatable, sustainable, and optimal way.

CHAPTER 2

The Six Functions of a Leader

The Six Functions simplify the complex task of leadership by translating theory and concepts into actionable steps, all in pursuit of one vision: realizing the full potential of individuals and teams. Here is a brief overview before we look at each function more closely:

- **Define the vision** – guides your team with clear direction and purpose, ensuring that everyone understands and aligns with the long-term goals and the collective mission.
- **Set expectations** – establishes clear goals and priorities that support success by aligning team efforts with organizational objectives and providing clarity on what needs to be achieved.
- **Ignite motivation** – fuels passion and deep commitment within the team, creating engagement and energy that drive performance.
- **Develop talent** – builds competencies and prepares employees for current and future challenges, fostering continuous growth and innovation to sustain performance.
- **Cultivate collaboration** – fosters strong connections within teams and taps into diverse perspectives, driving creativity and execution to achieve better results.
- **Enable performance** – optimizes results through ongoing coaching, mentoring, and feedback, continuously improving performance and maintaining high standards.

The Six Functions serve as a diagnostic tool—sharpening situational awareness. When faced with challenges, analyzing which function to focus on helps identify the root cause. With its own set of unique skills, each function equips leaders with the tools they need to address specific challenges, providing actionable strategies tailored to the situation. By mastering these skills, leaders pave the way for their teams to realize their true potential.

Pathway to Mastery

The functions serve as a compass, providing clear strategies to address various situations. They are not meant to be applied in a specific sequence nor should they be used all at once. Instead, they serve as a toolkit for leaders to operate within the three pillars, by gaining self-awareness, becoming aware of the situation—including the team's needs—and taking intentional action by selecting the most effective strategy. This is simple, uncomplicated leadership—one vision achieved through Six Functions.

CHAPTER 3

Define the Vision

While it's true that corporate vision is incredibly important and sets the overarching strategy, it's the unique visions of individual teams that make those strategies a reality. Think of the corporate vision as the destination on a map, a place everyone is aiming to reach. Each team is like a separate vessel navigating its own waters to the common point. Without a unique charted path, teams can lose their way in the vast oceans of daily operations.

Call it whatever you'd like—vision, purpose, direction—teams need a common goal to rally around, one that clarifies priorities and creates alignment, commitment, and a sense of belonging. Defining a vision for your team is not just a box to be checked but a living, inspiring force that gives meaning to work, empowers decision-making, and supports a strong team culture.

I intentionally titled the function "Define the Vision" rather than "Set the Vision." There is a subtle but important distinction. From my perspective, *setting* the vision involves deciding on the ultimate goal or end state the team aims to reach. Setting is actually part of defining and is a necessary first step. On the other hand, *defining* the vision gives the goal clarity and depth. We need to know the destination (setting), but we also need to understand the value of reaching it and the journey of getting there (defining).

Your team's vision is a lighthouse that cuts through the fog of daily operations. Without it, your team might keep moving but drift off course. With a clear vision, they're guided toward the destination with confidence, avoiding the rocks that could derail their progress. A well-defined vision also supports decision-making by acting as a filter, ensuring all actions are aligned with team objectives, and strengthens

commitment by engaging team members so they feel invested in the team's success.

Because our workplaces are so fixated on getting things done, we often rush into action without pausing to consider the bigger picture. That's why leaders must slow down, assess whether their team's vision needs to be defined, and take steps to craft one that inspires each team member to reach their full potential.

Crafting a Vision

Before you get busy ideating and jumping to vision statements, embody the "go slow to go fast" principle. Consider the best strategy for creating a clear direction.

- **Solo or Collective.** There's value in both approaches. Involving team members in the development creates a sense of ownership and commitment to achieving it. Whether you choose a solo or collective approach should depend on your team's dynamics and needs. The goal is to ensure the vision is embraced and effectively implemented.
- **Business Acumen.** A solid team vision must connect to the company's broader strategy, which requires leaders to understand how different areas of the business intersect. Building a strong cross-functional network will always serve you well. Spend time learning and discovering what other departments are working on, including their priorities and challenges.

Now that you've figured out how to approach crafting the vision, it's time to get into the process itself. There are many ways to create a vision. The process I use with clients is simple and comprehensive. I call it the "Four Cs of Visioning." This process offers a disciplined approach and involves four steps:

- **Create** – brainstorm to gather ideas, discern, prioritize, and craft the draft
- **Connect** – draw links between the draft and the organizational strategy and culture
- **Communicate** – test the vision with stakeholders to ensure clarity and get buy-in
- **Cultivate** – implement the vision and build mechanisms to use it in everyday decision-making and planning

Your Challenge

Your challenge is to assess whether your team has a vision that is clearly defined and understood by every member. If you do not have a vision, create one. If you do, examine how well it serves the team. Is it woven throughout your discussions and used to guide decisions? If not, revisit the vision—perhaps it needs refining or a complete refresh.

CHAPTER 4

Set Expectations

Since becoming a leader, have you ever felt as if you've been handed the controls to a sophisticated piece of machinery with the potential to achieve incredible results—yet no one gave you instructions? Each button and lever seems to promise success, but without clarity you are left to rely on trial and error. Your intention is to reach your goals to master the controls, but the lack of guidance leaves you confused, burning through your fuel, and exhausted. This frustration can't be chalked up to a lack of ambition or ability, but to flying blind due to the absence of clear expectations.

How important is setting expectations? It's the first of three fundamental elements in a cycle of performance enablement—a process that drives continuous growth and improvement and allows a team to move from strategy to action, and from action to results. Here's the performance enablement cycle:

- **Expectations** – define what successful performance looks like
- **Feedback** – provide continuous feedback against those expectations
- **Development** – build and refine people's skills for current and future roles

These three elements of performance enablement are a continuous cycle that loops back to expectations every time new responsibilities are added, job requirements change, new priorities surface, or direction changes. The process always starts with expectations—not feedback or development. Skipping that step and jumping straight into feedback can lead to unintended consequences.

When leaders realize an employee's performance is not where it needs to be, their instinct is often to provide feedback. While this is well-intentioned, starting with feedback can create feelings of being unfairly judged. Instead of building motivation, this approach can foster resentment, as the employee feels constantly corrected without understanding how to hit the mark. That's why it's critical to ensure expectations are clearly defined first to create a solid foundation that feedback can reinforce.

> Your mission as a leader is straightforward: to elevate and capture the full potential in people and situations.

When a team member's performance is off, ask yourself whether you have clearly communicated what you expect. If not, that's where you start. If yes, then you need to provide meaningful feedback and development. But expectation-setting involves more than just outlining what needs to be done—it also requires paying attention to how things are done.

Task expectations focus on specific goals, such as completing deliverables on time or meeting performance targets. Behavioral expectations, on the other hand, shape the team culture by guiding how employees need to act and interact in the workplace and live the company's values. Behavioral norms affect the environment in which tasks are completed.

Task and behavioral expectations are the yin and yang of performance. Tasks represent the structure—the focus on what needs to be done. Behavioral brings in the flow—the way people work together to achieve those tasks. They are interconnected and cannot exist without each other. A team can hit every deadline but crumble without the right behaviors, just as harmonious teamwork can fall short without clear goals. Together, they create the balance that drives sustainable success.

Challenges of Setting Expectations

Think back to a recent project you delegated to someone. Were you satisfied with how the project was managed? Did it meet the desired outcomes? Did it achieve its full potential? Whether your answer is yes or no, consider the following questions:

- Did you clearly communicate the desired outcomes?
- Did you discuss how best to execute the project?
- Did you collaborate on what good, excellent, and subpar outcomes look like?
- Did you have regular check-ins to provide feedback and reset expectations if needed? If yes, what do you think your direct report would say? Would they echo your assessment? If no, why not? What held you back?

If you're like most leaders, these questions will likely reveal gaps and opportunities in setting your employees up for success. Having an expectation-setting conversation can be difficult—maybe more than giving constructive feedback—but perhaps that can serve as a reminder of why these discussions matter and why they can make such a huge difference.

Your Challenge

Now that you've explored the Set Expectations Function, it's time to put this knowledge into practice.

Step 1 – Reflect on your current approach

Take a moment to evaluate how clearly you're currently setting expectations with your team. Ask yourself: How often do I articulate clear, specific expectations? Are my expectations aligned with both individual and organizational goals? How do I ensure my team members understand what success looks like?

Step 2 – Choose one team member

Identify one team member who could benefit from clearer expectations. This could be someone who is new to the role, someone who has struggled to meet expectations, or even a high performer ready for new challenges.

Step 3 – Have an expectations-setting conversation

Schedule a one-on-one meeting with this team member. Before the discussion, clarify the expectations you want to set, consider their perspective, and plan how to open the conversation so you can create space for two-way dialogue and genuine buy-in.

Step 4 – Implement a feedback loop

Set up a follow-up meeting to review progress. Discuss any challenges they've faced and adjust expectations if necessary.

Step 5 – Reflect and adjust

After your follow-up meeting, reflect on the process: Did the clarity of your expectations lead to better performance or engagement? How did the feedback loop contribute to their understanding and motivation? What would you do differently next time to improve your expectation-setting skills?

Step 6 – Expand the practice

Once you've completed this challenge with one team member, begin applying the same process with others on your team. The goal is to make setting clear expectations a natural and consistent part of your leadership approach. By master-

ing this skill, you're not only setting your team up for success but also strengthening your own ability to lead with clarity and purpose.

CHAPTER 5

Ignite Motivation

Motivation is an interesting concept. It comes and goes, makes us do things we didn't know we could, and sometimes disappears when we need it most. The beginning of a project or initiative can energize, but as the weeks go by, keeping that momentum going can be a struggle. The daily grind can also wear you down—too much change, not enough change; too much collaboration, not enough collaboration.

Have you ever felt like this? Like the weight of the climb is heavier than it used to be and you're no longer enthusiastic about charging up the hill? If so, you know that it takes real effort to regain the motivation that once kept you going.

Now, imagine you're not the one standing at the base of that hill—it's your employee. As leaders, we often focus on goals and outcomes, but it's just as important to remember that those results are achieved by people, some of whom might have lost motivation and are struggling with their own Mount Everests. What can you do to help your team find their drive again? How can you support them in making that daily climb feel less daunting?

Igniting, Not Motivating

Let's bust a myth: none of us has the power to motivate anyone. What we can do is to ignite what already exists within a person. Motivation isn't one-size-fits-all. Each person is driven by different factors—what ignites one person might not even spark interest in another. That's why it's crucial for leaders to take the time to truly understand what makes their team members tick. This requires knowing our employees and understanding what they want, need, and desire and then moving toward that.

When you align your leadership efforts with your employees' true motivators, you don't just inspire them—you empower them to achieve beyond what they thought possible. But why is motivation so important? Why is it one of the functions of a leader?

There is a powerful connection between motivation and engagement. At its core, engagement is the emotional and psychological investment an individual has toward their work and their organization. It's about feeling secure, valued, and connected with the bigger purpose—a sense of belonging, significance, and achievement within the workplace. Motivation, by contrast, is the driving force that propels us toward goals and outcomes, fueled by our intrinsic desires and extrinsic rewards.

Your Challenge

Your assignment is to become an observer for a week. Note instances where team members show high engagement and energy, as well as moments where they seem drained or less motivated. In addition, learn two key intrinsic motivators for each member of your team. You can do this during your one-on-ones, through informal conversations, or by observation. Make sure you are not making any assumptions and fishing with strawberries without realizing it.

Finally, choose one team member you believe could benefit from a motivation boost. Engage in a one-on-one conversation with them and aim to discover (not assume) their unique motivators. Look for opportunities to align their work with what motivates them.

CHAPTER 6

Develop Talent

Leadership, in its purest form, is about fostering growth and enabling individuals to meet and exceed their own expectations. It's about creating an environment where talent can flourish, challenges become opportunities for development, and growth becomes a shared experience.

The beauty of development is its simplicity and accessibility. It doesn't require grand gestures or elaborate plans. It only needs attentiveness, genuine interest in a person, and a commitment to nurturing talents. By weaving development into daily work life, you transform it from a formal, annual event into a natural, continuous journey of growth.

The essence of development lies in the everyday interactions, feedback sessions, one-on-one meetings, and even casual conversations that occur organically. The goal is to reach a place where coaching, mentoring, and creating learning and development opportunities are so natural and common that they're part of your leadership DNA.

Development Roles and Responsibilities

Growing and developing your team members is not solely your responsibility. While you, as a leader, play a crucial role in your team's growth, you are part of a broader ecosystem

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involving the organization and employees themselves. If you feel the heaviness of development on your shoulders, you can shed some of the weight now. Employees are responsible for 50% of their development, the organization 25%, and you, the leader, the other 25%.

If companies want to drive engagement and leverage the benefits of talent development, they need to empower employees to manage their own development, to own it so they can be accountable for it. The days of leaders deciding behind closed doors where people move and what is the best for them are over.

Dividing the responsibilities of development between the employee, the organization, and the leader empowers employees to take ownership of their growth, gives leaders structure for how to support their team members effectively, and ensures that the organization creates the right environment for learning and development to thrive.

Career Development in Action

We've already covered the role team members play in their own development. Now, let's look at how those responsibilities align with the five key steps of career development—and how you, as a leader, can support and guide your team through each one.

1. **Self-awareness.** Employees must understand their strengths, weaknesses, values, interests, and aspirations. Leaders can support this by creating an environment that encourages reflection, inquiry, and self-evaluation, and by providing tools that help individuals assess their own growth.
2. **Identify growth opportunities.** Align individual aspirations with organizational needs. Leaders help employees see how every skill and every new learning opportunity contribute to both their career and the company's broader goals.
3. **Set meaningful goals.** Employees should create specific, meaningful development goals that clarify what success looks like. Leaders can use existing development frameworks (such as PDPs) or simple goal-setting tools to support this process and build accountability.
4. **Create a development plan.** A strong plan outlines the actions, timelines, and resources needed to achieve each goal. This ensures both the leader and the employee stay aligned and can track progress over time.
5. **Identify dependencies.** Dependencies are factors outside the employee's direct control that influence their ability to reach their goals. Leaders play a key role in helping identify these needs and removing obstacles by offering guidance, resources, or connections.

Your Challenge

Reflect on what it means for you to embrace the growth and development of people as your highest calling as a leader. How does this resonate with your personal leadership philosophy and the legacy you want to create? The ultimate goal of this challenge is to integrate talent development into your leadership style's DNA and team's culture. By actively engaging in these steps, you are not only contributing to the growth of your team members but also building a legacy of leadership that prioritizes and values development.

CHAPTER 7

Cultivate Collaboration

First, let me be clear: regular team meetings, standups, updates, and huddles are not collaboration. They are important—they provide opportunities for dialogue and connection, and they need to happen—but they should not be mistaken for true collaborative work. In its purest form, collaboration is an act of working with another person or group of people to create or produce something of value.

Collaboration isn't just about people working together; it's a dynamic process where diverse individuals combine their expertise and share their ideas, resources, and efforts to find opportunities, solve problems, and create value beyond achieving goals. It's the diversity of experiences, opinions, and knowledge that make collaboration simultaneously challenging and productive.

Culture of Collaboration

Culture is the invisible fabric that holds a team together—binding their values, behaviors, and shared purpose. It's

created through daily actions and decisions, shaping how people interact and how work gets done. Leaders establish culture, whether intentionally or not, by the norms they set, the behaviors they model, and the environments they create.

To establish a strong culture of collaboration, four elements need to be in place: people, purpose, participation, and performance. Each element plays a critical role in creating a team culture by design.

- **People.** Collaboration is an ongoing practice that requires attention and fine-tuning. Having the right people is the beginning, and building productive norms that support a strong collaboration culture will drive the desired results.
- **Purpose.** The responsibility to provide a clearly defined purpose, and connect the team members with it, belongs to the person initiating the collaboration. Everyone must know why they're there and how they contribute to the goal. With a clear purpose, process, and payoff, meetings shift from being time-draining tasks to focused, collaborative efforts that link up with something greater.
- **Participation.** Fostering participation becomes less about the burden of facilitation and more about creating an environment where team members feel naturally inclined to contribute.
- **Performance.** Achieving a specific goal might not always mean we succeeded. Reaching a project's objectives is important, but the health of the team, the process's efficiency, and the sustainable impact of the outcomes are what really define the success.

Your Challenge

Collaboration is like a perennial garden. From a distance, you view the garden as a whole and take in the serene beauty. As you move closer, you see the individual shrubs and flowers that make up the garden, each one having different nurturing needs. For the garden to serve its purpose, each plant needs to be given what it needs to thrive. In many ways, your team is no different.

CHAPTER 8

Enable Performance

At its core, enabling performance is a dynamic process. It's not a one-time effort but a continuous cycle that intertwines with every aspect of leadership. It's about guiding your team to results while helping them grow into their best selves. It's an ongoing conversation, a journey that requires you, as a leader, to wear many hats: mentor, coach, challenger, and supporter. Enabling performance means knowing when to push, when to guide, and when to step back.

The Gift of Feedback

At its core, feedback is information about a person's performance based on set expectations. And when given with the right intent, it can be one of the most powerful catalysts for personal and professional growth. An inherent trust develops between us and those who provide honest, sincere feedback. It stems from recognizing that they cared enough to step into a difficult conversation and that their insight, even when hard to hear, is aimed at helping us improve. When giving feedback aimed at genuinely helping their people, leaders build meaningful relationships and foster a culture where learning and growth are encouraged and celebrated.

The Purpose of Coaching

Coaching is not an occasional intervention but a continuous presence throughout the performance enablement cycle. It ensures that the processes of setting expectations, providing feedback, and facilitating development are dynamic and tailored to individual needs. Coaches work closely with employees to navigate their career paths, enhance their strengths, mitigate challenges, and ultimately achieve their full potential within the organization.

Coaching and feedback might seem similar, or even redundant, but they serve different purposes, and leaders must know how to utilize each at the appropriate time.

Your Challenge

Here is your last challenge:

Transform your one-on-one. Select a team member whose one-on-one meetings could be more meaningful, and shift the conversation from routine updates to future-focused dialogue. Invite them to co-own the agenda, stay present during the discussion, and use the time to deepen alignment, clarity, and connection.

Provide constructive feedback. Identify a team member who would benefit from clear, growth-oriented feedback, and prepare by reflecting on the situation and the impact. Have an open conversation that is specific, actionable, and focused on improvement, then take time afterward to reflect on what went well and what you would adjust next time.

Use coaching to develop. Determine who on your team would benefit from a coaching conversation and prepare by clarifying the goal, understanding their reality, and forming open-ended questions. During the conversation, help them reflect, explore options, and take ownership of their development, then ask for feedback to strengthen your future coaching sessions.

These steps will help you elevate your leadership approach to enable higher performance in your team. Each part of this challenge offers an opportunity to refine your leadership style and strengthen your relationship with your team members.

Conclusion

Leading others is not easy, and just as superheroes face obstacles and challenges, you will encounter difficult moments—feedback that's hard to give, performance issues that seem insurmountable, or decisions that weigh heavily. But it's in these moments your leadership truly shines. Your superpower is your resilience, your ability to adapt, and your unwavering commitment to bringing out the best in others.

Ultimately, leadership is not about being the strongest or the fastest—it's about empowering others to discover their strengths. It's about creating environments where people can thrive, achieve more than they imagined, and contribute in ways that bring your collective vision to life. As you move forward, remember this: you have the tools, the knowledge, and the power to create a lasting impact.

Dorothy Kudla is a coach, keynote speaker, and founder of Full Circle Connections, a training firm that helps organizations achieve goals through strategic planning, leadership development, and people-focused solutions. With experience spanning Fortune 500 companies and startups alike, she specializes in aligning leadership, culture, and performance to drive innovation. A former Hilton Hotels executive, Dorothy brings over two decades of experience designing practical, results-oriented programs that empower leaders to build trust, communicate effectively, and grow continuously. An avid adventurer who has run marathons and climbed Mount Kilimanjaro, she embodies her philosophy of lifelong learning and authentic leadership.

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Smart Trust

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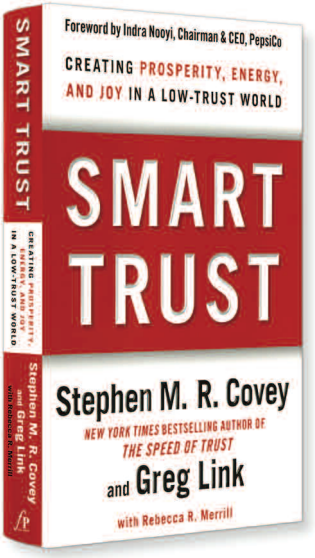
Smart Trust

Creating Prosperity, Energy, and Joy in a Low-Trust World



by Stephen M. R. Covey
and Greg Link
with Rebecca R. Merrill

THE SUMMARY IN BRIEF

In *Smart Trust*, Stephen M. R. Covey and long-time business partner Greg Link share enlightening principles and anecdotes of people and organizations that are not only achieving unprecedented prosperity from high-trust relationships and cultures, but also attaining elevated levels of energy and joy.

With penetrating insights illuminated by their unique access to many of the world's most successful leaders and organizations, the authors lay out a breakthrough process and skill set in a practical and actionable formula that makes trust a performance multiplier for leaders, teams, organizations, and even countries. They show why trust is fast becoming the most consequential life and leadership skill of our time — a career-critical competency required to navigate and compete in this perilous 21st-century, interdependent, global economy.

Covey and Link teach how to cut through traditional either/or thinking to extend "Smart Trust," enabling you to exercise sound judgment in a low-trust world by minimizing risk and maximizing possibilities.

Smart Trust shares findings that verify how enduring success, vitality and happiness are directly related to the level of trust in our relationships — whether in our professional or personal lives.

IN THIS SUMMARY, YOU WILL LEARN:

- How to know when to extend trust.
- How to increase prosperity, energy and joy in your life and organization.
- The 5 Smart Trust actions common to high-trust people and organizations around the world.
- How Smart Trust multiplies performance.
- Why Smart Trust is a career-critical skill.
- How Smart Trust increases sound judgment.
- How to create a Smart Trust culture.
- How Smart Trust measurably increases engagement.

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THE COMPLETE SUMMARY: **SMART TRUST**

by Stephen M. R. Covey and Greg Link with Rebecca R. Merrill

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The Paradox and the Promise

There was, and still is, a literal crisis of trust in most of the world — in our societies, our institutions, our governments, our media, our health care services, our organizations, our relationships, and even our personal lives.

The headlines and the statistics leave no doubt that the world is in a crisis of trust. What is less clear is that this crisis is simultaneously having a profound impact on economic well-being and quality of life around the globe.

Trust Changes Prosperity

A company's reputation, its ability to partner and collaborate with others, its capacity to innovate, its effectiveness in engaging its people, its ability to attract and retain great people, the speed at which it can execute — all of these dimensions of success, plus many more, are powerfully affected by trust.

In fact, trust has become the new currency of the global economy. It is the basis on which many people do business — or don't. Generally, the less corrupt (more trustworthy) a country is perceived to be, the more prosperous is that nation's economy. Conversely, the more corrupt (less trustworthy) a country is perceived to be, the less prosperous is that country's economy.

The reason there is such a direct connection between trust and prosperity is that trust always affects two key inputs to prosperity: speed and cost. When trust goes down in a relationship, on a team, in an organization, or in a country, speed goes down and cost goes up. Why? Because of the many steps that have to be taken to compensate for the lack of trust. This is a tax — a low trust tax. Everything takes more time, and miscommunication, redundancy and rework create costly delays.

On the other hand, when trust goes up in a relationship, on a team, in a company, or in a country, speed goes up and cost goes down. People are able to communicate faster, collaborate better, innovate more, and do business faster and more efficiently. This is a high-trust dividend.

High trust is a performance multiplier — a multiplier that translates directly into greater prosperity: increased revenues, profits, economic outcomes, and results.

Trust Changes Energy

The second outcome dramatically impacted by trust is *energy*. By energy, we mean not only physical and emotional energy but also engagement, creativity, and health and well-being.

Nowhere does trust change energy in organizations more than in employee engagement. Although there are numerous drivers of engagement, the two biggest drivers are: (1) the relationship of trust employees have with their supervisor, and (2) the trust employees have for the organization at large.

Trust also increases energy in the form of positive synergy (where 1 + 1 = 3 or more) and creativity, which drive innovation. When you get down to it, where does innovation come from? It comes from the collision of differences in the right environment. Bottom line, when

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people trust each other, differences are strengths; when they don't trust each other, differences are divisive.

Trust Changes Joy

By joy, we simply mean happiness, fun, satisfaction, and what psychologist Dr. Martin Seligman calls "flourishing." For many people around the world, happiness is the most important goal in life.

According to Canadian economist John Helliwell, the number one factor linked to happiness — even more than income and good health — is relationships of trust.

Trust also has a profound impact on joy in teams and organizations in terms of employee satisfaction and the ability of companies to attract and retain talent.

Bottom line, in the same way that trust *quantitatively* changes prosperity, it *qualitatively* changes energy and joy. ●

Blind Trust or Distrust: Which Glasses Are You Wearing?

At different times in our lives and in different situations, most of us tend to look at our personal relationships, our teams, our organizations, and our governments through one of two sets of glasses: "blind trust" (naiveté) or "distrust" (suspicion). At times, we may even go back and forth between the two. These glasses have been created by a number of factors, including the way our parents and grandparents may have seen the world (or our response to them and their perception), the experiences we've had in our personal and professional lives, the people we interact with, the things we read, the things we watch, and the things we listen to.

The Glasses of Blind Trust

Even if we have had bad experiences with blind trust, deep inside, most of us really want to trust. Because we want to believe that our work peers really do have our best interests at heart, or that some new investment opportunity really will produce a high return with little risk, we ignore the evidence. And the cost can be great.

Blind trust is one of the reasons Bernie Madoff was able to defraud investors out of billions of dollars.

The Glasses of Distrust

Far more often than blind trust, we tend to put on glasses of distrust. We view the world through the lens of *suspicion* — with what we feel is good reason. We're bombarded daily with headlines that repeat evidence of today's trust crisis from every possible angle. In addition, our own experience validates it.

Though we've become very good at recognizing the cost of trusting too much, we're not nearly as good at recognizing the cost of not trusting enough. Whenever there is distrust in a relationship, on a team, in an organization, or in a community, a wasted tax — sometimes a significant one — is being paid. You can see at least some of the seven common low-trust taxes in many organizations: redundancy, bureaucracy, politics, disengagement, turnover, churn, and fraud.

Clearly, although there is risk in trusting too much, there is also risk in not trusting enough. It puts a tax — often a huge one — on every interaction that could be generating prosperity, energy and joy.

Bottom line, the way we see the problem *is* the problem. It's not either/or. It's not just blind trust vs. distrust. The solution is a third alternative — a whole new set of glasses, a truly different way of seeing and behaving, which we call "Smart Trust." ●

The Third Alternative: "Smart Trust"

Smart Trust is judgment. It's a competency and a process that enables us to operate with high trust in a low-trust world. It minimizes risk and maximizes possibilities. It optimizes two key factors: (1) a propensity to trust and (2) analysis. Simply put, Smart Trust is how to trust in a low-trust world.

A Propensity to Trust

The propensity to trust is the inclination, bias or desire to trust people. This propensity may be affected one way or the other by personal experience or conditioning. It is primarily a matter of the heart.

The propensity to trust almost always provides the best starting point of Smart Trust. In other words, we lead out with trust first. We don't ignore analysis, we just suspend it. We approach situations with the belief that "most people are basically good," and we do this because it opens up a whole new world of possibilities.

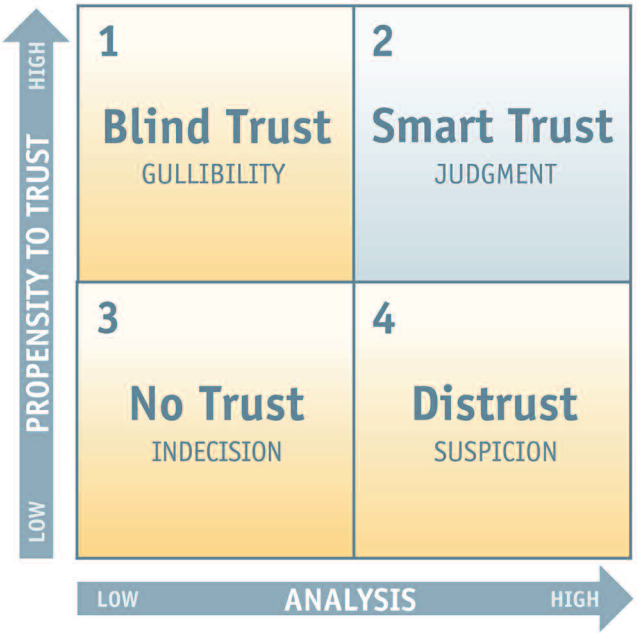
Starting with a high propensity to trust doesn't necessarily mean that we will decide to extend trust to someone; in fact, we may not — especially after we've done the analysis. What it does mean is that *we open ourselves up to the possibilities*. When we lead out with distrust, we don't even see the possibilities.

Analysis

If we were to focus solely on our propensity to trust, we'd often be trusting blindly and, in a low-trust world, we'd constantly be getting burned. To exercise Smart Trust, we need to combine a high propensity to trust with equally high analysis. Analysis refers to our ability to assess, evaluate, and consider implications and consequences, including risk.

Smart Trust analysis involves the assessment of three vital variables:

1. Opportunity (the situation — what you're trusting someone with)
2. Risk (the level of risk involved)
3. Credibility (the character and competence of the people involved).



Trust Is Contagious: The Virtuous Upward Cycle

In the end, reciprocity works both ways: When we extend trust, we generate trust; when we withhold trust, we generate distrust. Our actions lead either toward a virtuous upward cycle of prosperity, energy, and joy or toward a vicious downward cycle that eventually results in the destruction of those outcomes. Either we add to the renaissance of trust, or we contribute to the crisis of trust — in our personal lives, our families, our communities, our teams, our organizations, our nations and our world.

Smart Trust Action 1: Choose to Believe in Trust

Whatever our situation, the choice to believe in trust increases our propensity to trust. It is the foundational action that leads to all other Smart Trust actions, and those actions are what lead to the prosperity, energy, and joy we desire. It's not enough to merely give lip service to the idea of trust. It's not enough to use trust as a pragmatic technique in certain situations when it's to our advantage. It's not enough to trust only once in a while, when we think there is no risk involved. The greatest and lasting dividends of trust come only when we choose trust as our underlying approach — the operating system, if you will, that consistently governs our day-in, day-out choices and decisions.

Three Beliefs About Trust

The actions of high-trust individuals, teams and organizations worldwide grow out of three specific beliefs about trust:

1. A belief in being worthy of trust. At the root of the belief in trust is a belief in trustworthiness or credibility — in the importance of acting with character and competence so that both you and others know that you can be trusted. This belief is manifested in examples of successful people and companies, such as Jon Huntsman, Sr., who chose to conclude a deal with less favorable terms rather than create stress for a man whose wife was dying of cancer and sold a business at a $3 million loss rather than pay government kickbacks he considered to be "nothing more than extortion." Or Warren Buffett, who tells his employees, "Let's be sure that everything we do in business can be reported on the front page of a national newspaper in an article written by an unfriendly but intelligent reporter."

Leaders who have a core belief in trustworthiness do not consider that belief as merely a practical option or as a technique to get what they want in a particular situation. Rather, they are committed to being trustworthy even when it's hard, even when there's a price to pay. In fact, we might say that the real test of trustworthiness and credibility is doing the right thing, especially when there's a cost or consequence.

2. A belief that most people can be trusted. Successful high-trust people and companies create their success by choosing to believe that most people can be trusted — not all people (that wouldn't be smart), but most people.

When companies and leaders choose to believe that most people can be trusted, it plays out in organizational design, affecting systems, processes, structures, and even strategies.

3. A belief that extending trust is a better way to lead. Successful high-trust leaders believe that extending trust is a better way to lead, primarily because trust inspires people to perform, it's reciprocated, and it ultimately leads to greater prosperity, energy and joy. This belief was clearly manifested by BestBuy.com, which experienced a 35 percent jump in productivity after extending trust to employees to work whenever and wherever they liked, as long as their jobs were done

well and on time. Another example is Warren Buffett, who told his managers regarding the 257,000 people in the 77 companies of Berkshire Hathaway: "Somebody is doing something today at Berkshire that you and I would be unhappy about if we knew of it" — yet still chooses to operate based on "deserved trust" rather than distrust. ●

Smart Trust Action 2: Start with Self

"Start with self" is based on the principles of responsibility and credibility. The *opposite* is to wait for others to change or take responsibility. It's failing to take responsibility for your own credibility and success. Counterfeits include pretending (seeming rather than being), faking credibility when you haven't earned it ("Trust me!"), taking credit for success while blaming others for failure ("I did what I was supposed to do; it's their fault we failed"), starting with self-*ish* (doing what you want to do, regardless of the consequences or effect on others), and using ego and arrogance as a prosthesis for genuine self-trust.

Character and Competence

Obviously it's easier for people to trust you if they see you as honest, straightforward, dependable, and genuinely concerned about their welfare rather than dishonest, deceitful, manipulative, and self-serving. But character alone is insufficient. Credibility also requires competence, which involves your capabilities (talents, skills, and expertise) and your results (track record and performance). Again, it's easier for people to trust you if they see you as knowledgeable, skilled, successful, and deeply engaged in continuous improvement rather than as someone who doesn't perform, who is irrelevant or inexperienced, or whose skills are outdated.

So character and competence are both necessary. It's the combination of the two that makes a person, a team, an organization, or a government credible and trusted. It's the combination of character and competence that gives us the confidence to trust ourselves and enables us to inspire others to trust us.

Do I Trust Myself?

The personal congruence that leads to self-trust instills in us the confidence and credibility to inspire others. One of the more inspiring stories to illustrate this point is from the NBA basketball championship series of 1980. The Los Angeles Lakers led the Philadelphia 76ers three games to two in a best-of-seven series. The Lakers' star player, seven-foot, two-inch center Kareem Abdul-Jabbar, had severely sprained his ankle in game five and would not be traveling with the team to Philadelphia for game six in the hope that he could heal enough to play in game seven, if necessary.

An unlikely hero presented himself in the form of a 19-year-old rookie just drafted from Michigan State University, Earvin "Magic" Johnson. Johnson sensed fear and hopelessness in his more experienced and somewhat jaded teammates, who had relied on Abdul-Jabbar for the entire season and had just watched him miraculously score 14 points in the fourth quarter on a badly sprained ankle to win game five. In the words of coach Pat Riley, as recorded in *Tell to Win* by Peter Guber, when Johnson heard his teammates say they were going to lose, he said, "I know what the problem is. All you guys are afraid because Kareem isn't here. Well, I'll be Kareem." Riley continued, "We get on the plane for Philadelphia, and 1A is Kareem's seat. Even when he was sick, nobody ever sat in 1A. He'd put a sign there: DON'T SIT IN MY SEAT. I'M KAREEM. But Magic sat in his seat and said, 'Hey, I'm Kareem. I'm here.'" According to the NBA Encyclopedia: "Johnson's confidence lifted his team's spirits, and then he backed it up with one of the most remarkable games in NBA Playoff history."

Johnson's confidence was not about himself; it was about his desire to rise to the occasion and draw on his trust in his own character and competence to inspire his team.

To be clear, self-trust is not ego, arrogance, or unwarranted bravado. It's a quiet inner confidence that reflects our awareness of the most important kind of prosperity we will ever have — a high balance in our own personal trust account. And whatever our current balance (or the balance of our team or organization) may be, the good news is that we can increase it significantly by making regular deposits through behaviors that both develop and demonstrate character and competence. ●

Smart Trust Action 3: Declare Your Intent … and Assume Positive Intent in Others

There are two parts to effectively declaring intent: stating what we want to do and stating why we want to do it. Both halves are vital. Most managers are fairly good at declaring the what (e.g., "Here's our action plan to cut costs") but very poor at declaring the why ("Here's our motive and the intent behind our thinking"). Sharing the why behind the what makes a profound difference in how others interpret our communication up front, as well as how they interpret our subsequent behavior.

A Performance Multiplier

The reality is that when people trust someone else's motive or agenda (or at least understand it), they respond differently than when they don't. So how can we inspire trust in our motive or agenda? By declaring it. By being transparent about it. By letting people know that our agenda is open — not hidden.

Former U.S. president John F. Kennedy is remembered for declaring his intent on May 25, 1961, when he said, "I believe this nation should commit itself … to achieving the goal, before this decade is out, of landing a man on the moon and returning him safely to the Earth." That was the what. He later declared the why: "We choose to go to the moon in this decade … not because [it is] easy, but because [it is] hard, because that goal will serve to organize and measure the best of our energies and skills, because that challenge is one that we are willing to accept, one we are unwilling to postpone, and one which we intend to win."

To many, Kennedy's intent seemed bizarre and unachievable, but just short of a decade later Neil Armstrong and Buzz Aldrin stepped out of their spacecraft and onto the surface of the moon, almost a quarter million miles above the earth.

According to the National Aeronautics and Space Administration (NASA), "NASA's overall human space flight efforts were guided by Kennedy's speech."

When we don't declare intent, we risk not just the possibility, but more likely the probability that our motives will be misunderstood. When we do declare intent, we eliminate the need for ascribing motive by guessing or projecting. We don't leave people to wonder because they hear it straight from us.

Declaring Intent

One effective way many leaders in organizations, companies, NGOs, and government agencies have found to declare intent is through mission, vision and value statements. In formulating such statements, leaders not only give people bases for informed judgment; they also create vision, hope and possibilities that may not have existed otherwise. When such statements are backed up by congruent actions and behaviors, trust flourishes.

Other ways to declare intent include oaths, official declarations, constitutions, and vows. ●

Smart Trust Action 4: Do What You Say You're Going to Do

As important as the action of declaring your intent is to building trust, it won't work — in fact, it will surely backfire — if you don't follow through on your declaration. In other words, do what you say you're going to do, "walk your talk."

Smart Trust Actions 3 and 4 are a powerful behavioral duet. They're like a one-two punch: you declare your intent, and then you do what you say you're going to do. It's the combination that has the greatest power to knock out suspicion and distrust.

What happens if you can't deliver on a promise? What happens if circumstances change or something critical comes up and you absolutely can't do what you've said you're going to do?

By creating a relationship of trust, we can at least proceed in good faith when we discover that commitments can't be fulfilled. Without trust — or with low trust — new challenges will be viewed through the lens of distrust and suspicion, and new solutions will be much harder to envision, let alone create.

Another answer is to be wise in the kinds of commitments we make. Remember, a leader can't always guarantee specific performance or that the market won't change or that someone won't come along with a new technology that forces a company to reinvent itself. Nevertheless, declaring intent is vital to Smart Trust. So we can be wise and thoughtful in declaring our intent in terms of focus, effort, caring, and achievable outcomes.

Reputation and Brand

The reason doing what you say you're going to do makes such a huge difference in your success or your organization's success is that it is the ultimate reputation creator. It defines your personal brand. It defines your

A Few Trust-Building Behaviors

Talk Straight. Be honest. Tell the truth. Let people know where you stand. Use simple language. Call things what they are. Demonstrate integrity. Don't manipulate people or distort facts. Don't spin the truth. Don't leave false impressions.

Create Transparency. Tell the truth in a way people can verify. Get real and genuine. Be open and authentic. Err on the side of disclosure.

Clarify Expectations. Disclose and reveal expectations. Discuss them. Validate them. Don't assume that expectations are clear or shared.

Keep Commitments. Make commitments carefully and keep them at almost all costs — or communicate and renegotiate if you absolutely can't. Don't break confidences.

company's brand. And brand has never been more important than it is in today's reputation economy, where doing what we say we're going to do — or not — can make or break it. A trusted brand dramatically speeds up the Smart Trust decision-making process.

The reason doing what you say you're going to do increases trust is because behavior increases trust (or destroys it). The reality is that we judge ourselves by our intentions, but others judge us by our actions. ●

Smart Trust Action 5: Lead Out in Extending Trust

Smart Trust managers, parents and leaders in all walks of life lead out in extending trust to others. In doing so, they build the capacity and confidence of those who are trusted. They unleash human potential and multiply performance. They inspire reciprocal trust in both directions — back to those who extended it and forward to others who could benefit from it. They help create high-trust cultures that generate greater prosperity, energy and joy.

The Smart Trust Action of extending trust is based on the principles of leadership and empowerment. The opposite is to withhold trust, attempt to control others, and/or try to do everything yourself. Counterfeits include extending "false trust" (giving people responsibility but not authority or resources), extending "fake trust" (acting as though you trust people but then micromanaging and hovering over them), and "managing" or "administering" while thinking you're "leading."

Why Is Extending Smart Trust Smart?

There are three primary reasons why extending Smart Trust is smart:

1. Extending Smart Trust produces results. Best Buy's headquarters has created a "Results Oriented Work Environment" (ROWE) where performance is based on results, not face time. The result? A 50 percent decrease in turnover and employees working longer hours with no additional pay, while at the same time reporting increased health and happiness. Extending trust to people inspires them. It brings out the best in them. It motivates them.

2. Extending Smart Trust increases trust. It's somewhat ironic that one of the best ways to increase trust is to simply extend it. As Frito-Lay CEO Al Carey explained, "If you trust people, they start leaning in and you see their best self. You see their best work. They bring the best of their abilities to the party. You get 50,000 people working like this, it's going to be great."

3. Extending Smart Trust generates reciprocity. When we give trust to people, they tend to give it back. When we withhold trust, they withhold it in return. Leaders who deliberately extend trust typically find the people in their organizations far more willing to place trust in them and their leadership. Thus the reciprocal process becomes a virtuous upward cycle, all triggered by the first extension (sometimes leap) of trust.

Leaders Go First

In order to increase influence and grow trust in a team, an organization, a community, a family or a relationship, someone has to take the first step. That's what leaders do. They go first. They lead out in extending trust. In fact, the first job of a leader is to inspire trust, and the second is to extend it. This is true whether a person has a formal leadership role, such as CEO, manager, team leader or parent, or an informal role of influence, such as work associate, marriage partner or friend.

Bottom line, if we're not inspiring and extending trust, we're not leading. We might be managing or administering, but we're not leading. We manage things, we lead people. And real leadership requires trust.

How Does a Leader Extend Smart Trust?

Clearly, Smart Trust does not result in a simplistic, "one-size-fits-all" solution for every person or in every situation. What's Smart Trust for one may not be Smart Trust for another. For example, for Warren Buffet to do a deal for a $23 billion company on a handshake with no formal due diligence is not only remarkable, it's Smart Trust for him. He's highly credible. But for us to attempt to do the same kind of deal in the same way would probably not be Smart Trust.

In each situation, Smart Trust requires judgment. It's an integral combination of heart and head — a synergy between the propensity to trust and analysis that is far greater than the sum of its parts.

Creating a Smart Trust Culture

One example of a Smart Trust culture is Zappos, where management trusts employees, employees trust management, and people on every level of the organization lead out with trust. Reflective of the high-trust culture, Zappos extends trust to employees even before they begin work. All new hires go through a four-week training process and, at the end of the first week, Zappos offers to pay them $4,000 to quit — plus wages for the amount of time they've already worked. This is a standing offer through the end of the fourth week of training. CEO Tony Hsieh said, "We want to make sure that employees are here for more than just a paycheck. We

want employees that believe in our long-term vision and want to be part of our culture." Zappos trusts new hires to make the decision that's right for them. "On average," Hsieh says, "less than 1 percent of people end up taking the offer."

A Smart Trust culture is actually a culture of immense momentum, possibility and power. The increased freedom of expression, the autonomy, the enhanced trust, and the greater speed at which things can be accomplished make an enormous tangible, measurable difference in prosperity, energy and joy. This is one reason Smart Trust is smart. It's not built on the assumption that what we need is more rules, more regulations, and more referees; it's built on the evidence that extending trust and creating a high-trust culture in which top performance is expected bring significantly greater dividends for stakeholders on every level.

Creating a Legacy of Smart Trust

As we've emphasized, one person's or company's act of extending Smart Trust often inspires those on the receiving end to reach out and extend trust to others. Over time, each act of extending trust becomes part of a legacy of trust that increases prosperity, energy and joy in families, relationships, organizations, communities and even countries for generations.

You may not see results immediately. And you will certainly never see the full impact as those you trust, in turn, reach out and extend trust to others … who then extend trust to others … and so on over time. But you will have the deep satisfaction of knowing that you are investing in something magnificently bigger than self — something that can truly affect every relationship in every team, every company, every organization, every family, and every nation throughout the world for generations. And hopefully, you will be personally enriched as well by the prosperity, energy and joy that attend such effort. ●

Creating Your Own Renaissance of Trust

Some 30 years ago, in the remote village of Xiaogang, China, a group of 18 impoverished farmers secretly met and "dipped their fingers in red ink," covenanting to split up the communal land into individual plots so that individual households could be rewarded for their own efforts and success instead of sharing equally across the village what always ended up being far too little. As John and Doris Naisbitt tell the story in *China's Megatrends*, this secret agreement was both revolutionary and dangerous. It was in defiance of decades of rules and communal culture, and the participants were at risk of being "persecuted, dispossessed, or even killed as bourgeois 'landlords.'"

Not only did this bold action of a small group succeed enormously, but its success came to the attention of Communist Party leader Deng Xiaoping. His subsequent economic reforms resulted in restoring family farms and allowed for market distribution, the cumulative effect of which "changed the course of Chinese history."

The point is that the acts of one person or one small group of people can change history. Those who are involved may not fully realize it at the time. It may take years for the effects of their choices to manifest themselves in the destiny of people, families, companies, and nations. But no one can deny that there is power in "one" to effect change.

The Smart Trust Choice Takes Courage

There's no doubt that making the Smart Trust choice takes courage. For some of us, it's much easier in the short run to choose blind trust; to simply go with our propensity to trust without having to worry about developing excellence in our analytical skill. For others, it's easier to choose distrust; to simply go with our scripting or tendency to analyze things and not have to worry about changing a deep-set paradigm or gaining the strength to take a leap of trust. Nevertheless, the opportunity over the past 20 years to grapple with critical trust issues with leaders and influencers around the world has convinced us that those who choose to master Smart Trust are the ones who are experiencing increased prosperity, elevated energy and enhanced joy. We hope you will join us as co-catalysts, with countless others, in seeking to bring about a global renaissance of trust for the benefit of people everywhere. ●

RECOMMENDED READING LIST

If you liked *Smart Trust*, you'll also like:

1. ***The Speed of Trust* by Stephen M. R. Covey.** Covey provides all the key tools for cultivating trust in relationships, while offering up the wisdom of other great leaders on the topic.
2. ***The 8th Habit* by Stephen R. Covey.** Leadership guru Stephen R. Covey writes that accessing a higher level of human genius and motivation requires a sea change in thinking: a new mindset and skill set.
3. ***The 7 Habits of Highly Effective People* by Stephen R. Covey.** A step-by-step pathway for living with fairness, integrity, service and human dignity — principles that give us the security to adapt to change and the wisdom and power to take advantage of the opportunities that change creates.

· Book 227 of 388 ·

Solving the People Problem

Brett M. Cooper and Evans Kerrigan

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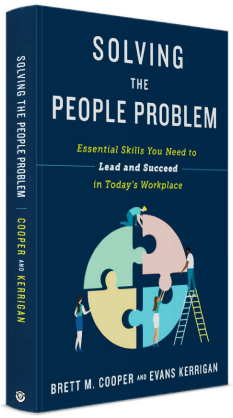
Solving the People Problem

Essential Skills You Need to Lead and Succeed in Today's Workplace

by **Brett M. Cooper and Evans Kerrigan**



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THE SUMMARY IN BRIEF

In ***Solving the People Problem*** Brett M. Cooper and Evans Kerrigan capture well the complexity of work relationships today. The heart of the problem they describe is that the modern work environment is in desperate need of emotional intelligence. If you can learn to harness your emotional intelligence enough to understand how and why you behave as you do—and how and why others behave as they do—you can adjust your actions and reactions to create the space for understanding and success. Using the DISC-EQ tool as both an informative tool in understanding yourself and others, the authors show us the how and why of behavior. They provide concrete steps and examples abundant to show the way to bridge differences and build a highly functioning team.

The authors promise that by using the information and direction in this book, you will become more aware of your own personality preferences and be able to adapt your approach to communicate more effectively with others, allowing you to create the high-quality, efficient, positive work environment your team and organization want and need.

IN THIS SUMMARY, YOU WILL LEARN:

- The basics of DISC-EQ to discover your emotional intelligence and personality style.
- Strengths and weaknesses in how you work and relate to others on your team.
- How to take concrete steps toward healthy conflict in the workplace.
- How to incorporate the 5 key practices of a healthy team into your workplace.

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Meghan P. Kozak, Editor-in-Chief • Kylie Waytuck, Graphic Designer

Introduction

Leading effectively can be difficult for the experienced manager, as well as the newcomer. Often, those who have spent decades in leadership positions still struggle to communicate effectively and inspire others across their organization.

Before being promoted into a leadership position, many leaders focus on being the best individual contributor they could be. But leadership also requires understanding how others think and feel. Leaders have to be able to encourage everyone to make the most meaningful contributions.

Finding the Framework to Make it Work

There are many complexities woven into work relationships. The solutions to both the simple and the difficult issues, however, often come from a novel place: our emotions. The modern work environment is in desperate need of emotional intelligence, defined as "the ability to identify and manage one's own emotions, as well as the emotions of others."

Employees go to meetings together, flesh out strategies over the phone, and send updates over email. Their work is the work of compromise, camaraderie, and communication. And yet, the skills that would enhance their ability to communicate and work together are often glossed over by their organization and their leaders. Instead, businesses implement new systems and hardware in the pursuit of increased productivity.

If you can learn to harness your emotional intelligence enough to understand how and why you behave as you do—and how and why others behave as they do—you can adjust your actions and reactions to create the space for understanding and success.

To learn and teach emotional intelligence, you need a framework that explains how people behave and why they behave that way. It has to provide an effective solution to your people problems that works on an emotional and practical level.

Facing the Relationship Crisis in the Workplace

Solving the people problem is rooted in building emotionally authentic interactions. Emotional intelligence is a challenge in today's world partly because our genuine, trust-filled work relationships are disappearing. Increasingly, we communicate via screens, instead of through person-to-person conversation.

If you want people you work with to succeed, thrive, and produce great results, you've got to create an environment where they can contribute and bring their best to the challenges at hand. That means addressing them as individuals, each with their own personality and set of preferences and talents. It is critical to meet their emotional needs as well as their rational ones.

The Solution Starts with You

Emotionally healthy organizations start with, and are driven by, emotionally healthy leaders. So you have to take the lead. You have to become aware of your personality style, comfort zones, and limitations. Then you have to learn to read the needs and preferences of others and consider those differences when making decisions and communicating. You need to understand what's happening under the surface with people in order to help resolve unproductive, emotionally fueled conflict and inspire people to work together.

Knowing Yourself to Know Others

On your team, you want different perspectives and different styles. That's what allows you to find the best solutions and implement the best strategies. The trick is learning to see the difference and honor the difference in each person so everyone feels comfortable bringing their best to the team and making their most valuable contributions.

The gap between our biased view of ourselves and how others actually see us goes a long way toward explaining why the people problem is so entrenched in the workplace. It also explains why building healthy relationships in your organization has to start with self-awareness. When we make introspection a priority, we're stronger, more flexible, and better able to empathize and connect with others.

The Solution, Part I

DISC-EQ is a synthesis of two well-established concepts—"DISC" (the language of personality style) and "EQ," or emotional intelligence (the understanding of the emotional side of human interaction). EQ is the collection of skills and insights within us that allow us to better manage ourselves and to create strong, positive relationships with others.

In 1996, Daniel Goleman published a book called, fittingly, *Emotional Intelligence*. In it, he took the term "emotional intelligence"—which had been coined by Peter Salovey and John Mayer in 1990—fleshed it out, and popularized it.

Knowing your own style is the basic understanding of your thoughts, actions, and behaviors. Self-awareness is an awareness of your internal motivations and your external behavior. By building your awareness of other people's individual styles and by using that knowledge to adapt how you behave, you stand the best chance of navigating difficult situations and building work relationships that are productive and mutually successful.

The Solution, Part II

DISC is the psychological theory developed first by Marston in the 1920s. Throughout this chapter, the authors help you determine your DISC personality style, including primary characteristics, strengths, and stressors.

Any personality type can be an effective leader. And, in truth, we are all a blend of styles to some degree. All people care about relationships, clear thinking, and making progress toward their goals. They just approach these scenarios and goals differently. They place a different priority on them, which drives them to act in different ways. This is where EQ really makes a difference. High emotional intelligence allows us to recognize these different approaches.

Checking Your Gut

One of the most essential benefits of having a higher DISC-EQ has been gaining a better understanding of the decision-making process for different DISC profiles.

The fact that it's natural to grapple with your personality priorities doesn't mean you have to simply accept the limitations your gut puts on your decision-making. You can learn to counter these impulses when they overrun their usefulness so that you are always making your best decisions.

This starts with raising your self-awareness. With DISC, you sharpen your understanding of your personal priorities. Building off that insight, self-awareness can allow you to see whether those priorities are strengthening your decision-making or limiting it.

It's Not Just Words

We have to recognize that how we communicate is not intrinsically better or worse than how others communicate. Clear communication is necessary for productive work, but more than that, when communication becomes miscommunication, the result can lead to unhealthy conflict.

There's no way around having some conflict in a work environment, since at its core, conflict is rooted in people having different opinions and points of view. Rather than trying to remove all conflict from the workplace, our goal should be to channel those different perspectives in a positive and productive direction.

The Right Kind of Disagreement

The act of conflict—the act of disagreeing—doesn't have to be emotionally distressing or organizationally disruptive. Conflict, done right, can be a healthy part of a positive work experience. In fact, if you think about it, conflict is required to make sense of competing ideas and diverse perspectives. Conflict is the means by which we discuss options and select the best answers.

Productive conflict directly addresses the issues where people have differences of opinion or points of view. Unproductive conflict moves from the substance of the issues at hand to attacking others' personalities and behaviors. In productive conflict, those involved seek to find the right answer, not just to win the argument or gain individual glory. At the end, even if disagreement still exists, people can walk away feeling heard and respected.

On the other hand, a workplace dominated by artificial harmony—where issues are pushed aside or glossed over in an attempt to keep the peace—is almost as bad as one filled with unproductive conflict. You want people to engage in energetic, ideas-focused conflict in your workplace every day. You want to see productive and respectful debates in which everyone feels included and everyone contributes to the ultimate choices made around the office.

In order to transition unhealthy conflict into its productive counterpart, we need to address the root misunderstandings between ourselves and other parties. Because every conflict has at least two sides, we have to begin our introspective process by expanding our self-awareness and considering how we might be making the situation more challenging. Stepping back to review our own actions can give us the space to act more deliberately and choose our next response more wisely.

When you take responsibility for your actions rather than assigning blame to others, you provide yourself the emotional space to see different perspectives and to adapt your style to make sure your perspective is heard in the way you intend it to be.

Step one is to become aware of your own reactions and behaviors during conflict situations.

Then, in step two, armed with the benefit of self-re-

flection, decide how you want to respond in the future. When you are ready, you can take this one step further by sharing your goals with your colleagues and asking them to help hold you accountable.

The best approach for controlling unproductive conflict is naturally a team-based solution. To solve the people problems in today's work environment, then, we have to discover how to apply DISC-EQ to find the best, most productive ways to communicate and interact..

Making the Team Work

When a group works together to target and overcome dysfunctions, they create cohesion. There are five goals for your team:

- Build Vulnerability-Based Trust
- Engage in Productive Conflict
- Commit to Team Decisions
- Hold Each Other Accountable
- Focus on Collective Results

Additionally, work with your team to set ground rules that enable and encourage everyone to participate fully in the conversation. Clearly defined team norms will make it known to all what is fair and acceptable—as well as unacceptable—for your meetings and other team interactions, thus creating a space where everyone can feel comfortable expressing themselves. Stick to an atmosphere of openness and vulnerability through the use of nurturing language.

Working with Those Outside Your Circle

DISC-EQ is a valuable approach to use in interactions with customers or business partners. The model removes the risk of mimicry while also providing us with the tools we need to read the styles of others and respond in effective and authentic ways, even when we've never met them before.

With clients and new colleagues, we may get only a single, brief window to establish the kind of positive rapport that leads to a fruitful, enduring relationship. You can learn a lot about a person just by making a more conscious effort to pay attention to how they speak and act.

Leadership Is a Relationship Conclusion

There are Five Practices that tell you what a leader needs to do, and DISC shows you how.

- Model the Way
- Inspire a Shared Vision
- Challenge the Process
- Enable Others to Act
- Encourage the Heart

Conclusion

DISC-EQ is at the heart of successful leadership because it provides a framework through which we can understand one another and address differences through concrete action. It provides us the language to discuss our different perspectives and a path to bridging misunderstanding.

Brett M. Cooper and Evans Kerrigan help professionals like you build work relationships that really work. Over the last twenty years, they've influenced thousands of people in government, non-profits, and corporate America to work together in more productive, more effective, and more human ways. Brett and Evans are frequent speakers on team dynamics, leadership, and operational excellence. To access more great content and resources, and to connect directly with Brett and Evans, visit **SolvingThePeopleProblem.com.**

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Speaking as a Leader

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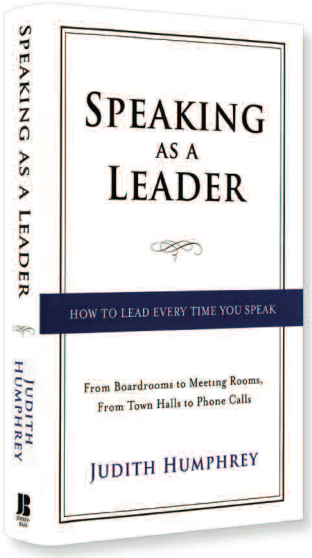
Speaking as a Leader

How to Lead Every Time You Speak — From Boardrooms to Meeting Rooms, From Town Halls to Phone Calls



by Judith Humphrey

THE SUMMARY IN BRIEF

Speaking as a Leader will show you how to influence and inspire others every time you speak. It provides a single, comprehensive approach that will help you lead in every communication, from formal speeches and presentations, to phone calls, meetings, Q&As and elevator conversations.

Too often, communications situations represent lost opportunities to lead. Messages are confused, audiences are bored or overwhelmed by a flood of information, and the speaker fails to elicit action. When people fail to communicate, they fail to lead.

In *Speaking as a Leader*, world renowned executive coach Judith Humphrey addresses this problem and puts communication squarely at the center of leadership. In today's flattened organizations, leadership opportunities exist in every interaction and for individuals at every level. For a leader, the mike is always on.

Speaking as a Leader will help readers meet the enormous challenge of engaging, energizing and motivating others day in and day out. It will help you unlock your leadership potential every time you communicate, and turn your listeners into followers and believers.

Humphrey offers a powerful approach to move you from information to inspiration.

IN THIS SUMMARY, YOU WILL LEARN:

- How to think like a leader.
- How to script yourself as a leader.
- How to use the language of leadership.
- How to achieve a leader's presence.
- How to move others — engage them and inspire them to action.

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THE COMPLETE SUMMARY: **SPEAKING AS A LEADER**

by Judith Humphrey

The author: Judith Humphrey is the founder and president of The Humphrey Group, one of North America's premier executive communications firms. For more than 20 years The Humphrey Group has been coaching thousands of senior business people. The firm's training programs, such as Speaking as a Leader® and Taking the Stage®, have been delivered globally to more than 100,000 people directly and through train-the-trainer programs. Humphrey has published articles in the *Harvard Management Communication Letter*, *Vital Speeches of the Day* and *Presentations That Persuade and Motivate*.

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Introduction: Speaking as an Act of Leadership

If you internalize the idea that speaking as a leader is an ever-present responsibility you have to your stakeholders, you will infuse all your speaking with the quality of leadership. Whether you are answering a question, commenting on a project, presenting a strategic plan, selling to a customer or simply taking a group of people through a solution to a problem, your intention must be to inspire and move others to believe and act on that belief.

The Leadership Model™

But how do you speak as a leader in all situations? This book presents a systematic approach called The Leadership Model™. It is scalable: it works equally for a town hall event as for a brief elevator conversation. It will unlock your leadership potential every time you communicate. The Leadership Model™ has four steps:

1. **Think like a leader.** This first step is mental preparation.
2. **Create a leader's script.** The script structures your ideas and influences the audience's thinking.
3. **Use the language of leadership.** The best leaders are conscious of the language they use, and deliberately choose words that have the power to influence and inspire.
4. **Achieve a leader's presence.** A leader, like a good actor, brings a script to life through energy, eye contact, gestures and voice.

The four steps of The Leadership Model™ provide a powerful template. They will help turn your listeners into followers. ●

STEP 1: THINK LIKE A LEADER

Begin with Vision

It is of no use to have a clear and compelling vision if you do not communicate it to *all* your stakeholders. Michael Dell, CEO of Dell Inc., writes in his autobiography, *Direct from Dell*, that "over time, we have developed a laser-focused strategy that we take great pains to communicate consistently and thoroughly throughout the entire global organization." In fact, "at Dell, what ties us all together is belief in our direct model."

Whether you head a company, a business unit or a team, communicating your company's vision is your responsibility. It must be burned in your mind and the mind of every employee, customer and stakeholder.

So place yourself in the tradition of leaders who speak with a vision that is focused, positive, attainable and encompassing, and let that vision shape *everything* you deliver. Commit to it in your speeches, presentations, meetings and off-the-cuff comments. A vision is a living thing: if you broadcast it continually, in all your interactions, others will believe in it, act on it and, with your leadership, turn your vision into a reality. ●

Think Beyond Hierarchies

I have seen managers come undone when presenting to senior executives. Instead of providing guidance, they stumble through a dull, information-based presentation and as soon as the executives begin asking questions or making comments, the junior presenters allow the exec-

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Chris Lauer**, Contributing Editor; **Amanda Langen**, Graphic Designer

utives to take over. Why? Because these individuals defer to those above them and assume that "leaders" and "followers" are determined by rank. But too often, the senior executives are not impressed. Indeed, such performances can be career limiting.

Be Willing to Influence Others

Organizations still do have tops and bottoms. But leaders at all levels must be willing to influence others, even those they don't have authority over. The old structures, where a few at the top had access to all pertinent information and issued orders through a command-and-control structure, are gone. Regardless of your place in the hierarchy, you have a responsibility to lead. But leading takes a different shape depending on whether you are speaking to those who report to you, your peers or someone more senior than you.

- **Leading from Above.** The best bosses provide a vision that helps direct their company, division or area. They convey that vision by persuasion, not by preemptive commands. And when forming their views and guiding their employees, they listen carefully. They welcome suggestions, encourage frank conversations and are open to constructive challenges to their views.
- **Leading from the Side.** In today's flatter organizations you'll often find that you have to lead your peers, clients or suppliers. The first rule in this situation is to abandon the "us and them" mentality. Another good guideline: Try to see yourself through the other person's eyes.
- **Lead from Below.** How do you best lead from below? 1) Be political. Practice speaking to your superiors with confidence, but with respect. 2) Be direct. Executives don't want you to beat around the bush. 3) Be bold. It may mean speaking up more frequently at a meeting of senior colleagues, initiating a one-on-one discussion or seizing the chances to lead from below when the opportunity strikes.

The Power of Hierarchies

In Anton Chekhov's short story "Fat and Thin," two childhood friends greet each other warmly at a railway station after decades apart. The thin man boasts of his accomplishments as a civil servant. But as soon as he learns that the fat man is a much higher-ranking official, he becomes pale and nervous, and starts calling the fat man "Your Excellency." The fat man, saddened by his old friend's sudden fawning behavior, turns and leaves.

This is the power of hierarchies: They can turn people into pale shadows of their former selves.

Move from Information to Inspiration

Why do some people bore their audiences, while others turn their listeners into believers? One key difference is that poor speakers are stuck in an *informational* mode, while more compelling speakers command an *inspirational* style. The informational mode emphasizes content, while the inspirational mode reflects a commitment to an idea or vision.

In his book, *Lincoln at Gettysburg*, Garry Wills discusses these two modes of speaking. Wills contrasts the remarks of Edward Everett, a long-winded politician, with those of Abraham Lincoln. Everett was the first to speak at the dedication ceremony of the National Cemetery in Gettysburg, and gave an informational address. His talk lasted three hours and covered, in painstaking detail, the entire three-day battle. In contrast, Lincoln followed with his brief "Gettysburg Address," now recognized as one of the finest speeches in the English language. This talk lasted less than three minutes and, unlike Everett's remarks, it offered few details. As Wills puts it, Lincoln's "speech hovers far above the carnage ... The discussion is driven back and back, beyond the historical particulars, to great ideals that are made to grapple naked in an airy battle of the mind."

While neither pure information nor pure inspiration is ideal, most speakers err on the side of presenting too many facts, as Everett did. If you want to be a leader, you should, like Lincoln, have a message or vision that drives your talk. You should move from information to inspiration.

Listen, Listen, Listen

Listening is a prerequisite to motivational leadership, and successful listening connects you with your audience on three levels — the physical, mental and emotional.

Good listening involves keeping your audience in mind all the time. The best actors accomplish this by listening to their audience while performing. Christopher Newton, former artistic director of the Shaw Festival in Niagara-on-the-Lake, Ontario, Canada, once told an audience of after-dinner guests: "The actor divides his head — one side inside the part, the other focused on the audience." You can be a committed listener if you engage in such active listening on three levels: physical, mental and emotional. Only by working with these three approaches will you fully come to understand the views of your audience and, more broadly, individuals in your organization.

1. **Listen Physically.** This first level of listening requires that you create physical openness. To begin with, make sure the space between you and your audience is an open physical environment. Good posture is another way you show you are listening.
2. **Listen Mentally.** As Ernest Hemingway wrote: "When people talk, listen completely. Most people never listen." So listen closely to the ideas and concerns of your audience.
3. **Listen Emotionally.** This is the highest level of listening because it involves empathy, caring and a desire to give support. Helen Keller learned that "The best and most beautiful things in the world cannot be seen nor even touched, but just felt in the heart." Emotional listening involves a range of qualities: politeness, political intelligence, an awareness of verbal and nonverbal cues, and a willingness to make the exchange enjoyable.

STEP 2: SCRIPT YOURSELF AS A LEADER

What Is a Leader's Script?

The Leader's Script™ is a template The Humphrey Group has created for designing your remarks — whether you are speaking for 30 minutes or 30 seconds. This single model works when giving a formal speech or a presentation, responding to questions, speaking on the phone or having a brief conversation with a colleague. By using this template you will always be "on message," and will influence and inspire others.

The Elements of The Leader's Script™

Let's look at the three parts of this scripting template. They are the Introduction, Body and Conclusion.

1. **The Introduction.** A good introduction draws the audience in and aligns them with your thinking.

   The Introduction has four components: the grabber, the subject, the message and a structural statement.
2. **The Body.** The body of your script contains the arguments that develop your main message and should be organized in a clear structure.
3. **The Conclusion.** Your script ends with a Conclusion, which contains two elements: the restated message and the call to action.

The Leader's Script™ is a template that ensures you will lead whenever you speak.

Open with a Grabber

Your opening is important. It's the first component of The Leader's Script™, and your first opportunity to engage your audience. Get it right and you'll be well on your way to making your case.

The grabber plays a crucial role in The Leader's Script™. It draws the audience in and leads them to your message. Why bother reaching out to an audience, especially when time is short or when the people in the room (or a single person you're talking to) are familiar? The answer is that a good opening makes your listeners far more receptive to you and your message.

When you address a colleague or walk up to a podium, your audience may well have their thoughts elsewhere. They may be reflecting on problems they've been wrestling with all morning, or thinking about the next meeting they'll be attending or the vacation they're about to take. In these situations, plunging directly into your subject is like pushing your audience into a cold lake: It's an unpleasant shock to the system. Audiences need to be transformed from people just sitting to people who are eager to hear what you have to say.

Creating a Grabber

How should you create a grabber? You have two broad options. The opening can be personal or literary.

1. The Personal Grabber. The "I" grabber creates a connection by revealing something about you. For example: A young vice president finds herself in the cafeteria line just ahead of her CEO. She begins: "I've just been on the leadership retreat that you funded, and I found it exceptionally valuable." The CEO is delighted.

Avoid "you" grabbers that begin with "You're wrong," "I disagree" or "I was disappointed with your work." They create tension and undercut your leadership.

Avoid using "we" in a vague or "royal" sense.

2. The Literary Grabber. You can also use grabbers from published or "literary" sources. Literary grabbers come in many forms.

- Anecdotes, proverbs and humor can provide a rich source for your openings, and books of anecdotes and proverbs are abundant.
- Quotations can set the stage for your message in both formal and everyday remarks.
- Statistics can also provide a provocative opening.
- Research grabs your audience's attention by telling them something they've never heard before.
- Short videos can create a powerful opening.
- Poetic openings work wonders, too.

Get Your Subject Right

Every talk has a subject. Get it wrong and you're in trouble. That happened at a dinner given in honor of the sports and communications magnate Ted Turner. The people in the audience were highflyers from Toronto's media elite. When it came time for the speeches, there was a big buildup to Turner. He walked to the podium and began with pleasantries: "It's great to be here in what I'd call better times. Last time I was here the Toronto Blue Jays beat my Atlanta Braves. Tonight is a much happier occasion." Then there was a pause. Turner thought for a moment and, turning to the host, said, "What the hell did you want me to talk about anyway?" Turner's question may have been funny, but his lack of a subject must have taken the audience aback.

State Your Subject

The subject defines what you will be talking about, so it's critical to get it right. You cannot have a strong leadership script unless you are invested in your subject.

1. **Carefully choose and redefine your subject.** Narrow the topic so that it reflects your expertise.
2. **Bring excitement to your subject.** If your subject seems dull, replace it with a topic that will more fully energize your audience (and you!).
3. **Focus on one subject.** You need a single subject if you are going to have a single, powerful message.

Announce your subject after the grabber. ●

Lead with a Message

For many of our clients, the single most important "takeaway" from our training is that they should have a message every time they speak. It seems simple, but it's an extraordinarily powerful insight. Almost by itself, a strong, clear message moves you from "information" to "inspiration." It tells your audience why they are in the room. Without a message you cannot lead.

Even many leaders who are considered superb speakers have had to learn how to get control of what they say, and deliver a single clear, inspiring message. According to John Heilemann and Mark Halperin in their book, *Game Change*, Barack Obama, during the first debates in the 2007 Democratic primary, "had a lot to say and wasn't good at spitting it out quickly and concisely, tending to back into his response. Rather than sell one idea well, he tried to squeeze in as many points as possible. 'I have 60 seconds,' he said in prep, 'How much do you guys think I can get into 60 seconds?'" When his chief strategist, David Axelrod, showed him the video of the debates, Obama grimaced. "*It's worse than I thought* ran through his mind. He pledged to do better." After that, Obama learned the power of speaking with one message. His speeches, press conferences and informal remarks all improved.

Your message is the single most important element of your script. ●

Develop a Persuasive Structure

The Leader's Script™ has a beginning, middle and end.

After your script's Introduction comes the Body, or middle.

The Body of your talk should do one thing: Prove your message. If you fail to structure your talk effectively, your audience will be unconvinced or bored, or will simply wonder what you are talking about. The well-crafted message statement you began with will be left high and dry. Unfortunately, poorly structured talks are all too common.

Organizing your talk is not difficult if you put the effort into building a sound structure. Here are five guidelines to help you get the structure right.

1. **Present arguments, not topics.** The Body of The Leader's Script™ should provide arguments that prove your message. No one will be convinced by a structure that simply lists topics. Make sure that each of your main points in the Body is a complete sentence and presents a sound argument in support of your main idea.
2. **Bring your arguments together in a recognizable pattern.** When you create an effective argument, you build a case where each of the supporting points ties back to the message.
3. **Think of your structure as scalable.** It's vital to have a sense of structure that allows you to expand and contract the length of your remarks depending on the opportunity. Knowing what your key proof points are enables you to deliver the body of your talk whether you have 30 minutes or 30 seconds.
4. **Write down your structure — or in impromptu speaking, work it out mentally.** Whether you are delivering a formal speech or speaking from notes, map out your structure.
5. **Lead into the body with a structural statement.** Audiences want to listen, but they need your help! To guide them through your structure, give them a roadmap at the outset. The last sen-

tence of your Introduction should be a structural statement that lets your listeners know what route you (and they) will be taking through the Body of your script.

Close with a Call to Action

On Jan. 20, 1961, John F. Kennedy concluded his inaugural address with the following words:

In your hands, my fellow citizens, more than mine, will rest the final success or failure of our course. … The energy, the faith, the devotion which we bring to this endeavor will light our country and all who serve it — and the glow from that fire can truly light the world. And so, my fellow Americans, ask not what your country can do for you — ask what you can do for your country.

More than 50 years later we still remember that stirring call to action, expressed in simple, clear language. Not every call to action needs to be so poetic or so visionary, but whether you're giving a speech, making a presentation or sending an e-mail, you need to finish with a call to action.

What Is a Call to Action?

The call to action is the final element in The Leader's Script™. It immediately follows the restated message, and it tells your audience what is needed to turn your message into reality. Your goal as a leader is to energize your audience. The call to action focuses that energy toward clear and specific actions that people can undertake, so that your vision (as expressed in your message) can become a reality.

You'll want to direct your call to action to those who can best follow up on your message. The most frequent call to action is directed to your audience, but your guidance can also be self-directed (you act for your audience), or it can be combined (you and your audience both act).

STEP 3: USE THE LANGUAGE OF LEADERSHIP

Speak with Clarity

Even the best script won't persuade listeners without clear, forceful language: the language of leadership.

How can you make sure your audience understands you? Follow these guidelines:

1. **Think before you speak.** Clarity comes from putting in those hours preparing for a speech, or simply pausing to collect your thoughts before answering a challenging question or speaking up at a meeting.
2. **Always be "on message."** The best speakers are always on message, and they back up their contentions with strong supporting arguments. The guidelines for message and structure are important not only for the overall shape of your talk, but also for your paragraphs and sentences. Clarity involves more than simply choosing the right words. The clearest speakers stay on message and present evidence in a well-structured manner.
3. **Be precise.** Precision is crucial to achieving clarity. It means being exact about expressing your ideas.
4. **Be succinct.** Clarity also involves expressing your ideas succinctly. Some speakers think that extra words make their arguments clearer. Remember, inside every fat sentence is a thin sentence dying to get out!
5. **Make your language appropriate for your audience.** Speaking with clarity requires that you have a keen sense of audience. Speakers who know their audience and assess their listeners' level of expertise can pitch their comments accordingly.
6. **Avoid jargon.** Jargon is the bane of business, government and professional organizations. It consists of lazy language, inflated terminology and phrases that get repeated so often that they lose their meaning.

Be Conversational

Mark Twain once told of a Missouri farmer who ran five times for the state legislature without winning. It seems that he practiced his campaign speeches every day while milking his cows. He referred to himself as "your humble aspirant" and to his audiences as "my enlightened constituents." He talked about "obtaining a mandate" for his "legislative mission."

Then one day a cow balked at these speeches and kicked him, causing him to bite off the end of his tongue. After that, the farmer could speak only words of one syllable. The result was that he won his next election and kept getting re-elected. The farmer had learned, the hard way, an important lesson about speaking as a leader: You must be conversational. No one likes being preached at, or talked down to. Audiences are most receptive when they feel the speaker is addressing them in a warm, conversational manner.

Be Personal

The best leaders establish warm ties with their audience. They get personal. The better the relationship you create, whether you're speaking to 1,000 people or to one person, the more likely you are to persuade. One of

the keys to strengthening those ties is using "I," "you" and "we." Let's look at how you can do so.

- **Put yourself into your remarks using "I."** Using "I" shows your personal convictions. For example, you might say "I want to talk to you about," "I believe" or "I'm convinced." "I" can be a powerful means of letting your colleagues, customers and staff get to know you as a leader. Just make sure that you use it with that goal in mind.
- **Use "you" to engage your audience.** Speakers need to refer to their audience as directly as possible. In all forms of communication, keep a "you" focus and reach out to your audience.
- **Use "we" to create a connection with your audience.** Used effectively, "we" brings the speaker together with the audience.You can build rapport and a common bond when you use "we." For example, when you are talking to an employee, you can incorporate "we" into the discussion by saying, "We both want this to work," or "We are both committed to seeing this project through." ●

Be Eloquent

The most effective leaders make full use of the power of the English language. They lift up their audience with eloquence. Such language is more memorable. It influences listeners, commands their attention and encourages them to act. While rhetoric, which is a key to eloquence, may sound forbidding, it's not. It can be as simple as a metaphor or the use of repetition.

The Roman orator Quintilian underscored the importance of rhetoric. He observed that figures of speech "add force to our thoughts and confer grace upon them." Rhetoric can make your scripts more powerful and help you persuade your listeners.

Figures of speech help to create a strong, persuasive style. They enliven your meaning and underscore your ideas. If you want to be eloquent and persuasive, remember not only the rules of rhetoric but also that *rhetoric rules*. ●

Don't Be ... Um ... Tentative

If you want to lead and inspire others, avoid language that weakens your ideas. Watch out for the following "credibility killers" that could create tentativeness in your speeches, presentations and conversations.

1. **Avoid prefatory qualifiers.** Starting sentences with qualifying expressions can undermine your leadership. Avoid, "It's only my opinion," "Just a thought," "I'm not sure" or "I don't have all the answers, but ..." If you suggest to the audience that they know what you are about to say, they won't bother listening to you.
2. **Eliminate mincing modifiers.** Don't undercut your comments with modifiers that reduce the impact of what you're saying. Avoid "I'll *probably* want you to spend some extra time on this project," or "*Hopefully* we'll get to the root of this," or "I *just* want to say," or "*Maybe* my call to action should be" or "I'm *quite* satisfied."
3. **Watch for wiggle words.** Avoid words like "probably," "likely," "roughly," "primarily," "basically," "pretty," "sort of," "some" and "quite."
4. **Avoid filler expressions.** Make sure you don't fill your pauses with words like "um," "ah," "you know," "to be honest" and "like."
5. **Delete weak verbs.** Phrases such as "I think," "I presume," "I suppose," "I'd guess" and "I'll try" lessen other people's confidence in what you are saying.
6. **Don't over-apologize.** Too often people apologize when there is no need to. Don't start a phone call with "I'm sorry to trouble you about this matter ..." Don't apologize in meetings when you offer a comment.
7. **Don't self-correct.** Learn to speak with straightforward, declaratory sentences. Don't trip over yourself to correct your words.
8. **Don't diminish your power at the end of sentences.** Often people end thoughts with "et cetera" or "and that kind of thing," because their minds are racing on to their next thought. ●

STEP 4: ACHIEVE A LEADER'S PRESENCE

Bring Your Script to Life

When you speak as a leader, you must energize your audience and motivate them to act upon your ideas. Your vision, script and language are only important insofar as they can be *brought to life for an audience*.

Every time you speak, be aware of the tremendous source of energy gathered in front of you: your audience. It's up to you to transform that potential energy into a powerful force for change. You must make your listeners take notice of what you're saying and inspire them to follow your lead. Audiences, in fact, want to be

moved, to care, to be inspired. What audience member ever walked into a room wishing to be bored?

The goal of speaking, instead, should be to reach out and engage the hearts and minds of your audience. This focus on the audience begins as soon as you start preparing your remarks, and it continues while you are delivering your talk. Margaret Thatcher wrote in her autobiography: "I was told that most stage actors would rather hear an audience's reaction without seeing the audience. ... But I always insisted that from any public platform I must be able to see as well as hear how my words were being received." Once you tap into the energy in the room, and move your audience with the power of your own convictions, you will feel enormous satisfaction.

Find the Energy in Your Script

To energize your listeners, find the power in your script and then convey it to them. Bring your script to life for your listeners. Your job as a speaker is to interpret your text for your audience. If you treat every word in the script as equally important, you'll sound monotone and your audience will retain little of what you've said. Instead, bring to life the important elements of your script. ●

You Are the Best Visual

Great speakers rarely use visual aids. Just imagine John F. Kennedy standing before the world at his inauguration with a flipchart that read: "The Torch Has Been Passed" or Martin Luther King Jr. showing a slide with a clip art image of a black girl and a white girl holding hands. Such props clearly have no place in these stirring speeches. In fact, they would detract from the drama of the moment.

Why? The most influential leaders understand that they are the best visual. They instinctively know that their message will come through most fully if the audience watches them — with no distractions. Looking at and listening to the speaker, audiences grasp that individual's confidence, stature, conviction and leadership. Audiences that divide their attention between speaker and visual are only partially connected to the speaker, and only partially committed to the speaker as a leader.

The best way to persuade your listeners is to become the focal point of their attention.

The audience needs to focus on you — they will see your commitment in your eyes, in your gestures, in the way you walk, in the way you stand, in the way you hold your head high. Your body becomes the very best visual for portraying your leadership message. ●

Find Your Leader's Voice

Leaders know how to use their voices. When they take the stage, they project vocal energy that compels the audience to listen. They speak loudly and distinctly, because they know if an audience has to struggle to hear or understand them, their leadership will be compromised. They speak with expression and great vocal range, because they know that if they bore their audiences, their leadership will be undermined.

A good voice is a leadership imperative. To speak as a leader, you must develop your voice's full capabilities. ●

Conclusion: Always Leading, Always Influencing

Wherever you are, whatever the occasion, whomever you are talking to, you have a leadership opportunity. The call to action is that you internalize this mission:

I will work to influence and inspire every audience — large or small.

To achieve this goal you'll want to master the four broad steps to develop a leader's mindset, script yourself as a leader, use the language of leadership and achieve a leader's presence. But that is only the beginning.

- **Large and Small Stages.** You are always on stage. Every talk, presentation, email and voice mail is a chance to lead.
- **The Mike Is Always On.** There are many situations where leaders feel they are offstage, but they aren't. Look around. You have an audience whenever people are present. These "stages" can be offices, restaurants and golf courses.
- **Every Situation Is a Leadership Moment.** Recognize every situation is an opportunity to lead and inspire others with your convictions. ●

RECOMMENDED READING LIST

If you liked *Speaking as a Leader*, you'll also like:

1. ***Off the Cuff* by Anne Cooper Ready.** Executive coach Anne Cooper Ready shows you how to improve your effectiveness as a speaker, communicator and leader.
2. ***Just Listen* by Mark Goulston.** Learn how to get the attention of a total stranger who you need to know; talk an angry person from an irrational state to receptivity; and master the critical art of buy-in.
3. ***Getting to Yes* by Roger Fisher and William Ury.** This classic book has helped millions of people learn a better way to negotiate.

· Book 229 of 388 ·

Stacking the Deck

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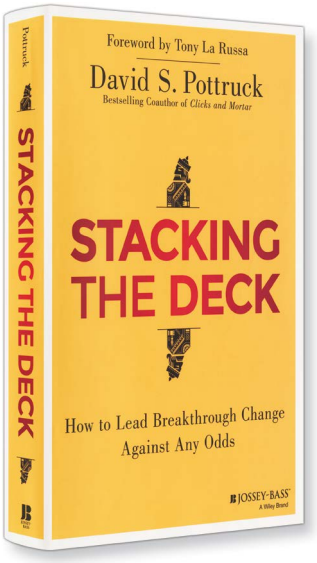
Leadership

Stacking the Deck

How to Lead Breakthrough Change Against Any Odds



by David S. Pottruck

THE SUMMARY IN BRIEF

Change is a constant, and leaders must do more than keep up — they must innovate and accelerate to succeed. Yet people are often unnerved by change. As a leader during a time of transformation, you may stand up before teams that are indifferent, or even hostile, and need to convince them that change is necessary and urgent. What does it take to be an effective change leader and increase the odds of success?

Stacking the Deck presents a nine-step course of action leaders can follow from the first realization that change is needed through all the steps of implementation, including assembling the right team of close advisors and getting the word out to the wider group. Based on Dave Pottruck's experiences leading change as CEO of Charles Schwab and later as chairman of CorpU and HighTower Advisors, these steps provide a guide to ensure that your change initiative and your team have the best possible shot at success.

Leading an organization through major change — whether it's the introduction of a new product, an expansion to a new territory or a difficult downsizing — is not for the faint of heart. While success is never guaranteed, the right leadership, process, and team make all the difference. For all leaders facing major change in their organizations, *Stacking the Deck* is an indispensable resource for putting the odds in your favor.

IN THIS SUMMARY, YOU WILL LEARN:

- The nine crucial steps for creating breakthrough change in your organization.
- How to anticipate known and unknown barriers.
- How to think about the big picture and the nuts and bolts, from passion and vision, to building a plan and partitioning projects.

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THE COMPLETE SUMMARY: **STACKING THE DECK**

by David S. Pottruck

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Introduction

Breakthrough change refers to those disruptive initiatives that dramatically, profoundly affect the organization and the people in it. It redefines the prospects for the future and interrupts the organization's cautious momentum plan with incremental improvement. One reality of business that seasoned executives know well — often by learning it the hard way — is that introducing and implementing breakthrough change is an uphill battle.

Most organizations' processes and culture are structured for predictability, reliability, control and risk minimization. Breakthrough change is the polar opposite. It is unpredictable and favors responsiveness to new realities over control and staying the course. Breakthrough change is inherently risky and goes against every instinct the leaders of the company have developed over the course of their careers. Is it any wonder, then, that employees often resist breakthrough change — even in companies whose leaders say it's exactly what they need?

Leaders must find ways to help people see the need for change and then inspire them to move toward it with confidence and urgency. The nine-step Stacking the Deck process is designed to mitigate the risks that come with change by having you take concrete steps to increase your chances of success. This preparation does not make the change less bold — and it doesn't guarantee success. What it does do is create an advantage (or more accurately, a series of advantages).

You may know the phrase "stacking the deck" to mean preparing a deck of playing cards so that you will almost certainly win the game rather than rely on chance. The Stacking the Deck process is not designed to cheat other players. It implies instead that thinking through and preparing for all the steps and processes we will need to undertake vastly increases our chances of success. Together these nine steps represent a plan of action that will take you from the first realization that a change needs to be made through a complete shift in the way you implement this change.

Breakthrough change never, ever stops while the world progresses. Competition, the marketplace and technological advances make it necessary to keep growing and changing. Each of the nine steps will guide you along the way to breakthrough change.

Step One: Establishing the Need to Change and a Sense of Urgency

No matter how well leaders understand the need for change, the challenges they must face in leading breakthrough change will be enormous. We can't deny that change is part of life. Yet in life and in business, some people embrace change and others actively avoid it.

Link the Purpose and Mission

In leading breakthrough change, we must first convince others — those to whom we report and those on our team — that our proposed change has a positive, necessary and urgent purpose. First with the team and later with the larger organization, you've got to help people believe that the change facing them is actually progress. You will be most successful when you tie the change to the company's mission and show how the change will help achieve it.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Amanda Langen**, Graphic Designer; **A. Imus** Contributing Editor

When employees believe in a mission, they get excited and passionate about contributing to the company's goals. Thus, connecting a breakthrough change to the company mission and explaining how it contributes to the mission can help employees see and appreciate why a change may be necessary — even critical — to the company's future success.

Whatever the purpose of the change you are proposing, convincing others of its need requires effort; and it's almost always much more effort than you expect. Even if the need seems logical and inescapable to you, others won't necessarily recognize that at first. People who are afraid do not behave logically, and they don't respond to logical appeals. How can we smooth the way?

First of all, repetition is important. It's not enough just to announce a change and call it a day. You must give your employees the information again and again and use a variety of methods. Tell them in person, tell them in writing, and tell them via e-mail. Tell them one-on-one and tell them in big groups. It's very likely that not everyone will have heard you correctly the first time.

Underscore the Urgency

Before you decide to convince anyone else about the change you are proposing, you have to satisfy yourself that change is not just necessary; it's necessary sooner rather than later. You have to invest in the change and commit to it with your time, your energy and your budget. Be sure that you've considered these issues and that you've honestly pondered and answered the following questions:

- Have I evaluated the numbers for different scenarios?
- Do they look good?
- Do I truly believe in the purpose behind the change?
- Am I fully convinced of the urgency of the change itself?
- Can I demonstrate that this change is worthwhile and imperative?
- Do we really have to do it right now?
- What will occur if we postpone it?

If what you're proposing is big and bold and strategic, chances are that you will encounter people at all levels of the organization who think it may be easier to do it later. These people may voice their objections by saying, "Let's think about this some more" or "Let's be patient." You might also hear, "Shouldn't we get some more data?" Overcoming resistance and maintaining momentum require constant effort.

Step Two: Assembling and Unifying Your Team

No matter how compelling the need and how strong your passion for making the change, achieving and sustaining breakthrough change will require much more than just your passion. Leaders must rely on a well-balanced leadership team. It's your job to actively develop and unify a group that will guide the organization in making your change a reality. You are looking for pioneers, for people who are comfortable with a greater degree of risk than the average person.

When you are creating your leadership team and looking for people to help you make this change happen, consider four key elements: skill, experience, enthusiasm and team fit. The surprising truth is that enthusiasm and team fit may be the most challenging elements to locate. You need people who are willing to enter unmapped terrain. These pioneers will guide your larger team, usher your change into reality and serve as ambassadors to the rest of the organization.

Attitude is critical, but it's not sufficient. Leaders must find people with the relevant experience, and very often — particularly with breakthrough change — that means going outside to recruit the key talent that's needed.

Take Steps to Unify the Team

Even with the right people, you have to unify the team and manage your people in the right way. More than the plans you develop or the financial resources at your disposal, it's your people and the way you lead them that will make the difference. Ask your team to give you the answers to the following questions on a periodic basis:

- What do I do particularly well that I should do more of and build on?
- What do I do poorly that is hurting the team and needs my attention and commitment to change?
- How could I do better? What actions would help me improve and improve our team performance?
- What do I spend my time on that I need to do more of?
- What do I spend time and energy on that I need to do less of, delegate to someone else, or stop altogether?
- How else could I improve my performance and that of our team?

Your team needs to know that you'll treat their answers as constructive and strictly anonymous. With that understanding, they may deliver up some surprising answers. Be

sure to have a session with the team in which you review the feedback and let them know what you plan to do to respond to their suggestions.

Building Trust

Absence of trust is the source of a lot of team dysfunction, and establishing trust must start when a team is first formed. In fact, this is how you begin to build a high-functioning team. Getting people together and encouraging them to talk about themselves can in fact be a great trust builder — when done well.

It's important to shape and drive these situations to make sure that the stories actually bring people together rather than create walls between them. Since not every executive has the skills to lead such a discussion, investing in an experienced facilitator can be very worthwhile.

Step Three: Developing and Communicating a Clear and Compelling Vision of the Future

Once you have your leadership team in place, you and your team need to be ready to envision and communicate the future in such a vivid and irresistible way that everyone around you understands your vision and shares your passion for it.

In the earlier step, we were simply attempting to convince others that the status quo is unacceptable and the way we are doing things today no longer works; we need to do something different as we move into the future. In Step Three, we develop and present a very specific idea of what that "something different" is. In most cases, this means comparing the present to a future that is very different.

Whether you are starting anew or bringing change to an existing organization, you must give people a clear — and strongly compelling — vision of the future: where the organization is going and their role in the new future. Momentum is critical in the early steps of breakthrough change.

There were two recurring themes in all of the interviews I conducted:

- The critical need to communicate a compelling vision of the future;
- The critical need to communicate that message over and over.

Leaders need to spread the message to different groups and at multiple times to the same group, in different ways and in various situations. The ability to lead change rests on the leader's character and skills as a communicator. Developing yourself in these areas is an immersive process, as deep as it is rewarding. It is vital to each of the Stacking the Deck steps and transcends all of them. Developing your communication skills should be at the top of your list.

In a sense, communicating the vision behind the breakthrough change effort is never over; it's something you must repeat and constantly reinforce. To do this well requires passion, patience and understanding.

Step Four: Planning Ahead for Known and Unknown Barriers

The fourth step in the Stacking the Deck process is all about anticipating problems as you are planning, and confronting these problems before they derail your efforts.

Unfortunately, you cannot anticipate all problems. In general, however, the early or initial difficulties you will encounter when introducing breakthrough change fall into four broad categories. So many great change initiatives are given up for lost or destroyed because of these difficulties that I refer to them as the "Bermuda Quadrangle."

Mapping the Bermuda Quadrangle

Be aware and on the lookout for these issues as you plan and then execute the changes you propose:

People Resist Change: What will people resist? What will they embrace? What can you do to allay their fears about the change? The brevity of these questions is deceiving. They are difficult questions that must be addressed early and with an open mind.

Skills Are Missing: Recognize that a great attitude is required but is not sufficient. Part of your advance planning, therefore, must be a careful assessment of what skills will be needed, how they can be developed in-house, and where you can find them outside. You'll have to find ways to get people to adapt, or else actively recruit new people. Most likely you'll do both.

Processes Are Rigid: If you are proposing a change to established processes and procedures, you may be up against years of institutional habits and mindsets. You'll need to determine where the company is set in its ways and decide what it will take to change those procedures and mindsets.

Company Culture Is Unyielding: You need to think about the breakthrough changes you're proposing in the context of the entire enterprise. Does this change fit in

with the values of the existing corporate culture? If it does, how can you best make that connection clear?

Planning for the Unexpected

The way to prepare for the unexpected is to explicitly talk it out, and not just inside your head. Gather executives, responsible business partners and any other people whose involvement is critical to the change you propose, and ask them all to think seriously about how the change might be received within the organization, outside of the organization and what could go wrong.

Examine potential resistance: Take the time to explore and think about the risks and the uncertainties ahead and do so in detail so that you can eventually manage them proactively and create comprehensive ways to defuse these issues. While you may not be able to predict with certainty exactly what will happen, you can make a reasonable estimate of the odds of success versus the odds of the project going wrong.

Outside experts can sharpen the focus: Using outsiders can help you better anticipate the barriers you will face or even see the opportunities that are already in front of you. Outside consultants play a huge role in the success of breakthrough change. They are valuable repositories of new experiences, new wisdom and challenging perspectives — including the critical perspective that can debunk corporate mythologies.

Step Five: Creating a Workable Plan

Now you need to translate the inspiring vision of the future that you and your team have developed into a workable, real-world plan.

Making Assessments: From the Present to the Future

Starting anew and long-term planning have certain parallels: the need to assess where you are, where you want to be and how to get there. These assessments are vital to leading breakthrough change, whether you are starting from scratch, reshaping an aspect of the business, entering a new market or looking to expand your reach.

Initial assessment: where we are. Virtually all plans start with a thorough assessment of "where we are" (WWA). This assessment should take into account not just operations and processes but all other factors that contribute to a company or organization's position in the marketplace. You want to look at factors such as competitive position, customer satisfaction and quality of output, productivity and efficiency, human resource considerations and more.

Assessment for breakthrough change: where we want to be. Truly breakthrough change is a chance to substantially redefine the future to be something very new and different, perhaps a competitive leap forward. What will success look like in this new situation? How will we measure that success? Be sure that you and your people are imagining the most timely, highest-potential breakthrough. What you don't want is for people to picture just more of the same, only faster. You want to think imaginatively, envisioning a different future.

Assessment for action: how do we get there? Rather than painting a big, sweeping picture of the future, we must now define that future as a set of specific goals, deliverables and metrics, because now we are creating the actual plan. When you can fully answer the "how," breaking it down in terms of partitioning, metrics, people, and pilots (Steps Six through Nine), then you will have developed a meaningful plan of action.

Planning Components

Like many other business plans, the plan for a breakthrough change has the following key components: goals and deliverables, tasks, deadlines, capital and other resources, people.

Goals and deliverables: In contrast to planning an incremental change, you don't know exactly what the outcome will be at the beginning of a breakthrough change initiative. If, however, you are using the Stacking the Deck process, you will have a reasonably good idea. You should have a clear need to change and a compelling vision of the future. But that isn't the same as a specific set of executable goals you can move toward. By dividing your overall goal into smaller, step-by-step goals, you will have a series of checkpoints that you can use to determine if you are on track. When you subdivide a single, giant goal into smaller targets, you allow for more control and momentum building.

Tasks: Once you have the broad strokes of a plan, you must lay out the tasks you need to accomplish. This part of the planning process remains the same for most project and operational plans, whether the change is incremental or breakthrough.

Deadlines: You must be constantly reinforcing the importance of critical deadlines as they relate to key deliverables. There are often many moving parts in breakthrough initiatives and they are often interrelated. Pause or remove one, and everything grinds to a halt. Combat delay

the same way leaders approach other problems: anticipate, anticipate, anticipate.

Capital and other resources: There's likely to be a series of economic and institutional limits on those resources. As a result, the budgets typically awarded for these projects seem much tighter to those who are responsible for the actual outcomes. You need to negotiate from a place of strength and knowledge to secure the best possible framework for your change initiative.

People: People go hand in hand with more physical resources. Often the only way to combat a shortage of funds or labor is with an excess of passion. This goes back to finding your pioneers and getting them on board quickly. You need people who are committed, excited, and willing to put in the extra time and effort.

Step Six: Partitioning the Project and Building Momentum With Early Wins

Leading breakthrough change often means working toward an end that seems distant and out of focus. If your people can't visualize the future in real terms, they'll find it difficult to muster the urgency to undertake the journey. You therefore need ways to make the immediate steps clear and to help people — particularly those who may not have been involved in developing the vision but who will be crucial to its realization — see the path to the future in real, concrete terms.

Planning for Interim Successes

One of the best ways to preserve the enthusiasm that you have generated early on is to divide a major breakthrough change initiative into smaller phases, having shorter and intermediate-term goals with specific, clearly defined benefits. Ideally, each of these smaller goals will take less than twelve months, preferably six months or less. They provide a series of checkpoints where you can celebrate interim successes on the road to a completed change.

Planning for interim successes has multiple benefits. By delving into the details of a phased approach, you can uncover issues well before they turn into problems. Breaking a change initiative into a phased approach improves the quality of planning and, in the long term, can also make you a better, more detailed planner. It also enables you to show results and increase support for the initiative.

Build in Celebrations

"Celebrate" is another key word for the team and the overall plan. It does no one any good to let a success, including a small interim success, slide under the radar unnoticed. Without a sense of accomplishment and achievement within the team, burnout can become a problem. Acknowledging and celebrating small, staggered successes boosts morale and helps with team retention. From both a career and psychological perspective, people need to be seen to have accomplishments. Further, each celebration can reinforce the overall goal. Particularly if that goal is far on the horizon, you should create small celebrations in all phases of the initiative.

Breakthrough change is often about a new way of doing business, a new distribution channel, a new product, a new position in the market. As you develop your plan, carefully consider which interim steps you will focus on first. How will you capture what you've learned from those steps and celebrate the interim successes? How will you increase and maintain momentum ? How will you fund it all?

Step Seven: Defining Metrics, Developing Analytics and Communicating Results

To define success for your initiative you need to focus on measurable outcomes. People need to see the end result with such clarity that they can act on their own.

There's a strong desire in business to measure everything with one simple question: how much money are we making right now? But when we are making a breakthrough change, the end goal of enhanced profitability could be a long time in coming. There are always other more immediate factors we can track that will lead to profit improvement down the road. And when that road is long and uncharted, as it often is with breakthrough change, it's particularly important to measure the interim steps and goals along the way.

Measuring Progress and Success: Big Data, Metrics and Analytics

Leaders and high-level executives who are responsible for funding a given project want concrete, measurable indicators that tell them how a change is going. Historically, the usual word attached to these kinds of indicators has been "metrics."

The possibilities big data offers seem phenomenal; the opportunities to analyze enormous amounts of data in real time, very enticing. But even as capabilities evolve, it's clear that given the changes brought by big data, the traditional terms of metrics simply don't go far enough. Instead, we need to think in terms of analytics as we strive to use the newly available data most effectively. How do we best make use of the data and monitor the indicators? There are two major types of indicators — leading and lagging — each with different implications for your breakthrough change initiative.

Leading indicators: As the name implies, leading indicators are harbingers or evidence of success or failure that appear before any of the others. It's a common misconception that market share and profitability are leading indicators. In fact, it's more likely that we are hoping these will dramatically accelerate toward the end of the project; they rarely do so at the beginning.

Here are some leading indicators you might consider measuring:

- Measures of customer engagement such as customer calls or log-ins, click-throughs to deeper parts of your website, visits to physical locations, and purchases of various merchandise lines or products.
- Measures of employee engagement, attitude and turnover.
- Trend lines revealing how key indicators move over time periods.
- Customer loyalty as measured by online recommendations, endorsements, referral programs, or by the Net Promoter Score.
- Sales numbers, units, dollars, average price, product mix.
- Public relations as measured by number of positive mentions and numbers of headline stories, product reviews, or articles about your product or initiative, as well as social media mentions in tweets, retweets, and the like.
- Customer complaints, by type and number.
- Any customer attrition you may experience.

Lagging indicators: Lagging indicators are the big and important measures of success — such as reduced costs or improved market share, competitive position, pricing power, profit dollars, and profit margins — that we are working toward. Everyone wants to see positive lagging indicators and, typically, the sooner the better. But the results reflected in lagging indicators take time, sometimes years, to emerge. They are almost always foreshadowed by positive trends with leading indicators.

How do we help our people through that long period before the lagging indicators move ? We have to power through. And that is helped enormously with analytics and measurements: the more precise and granular, the better. We want monthly, weekly, and even daily measurements. We want to see every emerging trend, and every reporting period counts.

From leading and lagging indicators to big data to various types of analyses, the available information is nonstop. You need to determine what's most important among competing issues and direct your attention there.

Step Eight: Assessing, Recruiting and Empowering the Team

This builds on the work you did in Step Two. At this point, you might want to revisit and repeat some of those initial team-building actions, for at least two reasons. First, it may be time to further strengthen the leadership team for the long haul. And second, as the focus shifts to bringing together the entire team, you need to attend to the broader team that will ultimately do all the heavy lifting to bring the change initiative to fruition. This means assessing skills, namely, skills that already exist within the organization, additional skills you will need to develop and skills you will need to bring in. It also means recruiting for talent, fit and balance and empowering the larger team to succeed.

Search for Talent, Skills and Fit

You know that you're looking for people with precise skills, talent, and experience for your dream team. Now, where will you find those people?

Inside your organization: You will first want to look inside the organization to use the skills of the people you already know and trust, people who deeply understand the organization's mission and the importance of the breakthrough change. Being able to rely on people who are already part of the culture can be a tremendous boost. But if you've come to realize that even your best people are not right for the job, how do you go about finding the right people?

Becoming a magnet for talent: Ideally you want to be able to draw on an ever-expanding pool of talented people, both inside and outside your organization. Whether building a network comes easily to you or is a skill you need to work on, the sooner you start, the better. Consider

the people you meet at a conference, people who have worked with you before, even people who have recently been part of high-profile change projects elsewhere. Keep tabs on these individuals and cultivate professional relationships with them. Stay in touch and take a personal interest, perhaps even offer to act as a mentor. The odds are good that you will both benefit.

Unify and Empower the Larger Team

The benefits of a strong team are worth it. And with the right team, creativity in the face of a crisis can work wonders.

Ginger Graham has run several businesses that focus on innovation and new product development and speed. She explained that at one point the medical device company she was then with, Advanced Cardiovascular Systems, was "woefully behind in stenting technology and losing market share in the core business because of it. We invited something close to 50 employees into a room for several days with a professional facilitator to map out how we had been developing products. Then we asked them to brainstorm and work together to answer the question, 'If you could change it all, if you could fix all the things that you believe the company has been doing wrong, what would that future development process look like?'"

The group immediately set to work and redefined product development in the company. They defined a new way of developing products that would be "faster, leaner, more efficient, more focused — and that would allow us to catch up and win in the marketplace." In fact, the process worked so well that the company "went from 1 percent to more than 75 percent market share on one product launch in a major category in stenting, when stents were still relatively new in this country."

Step Nine: Testing with Pilots to Increase Success

Defining a precise set of rules about how to roll out your next breakthrough initiative is impossible: the potential projects are simply too diverse. Nevertheless, appropriate and careful use of pilot projects is a consistent thread in successful rollouts; pilots can dramatically enhance your prospects for success.

Traditional proof of concept pilots rest on a belief that it makes the most sense to test a new idea on a representative sample of your customers and your employees. The goal here is to create a slice of life and then see how your idea performs in this micro but representative version of the real world.

Unfortunately, when a traditional pilot to test the feasibility of a project shows initial success, leaders all too often rush to roll it out on a large scale.

I recommend adding an even earlier, smaller pilot, which is designed in every way to succeed. I call this a stacked proof of concept pilot because it gives the advantages of stacking the deck to a proof of concept pilot. Instead of a wide range of geographical locations, you select the best possible location, where people (potential customers and staff alike) will be most receptive to the change you're proposing. Instead of addressing average customers, you target your ideal customer base, those segments most likely to respond positively. And instead of a cross section of managers and employees, you handpick your best and your brightest to work on the stacked proof of concept pilot. You're looking for those people who are drawn to and thrive on change.

If it fails, you are forced to concede that since your idea can't succeed here, it probably can't succeed anywhere, and needs to be fundamentally reconsidered. In forming the pilot team and framing the project, you are trying to remove all possible implementation issues, individual motivation issues, employee pushback issues. All that is left is a single question: can this idea work? The stacked proof of concept pilot gives you the opportunity to test that question on its own.

In the right hands, and with the right mind-set, the Stacking the Deck steps can create a more productive and more readily navigated path to breakthrough change. The process itself is less about what to think than about how to think. It's about learning to anticipate and to analyze logically and carefully; thinking creatively and embracing possibilities; learning what to prioritize, where to concentrate energy, and how to move forward while bringing others along with you.

RECOMMENDED READING LIST

If you liked *Stacking the Deck*, you'll also like:

1. ***The Road to Reinvention*** **by Josh Linkner.** Linkner identifies six elements in any business that are ripe for reinvention and shares examples, and step-by-step techniques for creating deliberate, productive disruption.

2. ***Choosing Change*** **by Susan Goldsworth and Walter McFarland.** McFarland and Goldsworthy offer a proven model for not just facing inevitable change but also leveraging it as a tool for long-term success.

3. ***Change with Confidence*** **by Phil Buckley.** Buckley addresses the 50 biggest questions that change leaders ask time and again, and provides the context and advice to enable successful, sustainable change.

· Book 230 of 388 ·

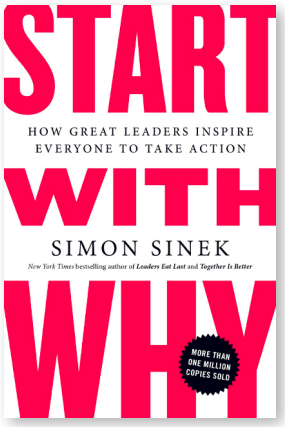
Start with Why

Simon Sinek

Executive Book Summaries®

Start with Why

How Great Leaders Inspire Everyone to Take Action



by **Simon Sinek**

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THE SUMMARY IN BRIEF

Any person or organization can explain what they do; some can explain how they are different or better, but very few can clearly articulate why. WHY is not about money or profit — those are results. WHY is the thing that inspires us and inspires those around us.

Although these "natural-born leaders" may have come into the world with a predisposition to inspire, the ability is not reserved for them exclusively. We can all learn this pattern. With a little discipline, any leader or organization can inspire others both inside and outside their organization to help advance their ideas and their visions. We can all learn to lead.

Start With Why shows that the leaders who inspire all think, act and communicate in the exact same way — and it's the complete opposite of what everyone else does. Drawing on a wide range of real-life stories, it provides a framework upon which organizations can be built, movements can be led, and people can be inspired — and it all starts with WHY.

IN THIS SUMMARY, YOU WILL LEARN:

- The naturally occurring pattern of how great leaders inspire people.
- How brain biology plays a role in influencing others when you answer the question, "Why?"
- How to inspire employees and customers to create brand loyalty.
- What causes a tipping point to occur.
- Why visionaries need "how" people to be successful.

PART I: A WORLD THAT DOESN'T START WITH WHY

Assume You Know

We make decisions based on what we *think* we know. It wasn't too long ago that the majority of people believed the world was flat. This perceived truth impacted behavior. During this period, there was very little exploration. People feared that if they traveled too far, they might fall off the edge of the earth. So for the most part, they stayed put. It wasn't until that minor detail was revealed — the world is round — that behaviors changed on a massive scale.

Now consider how organizations are formed and how decisions are made. Do we really know why some organizations succeed and why others don't, or do we just assume?

As we all know, however, not all decisions work out to be the right ones, regardless of the amount of data we collect. Sometimes the impact of those wrong decisions is minor, and sometimes it can be catastrophic. Whatever the result, we make decisions based on a perception of the world that may not, in fact, be completely accurate.

When faced with a result that doesn't go according to plan, a series of perfectly effective short-term tactics are used until the desired outcome is achieved. But how structurally sound are those solutions?

There is a wonderful story of a group of American car executives who went to Japan to see a Japanese assembly line. At the end of the line, the doors were put on hinges, the same as in America. But something was missing. In the United States, a line worker would take a rubber mallet and tap the edges of the door to ensure that it fit perfectly. In Japan, that job didn't seem to exist. Their Japanese guide looked at them and smiled sheepishly. "We make sure it fits when we design it."

Every instruction we give, every course of action we set, every result we desire starts with the same thing: a decision. There are those who decide to manipulate the door to fit to achieve the desired result, and there are those who start from somewhere very different. Though both courses of action may yield similar short-term results, it is what we can't see that makes long-term success more predictable for only one.

Carrots and Sticks

There's barely a product or service on the market today that customers can't buy from someone else for about the same price, about the same quality, about the same level of service and about the same features.

But if you ask most businesses why their customers are their customers, most will tell you it's because of superior quality, features, price or service. In other words, most companies have no clue why their customers are their customers. This is a fascinating realization. If companies don't know why their customers are their customers, odds are good that they don't know why their employees are their employees either.

The reality is, most businesses today are making decisions based on a set of incomplete or, worse, completely flawed assumptions about what's driving their business.

There are only two ways to influence human behavior: you can manipulate it, or you can inspire it.

From business to politics, manipulations run rampant in all forms of sales and marketing. Typical manipulations include dropping the price; running a promotion; using fear, peer pressure or aspirational messages; and promising innovation to influence behavior to drive purchases, votes or support. When companies or organizations do not have a clear sense of why their customers are their customers, they tend to rely on a disproportionate number of manipulations to get what they need. And for good reason. Manipulations work.

Reality is, in today's world, manipulations are the norm. But there is an alternative.

PART II: AN ALTERNATIVE PERSPECTIVE

The Golden Circle

There are a few leaders who choose to inspire rather than manipulate in order to motivate people. Whether individuals or organizations, every single one of these inspiring leaders thinks, acts and communicates exactly the same way. And it's the complete opposite of the rest of us. Consciously or not, how they do it is by following a naturally concurring pattern that I call the Golden Circle.

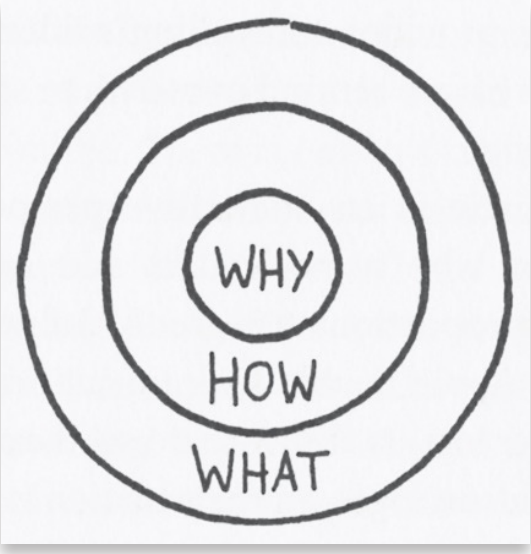
The Golden Circle is an alternative perspective to existing assumptions about why some leaders and organizations have achieved such a disproportionate degree of influence. It offers clear insight as to how Apple is able to innovate in so many diverse industries and never lose its ability to do so. It explains why people tattoo Harley-Davidson logos on their bodies. It provides a clearer understanding not just of how Southwest Airlines created the most profitable airline in history but why the things it did worked.

It all starts with Why.

Before we can explore its applications, let me first define the terms, starting from the outside of the circle and moving inward.

WHAT: Every single company and organization on the planet knows WHAT they do. This is true no matter how big or small, no matter what industry. Everyone is easily able to describe the products or services a company sells or the job function they have within that system. WHATs are easy to identify.

HOW: Some companies and people know HOW they do WHAT they do. Whether you call them a "differentiating value proposition," "proprietary process" or "unique selling proposition," HOWs are often given to explain how something is different or better. Not as obvious as WHATs, many think these are the differentiating or motivating factors in a decision. It would be false to assume that's all that is required. There is one missing detail:



WHY: Very few people or companies can clearly articulate WHY they do WHAT they do. When I say WHY, I don't mean to make money — that's a result. By WHY I mean what is your purpose, cause or belief? WHY does your company exist? WHY do you get out of bed every morning? And WHY should anyone care?

When most organizations or people think, act or communicate, they do so from the outside in, from WHAT to WHY.

But not the inspired companies.

I use Apple Inc. frequently as an example simply because they have broad recognition and their products are easy to grasp and compare to others. What's more, Apple's success over time is not typical. Their ability to remain one of the most innovative companies year after year combined with their uncanny ability to attract a cultlike following makes them a great example to demonstrate many of the principles of The Golden Circle.

I'll start with a simple marketing example.

A marketing message from Apple, if they were like everyone else, might sound like this:

> *We make great computers.*
>
> *They're beautifully designed, simple to use and user-friendly.*
>
> *Wanna buy one?*

It's not a very compelling sales pitch, but that's how most companies sell to us.

But that is not what the inspiring leaders and organizations do. Every one of them, regardless of size or industry, thinks, acts and communicates from the inside out.

Let's look at that Apple example again and rewrite the example in the order Apple actually communicates. This time, the example starts with WHY:

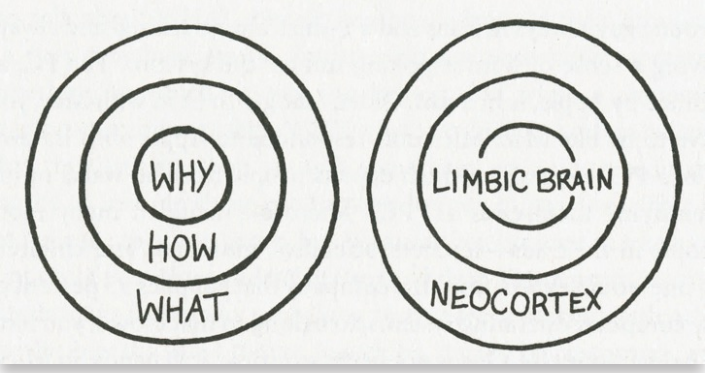
> *Everything we do, we believe in challenging the status quo. We believe in thinking differently.*
>
> *The way we challenge the status quo is by making our products beautifully designed, simple to use and user-friendly.*
>
> *And we happen to make great computers.*
>
> *Wanna buy one?*

Apple not only reverses the order of the information, their message also starts with WHY, the purpose, cause or belief that has nothing to do with WHAT they do.

Knowing your WHY is not the only way to be successful, but it is the only way to maintain a lasting success and have a greater blend of innovation and flexibility. When a WHY goes fuzzy, it becomes much more difficult to maintain the growth, loyalty and inspiration that helped drive the original success. By difficult, I mean that manipulation rather than inspiration fast becomes the strategy of choice to motivate behavior.

This Is Not Opinion, This Is Biology

When a decision feels right, we have a hard time explaining why we did what we did. The part of the brain that controls decision-making doesn't control language, which is why we rationalize "gut" decisions that "feel" right. Decision-making and the ability to explain those decisions exist in different parts of the brain. There is no part of the stomach that controls decision-making; it all happens in the limbic brain.



It's What You Can't See That Matters

In focus groups, the makers of laundry detergent asked consumers WHAT they wanted from detergent, and consumers said whiter whites and brighter brights. So brands attempted to differentiate HOW they got your whites whiter and brights brighter by trying to convince consumers that one additive was more effective than another. No one knew exactly what was driving their behavior. That little nugget wasn't revealed until many years later when a group of anthropologists hired by one of the packaged-goods companies revealed that all those additives weren't in fact driving behavior.

Products with a clear sense of WHY give people a way to tell the outside world who they are and what they believe. Remember, people don't buy WHAT you do; they buy WHY you do it. If a company does not have a clear sense of WHY, then it is impossible for the outside world to perceive anything more than WHAT the company does. And when that happens, manipulations that rely on pushing price, features, service or quality become the primary currency of differentiation.

Clarity, Discipline and Consistency

Starting with WHY is just the beginning. There is still work to be done before a person or an organization earns the right or ability to inspire. For The Golden Circle to work, each of the pieces must be in balance and in the right order.

Clarity of WHY

If the leader of the organization can't clearly articulate WHY the organization exists in terms beyond its products or services, then how does he expect the employees to know WHY to come to work and WHY customers should buy? To inspire starts with the clarity of WHY.

Discipline of HOW

Once you know WHY you do what you do, the question is HOW will you do it? HOWs are your values or principles that guide HOW to bring your cause to life. HOW we do things manifests in the systems and processes within an organization and the culture. Understanding HOW you do things and, more importantly, having the discipline to hold the organization and all its employees accountable to those guiding principles, enhances an organization's ability to work to its natural strengths. Understanding HOW gives greater ability.

Consistency of WHAT

Everything you say and everything you do has to prove what you believe. A WHY is just a belief. That's all it is. HOWs are the actions you take to realize that belief. And WHATs are the results of those actions — everything you say and do: your products, services, marketing, PR, culture and whom you hire. If people don't buy WHAT you do but WHY you do it, then all these things must be consistent.

Three Degrees of Certainty

When we can only provide a rational basis for a decision, when we can only point to tangible elements or rational measurements, the highest level of confidence we can give is, "I *think* this is the right decision." That would be biologically accurate because we're activating the neocortex, the "thinking" part of our brain.

When we make gut decisions, the highest level of confidence we can offer is, "The decision *feels* right," even if it flies in the face of all the facts and figures. Again, this is biologically accurate because gut decisions happen in the part of the brain that controls our emotions, not language. Ask the most successful entrepreneurs and leaders what their secret is, and invariably, they all say the same thing: "I trust my gut." However, the gut decision can only be made by a single person. It's a perfectly good strategy for an individual or a small organization, but what happens when success necessitates that more people be able to make decisions that feel right?

That's when the power of WHY can be fully realized. The

ability to put a WHY into words provides the emotional context for decisions.

The goal of business should not be to do business with anyone who simply wants what you have. It should be to focus on the people who believe what you believe. When we are selective about doing business only with those who believe in our WHY, trust emerges.

PART III: LEADERS NEED A FOLLOWING

The Emergence of Trust

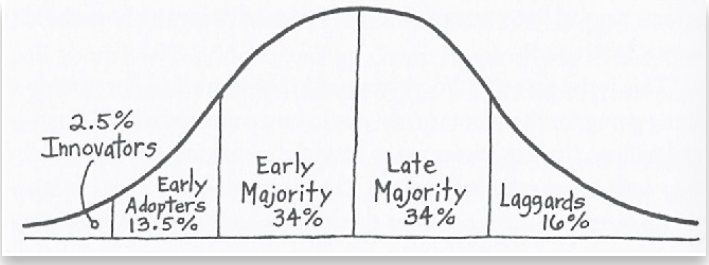
Whom do you trust more, someone you know or someone you don't know? What do you trust more, a claim made in a piece of advertising or a recommendation from a friend? Are these questions too easy? Then how about this one: why should anyone trust you?

Personal recommendations go a long way. We trust the judgment of others. It's part of the fabric of strong cultures. But we don't trust the judgment of just anyone. We are more likely to trust those who share our values and beliefs. When we believe someone has our best interest in mind because it is in their benefit to do so, the whole group benefits. The advancements of societies were based a great deal on the trust between those with a common set of values and beliefs.

So many decisions (and indeed contract negotiations) are based on an advertising industry measurement called a Q-score — a quotient of how well recognized a celebrity is, how famous they are, so to speak. The higher the score, the better the unaided awareness of the celebrity. This information alone is not enough. The clearer the spokesperson's own WHY is understood, the better ambassador they can be for a like-minded brand or company. But there is no measurement of a celebrity's WHY currently available, so the result is obvious. Unless the audience to which you are trying to appeal gets a sense of what that spokesperson believes, unless that spokesperson is "one of us," the enforcement may drive recognition, and it may even drive sales for the short term, but it will fail to build trust.

How A Tipping Point Tips

In his 1962 book Diffusion of Innovations, Everett M. Rogers was the first to formally describe how innovations spread through society. But the Law of Diffusion of Innovations explains much more than just the spread of innovation or technology. It explains the spread of ideas.



There is an irony to mass-market success, as it turns out. It's near impossible to achieve if you point your marketing and resources to the middle of the bell curve, if you attempt to woo those who represent the middle of the curve without first appealing to the early adopters.

That's because the early majority won't try something new until someone else has tried it first. This is why we have to drop our price or offer value-added services. We're attempting to reduce the risk tolerance of these practical-minded people until they feel comfortable to buy. That's what a manipulation is. They may buy, but they won't be loyal. Don't forget, loyalty is when people are willing to suffer some inconvenience or pay a premium to do business with you.

The goal of business then should not be to simply sell to anyone who wants what you have — the majority — but rather to find people who believe what you believe, the left side of the bell curve. They perceive greater value in what you do and will happily pay a premium or suffer some sort of inconvenience to be a part of your cause. They are the ones who of their own volition will tell others about you. If you reach them, the system tips, and the idea or product spreads.

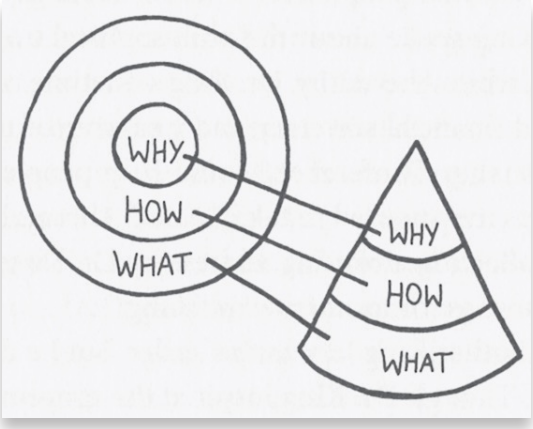
That 15 to 18 percent is not made up of people who are simply willing to buy the product. It is the percentage of people who share your beliefs and want to incorporate your ideas, your products and your services into their own lives as WHATs to their own WHYs. They look to WHAT you do as a tangible element that demonstrates their own purpose, cause or belief to the outside world. Their ability to easily see WHY they need to incorporate your products into their lives makes this group the most loyal customers. Get enough of the people on the left side of the curve on your side, and they encourage the rest to follow.

PART IV: HOW TO RALLY THOSE WHO BELIEVE

Start With WHY, But Know HOW

The Golden Circle is not just a communication tool; it also provides some insight into how great organizations are organized. If it is to provide any real value in how to build a great organization in our very three-dimensional world, the Golden Circle needs to be three-dimensional. The good news is, it is. It is, in fact, a top-down view of a cone.

The cone represents a company or an organization — an inherently hierarchical and organized system. Sitting at the top of the system, representing the WHY is a leader; in the case of a company, that's usually the CEO (or at least we hope it is). The next level down, the HOW level, typically includes the senior executives who are inspired by the leader's vision and know HOW to bring it to life. Don't forget that a WHY is just a belief; HOWs are the actions we take to realize that belief, and WHATs are the results of those actions.



Those Who Know WHY Need Those Who Know HOW

Walt Disney was a WHY-type, a dreamer whose dream came true thanks to the help of his more sensible older brother Roy, a HOW-type.

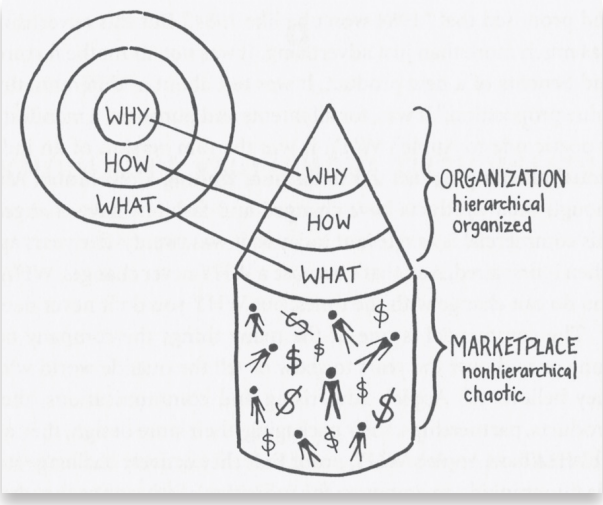
Walt Disney began his career creating cartoon drawings for advertisements but moved quickly to making animated movies. Like all WHY guys, Walt was busy thinking about what the future looked like and often forgot he was living in the present. "Walt Disney dreamed, drew and imagined, Roy stayed in the shadow, forming an empire," wrote Bob Thomas, a Disney biographer. "A brilliant financier and businessman, Roy helped turn Walt Disney's dreams into reality, building the company that bears his brother's name."

HOW-types don't need WHY–types to do well. But WHY-guys, for all their vision and imagination, often get the short end of the stick. Without someone inspired by their vision and the knowledge to make it a reality, most WHY-types end up as starving visionaries, people with all the answers but never accomplishing much themselves.

Although so many of them fancy themselves visionaries, in reality most successful entrepreneurs are HOWtypes. Ask an entrepreneur what they love about being an entrepreneur, and most will tell you they love to build things. That they talk about building is a sure clue that they know HOW to get things done. But most companies, no matter how well built, do not become billion-dollar businesses or change the course of industries. That is all you need.

Know WHY. Know HOW. Then WHAT?

The leader sitting at the top of the organization is the inspiration, the symbol of the reason we do what we do. They represent the emotional limbic brain. WHAT the company says and does represents the rational thought and language of the neocortex. Just as it is hard for people to speak their feelings, like someone trying to explain why they love their spouse, it is equally hard for an organization to explain its WHY. The part of the brain that controls feelings and the part that controls language are not the same. Translated into business terms, this means that trying to communicate your differentiating value proposition is really hard.



Put bluntly, the struggle that so many companies have to differentiate or communicate their true value to the outside world is not a business problem; it's a biology problem. And just like a person struggling to put her emotions into words, we rely on metaphors, imagery and analogies in an attempt to communicate how we feel. Absent the proper language to share our deep emotions, our purpose, cause or belief, we tell

stories. We use symbols. We create tangible things for those who believe what we believe to point to and say, "That's why I'm inspired." If done properly, that's what marketing, branding and products and services become: a way for organizations to communicate to the outside world. Communicate clearly, and you shall be understood.

Communication Is Not About Speaking, It's About Listening

There are people who walk around with Harley Davidson tattoos on their bodies. Some of them don't even own the product. The reason is simple. After years of Harley being crystal clear about what they believe, after years of being disciplined about a set of values and guiding principles, and after years of being doggedly consistent about everything they say and do, their logo has become a symbol. It no longer simply identifies a company and its products; it identifies a belief.

Most companies have logos, but few have been able to convert those logos into meaningful symbols. Because most companies are bad at communicating what they believe.

For a logo to become a symbol, people must be inspired to use that logo to say something about who they are and what they believe.

The Celery Test

We often look for the best practices of others to help guide us. But it is a flawed assumption that what works for one organization will work for another.

It is not just WHAT or HOW you do things that matters; what matters more is that WHAT and HOW you do things is consistent with your WHY. Only then will your practices indeed be best.

Imagine you go to a dinner party, and somebody comes up to you and says, "You know what you need in your organization? M&M's. If you're not using M&M's in your business, you're leaving money on the table."

Somebody else comes up to you and says, "You know what you need? Rice milk. The data shows that all the people are buying rice milk these days. You should be selling rice milk in this economy."

While you're standing over the punch bowl, yet another person offers some sage advice: "Oreo cookies," he says. "We made millions from implementing Oreo cookies in our organization. You've got to do it."

Still somebody else comes up to you and says, "Celery. You've got to get into celery."

You get all this great advice from all these highly accomplished people. Some of them are in the same industry. Some of them are more successful than you. Some of them have offered similar advice to others with great success. Now, what do you do?

You go to the supermarket, and you buy celery, rice milk, Oreos and M&M's. You spend a lot of time at the supermarket walking the aisles. You spend a lot of money because you buy everything. But you may or may not get any value from some or all of these prod-ucts; there are no guarantees.

But one thing's for sure: when you're standing in line at the supermarket with all of these items in your arms, your celery, rice milk, Oreos and M&Ms, people will walk right past you, and nobody can see what you believe.

But what if you knew your WHY before you went to the supermarket? What if your WHY is to do only things that are healthy? To always do the things that are good for your body? You'll get all the same good advice from all the same people; the only difference is, the next time you go to the supermarket, you'll buy only rice milk and celery. Those are the only products that make sense. It's not that the other advice isn't good advice; it's just not good for you.

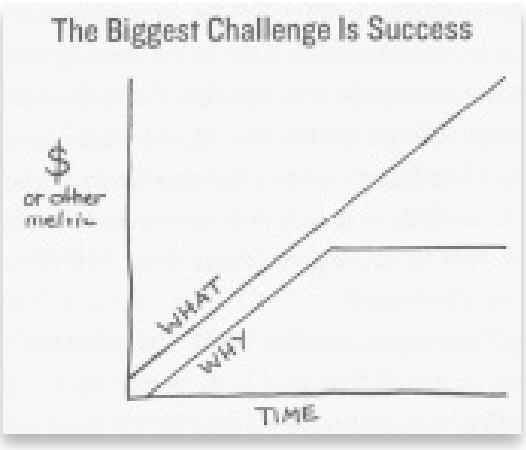
Filtering your decisions through your WHY, you spend less time at the supermarket, and you spend less money, so there's an efficiency advantage also. You're guaranteed to get value out of all the products you bought. And, most importantly, when you're standing in line with your products in your arms, everybody can see what you believe. Others who are healthy will see you as someone like them.

PART V: THE BIGGEST CHALLENGE IS SUCCESS

When WHY Goes Fuzzy

The single greatest challenge any organization will face is … success. When the company is small, the founder will rely on their gut to make all the major decisions. But as the organization grows, as it becomes more successful, it becomes physically impossible for one person to make every major decision. Not only must others be trusted and relied upon to make big decisions, but those people will also start making hiring choices. And slowly but surely, as the megaphone grows, the clarity of WHY starts to dilute.

The moment at which the clarity of WHY starts to go fuzzy is the split. At this point, organiza-tions may be loud, but they are no longer clear.



Microsoft has experienced a split but is not so far down the line that it can't be put back on track. There was a time not too long ago that people at Microsoft showed up at work every day to change the world. And they did. What Microsoft achieved, putting a PC on every desk, dramatically changed the way we live. But then their WHY went fuzzy. Few people at the company today are instructed to do everything they can to help people be more pro-ductive so that they can achieve their greatest potential. Instead, Microsoft became just a software company.

Good Successions Keep the WHY Alive

Successful succession is more than selecting someone with an appropriate skill set — it's about finding some-one who is in lockstep with the original cause around which the company was founded. Great second or third CEOs don't take the helm to implement their own vision of the future; they pick up the original banner and lead the company into the next generation. That's why we call it succession, not replacement. There is a continuity of vision.

PART VI: DISCOVER WHY

The Origins of a WHY

Just as Apple's WHY developed during the rebellious 1960s and '70s, the WHY for every other individual or organization comes from the past. It is born out of the upbringing and life experience of an individual or small group. Every single person has a WHY, and every single organization has one too. An organization, don't forget, is one of the WHATs, one of the tangible things a found or group of founders has done in their lives to prove their WHY.

Every company, organization or group with the ability to inspire starts with a person or small group of people who were inspired to do something bigger than them-selves. Gaining clarity of WHY, ironically, is not the hard part. It is the discipline to trust one's gut, to stay true to one's purpose, cause or beliefs. Remaining com-pletely in balance and authentic is the most difficult part. The few who are able to build a megaphone, not just a company, around their cause are the ones who earn the ability to inspire. In doing so, they harness a power to move people that few can even imagine. Learning the WHY of a company or an organization or understand-ing the WHY of any social movement always starts with one thing: you.

The New Competition

If you follow your WHY, then others will follow you.

All organizations start with WHY, but only the great ones keep their WHY clear year after year. Those who remember WHY they were founded show up to the race every day to outdo themselves. The pursuit, for those who remember WHY they are running the race, is not for the medal or to beat someone else but to advance their own cause.

What if the next time someone asks, "Well why should I do busines with you?" we answer, "Our goal is to find customers who believe what we believe and work together so that we can all succeed. We're looking for people to stand shoulder-to-shoulder with us in pur-suit of the same goal. We're not interested in sitting across a table from each other in pursuit of a sweeter deal. And here are the things we're doing to advance our cause," and then the details of HOW and WHAT you do follow. But this time, it started with WHY.

Imagine if every organization started with WHY. Decisions would be simpler. Loyalties would be great. Trust would be a common currency. If our leaders were diligent about starting with WHY, optimism would reign, and innovation would thrive. As this book illus-trates, there is precedence for this standard. No matter the size of the organization, no matter the industry, no matter the product or the service, if we all take some responsibility to start with WHY and inspire others to do the same, then, together, we can change the world.

And that's pretty inspiring.

Simon Sinek is leading a movement to inspire people to do what inspires them. Sinek is also an adjunct staff member of the RAND Corporation and teaches graduate-level strategic communications at Columbia University.

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Still Surprised

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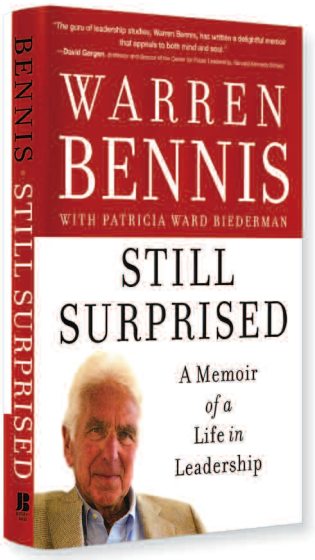
Still Surprised

A Memoir of a Life in Leadership



by Warren Bennis with Patricia Ward Biederman

THE SUMMARY IN BRIEF

If many of our organizations have become more democratic, more resilient, more adaptable, and more transparent, it is because Warren Bennis has provided much of the intellectual and ethical fuel over the past half-century to our most influential and successful leadership experts and practitioners.

Still Surprised illuminates how the world-changing ideas of leadership guru Warren Bennis and his colleagues resulted from the personal crucibles of their own encounters, events and experiences. Bennis shares what he has learned by leading, and by mentoring and teaching future leaders. By detailing his own journey of self-discovery, Bennis shows how leaders must define and redefine themselves in the face of surprises and challenges.

Still Surprised is a memoir of our times, seen through the prism of Bennis's own development during crucial inflection points of recent decades. His own medley of insecurity, hard work, determination to invent a new life and growing capacity to engage others all came into play amidst transformations within our society.

The art of leading well is not based on quick formulas for moving people, Bennis notes; it flows from becoming an integrated person, one who is able to discover and define — and redefine — oneself in the face of surprises and challenges. The annals of modern leadership would be incomplete if our foremost authority on leadership had not detailed his own journey of self-discovery, as he finally does here — to the delight of devotees and admirers around the globe.

IN THIS SUMMARY, YOU WILL LEARN:

- The necessary qualities of leadership and how they are developed.
- How the father of leadership defined and shaped leadership theory.
- The evolution of leadership and social science.
- How self-discovery enhances leadership skills.

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THE COMPLETE SUMMARY: **STILL SURPRISED**

by Warren Bennis with Patricia Ward Biederman

The authors: Warren Bennis is the founding chairman of USC's Leadership Institute and distinguished professor of business administration at the USC Marshall School of Business, and advisory board chairman of the Center for Public Leadership at Harvard's Kennedy School.

Patricia Ward Biederman, a former staff writer at *The Los Angeles Times*, is a prize-winning journalist and columnist.

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Prelude

I began writing this memoir at 85, but its roots go back to my college days. I wrote a piece for the school's literary magazine and was stunned that I could write my way into the consciousness of others. My love of stories developed later in life and allowed me to escape an uneventful existence.

As Sigmund Freud noted, many children fantasize that they are adopted. They imagine themselves the offspring of different parents, switched at birth, found in a cabbage patch — anything that allows them to distance themselves from their actual families. I realize I was one of those would-be foundlings, who dreamed from an early age of a life different from the hard, ordinary existence of my parents and brothers.

World War II started me on that journey. In 1943, I went into the Army, less frightened at the prospect of going to war than eager to see where life would take me. The war offered me the opportunity, at 19, to lead others. Leadership is a performance art and most of us become leaders only when we are cast in that role.

I survived the war and went to Antioch College, where I met Doug McGregor. He made sure I got into MIT, where I studied with economist Paul Samuelson. With Doug and others, I did work on group dynamics that ushered in today's more collegial learning organizations.

I became president of the University of Cincinnati in 1971, but realized that administration was not my calling. I wanted to think, write and teach for a living. For the last 30 years, I have been at the University of Southern California.

Until I wrote this book, I didn't appreciate how World War II changed the world. Most American soldiers came home full of hope and optimism, and the new veterans' benefits created the American middle class.

The Crucible of War

In 1944, I was the rawest second lieutenant is the U.S. Army. Eighteen months earlier, I had been a confused teenager with an obsession with pop music. As my 18th birthday neared, I decided to enlist in the Army Specialized Training Program. The program began with basic training, then four years in college acquiring skills the military needed.

By December 1944, I was somewhere in southern Germany, a teenage replacement officer in the U.S. Army's 63rd Infantry Division. My first moments as a leader were low-key to the point of invisibility. I arrived at my platoon and put my sleeping bag on the floor alongside my men. I had made a quiet, unobtrusive entrance. I wonder how many American officers failed to survive simply because they couldn't stop rubbing their superior rank in the faces of their men.

The first sergeant told me, "We'd like you to follow the captain around for a couple of days, just to see what he's doing." Captain Bessinger was one of the finest leaders I have ever known. One of the most important things he did was listen to his men — a good way to get valuable information, but also evidence of respect for them.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor In Chief; **Andrew Clancy**, Senior Editor; **Amanda Langen**, Graphic Designer; **Karen Doyle**, Contributing Editor

Lessons of War

Although I didn't appreciate it at the time, I was lucky to have been trained as an officer at Fort Benning in Columbus, Ga. I learned the value of organization. I learned how to work as part of a team. I learned that one of my most important jobs was to take care of my people.

Being a leader might make you rich and famous, but it could also get you killed. Oddly enough, I was rarely afraid as a soldier. When I put on that uniform and the gold bars that went with it, I instantly became an officer in the U.S. Army. It empowered me to try on selves that nothing in my past had suggested to me.

I stayed in the Army after the war was over and ended up in Frankfurt, Germany. I participated in a project that may have planted the seeds of my later professional interests in leadership and the social sciences. I interviewed soldiers about their morale, the quality of the leaders they served under, what they wanted to do in the future and the like. I also spent a lot of time in the officers club, where I began educating myself for what I hoped lay ahead. I realized I didn't want my old life back. I wanted to invent a new one. ●

Launch

Antioch College called to me long before I went there. Antioch was progressive and its students alternated studying on campus with working at real jobs for real pay.

When I first arrived at Antioch in Yellow Springs, Ohio, I felt not fearful, but vulnerable. I was a little at sea without a uniform to announce who I was to others or help me navigate this fascinating but demanding new world. If I was going to succeed in this new role of college student, I first had to figure out how it was done. I began to closely observe the people around me who had qualities I admired.

An Electric Environment

Antioch was the least boring place I have ever been. It was electric, always abuzz. Every Antiochan had his or her opinion and passionately defended it. The sense of engagement was thrilling.

At Christmastime in 1947, my mother paid me a visit. My dad was working for his nephew, making wooden cabinets for radios and the hot new thing, televisions.

"Warren," she said, "your father really needs you. I'm worried about him. He's not getting any younger and he's working too hard. I think you should come home and give him a hand." I knew that if I left school, I would lose everything. I loved my father, but I didn't want to *be* him. "Mother," I said quietly, but with great certainty, "I can't do that. I have to finish my education."

My First Mentor

Doug McGregor arrived on campus as president in the fall of 1948. Being Doug's protégé was the next role that would shape my life. In my junior year, I asked Doug for a tutorial on group dynamics. In these weekly meetings I really got to know him. It was his character and manner that drew people to him. He was warm but authoritative, and dependably, reflexively candid. He never flinched, no matter how unflatteringly other people spoke to or about him. He seemed energized by criticism, which he would dispassionately address, then act on the valid points and forget the rest.

Doug shared a firsthand account of the revolution then going on in the social sciences. In places like MIT, groundbreaking work was being done using rigorous scientific methods to look at behavioral issues, many raised by the war.

Doug was increasingly set on my going to MIT. I was also encouraged by a teaching assistant, Henry Broude, later a distinguished economist at Yale. Henry suggested either Harvard or MIT. I didn't think I had the math and science background to get into MIT. Doug took care of that. He wrote a three-page letter of recommendation that apparently had the power to work miracles. Not everyone was as thrilled by my acceptance as Doug was. Distinguished economist Charles Kindleberger told me, at our first meeting, "We didn't exactly throw our hats in the air when we saw your application." ●

Rites of Passage

"How could you not go to Harvard?" my mother demanded. I went to MIT largely because of Doug. But once I arrived, I had my doubts. Part of the problem was where I lived. Antioch had been supportive, nurturing and bucolic. Now *[with my first wife Lucille]* I was living in a truly dreadful apartment near Kendall Square.

Of all my demanding classes, Paul Samuelson's economics courses were the toughest. Economics was undergoing a tectonic shift in those days. Samuelson had transformed the field with his emphasis on mathematical models. By ordinary standards, I was good at math, but completely out of my league at MIT.

A City Abuzz

It took a while, but I fell in love with Cambridge, Mass. The Boston-Cambridge area was the center of the

scientific and technological world. At MIT, I took my degree in both economics and social science, doing a third of my course work at Harvard.

A magnet for home-grown talent, Cambridge also sheltered some of the most brilliant minds Adolf Hitler had driven out of Europe. Thanks in large part to Doug, I had the most important gift any student can have: access.

The early 1950s would soon be stereotyped as an age of zombies in gray flannel suits, but it was actually a period of enormous social change and optimism, especially for the emerging middle class. As social scientists, we believed we had the tools to uncover the secrets of human behavior. The war was over, thank God, but hugely important questions still demanded answers.

I was grateful to have access to Harvard's resources, but there was an informality at MIT that suited me well. MIT didn't aspire to be Harvard. MIT was less concerned about departmental boundaries and an individual's place in the academic pecking order than about solving the problem at hand. A friend once observed that Harvard attracted brilliant people while MIT allowed brilliant people to accomplish significant things.

A Move to London

In 1952, I won a Hicks fellowship to do my second year of graduate work at the London School of Economics. The one person I already knew in London was A.T.M. "Tommy" Wilson, director of London's much talked about Tavistock Institute of Human Relations. I was invited to participate in a training group at the institute, which was doing groundbreaking work on group dynamics.

The Tavistock Institute was unusual in marrying psychoanalytic theory with group dynamics. That year I learned one of the great, simple truths of group dynamics from the Institute's Wilfred Bion, a lesson all leaders forget at their peril. The leader of a group must never get overly involved with its sickest member. The leader who is hijacked by extreme pathology pays a terrible price. The group will become polarized. Focusing on the sickest individual is the worst error a leader can make because it usurps the rightful authority of the healthier members to handle the situation.

For reasons I still can't sort out, I experienced terrible anxiety that year in London. I couldn't bear to be alone. I would lie awake, unable to sleep until four in the morning. Tommy Wilson set me up with Henry Dicks, an analyst from the Tavistock Clinic. We met once a week and he counseled me face-to-face. Dicks urged me to continue analysis when I returned to Cambridge.

My stay in London prepared me to dive back into the intellectual scrum of Cambridge. First, I moved into a pleasant duplex and, second, I found an analyst. Today, it is hard to imagine how exciting psychoanalysis once was. Analysis operated on the attractive premise that introspection and insight could improve the quality of anyone's life.

As a graduate student, I was short on money but I felt I desperately needed analysis. As part of the certification process of the American Psychoanalytic Association, each prospective practitioner had to analyze four "control patients" under supervision by an experienced analyst. I applied to become a control patient. Later, I learned that the ideal control patient was neurotic, but not so screwed up as to be incurable. Clearly, I was their guy.

I began meeting five times a week with Dr. Sidney Kligerman. For the first six months, Dr. Kligerman called me Walter and I duly corrected him. If you have ever been analyzed, you know how intimidating the process can be. Unless you choose to speak, the session can become a long, unnerving silence broken only by the ticking of the clock.

I remember feeling achingly empty in the early sessions. I soon began to speak, but I didn't sound authentic, even to myself. And then I had an epiphany. I began to formulate and answer questions that suddenly seemed relevant. It wasn't long before I looked forward to shaping my story and telling it in daily installments.

Understanding Groups

I had a deepening belief that you can't fully understand human behavior without understanding groups. Those of us studying groups practically vibrated with the sense that we were about to break through to some new transformative truth. We tried to outdo each other in designing the most creative, most elegant experiments.

This was a glorious time for social science. A new breed of social scientists were making discovery after discovery about human behavior. Social psychologist Leon Festinger wouldn't articulate his theory of cognitive dissonance (that the mind tries to reduce stress by reconciling beliefs and behavior) until the mid-1950s. But by 1950, he and his colleagues had already looked at how relationships form and established that proximity was the most important factor. In studies of college dorms, they found that the people who lived closest to the shared bathroom — the ones most likely to be encountered by the largest number of their fellow students — were the most popular.

As soon as I returned from England, I started on my dissertation. I decided to look at the impact time had on the quality of funded research. My hypothesis was that more time meant more inventiveness. I was thrilled by the stir the research caused when I read a paper based on it at the 1956 meeting of the American Sociological Association. The audience, which included leaders in the field, howled with laughter. My guess is that they thought I was satirizing the new breed of academic entrepreneurs. I am not sure they knew that the time-honored professional paradigm was shifting under their feet.

Completing my dissertation was another genuine rite of passage. My universe had both expanded and become more accessible. Doug McGregor had opened the door to this life of constant surprise and invited me in. He had given me the world and I remain grateful to this day.

My Teaching Career Begins

With my new doctorate in hand, I taught at MIT for the academic year 1955-56, then joined the faculty at Boston University. At BU, where I taught from 1956 to 1959, I worked closely with Ken Benne and Bob Chin in the Human Relations Center. Our conversations produced a book of readings, *The Planning of Change*, which the three of us edited and contributed to. My first book, it was published in 1961 and is most often remembered for popularizing the term *change agent*. ●

Great Groups

It must have been Doug McGregor who first told me about T-groups, groups that scrutinize themselves as they evolve. Early on, I was convinced that T-groups were a useful tool both for studying group dynamics and for bringing about change.

The T-group (for Training group) was the invention of Kurt Lewin and his protégés. They realized that a group that scrutinized its own process as it formed and changed was something new and valuable. To apply for grants, Lewin and the others needed an institute or similar entity. So they created the National Training Laboratories (NTL) for Group Dynamics. Lee Bradford found a home for the new organization at a private school in Bethel, Maine, that NTL rented each summer.

Even before I finished my dissertation, Herb Shepard and I led T-groups with master's candidates at MIT. In the best of these groups, participants were open, respectful of each other, candid, able to deal with the pressure of creating their own group, able to express their feelings, and also able to articulate what they observed about themselves, the others and the group itself.

The Stages of T-Groups

Every T-group passes through two stages, each with predictable subphases. The first stage has to do with shifts in power and control within the group. There are three subphases of the power stage. The first is dependence. I, as leader, would say something like, "We're here to learn about group dynamics, and we're going to do it by learning about ourselves and observing how our group develops over time." Then I'd be silent. The participants were used to an agenda and without it they seemed lost. The next phase is counterdependence. Group members would get angry and withdrawn. Somehow, participants almost always managed to discover how to be a group on their own. We called this final subphase of stage 1 interdependence.

There are also three subphases of stage 2, which deals with intimacy and openness. At first, in what we called the "faux personal" subphase, everybody would try to be nice to everyone else. In the counterpersonal subphase, a lot of anger was expressed and factions often formed. In the consensual validation subphase, members of the group interacted authentically with each other.

Summer Camp for Social Scientists

In 1955, Lee Bradford wrote to invite me to join Bethel's summer staff. On paper, Lee was the National Education Association's director of adult education, and NTL became a division of the association. Bethel's growing reputation was further enhanced by Doug's presence there, and occasional appearances by Abe Maslow and other social science luminaries.

Almost immediately, Bethel quickly became a summer camp for some of the best social scientists in the world. When we weren't leading groups at Bethel, we were talking about them. It was like taking part in the best seminar ever, one that wasn't being held any place else.

The T-group experience almost always *felt* transformative. People often emerged feeling sibling-close to at least some other participants. As a group leader, I learned an enormous amount about group dynamics and human behavior, but the most important thing I learned was how to truly listen. I feel that I am less a creative thinker than a creative listener. Paying undivided, respectful attention inevitably makes you more empathic, one of the most important and undervalued leadership skills.

Using white boards or drawing on the paper-covered walls, trainers recorded group behavior in a visual short-

hand of circles, arrows and key words. When a group coalesced and took off, you felt as though human nature was evolving before your eyes.

I think there were two reasons NTL succeeded for so many decades. T-groups were candid but not cruel, and the staff was made up, by and large, of serious scholars. Yet T-groups never caught the public imagination in the United States as I thought they might.

The Passing of a Mentor

Doug was urging me to come back to MIT. Harvard Business School offered me a faculty position with tenure, and Doug countered by assuring me I would get tenure when I returned to MIT.

On Oct. 13, 1964, Caroline McGregor called me. "Doug has had a massive heart attack," Caroline said. "The ambulance just took him to the hospital. Warren, they say he may not live." His death at only 58 was a terrible intellectual loss. Caroline asked me to give the eulogy at his memorial service.

When I returned to Cambridge, I succeeded Doug as head of the organizational studies area, but I was becoming restless at MIT. Maybe it was time for me to try leading an organization, not just analyzing it. ●

Fighting the Bull

My friends were baffled by my decision, in 1967, to become provost of social sciences at the State University of New York at Buffalo. But I had long wanted to see if I could successfully lead the kind of organization I regularly analyzed. I wanted to test my theories and see if I would act on them in a crisis.

Around that time, I came across a poem by Robert Graves, who wrote so compellingly about the leaders of ancient Rome. In it he writes:

Experts ranked in serried rows
Fill the enormous plaza full;
But only one is there who knows
And he's the man who fights the bull.

It was time to fight the bull.

New president Martin Meyerson had a grand plan for turning western New York's not-quite-first-tier university into "the Berkeley of the East." I admired how the plan combined a commitment to the highest academic standards with a willingness to try new ways of teaching, learning and living together. If I became provost, I would launch an innovative new doctoral program in the applied social sciences, something that I had wanted to do for years.

The reasons Martin's plan was never fully realized are many, including a tanking economy, endless campus unrest and Martin's unanticipated move to become president of the University of Pennsylvania in 1970. But those of us he recruited were also to blame. We failed to see that the zeal that united us also alienated everyone outside the inner circle. We should have courted and reassured Buffalo's many gifted veterans. Instead, we made the same mistake that doomed CEO Carly Fiorina at Hewlett-Packard. We forgot that no established organization is a blank canvas. We failed to master the culture at Buffalo before we tried to change it.

Buffalo was four years of tumult. The excitement of rebuilding the university was tempered by one crisis after another. In the fall of 1969, Martin decided to head a task force on higher education for the Ford Foundation and asked me to become acting executive vice president. For almost the entire spring semester of 1970, the campus was a battleground. Students protested and the Buffalo police responded.

The Presidency at Cincinnati

I applied for but didn't get presidencies at Northwestern, Buffalo and Boston University. A mutual friend told me Martin had said negative things about me to both the Northwestern and Boston University search committees. I was terribly hurt. After that, I asked Martin if he would send me copies of any letters he wrote about me to search committees. Cincinnati offered me the presidency anyway.

Looking back, I realize there is a sense in which I lost my innocence at Buffalo. For the first time, I felt that I had been betrayed. For decades after Buffalo, Martin and I didn't contact each other. I finally called Martin in 2002 and we arranged to meet. We sat and talked contentedly for two hours. We were not the same men we had been then and much of what happened in Buffalo was painful to recall. So we talked about other things. Nothing was resolved, but something was put behind us, something was better. ●

Going State

I was thrilled at the prospect of becoming president of the University of Cincinnati in the fall of 1971. I was still hungry to do what Doug had done at Antioch. I wanted to lead with the passion and skills of a change agent, and create a university that would reflect all that the social sciences had taught us about human dynamics since World War II. I quickly learned that before I could lead, I had to manage.

Within my first hundred days, I faced a crisis that could have permanently damaged the university. As I walked toward the door to exit my office, my secretary buzzed me. "Senator [Edward] Kennedy's office is on the phone," she said. "I think you better take it." The Kennedy staffer asked if I was aware of the problematic experiments currently being conducted by "your medical school." He said that patients with terminal cancer were being subjected to whole body radiation at the medical school's teaching hospital.

I learned that the study had major procedural flaws and that the university had no formal mechanism for insuring that all its research was conducted in an ethical manner. Provost Robert O'Neill explained how vulnerable both the university and its president would be in a congressional hearing.

The crisis lingered for almost a full academic year. We contacted the National Academy of Sciences, which sent a committee that studied the research and advised us to stop it immediately. We did. Early in 1972, Ohio Governor John Gilligan and I flew to Washington and sat with Kennedy, detailing how my staff and I had responded to the discovery that such disturbing research was being done on our campus. In the end, Kennedy was satisfied with the steps we had taken. There was no more talk of a congressional investigation.

As president of the university, I became a public person, a role I had never played before, but one that quickly seduced me. My becoming president of the city's beloved university was seen by many in the Jewish community as proof of progress.

But I was too busy with university business to pay much attention to how the public viewed me. I began recruiting. We also decided to start giving honorary degrees to worthy people throughout the year, asking them to stay on campus for a week and give master classes, performances or lectures, as well as interacting with faculty and students.

Becoming a State University

By 1975, it became clear that the only way for the university to grow, even survive, was to get additional funds on an ongoing basis. Akron and Toledo had become full state universities. I realized that we had to go state or die.

I knew I would have to become a public advocate and recruit as many allies as possible. It was a tough fight that continued for more than two years. Finally, on June 8, 1976, the people of Cincinnati voted to make the city's university a state institution.

Making the Same Movie

In 2007, the University of Cincinnati invited me to return to receive an honorary doctorate. After the awards ceremony, they held a marvelous party for me. In attendance were many of the people who worked so hard 35 years ago to save the university by taking it state. Asked to make a few remarks, I told a story that spoke to the spirit of what we, all of us working together, had done. One of the guest speakers at the leadership course that President Steve Sample and I have co-taught at the University of Southern California was filmmaker Bob Zemeckis. During the class, someone asked Zemeckis which of his films he liked the best and why. He immediately answered *Forrest Gump*. Then he explained why. He said that everyone involved in the film — the writers, the camera operators, the actors, the gaffers, the dolly grips, the sound crew, even the caterers — had worked in sync to make it a success. As Zemeckis put it, "We were all making the same movie." That was the way the University of Cincinnati finally became financially secure and sustainable. We were all making the same movie.

Not long after, I had a life-changing realization. I was giving a lecture about my experiences as a university president. When I finished, Dean Paul Ylvisker, a towering figure in higher education, asked, "Warren, do you love being president of the University of Cincinnati?" I looked at Paul and admitted, "I don't know."

I realized I did not love being president of the University of Cincinnati. By 1977 I had decided to leave. I made an appointment with Governor James Rhodes so I could tell him first. I told him that I had promised the story to one of the Cincinnati papers and asked him to please keep my decision to himself until it was announced the next day. By the time I got back to Cincinnati, the story had already been leaked and reporters were at my door. ●

A Year at Sea

"I've always wanted to live on a houseboat," I told my old friend Lenny Duhl. It was 1979, a tumultuous year in many ways. On Feb. 17, while in London, I had what the Apothecary to the Queen, who examined me, described as "a moderately rough-ish heart attack."

There is nothing like nearly dying to make you wonder if the life you are living is the one you want to live. After Buffalo and Cincinnati, I was confident university administration was not for me. I was drawn to Northern

California, lured by both its first-rate academic institutions and the liberating counterculture that had been born there in the 1960s.

I moved to Sausalito, Calif. in August 1979. My year on the houseboat was a kind of emotional sabbatical, a time to shake off the old, try on the new, relax, recharge and decide what to do next.

Enter The Founder of "est"

I moved to Sausalito without a job. Then Werner Erhard, the controversial founder of est, called and asked me if I would do some consulting for him and his organization. After his seminars were frequently parodied for bullying participants and banning bathroom breaks, Werner was convinced that the future depended on creating a more mainstream program.

Werner hired me to do an anthropological study of est culture from the inside. I took my analysis very seriously, working on it for almost a year. I feared that Werner was producing a fair number of true believers and imitators rather than followers who could develop into leaders in their own right. That was the theme of my final presentation. I began by talking about the important role transference plays in leadership development. The presentation was heavy with irony, and the staff immediately got it and began to laugh. Werner was often harsh in his seminars, but that day he showed he could take it as well as give it.

Back to Work at USC

Back when I was recuperating in London, Jim O'Toole had asked me if I would consider joining the faculty at the University of Southern California (USC). I was increasingly drawn to California. The irresistible draw was the opportunity to work with the gifted faculty and students the school was increasingly attracting. I said yes.

So by mid-August, I had packed up, reluctantly returned the keys of the houseboat and caught a flight to Los Angeles. I was about to enter one of the most satisfying periods of my life — personally and professionally. ●

Coming Home

For the last three decades I've taught at USC.

Not long before coming to USC, I received a $100,000 grant from the Ralph Corbett Foundation. I decided to research and write a book on leadership. For the book that became *Leaders: Strategies for Taking Charge*, I interviewed 90 people. Most of the leaders I spoke to had sharp, nuanced insights into the skills and attributes that allow a person to engage others.

Entrepreneurs fear boredom more than chaos. They become anxious when things are too stable and often abandon the familiar for the risky.

In my bones, I knew how important leadership was and is. We are social animals and our packs need leaders. I decided to write another book on the subject. But this time I wanted to include social innovators and cultural leaders as well as business and political ones.

On Becoming a Leader was published in 1989. Soon it began showing up on best-seller lists. I realized that writing is a way to teach leadership on a much larger scale than one student at a time. Editors and reporters called me to comment on some CEO or political leader's latest success or failure. The cringe-making word guru, never applied to me before, began to pop up. Each opportunity created more.

Mentoring, Writing and Teaching

The past 30 years have been busy ones. I have tried to give students and younger colleagues the kind of life-changing support Doug McGregor and others have given me. Book projects allowed me to immerse myself in subjects that fascinate me. Ultimately, though, the single most rewarding thing I've done on campus has been co-creating and co-teaching a course on leadership with Steve Sample called "The Art and Adventure of Leadership."

It is strange the way a career develops over the years without your realizing it. You go to college. You get your diploma, go to graduate school and finish your dissertation. You get tenure, teach and do research. You write and, if you are fortunate, there is an audience for what you write. You discover something you're passionate about and people begin leaning close to hear your thoughts. At some point, you discover that you have become a name and all you did was work hard, get lucky, and stay alive.

The actuarial tables tell me I'm nearer the end than the beginning, but nothing is certain. I can't wait to find out what happens next. Every day I look around and I'm still surprised. ●

RECOMMENDED READING LIST

If you liked *Still Surprised,* you'll also like:

1. ***The Definitive Drucker* by Elizabeth Haas Edersheim.** Peter Drucker spent the last 16 months of his life speaking with Edersheim. *The Definitive Drucker* provides his thoughts about the development of modern business.
2. ***It's Your Ship* by D. Michael Abrashoff.** Learn unique insight into hands-on management from Captain D. Michael Abrashoff, who shares many of the practices and protocols he uses to make his warship more effective.
3. ***The Steve Jobs Way* by Jay Elliot with William Simon.** Elliot gives the reader the opportunity to learn what made Steve Jobs capable of creating tools so extraordinary that they remade three industries.

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Stop Selling Vanilla Ice Cream

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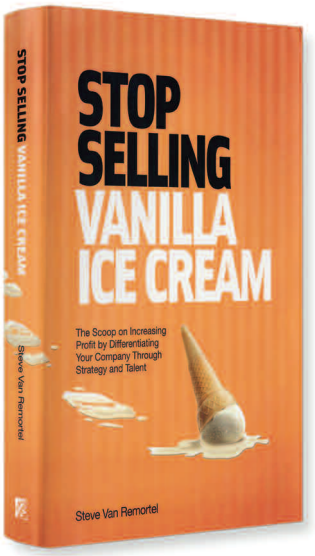
Stop Selling Vanilla Ice Cream

The Scoop on Increasing Profit by Differentiating Your Company Through Strategy and Talent



by Steve Van Remortel

THE SUMMARY IN BRIEF

If you are like most business owners and leaders today, you feel stuck working constantly "in" your business, for little return. Profit expert Steve Van Remortel has the solution to work "on" your business. The Stop Selling Vanilla Ice Cream process offers an easy-to-follow strategic planning and talent development methodology that leads to real differentiation delivered by a high-performance team. You will discover the answer to the most important strategic question: Why will a customer choose you over a competitor?

The unique planning methodologies in *Stop Selling Vanilla Ice Cream* address the business fundamentals of strategy and talent concurrently, because optimizing both leads to individual, team and organizational performance breakthroughs. Over 90 percent of Van Remortel's hundreds of clients experience an increase in sales and profits in the first year after completing the process. Those same results and the process to create them are now available to you.

IN THIS SUMMARY, YOU WILL LEARN HOW TO:

- Find your competence and create the differentiation so tangible that customers will choose you over your competitors.
- Adopt a talent management system that enables your organization to select, develop and retain the talent and skill sets needed to deliver your competence and strategy to achieve your goals.
- Develop and implement department plans that, when executed, accelerate the success of your organization.
- Create a culture of discipline and accountability within your organization.

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THE COMPLETE SUMMARY: **STOP SELLING VANILLA ICE CREAM**

by Steve Van Remortel

The author: Steve Van Remortel is an entrepreneur, engaging speaker, strategist, certified behavioral analyst and author. As founder and chief strategist at SM Advisors, he has helped clients from more than 300 industries work through more than 1,000 strategic planning sessions.

Stop Selling Vanilla Ice Cream: The Scoop on Increasing Profit by Differentiating Your Company Through Strategy and Talent by Steve Van Remortel. Copyright © 2012 by Steve Van Remortel. Summarized by approval of Stop Selling Vanilla Ice Cream, LLC. 256 pages, $24.95, ISBN 978-1-60832-387-6. To purchase this book, go to www.amazon.com or www.bn.com. Purchase of the book includes a free behavioral assessment (a $400 retail value).

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For additional information on the author, go to www.summary.com or www.StopSellingVanillaIceCream.com.

Why You Must Stop Selling Vanilla Ice Cream

Are you selling vanilla ice cream? If you are, you are likely getting negotiated on price, losing customers to competitors and experiencing declining sales and profitability. As consumers we choose to go to certain stores or restaurants every day because they provide something you can't get anywhere else. Why would be it be any different for your business? You must differentiate yourself from competitors. Defining your competence, or as we call it your mint chocolate chip, is essential to the long-term success and prosperity of yourself, your family, your employees and their families, and your organization. It's time to stop the vanilla!

Over the last 20 years we have developed the tools and processes to help organizations stop selling vanilla ice cream. The combination of simultaneously taking your strategy and talent to the next level is what makes this process so unique and powerful. (We've made all the tools, templates and assessments available on our website: www.stopsellingvanillaicecream.com.)

There are five fundamentals of the Stop Selling Vanilla Ice Cream process that help define the organization's path from square one — where you are today — to greater prosperity and effectiveness:

1. Differentiation. Deliver a competence that creates a differentiation so clear that your customers consistently choose you over your competition.

2. Tangible Value. Your organization must consistently reinforce the tangible value, in dollars, that your competence delivers to current and prospective customers.

3. Talent Management. Implement a talent management system that enables your organization to identify, select, develop and retain the talent and skill sets necessary to execute and deliver your competence and plan.

4. Department/Tactical Plans. Develop and execute action plans to work "on" the business in each department of your organization rather than simply working "in" the business with regular daily duties.

5. Plan Execution. Implement a plan execution program to ensure an organizational culture of discipline and accountability. ●

The Power of Strategy + Talent

The book walks you through the four phases: planning process preparation, building the team and strategy development preparation, strategy development and strategy implementation.

• **Phase One: Planning Process Preparation.** Phase one is focused on collecting the content (specific issues and challenges of the organization) for the planning process. The planning team is selected from the leaders across the organization. The team members' function is two-fold in phase one: they complete a series of behavioral assessments that are part of the Talent Management System and complete a preplanning questionnaire. The advisor meets individually with each planning team member to review their preplanning questionnaire and debrief their behavioral assessment results. Through the questionnaires and interviews the advisor collects all the content to design the rest of the process to resolve the identified strategic challenges of

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Amanda Langen**, Graphic Designer; **Jeannette Scott**, Contributing Editor

the organization. To complete phase one, members of the planning team prepare the financial analysis, sales analysis and market research in prep for the first team planning session.

• **Phase Two: Building the Team and Strategy Development Preparation.** Now that all the content and data has been collected, the planning team now comes together to prepare to develop the strategy of the organization. To develop the optimum strategy the team must be able to address the company's most sensitive issues. To accomplish this, the team completes a team development exercise we like to call "getting the team in their underwear." Each team member presents their behavioral survey results to the rest of the team, which creates the most candid and effective discussions the team has ever had. After building a more cohesive team through this exercise, the team prepares to develop the strategy of the organization by completing the internal analysis (values, strengths, weaknesses and financials), and external analysis (market research), so the team has all the information to develop the optimal strategy. The team completes phase two of the process by creating homework teams and reviewing the action plans each team will complete to prepare for phase three.

• **Phase Three: Strategy Development.** The strategy development phase of the process begins by having each homework team present their recommended competence, strategy and target markets for the organization. After each team presentation, the team starts developing the company strategy by deciding on the company's competence and target markets, the competition's area of competence, action plans to strengthen the competence and make it tangible to the target markets, and brand strategy that communicates their competence, mission statement and vision for the next 2-3 years.

• **Phase Four: Strategy Implementation.** The final phase defines the plan to take action via strategy implementation and department planning. The team designs the optimal functional organizational structure to achieve the vision, discusses the skill set voids that need to be addressed, processes and communication systems that need to be implemented, and a business planning calendar. Company goals are identified for the next year, and a method of measurement is established for each goal. Department plans are developed to ensure each department works on the business and guides the company towards its vision. Lastly, a plan execution review is established to create an ongoing culture of discipline and accountability in the organization. ●

Phase 1: Planning Process Preparation

Selecting the Planning Team

In many ways, this first step of selecting a planning team and an advisor is the most important in the process. Who makes up the planning team will define the direction of the company and the success of the process.

Is there an individual in your organization who is trusted by his or her peers, maintains objectivity in tough situations, and is effective in terms of organization and process? That person might be right for the role of advisor. If there is not a person internally who is capable of effectively leading the process, consider using an outside advisor you are comfortable with.

Optimizing Your Talent

Behavioral assessments, the foundation for the Talent Management System, ties together the strategy and talent. There are three parts of this assessment: behavioral styles, workplace motivators, and a soft skills indicator. The behavioral style component of the Talent Management System is called the DISC behavioral profile. DISC is an acronym for Dominance, Influence, Steadiness and Compliance. These are the four primary behavior modes and each is scored on a scale of 1 to 100. DISC is an assessment, not a test.

- **Dominance**: How you respond to problems and challenges.
- **Influence**: How you influence others to your point of view.
- **Steadiness**: How you respond to the pace of the environment.
- **Compliance:** How you respond to rules and systems.

The second set of results from the Talent Management System illustrates the six basic workplace motivators. An individual's top two workplace motivators drive their actions and decisions at work:

1. Theoretical: The primary driver is the discovery of knowledge and an appetite for learning.
2. Utilitarian: The driver is return on investment and time, efficiencies and money.
3. Aesthetic: The primary motivator for these individuals is form, harmony and the arts.
4. Social: The motivator is gaining satisfaction from helping people and eliminating conflict.
5. Individualistic: The primary driver is advancement and gaining power and influence.

6. Traditional: This driver measures an individual's desire for a system of living or principles.

The third component of the Talent Management System is the Soft Skills Indicator, which measures your clarity and understanding of the world and yourself. The factors in which you have the greatest clarity are the areas in which you have the greatest capacity for soft skills. Soft skills help people get things done. Soft skills are what usually separate an average performer or leader from a high performer.

Aligning an employee's soft skills, behavior styles and motivation within the company leads to increased job satisfaction, reduced turnover, enormous cost savings, higher productivity and increased profits.

Planning Team Interviews

Interviews are one of the biggest process steps for the advisor. After the interviews are complete, you'll have a very good idea as to where challenges and opportunities exist for the organization. The interviews and assessment results provide content to build the entire planning process. The interviews provide a cross-functional, honest appraisal of the state of the organization from the perspective of each team member. Interview questions are designed to bring up a number of items that are worthy of discussion with the planning team. The goal is to identify those four to six strategic challenges that are limiting the company's potential. ●

Phase 2: Building the Team and Strategy Development Preparation

A Process for Resolving Strategic Challenges

The strategic challenges that come through in the interviews are the primary point of focus for the rest of the process. The initial meeting of the planning team members will lay an important foundation for the rest of the process. It's important that the team agrees on how they will interact during the planning meetings and going forward as a team. The team covers some basic guidelines for the planning sessions, including important ground rules of team communication:

- Challenging a teammate's idea is healthy; attacking the teammate is not.
- There are no untouchables or sacred cows. All issues must be addressed.
- All teammates have equal responsibility for the development and execution of the plan.

Despite the fact that strategic planning usually makes sense to the majority of an organization's leadership team, a common set of obstacles can stand in the way of making it happen, including the following:

- There is no one, single vision.
- Operational (day-to-day) thinking dominates management's time.
- Organizations let outside forces shape their strategy.

It is helpful to allow these concerns into the conversation so they can be addressed immediately.

Building the Team to Achieve Your Dream

The team development exercise has each team member presenting their behavioral assessment results by completing the following statements:

1. I learned the following strengths of my behavioral style that positively impact the team:

2. I learned the following growth opportunities of my behavioral style that could increase the performance of the team:

3. I feel others in the organization perceive my style as:

4. To communicate most effectively with me, I ask that you do/not do:

5. I am going to take these steps in my development in the next 12 months to increase my performance and build a stronger and higher performing team:

6. a) My vision for the planning team interactions is: b) The characteristics or processes of a high-performance team that need to be implemented in our team are:

A great first step in providing a candid and interactive environment is to have the leader present his or her behavioral style first. The behavioral style presentations are a roller-coaster ride filled with highs and lows of emotion, but the results of the exercise change how the team interacts and performs together forever.

Looking in the Mirror: Internal Analysis

As part of the development of a proactive strategy, conduct a thorough internal analysis of your strengths, weaknesses and finances. Completing an internal analysis requires the team to:

- Develop or refine the company's values and beliefs statements. The values and beliefs define how the organization is going to interact internally and externally while implementing the plan. The values of an organization are at the core of its existence. The outcome of the planning process in regard to values and beliefs is to develop action plans that align behaviors with defined values.

• Conduct a strengths analysis from the interviews. Knowing your strengths — especially your top strengths — lays the foundation for the development of your competence.

• Conduct a weaknesses analysis from the interviews. Collecting weaknesses during the interviews allows for candid and honest dialogue about them that leads to action plans to eliminate or minimize as many of them as possible.

• Review the current financial analysis. Profit is not a strategy, but the result of a great strategy, so having a clear understanding of your financial picture is essential.

These four steps create a wealth of knowledge and insight, and a strong foundation for the eventual discussions about your competence and strategies for moving forward.

Looking Out the Window: External/Market Analysis

Conducting an external analysis requires you to identify trends and collect industry data to make the most informed decisions regarding your future strategy and direction. It's critical to understand what your marketplace wants and doesn't want.

Through continuous market research, successful organizations adapt their competence and strategies to the changing marketplace.

Use three primary questions to direct your market research efforts:

• What market research information do we need to collect and study to make the most informed strategic decisions?

• What trends are developing in the world, state and industry right now?

• Based on the internal and external analysis, what are the strategic options for the organization?

Establishing a market research gatekeeper is a step to consider in organizing the flood of information collected by team members. The gatekeeper's task is to collect and organize all of the market research that team members gather throughout the year.

The Process to Create a Real Differentiation

The greater the level of differentiation through your competence, the larger your margins can be.

The following step-by-step process is to assist the homework teams in developing and presenting the future competence and strategy of your company:

1. Review and discuss the internal analysis of the organization: Ask your team what strengths can be the foundational strengths of your competence. What weaknesses do you need to eliminate? Which of your products or services have the highest demand (growth) and margin?

2. Review and discuss the external analysis and market research summary. What are the emerging trends that could create an opportunity in the markets in which you compete?

3. Review the strategic opportunities list and brainstorm and list additional possible competence options for your organization.

4. Discuss how you think your top competitors are trying to differentiate themselves. Can you outperform one of your competitors on the competence it appears to have selected?

5. Complete your first draft of the future competence and use it to build the competence hierarchy using the template. Can you build on a possible current competitive advantage, or do you need to go in a different direction?

6. Provide your rationale as to why you chose this competence. Why is this competence going to separate your organization from your competition?

7. Define the target markets of the company. These are the companies or consumers that will value your future competence the most.

8. Discuss other aspects of the strategy on which you need to gain agreement.

9. Brainstorm and list all the strategies and action plans from your discussions. ●

Phase 3: Strategy Development

Defining Your Competence and Strategy

Defining your competence and how you are going to differentiate your company is the single most important strategic decision you will make as a planning team. Why is a customer going to do business with you versus one of your competitors?

Truly successful organizations hone in on specific target markets. This enables them to effectively craft their message and appeal directly to the decision makers within companies or demographic groups that will want their brand of mint chocolate chip ice cream. Does your company have a clearly defined target market or customer? How is that information communicated internally? How is it communicated externally?

Define your target market and develop messages that will appeal to customers looking for your specific type of mint chocolate chip ice cream.

Limit your target to a finite group of organizations or people. It is far more effective, especially for a small to midsize company in the business-to-business market, to create a marketing plan that targets a few hundred companies (or consumers) rather than several thousand.

Inevitably, you will be tempted to sell to as many target markets as possible. Resist this urge. Instead of trying to cast the net over the entire ocean, you'll find you can increase your sales by focusing your limited resources on the primary and secondary target markets that are most likely to value your competence the most.

Competitive Competence Analysis to Verify Differentiation

The competitive competence analysis examines your perception of how your competitors are trying to differentiate themselves. Answer these questions while completing a competitive confidence analysis:

- Who are your primary competitors in the markets where you compete?
- What is the perceived competence of each competitor?
- Based on their competence, to what level does each company differentiate itself on a scale of 1 to 10?
- Are any of these competitors delivering or trying to deliver a competence similar to that of your company?
- If yes, can you tangibly prove that you will deliver it better?

If you find out that your competence is similar to that of the competition, you need to go back to the drawing board until you define a competence that you can deliver better than anyone else in the market.

A brainstorming session aimed at strengthening your competence against what's known or perceived about the state of the competition typically generates a lengthy list of action plans. It's important to capture those action plans and assign the department plans that will include them. The focus of the exercise is to come up with a list of ways to increase the degree of differentiation and implement your strategy.

Communicating Your Competence to Increase Sales and Profit

You have to reinforce your competence at every touch point your company has with a customer. That includes branding, business reviews, email signatures and your mission statement.

You must be able to measure and illustrate the value that your product or service brings to your customers.

The brand strategy positions your competence in the minds of your target markets. Your brand is your No. 1 salesperson and it needs to effectively communicate your competence and/or the value of your competence to your target markets.

One simple question — What does your company do? Does your response effectively communicate your competence — your mint chocolate chip ice cream — in a way your listener will retain after the interaction is complete? Your mission statement developed through this process will effectively communicate why your company is unique and why your target markets should do business with you.

Creating Clarity through a Strategic Vision

One of the leadership team's primary responsibilities is creating a detailed vision that all employees can understand and shoot for. The vision contributes to strategy development by helping leadership specify what the organization needs in the future and why. It also serves as a rallying point for the rest of the employees, instilling a level of excitement and anticipation.

A compelling and clear vision has subjective and objective components. The subjective components include how you want your internal culture to be described by your employees and what you want your customers to be saying about you when you achieve your vision. The objective components include the market and scope of the products and services offered in the vision time frame, and the strategic measurements and financial objectives.

To develop a powerful vision, you will need everyone to agree on all aspects of the vision, including what new products, markets and geographic territories you're going to pursue within the vision time frame.

The next step involves developing and maintaining a tool called a measurement matrix. The matrix provides an objective view of your progress by tracking the results needed to achieve your plan. Establishing goals for each of the metrics requires that you tie the targets to your budget and performance numbers.

Performing annual plan updates is the most effective way for an organization to methodically move toward its vision.

Preparing to Turn Strategy into Action

Before you can begin executing, you need to focus on resolving transitional issues. You'll also identify goals for the next year, establish a plan execution program, and launch the department planning process.

The first assignment for the homework teams to prepare for phase 4 is to design the functional organizational

structure needed to achieve your vision and strengthen your competence. You'll need to include all necessary functions on this chart, whether they currently exist or not. This may or may not match up with current roles and responsibilities. While building the functional organizational structure, you should not discuss or assign any names to positions within the structure. All you want to do is identify responsibilities and functions.

Once a team completes its functional organizational structure, then ownership and/or leadership can place specific individuals in each role of the organizational structure based on the necessary skill set match. Consider the education, experience and behavioral assessments of each person in evaluating existing skill sets. Skill set misalignment — along with not having an organizational competence — is typically one of the main reasons a company underperforms.

The next assignment for the homework teams is identifying the systems and processes needed to achieve the vision. This is an important component for the first year's success because you need to ensure that you consistently deliver your competence throughout the organization. You accomplish this by consistently executing documented processes in every department. As you grow, the systems enable you to handle significantly more business with your current assets and team.

The last assignment is developing a list of three to five organizational goals. When creating goals, nothing is simpler or more effective than the tried-and-true SMART approach:

- **S**pecific: Be able to answer who, what, where, when, and why questions about the goal.
- **M**easurable: Identify concrete criteria for gauging progress.
- **A**greed-upon: In a team setting, gain consensus regarding the appropriateness of the goal and any incremental steps to achieve it.
- **R**ealistic: You must believe the goal is possible in order to make it happen.
- **T**imely: Ground the goal in a time frame.

Phase 4: Strategy Implementation

Developing the Structure and Skills to Execute the Strategy

After the homework teams complete their action plans to prep for the next session the team comes back to together to present their recommendations, hash them out and makes decisions on the following topics:

- Developing an optimal functional organizational structure to achieve the new vision
- Addressing the skill set voids in the organizational structure
- Identifying systems and processes to implement, including a performance-based compensation system and a communication system
- Establishing an annual business planning calendar to ensure the organization optimizes its success year after year.
- Any other significant transitional issues that could be identified by the advisor or planning team member.

After meeting with all the planning team members, the leader needs to complete the organizational structure by filling in specific names. The goal is to help employees find a position within the organization where the position matches the person's natural skill set.

Company Goals and Action Plans

Measurable goals require concrete criteria for gauging progress toward the desired outcome. The ability to measure progress makes it easier to stay on track, reach target dates, and experience the exhilaration of achievement that spurs the continued effort needed to reach your goal.

Agreed-upon goals are necessary to keep your organization's momentum moving in a positive direction. Consensus makes it easier to find ways to make goals happen. You develop the attitudes, abilities, skills and capacity to reach them.

You can attain virtually any goal you set when you plan your steps wisely and establish a time frame that makes it realistic for you to carry out those steps.

Department Planning to Make It Happen

Taking strategy from theory to tactics is where most companies fail. The best approach is a team effort driven by the leader to develop a department plan for their area of responsibility. Department plans are about working on the business. As each department completes their action plans it accelerates the success of the organization and creates a company-wide momentum that everyone can feel.

In first year department plans we make every effort to make the process as simple as possible so organizations continue this approach year after year. The outline for

the department plans can become more elaborate in subsequent years but in the first year we recommend the following department plan outline:

1. Outline the education/training needs for each or selected individuals in the department: Working with these individuals, use their behavioral assessment results as a foundation for creating a detailed individual development plan.

2. Develop action plans to achieve each company goal by doing the following:

- Read the entire business plan.
- Review your values and beliefs statements.
- Review all the action plans from the brainstorming sessions.
- Review weaknesses from the internal analysis.
- Review your competence hierarchy and the competitive competence analysis.
- Determine action plans necessary to ensure every member of the team understands your competence and their role in it.
- Determine action plans necessary for the department to execute in order to strengthen their competence.
- Review all the transitional issues and develop action plans to implement the new organizational structure, build or implement new systems and processes, and address skill set voids in your department.
- Assign each action plan an owner and completion date; ensure each individual in the department has at least one action plan to complete.
- Use the goal and action plan template to capture and monitor progress.

3. Determine how your department will measure its progress toward success: Identify those measurements you can capture that will illustrate whether or not your department plan is working.

4. Decide how you will use measurements as benchmarks for performance reviews. For budget/capital requests, define any capital or significant expense you will need to implement your plan. What additional expenses or capital are you requesting that are needed to execute your departmental plan?

A Program to Ensure Effective Plan Execution and Accountability

The Stop Selling Vanilla Ice Cream process includes a plan execution program that systematically guides an organization toward its vision. A successful plan execution program does the following:

- Guides timely execution of the strategic and departmental plans
- Keeps the organization focused on the strategy and working on the business
- Promotes a culture of discipline and company-wide accountability
- Drives completion of projects and eliminates complacency
- Consistently builds the talent of the organization through the completion of the individual development plans
- Ensures the plan is a living document used as a tool to manage your organization
- Creates breakthroughs via the combined impact of increasing your strategy and talent simultaneously
- Dramatically increases the probability of increasing sales and profits

To gain these benefits, follow the five steps of the plan execution program:

1. Completion of the strategic plan
2. Presentation of the strategic plan to the company
3. First draft of department plans are presented to the planning team
4. Budget and department plans are approved by shareholders after discussion and any requested changes
5. Monthly plan execution meetings

Each member of the planning team should present a component of the plan to show that the plan was created by the team, the team is unified around it, and each member of the team is excited to get the rest of the organization involved in the process.

The Stop Selling Vanilla Ice Cream process offers a simple step by step approach to complete a strategy and talent development plan for your organization. There is not an obstacle your company faces that can't be resolved by optimizing your strategy and talent. That is why over 90 percent of companies that implement the process into their organization experience an increase in sales and profitability. It is time for you to stop the vanilla! ●

RECOMMENDED READING LIST

If you liked *Stop Selling Vanilla Ice Cream*, you'll also like:

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· Book 233 of 388 ·

Story 10X

Michael Margolis

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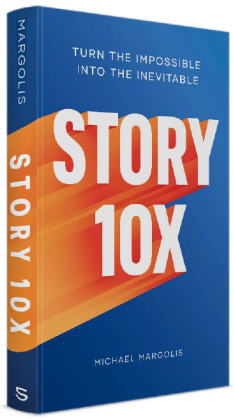
Story 10X

Turn the Impossible Into the Inevitable



by **Michael Margolis**

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THE SUMMARY IN BRIEF

After twenty years of learning and experimentation, working with hundreds of organizations while training tens of thousands of people and developing messaging, pitches, and presentations for the most iconic leaders in the world, Michael Margolis has distilled what he knows into ***Story 10X: Turn the Impossible Into the Inevitable.***

Margolis expands on his approach that's been proven in the dojos of Silicon Valley, the conference rooms of Fortune 500s, and the town halls of local nonprofits. He answers questions like: How do you tell the story of disruptive innovation? Why do so many world-changing ideas get lost in translation? What makes social and cultural change so difficult?

The key factor in all of these questions is the power of story, and whether leaders are telling those stories or allowing the stories to be told for them. Only those who develop the heart of a storyteller, through the principles in this book, will be able to take command of their story and their world.

IN THIS SUMMARY, YOU WILL LEARN:

- Why storytelling is so vital in the age of disruption in which we live.
- What separates bad stories from truly great ones.
- How to take yourself from an outsider of a group to an insider.
- How to believe in your story and make your audience do the same.

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Introduction

At Amazon, executives sit in silence at the beginning of meetings, reading a six-page memo on the topic at hand. The document must consist of a coherent narrative. After everyone has digested the 'six-pager,' the discussion begins, and decisions are made.

Every six months at Facebook, product team leaders do the same thing. They must create a written narrative about their work and present it to Mark Zuckerberg, Sheryl Sandberg, Chris Cox, and the rest of the executive team.

Wall Street analysts and the media pay as much attention, if not more, to Warren Buffett's carefully written annual letter than they do the financials in the Berkshire Hathaway shareholder report. Buffett's principled storytelling is legendary, encouraging investors to hang on every word from the "Sage of Omaha."

Leaders like Bezos, Zuckerberg, and Buffet are onto something. They recognize that the story is everything. Meaning doesn't come from numbers. Meaning comes from the story about what those numbers represent or tell us. The brain seeks patterns and connections. It needs context to put things into perspective.

When a group of people are all aligned in the same bigger story, you can move mountains. That's what makes storytelling a force multiplier. 2X. 5X. Even 10X.

The Heart of the Storyteller

Storytelling is much more than cute anecdotes or once-upon-a-time fairy tales. At its heart, storytelling is about meaningfully communicating what we see, feel, and believe. An inspiring vision. The world we think is possible. The experiences we care about improving. And why it matters. Presented in such a compelling and attractive manner that we can't help but say yes.

The heart of the storyteller becomes the heart of the story. Communicating ideas is not a lost cause. You just have to find and craft a story we can all agree on, that reminds us of what we share in common and transcends where we stand apart.

The key to creating an undeniable story, a story your audience cannot resist, is to learn how to think in narrative. A narrative mindset is at the heart of all successful innovation and transformation. If you know how to change the story, you can change anything.

To change the story, you have to get personal. Authentic connection and point of view are increasingly the currencies of our time. It also requires faith in the future, a belief in forward progress no matter the evolutionary constraints. Finally, it requires curiosity and humility, as storytelling is nothing less than an examination of the human experience. To become a master storyteller is to master life itself. It's an endless process, especially in disruptive times. The best stories are the ones that inspire possibility and unleash human potential.

Storytelling in the Age of Disruption

We live in extraordinary times, where is a shorter half-life between ideas and reality than ever before. Imagine if, a few hundred years ago, you were told that one day you would fly through the sky in a large metal tube, covering thousands of miles in just a matter of hours, at a time when traveling such distances took months or years.

That's why every great leader must be both a storyteller and a magician. The very best leaders are well-versed in the art and science of story. They make magical things happen with their words. In short, language is reality. How do you help people see a new view when it involves disruptive ideas that challenge assumptions and expectations?

The truth about storytelling is that you only have about five minutes to get 90% of a group of people on your side. What you say or do in those first few minutes determines everything that follows. If you can't inspire your audience, make them curious, and capture their imagination, chances are you never will.

Your success depends on how readily people embrace your ideas, yet stories of disruption are among the hardest to tell. What you need is a story that captures people from the get-go, that cuts through their resistance, that shows them why your vision matters and why they should care.

An anecdote likely won't do that. An undeniable story can. It's all based on your ability to think in narrative and to present complex situations in a simple yet compelling manner.

To tell that persuasive story, you have to know your audience. They are the reason your story exists. You must focus on who your audience is and shape your story around them.

From Outsider to Insider

If you're asking people to go on an epic journey with you, they

want and need to know who you are. What are you made of? How do you see the world? What are you willing to fight for?

If you're asking people to enter your world, you need to know who you are and how you come across. You need to understand how to turn your quirks and idiosyncrasies into unique, appealing attributes. When your audience is rooting for you, you'll be amazed at how much more forgiving they are of your imperfections. If you're asking people to see, feel, and believe the same things you do, they want and need to know your motivations.

Your personal story is the engine that propels your Undeniable Story.

In Storied workshops, a technique called StorySparks is used to get participants to reflect on their life and career experiences, then share a 90-second story with a partner. People are often moved to tears as they recognize the influences and defining moments that have made them into who they are. They also make unexpected connections that deepen their bond and sense of shared experience with the partner in the exercise. In less than two minutes, their sense of self and the world is redefined. That's the magic of storytelling. If you can open yourself to people and allow them to connect with your story, you build an incredible bridge of trust.

But before you can determine how much of your personal backstory to share, you must look more closely at how story affects the 21st-century brain, heart, and body.

The Feel-Good Principle

If you want to transform how the world thinks about your product, cause, or message, try making people feel better about themselves.

Most leaders have people bringing them problems every day— all day long. The real boss move is to come bearing a positive, feel-good story of possibility and opportunity. Give people faith in the future. More than anything, that's what people are looking for from their leaders and from the vendors or solution providers they buy from. They want to know, at the end of the day, that there's a better future ahead. You're the one to paint that picture, and with an Undeniable Story it's impossible to resist.

We tend to pay attention to the stories that make us feel good. We ignore the stories that make us feel bad, wrong, or stupid. When you open your story about change and disruption, you need to do so in a manner that makes people feel deeply connected. Help them to identify with the context you've presented in a way that makes them feel good and offers hope for the future.

We are living and working in extraordinary times, times that call for an evolutionary leap in how we construct and tell our stories for the context of innovation. Help people see how the future already exists and the new, exciting potential that comes with change.

Step 1: See It

The most critical element of storytelling is to help others see what you see in order for them to embrace your story and make it their own. You have to find the right hook for your story, one that captures your audience's attention right away. Change creates story, and your job is to narrate that change.

It's important to pick the right battles to fight in your story, using your energy efficiently. It's rarely wise to open with something contentious, controversial, or debatable. Instead, present a compelling context for change that is a generally accepted truth. Focus on what everybody wants. What will create a natural momentum of yes?

You should also focus on what's right rather than what's wrong. Why put people into a fight/flight/freeze state? You want the context for change to be aspirational, filled with an opportunity statement that is exciting.

You should also avoid making your opening statement of your story so complex that it makes your audience disoriented. Focus on a clear premise, including the most dramatic and compelling way that the world is changing.

Finally, don't get ahead of your story. Remember you live and breathe what you're working on, which means that while you might mentally already be on Chapter 9 of the story, your audience is likely still on Chapter 1 or 2.

Step 2: Feel It

To feel your story, and get your audience to feel it, you have to bring soul to the data you're presenting. This involves building a character. Sometimes the character is you, sometimes it's someone else, sometimes it's your audience, and sometimes it's the entire world.

The best approach is to make your customer your hero, then put that character into conflict in order to make them more compelling, interesting, and real. You need to craft a relatable avatar that your audience can look to and identify with. The result? When you present your solution to the character's

problem, your audience will feel emotionally invested in that solution and want to play a part in helping deliver it.

Emotion is a key ingredient in any compelling story. Combined with the context for change, you're now two-thirds of the way to crafting your undeniable story and multiplying your outcomes. What's missing is the third ingredient: the evidence of truth.

Step 3: Believe It

Storytelling in a business context is about emotion, connection, and narrative, but it's also about data. Your story is won or lost based on the supporting evidence.

In storytelling, there are many sources of evidence that can strengthen your story. They include:

- Performance metrics
- Personal story
- User research
- Scientific proof
- Pilot projects
- Historical precedent
- Product demos
- Customers
- Testimonials
- Third-party endorsements
- Case studies

That said, truth is in the eye of the beholder. It all comes down to who's telling the story. Truth can be elusive and hard to pin down in black-and-white terms. There are often many shades of gray. Here are some tips to consider as you shape the evidence that will inform the truth at the heart of your Undeniable Story.

Don't have enough data to prove your progress so far? Focus on other proof points, such as research that validates demand and unmet need.

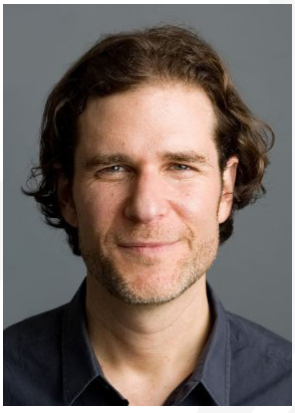
Finding a metaphor can also be a powerful way of telling your story, by comparing your new idea to something that exists in a powerful way. Just remember that this strategy can become cliched if used incorrectly or overused.

Telling a personal story about social impact is a powerful way to connect numbers to real people (or, even better, a single real person who is representative of a larger group.)

Remember that if you're not telling your story, somebody else is telling it for you.

Conclusion

Everyone has a story, and everyone gets to tell that story. We live in truly remarkable times, where we all get to story ourselves into being. No matter the stories of our past, we can reimagine, recreate, and reinvent a new future. This is your birthright, and the demands of the age we live in. The stories we tell literally make the world. If you want to change the world, you have to first change your story. The heart of the storyteller becomes the heart of the story.



Michael Margolis is the CEO and founder of Storied, a strategic messaging firm specializing in the story of innovation and disruption. As a trusted advisor, Michael helps executives to demystify the complex and deliver on the promise of transformation. Michael operates anywhere there is a story worth telling, especially in Silicon Valley, Fortune 500s, and global change. Michael is a frequent keynote speaker at top conferences around the world. He's trained tens of thousands on narrative intelligence and how to build storytelling as an organizational capability.

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Strategic Doing

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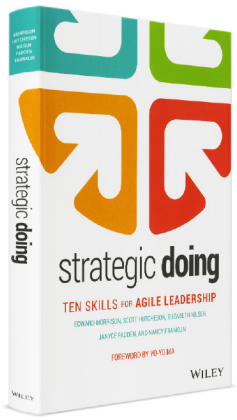
Strategic Doing

10 Skills for Agile Leadership



by **Edward Morrison, Scott Hutcheson, Elizabeth Nilsen, Janyce Fadden, and Nancy Franklin**

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THE SUMMARY IN BRIEF

Complex challenges are all around us—they impact our companies, our communities, and our planet. This complexity and the emergence of networks is changing the practice of strategic management. Today's leaders need to understand how to design and guide effective collaborations to accelerate innovation and change—collaborations that cross boundaries both inside and outside organizations.

Strategic Doing offers an important guide to navigating this new world. Designed to be practical, the book introduces 10 skills that anyone can learn. The skills have been successfully adopted by executives, managers, university administrators, government officials, students, community leaders, and others from a variety of disciplines.

Solidly based in research, ***Strategic Doing*** explains each of the skills in detail and clearly illustrates how individual skills are used as part of an effective collaboration. ***Strategic Doing*** outlines a new discipline of leadership strategy specifically designed for open, loosely connected networks.

IN THIS SUMMARY, YOU WILL LEARN:

- How the 10 skills address the prevalence of networks in the world today.
- To identify, link, and leverage your group's assets.
- Why you need to start slow to go fast.
- How to make the 10 skills into habits that lead to real change.

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You Are Here

Companies face complexity every day. How do they make their organizations more agile? Rapid changes in consumer demand, technologies, regulations, and competition put a premium on the ability to respond and adapt quickly.

The fact is that we are becoming overwhelmed by challenges in complex systems, but many of us are approaching the challenges with disciplines and mindsets developed decades ago.

What exactly has changed? Very few things in our complex world can be accomplished by a single individual or company working in isolation. Networks are all around us and have become the primary organizing structure behind most of the goods we buy, the services we use, and the places we work, live, and play.

A network has several important characteristics: It forms around a set of assets, or resources. These assets might take many forms: a physical location, a particular technology, even an intangible set of ideas that people hold in common. There is usually a set of people who are particularly closely related to the hub. There are other people who are more loosely connected. The network is never static. The boundary dividing who is "in" and who is "out" of the network is a porous one. There is no "top" or "bottom" to a network. And there is no one individual or entity that can give directions for the members to carry out.

There are different kinds of networks, but here the focus is on an innovating network. These networks are composed of people who have joined forces to create new value together.

An interesting example of an innovating network is the group of companies that came together to create what we think of as the product of a single company—the iPod. While Apple was certainly at the center of the network, dozens of other companies had a hand in its birth, including hardware parts manufacturers, music distributors, accessory designers, and more. Apple founder Steve Jobs may have been a genius, but part of his particular legerdemain was in assembling the right collection of partners to bring the iPod to market.

Hierarchies, Networks, and Strategy

The hierarchy and the network have very different implications for thinking about strategy. In a hierarchy, the challenge is to communicate information about what to do "down" and to get information about the results "up." In a network, on the other hand, the challenge is to get the members' resources and efforts aligned toward a chosen objective. This is a key difference and necessitates thinking about "doing" strategy very differently.

To effectively use the tools of strategy in a networked world, we need to change three things:

We need to think differently. In a complex environment characterized by networks, it's simply not possible for one individual to develop effective strategy. Strategy has to be a team effort, and the more complex the environment, the larger the network that will need to be engaged.

We need to behave differently. In genuine collaboration, trust has to be high and turf low. Trust is established when words and actions align. Rules of civility are one important component of establishing an environment where trust can flourish. We also need to balance two dimensions: guidance and participation.

We need to "do" differently. Thinking differently and behaving differently "set the table" for the third thing that needs to happen in order for companies, organizations, or communities to successfully navigate challenges—doing differently.

The following 10 skills break that "doing" down into specific components that are simple to understand and put into practice. They are not, however, a "one-and-done" formula. Change is constant. The doing differently needs to become a permanent way of working—a set of habits.

The skills are simple but not easy; they require practice and attention to master. The real power of the skills is in combining them—perhaps not all 10 at any one time but identifying the skills most called for in a particular situation. The whole is truly more than the sum of its parts.

Skill 1: Create and Maintain a Safe Space for Deep, Focused Conversation

Increasing the productivity of groups and teams begins with increasing the productivity of their conversations. One of the ways to assure deep, focused group conversations is to pay attention to the size of the group having the conversation.

In ***Decide & Deliver: 5 Steps to Breakthrough Performance in your Organization***, Marcia Blenko and her co-authors contend that the ideal group size is seven and that every person beyond seven reduced the team's effectiveness by 10 percent, so that when a group gets to about 17 members, about all they can do is make a decision about when to take a lunch break. Others have advocated for a slightly smaller size.

Good framing questions are adaptive questions. By their nature they seem big, bold, and inspiring.

In communities, it is especially important to pay attention to the local context when deciding where to have strategic conversations. The library is often a safe space for strategic conversations about civic issues. A library has some basic rules of behavior, and usually there's no such thing as a dumb question at the library.

The notion of safe behavior is equally important—a safe space in which everyone can participate. A go-to rule of civility is this: "We will behave in ways that build trust and mutual respect." It is not only the role of the agile leader to communicate and reinforce this rule, it is a shared responsibility among those having the conversation.

When bringing together a small group or team for a strategic conversation, explain that when individuals work together in groups, there is evidence that the best outcomes occur in groups that have the greatest levels of "equity of voice." This means that when they meet together, every member talks for about the same amount of time. Simply letting group members know that you'll be striving for equity of voice can be quite powerful.

Skill 2: Frame the Conversation with the Right Question

The second skill of agile leadership is to design a conversation around an appreciative framing question, a question with many answers that will move the conversation in a positive direction. A good framing question is complex enough that it will require the deeper thinking and engagement of each person in the conversation.

Adaptive questions point us to challenges for which there are no clear answers. Adaptive questions can trigger many answers that might all lead to acceptable solutions. "How do we become the employer of choice in our industry?" "What is the best way to respond to a new technology that can erode our market position quickly?" Each of these examples have many possible answers, and each solution could contribute to that answer.

Good framing questions are adaptive questions. By their nature they seem big, bold, and inspiring. They grab the listener who wants to know more about how it will be accomplished and how they can be part of the solution.

Appreciative Inquiry

Moreover, when we choose to seek out what is already good and right about an individual, team, or organization, then we have chosen an approach called Appreciative Inquiry. This approach is asset-based—positively focused rather than deficit-focused.

A company might be asked to consider this question: "What can we to do minimize customer anger and complaints?" This is an example of a nonappreciative question. It highlights what is clearly an issue for the organization asking it, but the group will work together more productively by considering a different question: "When have customers been most pleased with our service and what might we learn and apply from those moments of success?" The overall focus of the inquiry is on what the organization wants more of, not less.

By asking the right question—an appreciative one that allows for many perspectives on an adaptive challenge—agile leaders draw people into a deeper, more-focused conversation that can lead to many new opportunities.

Skill 3: Identify Your Assets, Including the Hidden ones

Many people operate in "If Only Land." Every time they are part of a conversation, they are quick to bring up what they wish they had—a better job, a nicer home, more well-behaved children. Companies and organizations aren't much different. If you could listen in on their meetings, you'd hear statements like, "If only we hadn't missed that opportunity . . . If only we had more money . . .If only other countries didn't have such low labor costs."

In network thinking, there is no top or bottom. We may still need resources, but there is no one whose job it is to give them to us. We need first to take stock of the resources we already have. We have resources all around us that can be used in new and different ways.

Assets: More Than Cash

Assets come in many different varieties and go far beyond cash. Physical and natural assets include things like real estate (land or buildings), meeting spaces, water rights, classrooms, large or specialized equipment, or high-speed fiber. Skill and knowledge assets could include skills in writing, graphic design, public speaking, budgeting, website construction, research, or cooking, among many others.

Social assets are individual people or groups of people with whom someone in your network is personally acquainted. Capital assets are financial resources or assets that otherwise would be bought, such as editorial space in a newspaper for an opinion column, or administrative support that someone could donate to the cause.

Many assets are hidden—sometimes there is no one else in the group with any idea that the person has that asset. Some of our assets are hidden even from ourselves—it takes another person to draw them out and identify the value they can have to the group. Common hidden assets are hobbies, skills, or interests someone has pursued independently over the years.

You may feel that the assets you and your colleagues can contribute to an adaptive challenge are just not sufficient. This is in some ways true—you don't have everything you need. However, the flip side of this disadvantage is a powerful truth: because you are only working with what you have, you can start work right now. You don't need permission. You are free to move ahead. As you'll see, something almost magical happens when you seize the opportunities available to you.

Skill 4: Link and Leverage Assets to Identify New Opportunities

Agile leaders not only uncover hidden assets; they also see how different assets could be linked, leveraged, and aligned, and can help others see that potential as well. A mere list of assets is not enough. The magic happens when assets get combined. Making these kinds of connections is useful in many contexts but is critical in a network (rather than a hierarchy)—it provides the platform from which collective solutions to our most complex challenges will emerge.

Here's an example from the world of technology: GPS, or global positioning systems, are a remarkable innovation that link, leverage, and align satellite technology with atomic clock technology with radio transmitter and receiver technology. Those technologies were separate assets, bodies of knowledge in different experts' heads. The assets didn't align themselves automatically. When someone (probably a group of someones) wondered, "What if we combined them?," a breakthrough in modern navigation was imminent.

Many of us have a natural tendency to think vertically—that is, to explore specific topics in depth. It is also, however, helpful to think horizontally, across different disciplines, fields, or bodies of knowledge. New insights can occur when we think horizontally.

Horizontal Thinking: Healthcare Engineering

At Purdue University, for example, there is a group called the Regenstrief Center for Healthcare Engineering (RCHE). Here horizontal thinking resulted in the idea for RCHE, in response to the appreciative question, "How might we improve the healthcare system by bringing engineers together with nurses and pharmacists?" Healthcare engineering as a field of practice and research was born.

For example, infusion pumps hang by the bedside in a hospital and deliver fluids, such as nutrients and medications, into a patient's body. While these pumps provide a high degree of accuracy in the delivery of medications, there are also significant safety problems. Malfunctions can result in the over-delivery or under-delivery of medication. RCHE has established the infusion pump informatics community of practice among more than 100 hospitals in the Midwest. Through a web-based tool, these hospitals can now share data, analysis, and best practices to improve patient safety.

Let's say a group of five to seven individuals has been tasked with designing a strategy to address a complex issue. If each person identifies five assets, the group then has 25 to 30 assets in their collective asset inventory. Mixing and matching different combinations of these assets to form potential solutions gives us a nearly endless set of possibilities.

Devote some time to simply brainstorming new possibilities from combining the assets you have at your disposal—if you're stuck, pick out a few at random and ask, "What if we combined these?" "What about these?" With even a few assets, the number of possibilities you can create will surprise you.

Skill 5: Look for the Big Easy

To develop and implement an effective strategy, we must move at least one of our ideas to action. The reason is simple: Our resources are limited. Often teams can get stuck at this point by ruminating about choices and what should

come first. The fifth skill an agile leader needs involves efficiently sorting through many options to identify one that has the best chance of success.

You've probably used many different methods to deal with this challenge; here's a rundown of some of the most common. The first is consensus, in which everyone agrees to support a particular decision. But consensus can be hard to achieve; groups that insist on it for philosophical reasons may find themselves taking a very long time trying to reach it.

Alternatively, you could vote and let the majority's choice carry the day. This has the advantage of being straightforward. Majority choice voting has a significant shortcoming: Each person is (generally) using one criterion to make their choice. Also, there's been no discussion about what the criterion is or should be. And if the challenge is really an adaptive one, thinking about things in light of only one factor is probably too simplistic.

> Metrics are a way to develop a common language, so that we know we are talking about the same thing.

The 2x2 Matrix

The 2x2 matrix is an alternative way to make these kinds of decisions. To use this tool, there is a very important decision to make: Which two criteria should be considered? You could use any two criteria you decide are best-suited to your challenge, but two in particular are suggested: impact and ease of implementation. That's why it's called the Big Easy. The "Big" inspires people and engages them emotionally. The "Easy" means that there are practical steps that can be taken now to move toward this opportunity. You are looking for the opportunity that has the largest impact and is the easiest to implement.

Using the 2×2 matrix as a way to choose among different options is as simple as drawing a four-square grid on a piece of paper. Put one criterion along the bottom and another along one side. Label the ends of each of these axes—one end is high, another low. Each person votes by indicating where on the matrix they think each idea falls (an easy way to do this is to use sticky dots; assign each idea a different color or put numbers on them). The opportunity that has the most votes in the quadrant that represents high ratings for both criteria is the winner.

When you practice the Big Easy, you will find your skills for making choices improving. Agile leaders use these skills to help guide choices about which opportunities make the most sense, even when the environment is a complex one.

Skill 6: Convert Your Ideas to Outcomes with Measurable Characteristics

Agile leaders know how to translate ideas into meaningful, measurable outcomes that, when pursued, will help organizations achieve their most cherished ideals.

To help groups adopt an agile strategy approach, ask them to consider three questions: If we are successful,

- What will we see?
- What will we feel?
- Whose lives will be different and how?

These questions are very qualitative by design. They ask you to imagine what something would be like and to describe it so that others can imagine it as well—the more specific, the better. This may feel uncomfortable, particularly if you're technically oriented and most attuned to data and charts and graphs. Try to suspend your discomfort and engage the more visual and creative parts of your brains. People sometimes close their eyes for a few minutes of silence when they get to this point. Then they are asked to verbalize what they're imagining.

When you put this skill into action, a couple of things will happen. First, the idea itself will begin to change. You'll go from the fuzzy image on a black and white TV to high definition. Also, each person will emotionally engage with the outcome. People start to physically lean in, to gesture. They are seeing the outcome "in their mind's eye." For real transformation in any area, you will need that engagement, that commitment.

Metrics to Develop a Common Language

This skill invites us to think about metrics in a different way: Metrics are a way to develop a common language, so that we know we are talking about the same thing. If you can get to agreement about how you would measure a success-

ful outcome, you can be fairly sure that you are aligned toward the same outcome.

Selecting the ways in which you might measure an outcome does not necessarily mean that you're pledging to actually carry out the measuring. You might do so . . . or you might not. You are not writing an assessment or evaluation plan or committing to Key Performance Indicators. For now, you are only using this skill as a way to engage and align a group's members toward a shared outcome.

When you ask the three questions, try for at least three statements about the outcome—not necessarily one answer to each of the questions but three or four statements in all. Once you have statements about what a successful outcome would look like, go back to each one and name a couple of ways you could measure that quality.

It is only when we are sure of what we want—in detail—that we can really pursue it. This skill allows agile leaders to guide groups in the kind of dialogue that is needed in order to come to a shared commitment to a common destination.

Skill 7: Start Slowly to Go Fast—But Start

We may all have an outcome to achieve in our mind—a better job, a more agile organization, a more prosperous community—and we want to get there as quickly as we can. The reality is that we really can't learn how to make progress toward that outcome until we *start* doing something.

Agile leaders are biased toward action for a simple reason: We only learn about these complex systems by doing. If we want to make big changes fast, we have to go slow… but above all, we have to go.

When you have an outcome in your mind, it does not have to be perfect to start. Equally important, you don't need to plot a perfect path to your outcome before you do anything. In order to learn how to get from here (where you stand) to there (the outcome you want), you need to start with something quite limited in scope and see what happens.

Without starting, you can easily become overwhelmed. Karl Weick, a psychologist at Cornell University, published an important paper in 1984 that captured this idea. Weick was exploring why large-scale social problems can close down innovation. These social problems, such as increasing poverty, rising crime rates, environmental pollution, heart disease, or traffic congestion can loom so large in our minds that we become paralyzed.

When we break big challenges into smaller, more manageable tasks, we not only reduce our risks; we also increase the chance of feeling good about getting something accomplished.

Key Qualities of Good Starting Projects

There are a number of important characteristics of a good starting project: they are short (enough)—90 to 120 days is a good length; they engage everyone on the team, they create a buzz, garnering attention for the work; they test some key assumptions (for example, a low-fidelity prototype often tests customer acceptance: will customers be willing to pay for the product, and how much?); and they don't require permission.

Examples of good starting projects include a pilot, a low-fidelity prototype, a forum series, a website, site visits or field trips, customer discovery interviews, or a business plan. Remember that you are experimenting: You may find that your first project doesn't go the way you're hoping. That doesn't mean it's not the right project.

Skill 8: Draft Short-Term Action Plans That Include Everyone

Agile leadership means ensuring that good ideas don't die on the vine, by making sure that each member of a group shares the responsibility for implementation.

When we hear the word "leader," most of us will be thinking about leadership as a quality that resides in a single person. Instead, focus on leadership as a shared characteristic of a group or a team. We need others to join us in leadership to take on complex challenges.

Perhaps the most visible, pragmatic example of shared leadership is a shared action plan. The plan needs to be documented in writing, not just left to people's powers of recollection. An action plan lays out in detail what needs to happen next to keep moving forward.

In an action plan, members of the group take responsibility for the specific "to-do's" that need to be done. An action plan should be limited to a short timeframe—say, the next 30 days. Why? Because if you're in a complex environment, things change rapidly.

While the action plan is straightforward, it's also easy for this step to go awry if careful attention isn't paid to the details. Each person should have something to do in the action plan—a promise they are making to the group.

The first way agile leaders maintain the momentum of a network is to nudge everyone to move ideas into action and complete their tasks.

When you're developing an action plan, you want to include everything that needs to happen in the next 30 days, and for each item you should specify

Who: A specific name (or at most, two names) should be assigned to each item.

What: What is it that the person will be doing? For example, making three phone calls to whom? Writing up what?

Deliverable: Often it is a written document of some sort. If someone is talking to three people about a topic, the deliverable might be a paragraph about what they learned, distributed to other team members.

By when: If this is a 30-day action plan, then all action items should be completed within 30 days.

Skill 9: Set 30/30 Meetings to Review, Learn, and Adjust

To make sure that agile strategy efforts stay on track, we use a feedback loop. Agile leaders need a specific kind of feedback loop: a learning loop.

In complex systems we do not know what will work to change the performance of the system. We'll have to experiment to identify leverage points. We also need learning loops because circumstances change. The environment is not stable, so we will want to make adjustments along the way. When your team meets frequently to examine the results of your work and discuss adjustments to the next cycle, you are making sure that you have a learning loop.

The phrase 30/30 refers to these meetings. The name comes from Edward Morrison's earliest work in Oklahoma City. As he was working with a team to develop a strategy for transforming the city's economy, his team met every 30 days to review their progress.

The agenda was simple. What did we learn the last 30 days? And what will we do the next 30 days? In a 30/30, you check in on progress, review results, discuss needed changes and make adjustments. A 30/30 is simply shorthand for the next time your team will meet and what the agenda will be, in very broad terms. A 30/30 looks backward at the last 30 days and forward to the next 30 days.

The agenda for a 30/30 meeting should be very clear and simple. You could use the following questions:

- What did we learn the last 30 days?
- Here's the outcome we've agreed to. Do we want to make any changes? Does everyone all still agree with the outcome we've chosen?
- Are we on track for what we're currently working on? How should we update our action plan?
- When and where will we next get together? Are there any communication problems we need to resolve?

As 30/30s become a habit, teams build resilience and a knack for flexibility over time as they incorporate change into their projects and respond to new members, new assets, and new networks. This strength-building will be key as the group begins to take on bigger projects.

Skill 10: Nudge, Connect, and Promote to Reinforce New Habits

"Doing differently" when it comes to collaborative networks needs to become a way of life, a set of new habits. There are three specific kinds of activities that will make these new habits of collaboration more likely to be permanent.

The first way agile leaders maintain the momentum of a network is to **nudge** everyone to move ideas into action and complete their tasks. In nudging, we are acknowledging the reality that most people will not do what needs to be done all of the time without this kind of reinforcement. We all need an extra push (at least some of the time) to get us to do our part in the new collaborative venture.

When we nudge, we are really doing two things: Most obviously, we are ensuring that a particular task is completed. Less obvious but more important is the second function of nudging: We are establishing positive norms for the group.

Another habit of agile leaders that strengthens a network is to **connect** new people and other networks to it. In connecting, you intentionally seek to grow the network. Networks have porous boundaries. Connecting is taking an active role in helping people move across that boundary to be more tightly connected to your network. Each addition to the network brings new resources and assets that might be instrumental in the group's future work.

The third habit to cultivate is that of **promoting**. Unless your group is engaged in classified espionage, you want to publicize your successes. This helps attract more people to your network that you might not have had access to otherwise. Promotion is particularly important if yours is the kind of group that doesn't have much in the way of access to financial resources. People with money make decisions about where to invest it based in part on their calculation of risk—and the best predictor of low risk is a track record of achievement. Even if your successes are small, they communicate that you're a good investment prospect.

How you promote your work can vary wildly. It could be everything from an intentional but informal conversation with a decision maker in the company cafeteria to an all-out social media blitz. However, everyone in your group should be prepared to explain what you're doing in what's sometimes called an elevator pitch—a clear description in less than two minutes.

The person who takes on nudging, connecting, and promoting is the Chief Doing Officer, or CDO. The CDO's job in one phrase would be "helping a group grow into new habits."

There isn't a specific experience or title or degree that is a prerequisite for being a CDO—people from all walks of life do it very successfully—but their one personal trait that is critical is emotional intelligence. Emotional intelligence is the ability to be aware of one's own and others' emotions and to use that information to choose the correct behaviors in a particular situation. In this context, it is important because such a large part of the CDO role is persuading others.

The need for a new approach to the complex challenges in our world has never been greater. Complex collaborations emerge when we follow a small set of simple rules.

Think of a flock of geese or starlings. Their complex, unfolding formations emerge from each bird following a small set of simple rules. The same is true for human collaborations. The 10 skills for agile leadership offer new ideas about how to have conversations that will lead to real change.

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Strategy First

Brad Chase

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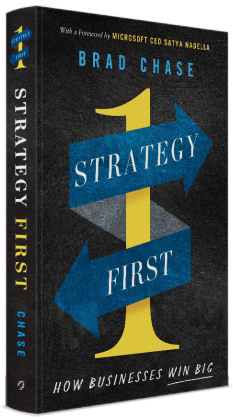
Strategy First

How Businesses Win Big



by **Brad Chase**

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THE SUMMARY IN BRIEF

When leadership is an inch apart on strategy, product teams are miles apart on execution. Getting strategy right must occupy every leader's mindset from start to finish. But how can leaders do that? All of us are in business to meet the unmet and unarticulated needs of customers. In ***Strategy First,*** Brad Chase shares his secrets to unlocking and executing strategies that lead to real, lasting success— from leadership down to project teams.

In this summary, we'll break down the key elements that make up truly successful strategies, discover what makes strategy so important, and outline the key ways to determine whether a strategy is the right one. You'll learn how to activate the most vital elements of your strategy in order to initiate change in your organization as you discover the most vital tips for executing your company's or organization's strategy in both the short-term and the future.

IN THIS SUMMARY, YOU WILL LEARN:

- The key elements of a successful strategy.
- How to rate the elements of a strategy to determine whether it will lead to success.
- How to activate those elements in the real world.
- Tips for executing your strategy in a way that leads to exponential success.

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Introduction

This book is built around an easy-to-remember model that will help you think about strategy in a way that's not academic or intellectual but practical and memorable. It covers key elements to be considered when plotting and building your business strategy.

You'll learn how the elements complement the model and which pieces are must-haves versus nice-to-haves. Things like seeking change or finding differentiated customer value; mining gaps by capitalizing on the spaces where competitors are underperforming or nonexistent; adapting to the tides and aligning your efforts with your external environment; expanding the universe and growing your business by understanding your customers and your market; and finally, climbing short walls and building tall walls or breaking into markets with low hurdles while constructing barriers to deter competition.

When you're done, you should be able to not only gain a clear and comprehensive understanding of the centrality of strategy but also feel like you have the appropriate tools to move forward with executing a successful one.

You'll learn different ways to think about and approach business endeavors, taking into account the common oversights that can either help or hinder your progress. You'll also find inspiration from the people and companies whose successes or failures have provided an invaluable road map for all of us to learn from.

Mostly, you'll have fun, be challenged and become inspired to push new boundaries, and feel compelled to make big bets of your own that are backed by solid strategies.

The Strategy Imperative

There's a lot to consider when building a winning strategy. Just as no serious competitor should head onto the field without a game plan, no businessperson should step into the boardroom without one. The moving parts of a successful plan can be exponentially easier to develop if you use the Strategy = mc2 formula; by identifying and prioritizing customer value, market potential, and execution, a winning strategy can be methodically constructed.

KonMari Media, the company founded by organization and lifestyle expert, Marie Kondo, helped turn Kondo's book into a movement and then an empire. For one, she provides customer value in spades. Her approach to 'tidying up,' known as the KonMari Method, isn't centered on throwing things away but figuring out what you want to keep based on whether or not it sparks joy.

Second, the market potential is strong. KonMari's niche is a blend of self-help and self-care, both of which are large markets on their own, but since they're not always joined together, it gives KonMari a unique offering.

Third, KonMari executes well—Kondo has spread her method and grown her business through her own advocacy and via her network of consultants. Her marketing has carefully and thoughtfully cultivated a unique image and brand, and her products, like her books, are very well done. Put it all together, and she has built a tidy operation.

Business success requires a winning strategy; there is no successful company that doesn't have one. And as we've covered, those strategies can and should be customized according to your specific business goals, which goes for all types of businesses and all types of roles—from an entrepreneur with a startup to a divisional team member in a large company, to an executive who knows a strategy reset is needed.

Scoring Your Strategy

Numbers are a simple and illustrative way to compare how you're doing with others. As we all know, we want the highest credit score, the lowest golf score, the highest score in football or basketball games, and in the social media world in which we live, the most numbers of likes on our posts.

There is also a way to figure out and assign a score to the Strategy = E x mc2 equation. It's called the Strategy First Score (SFS). You can use it to calculate a score that gives an analytical and visual representation of how your strategy compares with that of your competitors.

Using the Strategy = E x mc2 model and assigning an SFS to your current strategy and that of your competitors will provide insights and help you think about what bets to make and how best you can compete. Take note of where your strategy falls short of your competitors' and adjust accordingly—a successful strategy is one that considers all crucial components.

Seek Change

How do you find winning strategies that help you maximize success relative to the competition? The first way is to seek change. The invention of electricity, how it evolved, and

the innovations that came about because of it changed the world and created endless opportunities over time that continue today. Think about the growth of alternative energy and LED light bulbs and improved batteries. Change is, pardon the pun, electrifying and often difficult to manage, but where there's change, there's strategic opportunity.

Though there are numerous types of change you can seek, five of the primary ones are Technology, Innovation, New Business Models, Societal Trends, and New Markets.

Whether it's through one of these areas or the other (or all of them), game-changing companies take a strategic approach to change management and flourish as a result. The tactics they used in seeking change weren't revolutionary. Instead, they were intentional, informed, and timely. And when it comes to the Strategy = E x mc2 formula, employing those tactics can be the tipping point in securing customer value.

What type of change resonates the most with you and your endeavors? What deliberate action can you introduce into your business strategy? What kind of change can you seek that will distinguish you from your competitors and differentiate your customer value?

Mine the Gaps

Successful companies know how to identify gaps in the market and mine them for their own success. They're able to take advantage of unique opportunities and provide their customers what they're sorely missing, even if they didn't realize it at first. They become unique players in established markets and find success by standing out—not only by embracing how they were different, but also by relying on those differences to be the very things that give them value. What would happen if every business saw differences that way?

The same types of tactics have been employed by a wide range of companies—Google, Netflix, Redfin, Whole Foods, ActOne—the list goes on and on. They show that gaps are everywhere—pockets of opportunity, large and small, that current businesses aren't exploiting.

Those unfulfilled needs can be met in big and little, drastic and subtle ways, and it all starts with awareness. That is, seeing the market landscape both for what it is and what it could be and then getting strategic about how to get from point A to point B.

Adapt to the Tides

Regardless of the specifics of the social trends that affect a business, companies will always operate in a changing environment. Even if a business has built its reputation on qualities such as consistency and longevity, customers may value these qualities differently in social and political climates that are increasingly less predictable.

Whether a business changes rapidly in response to social trends or responds to them by cultivating consistency, it's important to know how social trends are evolving and how to respond to them with products and marketing strategies.

Ultimately, what do all the external factors have to do with your business strategy? Everything. How your business adapts to the tides of technological advancement or shortcomings, changes in regulations, demographic shifts, economic circumstances, and more can mean the difference between success and failure.

Expand the Universe

From day one, you should always be consciously mindful of opportunities to expand into new services, new areas of expertise, and new distribution channels—all of which can lead you to securing new customers. That doesn't mean you have to pursue every one of these opportunities from the get-go, but that awareness will become an essential skill as you begin to expand your universe through your strategy.

When you think about how to grow your market and expand your universe, think about how big that universe is, where it's best for your company to go, and the best routes your spaceship could take to get there. Sometimes you want a moonshot, but sometimes you just need to go down the street a little…

Climb Short Walls; Build Tall Walls

The concept of climbing short walls and building tall walls is all about barriers to entry, an imperative concept to employ when building a business or entering a new market. When walls are short, it's easier to enter or compete in a market. On the other hand, tall walls provide loyalty, defense, and security. You want to build your business in such a way that it isn't easy for someone else to compete, and you do so by creating conditions or circumstances that put your company in a superior business position.

Now in most cases, you do that the old-fashioned way with great products or customer service or attractive prices, and so forth, earning loyalty from customers along the way. But there are also common practices that can help your business

extend its walls even higher—and they're tied directly to your company's strategy.

There are many ways to build tall walls—obstacles that make it almost impossible for competitors to climb over into your turf. They can be government regulated and time sensitive, or come from having an iconic brand or large-scale distribution. They can form from your unique business-model, or secured through loyalty or membership programs.

In the end, a successful business demands that the different types of tall walls are considered and implemented as part of your strategy—while constantly remaining on the lookout for tall walls that you can successfully exploit for your own benefit in order to reach the heights you want for your business.

Execution

Once you have established your business goals, strategic bets, principles, and priorities, it's time to ACT—align resources, communicate and curate strategy and culture, and track to improve. A lot goes into execution.

But even with those ducks in a row, and even when you pair them with things like preparation, good intentions, solid leadership, and credible products, delivering is hard. While conceptualizing what we want and plotting the course to get there can seem straightforward, when it comes to actual implementation, our strategic plans can fail for any number of reasons. But a primary reason most strategic plans never actually come to fruition is because of a failure to execute well.

Conclusion

If strategy starts with a fundamental bet and is a series of choices you make on where to play and how to win in order to maximize long-term value, execution is the part of strategy that produces results within the context of those choices. Some business leaders think that they'd rather have great execution than superior strategies, but the truth is you can't have the first without the second.

Put another way, if you execute well on a bad strategic bet, you will lose. If you execute poorly on a good bet, you will also fail. Strategy comes first, but excellent execution is required.

Brad Chase is a veteran strategy, leadership, and marketing consultant to CEOs and senior executives. He spent 14 years at Microsoft leading businesses, including MSN and Windows marketing, and finished his tenure as a Senior Vice President and Executive Officer. He has served on many for-profit and nonprofit boards, including his previous role as chair of the board of directors for the King County Boys and Girls Club.

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Strong Ground

Brené Brown

Book Snaps™
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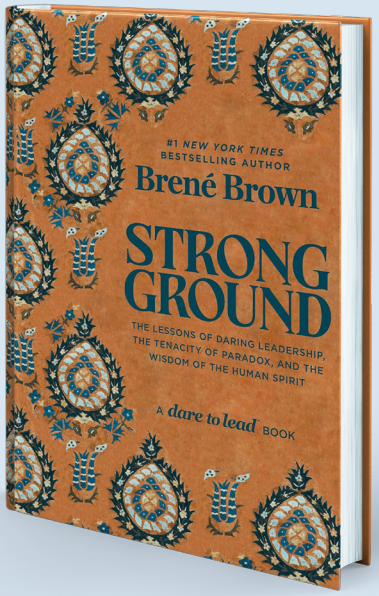

Strong Ground

The Lessons of Daring Leadership, the Tenacity of Paradox, and the Wisdom of the Human Spirit

By Brené Brown

Brené Brown is a research professor at the University of Houston, where she holds the Huffington Foundation Endowed Chair at the Graduate College of Social Work. She is also Professor of Practice in Management at the University of Texas at Austin's McCombs School of Business. Brown is the author of six #1 *New York Times* bestselling books and the host of two award-winning podcasts. In 2024, she became executive director of the Center for Daring Leadership at BetterUp. Her research focuses on courage, vulnerability, and leadership. She lives in Houston, Texas, with her husband and two children.

A Book Review by Soundview

Learning How to Find Your Ground

Leading well is difficult. Too often, the examples seen are of leaders either misusing their power or leading weakly, resulting in little to nothing getting done, if anything at all, let alone well.

Some wish to change the status quo and change how things are done, and in a time when vulnerability and empathy are scorned, that takes an amazing amount of courage. So how did they get there, and how can we, as fellow leaders, follow their example?

In her book, ***Strong Ground: The Lessons of Daring Leadership, the Tenacity of Paradox, and the Wisdom of the Human Spirit***, Brené Brown explores how having a strong ground can change how one shows up in various places in one's life, including the workplace.

For this to happen, however, they must, let go of the hope of a quick fix. There needs to be a willingness to put in the work to help them find their strong ground, and a refusal to build on the backs of dysfunctional, outdated systems.

Brown also proposes that humans are often held back by fear, and that to combat it, they need to stop running at top speed and slow down to implement the changes needed to help them stay grounded in who they are and what they are doing, rather than reacting out of urgency or pressure. These changes may feel small or even uncomfortable at first, but they will help build up the core muscles needed to effect a more sustainable lasting change.

Throughout the book, Brown uses stories, conversation transcripts, and excerpts and quotes from colleagues and others to encourage readers to open themselves up and be willing to discover and implement a new way of thinking and showing up with greater intention and awareness in their workplace and personal life. Brown also uses language that some may consider crude, but does so to emphasize the point she is making and to relate to the reader.

What It Takes to Have Strong Ground

Brown begins by stating that Strong Ground is composed of two critical elements: first, the reader's footing—shaped by their values, curiosity, and humility; and second, a deliberate connection with others who are similarly grounded in themselves and working toward the same goal. This is emphasized by her use of the "Tush Push" football play metaphor, which shows what can happen when a team moves forward with a shared goal and vision. While there are some who may not see the value in sports metaphors, the author states that she uses them because of what sports and organizational work have in common, that being the need for strong ground and showing up fully engaged in the work that needs to be done, rather than showing up in a disjointed way and eventually succumbing to exhaustion or illness.

This is followed by an explanation of the paradox and its relation to the human spirit, helping the reader confront intolerance for uncertainty and push boundaries. Paradoxes are an invitation to live in and tolerate the tension they bring, therefore freeing individuals to show themselves more grace when they make mistakes and to explore their dreams. This is similar to the idea of negative capability, the ability to remain in areas of uncertainty without needing to know all the facts. While this is a difficult muscle to build and tone, as a leader, it is necessary to stay grounded and be courageous enough to slow down and work it rather than rush ahead and have to undo mistakes later.

The definition of leadership has not changed. A leader is someone who sees potential and is willing to work with others to bring it out in the people around them. This takes courage and dedication, as it might entail stepping out of one's comfort zone to help others grow. One change that has occurred is the recognition that courageous skills alone are not enough; a daring mindset must accompany them, and that requires digging beneath the ingrained fear. Why? Because at the heart of being a daring leader is the acknowledgment that courage and fear are not mutually exclusive, and that it is perfectly normal to feel both emotions at the same time.

That means being vulnerable and choosing courage anyway. Brown states that courage is a collection of four skill sets that can be taught and observed:

- **Living into our values**: understanding one's core values—the driving force behind why we do what we do—and developing systems to ensure that intentions and behaviors stay aligned with them.
- **Rumbling with vulnerability**: being willing to engage in difficult conversations, even when they are uncomfortable.
- **BRAVING trust**: building trust with oneself and others through the following:
  - Boundaries
  - Reliability
  - Accountability
  - Vault
  - Integrity
  - Nonjudgment
  - Generosity
- **Learning to rise**: remaining flexible in the face of setbacks or failure and using those experiences as opportunities for learning.

The foundation of these skills is the ability to rumble with vulnerability; without this core skill, it is almost impossible to put the others fully into practice.

Transformation and Clarity

Transformation is a term many tend to overuse because it has the potential to get team members to buy into what they are hoping to accomplish. The problem is that leaders use it to convey urgency or primacy about a task, when in reality the "transformation" may only require slight adaptation, or be implemented over a longer span of time. It is important to remember that real transformations are relational, not transactional. When leaders label something a "transformation" to secure buy-in, they risk losing their team's trust if it is poorly executed or mislabeled. However, when the term is used correctly and done well, it can be effective and exciting, even when it feels scary.

The book states that meaningful transformations not only require time to be implemented well but are defined by paradox. Paradoxes may seem absurd or self-contradictory but often prove to be true when the time is taken to research. This is because, while transformation is about building, it is also about deconstructing the mantles that are already in place to make room for something new and better. It means that things will be broken, potentially big things that make some uncomfortable, in order to protect the vital parts of the organization's mission that are central to its identity.

By breaking down what isn't necessary or isn't working, leaders can protect the core elements of the mission while making way for new protocols and a stronger foundation. When assessed correctly, it becomes clear what should be preserved and what should be dismantled. There will still be those who disagree, because change feels personal and

> Transformation is not just about building—it is also about deconstructing what no longer serves."

can evoke fear. A successful transformation will respect the current strategies already grounded in the mission and allow them to continue beyond the transformation.

Those leading their organization must ensure that everyone is clear on the mission and that their people do not feel overwhelmed by high-impact communication. Teams can feel off-kilter when they lack the full context of what they are working toward. Brown states that when leaders are purposeful in helping others understand where they fit into the big picture, team members tend to be braver and feel a greater sense of agency in their work. They are then able to operate within the tension of the paradox and make more meaningful contributions.

In addition to clarity, the reader learns how to strengthen communication skills through a discussion of Above/Below the Line practice. The line, in this case, is fear. When one is above the line, they can acknowledge fear without reacting to it; there is an awareness that allows them to remain in control and not crumble. Being below the line heightens the likelihood of acting out of fear, with behavior driven by it.

Awareness, naming the feeling, and communicating it are skills that must be practiced to keep them in shape. One way to do this is to ask for a pause when feeling below the line. This may seem simple, but it demonstrates vulnerability and skill and shows honesty and respect toward those in the room with you.

Grounded Confidence

Brown explains that Grounded Confidence is not built on arrogance but on the stable ground of self-awareness, courage, and practice. It is a collection of paradoxes: being both curious and knowledgeable, and recognizing that while perfection is unattainable, growth is always possible. As each category of Grounded Confidence is introduced, the reader is given a road map to understand where they are in the process.

Core

Five skill sets make up the core of Grounded Confidence: self-awareness, metacognition, emotional awareness and regulation, mindfulness, and systems thinking. Together, they form the central "muscle group" that must be stretched and strengthened so one does not default to overcompensating with weaker muscles in place of a strong core.

Strength

Strength is made up of fifteen elements: vulnerability, courage, trust, compassion and empathy, connection, humility, deep curiosity, mastery, discipline, power, accountability, adaptability, and lock-in and lock-through power. These elements foster connection not only with others but also with oneself, allowing the reader to embrace vulnerability and pursue new levels of growth.

Awareness

There are four types of awareness the reader must develop on the journey to Strong Ground: situational, temporal, and multicultural awareness, as well as visualization. The more mindful they are of the needs and cultures of those around them, the time pressures related to their work, and how to visualize and rehearse what needs to be said, the more successful they will be.

Thinking

The way one thinks has a significant impact on outcomes. Whether anticipatory, strategic, critical, paradoxical, intuitive and pattern recognition, creative and design, or symphonic, these modes of thinking must be honed so that each scenario is fully considered, conversations are thoughtful, and outcomes align with what is intended—without rushing and missing crucial details.

Communication

Communication grounded in confidence and strength must be measured by both its impact and its value. It can either elevate or diminish the efforts and contributions made.

The book outlines seven principles to guide communication:

- LEGO Complexity? DUPLO Simplicity
- Emotionally Resonant Language Matters
- Chekhov's Gun
- Become a Student of Aesthetic Force
- Own and Communicate the Changes —Yes, All of Them
- Beware of Invisible Armies and Bullshit Disclaimers
- Metaphors, Analogies, and Stories

Each of these principles helps the reader communicate more effectively with those around them.

Lessons in Locks and Transitions

With all of these new tools for a strong foundation, Brown shares how hard it can be to transition from a work mindset to home and navigate relationships with loved ones. When it is preferable to sit in one's car rather than go inside and interact with family, it signals a problem that needs to be addressed with intention.

She uses the metaphor of the Teddington Lock, where the River Thames transitions from non-tidal to tidal waters under the lockkeeper's careful management, who raises or lowers the gates as needed for each boat.

This reflects a similar balancing act individuals face when coming home from work: they must learn to transition from their professional self to their home self so they can be present and available for those who need them.

The book describes different ways to "lock in" on a task—that is, to direct all available resources and attention to the task at hand. It outlines four distinct experiences that require different cognitive, emotional, and behavioral resources:

- **Mental toughness**: how a person faces challenges and pressure, often linked to resilience.
- **Flow**: a state of deep involvement that allows full commitment and focus.
- **Deliberate practice**: working just beyond one's current ability to build mastery.
- **Deep focus**: the practice of paying attention to one's attention and resisting divided focus.

Next is the idea of locking through, which marks the transition. In the context of the River Thames, this refers to the shifting of water levels to accommodate boats; for people, it represents the transition from work to home.

Too often, the shift is rushed, and instead of moving into calm waters, individuals flounder and lash out, especially because there is a great demand for cognitive flexibility, which takes a biological toll. Many struggle because they do not take the time to lock through and allow their mental state to settle so they can show up fully in their spaces.

To create the time needed to lock through and recharge after work, the reader must trust those around them enough to communicate their needs. This requires time and practice. While it may feel selfish at first, doing so ultimately benefits both themselves and those around them by ensuring they are fully present. Although it may feel uncomfortable initially, persevering demonstrates bravery and commitment, laying the groundwork for more intentional living and leadership.

Finding the Space Between

There is much to consider as the reader reflects on what they have read and prepares to apply it in their own lives. Brown closes by inviting them to consider the space between stimulus and response, which she expresses through the formula S( )R. She developed this concept after getting sober and working to find a new rhythm in her life. While there was no space between the parentheses at first, over time she learned to keep that space open—S( )R—through practices such as prayer, Above/Below the Line, and others.

This space can be disorienting because taking time to think is not typically celebrated or practiced. It is up to the reader to recognize its importance and find practices that help keep it open. The more consistently this is done, the more clearly the reader can think and respond.

Strong Ground: The Lessons of Daring Leadership, the Tenacity of Paradox, and the Wisdom of the Human Spirit by Brené Brown is an encouraging and insightful book that invites not only leaders but all in the workforce to take a moment to pause, reflect, and assess who they are and how they show up in different areas of their lives. Through stories, quotes, and conversations with colleagues, Brown helps readers connect with her ideas and better understand her message. Throughout *Strong Ground*, she offers tools and assessments that provide a strong starting point for those looking to begin this journey.

This is not a book to be skimmed, but one that invites readers to dive in and sit with its ideas so they can apply them to their lives and lead well, confident that they are on strong ground in who they are becoming.

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Stronger In the Broken Places

James Lee Witt and James Morgan

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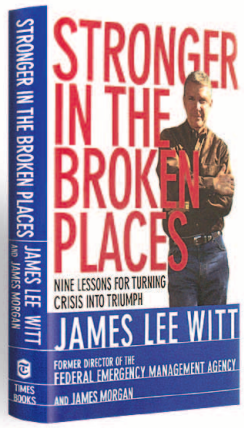

By James Lee Witt and James Morgan

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Nine Lessons for Turning Crisis into Triumph

STRONGER IN THE BROKEN PLACES

THE SUMMARY IN BRIEF

As the director of the Federal Emergency Management Agency from 1993 until 2001, James Lee Witt witnessed some of the worst crises Mother Nature, chance and certain humans had to offer — earthquakes, floods, airline crashes, the Oklahoma City bombing, and more. Through it all, he not only drastically improved the reputation FEMA had among lawmakers and crisis victims alike (his leadership rescued the flagging agency), he also developed a strategy for managing crises — a customer-centric model that served him and his staff well, and can serve your business in the same manner. In Stronger in the Broken Places, *Witt lays out the plan, peppering his instruction with observations gleaned from both his years at FEMA and from research into how companies handle emergencies great and small. If you're facing a crisis, Witt's ideas are a vital resource.*

What You'll Learn In This Summary

✓ Strategies for getting to know your organization's values and preparing a triage plan based on them.
✓ Ways to set up effective communication and early-warning systems.
✓ How to identify a recurring crisis and assess the repercussions of walking away.
✓ Ways to change your priorities and projects without triggering crises.
✓ How to identify synergies with suppliers, clients and stakeholders.
✓ The best ways to keep your team confident and productive when things are going wrong.
✓ Strategies to build emergency teams with customized reporting lines and goals.
✓ How to find people who can share leadership duties with you.
✓ Tips for collecting knowledge about failures and successes so you can refine your crisis plan for the future.

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STRONGER IN THE BROKEN PLACES

by James Lee Witt and James Morgan

— THE *COMPLETE* SUMMARY

PREPARING FOR A CRISIS

Find Your Roots

Knowing your values — both literally and figuratively — is the crucial first step in preparing for a crisis. The first mistake people often make in crisis response is trying to fix and respond to every situation and exigency, all at once. Managing a crisis effectively requires a series of decisions that must be made quickly, under intense pressure, and with little chance to reflect or research. In such situations, some things invariably get lost. Knowing your values is the only way to ensure that you're the one who is making the decision about what exactly gets lost, and what is too important to sacrifice.

The managers of Johnson & Johnson called on their values when someone began putting cyanide in bottles of Extra Strength Tylenol in the 1980s, and their resulting actions probably saved their business. Management did not dilly-dally, backpedal, stonewall or spin. Instead, it immediately pulled all the product off the shelves and even from some assembly lines (no one knew who was tampering with the pills).

Testing the Credo

They were able to act quickly and decisively, and with such unity, because of something called the Johnson & Johnson credo — their written statement of the values that guide the way the company does business. That credo was and is strengthened by "challenge sessions" conducted a couple of times each year by Johnson & Johnson management, in which managers question the credo, in order to make sure it accurately reflects the company's actions, as well as to ensure those actions reflect the company's values. Few if any changes are made, but in the process of testing the credo, remarkable buy-in occurs. Core beliefs, like muscle, respond to exercise.

As seen by Johnson & Johnson's actions, techniques of introspection and self-examination can be incorporated into the life of an organization. When James Lee Witt took over as director of FEMA, the organization agreed on its first-ever mission statement, committing itself to an emergency management program of mitigation, preparedness, response and recovery. The mission marked a new FEMA in three crucial ways:

1. Simply by spelling it out, Witt and his people had set a concrete path for an agency known for its vagueness, thick bureaucracy, and lack of true viability.

2. Witt and his team committed their resources to handling all hazards, eliminating confusion over the agency's Cold War-era incarnation as coordinator of the U.S. response to nuclear war.

3. The mission statement emphasized reducing loss of life and property, and stressed preparation — not simply response and recovery — as an overriding theme.

Building the Plan

Finding your roots, the values that are too important to rip out from under your organization, comes first, long before a crisis hits, if you are going to be successful. Know-how comes from know-why. To build the plan your company needs to make decisions and exercise its "core value muscles," you should:

- **Identify, communicate and practice your values.** Know what you value and why and how you value it. Communicate your values in terms that don't require crunching numbers.
- **Reassess your mission statement and what it means to projects, clients, products and individuals.** It should clearly point to your values, acting as a primary indicator of the decisions your company will make.
- **Practice triage.** Incorporate "what if" scenarios into your meetings on product development, client rela-

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The authors: James Lee Witt served as the director of the Federal Emergency Management Agency from 1993 until 2001. He is an international consultant and speaker.

James Morgan is the author of *The Distance to the Moon* and coauthor of *Leading with My Heart.*

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Find Your Roots

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tions and other areas. Assess and prioritize the way values are communicated.

● **Give yourself regular "know-why" performance reviews.** Let your people know you're paying attention to how your core values are exercised on a daily basis. Conduct reviews that deal exclusively with your employees' decision-making to determine how well your organization's core values are put into practice. ■

For Additional Information on introspection in one's personal life, go to: http://my.summary.com

Market the Storm

James Lee Witt finds something perversely reassuring about satellite photos of hurricanes. What is menacing, amorphous and deadly when you're in the middle of it is recognizable and predictable when viewed from miles above. This occurred to Witt when he visited Carolina Beach, N.C., many years after witnessing the aftermath of the 1996 Hurricane Fran, which did hundreds of millions of dollars' worth of damage, killed 24 people, and left 7,000 families with damaged or destroyed homes.

The View From Above

When he considered the devastation such storms had wrecked on the area, Witt thought it odd to see so many aerial hurricane photos everywhere he went. Then it hit him — FEMA had to introduce the idea of disaster preparedness and mitigation through a sustained marketing campaign, the same way one might sell Nike shoes: The agency had to market the storm. By engaging in specific, targeted communication strategies, FEMA could raise the public's level of awareness and elevate the public dialogue about disaster and the crisis management goals of preparedness and mitigation.

Marketing the storm means getting people accustomed to a state of crisis preparedness, so they're not taken off guard. When a business draws up a crisis prevention plan, those managing the plan must delve into their deepest fears, imagining every conceivable worst-case scenario. It must set limits for what it can do in a crisis, let others know those limits, and get them to set their own. Honest communication is the lifeblood of crisis management—if you can't honestly address what a problem is, you diminish your chances of solving it.

Trial by Tire

Communication, when it is working, can help you know when a crisis is coming — sometimes early enough to prevent it. General Motors watched as its competitor Ford Motor Co. and the tire maker Bridgestone/Firestone were caught up in a massive product recall of 21 million tires, and an all-around public relations disaster. GM could look on from a distance because it already had in place stringent monitoring programs for real-world tests of the tires it put on its cars, one that had a system of early-warning flags that identified defects and sub par performance. That system, quite a while before the Ford fiasco, discovered a small number of its cars suffering similar defects. GM investigated, and issued a recall for the tires — a recall that affected fewer than 5,000 car owners.

Updates Minus the Niceties

GM's case reveals a solid communication infrastructure. In such an infrastructure, updates during a crisis must be due at regular intervals, regardless of progress, and minus the niceties of business memoranda. Employees should have a series of questions to answer, including the chance to offer pointed suggestions about whether a response plan needs to be changed.

GM made use of its early warning system which prepared its people for the tire problem quickly and efficiently. Since about three-quarters of business crises start off small, early warnings can make a big difference. Keep people on continuous watch. Reward them for early reports of how their work is going off course, rather than chastising them for getting behind. ■

Sybase Makes Media Its Ally

In 1997, the database software company Sybase was riding high, showing a $15 million profit — a drastic improvement over the previous year's $70 million loss. CEO Michael Kertzman was just about to go public with the news when word came in that a handful of employees in Japan had wildly overstated earnings; once earnings were restated, the company was actually showing a $55 million loss for the year. Although company lawyers were advising him otherwise, Kertzman went public with the news, making himself available to analysts, shareholders, and the media (the *San Francisco Chronicle* even followed him around for a day as he worked on the crisis).

Kertzman wanted to show all interested parties, as well as the financial community at large, that Sybase was tackling the problem head-on, with absolute integrity, and that the overstatement of earnings was an isolated, though costly, incident that occurred half a world away. This commitment to telling the truth was reflected in media profiles of the company (particularly the *Chronicle* piece, which depicted Sybase as a company going through a rough time, but determined to do right).

PREVENTING CRISIS

A River's Gonna Go Where a River's Gonna Go

For 160 years, Pattonsburg, Miss., fought Mother Nature and her most devastating creations: the floods that visited, revisited and repeatedly devastated the town. In 1844, the flood waters came, and in 1909, again in 1947, 1951 and 1973 — each time the water rose, destroyed everything in its path, and fell back again. By the great Midwestern floods of 1993, the people of Pattonsburg had had enough. Rather than simply abandon their town, however, the 500 citizens decided to move the town several miles up Interstate 35, to higher ground. They secured permission from the governor and they received assistance from FEMA (whose director, James Lee Witt, had never before heard of the town or its tribulations). They held a lottery to select who got which lots in the new location. And they *moved the entire town*.

The people never focused on the limitations of what they were allowed to do; instead, they focused on the possibilities available to them, responding to a problem that had haunted them and their forbears for generations.

The hardest part of taking responsibility is just doing it. Inertia can cause natural disasters to be more deadly and costly than they would otherwise be, if people would prepare for them. If you live in a hurricane area, you have to decide to give up a little ocean view for more protection; if you live in a flood plain, you have to decide to take flood insurance. If you lived in Pattonsburg in 1993, you had to decide to take responsibility for your own life.

Take Responsibility for Your Crisis

Not all crises strike with the sudden drama of a tornado or hurricane. Some, like the floods in Pattonsburg, build slowly, insidiously, over time. In any case, you need to take responsibility for handling whatever problem lies before you, and for short-circuiting whatever crisis may be close at hand. Consider doing the following:

- **Launch a probe.** If the same crisis keeps hitting you again and again, find the patterns in the crisis and its causes and use them to your advantage. Create a list of attributes and study them, with the goal of using them to create a prevention plan.
- **Measure the gap and make the leap.** Even though you can see a crisis pattern doesn't mean you or others aren't going to be resistant to change. (It took the people of Pattonsburg 160 years to pull up and resettle.) That's why measuring is so important — at some point, the cumulative losses (sales lost, crises recovered from, etc.) will reach a breaking point. Quantify your problems as negatives and find positives to counterbalance them.
- **Map out the ripple effects.** Once you've decided to change direction, you need to identify the potential crises that will pop up in the repercussions of your decision. Will your people require new training? Will you have to lay off staff? How will morale be affected? Ask for input from the affected people, when possible, to minimize the negative responses to your decision.
- **Map out the new terrain.** Put your prevention plan into place, making sure everyone knows it, and knows their role in preventing a crisis. Plans are essential, but it's your employees that make your plan a reality.
- **Prevent now, prevent later.** Some portion of responding to a crisis is preventing it from spreading. Long-term prevention plans help you look at the big picture; short-term prevention plans fall back on your values and plans of action — don't confuse the two. Preventing now doesn't automatically help you prevent the same crisis from happening again. ■

For Additional Information on a company that failed to prevent a crisis, go to: http://my.summary.com

Reconsider the Three Pigs

As a former builder, James Lee Witt feels we often get our priorities wrong in this country. When construction is begun on a major building project, there's a "groundbreaking" ceremony, where politicians and potentates pose with gold-plated shovels. Once the steelwork is completed, there's a "topping-out" ceremony, where those same politicians and potentates scribble their names on the uppermost beams. All the focus is on reaching for the heavens.

Witt, on the other hand, feels that the big celebration should be for the "foundation pouring." For those who live in California, the politicians and potentates would be invited to return for the "wall bolting" ceremony. Unfortunately, foundations and wall boltings simply don't have the same attraction as topping-outs. Anyone who's ever built anything lasting, however, knows the infinite value of a proper foundation and the right support.

AOL Outgrows Its Foundation

The same is true in business. America Online had humble beginnings. Started in 1985 under the name Quantum Computer Services, Inc., the company was built from a solid blueprint — management identified its market, spelled it out for all to see, delivered the system it promised, promoted its product relentlessly, and built on

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Reconsider the Three Pigs

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that base to add increasing value to its core product.

And it worked — the company built AOL's customer base from less than 500,000 users to nearly 33 million today. Not that it didn't have growing pains. In late 1996, when AOL changed its pricing system, customers responded in numbers that no one in the company expected, causing extreme stress to its infrastructure and resulting in millions of customers put "on hold." The experience sobered the company, which rushed to upgrade its infrastructure, and which has used the experience to inform virtually every new partnership it strikes up. All the while, AOL focuses on its mission, even as it has grown far beyond even the wildest dreams of its founders.

It's the Employees, Stupid!

Another aspect of proper foundations is the interaction and relationship between management and employees. Employees, through their attitudes and aptitudes, determine the level of success a foundation will support. Constant communication between management and employees is key to strengthening that foundation.

The UPS strike of 1996 shows what can happen when that strengthening factor is missing. That 185,000 employees of that well-known and well-respected corporate giant would strike against management was unthinkable, both to outsiders and to UPS managers alike. When an insulated management misjudges its employees' will to enact change, it can very easily find itself without a strategy, outmaneuvered at every turn.

Building on a Strong Foundation

You must lay a groundwork for your *strategies*, not your tasks and tactics — only then will you be able to plan for and prevent less predictable disasters that can happen to a business. When you're starting a new product or service strategy (i.e., AOL's pricing change), you may require attributes you do not currently have in order to head off a crisis (for example, an infrastructure that enables all of your customers to access accounts simultaneously). Looking for patterns helps you see the real-world commonalities in your strategies, just in case they don't match the ones you're supposed to be pursuing.

You should aim high, but never take your eye off your foundation. When you start to overreach your foundation, you risk toppling yourself. Every time you expand, acquire or merge, make sure your crisis-prevention infrastructure extends to your new employees, offices, and projects immediately, before a crisis hits. ■

The Pig With the Bricks Was Wrong

On Jan. 17, 1994, the community of Northridge, Calif., was awakened at 4:30 a.m. by a massive earthquake, registering 6.7 on the Richter scale. The quake and its aftershocks would do unthinkable amounts of damage to the area — over $40 billion worth (the country's costliest natural disaster), touching some 670,000 lives.

Much of the damage to homes and businesses was done to buildings that were not retrofitted to meet stricter building codes enacted in recent decades. The only mitigation law in California is for unreinforced masonry, or URMs — essentially solid brick structures with no steel or wood reinforcements. Such buildings have been illegal since 1935.

According to geologist Lucy Jones, the self-satisfied pig in Disney's *Three Little Pigs* cartoon had it all wrong when he built his house with bricks. "The right answer was twigs," she says. "Flexible, wood-frame construction. You have to tie them together, though."

RESPONDING TO A CRISIS

Twine Is Stronger Than String

No job in any disaster is more difficult — both physically and emotionally — than that of search and rescue. The teams involved are in the job, up close and personal. They don't deal in abstracts: They deal in concrete and steel, wood and glass, water and mud, and (all too often) flesh and blood. Their emotional reserve is absolute; one way they cope is not to think about coping, but focusing on the task at hand.

Yet, in the aftermath of the greatest of disasters — the Oklahoma City bombing, perhaps, or certainly the horrors of September 11 — James Lee Witt feels you cannot go into a crisis without some coping strategy, some connection to something bigger than you are. You have to believe in your absolute ability to get the job done, and to maintain control of everything, or at least as much as possible.

Sometimes, you don't manage your management of a crisis very well. If too much time goes by with too little good news, discouragement can easily flare into something angrier. Even the Oklahoma City rescuers, exhausted in every way possible, sometimes snapped at the very people who were there to help them.

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Twine Is Stronger Than String

(continued from page 5)

Competition between federal agencies for control of the mission didn't help, and a good deal of time was spent between colleagues, trying to smooth over hurt feelings.

Going home after the Oklahoma City cleanup was difficult for all involved. James Lee Witt tried to carry the burden of the disaster and its aftermath all by himself. He recognizes now there was no need for that after the bombing, and that there is no need for that, in any disaster situation. You owe it to yourself, your family, your neighbors, your employees, and all the other people whose lives you touch, to manage your own management of a crisis. Do not think you're in it alone — that is arrogance, and totally unproductive.

Mutual Respect, Mutual Assistance And Mutual Need

There is no place for arrogance or territorialism in the wake of a crisis. Focus must be placed on your customers, both internal and external. Probably one of the best examples of business leadership in the all-the-world's-a-customer sense is the story of Malden Mills, maker of Polartec and Polarfleece, following a devastating fire that destroyed the company's offices and plant in 1995. Nearly 3,000 workers relied on Malden Mills for their livelihood, and most thought the fire would bring about the end of the company.

Instead, CEO Aaron Feuerstein announced he was keeping all his employees on the payroll, with full benefits, while the company's plant was rebuilt on a minimal level. He even gave them Christmas bonuses. The downtime lasted three months; it cost him $25 million. When asked why he was taking this tact, Feuerstein noted that he considered employees to be an asset, not an expense.

That support came back to Feuerstein in spades when he was forced to seek Chapter 11 bankruptcy protection in 2001, after the garment industry suffered a precipitous decline. The communities around the company began a "Buy Fleece" campaign. The company's union workers took a pay freeze and cut their paid days off, in order to help the organization's bottom line. Because Feuerstein made a commitment to his workers and community in a time of crisis, those parties were willing and able to give back to him when he and his company were in the time of greatest need.

The Oklahoma City rescuers and Malden Mills are examples of the benefits of personal and professional support systems in a time of crisis. You can harness the power of such support systems by doing the following:

- **Building some twine.** Twine is stronger than string; anyone who has tied up a package can testify to the difference. In your organization, the "twine" can be an incident support team that draws on experts from different areas of your company who can coordinate responses in a time of crisis.
- **Reaching out to people.** Take an immediate and literal inventory of how a crisis is affecting your company as well as the people and businesses around you. Identify where their needs and your needs can serve one another, or where serving their needs is crucial to your handling of the crisis at hand.
- **Viewing everyone as your customer.** Evaluate the short-term costs and effectiveness of a response, in the light of long-term benefits.
- **Remembering the weeding and feeding.** Require open communication with employees, clients and partners, and maintain contact with those you might not work with on a regular basis. Draw a map of this support network, and share contacts generously. ■

For Additional Information on territorialism after the Oklahoma City bombing, go to: http://my.summary.com

Treat the Heart Without Losing Your Head

Ernest Hemingway's phrase "grace under pressure" often comes to mind when dealing with a crisis situation. Hemingway meant it as a definition of guts, but in effect it defines the essence of humanity. Crises tend to reveal much about who we really are. Even disaster professionals are caught off guard on occasion by their emotions. One fire chief at the site of the Oklahoma City bombing described one of his men who had broken down crying: "He became that building." The sliver of distance between head and heart had closed in on him.

The people who best handle crises are the ones who tend to think of others before they think of themselves. Focusing on the welfare of those around you is a key to negotiating the emotional undercurrents of a crisis situation. Good managers interact with other people, and so do good crisis managers. You cannot control a crisis: The best you can do is manage it, which, in addition to the nuts and bolts of recovery, means offering a sense of comfort and hope to those most hurt by the event.

Swissair Empathizes, Helps and Succeeds

One of the best examples of corporate crisis management was Swissair's handling of the crash of one of its jumbo jets off the coast of Nova Scotia in 1998. The company had a crisis plan in place; it recognized that the first 24 hours after a crash are crucial if an airline wants to build trust and communication with the crash families. Hours after the crash, the airline announced

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Treat the Heart Without Losing Your Head

(continued from page 6)

payments of some $20,000 to help families of victims with immediate financial needs. It also established a team of grief counselors and arranged for families to visit the crash site. Its public communications seemed open and genuine, calming the victims' families, the media, and those who invested in Swissair.

This case shows that if you tell the truth, which often means admitting you don't know or can't do something, you never have to "spin" a story. If you have a crisis plan in place, you can respond with truth and compassion, enabling you to effectively manage the situation.

Find the Balance

It is difficult to find the right balance of head and heart when managing a crisis. You need to determine what you can control, control it, and roll with the rest. This helps you manage stress, which can derail even the best-laid plans. You need to know your limits, and never promise what you cannot deliver, regardless of how much hope you might have that you can deliver something out of your reach.

Don't play the blame game or scapegoat someone or something else — respond to the crisis openly and honestly, building trust and dealing openly with the fear and uncertainty that typically accompanies these difficult situations. ■

For Additional Information on a governor's heart in a time of crisis, go to: http://my.summary.com

Tear Down the Stovepipes

In today's media culture, the aura of the almighty spotlight has fried more than a few brains, particularly where the subject of teamwork is concerned. Parents who come to their kids' Little League games and embarrass themselves by getting into fights have probably just been blinded by the possibility that their kid might be a Major Leaguer one day. Self-aggrandizement, however, is not the real point of teamwork. Teamwork is about the satisfaction of helping to build something larger than yourself, to play a part in that greater entity's accomplishing a higher purpose.

Rip Out Vertical Structure

It is important to tear down the stovepipes when building a team. Vertical imaging sparks someone to play for himself and not the team. A bunch of stovepipes in a room never touch one another.

Teamwork issues are, first of all, about attitude. When James Lee Witt reorganized FEMA, one of the first things he did was switch around department managers, thereby ripping out the vertical structure that tends to grow in organizations where managers stay in the same place year after year. When Michael Bloomberg took over as mayor of New York City, he almost literally tore down the stovepipes at City Hall, replacing rows of fancy private offices with a maze of cubicles. The twist is that he occupies one of the cubicles himself. It is said of Bloomberg that he has lots of will, but no ego. That's a good way to begin to build a climate of teamwork.

You must also achieve buy-in to a unified goal. You can't just mandate it; you're just asking for resistance if you try. At FEMA, Witt had employees work together to create their new mission. He gave them general goals, parameters and directions, then left them to fashion the specifics. Because they did that themselves, they felt they owned the mission.

On the Same Page

Getting teamwork jump-started is useful when a crisis arises, because everyone on the team will tend to be familiar with one another, in addition to being focused on a single goal. If things get prickly between teams that appear to be competing, pull teams into a single unit, if only for a short time. The best way to get people on the same page is to give them only one book. ■

Marriott's Management Turnaround

In business, as in baseball, if you have a team that's firing on all cylinders, yet still not getting the job done, it's not the team's fault: It's the manager's. If something is broken, the manager must step in to fix it.

A good example is the Marriott Corp., whose legendary work ethic put a premium on "face time" — the more hours employees were on the job, the better. This was the philosophy for years, until the day Marriott International's Vice President and Marketing Manager Bill Munck spoke with one of the best entry-level managers. Munck asked the manager where he saw himself in five years; the man responded that he didn't think he'd still be with Marriott, due to the fact that he was regularly putting in 12-hour days and didn't see how he could keep up such a pace.

Rather than writing the young man off as a deadbeat, Munck and his fellow managers saw the writing on the wall and, after getting similar responses from other employees, instituted a new program shortening the hours of managers. Such a shift in attitude was done to foster teamwork, and to retain the company's best and brightest over the long haul.

RECOVERING FROM CRISIS

A Lightning Rod Works Both Ways

Crises are made for heroes; one can't help but wonder sometimes if crises weren't made to make heroes. Think of the brave travelers who boarded United Flight 93 on Sept. 11, 2001. Before they boarded that plane, they were ordinary people, occupied with the mundane hopes and activities of daily life. Then they buckled their seat belts and that big jet lifted off, carrying a handful of extraordinary passengers into the history books.

As a crisis manager, you should seek out the extraordinary people in your organization — the heroes willing to step up when the chips are down, those who bring out the best in others. How do you know who and where they are? Look for the lightning rod. Personalities capable of sparking others tend to attract their share of sparks. They're passionate people, and passion doesn't sit quietly by while everything falls to pieces around it. You want someone who instinctively will pick up the flag and inspire others to follow.

Crisis Plans and Strong Individuals

Crisis plans revolve around these strong individuals. When New York City was on the verge of bankruptcy in the 1970s, financier Felix Rohatyn masterminded the bailout strategy. When Chrysler was on the ropes, Lee Iacocca stepped in and re-created the car company. When Jerry Jones bought the flagging Dallas Cowboys franchise, he and coach Jimmy Johnson rebuilt the team into a powerhouse around quarterback Troy Aikman.

Lightning rods inspire people to carry on throughout a crisis, to gather information about what has happened so you're better prepared the next time. They stay alert for fall-out, and muster the enthusiasm for rebuilding regular life, which can be a long, slow, hard process. Knowing who and what can be a lightning rod for you will save you many headaches, and possibly a few crises, as well. ■

Martha Stewart as Lightning Rod — It's a Good Thing

When the Kmart chain filed for Chapter 11 protection in January of 2002, it brought in one of its longtime board members, James B. Adamson, to lead the company through its difficulties. Adamson's galvanizing personality and leadership experience at both the Target and Revco chains made him the perfect choice for the job.

Oddly enough, though, the big question in the press wasn't so much about who was to lead Kmart, but whether the company would be able to hold onto Martha Stewart and her premier brand of housewares. The message inherent in the punditry was unmistakable — a huge retailer was in trouble, and one of its high-profile vendors was a key factor in determining the company's future. Martha Stewart was a lightning rod around which to build a recovery. Fortunately for Kmart, she stuck by them.

Stronger in the Broken Places

The Chinese, befitting a culture marked by age and wisdom, apparently choose to take the long view of the calamities that beset mankind. Their character for crisis, *wei ji*, is comprised of the characters for two other words: danger and opportunity.

This is a wonderful fact: Change, even unasked-for change, often turns out to be good. No one would ever say they're glad terrorists attacked the World Trade Center and the Pentagon, but it did happen. Now we have to try to find the positive and the hopeful in that. Perhaps there is a kinship and unity among Americans since Sept. 11, 2001, that was not present before. Such a thing will not bring back the people who lost their lives, but it may make us a better, stronger nation.

Another Kind of Time

A crisis stops time for a while. When life is going along normally, it's like we're on a moving sidewalk in an airport corridor; the sudden loss of velocity at the end of the sidewalk can be jarring. In a crisis, another kind of time and motion take over, but you know it's temporary. Meanwhile, ordinary concerns become irrelevant. Who you are and what you want to be become more visceral, less intellectual questions. If you manage it right, a crisis becomes an opportunity for reinvention.

To manage a crisis to your advantage, remember:

- **A crisis is equal parts danger and opportunity.** A crisis gives people a chance to demonstrate leadership that can be valuable not just in a crisis.
- **Learn to view down times as a chance to stop, listen and look.** Take advantage of these times to ramp up neglected projects.
- **Don't let your mistakes and successes go into a vacuum.** Collect every bit of knowledge you can about your crisis response, how your crisis preparations held up, and what you can improve for the future.
- **Crisis is the mother of invention.** Recovery is a chance to lay new foundations and support beams.

A crisis usually isn't the end. More often than not it's the beginning. ■

· Book 238 of 388 ·

Succession

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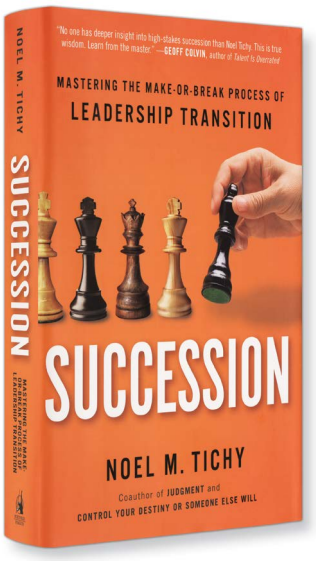
Succession

Mastering the Make-or-Break Process of Leadership Transition



by Noel M. Tichy

THE SUMMARY IN BRIEF

The decision of who leads an organization into a successful future is by far the most momentous one that directors, CEOs and senior leaders will ever make. The unfortunate reality is that as many as 80 percent of leaders get this high-stakes decision wrong. Noel Tichy, the noted leadership expert, best-selling author and longtime trusted advisor to such leading companies as GE, Intel, Ford and Merck, draws on his experience working closely with CEOs around the world to provide a blueprint for leaders who want to join the elite 20 percent who get it right.

In *Succession*, Tichy reflects on his years working with countless CEOs, Chief Human Resources Officers (CHROs) and boards to provide firsthand accounts of outstanding successes and failures at succession planning and leadership transition. He explains a practical succession framework that can be applied to any organization, whether a multibillion-dollar conglomerate, a family business or a nonprofit. He defines the roles and responsibilities of all the major players: the incumbent CEO, the board, the CHRO and the potential successors, while providing specific tools to help leaders navigate the complexities of developing, selecting and promoting the right people.

IN THIS SUMMARY, YOU WILL LEARN:

- Seven failure factors that lead to unsuccessful CEO successions.
- The proper roles of the CEO, human resources and the board in developing a succession plan.
- Why having to choose an outsider as a new CEO is an unnecessary failure and how to avoid it.

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THE COMPLETE SUMMARY: **SUCCESSION**

by Noel M. Tichy

The author: Noel M. Tichy is the coauthor of *Judgment, Judgment on the Front Line, Control Your Destiny or Someone Else Will* and many other business best-sellers. He is a professor at the Ross School of Business at the University of Michigan and advises CEOs around the world.

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Getting It Wrong: The Broken CEO Succession Pipeline

Every time an organization's board has to reach outside its own ranks for a successor to an incumbent CEO, such a desperate move is an unmistakable sign of a broken leadership pipeline, and in my experience, broken leadership pipelines are the primary root cause of broken companies. Of the many factors to which movement of share prices and long-term performance are widely ascribed, the success or failure of senior leadership to drive internal change and confront external change is the single most important determinant of long-term success.

At virtually every company or organization on the planet, whether run for profit, not-for-profit, public or private, family or shareholder owned, there are two immutable facts about leadership:

1. Leadership matters.
2. Continuity of leadership matters.

How many times have you heard of a winning baseball, football or any high-performing sports team losing a coach or a star quarterback or pitcher without immediately naming a replacement? Yet at most of our largest and most admired companies and at many if not most of our largest and most admired academic and other nonprofit organizations, it is more the rule than the exception that if and when an incumbent leader departs the scene, for any number of predictable or unpredictable reasons, the organization all too frequently finds itself in the awkward predicament of lacking an insider candidate or candidates waiting on deck who are ready, willing, eager and, most important, well prepared to step up into the top job at a moment's notice and succeed.

Many companies do have formal succession plans in place, but that is not really the point. All too often these formal plans are no more than that — empty formalities, technicalities and charade-like check-the-box exercises. When push comes to shove, as it nearly always does, such plans and processes ostensibly designed to ensure an orderly, seamless, nondisruptive CEO succession, absent political infighting, cultural confusion, ambiguity and ambivalence, often break down in practice.

The Technical, Political and Cultural (TPC) Context of CEO Succession

"TPC Theory" applies to the topic of executive transition and CEO succession because one of the primary reasons that organizations fail at this delicate and difficult task is that too many CEOs, boards and Chief Human Resources Officers (CHROs) overly rely on the technical aspects of the process.

I have arrived at three inescapable conclusions regarding CEO succession:

1. Successful CEO succession cannot and should not be conducted in a vacuum. It must be about the journey, not the destination. Above all, it must be the culmination of the long-term development of a robust leadership pipeline, based not just on a technical but a cultural and political system designed to access and promote talent in a disciplined, impartial, objective fashion.
2. There is no perfect, fail-proof process, but a plan is better than no plan.
3. In too many cases where a plan has been formulated, it ends up turning into an empty annual ritual, like the turning of fall leaves. This is more often than not the result of excessive and even obsessive focus by the

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key players on the technical aspects of the process, to the detriment of the political and cultural dimensions.

Defining Success

The essential challenge and therefore measure of success all leaders face today can be distilled down to two intertwined tasks:

1. Increasing the value of the assets they were given control over between the day of their arrival and the day of their departure.
2. Developing and selecting a successor who does the same thing.

The most commonly derived variable expressing this proposition is TRS (total return to shareholders), which, in the context of publicly listed corporations, is relatively easily determined by doing the math on any number of financial websites. Even with nonprofit organizations, it's not hard to come up with surrogates for TRS, including the size of the organization's endowment, the quality of its work, and its success in meeting precisely defined targets and goals defined by its board.

The Failure Factors

Failure Factor #1: SPOTS. This is an acronym for "Succession Plans on Top Shelves." The existence of an inoperable or poorly conceived plan can actually hinder the organic evolution of a genuine process designed to develop the next generation of leaders.

Failure Factor #2: Failing the Beer Truck Test or Not Even Taking It. Companies must invest the significant time, attention and resources required to build up a strong bench of internal talent that could be prepared to replace senior management at a moment's notice, were they to be, for any reason whatsoever, bowled over by the proverbial 18-wheeler.

Failure Factor #3: The Domineering CEO Who Won't Let Go. Microsoft CEO Steve Ballmer's failure to construct and maintain a robust leadership pipeline was largely due, as one commentator put it, to his "larger than life" leadership style, which made it "difficult for [other executives] to really rise up and have a noticeable public role."

Failure Factor #4: Superstar Outsider Bias. The outsider bias is based on a false premise: that a candidate's mere status as an outsider will make it more likely that she or he will inject more of a dose of fresh air into the company's hermetically sealed atmosphere than any insider could. Outsider selections are a sign of defeat and failed leadership, pose enormous risks to the enterprise and cost a ton to boot.

Failure Factor #5: The Halo Effect. Carly Fiorina's selection by HP's board was based to a significant degree on the reputation of the organization she came from, a shockingly popular delusion often referred to as "The Halo Effect." As *Fortune* later revealed, the high-flying stock of Fiorina's then-current company Lucent had been pumped up by phony deals booked as revenue that were being financed by Lucent at artificially low rates.

Failure Factor #6: Assessing CEO Candidates on Traits as Opposed to Experience. The basic problem with this approach is that it elevates the assessment of traits — an inherently squishy conception — above the more rigorous assessment formula based on disciplined "accomplishment analysis." These assessments are so laborious and comprehensive that they are rarely if ever compiled on anyone other than very senior leaders and, often, CEO candidates.

Failure Factor #7: In CEO Succession, Winner Takes All. The bogus reason cited by the HP board members for going outside is worthy of further dissection because it is so frequently cited by CEOs and boards resistant to running a proper CEO succession process: Setting up any sort of succession "horse race," they maintain with a straight face, will lead to fragmentation and competition among the senior team, many if not all of whom will abandon the company the moment a winner is declared, leaving it in a sorry state.

As P&G CEO A.G. Lafley once said, "It's always a horse race — get over it." What should be a nonissue is best handled the way Jack Welch of GE did, by insisting that it be well understood by all contenders that the losers would be gone the day after the winner was picked. In light of this strict ultimatum, at GE Welch took special care to keep all the contenders out of staff jobs at corporate headquarters, where they might have been tempted to spend their time trying to undermine each other, and instead gave them tough line assignments where they ran independent businesses, the performance of which could be assessed independently of one another — may the best man or woman win. It's unnatural to expect losers to stick around and report to the winner.

Cultivating Transformational Leaders on the Inside

The development and selection of an organization's next leaders is the single most important decision any organization can make. The responsibility for its conception,

development, implementation and execution must be shared (not necessarily equally) among three pivotal points of organizational power — the CEO, the CHRO and the board of directors or trustees.

Judgments are not, in fact, single-point-in-time events but the outcome of a process that can be divided into three distinct phases: 1. Preparation phase; 2. Call phase; 3. Execution phase.

Apart from being divided into three phases along the temporal dimension, all judgments can be further divided into three distinct domains with regard to their subject matter: 1. Judgments about people (who is on the team or off the team). 2. Judgments about strategy (future direction of the organization). 3. Judgments during periods of crisis (unexpected events that threaten the organization).

All board-level reviews of and deliberations about who should be the next CEO, as well as evaluations of the current CEO, should be explicitly built around the judgment framework. This framework provides a simple but actionable lens through which to examine a leader's past track record of judgments as well as providing a practical guide for incumbent leaders to predict how well a particular leader under consideration may do when under pressure to render key judgments in the future.

Sound CEO succession requires that the board, incumbent CEO and CHRO share a mutually synchronized view of how the organization will achieve success in the future. The succession decision must therefore be focused on selecting the candidate at the top of the pipeline judged to be most able to lead the organization to achieve that precisely defined vision of success. That selection needs, in turn, to be grounded in an explicit framework capable of accurately measuring the capacity of candidates under consideration to internalize knowledge in four areas: Self-Knowledge, Social Network Knowledge, Organizational Knowledge and Contextual Knowledge.

Any sound succession planning process must rigorously assess and evaluate how rising leaders make judgments, achieve success or failure and, most critical of all, their capacity to learn and adjust their strategies in response to changing circumstances. Creating such opportunities requires deliberate planning by the organization's leaders.

Getting It Right: Building a Transformational Leadership Pipeline

The most critical political aspect of CEO succession planning is the maintenance of a balance of powers — complete with real checks and balances — between the three main players in the game: the CEO, the CHRO and the board. The CEO must own and manage the process while not dominating it, undermining it or in any way compromising its integrity, objectivity or impartiality. The board, the CEO and the CHRO must be tightly aligned and must defer to the process, which involves setting aside personal agendas and biases.

Human resources systems and evaluations need to take the reality into account that compensation and promotional and development opportunities must be intrinsically linked to judgment capacity and related specific criteria, including personal integrity, motivational skill and contextual knowledge. My team and I tackle this task by designing action-learning projects that are authentic business challenges, which are ultimately developed into real-life business concepts, tactics and strategies, the success or failure of which counts against their leadership capacity assessment.

Although talent development is primarily an internal operation, the search for a transformational leader, if it is to be truly rigorous, must involve benchmarking internal candidates with viable external competitors.

The Cultural Dimension

The most powerful shaper of culture is the HR department and the systems it employs to appraise, promote and reward performance. These are the systems that must be put into place if you are hoping to override powerful personalities and politics. Building an effective leadership pipeline in today's world demands the cultivation of transformational leaders, who are able to maintain the continuity of the core culture while continuing to hard-drive internal and adapt to external change.

The CEO Role in the Succession Pipeline: The Paradox of Power

In July 2011, the board of directors of telecom giant Verizon Communications issued an announcement so widely expected it generated only a passing mention in the press. Ivan Seidenberg would be stepping down as CEO by August 1. The naming of Seidenberg's successor, Lowell McAdam, who had led Verizon Wireless since 2006, came as no great surprise to anyone who had been following the company closely, because about a year before, Verizon's board had issued a detailed public statement confirming the appointment of McAdam as COO and

president of Verizon Communications, the corporate parent, clearly positioning him as Seidenberg's heir apparent.

CEO Succession Rule #1: Great CEO Successions Don't Make Great Copy.

Everything about the Seidenberg-McAdam succession reflected Seidenberg's determination not to "create drama" around the event. An uneventful succession is the clearest indicator of an executive transition's (at least) short-term success.

CEO Succession Rule #2: The CEO Isn't the Only Game in Town.

The transfer of power from one CEO to the next shouldn't be an isolated event, but the culmination of a disciplined, rigorous process that encompasses the multi-year development and positioning of the top team.

CEO Succession Rule #3: Process Is Best Served When the CEO Collaborates with the CHRO and the Board.

The process that brought not just McAdam but the entire new team to the top had been the product of a close long-term collaboration among Seidenberg, the board and CHRO Marc Reed. Seidenberg and Reed spoke with one voice about the pride they both took in collaboratively crafting a process that, though by no means perfect, was meticulously engineered to minimize the technical, cultural and political challenges and disruptions that so often compromise and distort CEO succession sagas.

CEO Succession Rule #4: Go to the Board with a Plan on Your Own; Don't Make the Board Come to You.

This approach puts the CEO ahead of the curve in preparing the future transition. This is a subtle way for the CEO to influence yet not explicitly control the process by setting a timetable, framing the issue, letting the board know it's an important CEO priority. Yet at the same time, it gives the board members a sense that they have been called into the game early, with ample time for them to provide insight.

CEO Succession Rule #5: Acknowledge and Correct Personal Biases

Seidenberg remained firmly convinced that the board would and should ultimately "select someone who knew the industry, had deep vertical knowledge, had great operating experience and understood the premium that goes with our brand." While he wasn't shy about letting that bias be known, it made him all the more determined to give CHRO Reed a definite mandate to maintain a viable slate of external competitors for every key position.

CEO Succession Rule #6: Every Candidate Needs Exposure to the Board

This exposure should be designed to make each director feel confident in their ultimate selection decisions.

The Critical Role of Human Resources in CEO Succession

An HR system with integrity forms the foundation for the selection system, the reward and benefits systems, and a development system all linked together. The weakest link is generally appraisal. In the absence of honest, rigorous and impartial appraisal, it is not possible to achieve the required integrity in the reward system because the basis upon which who gets more or less is not seen as fair and therefore does not serve as a motivator of performance but rather as a tool for dysfunctional political manipulation.

For the HR system to support sound succession planning, HR executives must take the lead in designing a system defined by rigorous data and checks and balances. Data is a treasure that only HR possesses. If that data is degraded, the result is GIGO: Garbage In, Garbage Out.

Making HR Strategic in Three Not-So-Easy Steps

Step 1: HR helps business leaders prepare the data for review, just as finance does the same on the business side.

Step 2: HR presides over a rigorous review process reflected in open, honest dialogue. The dialogue is marked by a full and nuanced appreciation of the often subtle interplay between technical, political and cultural elements, with the most important component being the political checks and balances that maintain the system's integrity.

Step 3: Continual review and follow-up.

The Accomplishment Analysis

HR departments that are truly effective and strategic often compile thorough, qualitative portraits of present and high-potential future leaders based on an extensive series of in-depth interviews known as "accomplishment analyses." These typically start out with the leader under consideration for promotion reviewing his or her past accomplishments and aspirations with a series of interviewers initially charged with gathering the subject's own view of their strengths and weaknesses, self-perceived future potential and what they need to do to become better leaders, which will then be compared with how others who've worked with them see them. The HR auditors then interview former managers, customers and/or suppliers, superi-

ors, subordinates and peers, all of which are compiled into an exhaustive assessment often conducted by a certified outside consultant in the field or a certified HR executive from a different business inside the organization. That way, these comprehensive performance reviews and audits remain safely outside that leader's immediate chain of command, a critical check and balance comparable to one that might be implemented in the process of conducting a financial audit of a leader or business unit. Accomplishment analyses serve as a valuable function by providing an impartial narrative.

Precisely because no silver bullet or iron-clad guarantee has ever been found in the arena of leadership development and because the margin of error in assessing human potential is by definition so dramatically wide, the vital importance of creating a mutually reinforcing collage of overlapping and redundant evaluation, assessment and development systems cannot be overstated. At GE, leaders at all levels grow accustomed to rigorous, overlapping and deliberately redundant assessment processes, matrices, benchmarks, yardsticks and models.

Crafting Crucible or Stretch Assignments

HR must be the CEO's partner on this most critical of developmental challenges. There's a business side to this equation, but there's also a people piece. Designing the organizational structure is a key part of the succession planning discussion, in the later stages of the game.

In the last phases of the CEO succession horse race, HR is critical to creating a structure that gives the finalists a big chunk of the business, ideally as independent P&L if you've got one. The HR person is responsible for (1) crafting the structure to make that horse race fair and honest and (2) evaluating and measuring the performance of each leader so that it's a little more nuanced than just a totting up of their respective bottom lines.

To recap: As head of HR, you have a selection of levers to pull on. You have individual leadership assessment (critical), and you have the lever of structure. Less well known, structural change in the service of development is one of the most powerful levers.

The Role of the Board

Having a powerful board of directors is not a problem in and of itself. It is universally acknowledged given in corporate governance circles that a strong, independent board of directors presents a valuable check, balance and countervailing force against the otherwise unfettered freedom of action of strong-willed CEOs. But the lines of political demarcation between CEO and board need to be carefully drawn so as not to hamstring, compromise or neuter the positive actions of the CEO determined to drive radical and possibly uncomfortable change that may challenge vested interests and threaten long-standing ways of thinking and acting.

At the end of the day as well as the conclusion of the annual shareholder's meeting, the ultimate responsibility in CEO succession lies with the board. Of the many choices that a board makes, none is more critical than the hiring and firing of the CEO. Boards must adhere to a rigorous practice rooted in partnership with the other two key stakeholders, which inevitably requires long-term engagement in development and reviews of internal candidates.

Boardroom Dos and Don'ts

1. Don't NOT have a name in the envelope. The most awkward predicament any board can find itself into, which occurs just the same with alarming frequency, is for a sitting CEO to abruptly step down and leave the board with no name to pull out of the envelope. An emergency succession plan is the corporate equivalent to carrying a first aid kit and a spare tire in the trunk of your car. The solution to this problem is really quite simple: As the Boy Scout motto puts it, "Be Prepared!"

2. Don't have a SPOTS paper plan. The most frequent result of having a strong-willed CEO and a reticent board is not that the issue of succession planning is formally neglected but that the plan, such as it is, isn't worth the paper it's printed on.

3. Don't be afraid of alienating a successful CEO. Boards of directors frequently shy away from forcing the issue of CEO succession on a CEO when the CEO is riding high.

4. Don't split the role. In reality, organizations are better off with one leader, not two or three.

1. Do prepare for a deep, long, constructive engagement. This is a process of focused, intentional interventions over a period of years.

2. Do coach the candidates. Boards may arrange for an outside consultant from a premier firm to work closely with a candidate on their business, strategic and leadership development plans.

3. Do ensure fair and equal exposure for all candidates. The key here is to ensure that all of the candidates get fair and equal exposure to the board, because working closely and constructively with the board is probably the most important single job a CEO has.

4. Do get succession candidates on other companies' boards. It's important for directors to help succession candidates go on boards to gain additional experience and exposure outside the walls.

5. Do expose directors to candidates on their own turf.

The best practices and best processes, from a board point of view, can be distilled down to a few critical non-negotiable points: A clearly defined process, maximum transparency, a carefully tasked board committee, rigorous assessment and relentless coaching of all potential candidates by the entire board, not just relying on the committee, close and constant collaboration with the CEO and CHRO, and when the time comes, a willingness to accept expert help.

The Insider/Outsider Dilemma

On May 1, 2013, department chain store JC Penney posted a contrite video on Facebook. It included a friendly female voiceover proclaiming, "what matters with mistakes is what we learn. We learned a very simple lesson — to listen to you." The mistakes the company referred to and which could be blamed on a catastrophic failure to listen to core customers had been committed during the short but turbulent reign of recently ousted CEO Ron Johnson, former head of Apple's retail division.

Seventeen months after Johnson's appointment, retail sales had dropped by 25 percent, the stock had sunk by roughly half, and a deeply embarrassed activist investor named Bill Ackman of Pershing Square Capital Management was obliged to acknowledge that his high-profile selection of Johnson "had been something very close to a disaster."

It's a false premise that when an organization is in trouble, the best way to fix what ails it is to bring in a visionary, transformational leader from the outside to clean out the conceptual cobwebs, shake the place up and, in some cases, even blow the place up. This theory has a certain logic to recommend it, and it is sometimes (but rarely) the case that outsider CEOs imported into troubled organizations have brought with them an injection of fresh perspective and a set of skills that have resulted in dramatic turnarounds.

But that said, an overwhelming preponderance of evidence supports a contrary view, which is that these few exceptions do not prove or make a rule to be slavishly followed as a matter of dogma or doctrine. The fact that a handful of highly talented outsiders have pulled off this remarkable feat is no reason to ignore the more salient fact, which is that in the vast majority of cases, outsider selection and recruitments are riskier, costlier and far more disruptive to the fabric of the organization than insider selections.

The case for an insider cannot be overstated. The insider knows the company, the industry, the people, the networks, the subtle and shifting alliances, the existing strategy, and — for better or worse, knows where many of the existing flaws and faults lie and where all the skeletons are buried. Most important, the insider is likely to be more sensitive to the cost of throwing the baby out with the bath water.

All that said, in special situations — as when an organization is in deep distress, its core strategy and business model are no longer working, and/or its current leadership, meaning the entire top team, has been tinged with the outgoing CEO's tar brush, an outsider selection may not only be justifiable but advisable, even inevitable. Yet make no mistake about it: No matter how successful that outsider may ultimately be, his or her recruitment by definition is the result of failure.

Building a Successful Pipeline in Family Organizations

In the United States, close to 70 percent of the proprietors of family entreprises *say* they would like to keep their businesses in the family, but only 30 percent *succeed* in passing the reins on to a second generation.

The number-one lesson for all family founders: Just as all good leaders provide their rising next-generation potential successors with crucible experiences designed for them to assume the responsibility of taking on real risk in the future, all crucible experiences designed by incumbent leaders of family business to develop heirs into leaders must entail real risk and real reward.

Entrepreneurial parents hoping to develop their offspring into authentic, self-confident and legitimate leaders must be scrupulous, meticulous and fearlessly objective in designing an entry and assessment policy that is patently more rigorous than for non-family members.

This is because no matter how talented the heirs to a company or how hard they may work, their every achievement, their talents, their intellectual capacities and drive are continually called into question by those inclined to ascribe their successes or failures to the fact that they were born, as the old phrase has it, with silver spoons in their mouths. The only way to address this issue

is for family members to work harder than their nonfamily peers to succeed.

Politically, such organizations need to be structured so that family and nonfamily members complement one another and that the relationship between them is constructive and mutually productive as opposed to destructive, politicized and polarizing.

Building a Successful Pipeline in Nonprofit Organizations

With both nonprofits and for-profits, the same basic elements and prerequisites apply when planning good leadership transitions and leadership successions:

1. Complete CEO ownership and involvement.
2. Strong HR partner collaborating with the process.
3. A board that is determined to hold the CEO and HR accountable for getting it right and paying attention.
4. Developing the right tools (performance and values assessments) for the pipeline to produce accountability for succession at all levels of the organization.

Culturally, all not-for-profits are organized according to a framework that places a critical importance on the pursuit of a "higher calling" defined by a distinct set of values. All of these institutions are grounded in an acknowledged need to address a range of societal causes and challenges.

Leadership 20/20: Framing and Facing the Future

Perhaps more critical to determining organizations' rising stars' probability of achieving success or suffering failure in the top job will be their capacity to anticipate, adapt to and get out in front of what are often referred to as "megatrends."

The following four trends will simply make what is already a tough job tougher, faster and more exciting for the winners and more punishing for the losers.

1. More globalization of everything — businesses, medical treatment, education and all other services.
2. Even greater acceleration of the more-than-a-century-old technological revolution, continuing to disrupt industry after industry, creating many new companies and destroying old ones.
3. Corporate investment in global citizenship activities, environmental and human capital investments, with money and volunteerism, continues to accelerate and deepen as more organizations orient themselves toward a customer and client focus, away from an inside-out approach to an outside-in approach.
4. Activist investors will play an even more prominent role in executive transition and CEO succession by demanding even better performance and leadership, with the inevitable result being that churn at the top will increase as CEOs falter and fail, while increasingly less tolerant, more capably governed and more diverse boards increase their due diligence, responding to the ratcheting up of pressure from all sides to hold CEOs accountable for doing their primary job: raising the value of the assets they inherited while simultaneously transforming the company and developing, coaching and picking a successor capable of doing the same.

Conclusion

The case has been made that nothing is more important than having the right leader at the top of any institution. Unfortunately, we live in a world where this is done wrong 80 percent of the time.

Failed CEO succession is the single biggest destroyer of shareholder value or, in not-for-profits, the future success of the institution. The most important CEO responsibility is to grow transformational leaders from the inside so you will never need to go outside in search of one. It is up to the CEO and top team to be fully involved in this exercise and keep the board fully engaged; the process cannot be delegated to consultants and human resources staff.

The one lesson to take away from this is that leadership development from the earliest stage of someone's career and succession planning, if and when conducted properly, are one and the same and should be a top priority for the CEOs, board and head of human resources. Good succession planning and processes are the lifeblood of future organizational success.

RECOMMENDED READING LIST

If you liked *Succession*, you'll also like:

1. ***The Leadership Pipeline*** by James Noel, Stephen Drotter and Ram Charan. Three experts show companies how to build their own leaders by understanding the critical passages a leader must navigate.

2. ***Judgment on the Front Line*** by Chris DeRose and Noel M. Tichy. Management experts DeRose and Tichy provide a five-step process for building a frontline-focused organization and include examples of frontline leadership in action.

3. ***Leadership 2030*** by Georg Vielmetter and Yvonne Sell. Find out the six converging megatrends that will reshape businesses by the year 2030.

Summary

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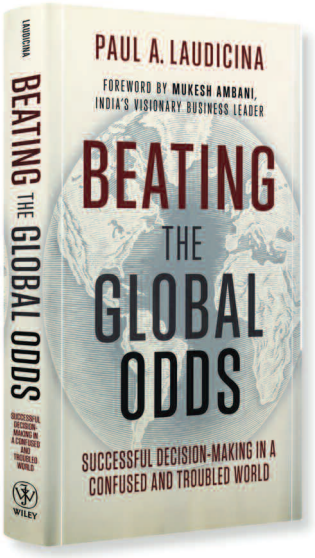
Beating the Global Odds

Successful Decision-Making in a Confused and Troubled World



by Paul A. Laudicina

THE SUMMARY IN BRIEF

More than at any other time in human history, it's possible — even necessary — to be plugged in to what's going on 24/7. But while the widespread proliferation of information can yield great benefits, the overall result has been a drastic decrease in original thinking, fresh innovation and much-needed leadership and a move toward a more fragmented society. *Beating the Global Odds: Successful Decision-Making in a Confused and Troubled World* is here to help, showing you how to cut through the clutter and regain your focus as you confront the challenges of the future.

The ultimate road map to building a better, more cohesive and more coherent tomorrow — for your business, your world and yourself — *Beating the Global Odds* is designed to help business leaders and readers overcome the confusion of the 21st century and start working together with clear purpose.

Change is essential, and A.T. Kearney CEO Paul Laudicina takes a behind-the-scenes look at the people and institutions that are thinking big to repair the international social fabric and pave the way for a better future. Guiding you where to look for new insights and ideas, Laudicina shows how the future is yours for the making.

IN THIS SUMMARY, YOU WILL LEARN:

- How to widen your lens and create a global vision.
- Why you need to master scenario planning in order to make sense of today's world.
- The critical role that values-based leadership will play in the future of politics and business.
- Four possible scenarios for the next decade and beyond.

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THE COMPLETE SUMMARY: **BEATING THE GLOBAL ODDS**

by Paul A. Laudicina

The author: Paul A. Laudicina is the CEO, chairman of the board and managing partner at the global management consulting firm A.T. Kearney and the founder and chairman of the firm's Global Business Policy Council.

Beating the Global Odds: Successful Decision-Making in a Confused and Troubled World by Paul A. Laudicina and Mukesh Ambani (Foreword). Copyright © 2012 by A.T. Kearney, Inc. Summarized by permission of the Publisher, John Wiley & Sons, Inc. 206 pages, $34.95, ISBN: 978-1-118-34711-9. To purchase this book, go to www.amazon.com or www.bn.com.

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Introduction

Today's society — a swirl of businesses, governments, organizations of all kinds and individuals — has been rendered confused and paralyzed by a multitude of shocks, crises and high-speed changes that we are all more familiar with than we'd like to be. A technology-driven and connected world has exponentially increased our inputs and choices. At the same time, there is a lack of a fundamental, shared sense of purpose on which people and organizations can build things that last — inspiring and sparking actions that will yield longer-term benefits both within and across borders.

We can't, nor would we want to, turn back the tide of connective technologies. Instead, we need to leverage them to solve the very problems they helped spawn. Information Technology 1.0 has enabled a transaction-based society in which "the deal" became more important than the value it drove or the relationships it was based on. And so this decoupling of wealth creation from value creation is at the heart of today's increasingly angry, divided, alienated and atomized societies. In this environment, individuals have retreated from integration, seeking refuge in the realities of their identity: nationality, ethnicity, religion ...

Yet we know that narrow thinking impedes innovation. And innovation drives value creation, which in turn drives wealth generation. Wealth generation enriches businesses, governments, societies and individuals. And we know that diversity of ideas and inclusion of people drive innovation, which in turn are extended by further advances in technologies that span time and space.

Only inspired leadership can help our post-Great Recession, atomized society rise above itself to realize a new, rising-tide prosperity. To inspire and compel purposeful action, leaders must be grounded in values — and be able to pragmatically employ the best of technology and new ways of thinking. Unless there is a deeper understanding of the consequences of inaction or improper action, the promise of daring to reach beyond the constraints of time and space to seize opportunity and manage risk will not be fulfilled. ●

Global Brain Freeze

Not surprisingly, people (and organizations) everywhere are feeling disoriented, bewildered and even paralyzed. From crisis and scandal to the proliferation of product choice and the relentless 24/7 information smog of always-on news, email and social media, we are not feeling especially smarter or wiser.

Disorientation and Decision Analysis

Faced with too much information and not enough understanding, people and organizations begin to grasp at fleeting pieces of certainty and take actions that make sense in such a context. The colloquialism "hindsight is always 20/20" is used to justify those decisions that fail, with the excuse being that only the perfect foresight gained from actually experiencing the future could have delivered sufficient information and insight. But the trouble is that, by perceiving the future and the world as inherently unknowable, we too often end up with one logical decision after another that when put together spell disaster.

So what are the most common reactions to information overload and confused perception? There are four:

• When faced with a complex, confusing and constantly changing world, people and organizations freeze

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor and Contributing Editor; **Amanda Langen**, Graphic Designer

and take no action. The shortcomings here are obvious — freezing and delaying yield missed opportunities for purposeful action and erode competitive advantage.

• When presented with massive complexity, people and organizations begin a process of analyzing and categorizing what they see in an attempt to get a handle on the situation and make thorough, data-driven decisions. Too frequently, one can fall victim to focusing excessively on details at the expense of the bigger picture, with inaction or action made ineffective by delaying the inevitable result.

• The third reaction is a commonly applied antidote to the second — we begin to overanalyze, but in order to avoid inaction, we actually short-circuit the process and reach a single conclusion that, due to our faith in the analysis conducted, is viewed as immutable.

• Finally, and most commonly, information overload leads to frenetic, unfocused activity, devoid of clarity or purpose — like deciding to work on email for hours in order to avoid more thorny problems at hand. ●

Fast and Fickle

It's hard to believe now, but in the early 20th century, a number of artistic movements regarded speed, noise, motion, machines, crowds and even industrial pollution as thrilling and liberating.

In our own time, we find velocity more unsettling and destabilizing. For example, in the blink of an eye, Finnish mobile phone giant Nokia has gone from being the darling of the business world to a company teetering on the edge of an abyss.

The late Peter Drucker, as always, seemed to get it before everybody else (writing here in the September 1994 edition of *Harvard Business Review*):

The root cause of nearly every business crisis is not that things are being done poorly. It is not even that the wrong things are being done … But rather because the assumptions on which the organization has been built and is being run no longer fit reality.

In short, consumers, companies and governments clinging to outmoded concepts of product, business and idea cycles will be left continually flat-footed. Compare for a moment the disparate fortunes of General Motors (GM) and Volkswagen (VW). Much has been made of the difficult structural environment that GM operated in, with high labor costs and massive pension and health care obligations. But it would be difficult to say that a German company does not face at least similar challenges. Yet GM went bankrupt, saved only by the *deus ex machina* of the United States and Canadian governments. VW, by contrast, is both a larger vehicle maker than GM and a hugely profitable one to boot, with 2011 profits reaching an all-time high of 11.3 billion euros. Some of this is due to transition costs as GM moves away from a product portfolio skewed toward gas-guzzling SUVs and pickups and belatedly rationalizes a needlessly large and incoherent stable of brands. However, more had to do with GM's structural rigidity and bloated internal processes. Even now, four years after its bankruptcy, GM is producing vehicles on 30 different platforms with the goal of reducing this number to 14 by 2018. With the launch of its MQB (Modularer Querbaukasten) platform in the Audi A3, VW will produce the majority of its vehicles on just four.

Lumbering Giants

Have you noticed the way BRICs (an acronym for the economies of Brazil, Russia, India and China) has gone from ubiquity to near-obsolescence in just a few years? Yes, the locus of economic dynamism, brainpower and even military force is shifting fast from West to East and from North to South. The problem is that the exact implications are hard to gauge.

Will the 21st century be more peaceful than the last one? We sure hope so, but we just don't know. We do know that emerging markets, big and small, are no longer just low-cost manufacturing hubs. They are high-end consumer markets in their own right as well as very sophisticated investors in (not borrowers from) the United States and Europe. As one finds in Washington, D.C., the great megacities of the emerging world have enclaves of extraordinary wealth sitting near pockets of desperate poverty. You can go from the 21st century to the Stone Age just by crossing the street.

The striking thing, however, about the less privileged sections of Lagos, Sao Paulo or Mumbai, is the ubiquitous presence of advanced technology juxtaposed with living conditions that could be considered barely medieval. Seemingly everyone in the Stone Age section of these megacities will still have a mobile phone.

If you're not looking for innovative ideas or opportunities, or are unprepared to react to a discovery once made, you're not going to find yourself in a position to innovate or succeed. You can't spend all your time reacting to the fast and fickle of global change. To be sure, you need to have enough operational acumen to allow your organization to survive to reach its future potential, but you have to maintain a view of the longer term to help seize that future. This is true for individual

career or investment decisions as much as it is if you are leading a business or making government policy decisions. You might say you need a foot on the brake and a foot on the gas pedal.

Rudderless World

As we have learned the hard way, events anywhere now reverberate everywhere instantly. And, unsurprisingly, large numbers of people find the pace of change frightening and confusing. Some grasp at bizarre conspiracy theories. Others gravitate to extremist groups or politics, unfortunately a still-rising trend. A common thread binding these populist groups is the gut feeling that political institutions have been corrupted or co-opted, and that short of a significant intervention they are simply no longer responsive to the needs of ordinary citizens.

It's difficult to deny the level of popular appeal they have — and it's actually easy to comprehend the frustrations of their supporters. After all, how much real, vigorous, public debate has truly gone into some of the most momentous political decisions in recent history? The point here is not whether one agrees or disagrees with specific political actions, or even in some cases whether politicians were reasonably in a position to solicit public input prior to taking action in a crisis. It's no surprise that vast swaths of the public are feeling left out — mere bystanders to events not only beyond their control but even beyond their ability to have the smallest say.

The Three Deficits

Times like this call out for inspired (and inspiring) leadership, but we haven't been so lucky. Paul Volcker was right: Of the three deficits, the budget deficit and the trade deficit are relatively easier to handle than the arguably more acute leadership deficit. Volcker wrote in 2005, long before financial crises were on most people's radar: "Altogether the circumstances seem to me as dangerous and intractable as any I can remember, and I can remember quite a lot. What really concerns me is that there seems to be so little willingness or capacity to do much about it."

Unfortunately, the steps required for someone to get promoted or elected to a top leadership role in government, business or civil society today have little to do with the qualities actually needed to be an effective leader, including personal courage and the ability to articulate a vision of the future that inspires and unites for effective and purposeful action.

The Need to Think Bigger

It's a dilemma of our time that policymakers must be seen as either pro-business or pro-worker, as though one group could exist without the other. The challenge is that governments — and by extension their citizens — need to think bigger. The choice need not be between attracting businesses with beggar-thy-neighbor tax policies or punitive tax rates that drive away all but favored national champions who cut special deals. Taxes are important to business, but so is a range of other factors as well.

The importance of this point cannot be underestimated during a period in which most observers feel that bold political action could solve or at least mitigate many of the developed world's most pressing challenges, with the alternative — indecision and inaction — able to make them immeasurably worse.

Turkish-born Harvard professor Dani Rodrik regularly makes a point that is thought-provoking: Is it possible to have, simultaneously, democratic mass politics, national sovereignty and an open global economy? He thinks the answer is clearly no, and calls it the inescapable trilemma: You can have two of the three, but not all three. Try to have all three at once, and what you get is the messy gridlock that lurches from election campaign shouting matches to overhyped boom to economic crisis and back again. Silicon Valley billionaire Peter Thiel, the libertarian cofounder of PayPal and early investor in Facebook and LinkedIn, puts Rodrik's trilemma in slightly different (and even more ominous) terms, saying, "I no longer believe that freedom and democracy are compatible."

The Case for Values-Based Leadership

Unlike Thiel, I continue to believe that freedom and democracy are compatible, but that freedom, democracy and capitalism can only function when all the actors in the system accept a clear sense of responsibility — to themselves, to one another and to the planet. Responsibility, to be effective, cannot be handed down and enforced — it must come from a system of values.

Values is an overused word these days, but I don't shy away from it when and where it's needed. Simply put, we need to move from a world and a system in which people do good by doing well — that is, benefit others and the planet only as a byproduct of focusing on personal profit — to a system in which one does well by doing good — when providing true leadership and service is the central priority and financial returns and per-

sonal enrichment are merely their corollaries.

Maintaining a commitment to values is not always easy and the choices are not always straightforward. Google, whose informal corporate motto is "Don't Be Evil," found this out a few years back when it encountered censorship issues in China. Censorship was an activity in violation of Google's founding principles. When shareholders protested, Google was faced with a choice between violating its principles and exiting the world's largest (by population) market. One can debate the merits of Google's eventual solution — to maintain a self-censored Google.cn site while offering a link to an uncensored Google.com.hk based in Hong Kong — but the complexities that can arise when principles and the real world meet are clearly there.

Lighten the Load and Make It *Sesame Street* Simple

In the developed world, we are choking on stuff as well as information. The group Global Footprint Network has developed a way of measuring the ecological demands of global consumption and output in terms of how many planet Earths these activities consume. Right now, we're using the resources of about one-and-one-half planets to maintain current consumption levels. These researchers predict that under current trends (which of course can change), we will need more than two planets by 2050.

As an antidote to what I've described, lots of businesses and consumers have generated a groundswell of enthusiasm for simplicity — in products, in lifestyles and in operations. Former Procter & Gamble chairman A.G. Lafley memorably describes this as the move to "*Sesame Street* Simple." The successful companies (and political units) of the present and near future are those that delight and simplify choice for the harried and stressed-out consumer — as Apple has done with a truly beautiful-to-behold product line small enough to be laid out on a single table.

Behavioral scientist Barry Schwartz at Swarthmore College has closely studied what he appropriately calls the "Paradox of Choice": how an excessive abundance of choices and options in every aspect of life — from the mundane to the momentous — causes anxiety, creates perpetual stress and actually diminishes our sense of well-being. The best companies of our time already get this and help edit and curate their offerings so the consumer doesn't have to be overwhelmed or spend vast amounts of time sorting through every possibility.

Cockpit Confusion

You might be saying to yourself that information overload and messiness is annoying and sometimes overwhelming, but it's not life-or-death. Actually it can be life or death. You may recall the tragic story of Air France Flight 447, which crashed into the Atlantic Ocean in 2009 with a loss of all on board.

What we now know, following the recovery of the black boxes from the ocean floor, is that the two first officers on the flight deck were simply overwhelmed by the nonstop cascade of faults, alarms and warnings in really hairy nighttime flying conditions and the need to fly the plane manually because the autopilot had switched itself off with the loss of airspeed reading. In theory, these circumstances should have been survivable, with the pilots regaining control of the situation and continuing to fly on safely. The arguments over whether the crash was primarily due to pilot error are still going on, but it seems clear that cockpit confusion was a major factor in the disaster. First Officers David Robert and Pierre-Cedric Bonin apparently couldn't, in the mounting chaos of the moment, figure out what was essential to do next.

The key is not to avoid modernity, but to identify and eliminate the unnecessary complexity that frequently accompanies it. Seek out tools and trends in the modern context that enhance simplicity, sustainability and self-fulfillment. Avoid, eliminate or minimize those that do not. For businesses, this means first being clear about strategic intent and then being ruthless about only adopting products, processes and systems that support that strategy, rather than confusing or distracting from it. This will mean difficult decisions and not being able to satisfy all segments or all interests, but as so many companies have found in the past, trying to be everything to everyone frequently results in being nothing to anyone.

But understanding which opportunities are promising requires both foresight and peripheral vision. Most importantly, it also takes the courage to act when an inflection point is reached.

Repair Your Social Fabric

We live in a time of broken bonds. The trust between employee and employer, borrower and lender, citizen and politician, consumer and manufacturer, has been eroding, or is badly damaged — and we all see and feel the consequences.

There is no question that several trends are combining to amplify existing breaches in trust, the financial crisis

notwithstanding. For example, the trend toward solitary, transient living, often in socially hermetic suburbs, has led to increased individual atomization, making personal contact — and the relationships that it engenders — less frequent. Growing income inequality has reduced the sense we collectively feel that we're all in it together. Author Francis Fukuyama has called this a reduction in the formation of social capital. Fukuyama is clear that the creation of social capital rests not just on a perceived bond between people, but on an "actual human relationship" that turns an opportunity for potential cooperation into the real thing.

You can't repair the bonds or rebuild relationships by sitting at your desk, so American Airlines' campaign is right: "We know why you fly." British Airways has also caught on and offers a contest for small-business owners to win airfare to in-person meetings under its Face-to-Face promotion.

Relationships matter in every industry and field of human endeavor, not least in politics. I recently spoke with a former colleague on Capitol Hill, and he reminded me why the rough-and-tumble of politics seemed more substantive and less personal in years gone by. Did you know that such fierce opponents as (then) Republican Sen. Dan Quayle and Democratic House Majority Leader Dick Gephardt used to commute together into Washington, braving the heavy traffic each day? It was not time wasted, as it fostered a friendly personal relationship between those — and countless others — who might otherwise disagree on things.

Personal bonds of trust are not only essential to good politics, they also are the glue of good business. And to rebuild this sense of common purpose and community within a for-profit company, people need to spend time together just as much as they do anywhere else. Herein lies a paradox: To be effective and creative, people need time to unplug and recharge; at the same time, new sights, sounds and human interactions can help stimulate and refresh one's thinking. That team-building trip to Alaska you considered doing wasn't so wasteful after all.

There is a broader point to be made: Expanding or re-engaging your (real, tangible) personal connections not only gives you an opportunity to create more shared time and experiences on which relationships are based, it's also the chance to broaden the scope of informational inputs around which one's worldview is based. ●

Don't Wait for the Next Big Thing

If you're trying to come up with the next big thing, don't ask your customers — they can't tell you — even though conventional wisdom says you should start with market research. Thanks to the Internet and other innovations, power (including pricing power) has shifted to consumers, who are increasingly the co-creators of the products and services they buy — and a certain level of customer engagement is indeed necessary in a highly interconnected world. However, companies need to avoid being continually reactive; successful companies of the future will be those that surprise and delight their customers.

And if you are simply treading water and waiting for the next big thing or next big boom, think again. If you are longing for the good old days of easy leverage, steadily rising asset prices, cheap natural resources, and that sleight-of-hand of lower taxes and higher government expenditures ... forget it. Just wake up and get on with innovating — seizing smaller opportunities in the absence of clear macro signals.

Innovation: Slowing Down or Speeding Up?

In the view of Peter Thiel, the signs of an innovation slowdown are everywhere if we dare to look. For the first time in recorded history, travel and transport speeds are slowing — and he notes that even the ever-shrewd Warren Buffett has made a recent $44 billion investment in the American railroad industry, which "will do especially well if transport and energy consumption patterns involve a regression to the past."

According to Thiel's measures, increases in agricultural productivity are also slowing, increases in U.S. life expectancy are decelerating, pharmaceutical industry pipelines for blockbuster drugs are looking a bit empty, companies and investors are still looking to "juice" returns with leverage rather than with productivity gains driven by scientific and technological advances — and bold dreams of progress hardly exist outside the IT sector.

In the other corner, we have MIT-trained inventor and entrepreneur Ray Kurzweil, who argues that science continues to advance at an explosive, accelerating rate even if much is still invisible to the naked eye and that by 2045, those still alive will benefit from regenerative medicine that stops and in fact reverses aging entirely.

What Thiel and Kurzweil do agree on is that the IT world continues to display a vibrancy we wish we saw in all industries right now. There are even glimmers of hope that the growing information overload is responding to some therapeutic technical fixes.

Fighting Complexity With Complexity

Brian Arthur, an Irish-born economist, technologist

and former Stanford professor who helped found the Santa Fe Institute, has spent a lifetime studying the deep changes in the economy and society wrought by technological change. In Arthur's view, we are in the midst of a profound set of transformations characterized by hyperconnectivity, digitization and growing complexity. If everything is connected to everything else, both good and bad things propagate at warp speed.

By digitization, Arthur means something very specific. He's referring to the unseen economy beneath the surface of life that is teeming with processes triggering other processes: servers talking to other servers, with a vast array of technologies doing the work, from lasers and photonics to satellites.

As Arthur puts it in one of his recent journal articles, "This second [unseen] economy isn't producing anything tangible. It's not making my bed in a hotel or bringing me orange juice in the morning. But it is running an awful lot of the economy." Whole new industries are coming into being, the economy is re-forming based on new engines of growth, and — as always — human institutions are barely keeping up with what is happening, and it will take governments and societies quite a while to catch up and indeed catch their breath. Like it or not, the entire world has become an "evolving complex system" that is "self-organizing" but not yet "self-healing" — "automatic and neutrally intelligent, with no upper limit to its buildout ... This second economy that is silently forming — vast, interconnected and extraordinarily productive — is creating for us a new economic world. How we will fare in this world, how we will adapt to it, how we will profit from and share its benefits, is very much up to us." ●

Open the Aperture

If you only read highbrow publications like *The Economist*, try regularly browsing the likes of *People*, *Hello!* and *USA Today*, if only just to expose yourself to completely different interests and points of view. In today's complex world, one needs to be an information omnivore, and ideally a discerning omnivore.

Jurgen Hambrecht, the recently retired chairman of German chemicals giant BASF, made a practice of bringing in experts from a variety of different fields outside BASF's core business areas to gain their insights. His reasoning was clear: For BASF to operate with the necessary foresight and peripheral vision that a global company in a competitive environment requires, it needed access to the best minds in the world — and not just in the fields that it knew well. The benefits of Hambrecht's visionary leadership are clearly reflected in BASF's financial performance, which has returned an annual average of 14.1 percent over the past 10 years.

Tap Into Remarkable People and Places

If you want to expose yourself to remarkable people who are emerging, and if you want to tap into the world's key brainpower hubs, you also have to realize that reputations are lagging indicators. One of the reasons for this is that once a person is established he or she has too much to lose by saying something counter-intuitive — or adventurous. On the other hand, those trying to make a name have an incentive to say something crazy and hope that it sticks. The trick is to be omnivorous and discerning enough to be able to separate the has-beens and the hacks from the genuinely insightful. ●

Turning Pixels Into a Clearer Picture

At its simplest, scenario planning is a way of developing plausible stories about what the future might look like without being constrained by the limitations of today's generally accepted assumptions. At A.T. Kearney, we model multiple scenarios of the future using what we regard as the five fundamental drivers of change: globalization, demographics, consumption patterns, natural resources and the environment, and regulation and activism, with technology as an additional metadriver underpinning the others, and wildcards representing other low-probability, high-impact events.

One of the many benefits of scenario planning is that it expands an individual's and an organization's field of vision and helps them powerfully imagine the future.

The following is a set of scenario narratives that we generated recently for an internal partners meeting at A.T. Kearney. As is always the case with scenarios, our intention was not to predict the future. Rather we were attempting to put forth engaging stories about the future that could serve as a jumping-off point for robust discussion and strategic thinking. The four scenarios are titled Top Gear (an optimistic but possibly unrealistic scenario), Terminus (a pessimistic scenario), Flatline (a base case) and Control-Alt-Delete (a possibly more plausible optimistic scenario).

Scenario #1 Top Gear: In Top Gear, economic authorities all over the world manage to get it right. They coordinate to stimulate growth, reduce debt, shore up their financial institutions and strengthen their competitiveness. The geographical scope of this global turn-

around is stunning. In the United States, leaders manage to leave behind the partisanship that had paralyzed the policy process for so long. At once, they restimulate the economy and reduce the debt burden. A revived housing market, continued declines in unemployment and a resurgence of investment contribute to restored consumer and market confidence. As a result, the economy returns to a 3 percent growth track by 2015.

Scenario #2 Terminus: In Terminus, things simply unravel. In the context of protracted economic and financial instability and anemic global growth, leaders are incapable of sustaining support for the globalization that has shaped the economic and business environment for decades. No matter how compelling the economic and financial logic, the politics of procrastination and recalcitrance cannot be overcome.

One political figure after the next is pushed from power. In their place emerges a class of leaders who can and do say no to austerity and reform but have no viable alternative vision. Defaults in two periphery economies throw the euro region into tumult.

Terminus is the end of the line for globalization as we have known it. In its place arises a set of defensive, inward-looking national policies.

Scenario #3 Flatline: In Flatline, global leaders cannot extricate their countries from the 2011 to 2012 recession, resulting in an extended period of acute economic anemia. The entire world economy declines to a 10-year trend rate of 2.5 percent from 2015 to 2025. Compared with previous trend growth of 4.1 percent, foregone economic output reaches $28.2 trillion by 2025.

Flatline illustrates the simultaneous failure of leadership in key countries across the planet. It is a story about deferred actions, lack of leadership, self-inflicted wounds and a highly uncertain business environment.

Scenario #4 Control-Alt-Delete: In Control-Alt-Delete, it gets much worse before it gets much better. Dragged down by aging populations, a loss of competitiveness and widening societal fissures, the United States and Europe reach critical political and economic inflection points in 2018.

It takes a second recession, festering political recalcitrance, a more threatening geopolitical environment and mounting social unrest to get there. In the face of deteriorating economic, social and geopolitical outlook, leaders in the West manage to rise to the challenge. The year 2018 becomes the global reset point — the control-alt-delete reboot. It marks a fundamental shift in the respective pathways of the United States and Europe.

Control-Alt-Delete is a back-from-the-brink story that ends well.

Putting It All Together and Getting Ready to Beat the Global Odds

You know the many ways in which it's become a really topsy-turvy world out there — and getting ever faster, bumpier and more complex with each passing day. But it's also a world brimming over with new opportunities for those ready to chart a new course. Farsighted entrepreneurs and innovators are already bringing simplicity, delight, and a lighter use of materials and energy to whatever they do.

We all need to try to steer carefully to avoid the bipolar extremes of wait-and-see inaction and frenzied hyperactivity. In order to find that creative mean, we need to take time regularly to pause, to clarify our thinking and strategies, and to critically examine our assumptions. And we need to become omnivores too. Vary your information diet and personally go out in the world to check out remarkable emerging people, ideas, places, products and services for yourself.

Of course, relationships and core values matter more than ever in this epoch of broken bonds of trust, so never confuse a mere connection or transaction with a real relationship.

It's time to get moving. Armed with fresh clarity, ideas, passion and conviction, you and I can seize new opportunities without having to wait for that perfect data set. What really helps is learning to think in terms of scenarios, as we naturally crave exact forecasts (and the illusion of certainty). Scenario thinking opens us up to a range of new possibilities that we never before considered, and it also forces us to be skeptical of our usual sources. Taken together, these approaches create the basis for principled, decisive action that creates lasting value. That's how you can beat the global odds. ●

RECOMMENDED READING LIST

If you liked *Beating the Global Odds,* you'll also like:

1. ***Escape Velocity* by Geoffrey A. Moore.** *Escape Velocity* offers a pragmatic plan to move beyond past success and drive next-generation growth from new lines of business.
2. ***Macrowikinomics* by Don Tapscott and Anthony Williams.** The authors provide new examples of organizations that are successfully embracing the principles of wikinomics to change the world.
3. ***Flash Foresight* by Daniel Burrus.** This summary provides an easy-to-implement blueprint for applying seven flash foresight triggers to your own business, enabling you to see the invisible and do the impossible.

Summary

March 2013

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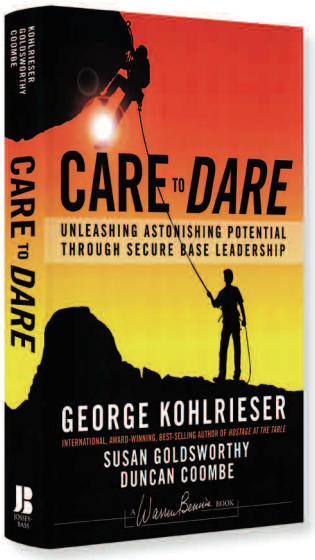
Leadership

Care to Dare

Unleashing Astonishing Potential Through Secure Base Leadership



by George Kohlrieser, Susan Goldsworthy and Duncan Coombe

THE SUMMARY IN BRIEF

Care to Dare shows you how great leaders all over the world unleash astonishing potential within themselves, their people and their organizations by building the trust, delivering the change and inspiring the focus that underpin engagement and create conditions for innovation. These are "Secure Base Leaders" who masterfully combine caring and daring.

You, too, can become a Secure Base Leader in your work and your life. No matter where you work and whom you work with, how little support you feel, how small your budget, or how busy you are, you can learn specific skills and develop a way of being and doing that delivers sustainable results through inspired relationships. Secure Base Leadership, based on trust, confidence and challenge, is the best way to liberate yourself, your team and your organization.

Secure Base Leadership works at the personal, team and organizational levels. It is not just a set of skills — the "doing." It is first and foremost a way of "being." You care enough to dare people to reach for their dreams, and in the process, you can return to your very humanity.

IN THIS SUMMARY, YOU WILL LEARN:

- To provide a sense of protection, safety and caring.
- To become a source of inspiration and energy.
- To unleash astonishing potential by building trust, delivering change and inspiring focus.

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THE COMPLETE SUMMARY: **CARE TO DARE**

by George Kohlrieser, Susan Goldsworthy and Duncan Coombe

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Preface

Hostage negotiators, business leaders or anybody in a position of influence succeeds when they are "secure bases" for others. For the purposes of leadership development, we define a secure base as a person, place, goal or object that provides a sense of protection, safety and caring *and* offers a source of inspiration and energy for daring, exploration, risk-taking and seeking challenge.

Care to Dare shows you how to provide that magical combination of safety and stretch and how to become a "Secure Base Leader" no matter where you are working and regardless of your title or your profession.

Secure Base Leadership works at the personal, team and organizational levels. You care enough to dare people to reach for their dreams, and in the process, you return to your very own humanity. ●

Your Leadership Opportunity

Great leaders all over the world unleash astonishing potential and achieve sustainable high performance simply by tapping into their own secure bases and becoming a secure base for other people. We define high performance as challenging yourself and others to see and achieve what is beyond normal expectations.

Attachment theory revolves around the basic premise that all humans have an innate desire to seek closeness to and comfort from a person who gives them a sense of protection. Researcher J.W. Anderson noticed how children would explore but always keep their mothers as a base — a secure base.

A secure base provides protection and encourages risk-taking. A secure base both waits and intervenes. You can be a secure base for others only when you have multiple secure bases yourself.

If you only provided safety, you would be a source of great comfort for the other person; however, without inspiring him to explore, take risks or seek challenge, you actually overprotect and limit his potential. Providing only one side of the equation reduces the ultimate performance of the people you want to lead — either because they are too comfortable or because they are too anxious.

In the words of leadership guru Warren Bennis, "The basis of leadership is the capacity of the leader to change the mindset, the framework of another person."

In many ways, being a Secure Base Leader is like "belaying" a rock climber. A rope is looped through an anchor above the immediate climbing area. The climber is attached to one end of the rope. The belayer, using a special device clipped to his harness, holds the other side of the rope so that the climber has enough slack to move, but not enough to fall any great distance. As the climber advances up the mountain or wall, the belayer

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Amanda Langen**, Graphic Designer; **Corbin Collins**, Contributing Editor

watches the climber intently and takes up slack as needed.

All bonds start as "attachments" that are basic connections. An attachment progresses to a bond when there is an exchange of emotion and a depth of contact — a "chemistry," if you will. However, bonds are not permanent, nor should they be. "Separation" from a bond at the right time is natural, just as it is natural for a child to leave a parent.

The "Mind's Eye" is the part of the brain that manages our focus. The Mind's Eye directs the focus of a "flashlight" to shine on either the positive or the negative. Secure Base Leaders influence the way others make that choice. They ensure that the Mind's Eye of the individual or team is focused on the goal, the benefit, the desired results, the learning, the opportunity and the possibility. ●

Secure Base Leadership in Action

The behaviors of Secure Base Leaders are clear, practical and learnable. In fact, you may already be exhibiting some of the nine characteristics:

1. Stays Calm. A Secure Base Leader remains composed and dependable, especially when under pressure. This characteristic is so fundamental that a leader needs to master it before he is able to portray other characteristics.

2. Accepts the Individual. Secure Base Leaders show caring for the human being before focusing on the issue or problem. They separate the person from the problem. As far as possible, they avoid judging and criticizing people.

3. Sees the Potential. Secure Base Leaders see the employee's potential talent versus his current functioning or "state." This characteristic is not about short-term potential. Instead, it is about a deeper vision or even a dream for the person's deepest potential — not in one year, but in 10 or 20 years.

4. Uses Listening and Inquiry. Our research reflected a stylistic preference of Secure Base Leaders toward listening and inquiry rather than "telling" and advocacy. They mastered the arts of asking open-ended questions and engaging in a dialogue to seek a greater truth.

5. Delivers a Powerful Message. Secure Base Leaders are masters at coming up with pithy sentences, or what we call "bull's-eye transactions." Secure Base Leaders are good at introducing these bull's-eye transactions when it really matters, not hours or weeks later when the moment has passed.

6. Focuses on the Positive. Secure Base Leaders are good at directing the Mind's Eye of other people to focus on the positive rather than the negative. They help others to see their potential and the opportunity for learning, even in a crisis or time of difficulty.

7. Encourages Risk-Taking. This characteristic goes beyond acceptance and beyond seeing the potential. It takes those concepts into direct action. Secure Base Leaders actively dare people to unleash their potential by providing tangible opportunities for risk-taking.

8. Inspires Through Intrinsic Motivation. When leaders are invited to talk about the people and events that have influenced them, they do not reference money or financial reward at all. Intrinsic motivation refers to doing something because it is inherently interesting or enjoyable.

9. Signals Accessibility. People believe that their Secure Base Leaders are always accessible and available rather than detached and unavailable or "too busy." What is important is the perception that the secure base is available if needed.

Linked to the bonding cycle and the Mind's Eye, these nine characteristics work at the individual, team and organizational levels. ●

Build Trust Through the Bonding Cycle

Central to our mission to humanize organizations, bonding is the guts and emotion of leadership. It is the "caring" part of Care to Dare that we find is often neglected in businesses. A leader can be extremely disciplined, focused and goal-oriented, but without interpersonal bonding, she will probably fail.

A form of synergy, we define bonding as forming an attachment that creates more physical, emotional, intellectual and/or spiritual energy than the person or people involved could generate independently.

Bonding is an emotional connection that invites the other person to feel a sense of protection and safety as well as energy and inspiration. Humans cannot thrive without bonding. If you do not bond, you will spend your life in search of what bonding was designed to give.

One manifestation of bonding is the ability to feel empathy and compassion for the other person.

A common misconception is that bonding equals friendship. You do not have to like someone to bond

with her. You only need a common goal. Hostage negotiators succeed in 95 percent of cases precisely because they are able to bond around a common goal.

When you are bonded, you dare to take a chance on the other person. A Secure Base Leader communicates acceptance and takes a risk toward activating the potential in a person.

Attachment, bonding, separation and grief are the four stages of the bonding cycle:

• **Attachment.** Whether to a partner, a new job or a new project, people first become attached to someone or something. When we are attached, we feel safe enough to let our natural guard down. Attachment is a drive to be in proximity to, to be next to or to be connected.

• **Bonding.** Not every attachment leads to an emotional bond. Bonding flows from what you do with the connection initiated through attachment. When the attachment leads to an exchange or source of energy, and emotion and depth of contact, a chemistry between people and the synergy around a common goal, it transforms into a bond.

• **Separation.** All bonds eventually lead to a transition or to an end — an uncoupling, a disconnection or a debonding. Change, if only through the natural passage of time, brings about separation. Separation is all about letting go of somebody or something, and it is a preparation for something beyond grief.

• **Grief.** Grief is an extension of the separation stage. Grief is the experience of saying goodbye in order to say hello. It ideally leads to a new attachment or to a renewal of an attachment. Grief involves the emotional experience resulting from the ending or transition of the bond. If you cannot grieve, you will never be able to bond effectively. ●

Deliver Change: Embracing Loss Through Grief

Many people, many executives and many organizations are uncomfortable with loss, separation and grief. There is no significant personal loss that will not permeate your leadership performance. Your work as a Secure Base Leader requires you to identify your losses and grieve them. If you do not "unload your heavy baggage" or burden of loss, you will not be able to access the energy you need to bond with and inspire others. The outcome of resolved grief is the ability to feel joy and gratitude again.

Resolving grief is essential to achieving results faster, with higher levels of motivation and engagement, and to delivering the change inherent in innovation, growth and even corporate survival.

The late Dr. Elizabeth Kübler-Ross was one of the first people to identify the stages of grief:

1. Denial
2. Protest-anger
3. Sadness-missing
4. Fear-terror-panic
5. Rationalization
6. Acceptance
7. New attachment or renewal
8. Forgiveness
9. Gratitude

Grief in organizations may appear in situations like:

• A new CEO struggles to win over an organization after the departure of the much-loved former CEO

• After not gaining a promotion, a high-potential employee disengages and then subsequently resigns

• A star performer becomes demotivated following a divorce

Many people are surprised to learn that major gains also include losses that need to be grieved:

• The loss of familiar colleagues after a promotion

• The loss of entrepreneurial spirit after a company progresses out of the startup phase

• The loss of urgency after a huge project is completed

The problem is that organizations tend to skip over the stages of grief and expect employees to bond to the new people or project or strategy or office layout immediately. Skipping stages can result in people getting stuck in their perceived loss and being unable to fully engage in a new bonding cycle — one in which they can say hello to new goals and people.

Here are some ways to use your knowledge of the bonding cycle and grief curves to deliver change as a Secure Base Leader:

• **Embrace grief.** Remember that grief during change is natural. By understanding the process of loss and grief as well as the bonding cycle, you can lead the change, instead of allowing resistance to the change to lead you.

• **Accept emotions.** Grief is not talked about much in the workplace because it is a personal emotional reaction to loss, not an intellectual one. You can encourage the change process and reduce resistance by creating safe environments for people to express emotions.

• **Recognize the pain and sell its benefit.** Recognize the pain of others by putting words to it: "I know you miss the old team leader." Then go on to "sell the benefit" of that pain: "The new team leader has contacts throughout the company that will pull in extra resources."

• **Slow down.** It takes time for people to express the feelings associated with loss, and you can't schedule a time in Outlook.

• **Use ritual.** Some ideas include a farewell speech by the departing team member, going-away gatherings to reflect on what was and working together to dismantle a project room after the deliverable is achieved.

• **Move on together.** It is important that people do not wallow in grief and become victims or complainers. Different people in different parts of the organization will go through the stages of grief at different speeds.

Bringing Forward the Power of the Mind's Eye

Your Mind's Eye guides you to make sense of the events, experiences, challenges and opportunities in your life. The choice you exercise by being the master of your fate is determined by the focus of your Mind's Eye.

If bonding is the "heart" of leadership, the Mind's Eye is the "head." Secure Base Leaders influence the Mind's Eye of others to maintain focus on the end game and thereby achieve goals, meet stretch targets and deliver results. Being a Secure Base Leader involves actively and constantly focusing the Mind's Eye of the people you want to influence and propel to high performance.

The brain is fundamentally hardwired to look for danger, pain and the negative. Our brains have one overriding goal beyond all others: survival. By connecting to somebody or something we each can achieve a feeling of safety that switches off the brain's search for danger. When we feel safe, we can open our minds to the most powerful forms of exploration. Explosions of creativity follow. Caring leads to daring as the focus turns to possibilities. With a secure base, people reap myriad benefits.

While one event can adversely affect a person's life, the cumulative effect of a series of events generally leads to the viewpoint a person holds of himself or herself, of others and of life itself. You can take control of your future in two ways: First, understand how past experiences affect the present. Second, select the secure bases who will support your dreams and aspirations.

Secure bases shape the Mind's Eye of others in three main ways:

Brain Science and Change

Our brains have a friend or foe "early warning system," a flashlight that changes focus based on very quick judgments about whether someone is a friend, and therefore treated "fairly," or whether they are a foe, and therefore treated with suspicion. When the foe system is alerted by a perceived sense of threat, people will shut down, become distant and focus on problems as they attempt to reduce the perceived danger.

Brain science also demonstrates that people are fundamentally motivated by a sense of belonging. Researchers have discovered that social exclusion lights up the same parts of the brain as physical pain. When people say "I feel hurt," they really do feel the pain.

• **Modeling.** If you are positive and optimistic, there were secure bases in your life who modeled this attitude. If the parent is relaxed and confident, the child wants to go out and explore. If the parent is anxious or nervous, the child picks up on the anxiety and may be fearful and cling to the parent's side.

• **Influencing self-theories.** People with fixed mindsets are likely to play it safe and not take risks. Their "view of self" is therefore defensive. If people have a growth mindset, they view the world from a learning, potential and possibility perspective. Their "view of self" is dynamic. Secure bases help others focus their Mind's Eye toward a growth mindset and away from a fixed viewpoint.

• **Improving self-control.** Secure bases help others direct their focus in a way that encourages self-control. Each of us has to exhibit self-control to turn the flashlight from the instinctive negative to the positive. Secure bases can direct the person's focus away from the immediate frustration, temptation or perceived loss and toward other current or future benefits.

A final fundamental aspect of the Mind's Eye is its relationship to state and results. By "state" we mean how a person is at any one moment in time — her physiology, attitude, emotions, mood, behavior and beliefs as they all come together, internally and externally. By training your Mind's Eye, you can influence your mental and physical state to determine a better result. Can you change the fact that the plane is delayed? No. So shift your Mind's Eye from the pain of the delay to the gain of what you can do with the two hours you didn't plan to have.

Achievement: Playing to Win

When you Play to Win, you combine all of the components of Secure Base Leadership — the bonding, the processing of losses through grief and the Mind's Eye — and put them in service of achievement.

Because Playing to Win is inherently sustainable, it delivers healthy high performance. Again, high performance is challenging yourself and others to see and achieve what is beyond normal expectations.

The intersection of varying levels of caring and daring creates four quadrants:

• **Playing to Win (High Caring + High Daring):** Playing to Win translates into your willingness to take the necessary risks to succeed. You are there to cover others' backs and, at the same time, to challenge your followers with tough feedback and high expectations.

• **Playing Not to Lose (High Caring + Low Daring):** If you are Playing Not to Lose, you are focused on failure, possible mistakes, worries and what could go wrong. You tend to be too cautious, are afraid of making decisions and avoid risk-taking.

• **Playing to Dominate (Low Caring + High Daring):** Playing to Dominate means focusing on results at the expense of relationships. If you continue to use this approach, you can become detached from your people.

• **Playing to Avoid (Low Caring + Low Daring):** When Playing to Avoid, you demonstrate the highest levels of defensiveness, risk avoidance, fear of making mistakes and even withdrawal. In other words, you have disengaged and "checked out."

Playing to Win is the leadership approach in which you lead at your best in a sustainable way and have your deepest impact on others and your organization. ●

Strengthen Your Own Secure Bases

Ask yourself:

• Who were my secure bases growing up?

• Who cared about me and also dared me to attempt the impossible?

• Which experiences influenced the leader I am today? What are the "roots of my leadership"?

Self-awareness is a key component of Secure Base Leadership. Through self-awareness you can strengthen your knowledge of your own secure bases, whether they are people from your present or past, goals, or objects.

Each secure base is a building block of your foundation. All these blocks fit together to create a strong base — one from which you interact with the world.

The two most important kinds of secure bases are people and goals:

• **People:** Start by identifying those people in each aspect of your life who give you both a sense of protection and inspire you to explore and grow. Your secure bases will be those people who supported and encouraged you while you spread your wings and sought to reach your highest potential. Someone from your past who has since died may still be a secure base. Avoid putting your secure bases — or anyone — on a pedestal, as doing so will only lead to disappointment.

• **Goals:** Reflect on the goals you've set throughout your life. Many of the goals that become secure bases for us can take many years to achieve and also involve moments of failure along the way as well as success. When the goal is a secure base, it gives you a source of energy and inspiration to pursue challenges in the present and future. Goals also provide what researcher Daniel Pink described as the "three factors for motivation": a sense of purpose, mastery and autonomy.

You have developed mindsets, beliefs, perspectives and knowledge based on your experiences and the people you have encountered. Neuroscience has proven that past experiences become hardwired into the brain. Certain events become associated with specific states.

We agree with research that proves that great leaders are made. Leadership is a culmination of life experiences and intentional development efforts. Secure Base Leaders develop an integrated understanding of how their past impacts the present, and then, armed with this knowledge, they develop new habits and patterns that allow them to be successful in different ways.

In our experience, those courageous enough to look back and really understand how their past experiences influenced their behavior are able to liberate themselves from those patterns. If you have had a network of secure bases throughout your life, you may be able to internalize those experiences and ultimately become your own secure base. ●

Become a Secure Base for Others

Part of the deep work of becoming a Secure Base Leader involves becoming aware of, and in some cases changing, very deeply ingrained patterns in the ways you interact with others. Some of those patterns are reflected in your "attachment style"— the way you connect to

people. Your journey should include an understanding of your attachment styles.

We have integrated Eric Berne's Transactional Analysis concepts into a model you can use to assess yourself and come to understand how and when you move across styles:

• **Secure:** Approachable, high self-esteem. "I'm OK, you're OK."

• **Anxious:** Insecure, overly dependent. "I'm not OK, you're OK."

• **Detached:** Withdrawn, depressed. "I'm not OK, you're not OK."

• **Avoidant-dismissive:** Independent loner. "I'm OK, you're not OK."

Ask yourself:

• *What was the predominant style of the people around me during my childhood?* You are likely to repeat the dominant attachment styles of your mother and father. As with any pattern you have developed over time, you can learn to change your style if it is not serving you well.

• *During times of great pressure and stress, which style do I tend to adopt?* Notice under which conditions you exhibit each of these styles and, very importantly, notice your habitual movement when under pressure.

• *Do I sometimes behave in ways consistent with styles other than my predominant style?* Keep in mind that we all exhibit elements of each style some of the time.

Connecting with others also involves picking up on the "signals" they are sending about themselves, their emotions and their needs. Signals are the verbal and nonverbal messages that confirm or deny the truth of a person's communications. Most signals are subtle. Sometimes signals are conscious, sometimes unconscious.

Four main sources of human signals are part of the verbal or nonverbal exchanges between people:

• **Body:** "Body language" includes gestures, posture, facial expressions and tone of voice. These can be conscious or unconscious, positive or negative.

• **Emotions:** Examples of basic emotions are anger, fear, joy, sadness, disgust and surprise. These emotions activate the body, which in turn sends out signals.

• **Mind:** You send signals about what is going on in your mind. What you think becomes a signal, often (but not always) through the words that you use. What you believe about the other person affects the signals you send.

• **Spirit:** Spirit indicates the intention that is behind all other signals: your purpose, your motivation while you are taking action, and your end goal. Signals from the spirit convey a sense of judgment.

The Brain, Mirror Neurons and Bonding

Mirror neurons give humans the ability to learn through imitation — you watch someone do something and you imitate it. The more you copy someone's action, the easier it becomes, and eventually you can do it almost without thinking.

Research indicates that the basic need for relatedness, empathy and bonding is actually a biological wiring that is activated through such a learning process. Bonding can be learned by watching others and experiencing how they bond.

The mirror neuron system provides scientific validation of the need for empathy and authenticity in order to engage and inspire followers.

Transform Your Organization Into a Secure Base

Remember that in addition to people, other entities can also become secure bases when they provide a sense of protection and a feeling of comfort as well as offer a source of energy and inspiration to explore, take risks and seek challenges. When the company provides that combination of safety and stretch, it becomes a secure base to any employee or external stakeholder who feels those benefits.

Your ultimate success as a Secure Base Leader comes when you influence not only a handful of individuals but also the very culture of your organization. Secure Base Leaders are like puzzle-makers who put all the pieces in the right place.

Transforming your organization into a secure base will eventually lead to a change in its culture:

• Remember that any change involves loss. People need to grieve that loss.

• Focus on the learning you can achieve along the way, not just on the end goal.

• Work with what you can change rather than worrying about those pieces you can't change.

• Strive for excellence — not for perfection.

• Break the big challenges down into small steps.

You will begin the transformation process by encouraging as many leaders as possible to integrate secure base concepts into their approaches and attitudes. The success of an organizational change program is directly related to the level and breadth of senior leadership involvement.

The more leaders you can get to be secure bases, the more people will be inspired to be secure bases and the more likely the broader organization will become a secure base.

You can integrate the core ideas of Secure Base Leadership into every human resource process. It is important to see Secure Base Leadership as a set of behaviors that can be identified, taught, learned, encouraged, assessed and rewarded. Can you find a way to incorporate elements of both caring and daring into a person's job description? We are amazed at how individual objectives often ignore the caring aspect of leadership. You will better integrate Secure Base Leadership when you write objectives that are more clearly focused on both caring and daring. If you do not review the elements of Secure Base Leadership during an annual performance review, you'll miss a critical aspect of the "reinforcement loop."

In order to transform your organization into a secure base, you need to address its goals, vision and mission. People need to bond with other people and to goals. The goals, vision and mission of an organization can infuse a deep sense of caring and daring into all employees and even other stakeholders. ●

Humanize Your Leadership and Your Organization

When we ask senior leaders to reflect on their learning experiences, they often tell us that they "feel human" again. Or they say they have "gotten back in touch with their humanity." Somehow, their very nature as people has become hidden over their years of corporate life. The experience of feeling alive again represents the essence of our mission to humanize organizations.

We recognize the tough realities of business in the 21st century. We know that organizations need to change to survive and thrive. What concerns us is the way that change is often implemented. Everywhere we look, we see more focus on efficiency and survival and less focus on people.

You begin humanizing your organization by opening yourself up to the humanity of others, and you begin that process by first attending to your own humanity:

- **Elevate your hopes and dreams.** Find a way to elevate your hopes and dreams, your passion and joy, your conviction and determination, and your spontaneous enthusiasm for your work and for your life.
- **Show vulnerability.** Remember that showing emotion is a sign of strength. In your vulnerability is your humanity, and in your humanity is your strength. We have seen time and time again that when a leader opens up others open up too.
- **Uplift people around you.** This means focusing on developing strong, enduring bonds with people while also maintaining a challenging and opportunity-focused mindset. The Mind's Eye is always focused on Playing to Win.

The way leaders organize work can either support or block people's very humanity. You can help humanize your organization by changing some of the traditional and even newer ways work is organized:

- **24/7 contact.** The brain works more effectively and efficiently when it has regular breaks. Wean yourself off any email addiction you may have and encourage your people and teams to do the same.
- **Make time to build relationships.** Does your organization schedule work in ways that enable people to get to know each other as people? See what you can do within your sphere of influence to create time for bonding.
- **Recognize the human cost of virtual teams.** Organizations are increasingly fragmented and project-based, with people more attached to their work and their direct colleagues than to the company.

If you choose to act as a Secure Base Leader and adopt a Playing to Win approach, you will respond to challenges by seeking both survival and great relationships. You will always be asking yourself, "How can we win and keep the human dimension thriving?"

Each organization is potentially a place of thriving, flourishing and growth. It can also be a place where human beings are devalued. The turning point is leadership. And within leadership, the essence is Secure Base Leadership. When you take the journey to become a Secure Base Leader, you enhance first your own human spirit, then the human spirit of others and finally the humanity of your organization. ●

RECOMMENDED READING LIST

If you liked *Care to Dare*, you'll also like:

1. ***The 5 Levels of Leadership* by John C. Maxwell.** The levels represent stages in leadership development reaching the pinnacle of leadership: when you are followed because of who you are and what you represent.
2. ***Leaders at All Levels* by Ram Charan.** Charan offers a solution that outlines a new model for succession and leadership development.
3. ***Leadership Gold* by John C. Maxwell.** Learning more about leadership will make a difference in you, and you will make a difference in the lives of others.

Summary

June 2008

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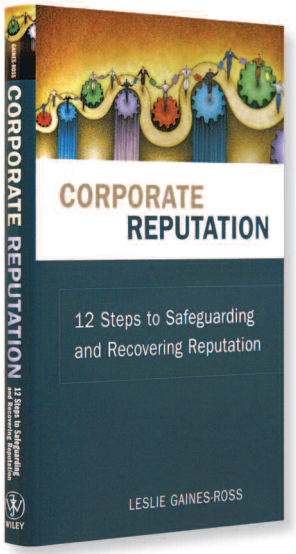
Leadership: Strategies

Corporate Reputation

12 Steps to Safeguarding and Recovering Reputation



by Leslie Gaines-Ross

THE SUMMARY IN BRIEF

Enron. IBM. Tyco. FEMA. As the number of organizations that have suffered significant crises — and were forced to start over to restore their once-good names — continues to grow, many questions naturally arise. How did they lose their reputations? What triggers reputation loss? Were there distress signals? Why are so many companies struggling with tarnished reputations? What does it take to restore a damaged reputation? Can a company build an enduring and lasting reputation?

Dr. Leslie Gaines-Ross addresses leadership teams, board members and other professionals, providing guidance and examples to help organizations answer these key questions. She explains why reputation matters to a company's valuation and well-being and isolates a new stage — reputation recovery — that deserves its rightful place in the process of reputation building. In a four-stage, 12-step process, she reveals the most important phases in recovering reputation. She also explains the roles corporate leaders must play in reputation recovery and sustainability and provides a road map for restoring reputation over the long term.

Losing money is a setback for a company, but losing reputation is a major blow. Gaines-Ross shows how you can keep your reputation strong by rallying the support of employees, consumers, investors and other key stakeholders so that your company's most competitive asset remains alive and well.

IN THIS SUMMARY, YOU WILL LEARN:

- How to minimize the negative consequences of a lost or damaged reputation.
- How to identify what went wrong, including ways of analyzing both the negatives and the positives of the issue.
- How to rebuild a damaged reputation by making necessary changes to corporate culture, shifting business models and practices as appropriate, and using media for building new relationships.
- How to sustain a positive reputation for the long term by accentuating good news and minimizing reputation risk.

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THE COMPLETE SUMMARY: **CORPORATE REPUTATION**

by Leslie Gaines-Ross

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For additional information on the author, go to http://my.summary.com.

Reputation Matters

Reputation means how positively, or negatively, a company or similar institution is perceived by its key stakeholders — the people or entities that the company or institution relies on for its success. Companies burdened by a tainted reputation have less opportunity to engage in business as usual, which hampers their reputation comeback efforts. Steps that would otherwise be viewed with optimism, or at least equanimity, are viewed with suspicion and doubt. Once stakeholders view a reputation as having been seriously diminished, pessimism sets in as those stakeholders cling to negativism that takes time to overcome.

Reputation recovery is a step-by-step process, taken over an extended period of time. Twelve steps fit into a four-stage reputation recovery model:

- **Stage One: Rescue.** Minimize the damage.
- **Stage Two: Rewind.** Identify what went wrong.
- **Stage Three: Restore.** Rebuild reputation.
- **Stage Four: Recover.** Sustain reputation for the long term.

As Hurricane Katrina tragically demonstrated, losing reputation is a defining moment for a company, country, institution or individual. Benjamin Franklin once advised that "glass, china and reputation are easily cracked, and never well mended." Franklin was only partially correct. Yes, reputations are inherently fragile and can tumble overnight without warning. However, the repair process has greatly improved since the 18th century. Today, companies can expect to do more than merely patch a tattered reputation back together.

Rebuilding a strong reputation is well within the realm of possibility. If the right steps are taken, reputation restoration is likely.

Stage One: Rescue

Step 1: Take the Heat — Leader First

A single corporate leader, almost always the CEO, must serve as the official spokesperson during troubled times. The reputation of the CEO and his or her company are inextricably linked. CEOs are regarded by many as the human face of the organization, although alternative representatives to the CEO do exist and might include the chairman, board members, lead director or a retired CEO.

Having one person act as the single repository of communications fosters more focused, consistent and concentrated messages. It allows the company to speak with a single voice, avoiding conflicting positions and misstatements that could confuse audiences and damage credibility at a time when trust is paramount. CEOs must communicate transparently and proactively, rather than defensively. In the early stages of a corporate crisis, leaders' messages cannot be speculative or vary even slightly.

Leaders must never underestimate the scope or depth of an issue or crisis. The natural tendency is to believe that the company's problem will blow over, go unnoticed or fade away as new headlines emerge. For a CEO to lead effectively during times of crisis is an essential component of early reputation rescue. By acting promptly with one voice, transparently and decisively, CEOs can stabilize an unstable situation and set the right tone that, in many cases, ultimately defines the crisis.

Face Head-On

Part of what it means to lead in times of crisis is to avoid equivocation. When facing a crisis, CEOs should act with a statesmanlike degree of firmness and confi-

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dence in their statements and solutions.

CEOs should also recognize that admitting wrongdoing or poor judgment goes a long way to restoring a company's reputation. Perhaps the best way to accept responsibility and demonstrate empathy for those affected in a crisis is the apology. The apology is one way to help shift the focus from what has happened to what needs to happen next.

'The Seven-Second Bow Heard Around the World'

One example of an effective apology is the one from Citigroup's former CEO Charles Prince, who apologized for problems that eventually led to the collapse of the company's private banking license. Prince bowed deeply and symbolically for a long seven seconds at a Tokyo news conference. The global media widely captured his bent image, which powerfully communicated Prince's recognition that he was accountable and that silence was unacceptable. He also sent the symbolic signal that he respected Japanese customs and bowed in regret.

CEO consultant Carol Ballock refers to Prince's apology as "the seven-second bow heard around the world."

Apologies from the top are necessary, but clearly not all there is to rescuing reputation. Companies and their CEOs should follow public leadership expert Barbara Kellerman's advice about the elements of the perfect apology. She stresses acknowledging the mistake, taking responsibility quickly, expressing regret, being timely and providing assurance it will not happen again.

Step 2: Communicate Tirelessly

Communicating effectively and often during a crisis is essential. Crises create unsettling ambiguities. Companies facing crisis are usually under siege from the media, the financial community, disgruntled employees, online and offline critics, and in some cases their own boards. Rescuing reputation and taking the first steps on the path to long-term recovery require a greater level of communications than is typical in less stressful times.

These communications must combine regular and timely face-to-face contact, electronic exchanges and hard-copy messaging. Unfortunately, too many leaders rely too heavily on electronic communications to relay news about unfolding problems. Personal meetings in small or large groups can do more to rally the troops in rebuilding a company's reputation than can sanitized and consensus-driven messaging. Personal connections are hard to replicate on paper and online.

That said, companies do need to pay attention to their online Web site communications. In times of emergency, the company's site is likely to be the first place many stakeholders go for information. The site's effect on reputation during these trying times becomes exponentially greater, with a high premium placed on immediacy and accuracy. Companies under scrutiny must be responsive and communicate constantly.

Disclose Honestly and Quickly

Brutal honesty is not easy when facing up to bad news. The advantage of transparency, especially where the disclosed facts are negative, is that it gets all the bad news out at once. When bad news is released little by little, the crisis at hand is simply prolonged, the rescue process stalls and re-establishing stakeholder confidence is postponed. Even when continuing problems are anticipated, credibility can be maintained if all disclosures are accurate and future problems are candidly acknowledged.

Reassure: Keep an Eye on Your Team

For employees who are not in the decision-making or news-update loop, the early moments of crisis are frightening and overwhelming. It is only natural that employees would be concerned about job security.

In the face of uncertainty, all remaining employees, management and nonmanagement alike, need reassurance and reasons to stay at the company. They also need some amelioration for the other work-related stresses, such as sharp workload increases, as the company struggles to deal with a crisis as well as run its business. Be aware of how intense and debilitating the work environment can be, and take steps to ensure employees' concerns are addressed.

Step 3: Don't Underestimate Your Critics and Competitors

A company should not ignore or diminish what its critics and enemies have to say. They may be telling leaders something they do not *want* to hear but absolutely *need* to hear. The power of technology has increased the reach and influence of many well-organized and experienced critics.

Critics do not come and go, but have staying power that can last for years. For example, People for the Ethical Treatment of Animals (PETA), founded more than 25 years ago, was once considered a fringe movement. PETA is now the world's largest animal rights organization, with more than 1 million members and supporters. Its reach runs far and wide, and companies dismiss their complaints at their own peril.

Even a company as large and powerful as Wal-Mart has learned to not underestimate its critics. The impact of

the company's better-organized critics, such as Wal-Mart Watch and Wake Up Wal-Mart, has been appreciable and impossible to ignore. Wal-Mart CEO Lee Scott has taken critics' relentless attacks seriously and is turning the company upside down to meet expectations, win back fleeing customers and attract new customers. Scott has even taken cues from his company's critics and launched his own grassroots group, Working Families for Wal-Mart, in an effort to rescue Wal-Mart's reputation.

Step 4: Reset the Company Clock

Instilling a sense of urgency often requires getting the senior team to focus more on what has to happen next and less on what went wrong in the first place. Internal politics and finger-pointing distract leaders from attending to those critical moments when moving toward recovery is essential. Wallowing in regret and recriminations is simply not helpful and keeps the company from moving forward. Even if the company is not frozen in time by recent calamities, business as usual is unacceptable. The pace of getting things done has to be accelerated.

A good solution is shock therapy in the form of an overwhelmingly heavy dose of undeniable reality. One CEO, for example, summoned his senior team and displayed charts of its rapidly falling market share. To stun the team further into accepting the facts, he showed slides of competitors with quotes mocking the company. The shock value alone accelerated the team's drive to rescue the company from its downward spiral.

There is no room for complacency or the status quo in turnarounds. From the top floor to the shop floor, everyone must help stop the bleeding. Crisis gives leaders permission to instill that sense of urgency and to focus on change.

Break Into Easy Pieces

Turning around corporate failure is an overwhelming task. Once the company is forced to look forward rather than backward and a healthy sense of urgency is settling inside, it is time to execute the path. The first order of business in carrying out a rescue is to make changes manageable. It is not the time or moment for grand visions. Instead, it is time to set a plan in motion that has clear, quantifiable goals.

Once a plan identifies what can be accomplished in the short and intermediate terms, the rescue or transformation process can begin. Without set deliverables and action strategies, companies will not be able to set momentum in place and will lose sight of the light shining at the end of the tunnel.

Check Who and What Is Missing

In the rush of events when a crisis strikes, key stakeholders can go accidentally unnoticed. Leaders must keep an eye out on employees so that their companies' hard-won customer base is not sacrificed because of preoccupation with the crisis. A corporation has to deal with a crisis, but the core business must not languish. The key players in the business cannot be ignored. Someone has to be minding the store.

IBM Develops a Rescue Plan

After a disastrous period of declining profits and instability, IBM's reputation rescue began in 1993 when Lou Gerstner was named IBM's chairman and CEO. He focused IBM on solutions and action, proposing the following five specific priorities for the first 90 days of his leadership in order to steer the organization toward what had to be done:

1. **Stop hemorrhaging cash.**
2. **Make sure IBM would be profitable in 1994 to send a message to the world — and the IBM work force — that leadership had stabilized the company.**
3. **Develop and implement a key customer strategy for 1993 and 1994 that would convince customers that IBM was moving back to serving their interests.**
4. **Finish right-sizing the company by the beginning of the third quarter.**
5. **Develop an intermediate-term business strategy.**

Gerstner understood IBM had no choice but to make things happen. IBM had to stop blaming others and tweaking its internal structures. The company needed to break the reputation rescue phase into attainable pieces that employees could follow.

Stage Two: Rewind

Step 5: Analyze What Went Wrong and Right

As soon as leaders sense that they have stabilized or rescued their company's reputations from the grip of destruction, they should step back and start asking questions. By studying their own mistakes and those of others, companies can avoid repeating or encountering even larger problems that may lie ahead.

When Tyco International's new CEO, Ed Breen, took over from ousted CEO Dennis Kozlowski, Breen took swift action by firing 290 of Tyco's top 300 executives and handing out pink slips to the entire board. To build the "different company" he hoped to shape, Breen

looked to Tyco's past for lessons learned. He requested a root-cause analysis (RCA) to determine how the Fortune 500 company got itself into its deep financial difficulties and what could be done to prevent them from happening again. RCA is based on the assumption that problems are best solved by attempting to correct or eliminate underlying causes rather than merely addressing the symptoms and repairing any damage. By directing corrective measures at root causes, companies can minimize the problems' recurrence over the long term.

Companies should also carefully examine what they did right as well as wrong. It is easier for employees to accept change if they are presented with positive information as well as negative. Companies should carve out time to isolate the factors that brought them to where they are, so they can rebuild enduring and lasting reputations. Furthermore, an analysis of what went wrong, and hopefully what went right, is invaluable for measuring long-term progress, establishing metrics and achieving closure on an unpleasant chapter in a company's history.

Identify Distress Signals: Keep Antennae Alert

Reputations are not destroyed overnight but are gradually worn down over time, with the collective impact of each incident further chipping away at the foundation of the company's reputation. What this means for leaders is that if they can identify the telltale warning signs of impending reputation failure as they occur, they can take immediate steps to halt its progress.

Distress signals arrive in many forms and from a variety of sources. They can come from customers, employees and other stakeholders. What they have in common is that they eventually surface, whether it is months or years before the actual crisis. It pays to watch for troubling early warning signs. Once companies look back at the signals they missed, they can ensure that precautions are taken not to miss them again.

Find Your Beacons of Light

Many scandal-ridden companies soon learn that there are frequent unpleasant surprises on the long path to recovery. Waves of bad news can wash over companies and drown out any progress being made. Overcoming these gut-wrenching squalls is easier said than done. Boards and peers should encourage leaders to find their buoys in the storm. CEOs should seek out sounding boards that can easily look back at what they learned from confronting the demons of reputation failure and what they would have done differently. These beacons of light can guide companies to a safe landing when storm clouds darken the sky.

Monitoring Online Reputations

Weber Shandwick's *Safeguarding Reputation* research found that blogs, wikis, social network spaces and discussion boards are frequently home to distress signals and should be closely monitored as part of a company's reputation management strategy. Ironically, only about one-third of global executives (31 percent) report that they pay a lot of attention to reputations online. North American executives are considerably less likely to monitor their company's reputation online compared with European and Asian executives (19 versus 32 versus 38 percent, respectively).

Step 6: Measure, Measure and Measure Again

Now that the past is in full view, measurement can begin. To track progress once reputation loss has occurred, benchmarks are necessary. Now more than ever, companies and their leaders need real-time, hard evidence that the company is moving in the right direction.

Reputation measurement takes courage. Companies often do not like what they hear. The good news is that reputation measurement builds confidence — it places information out in the open, leaving no mysteries or uncertainties. Sometimes knowledge reveals that things were not as bad as the organization originally thought. Either way, leaders know what they are dealing with and have the information needed to bring about change.

In addition to quantitative and qualitative research such as surveys and focus groups, daily media alerts help a company monitor potential future problems and gauge public sentiment. These "early bird" alerts should also include intelligence on competitors, which allows the company to assess whether issues affecting competitors' reputations might spread across the industry.

For additional information on measuring reputation, go to: http://my.summary.com.

Stage Three: Restore

Step 7: Right the Culture

Most chroniclers of corporate failure will readily admit that the company's culture is what failed the organization in the first place and that the only way to ensure recovery is to alter the corporate culture.

Only when employees believe that they have as much to gain as senior management and their voices are being heard just as clearly can what former IBM CEO Lou

Gerstner called the "collective capacity of its people to create value" unleash the passion to rally behind change. When leaders engage employees and offer them something that truly resonates with their desire to help, restoration can finally begin. If an organization is committed to its work force and keeps its people motivated, employees will know how to behave when no one is watching and go the extra mile to help return the company to its former glory. To accomplish this goal, companies can consider some of the well-planned best practices that have helped other organizations recover.

Although a few individuals can usually be blamed when a company loses reputation, wrongdoing is frequently systemic. If the culture does not actually encourage misconduct, then it at least tolerates it. For example, Enron's unethical and "anything goes" behavior was shown to be pervasive. A culture of unaccountability and poor leadership was evident at the Federal Emergency Management Agency (FEMA) when Hurricane Katrina relief efforts were badly fumbled in 2005.

To right a company's culture and restore its reputation, top management must pay the utmost attention to its values system and apply steady pressure to replacing values that are either wrong or no longer relevant. Values-based leadership is increasingly important as companies learn that they are now living in glass houses. If employees can be mobilized to pay attention to company values as they do their jobs, reputation risk will be diminished.

Hire Right

Time and time again, restoring reputation comes down to identifying the right people and putting them in charge. A company where people are hired only to push an agenda at all costs will suffer the death of its reputation by a thousand cuts. By hiring the right people who set the right tone and share the right values, companies can avoid reputation failure, or at least mitigate its impact.

Perhaps the best way to ensure that the most qualified people are populating a company's work force is to train and groom them internally. For those companies trying to restore reputation, lessons can be learned from organizations whose reputations have been sustainable for the long term. General Electric Co.'s durable reputation can be attributed to its ability to build great leaders. Countless articles have been written about GE's people factory and subsequent success when GE leaders go on to lead other companies.

Reaffirm People's Beliefs in Themselves

As the recovery process gathers steam, remaining employees have to be reassured that they have what it takes to make the company successful once again. With their confidence shaken, employees have to begin believing that what looks impossible is possible.

One way to rebuild confidence back into a culture that has undergone extreme stress is to identify short-term wins that build momentum. Motorola's new CEO, Ed Zander, saw an opportunity in the ultrathin Razr cell phone and fast-tracked its development. When Razr sales skyrocketed, it was declared a hit. Zander was able to rally employees de-motivated by years of declining share price, stunted technology advancements and lackluster products. ●

Step 8: Seize the Shift

After crisis strikes and the painful process of recovery begins, business models and practices often need changing. A surprising number of crises can be traced to shifts in the business climate that leaders did not see, ignored or did not take seriously enough.

One classic example is IBM's bet on the staying power of the mainframe computer and its overlooking of the PC revolution, which resulted in the computer company's downhill slide in the early 1990s. Instead of sizing up the new market in time to develop an effective strategy against a mounting threat, the company remained dependent on its mainstay System/360 mainframe business. The PC challenge was on the horizon, but IBM had its blinders on.

It is not uncommon for companies that find themselves caught in the undertow of change to suffer from "exceptionalism" — the belief that one's own industry is unique and unlike others. IBM had trouble imagining a world without the mainframe and had to quickly scramble to regain its prominence.

Ask the Right Questions

When confronted with restoring reputation, leaders need to be alert to small and large business shifts that can impact their future. If these changes are relevant — and they often are — reputation restoration should occur within the context of these seismic shifts. Several key questions that leaders should be asking themselves as they face a new future include the following:

- What are the biggest shifts in the world today? How do they affect us?
- Where will our industry be in the next two to three years? Who and what is driving our industry?
- What will be expected of leading companies in three years?
- What will customers need from us in three years?

- Where should we be in three years? What is stopping us from getting there? What should we be doing?
- What signals are weak but already on the horizon?
- Can we change the game? What game-changer would propel us beyond all others?
- Will our answers to these questions astound our competitors?
- Will our answers to these questions inspire our people, resonate with our customers and capture the world's imagination?

Only by understanding and recognizing these business shifts will companies improve their chances of keeping the grim reaper away. When companies are in recovery mode, the answers to these questions can mean the difference between success, failure and mediocrity.

Step 9: Brave the Media

The media is no longer what it once was. At one time, companies were largely dependent on select business newspapers, magazines and major broadcast networks to convey their message to the public. With the ubiquity of the Internet and powerful social networks, traditional media has lost some of its status as the single most powerful intermediary. Referred to as the disintermediation of the media, this revolutionary change carries both benefits and disadvantages for companies in reputation trouble.

Companies now have numerous channels to get their messages heard without exclusively relying on the major media as they did in the past. On the downside, however, companies now have to worry about how a minor glitch can unexpectedly boil over into headline news once it surfaces online. The challenge for companies trying to restore their reputations is to know how and when to strategically use these new media outlets to their advantages and keep their reputations from spiraling further downward.

Don't Believe Your Own Propaganda — Bring in the Critics

Reality can be a difficult pill to swallow for companies accustomed to having their own way and often the final say. Facing up to the hard, cruel facts that created the initial reputation failure can be very painful, especially when it comes from the fiercest critics. Yet there is no better time to put a company's house in order than when it is humbled and eager to get its reputation back on track. Just showing stakeholders that the company understands what went wrong and is willing to take its licks like everyone else can help restore reputation. One way to keep a repair process moving ahead is to ignore your own propaganda.

It is also important to welcome constructive critics into the discussion, not push them away. Not every critic is going to agree with how a company changes its ways, and some may refuse to cooperate, but many will be more than willing to lend a hand with their unfettered opinion during the restoration process. Most important, critics keep companies from believing their own half-truths.

The final stage of reputation recovery is now in sight. A new culture is rising; attention is being paid to outside forces and critics, and new avenues of communications are being paved to reach critical stakeholders. The next phase of reputation recovery is to make momentum known, dig in for the long term and stay ahead of the vortex.

Stage Four: Recover

Step 10: Build a Drumbeat of Good News

Although conditions may steadily improve, the slippery slope still appears in the rearview mirror. In some cases, companies might hear enthusiastic applause for the first time, although they should not let praise distract them from restoring their good names. As IBM CEO Sam Palmisano said about the company's recovery, "Once things got better, there was another kind of danger: that we would slip back into complacency."

After months or even years of less-than-good news, many companies find themselves ready to turn the corner toward vigorously restoring their good names. Recovering reputation typically does not come from one major event or announcement, but rather from a series of small incremental steps that slowly generate positive momentum. At this stage, companies must be cautious not to appear too boastful or overconfident as good news surfaces. Companies on the recovery continuum should remain humble and always on guard.

Make It Simple

Reputation recovery should be accompanied by clear communications from the top. A rebounding company needs leadership that articulates a disciplined, straightforward and easy-to-absorb message. A centralized and unified communications strategy involves responding quickly, cohesively and consistently when any emerging negative issues or criticisms arise. Companies cannot afford the risk of ad hoc or complex communications as they recover reputation.

Communications should not be limited to words alone. Symbolic acts serve as powerful signs that corporate recovery is in progress and change is in the air.

Small actions can carry a heavy weight. As new Boeing

CEO James McNerney dug deep into restoring the aircraft manufacturer's reputation after several highly publicized ethical lapses, he replaced the company's Chicago "World Headquarters" label with "corporate offices." Although not earth-shattering, the subtle change sent a resounding message that pomposity would no longer be associated with the Boeing name. Large or small, unspoken messages can signal needed change to key stakeholders watching for genuine signs of recovery.

Make Signs of Progress Visible

If recovery is on the horizon, observable signs need to be made evident. Neither profit results nor share price are always leading indicators of a turnaround. Management must find other proof points to consistently demonstrate that upward momentum exists at the tarnished company. When it was time for Tyco International to formally declare that its recovery process from the leadership lapses of its previous CEO was officially in place, new CEO Ed Breen initiated two advertising campaigns that emphasized the company's new, streamlined leadership team and the important products Tyco made. Both campaigns reminded stakeholders that Tyco was a company worth knowing better and a company proud to be stepping back into the spotlight.

If reputation recovery progress is being made and employees are being inspired, companies will have an easier time accelerating the momentum needed to push forward. Companies should start small but relentlessly build momentum until it catches fire and spreads exponentially.

Step 11: Commit to a Marathon, Not a Sprint

Too many companies appear to recover, only to stumble soon afterward. For this reason, stakeholders do not regard recovery as certain until a successful track record is long in place. Even so, recovery is a continual process.

Hard as it may be to accept, leaders should recognize the permanency of a recovery campaign. Every day demands winning over the hearts and minds of employees, customers, investors and other key stakeholders. Just as presidents and other politicians must win the vote every day, companies and their leaders must prove that their company is worth support, attention and loyalty. The ongoing recovery and restoration of a company's reputation requires extreme patience and endurance.

Reputation recovery is an epic voyage full of courageous daily actions, small victories and deeds that never truly slay the twin dragons of doom and gloom. Employees and those vested in a company's turnaround can never be completely satisfied. Recovery has too many epic cycles that cannot be rushed to a final close.

Step 12: Minimize Reputation Risk

As the recovery process turns the final corner and the company feels healthier, reputation risk should be faithfully monitored. The once-tarnished company has to guard against any risk of further reputation damage. Minimizing reputation risk now becomes everyone's responsibility.

Minimize risk by always keeping your eyes firmly on the horizon. This includes planning for the worst-case scenario that could set the company back several steps or nearly back to the beginning when the crisis first struck.

Plan for the Worst-Case Scenario

Royal Dutch Shell has been in the business of scenario planning for more than three decades. Its highly regarded Global Scenarios are developed by the Shell Scenario team, with contributions from external experts from around the world. The impressive list of outside individuals contributing to the series demonstrates Shell's willingness to draw insights from wherever they originate.

Shell's scenarios can even be purchased on Amazon.com. Shell CEO Jeroen van der Veer explains, "These scenarios are different from forecasts in that they provide a tool that helps us to explore the many complex business environments in which we work and the factors that drive changes and developments in those environments." As Shell repairs its tarnished reputation of the past few years, its scenario planning helps the company make sense of the world and gives it a sharp competitive advantage.

Minimizing risk is critical to maximizing reputation recovery. Anticipating problems should be practiced every day to avoid unforeseen problems and keep companies on the straight and narrow path to full recovery.

RECOMMENDED READING LIST

If you liked *Corporate Reputation*, you'll also like:

1. ***Why Some Companies Emerge Stronger and Better From a Crisis* by Ian I. Mitroff.** Learn seven competencies that are crucial to surviving unthinkable yet inevitable circumstances.
2. ***A Leader's Legacy* by James M. Kouzes and Barry Z. Posner.** The authors examine critical questions all leaders must ask themselves in order to leave a positive and lasting impact.
3. ***Judgment* by Noel M. Tichy and Warren G. Bennis.** Whether you're discussing former United States presidents, Fortune 500 CEOs or college coaches, leaders are remembered for their best and worst judgment calls.

Summary

May 2008

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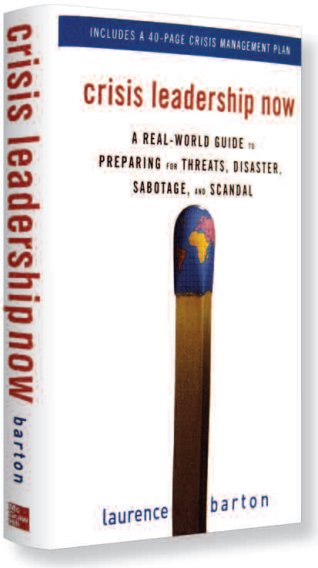
Leadership: Strategies

Crisis Leadership Now

A Real-World Guide to Preparing for Threats, Disaster, Sabotage and Scandal



by Laurence Barton

THE SUMMARY IN BRIEF

Some managers shine during a high-level crisis, while others stumble. Leading crisis management expert Laurence Barton explains why those with an action plan in place are the ones who can react quickly, manage rumors, and respond to victims and stakeholders sincerely and adequately while keeping their organization afloat. As a crisis leader, you must follow a comprehensive protocol that includes the implementation of teams, systems and tools to respond to a crisis and recover from its impact.

In his seminars with executives, Barton begins by asking, "What's the worst that could happen?" The results are surprising. On top of the expected, such as workplace violence, product recall, violent weather, pandemics, chemical spills and terrorism, executives have reported actual crises such as food poisoning impacting hundreds of guests, a counterfeit product uncovered, devaluation causing massive financial loss, and extended loss of electricity.

Barton first addresses how to avert crises through measures such as a program for securing your workplace, proper management of workplace threats and adoption of rigorous human resources practices. Next, he covers disasters including terrorism, industrial accidents, stormy weather, pandemics and sabotage. He then gives specific plans for communicating during "Code Red" situations.

IN THIS SUMMARY, YOU WILL LEARN:

- How to assess your crisis risk.
- Ten actions you should take now to decrease your vulnerability to risk.
- What to do in the first eight hours of a major crisis.
- What the OSHA requirements are for instituting an employee awareness program about the four basic types of workplace crimes.
- How to develop a stakeholder's analysis during a crisis.

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THE COMPLETE SUMMARY: **CRISIS LEADERSHIP NOW**

by Laurence Barton

The author: Dr. Laurence Barton, former vice president of crisis management at Motorola, has spent 25 years studying the causes of crisis in the workplace. He has managed more than 1,200 incidents worldwide, writing crisis plans and consulting with senior management at ABC News, The Walt Disney Co., Nike, Honda, British Petroleum, ESPN, and more than 60 hotels and casinos during defining moments.

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For additional information on the author, go to http://my.summary.com

Secure Thy Workplace!

You can often judge how much a company values corporate security by looking at where it places the physical offices of its security managers. Sometimes you'll find them in the basement, right next to the soft drink machine. In these companies, the primary function of the security director is to ensure that the CEO gets to and from the airport in the company Escalade on time.

There are exceptions: Companies such as Disney, Emerson and Coca-Cola give credence to their security leaders and listen to them about crisis planning. They get it: The best crisis is the one that has been prevented. A smart security director understands that his or her company must be counterintuitive.

10 Questions to Benchmark Your Security Team

Here are 10 questions that are commonly asked when your firm is being audited, from a security point of view:

1. What's the average number of hours that your security guards are trained by you or your company?

2. What's your annual turnover in security personnel?

3. How many of the leaders in your security organization have a bachelor's degree from an accredited college? What about a master's degree?

4. Has your director of security ever worked at another company in your industry?

5. Has your company ever conducted an audit of your top talent to determine if they leave confidential memos and reports out that others can read or copy after hours?

6. What is the relationship between your director of security and your leadership in IT? Do they even know each other?

7. How many times in the last year has the security director spent a day at each major site in the company — at either your various sales offices or key facilities?

8. Has the security director ever invited the regional office of the FBI, the Postal Service or others to provide an annual briefing on potential corporate threats?

9. Does human resources routinely call upon security when a problem employee is about to be exited?

10. How many of the books on the security director's shelf have been published in the past five years?

Preventing Crisis: Background Checks

One way to prevent crises is to perform background checks regularly. Insist that a qualified employment verification firm complete the following checks on any potential employees:

- Validate that the candidate is using his or her true name.
- Check for a history of credit fraud.
- Verify that the Social Security number the candidate provided is that of a living person (a surprising number of applicants will use the number of a deceased relative with a similar or same name to hide a checkered financial past).

If one or more of the previous checks turns up questionable information, continue researching the candidate:

- Does the person have a genuine physical address or is the person using a mail receiving/forwarding service?
- Is the person living in a hotel/motel/temporary residence?
- Does the person frequently use a check-cashing service or does he or she have a legitimate checking account?
- Does the background check show any time lapses in employment? While the person could have been caring for an aging parent, it could also correlate to time spent in a correctional institution.

Keep a specific eye on applicants' criminal records for financial or "white collar" crimes. For the most part,

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Workplace Violence Policy

U.S. employers are required by the Occupational and Safety and Health Administration (OSHA) to have both a policy and a training program that inform employees of the proper methods of sharing and reporting concerns about intimidating and threatening workplace behavior.

criminal background checks are retained by research firms for only seven years or less. Many of the more accomplished research firms will look for incidents such as arson, weapons violation, simple assault, domestic violence, substance abuse, etc.

Managing Threats and Workplace Violence

In the vast majority of workplace violence cases, the perpetrator is acting on a real or perceived grievance. The person may have been denied a workers' compensation claim and is now experiencing physical pain while at work, or he or she may have been reprimanded in front of peers and is now embarrassed. Maybe the employee was dismissed or reassigned, causing the person to seek revenge on a supervisor in an effort to regain control of life. No matter what the employee's motivation, the real question is: Are we *listening*?

Consider the range of potential threats:

- Stalking of an employee by a former spouse, partner or co-worker.
- Threats to bring a weapon to work, possibly preceded by a sarcastic comment; or "accidentally" leaving a hunting rifle in the back of an auto for others to see.
- Comments made by a former employee that are intentionally provocative in nature.
- E-mails or posted blog messages that threaten the life of a co-worker.
- Behavior intended to cause concern, such as mimicking the gesture of firing a weapon at a co-worker.

Assessing a Threat

Many industries, such as retail, health care and hospitality, are dependent on a high degree of interaction with clients who are total strangers. Companies in these sectors sometimes offer security supervisors and customer service managers a basic primer in managing hostile persons. Although there is no single model, we have learned much in recent years regarding specific behavioral and clinical signs of those who pose a *potential risk* to themselves and others.

Many companies have a threat assessment team whose members represent their human resources, security, IT, EAP and legal departments. The team is typically deployed when an employee makes or poses a threat. In many cases, the team will be supplemented by the supervisor of the problem employee. These teams sometimes turn to external threat assessors to gauge whether an employee outburst could escalate into violence and, most important, whether the person has the *capacity* to act on his or her threats.

It's not enough to say you will consult with a psychologist when a challenging situation arises. You need to remember that employers can be charged with tort liability for failing to prevent someone from hurting him- or herself or someone else. Managers should remember that virtually every employer has three paramount duties when threats arise:

1. Duty to Care: Saying you care isn't enough. What if someone causes harm and media later report you were *previously aware* this person made threats? What did you know and when did you know it? What did you do about it?

2. Duty to Warn: Sometimes a perpetrator acts without warning. But there are often *pre-incident indicators* before an assault at work. From the moment you are aware of such threats, assume you have a Duty to Warn others. One way to minimize exposure is to confer with legal counsel, security and HR. But think about how to warn others. Risk communication involves a collaborative discussion about the advantages or drawbacks of a small group meeting, a memo, an individual session with potentially impacted people or other options. Involving law enforcement in these is encouraged.

3. Duty to Act: You may have an obligation to act when an employee informs you that he or she is being harassed or threatened. Common steps include offering the employee a cell phone to call police coming to or from work if threatened, hiring an external security firm to patrol the parking lot until a restraining order is achieved and documenting all suggestions you make to the employee to work from an alternate location, if possible.

Now It's Your Problem

The public expects you to understand the basics of threat assessment when your company is faced with possible workplace violence. Basic facts to consider:

- A violent past is the single best predictor of future violence — period.
- An employee's interest in and access to weapons are certainly critical factors.
- Even physical appearance should be considered, e.g., people contemplating suicide often provide physical warning signs to others in the days preceding the act.

For information on how to assess an individual's "Fitness for Duty," go to http://my.summary.com

OSHA expects employers to offer awareness programs regarding the four primary types of workplace crimes:

1. Crimes committed by an individual with *no connection* to the workplace, such as a homicide during a robbery.

2. Aggression *targeting employees* perpetrated by customers, clients, patients, students, inmates or others for whom you provide a service or product.

3. *Worker-against-worker* violence, such as between a manager and a subordinate, or a former employee who returns with intent to injure a former supervisor.

4. Aggression stemming from a *personal relationship,* such as a former business partner who returns to the work site seeking revenge for a financial disagreement.

Understanding Threats

Once a manager is aware that a problem employee is exhibiting disturbing behavior, a threat assessment team should review several key issues in a timely manner. Begin by evaluating specific content of the threat. Does it explicitly suggest intent to do harm? Then review the capacity, skill set and mental state of the person posing the threat. Who is this person? Where is the person now? *How* is he or she?

Even when a person has no intention to do harm and merely verbally expresses a threat, others could still be psychologically harmed by enormous fear. When an employee tells you he or she feels that a co-worker may do him or her harm, you should take the employees' comments seriously and act on the warning. Document what the person said and the response actions you are taking. Involve law enforcement when appropriate. ●

Negligent Hiring and the Role of Human Resources

Thirty years ago, few employers admitted publicly that they had problem colleagues in their ranks, and society was more focused on corporate environmental abuse than on employee malfeasance.

Even though people haven't fundamentally changed over the decades, technological advances, such as the Internet and camera phones provide a better periscope through which to observe bad behavior, both on and off the job. We also know that numerous scandals in recent years surfaced because information that employers thought was confidential became public.

To immunize against a future problem, you should do five things:

1. Interview each new candidate for an executive position at least twice, and at least two people should interview each person in detail so you can compare notes.

2. Conduct a thorough criminal, financial and sexual predator background check on each new hire.

3. Ask a key interview question: "Tell me about a highly stressful situation involving a former co-worker and how you resolved it."

4. Once you suspect someone on your payroll is a potential problem, promptly investigate allegations.

5. If you sit on a board and signals emerge that a current leader has possibly engaged in malfeasance or behavior contrary to core principles and stated values, hire an independent investigator to discreetly examine the allegations.

Effectively Managing the Downsizing Conversation

Psychologists have written that the death of a child or spouse, the loss of a job and a separation from a spouse are among the worst possible moments of a person's life. If you have been selected to have the "downsizing conversation," you are about to share one of those three moments with one of your employees — that he or she is being laid off. With care, rehearsal and confidence, you can navigate this difficult task well.

The goal is to meet with the employee, deliver the news of the layoff, walk the employee through the severance package that he or she is receiving and communicate clearly what needs to be done immediately (collection of building keys and employee ID cards, cleaning out the office, etc.). Separation discussions should last no longer than seven minutes. ●

For additional information on how to manage the downsizing conversation, go to http://my.summary.com

Managing Health Crises

Most of us live in denial when we consider our vulnerability to possible pandemics: We are aware that flu outbreaks wiped out millions of people a century ago, but we expect modern medicine to rush to our aid in the event of another public health calamity.

A crisis team will greatly benefit your organization, both before and during any major transnational health crisis. That team ideally will be composed of those who can help you anticipate the impact of declining health on your people and operations. A number of Fortune 1000 companies already have developed pandemic plans — this doesn't mean they're fatalists. Rather, it means they understand their fiduciary responsibility to protect their employees in every jurisdiction, their duty to think about how they could deploy aid to expatriates and their families living abroad, and that they likely will be notified of an outbreak only after a significant number of people have become symptomatic.

Now It's Your Pandemic

Most companies have never asked: What if 30 percent of our workers become sick and are incapable of working? What if customers stop buying our product because they are hunkered down at home? If a pandemic were to force curtailments in global trade, even for 30 days, products wouldn't be shipped, services couldn't be sold, and income would come to a halt.

Here is a checklist of issues to consider when drafting your pandemic plan:

- Identify who will "own" the logistics of communicating breaking news about the health issue to the general population so there is a single channel of communication.
- Determine who is currently traveling, where they are today and whether/how they can get home.
- Identify one leader who will communicate your plan to your employees, and encourage that person to work from home. Then determine how IT will support telecommuting and how customer support needs will be managed. Will your company servers be able to withstand the crisis?
- If any business traveler has just returned from an impacted region, he or she may need to see a doctor. There will be legal issues about what you can and cannot order an employee to do.
- If products are shipped to or from overseas, a logistics emergency plan is needed, detailing how you will receive/send future shipments given a potential embargo.
- Assign a content manager for your company intranet and public Web site to communicate key details about preparedness, slowdown or shutdown in a timely manner.
- Consider the impact that prolonged salary and benefit continuation will have. If you work with a union, engage leaders early on so that parties are able to reach accord on major decisions.
- Arrange for regular conference calls to various company departments so employees, contractors and vendors can update one another on key developments, projects and when they anticipate returning to work.
- Identify succession planning for mission-critical people.
- Update home, cell and emergency numbers for each employee, key supplier and contractor, and ensure that multiple leaders have access to this confidential database.

Industrial and Environmental Disasters

Inevitably, management teams avoid contemplating accidents of an industrial nature. This is for two principal reasons.

First, the scope of the damage that can arise from industrial accidents is incredibly wide. Many crisis managers find it difficult to prepare their management framework for the dozens of potential scenarios that could impact their organizations.

Second, unlike cases of workplace violence or natural disasters, many managers tend to believe that their lawyers will be able to apply the same crisis standards that generally seem to work when other types of incidents arise. As a result, managers often suggest that their lawyers spend less time on these issues because of the (false) assumption that legal counsel understands the nuances of such complicated matters as technological science and construction dynamics, which are unique to industrial accidents.

Factors to Consider in Industrial and Environmental Disasters

As you begin the process of assessing your company's vulnerability to industrial accidents, you'll want to consider a variety of factors, including:

- Proximity of facilities to underground and above-ground oil, natural gas and other utility lines.
- Proximity to major highways and rail lines where toxic materials are transported.
- Chemicals kept on-site, who manages them, and a history of industrial incidents or recent regulation infractions.
- How many projects may be going on at any one time that require external contractors, and what competencies and equipment they need.
- Preparedness level of local first responders to major issues such as contamination or release of a toxic cloud nearby, and their ability to orchestrate evacuations and issue widespread alerts.
- Last time senior management focused on waste management, local pollution controls and impact on wildlife in the event of a toxic chemical spill on-site.
- Who is monitoring the driving records/licenses of those operating company vehicles, delivery trucks and special equipment.
- Adequacy of on-site medical response and safety systems to address first tiers of an industrial accident.
- Who monitors/investigates incidents or near-misses at your facilities.

Sabotage: The Undisclosed Crime

Today's saboteurs take many forms and are not always easily identifiable, but they can cause genuine security risks when they infiltrate air defense or public safety systems. Your enemies may include former or current employees and contractors, competitors or investors eager to manipulate chat rooms and blogs to profit from a significant move in your stock price.

Unlike robbery, which is typically reported to local law enforcement, sabotage is a different kind of crisis for a business. Supervisors are often hesitant to report incidents because they fear local press will report them, causing the company embarrassment and potentially further economic loss. In some cases, leaders of a company may not even know their databases or equipment have been sabotaged. On suspecting sabotage, many companies will hire investigators, who sometimes engage in social engineering to try to track down and prosecute the perpetrator. There is no science to combating such threats; sabotage is a complicated crime and its impact on business is often significant — and sometimes deadly.

The Inside Job

Sabotage is not the result of a spontaneous act of revenge; it requires planning, knowledge, access and usually some self-exposure on the part of the saboteur. A catalyst or motive is always present, even if the acts are driven merely by self-gratification. An individual with access to your systems and controls has a far greater chance of penetrating the safety of your core operations.

Chances are your business has property and casualty insurance, director and officer insurance, errors and omissions coverage — but do you have cyberinsurance? Your failure to protect sensitive data about employees, customers and others could be a violation of the Gramm-Leach-Bliley Act.

The Four Principal Categories of Sabotage

The following are four principal categories of sabotage that can have an impact on the business and government sectors:

1. Human resources-related. "Getting even" is a priority for some people and the methods they employ can be costly and often difficult, if not impossible, to track.

2. IT and mechanical. The impact from one act can cost you millions in lost production due to equipment malfunctions and time delays.

3. Economic. Unethical competitive intelligence-gathering is an arena with former Russian spies, current Korean government ministers and many others who find a way to get themselves on the payroll of a company they're seeking to destroy.

4. Reputational. Bankruptcy is not sabotage, but when a company is on the brink of failure, competitors, eager to build market share, may spread rumors, increase attempts to poach top talent or engage in other acts that can be considered sabotage.

Applying Strategic Standards

Here is a recommended five-stage approach to preventing sabotage:

1. Assess your risks and look at internal controls, including HR practices.
2. Design policies and procedures that recognize it's a new world.
3. Embed an antifraud program into your culture now.
4. Engage all stakeholders in discussions about retribution and sabotage.
5. Create a robust investigative process.

Communicating When It's Code Red

Executives are largely uncomfortable with crisis communications. In a typical day, your senior management is working in a known world where customers, products, the supply chain — all of which constitute the principal ingredients of business — are predictable. There's no way to know when a crisis will hit. Events are disruptive, and damage can last for weeks, even months, and most likely will be costly. As a result, management is often overwhelmed by the velocity and disruptiveness of corporate crises.

Diagnostics: Asking Questions Before Communicating

Here is an outline of a due diligence and crisis communications plan presented to an emergency meeting of a bank board because the bank's president was involved in some potentially embarrassing activities outside the office. The three principal questions that would define the crisis communications plan were:

1. What do we know?
2. When did we know it?
3. What are we going to do about it?

Questions pursued with the bank's legal counsel, VP of HR and several board members included:

- Did the person engage in inappropriate or *illegal* activities? Were her actions a violation of a specific standard in the company code of conduct? The difference between inappropriate and illegal is profound in terms of how the bank might communicate any decisions about her future.
- Is the bank president known beyond the bank's high-net-worth clients, such as being a high-profile member of any community/charitable groups?
- Since the bank is publicly traded, the SEC, FDIC and state banking commissioner might have questions about due diligence and whether the president broke any laws. Did the bank hire a private investigator to verify the allegations, and if so, what was found? Is the report discoverable if her behavior leads to legal action?
- Did any bank employee engage in whistle-blowing that led to the allegations? If so, what protections will the bank provide that person? Could there be additional facts that

will be disclosed in days to come that could make this situation worse, further impairing the bank's reputation?

• Are there any major events (e.g., a quarterly earnings report or new branch opening) in the next few weeks that should be reconsidered if the allegations become public?

• If the president is terminated, can she sue the bank, and if so, on what grounds? What is the bank's succession plan for leadership personnel?

In any crisis, a smart communicator will ask these and other questions to help frame his or her crisis communications plan. Twenty years ago, a news release indicating that an executive was departing "to pursue new interests" was commonly used. Although there may have been a few inquiries, the majority of management time was spent managing rumors, not preventing speculation. Today, in a world where the spirit of disclosure places a high value on ethical management and organizational culture, companies must anticipate provocative, legitimate questions.

The Eight-Hour Window

When a crisis is confirmed, the wheels of response should begin turning. This is a chaotic and unsettling time, no matter whether the organization is facing the impact of an earthquake or a violent employee. Regardless of the scope of the incident, the communication demands can be overwhelming and must be managed well.

Companies such as Procter & Gamble, British Petroleum, Kraft Foods and others recently have begun to standardize the process of harnessing key organizational resources and bringing definition to their crisis communication plans *within the first eight hours after an incident arises.* Decades ago, companies looked at crisis communications in terms of the "news cycle," believing that updates only would be shared with reporters before the three principal television newscasts of the day at noon, 6 p.m. and 11 p.m.

Our Web-centric world has effectively ended the news cycle. We have gone from three news cycles a day to dozens. The eight-hour window is a general standard, not an Olympic-timed event. Yet this time frame is a credible goal that many crisis communicators seek to achieve. If you can capture what has happened, who is impacted and how you intend to communicate your response with a clear plan of action within eight hours, you have a foundation for an excellent recovery plan.

To stay ahead of the headlines, there is a road map to effective crisis communications that should be followed. First, create a fact sheet on the scope of the incident, including names of victims and family, as well as witnesses and a time line of how events unfolded. Update it every hour as needed.

Verify all facts with law enforcement and company security and determine who should contact victims and family members, as well as whether your claims or legal department should be involved in personal visits to affected families.

Following the fact verification, begin to draft a response to the big three questions (What did we know, etc.). Continue refining based on new information.

Next, prepare a brief statement for phone operators so they know what they can and cannot say. Emphasize that they should refrain from speculating or saying anything beyond the script. All media inquiries should be directed to appropriate spokespeople. Voice mail of all senior leaders and spokespeople should be checked continually, as new facts may emerge. Rumors may spread. Regulators or elected officials may call. In most companies, communicate known facts with employees first (such as a plane crash claiming the life of an executive), but in other cases consumers may be the first ones to notify (such as a toxic chemical leak near or at a facility).

Finally, each stakeholder category may have unique crisis communications needs, for example employees may want to know if they will be paid even though they are told to stay at home during a chemical cleanup. Customers need to know when products will arrive. News media will have other questions. Your communications team should designate one person per stakeholder category to "own" the communications process with that category.

The Basic Crisis Communications Inventory

A crisis communications plan benefits every organization from nonprofits to multinational hedge funds. To achieve a high level of preparedness, your organization should have a basic communications inventory.

1. Outline the hierarchy of who will speak for the company, and include office, home and cell phone numbers of the crisis team, crisis counselors, legal counsel and insurance company.

2. Designate where you will meet, who owns the telephony aspect of your response and who will activate your crisis alert system.

3. Embed in your plan a simple outline of core crisis messages that you can customize. You'll never know all the facts immediately. So qualify all remarks with statements like "Based on what we know at this point ... " If you make a definitive statement and later have to reverse your message, your credibility is compromised.

4. Identify the 20 worst questions you could be asked during any Q-and-A session with the media or public. If possible, conduct a mock news conference first. Keep your opening statement to two minutes or less. Let the press ask questions. You will be allowed reasonable time to reflect on your answers.

5. Publicize your actions through media networks

such as PR Newswire, which has teams that know how to reach reporters and editors quickly.

6. Frame the crisis properly. Is it an incident? A crisis? Do you have all the facts? If not, say so. Admit what you know and don't know. Stakeholders will have sympathy if you acknowledge that your colleagues are feverishly working to gather all the facts. Tell them you have deployed teams to the site and promise to return with more information in a timely manner.

7. Ask media to help. Airline spokespeople after a crash inevitably begin with statements about thoughts and prayers, then explain the itinerary, type of aircraft, etc. They avoid confirming names of victims or survivors until law enforcement officials have notified next of kin. Typically, a company representative will accompany police when they visit victims' families. Airlines also share an 800-number so loved ones can call and ask for more information. ●

Crisis Prevention and Response: Picking a Consultant

Most executives have no idea what crisis preparedness tools their business needs until a crisis strikes. That is why they often contract outside consultants. Among the services that a consultant can provide are:

- Evaluation of your existing preparedness plans
- Assessment of worst-case scenarios based on your industry and market position, who should respond and how customer support would continue
- Refinement of notification and decision-making processes as well as resource allocation; this is especially useful during weekend and after-hours incidents
- Preparation of a comprehensive list of response tools, including medical and telecommunications needs, that your enterprise may not currently have access to.

Finding a Crisis Consultant

Be wary of consultants who are eager to offer you much more than an overview of their credentials and capabilities. When you interview a consultant about the crisis assessment he or she may perform for your enterprise, ask how detailed and customized the final document will be; whom he or she intends to interview in the preparation of the proposal; the types of questions that will be asked; and how many risk or crisis management plans he or she has created in the past. ●

Assessing Your Crisis Risk

Begin your evaluation of your organization's exposure to a potential crisis by completing this assessment of key categories of risk. This is often best accomplished by asking a team of your associates to work with you in a planning meeting. Rank the following items on a scale from 1 to 10, with 10 representing the greatest damage and 1 being the least.

1. Threats against individuals.
2. Major fire or flood at key facilities.
3. Power failure and sustained loss of utilities.
4. Pandemic flu sweeps across region of your enterprise (expected temporary loss of 30 percent or more of your work force for more than three months).
5. Bomb or bomb threat at your facility.
6. Terrorism specifically aimed at your company, people and facilities.
7. Terrorism (not aimed at your company) in a region that disrupts business travel, product shipment or port functions.
8. Exposure to a product recall.
9. Alleged compliance violation (e.g., European Union Act Tariffs or allegation that a salesperson violated the Foreign Corrupt Practices Act).
10. Geopolitical instability in core markets disrupts supply chain.
11. Sole source provider is destroyed or impaired.
12. Major currency issue causes significant devaluation (20 percent or more).
13. Community protests by residents or union activists.
14. Organized boycott of company.
15. Competitive intelligence threat; theft of customer/financial/data design.
16. Widespread counterfeit product and/or adulteration.

Don't run and hide from crisis preparedness. There's hope. Your organization has you, and you can also groom and hire talent that has experience in risk and crisis management. There are tons of government resources available if you know how to source them, and the public's general awareness of crisis leadership has never been higher. You're in a sweet spot. ●

RECOMMENDED READING LIST

If you liked *Crisis Leadership Now*, you'll also like:

1. ***Judgment* by Noel M. Tichy and Warren G. Bennis.** Whether you're discussing former United States presidents, Fortune 500 CEOs, military generals or college hockey coaches, leaders are remembered for their best and worst judgment calls.
2. ***The Wizard and the Warrior* by Lee G. Bolman and Terrence E. Deal.** Bestselling authors Lee Bolman and Terrence Deal give leaders the insight and courage they need to take risks on behalf of the values they cherish and the people they guide.
3. ***Confidence* by Rosabeth Moss Kanter.** Presidents, managers, coaches and even individuals have the power to choose how they deal with a loss and whether they are going to allow it to be the beginning of a trend or whether they have the confidence to learn how to win next time.

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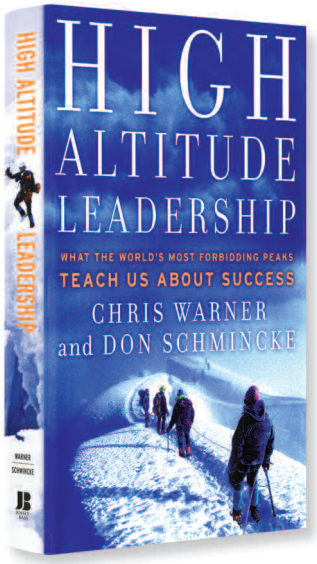

by Chris Warner
and Don Schmincke

THE SUMMARY IN BRIEF

Expeditions to the world's highest mountains provide the perfect laboratories to examine the dangers every leader faces. At these extreme altitudes, success or failure is easily measured and simple mistakes kill people. When you are in the death zone, you can't grab a book to look for new theories, you can't dial a consultant and motivational speakers are finally short of breath. Up here, the best teams emulate behaviors seen only in the highest-performing organizations — and the worst teams wallow in their dysfunction.

In *High Altitude Leadership*, Chris Warner and Don Schmincke reveal their mountaineering experiences as a metaphorical leadership companion. Together, they present a new approach to leadership, based on groundbreaking scientific research, field-tested under the most brutal conditions on the most difficult summits, and successfully applied in the training of executives, management teams and entrepreneurs throughout the world.

To thrive in the face of today's business challenges and tomorrow's unpredictable risks, you need to become the type of leader whose career, team and company excel in the most extreme environments. You have to be the high altitude leader who uses every bit of your talent and every ounce of your strength to guide your team to peak performance.

IN THIS SUMMARY, YOU WILL LEARN:

- What dangers are encountered when getting to higher altitudes in the mountains or in the business environment.
- Why these dangers appear.
- What you can do to survive them and how you can prevent them.
- How to lead groups to perform at the peak of their ability in the most extreme circumstances.
- How to develop leadership skills to excel in the most extreme environments.

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THE COMPLETE SUMMARY: **HIGH ALTITUDE LEADERSHIP**

by Chris Warner and Don Schmincke

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Don Schmincke is a dynamic keynote speaker and mad scientist turned provocative management sage. From CNN to *The Wall Street Journal*, his use of anthropology and evolutionary genetics to remedy the high failure rates of management theories established him as a consultant renegade and leading global authority. He is also the founder of The Saga Institute.

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Danger #1: Fear of Death

The Korean team struggles through the deep snow, barely 100 feet above us. Sucking bottled oxygen and teamed with three experienced Sherpas, they should be farther ahead. But at this altitude, simple problems become monumental challenges.

Suddenly the Korean team's professional leader, Nima Nurbu Sherpa, a highly experienced climber who had summited Mount Everest six times, slips and falls. He rockets to the bottom of the Bottleneck, but slows as he toboggans across the only flat patch on the newly vertical South Face. To our horror, Nima slides off the edge and tumbles into the darkness. At our altitude, he will fall for several minutes before hitting the glacier 10,000 feet below us. His body will never be recovered.

— From the journals of Chris Warner

Whether on a mountain or at work, leading others can quickly become difficult and dangerous. You want so badly to influence positive change in your organization. You accept the title of leadership and purposefully trek upward, propelled by hope. In this exciting journey, you seek to be a great leader leading a great company to great altitudes.

Then you slip off the cliff into reality. Leadership becomes a burden as the world fails to cooperate with your dreams. In an instant, the threat of failure awakens you from the delusion. How you respond in the face of real dangers defines you as a leader.

The Nemesis of Great Leadership

In a moment of great fear, action stops. Whether in an office or on a mountain, choosing to stay stuck in the safe world ensures losses of great opportunities to the ultimate strategy killer: fear. It stops staff from making great decisions, stops change agents from disrupting the status quo and stops leaders from leading.

When faced with fear, most people freeze up. Among humans, fear becomes the dominant biological response, and an estimated 90 percent of us freeze up when stressed. We see the same effects of freezing up in teams. As fear races through a team, whether the fear of confronting co-workers or the fear of a failed project, team members withdraw, morale sinks, and whispered conversations and accusatory e-mails cause distrust.

As leaders, we have to combat the freeze response and prevent it from taking root in our professional lives and the teams we lead. When high altitude leaders identify the moment they overcame the great fear that could have frozen them, they tell you they focused not on whether they succeeded or failed, but on the very fact that they acted in the face of great fear. High altitude leaders tame fear in themselves, their teams and their organizational cultures by taking decisive action.

Survival Tip: Embrace Death

Accepting death is choosing life. It grants us the power and freedom to act. Although the mountaineering teams face death in the most absolute sense, metaphorical death can also occur, from the boardroom to the production floor, and it can be just as transformative an experience. Leaders tell how embracing — versus avoiding or denying — the death of a goal, a project, a sale or a career, freed and inspired them to create new possibilities and actions.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Edward O'Neill**, Graphic Designer; **Tom Moore**, Contributing Editor

High altitude leaders find that moments of imminent failure free them to take decisive action. The call to action from accepting business deaths drives problem solving, decision making and execution with greater clarity of vision. Acting in the face of death — not freezing up at the very thought of it — stops fear and allows you to continue climbing, pushing on past those paralyzed instead of giving up and descending.

If you and your team aren't regularly pushing limits, you won't be able to overcome the life-or-death challenges that every person, every team and every organization eventually face. Remembering the inevitability of death loosens the ego's grip. Then honor, bravery and integrity emerge in its place. This is the secret to high altitude leadership.

Danger #2: Selfishness

Descending into the mountain's shadow, we come upon two determined Italians still climbing upward. We are all surprised. I radio base camp, and their team there sounds equally shocked. Hours before, one of these climbers had been told to turn back, but they just kept going. When your ego drives you, the results are never pretty. They're committing one of the worst mistakes in mountaineering: summiting after the sun sets. I'm worried about the consequences this could have for all of us.

— From the journals of Chris Warner

Selfishness kills people, profits and possibilities. You already know this persistent danger that stalks organizations at every altitude. It doesn't take long to smell it coming. Take a sniff:

- Someone thinks of his career as he abandons the team.
- Critical problems remain covered up until there's no time left to resolve them.
- Turf wars are funded at costly expense to the company.
- Someone takes credit for another's idea.
- An employee tries hard to look good to the boss, even if it means making someone else look bad.

How Selfishness Hurts Us

Whenever we find selfishness in a company, it shows up in an unproductive condition, or what we call dangerous, unproductive, dysfunctional (DUD) behavior.

The list of DUD behaviors is endless: protection of sacred-cow projects (continuing on long after they were told to turn back), blaming, avoiding accountability, back-stabbing, political maneuvering, CYA (a common vernacularism for "cover your butt"), turf wars, silo protection, hidden agendas, taking credit for another's ideas, trashing other ideas to promote your own, withholding information, looking good to the boss, playing favorites, finger-pointing, power plays, passing the buck, gossiping, entitlement attitudes and grin faking (smiling in agreement when you have absolutely no intention of supporting the project).

On the expeditions, clear risks of injury or death make detecting DUD damage easier and more important. One selfish act can kill a lot of people. In organizations, however, the damage often lies hidden. You'll never find it measured on the profit-and-loss statement, but selfishness lurks as the most dangerous blow to profitability.

Damage from DUD extends beyond day-to-day productivity losses and includes missed sales opportunities, quality erosion, higher legal exposure, lower sustainability of competitive advantage, increased waste, employee turnover and poor morale.

Scientists have concluded that selfish strategies are the most effective for species evolution. In the real world of evolution, any animal thinking this is a warm, cooperative universe where we could just talk things out and have a group hug eventually becomes food product for another species.

On mountains and in companies, this primal agenda gets in our way. It robs us of leadership power and usurps the freedom needed for producing great results. Employees naturally perceive a world of threat or fear in a company. Whether the threat is real or not, it still exists, because that's what humans are supposed to perceive. Today this human biological drive collides with the needs of modern organizations, bleeding profits and sending many companies off the cliff. How many times do selfish employees hoard or steal resources, ignore another in need of help, or fight to preserve their self-image at the expense of the organization?

Survival Tip: A Compelling Saga

It was noted that the Himalayan expeditions seemed to falter at the end of the journey, not the beginning. Without a challenge before them, everyone started putting personal desires ahead of the group's goals and reverting to their own selfish behaviors. Human selfishness can only be unhooked when a great passion overwhelms the selfish agenda.

Throughout history, great leaders constantly have focused on creating passion in their people by inventing stories of gods, kings and heroes. High altitude leaders throughout history knew that compelling sagas effectively inspire passion and give people something worth fighting for. The compelling saga leverages the leader's

power in aligning people toward a higher cause than the agenda of their ego.

Compelling sagas bring the vision, mission, values and strategy to life. Sagas capture the epic challenge in what some have called a rallying cry or battle charge, and they provide that emotional trigger to focus on a cause that makes our selfish agendas seem trivial.

Humans need a compelling saga, a passion that overwhelms the selfishness common in humans. ●

Danger #3: Tool Seduction

Cho Oyu has become such a popular mountain that the same level of infrastructure that is built on Everest is applied to climbs on this peak. Large commercial expeditions, employing dozens of Sherpas, set up a well-stocked base camp and three smaller but also well-supplied camps on the mountain. Thousands of feet of rope are strung between the camps, simplifying the commute. Each tent is equipped like a hotel room, outfitted with sleeping bags, ministoves, bags of food, and bottles of oxygen.

Two hundred feet below camp, a crack shot across the slope I was crossing. The crack became an avalanche, the snow rushing past my legs like water in a river. Curious, I watched the snow slide past me. Engrossed in the excitement of this little slide, I never imagined that my cute little avalanche could become so deadly. Suddenly, a silent wave of snow, 10 feet high, picked me up. Pure whiteness and complete silence engulfed me. I tumbled deeply inside this tidal wave, flipping and spinning like a white sock among white sheets in an arctic clothes dryer. The avalanche finally spit me to the side into the slower-moving snow at its edge, burying me to my neck and then, free of me, it plunged over a 300-foot cliff.

Other climbers waited for the storm cycle to play itself out, which it eventually did. Precious time was wasted because the Sherpas needed to move even more gear into place. Ten days later, the big groups were no farther along. And when the tiny window finally opened, a small handful of us, those not needing all sorts of tools and comforts, snuck to the summit. The largest groups watched hopelessly from base camp.

— From the journals of Chris Warner

You want to have the best tools of leadership. And there are so many of them out there. Thousands of books, trainers and experts teach how to use them — tools like the best way to structure a team, motivate others, make great decisions, influence, serve, plan, inspire, set values, gain respect, take initiative, empower, achieve goals — and get people to follow you to the summit.

But in mountaineering, an overdependence on Sherpas, tools and infrastructure can limit talented climbers. Similarly, a parade of consultants packing the latest tools and theories can bog down progress and distract companies from focusing on the vital issues.

Of course, tools are important. Before climbing up to the death zone, a lot of time was spent testing gear and perfecting skills. But in critical moments, even the best tools break or fail in some other way, resources are lost, or circumstances counted on fail to materialize — yet still you must survive. The problem isn't with the tools; it's in how you relate to them.

Tools offer hope, and they make people feel that they have the right answer. But a problem occurs when employees use tools as crutches for safe answers. Both dead climbers and bankrupt companies are found grasping great tools.

Survival Tip: Behavior and Adaptation

Remember two things: Behavior, not tools, drives results; and adapt or die.

High altitude leaders survive the danger of tool seduction by driving results from a behavioral perspective. Focusing on behavior and adaptation like appropriate decisions, actions, deeds and conduct replaces tool seduction on mountains and in companies.

Regardless of how much you spend on books, training, experts and meetings, it's all a waste if behavior doesn't change so that people start making different decisions and taking different actions. Most of the problems you're having in your organization are behavioral, not tool-based. Someone is either doing something unproductive or using tools the wrong way. You can equip a climber or manager with the finest gear and hours of training, but without the correct behavior, failure creeps closer. ●

Danger #4 Arrogance

We spent days in base camp, spying the face with binoculars, trying to understand the patterns of avalanches and rockfall, and tracing the route, like a kid pencils in a maze. We convinced ourselves that the climb would take 36 hours, bottom to top. We were horribly wrong, and our overconfidence almost killed us. The route proved much more difficult than we imagined. On the second day, we ran out of food. On the third day, we ran out of fuel (so we couldn't melt snow for water). Vertical rock walls demanded that we climb using our bare hands, with the temperatures well below zero.

— From the journals of Chris Warner

The Everest Laboratory

In the best spirit of a compelling saga, people voluntarily put themselves at risk to pursue their dream of standing on Everest's summit. In the 54 years since Sir Edmund Hillary and Tenzing Norgay first summited, more than 4,000 others have followed. But only one thing exceeds the number of Everest's iconic achievements and personal successes: the number of dramatic failures. Between 1922 and 2007, more than 13,000 people have tried to climb the mountain. Seventy-three percent of them didn't summit, and 208 of them died.

With so much at stake, Everest may be the best laboratory to observe arrogance and how arrogance threatens organizations and profits. Arrogance places organizations and teams in danger of death every day. Analysts blame organizational failures on strategic missteps, poor market positioning, bad planning or ineffective execution. But we find that these usual suspects are just the symptoms, not the real cause. The real cause, arrogance, always lurks beneath the surface. Every time a passionate company at the top of its game falls, you find managers who think they already know everything.

Arrogant leaders ignore warnings on mountains and in boardrooms. Their destructive self-absorption as they pursue egocentric dreams is exceeded only by the damage they leave behind by putting others at risk. From pure hubris or some hidden fear, arrogant leaders act as if the rules don't apply to them. Because of this, they are frequently outmaneuvered by smaller, more nimble competitors.

Survival Tip: Humility

A company driven by a compelling saga still needs a healthy dose of humility to keep it from veering off into an arrogance disaster. Humility allows leadership greatness to emerge. Instead of stepping over weak climbers or leaving them for dead, humble leaders act decisively; the instinct for rescue and recovery, not refusal and rejection, turns on.

When Johnson & Johnson removed all bottles of Tylenol from the shelves after the poisoning sabotage incident in 1982, it did so without hesitation. Its leadership knew that they had a sacred trust to uphold and that trust was more valuable than the profits they would lose. They knew that the rules of human decency applied to them.

How to Bring Humility to Arrogance

Humility fuels high performance, but is it something that everyone is ready for? No. Not everyone has a strong, confident staff and consistent leadership. Whether on mountains or in companies, we've learned that only solid teams grow stronger when humbled; weak ones become more dysfunctional. Humility causes the weak to question their competence and shatters their confidence. But it shouldn't make you less competent or confident. It should improve your judgment by tempering your ego. As the saying goes, bad experiences teach good judgment, and the better your judgment, the better your performance is. ●

Danger #5: Lone Heroism

I rolled him over and listened to his moaning. He needed two things: oxygen and a dose of the steroids that reduce this type of swelling. I knew that with help, he could swallow a dexamethasone tablet and wash it down with a sip of water. If this treatment didn't work, I would then pop a stronger, injectable dose into his butt.

He greedily ate the dexamethasone and let us help him stand up, but he wouldn't let himself use any of our oxygen. He was filming his ascent for Spanish television and desperately wanted this to be an "oxygenless" ascent. Purists look down on climbers who use oxygen when climbing. He wanted a "pure" ascent to prove he was among the sport's elite.

— From the journals of Chris Warner

Lone heroism is dangerous. We're not talking about the lone challenge we sometimes take on for our own personal development, but the ego-driven, selfish, glory-seeking heroism. We see this in aspirant leaders as they use others to get to where they want to go, stepping all over people without even removing their crampons.

Who is trying to do it all, alone, without supplemental support? Who thinks it's a sign of weakness to ask for help? Or, worse, who thinks he or she is the lone hero — the only one who can do something right? You know the mantra: "If you want something done right, you have to do it yourself."

There's another problem with lone heroes: They're never grateful for the help they're given.

Lone heroes make for great cinema, but in death zone environments, they become frozen corpses. Lone heroism can be found contributing to higher operating costs, lower innovation, increased risks, delayed execution, higher turnover and missed sales opportunities.

Survival Tip: Partnership

High altitude leaders know that partnership with peers, staff or outside stakeholders trumps lone heroism every time.

Creating partnerships in your life raises different questions. How many projects are you leading alone? Where are you resisting support from others? Whom can you bring in to help you or your team summit bigger peaks? As you seek to bring partnership forward, remember:

• You don't need an equal or superior to create great partnership. Genuine partnership is never truly among equals. Partners can come from all levels.

• Pass the mantle of leadership to whoever is equipped to take it in the moment. In the face of life-threatening circumstances, who can afford to be hesitant?

• If you're the team leader or manager, sometimes you have to get out of the way. In true partnering, one "gives up" control by empowering key talent and letting accountability drive the results.

• Partnerships don't work well with leaders who are so afraid of losing control that they end up allowing only weaker people to work under them.

• Create and maintain vibrant partnerships by maintaining accountability. Allow partnership to drive performance.

Danger #6: Cowardice

Our Italian teammate who had quit earlier heard us returning and crawled from the tent he borrowed to get the latest news. We told him all about the snow, at 25,500 feet: It was too deep and soft and likely to avalanche. We were stopped about 200 vertical feet from the col, from where the rocky ridge to the summit, especially at this early hour, would never be able to stop us.

Back at base camp, the Italian wrote authoritatively about the climb, the snow conditions, and the decision to turn around, sharing it with all the Web sites. However, he omitted the part about his quitting and crawling into someone else's tent for a nap.

— From the journals of Chris Warner

Cowardice endangers organizations just as badly as its opposite cousin, lone heroism. Did you ever have someone in your company boast about their heroic efforts, when in reality he or she wasn't even close to the action? Unfortunately, such behavior infects all kinds of teams and cultures.

Is your company infected by cowardice? Do doomed projects move ahead because the cowardly don't dare reveal the truth? Do staff members talk behind their manager's back because their cowardice prevents them from confronting the obvious? Have cowardly politics overtaken performance? If so, you can bet some employees prefer crawling into a tent for safety rather than risking their necks by exposing the truth or challenging the status quo.

Fear of failure, or fear of consequences like retaliation, being ostracized, being blamed, or looking bad to the boss, propels cowards into the tent of safety. But not high altitude leaders. These leaders push the limits of performance and don't allow the friction of cowardice to jeopardize the future. In a world where innovation, competitive superiority and market growth are fraught with risk, cowardice is a danger few companies can afford.

Cowardice damages companies by stopping people from exhibiting high altitude performance behaviors like these:

• Challenging others on their lack of accountability.

• Exposing weak members of a team.

• Confronting arrogance.

• Uncovering selfishness.

• Divulging the state of doomed projects.

Survival Tip: Bravery

High altitude leaders instill bravery by turning cowardice into bold action and profitable growth. The methods they use can be controversial and are often not taught in business schools. Only a few dare venture into this harsh environment that requires politically incorrect techniques.

• **Shame.** Shame induces bravery effectively. Cowards go into battle, even though they're scared to death, because they're too ashamed to turn and run in front of their peers. After a few battles, cowards find their own legs, and there's no discernible difference between the born brave and the learned brave.

• **Truth, not motivational speaking.** People want the truth, no matter how good, bad or ugly it is. Employees aren't stupid. They know the bad news already. They want to see if their leaders have the courage to acknowledge it.

• **Walk the talk.** Begin having leaders walk the talk and risk vulnerability. Can you bravely disclose the real problems in your organization? Can you demonstrate that it's OK to bring them up?

Danger #7: Comfort

Three months after Everest, I was back on the crowded streets of Kathmandu. My plan was to return to Shisha Pangma, a mountain I had failed to climb in 1999. Now I wanted to try to climb it without any partners. It would be a lot more dangerous, with an ever-greater chance of failure. I figured that by fully immersing myself in a challenge of this magnitude and surrounding myself with that much risk, I would be forced to perform at my highest level of ability. I wanted to be so fully engaged that my self-confidence would rush back in, filling the void.

— From the journals of Chris Warner

Great achievements sometimes require enduring extreme discomfort. And that's when real leadership is tested, validated and proven. Why do so many turn back when the going gets tough? Popular leadership trends easily seduce the unsophisticated when there's fine weather, an easy path and plenty of air to breathe. You look like a genius when you have lots of cash, an abundance of time and a simple agenda with minimal risk. Only when the path ahead becomes formidable and risky, when certainty wavers and your legs quiver, does real greatness emerge — or not.

There is nothing pleasurable, sexy or exciting about taking just one more step when your body is totally aching and exhausted, but on the climb it makes the critical difference between success and failure. You grow only when you're putting yourself in uncomfortable positions and taking on new challenges. High performers are used to being uncomfortable. Many get nervous when things get too comfortable for too long.

Survival Tip: Perseverance

As a leader, you often won't have all the tools, resources or circumstances you need, yet you still must summit. Perseverance separates the high altitude leaders from the charlatans. Business history is rich with such examples — there are many Edisons who persevered through hundreds of failures in order to create their right lightbulb. No team or professional accomplishes a goal worth the pursuit without surviving the often uncomfortable and at times painful stretch called perseverance.

If you've been at this game for any length of time, you've experienced failure. In the natural course of life, your heart will be broken, your team will lose games and your attempts to climb higher will fail. Instead of stopping, high altitude leaders become greater as a result. Conflicts result in character development. If you avoid the conflicts or dwell on the associated pain, you will not grow.

Blind Persistence Is Not Perseverance

On a snowy day in October 1999, Chris and his climbing partner arrived at a remote Tibetan base camp. Shisha Pangma is the 14th-tallest mountain in the world. They were headed for the South Face, an extremely technical, rarely climbed objective on this 26,289-foot-tall mountain. Two other teams were on the mountain when an avalanche bisected the entire face, sending hundreds of thousands of pounds of ice and rock crashing onto the glacier and burying two of the climbers beneath thousands of tons of ice and snow.

Chris and his partner chose to abandon the climb. It was clearly too dangerous. The storm system, by the time it finished crossing the Himalayas, claimed the lives of 13 climbers on three different mountains. It cost a few thousand dollars to walk away from Shisha Pangma.

How many times do you hold on to a dream too hard? Still pursue a project you've already sunk too much time and money into? Let the ego rather than the head drive the agenda? Retreat, not blind persistence, can sometimes be the only course of action. Walking away does not mean giving up. It's about maintaining a higher-level strategy that allows you to withdraw and then return again.

Perseverance does not mean continuing on in the face of impossible obstacles, but in having the capacity to retreat, rethink and return.

How to Inspire Perseverance

Many times managers fail to inspire their people to persevere in the face of being stopped. They mistakenly focus on motivational speeches and posters to get people past the hard stuff. But people really want something more. They want the truth, no matter how hard it may sound. Avoiding the truth or covering it up with speeches only engenders distrust in an organization. In leadership, as in climbing, the higher you go, the greater the challenges become.

Telling the truth does something else: It prepares people to keep going even when they hit the wall. It's precisely when your confidence eludes you, when your physical and emotional capacity dries up, that you need to take one more step, then another and another. When leading teams in this situation, high altitude leaders lead by example.

People also have higher levels of perseverance if they're not handicapped by deadweight. It's the difference between summiting with a day pack or a yak on your back. People persevere better alongside those they respect. Of course, confronting deadweight behaviors isn't comfortable, but neither is the failure that results from avoiding accountability. Once you start removing deadweight, your best employees will be happier (while the losers will start to flee in a state of panic).

Finally, the most critical challenge may not be when you've successfully persevered and summited but what happens next. Comfort always seeks a way into your life and your company's life. Its best opportunity to strike occurs when perseverance is no longer necessary. After the greatest of companies have successfully achieved lofty goals, the comfort of the status quo consumes them. ●

Danger #8: Gravity

We were 50 feet apart. Despite the glacier being flat, we knew there were crevasses in this area. We stepped carefully and took all the normal precautions. When we did find a crevasse, the climber in the lead would probe the edges with his ice ax, and once we knew where the edge was, we would hop from one side to the other. All of this is standard practice. We had probably hopped over 50 crevasses so far this morning. Bruce took another step. He disappeared. The rope whipped tight. Two hundred pounds of climber and gear were pulling me by the waist. I fought with all my strength, but it was of no use. I was being dragged toward the bottomless crevasse he fell into. I was still on the surface, being dragged along the path Bruce had just made, when suddenly the snow exploded around me. I was hurtling into another hidden crevasse.The rope stopped my fall with a jerk. The impact forces slammed me into the crevasse wall. Looking up, I could see the edge of my hole, 5 feet above me. The tightened rope went straight from my harness, through that hole, and across the flat glacier, before bending over the edge of Bruce's crevasse, to where he lay dangling some 25 feet below the surface. Both crevasses seemed bottomless. We were alive: Two men fall into two separate crevasses, saving their lives.

— From the journals of Chris Warner

High altitude leadership is an endless journey full of risk. You constantly tread in unfamiliar areas. Although plans are made and experts say the path is clear, you still may fall, and fall hard. Assumptions prove to be erroneous, data end up being flawed or commitments go unmet. All of a sudden, a cherished project, career move or critical goal appears to reach a point of failure.

Survival Tip: Luck

High altitude leaders accept luck as part of the success equation. The first type of luck is skill-based. We've already discussed many of these skills: Act in the face of real fear, subjugate your personal desires to the greater goal of the group, fight arrogance with humility, seek out and nurture partnerships, be seduced by passion and not by tools, and persevere. When you combine these elements, you appear to be one lucky leader. Being viewed as lucky, you attract even more good fortune. We know that all this luck comes from the application of hard-earned skills and a positive mental attitude.

The second kind of luck is pure luck. When the forces of gravity switch directions, let's just hope that the dial we spin puts us on a good luck, not a bad luck, square. There's no explanation for luck. Both good and bad luck occur as teams seek the summit. You can lead your team and do it all correctly with no mistakes and still be swept over a cliff by an avalanche. ●

The Journey Begins

In mountaineering, rarely does the first error kill a climber. Death occurs when the third thing goes wrong.

On big peaks, we tell clients that the first mistake they made was joining the expedition. They are now in an environment where things can go terribly wrong very quickly. If they are going to make it home alive, they have to be more disciplined, more giving and more humbled than ever before. Everyone has to scan the horizon. Everyone has to examine themselves and each other for signs of weakness. Everyone is responsible for their own safety and the safety of everyone else. They have to prevent the small mistakes from adding up to a catastrophe.

Just as in mountaineering, business leaders make small errors almost daily. But how many does it take before the errors reach a deadly magnitude of bringing down a project or a career or a company? Both organizations and expeditions fail because a series of mistakes build on themselves — and before anyone notices. How many teams failed before anyone realized that the demoralized culture, increased customer dissatisfaction and hemorrhaging profits would combine into an inescapable landslide?

In the most extreme situations, true leadership emerges in the self-sacrifice that people exhibit for others. We call it altruism.

Don't Conquer the Peak, Conquer Yourself

Lose yourself and you have nothing left. Remember that high altitude leaders don't seek to conquer the great goals; these are the results of their conquering themselves. Don't lose yourself in the process, but dig deeper into yourself so that you can climb ever higher. This remains the timeless challenge of a leader.

Each day you must engage the dangers inherent in the trek to higher altitudes. Surviving these dangers ensures your personal success and the breathless views from the summits you reach. As a leader, you owe it to yourself, your team and your company to be ever-vigilant so that all may summit — and then make it safely back to base camp. ●

RECOMMENDED READING LIST

If you liked *High Altitude Leadership*, you'll also like:

1. ***Leadership Gold* by John C. Maxwell.** Maxwell shares a lifetime of leadership truths that can guide anyone currently leading a team or company.
2. ***Crisis Leadership Now* by Laurence Barton.** Barton applies his corporate insider's insight to numerous case studies concerning crisis management.
3. ***No Substitute for Victory* by Theodore Kinni and Donna Kinni.** The Kinnis turn the leadership lessons of Gen. Douglas MacArthur into 50 strategies anyone can use to get results quickly.

Summary

May 2010

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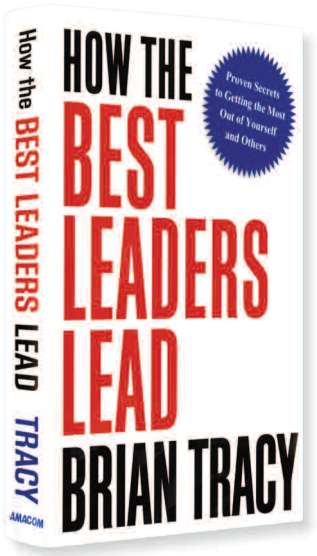
Leadership: Development



How the Best Leaders Lead

Proven Secrets to Getting the Most Out of Yourself and Others

by Brian Tracy

THE SUMMARY IN BRIEF

Leadership is the critical factor that determines the success of any business, department or organization. The ability to select, manage, motivate and guide employees to achieve results is the true measure of any leader's success.

In *How the Best Leaders Lead,* business expert and renowned author Brian Tracy reveals the strategies used by top executives and business owners everywhere to achieve astounding results in difficult markets against determined competition.

Tracy gives business leaders and managers at every level a series of practical, proven ideas and strategies that they can use immediately. He describes how you can plan for the future while managing the present, how to motivate people in turbulent times, how to communicate and get ideas across to others, and a variety of ways to build, manage and motivate winning teams. He also tackles the issues involved in hiring and keeping the best people.

Great leaders determine their ideal leadership style for any situation, identify opportunities and take concrete action. With this summary, anyone can learn how to become a better and more effective leader, and get more done faster than they ever dreamed possible.

IN THIS SUMMARY, YOU WILL LEARN:

- How you can put 12 military principles to use in your business.
- How to set clear goals and objectives for yourself and others.
- How to develop an exciting future vision for your business.
- How to set priorities and focus on key tasks.
- How to solve problems faster and make better decisions.

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THE COMPLETE SUMMARY: **HOW THE BEST LEADERS LEAD**

by Brian Tracy

The author: Brian Tracy is a top business speaker, author and consultant. Each year he addresses more than 250,000 people worldwide. He has written 45 books and produced more than 400 audio and video learning programs that have been translated into 27 languages. He is the president of Brian Tracy University and the chief learning officer of iLearning Global.com.

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For additional information on the author, go to http://www.summary.com.

Introduction: The Race Is On

We are living in the most challenging times for business and economics that we have experienced in our lifetimes. Only the fit will survive. The race is on and you are in it. If you are not committed to winning, to conquering against all odds, you will be brushed aside and passed over by people and companies more determined to win than you are.

The Seven Responsibilities of Leadership

There are seven basics that never change — the key responsibilities of leadership in any organization. On a scale of 1 to 10, your ability in each of these seven areas determines your value to yourself and your contribution. Here they are:

1. **Set and achieve business goals.** The No. 1 reason for business and executive failure is the inability to achieve the sales, growth and profitability goals for which the leader is responsible.
2. **Innovate and market.** As Peter Drucker said, the purpose of a business is to "create and keep a customer." Only through continuous innovation of products, services, processes and promotional methods can companies create and keep customers.
3. **Solve problems and make decisions.** The only obstacles that stand between you and the business success you desire are problems, difficulties, hindrances and barriers. Your ability to go over, under or around these problems is central to your success.
4. **Set priorities and focus on key tasks.** Time is your scarcest resource. The way you allocate your time can be the critical determinant of everything you achieve — or fail to achieve.
5. **Be a role model to others.** Albert Schweitzer once wrote, "You must teach men at the school of example, for they will learn at no other." Leaders conduct themselves as though everyone is watching, even when no one is watching.
6. **Persuade, inspire and motivate others to follow you.** Management consultant Tom Peters said that the best leaders don't create followers, they create leaders. You must motivate others to follow your vision, to support and achieve the goals and objectives that you have set, to buy into the mission of the organization as you see it.
7. **Perform and get results.** In the final analysis, your ability to get the results that are expected of you is the critical factor that determines your success.

The Heart of a Leader

Leadership is the single most important factor in the success or failure of a company or business. Your ability to step forward and lead your enterprise to success in competitive markets is both essential and irreplaceable.

The better you become as a leader, the better you will be in every area of your enterprise.

Leadership Requires Character

Leadership is more about who you are than what you do. Your ability to develop the qualities of effective leadership, the essence of what it takes to be a leader, is more important to your success as an executive than any other factor.

One of the great principles of personal development is, "Whatever you dwell upon grows and expands in

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Edward O'Neill**, Graphic Designer; **Chris Lauer**, Contributing Editor

your experiences and personality."

You become more effective, day by day, when you think and act on the basis of the key qualities of effective leaders throughout the ages. You program these qualities into your personality and behavior by dwelling on them continually. You learn these qualities by practicing them in your daily activities as a person and as a leader in your organization.

The Seven Qualities of Leadership

There have been more than 3,000 studies conducted over the years aimed at identifying the qualities of successful leaders. More than 50 qualities have been identified that are important to leadership. But there are seven qualities that seem to stand out as being more important than the others. The good news is that each of these qualities can be learned, and they must be learned by practice and repetition:

1. **Vision: The most important single quality of leadership.** Leaders have vision. They can see into the future. They have a clear, exciting idea of where they are going and what they are trying to accomplish.
2. **Courage: The second quality that leaders have in common.** Winston Churchill said, "Courage is rightly considered the foremost of the virtues, for upon it, all others depend." The quality of courage means that you are willing to take risks in the achievement of your goals with no assurance of success.
3. **Integrity: The most respected and admired quality of superior people and leaders in every area of activity.** The core of integrity is truthfulness. Integrity requires that you always tell the truth, to all people, in every situation. Truthfulness is the foundation quality of the trust that is necessary for the success of any business.
4. **Humility: Leaders have the security and self-confidence to recognize the value of others.** The best leaders are those who are strong and decisive, but also humble.
5. **Foresight: Leaders have the ability to look into the future and anticipate what might occur.** Excellent leaders are good strategic thinkers. They have the ability to look ahead, to anticipate with some accuracy where the industry and the markets are going.
6. **Focus: The ability to focus personal and corporate energies and resources in the most important areas is essential to leadership.** Leaders focus on results, on what must be achieved by themselves, by others and by the company. Leaders focus on strengths, in themselves and in others.
7. **Cooperation: The ability to work well with others is essential for effective leadership.** Your ability to get everyone working and pulling together is essential to your success. ●

Four Ways to Change Your Life

There are only four ways to change your life: First, you can do *more* of certain things. Second, you can do *less* of other things. Third, you can *start* doing something that you have not done before. Fourth, you can *stop* doing certain things altogether.

Leaders Know Themselves

The better you know and understand yourself, the better decisions you will make and the better results you will get.

What is the most important and valuable work that you do? The answer is *thinking*. The quality of your thinking determines the quality of your choices and decisions. The quality of your decisions, in turn, determines the quality of your actions. The quality of your actions determines the quality of your results, and the quality of your results determines almost everything that happens to you, especially in business.

Perhaps the most powerful stimulant of good thinking is pointed questions that force you to analyze and decide exactly what you want and what you are going to do to achieve it. Asking yourself serious questions — about your position, abilities, talents, performance, etc. — will not only help you focus on your goals and aspirations; it will help you to develop greater clarity about who you really are inside and what is truly important to you.

The successful leader is, first and foremost, a successful person. The best leaders establish priorities and goals not only for their professional lives, but for their personal lives as well. They know, in both their professional and personal lives, what they want, who they are, who and what is important, where they are going and why, and what strengths and weaknesses will help or hinder them as they move forward. The best leaders are complete, balanced, self-aware, healthy individuals who live their professional and personal lives by the same rules.

Who Are You and What Do You Want?

Leaders know themselves. They know who they are and what they want. The more clarity with which you can answer the questions that you ask yourself, the more effective you will be as a leader. You will make better decisions, set clearer priorities, allocate people and money more diligently and efficiently utilize your personal time and resources to accomplish more of those things that are more important. You will make fewer mistakes and get more things done with greater effectiveness.

By developing complete clarity about yourself and your situation, you will think and act more efficiently and accomplish greater results in everything you do.

Counterattack! The Business Lessons of Military Strategy

Great generals and military leaders have been studied throughout history to determine which qualities and abilities enabled them to prevail against fiercely determined and hostile enemy forces. Over the years, students of military history have identified 12 principles of military strategy that, when properly applied, lead to victory.

These principles of military strategy apply to business, as well. Every one of them is essential to success in competitive markets. A weakness in a single key area can lead to business reversals or even bankruptcy.

1. **The Principle of the Objective.** This refers to the importance of establishing clear objectives for every military action in advance and making them clear to each person who is expected to help to achieve those objectives. Does everyone in your company know exactly which goals you are trying to achieve in your business?
2. **The Principle of the Offensive.** This refers to switching over to the attack, to taking aggressive action against the enemy to achieve victory. Your company cannot win by playing it safe, retreating or simply cutting costs.
3. **The Principle of the Mass.** This refers to the ability of the commander to concentrate his or her forces at one point, the location of the enemy's greatest vulnerability.
4. **The Principle of Maneuver.** This refers to the ability to move the attacking forces in such a way that they can outflank the enemy and attack where the enemy is most vulnerable.
5. **The Principle of Intelligence.** This refers to the need to obtain excellent information concerning the actions and movements of the enemy. In business, the more you know and understand about your competitors and your marketplace, the more successful you will be.
6. **The Principle of Concerted Action.** This refers to the ability of the general in command to ensure that all parts of his or her forces work together in harmony and cooperation in both offensive and defensive operations.
7. **The Principle of Unity of Command.** This refers to the need for absolute clarity about who is in charge of every area of activity, from the commanding officer on down. Top companies have clear leadership at all levels.
8. **The Principle of Simplicity.** This refers to the importance of clear, simple orders, commands and battle plans that are easily understood by the people expected to carry them out.
9. **The Principle of Security.** This refers to the importance of guarding against surprise attacks and unexpected reversals. In business, this principle requires that you look down the road and anticipate what could happen to hurt your business or threaten its survival.
10. **The Principle of Surprise.** This refers to the importance of taking an action that is not anticipated by the enemy. In business, you must be looking for different ways to do business with different customers, in different markets, at different prices, using different distribution channels.
11. **The Principle of Economy.** This refers to the importance of not expending any more soldiers and material to achieve a military objective than it is worth or is necessary. In business, this means that you do everything at the lowest cost possible.
12. **The Principle of Exploitation.** This refers to the importance of the winning army taking full advantage of a victory. In business, this means that you follow up and follow through when you achieve a market success or get a new customer.

Masterful Management

Henry Mintzberg wrote in *BusinessWeek* that too many leaders don't see themselves as managers. They believe that their job is "to do the right things," while others are responsible for "doing things right." That may look good in a consultant PowerPoint presentation or an academic white paper, but the fact is that the best leaders are, first and foremost, managers. They make things hap-

pen. They get results. They organize people, allocate resources, implement strategies — whatever it takes to get things done.

In *Execution,* Larry Bossidy writes, "Only the leader can make execution happen, through his or her deep personal involvement in the substance and even the details of execution."

The Seven Roles of the Manager

In any enterprise there are seven key roles of the manager: planning, organizing, staffing, delegation, supervising, measuring and reporting. Each of them is only learned through trial and error and continuous practice. But they are all *learnable,* and they must be learned for you to realize your full potential as a leader.

One of the most important management qualities is *flexibility.* The more mental tools and skills you have to get the most and the best out of your people, the more flexible and, therefore, the more effective you can be as a manager.

Each role is as important as any of the others. An executive can be excellent in many areas, but the areas where he or she is weak will hold him or her back from achieving everything that is possible.

The Seven Determinants of Business Success

There are seven key factors that are relevant to every business and organization: productivity, customer satisfaction, profitability, quality, innovation, organizational development and people-building. A failure or shortcoming in any one of these areas can lead to the collapse of the enterprise. Your job as a leader and a manager is to ensure that your company succeeds in each of these areas.

To fulfill your potential, you must become excellent at what you do. Choose your personal area of excellence. Your decision to excel in a particular area moves you into the top 10 percent in your field because most people never make that decision in their entire careers.

The key to moving from good to great in your field is to ask yourself the brutal question: "Why aren't I already the best at what I do?" The answer is always the same. The reason you are not at the top of your field is because you have not decided to be there or you have not backed that decision up with the hard work that is necessary. ●

Hire and Keep the Best People

Your skill in hiring and keeping the best people will determine your success as a leader more than any other single factor.

In Jim Collins' best-selling book *Good to Great,* he writes that the key to building a great company is to "Get the right people on the bus, get the wrong people off the bus, and then get the right people in the right seats on the bus."

The skill of hiring and keeping good people is not genetic. It is a skill that, like any other business skill, can be learned with practice.

Select the Right People

The selection process is the key to your success and the success of your company.

The rule is that if you select in haste, you will repent at leisure. As a manager, you are responsible for spending the time and effort required to make a good hire. As a leader, you have two responsibilities. One is to enable your managers to make the best decisions. Don't set deadlines for new hires unless you absolutely have to. Taking your time is one of the keys to successful recruitment.

Your second responsibility is to be involved in the hiring of employees at all levels in your organization. You may not do initial interviews for some employees, but no employees should be hired before you have seen and talked to them.

Improve Performance Professionally

Job descriptions and job requirements are changing so rapidly that you must continually redefine them for each employee. Here are five simple steps that you can use on a regular basis to improve the performance of every person who reports to you:

First, sit down and explain clearly what the employee is expected to do. Describe the results that you want from the job.

Second, set measurable standards of performance for the job you want done. Put numbers on everything. Put financial measures on every single output responsibility, if possible. One of the great rules in management is, "What gets measured gets done."

Third, never assume that the employee completely understands what you are saying. When you have delegated an assignment, ask the employee to repeat it back to you in his or her own words.

Fourth, give regular performance feedback to tell people what they are doing well and what they can change or improve.

Fifth, inspect what you expect. When you delegate a job, you assign responsibility, but you are still accountable. ●

Building Winning Teams

All work is done by teams. Your ability to assemble and manage a high-performance team of individuals is one of the keys to your value and effectiveness as an

executive at every stage of your career.

To help people become happy, productive members of the team, you must understand their motivations. People at work are most motivated by four factors.

The first is *challenging, interesting work.* Most people want to be busy and happy at work, doing things that keep them active and force them to stretch, to move out of their comfort zones, to continually learn and grow. People won't buy into the goals and objectives of a team if they are given only the most mundane tasks.

Second, people are highly motivated by working in *a high trust environment.* This is created by keeping people in the know. Have regular weekly staff meetings where everyone gets a chance to talk about what they are doing in front of everyone else. This is one of the most powerful team building exercises of all.

Third, people are motivated by being made *personally responsible for results.* Give people important, challenging work to do and then support them while they do that work. The more responsibility a person takes on, the more he or she grows as a decision maker and leader and the more valuable he or she will be to your company.

Fourth, people are motivated by *opportunities for personal growth and promotion.* Many people will take or stay at a job that pays less than they can earn somewhere else if they feel that they are becoming better skilled and more competent as a result of the work they do.

Much to the surprise of most managers, money and working conditions are fifth and sixth on the list of what motivates people at work.

The Dynamics of Top Teams

Top teams have five characteristics in common: shared goals, shared values, shared plans, clear leadership, and continuous evaluation and appraisal.

Top teams and good leaders practice what is called *management by exception.* This means that once the task has been assigned, as long as it is on schedule and on budget, no reporting is necessary. The individual only has to report back if there is an exception to the agreed-upon plan and/or schedule. The better and more competent your people are, the more you can practice management by exception with them.

You can also practice *management by responsibility.* Make people completely responsible for the successful completion of a particular task. Then get out of their way and leave them alone. It is amazing what people will accomplish when they feel that they are personally responsible and that they have no excuses to fall back on.

Problem Solving and Decision Making

Your entire success as a person and leader is determined by your ability to solve problems effectively and well. Whatever title is written on your business card, your real job is problem solver. All day long, in every situation, you solve problems.

Leaders don't react to problems with anger or frustration; they look upon problems as the essential defining skill area of their work. As a leader, your job is to become extremely effective at solving any problem that is brought to you, large or small.

The Three Qualities of Genius

In becoming better at problem solving, you can develop within yourself these three qualities of geniuses:

1. The first quality of a geniuses is the ability to concentrate single-mindedly on a single goal, a single problem or a single question without growing tired or bored.
2. The second quality of geniuses is mental flexibility.
3. The third quality of geniuses is that they use a systematic method to solve any problem.

Systematic Problem Solving Method

There is a systematic method of problem solving that is used by the most effective executives in almost every organization. The following 10-step process is incredibly effective in helping you overcome obstacles and achieve your goals:

Step 1: Define your problem or goal clearly in writing.

Step 2: Once you have defined your problem clearly, ask, "What else is the problem?"

Step 3: Restate the problem to make it easier to solve. If you settle for a quick definition of the problem, it could lead you down the wrong path.

Step 4: Determine all the possible causes of the problem. Ask the brutal questions. Get your ego out of the way.

Step 5: Determine all the possible solutions to this problem. Then force yourself to ask, "What else is the solution?"

Step 6: Once you have done a thorough and complete analysis of the problem and laid out all the possible causes and possible solutions, make a decision!

Step 7: Once you have made a decision, assign responsibility. Who exactly is going to carry

out each part of the decision?

Step 8: Set a deadline. Set a schedule for reporting on progress.

Step 9: Implement the plan.

Step 10: Check and review later to see if the solution was successful. ●

Communicate With Power

Fully 85 percent of your success as a leader will be determined by your ability to communicate effectively with others. Everything you accomplish will be associated with other people in some way. And the people in your life will account for 85 percent of your happiness and your success.

The quality of your communication, therefore, determines the quality of your life and the quality of your relationships, of all kinds.

In your interactions with others, there are five goals that you want to accomplish:

1. You want people to like and respect you, which will reinforce and validate your self-image but also encourage others to want to hear you, not shut you out.
2. You want people to recognize that you are valuable and important, reinforcing your self-esteem but also giving others a reason to listen to you.
3. You want to be able to persuade people to accept your point of view, to sell your product, services and ideas to others.
4. You want to get people to change their minds and to cooperate with you in achieving your goals.
5. Overall, you want to be more personally powerful and influential in all your relationships, personal and business.

These are the keys to success in leadership, life and love.

Your Emotional Intelligence

In 1995, Daniel Goleman wrote the book *Emotional Intelligence*. He argued that EQ is more important than IQ.

He concluded that your ability to persuade others is the highest form of emotional intelligence and the true measure of how effective you are as a person.

People do things for their reasons, not yours. Motivation requires *motive*. To communicate and persuade effectively, you must find out what their motives really are.

The key is to get out of yourself and enter into the mind, heart and situation of the other person. Focus on the needs and desires of the other person rather than your own.

Communicators are aware of the emotional element in effective communication — the importance of understanding the emotional motivations of the people with whom you're communicating. But any efforts to address emotional issues must be based in sincerity. ●

Make Them Feel Important

The deepest need in human nature is to feel valuable and important. You trigger this feeling by doing everything possible to raise the person's self-esteem, to help him or her to like him- or herself even more.

You should imagine that every person in your company is wearing a sign around his or her neck, all day long, that says, "Make me feel important." In every interaction with every single person, you should respond to this basic human request. You should always be looking for ways to make people feel important and valuable as parts of your team.

The Leader's Questionnaire

The best leaders are those who have a complete and intimate understanding of every facet of their business and industry. Leaders know everything about their own companies, their customers, their competition and the business environment in which they operate.

A complete leader's questionnaire covers all the major strategic and management issues that leaders will need to address. Every leader should be able to answer each question with confidence, without hesitation. If you do not know the answers, or if you are unsure, it is important to find out as soon as possible. Without the answers to the questions, or with the wrong answers, you will make mistakes in marketing, sales and business strategy that can be fatal to your business.

As Larry Bossidy writes, "Only a leader can ask the tough questions that everyone needs to answer, then manage the process of debating the information and making the right trade-offs. And only the leader who's intimately engaged in the business can know enough to have the comprehensive view and ask the tough, incisive questions."

Here are a few of the tough questions that you and the team you lead will need to answer:

1. What business are you really in? What does your company actually *do* for your customer to improve

his or her life or work?

2. What is the *mission* of your company or firm? Your mission should be stated in terms of what you want to achieve, avoid or preserve for your customers.
3. How do your customers talk about, think about or describe your company to others? What *words* do they use?
4. Who is your *perfect customer?*
5. Describe your perfect customer *psychographically*. How does your perfect customer think and feel in relation to buying what you sell?
6. What does your perfect customer consider of *value?* What benefits does your customer seek or expect in dealing with you?
7. What are your company's *core competencies?* What special skills or abilities does your company possess that enable you to fulfill the needs of your customer?
8. Who are your *competitors?* Who else sells the same product or service to your prospective customers?
9. *Why* do your customers buy from your competitors? What benefits do they receive from your competitors that they don't receive from you?
10. Which of your products or services give you your *highest profits?* Which of your products, services, markets, customers or activities are the *least profitable?*
11. What is your company's area of *specialization?* What is your area of *differentiation* or excellence?
12. What *organizational changes* should you make in your business, with regard to people, activities, work flow and expenses, to improve both effectiveness and efficiency? ●

Simplify Your Life

Everyone has too much to do and too little time today. You feel overwhelmed with your duties, tasks and responsibilities. As a leader, those duties, tasks and responsibilities are multiplied. The challenge is for you to simplify your life in such a way that you spend more time doing the things that are most important to you and less time doing those things that are not at all important. A great leader is someone who is effective, positive, in control, generally content and even-keeled. If you are overwhelmed, you are probably none of these things. Simplifying your life will not only make you a happier person, it will significantly increase your success as a leader.

Here are six methods, techniques and strategies that you can use to reorganize and restructure your life, simplify your activities, get more done, and enjoy more personal time and time with your family than ever before:

- **Determine your true values.** Decide exactly what is most important to you. The most important question that you must ask, and answer, throughout your life is, "What do I really want to do with my life?" Set peace of mind as your highest goal and then organize your life around it.
- **Decide exactly what you want.** Start deciding what you want by writing out a list of at least 10 goals that you would like to accomplish in the next year. After you have written out this list, review the 10 goals and then ask: "What one goal, if I achieved it in the next 24 hours, would have the greatest positive impact on my life?"
- **Select your major definite purpose.** Your most important goal becomes your *major definite purpose*. Then make a list of everything you can think of that you can do to achieve that goal. Organize the list by priority, by what is more important and what is less important. Then immediately begin the most important thing that you identified to achieve your most important goal.
- **Get your life in balance.** The key to balance is to be sure that your exterior activities are congruent and in alignment with your interior values. A sense of happiness, peace, joy and relief comes when you return to your values and make sure that everything you do is consistent with them.
- **Put your relationships first.** Put the most important people in your life at the top of your list of priorities. Put everything else below them.
- **Take excellent care of your physical health.** You can simplify your life by eating less, eating better, exercising regularly, getting thinner, getting regular medical and dental check-ups, eating proper nutrients and taking excellent care of yourself. ●

RECOMMENDED READING LIST

If you liked *How the Best Leaders Lead*, you'll also like:

1. ***Crisis Leadership Now*** **by Laurence Barton.** Barton applies an insider's insight into numerous case studies. He shows how catastrophes can happen at any time and what to do to handle them.
2. ***Leadership Gold*** **by John Maxwell.** Maxwell shares a lifetime of leadership truths and offers practical advice for leaders at every level.
3. ***The New Boss*** **by Peter Fischer.** Fischer covers all the bases for newly appointed senior managers. He illuminates the seven building blocks of an accomplished transition and provides case studies to spell out nearly every possible leadership situation.

Summary

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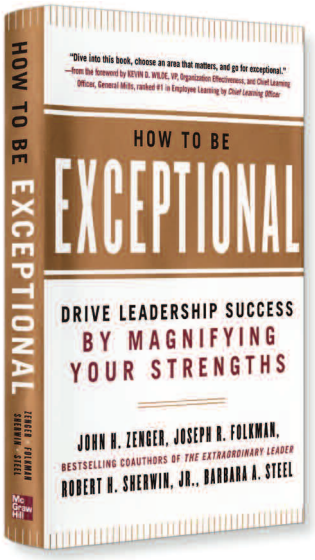
Leadership



How to Be Exceptional

Drive Leadership Success by Magnifying Your Strengths

by John H. Zenger, Joseph R. Folkman, Robert H. Sherwin, Jr., Barbara A. Steel

THE SUMMARY IN BRIEF

You run a business department, a division or an entire company. Everything is going smoothly, everyone respects your abilities and no one complains about you. You are a good, talented business leader.

But are you *exceptional*? Because in these difficult business times, true success requires nothing less.

From the leadership gurus of Zenger Folkman, *How to Be Exceptional* provides a revolutionary approach to leadership development. Instead of focusing on your weaknesses and how to overcome them, focus on your strengths — and learn how to magnify them.

When you magnify your leadership competencies to the level of exceptional, employee engagement increases, productivity rises and profitability soars. Learn how to make your business and career dreams a reality.

IN THIS SUMMARY, YOU WILL LEARN:

- How to pinpoint your best leadership traits and choose the right development target for yourself.
- How to use feedback and action learning on the job to elevate your strengths.
- How to apply Zenger Folkman's revolutionary cross-training method to escalate your leadership competencies into the top 90th percentile.
- How to ensure that your fully developed strengths are sustainable by building follow-through into your development plan.

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THE COMPLETE SUMMARY: **HOW TO BE EXCEPTIONAL**

by John H. Zenger, Joseph R. Folkman, Robert H. Sherwin, Jr., Barbara A. Steel

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For additional information on the authors, go to www.summary.com or www.zengerfolkman.com.

PART 1: WHAT LEADERS CAN LEARN FROM THEIR STRENGTHS

Organizations Flourish With Strong Leaders

As you observe organizations with an abundance of great leadership talent, several characteristics become apparent.

1. Great leaders attract others with talent. Like magnets that are properly aligned, there is a huge attraction. Other competent leaders want to work with them.

2. Great leaders discover and pull out hidden abilities in those around them. Good qualities emerge. Strong teams develop and collaboration abounds.

3. Great leaders tend to stay and build. Not only are they initially attracted to the organization and the other leaders in it, but they thrive in place, build off each other and grow the garden they're in.

In a study of 5,285 leaders working in five different organizations, we examined the effectiveness of leaders at different levels of these organizations. This measure of leadership effectiveness was derived from our research on extraordinary leaders, utilizing 360-degree feedback instruments.

We have worked with organizations in which the senior teams had overall effectiveness scores hovering at the 65th percentile. That means that in all likelihood the next lower level will be at the 50th percentile, and each successive layer well below that. Indeed, that is what occurred. The consequences were far-reaching. Employee commitment scores in those organizations were at the 32nd percentile.

A handful of organizations had gaps of only 3 to 5 percentile points between levels. This small gap created a dramatic shift upward in the effectiveness of leaders at all levels. It became apparent that the smaller gap was the result of several differences in these organizations.

First was selecting the right people as leaders. Second, the talent management processes being used identified a clear set of desirable leadership competencies. Third, senior executives believed that a significant part of all leaders' jobs was the development of their direct reports. Fourth, the bar for effective leadership was set high. The expectation was that the leaders needed to be outstanding, not merely adequate or good, and that everyone, regardless of position or level in the organization, could improve. ●

Why Emphasize Strengths?

For the past several decades, we have worked with firms that were focused in large measure on helping managers and key professional associates identify their weaknesses and then fix them. We developed assessments that identified strengths or weaknesses with equal effectiveness. But the fact of the matter was that they

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Amanda Langen**, Graphic Designer; **Jeannette Scott**, Contributing Editor

were used primarily to identify weaknesses.

Here's the bottom line: If a leader has some trait or competency that is a profound weakness, and this behavior is both important on the job and readily observed by others, this could be considered a fatal flaw. One or more fatal flaws have the potential to sink this person's career unless those flaws are fixed.

Kevin is a salesperson who is very good in one-on-one discussions and in building individual relationships. However, his company recently reorganized the sales team and selling process, requiring him to now make regular presentations to large groups. Unfortunately, he has lots of trouble communicating effectively to groups of almost any size. Because he gets very nervous when he has to be "on stage," Kevin regularly loses his train of thought as he is presenting, and he has difficulty responding to any questions. Since group presentations are now a critical part of his job and his lack of skill at making them is easily observed, this change has uncovered a profound weakness and a potential fatal flaw for Kevin. If he can't quickly develop a competency in this area, at best he'll have trouble hitting his sales targets; at worst he may lose his job.

If leaders have significant weaknesses, ones that could be considered fatal flaws, improving those weaknesses can have a substantial positive impact on their overall effectiveness. Although focusing on a weakness gets you to a position where the behavior is no longer detracting from your overall performance, it doesn't elevate you much beyond that.

As we get people to identify the best leaders they have known or with whom they've worked, we ask them whether these great leaders had any weaknesses. The answer is always the same, "Yes — they were not perfect." Our next question is, "If they had weaknesses, what made them so exceptional?" The answer is always that it was their strengths. It was what they did extremely well that made the difference and always far outweighed any weaknesses they may have had.

If people spend all their time focusing on fixing weaknesses, their potential strengths will never become profound strengths. It is that shift in focus — from trying not to be below average in anything to, instead, being outstanding at relatively few behaviors — that makes such a huge impact on others and causes these leaders to be viewed as exceptional. ●

Strengths Can Be Developed

Effective leaders are created through a mixture of "made and born," and the weight of evidence is clearly on the side of leaders being made.

The development of strengths is a complex process. The process involves six elements or stages:

1. Learn the basics. Young employees in an organization watch how the boss conducts a meeting. They watch how the boss delegates an assignment. They watch how the boss responds to questions regarding the organization's services, or how he or she replies to a question about the firm's products. Some have estimated that possibly 70 percent of what we learn is via this informal process.

2. Learn through formal development. In some skill areas, such as our use of various applications for the computer, formal classes provide extremely helpful information and jump-start a person's progress. The same holds true for learning leadership skills. Content for formal programs is extremely varied and ranges from specific skills, such as coaching, giving presentations, delegating, solving problems, or interviewing, to broader topics, such as understanding emotional intelligence or being more inspirational and motivating.

3. Build in feedback processes. One way of increasing the value of formal development is to add feedback into the learning experience. This feedback provides people with a clearer picture of their abilities.

4. Do cross-training. Cross-training is a type of nonlinear development. When athletes aspire to become more than just casual participants in a sport, they often turn to cross-training. Aspiring runners, for example, take up cycling, swimming and weight lifting.

From the research that identified the 16 differentiating competencies of the most effective leaders, we have identified between five and 12 companion behaviors for each of them. The correlations of the companion behaviors to the differentiating competencies are statistically significant.

For example, the companion behaviors to the competency of *practices self-development* are mostly those that describe the leader's involvement with others and their development. These include listening, being open to the ideas of others, respecting others, exhibiting honesty and integrity, and taking the initiative and being willing to risk and challenge the status quo.

Competency companions provide a new and more complete pathway to developing a strength. A person who gets a high score on one tends to also get a high score on the other. This suggests that raising the score of one will have a high likelihood of raising the score of the other.

5. Learn while working. Strengths may also be

developed by deliberately creating opportunities for improving our skills through practice in the normal course of daily work.

6. Create sustainability. This final step in building a strength is the one that locks the strength into place.

Sustainability and follow-through come from:

• Creating a supportive environment from managers, peers and subordinates.

• Providing clearly defined outcomes for the development.

• Establishing well-defined accountability and responsibility for participants' implementing and applying what they learn.

• Building systems that provide visibility.

• Implementing various methods of follow-up, such as additional sessions, telephone calls and accountability partners within the organization. ●

Leadership Cross-Training

Cross-training is an optimum solution for someone who is reasonably good at something and who wants to continue excelling at it and then move into the higher ranks in any given activity or sport.

Dave is the manager of an organization's research and development unit. He is by nature an introvert. He is not an active contributor in most meetings. When he participates, his comments are offered with some hesitation, almost an apology. In past meetings with customers and representatives from other departments, there had been occasional comments questioning his technical competence and the reason for his being in this position.

Specifically, on a recent 360-degree feedback instrument, he was given feedback regarding his level of technical competence that indicated that some peers had questions about his knowledge regarding the firm's technology. His knee-jerk response was that this should be fairly easy to fix. Just bump up the level of knowledge about the firm's technology so that he could answer every question and never be stumped with anything tossed at him.

Then Dave recalled that as a part of the 360-degree feedback process, the facilitator had talked about a different approach to developing important competencies. She had called that new approach "nonlinear development." He recalled talk of cross-training and how the best way to develop some important skills may well be to build around them and not run straight into the headwind.

Dave got out his manual and looked at this specific competency of technical competence. After examining the behaviors that described this competency, and after reviewing some fairly obvious, straightforward remedies, he decided to plow on to the next section.

As Dave examined the research on companion competencies for technical and professional expertise in his organization, his eye was drawn to three of the most statistically linked companion competencies:

• Solving problems

• Relationship building and networking

• Communication and influence skills

Even though Dave sees the need for improving his communication skills, there is the possibility that he may lack the desire and passion to improve. And without the passion to improve, the result might not change much. He may find he has more passion and energy for problem solving as another way to demonstrate his expertise.

One of the best ways to show others the depth of your expertise is to solve a difficult problem or come up with a new solution. Using a companion competency can provide a variety of options for every person to build his or her strengths. ●

Benefits From Developing Strengths

There is a significant motivational difference between people who work on strengths and those who work to fix weaknesses. This motivational difference, in turn, has a substantial impact on their levels of success. We know that leaders who attempt to improve their weaknesses can make significant progress. Leaders who focus on strengths invariably show more substantial gains.

Our studies have confirmed over and over the relationship between the effectiveness of leaders and the engagement, satisfaction and commitment of their direct reports. Whatever the starting point, improving leadership behavior leads to improved results.

There are a variety of benefits that come from building strengths:

1. People are more motivated when they work on their strengths. When people work on something they enjoy, they are more willing to invest time and effort into improvement.

2. Those who worked on their strengths were more successful in their change efforts, and that substantially increased their overall leadership effectiveness.

3. Change in outcomes — such as employee commitment, intention to stay, highly committed employees,

total sales and performance ratings — followed improvement in leadership effectiveness.

4. Such improvement provides incentive and motivation for further development. ●

PART 2: HOW EXCEPTIONAL STRENGTHS ARE DEVELOPED

Where to Start

We propose a model with three important filters for identifying a behavior that could be expanded into a strength. We label this the CPO model, where C stands for "competence," P for "passion" and O for "organization need." The basic premise of the CPO model is to consider each of its three key filters when selecting a competency for development into a strength:

1. Competence. The first consideration is to measure the level of competence. Is this competency a strength in embryo? What are your current inclinations and abilities? What are you already reasonably effective at doing?

2. Passion. What charges your batteries? It is one thing to be reasonably effective at some leadership competency that is compatible with what the organization needs, but it takes on a different cast if it is something for which you have little or no enthusiasm.

3. Organization need. What does your organization need from you right now in your current position? Regardless of what you are currently effective at doing, the value of developing strengths that will enhance your career and help you become a more competent leader is obviously specific to the organization in which you work and the current position you hold.

The ideal situation occurs when these three CPO elements come together. It is perfect when the individual can be working on a competency that he or she is already reasonably good at doing, when that competency is something that the organization highly values, and when the individual has an intense interest in and passion for building the competency. ●

Transitioning From Poor Performance to Good

We learned most of our skills by watching others perform them. Young employees in an organization watch how the boss conducts a meeting. They watch how the boss delegates an assignment.

Others learn, however, when leaders share their thought processes, assumptions and experience. That is one of the great virtues of having senior executives come in to teach in leadership development programs.

Added to this is the role of formal development that the organization or some outside source provides. In some skill areas, such as learning how to use various software applications for the computer, formal classes can provide extremely helpful information and jump-start a person's progress.

Another extremely important source of development comes from the formal and informal coaching received from one's boss, peers or external coach.

We have found that the most frequent outcomes of training people to be better coaches are that they resolve to talk less, not more than 20 percent of the conversation; ask more questions; listen more intently; refrain from giving advice; and plan the interview more thoroughly.

Real coaching is rare, but when the skill is mastered, it can have a substantial impact on the learning of others. ●

The Role of Feedback in Developing Leadership Strengths

People can benefit from feedback only if they believe and accept the feedback they've been given. Accepting feedback is a function of four broad sets of skills. *First and foremost fundamental is the ability to be humble and reflective.* Humility comes when people start to understand that it is the reactions of others that really matter in terms of their leadership effectiveness. Their effectiveness as a leader is determined by others.

The second factor is personal honesty and integrity. People who are more honest and straightforward with others tend to be honest and straightforward with themselves. The higher the level of perceived honesty and integrity, the higher the level of openness to receiving feedback from those around you.

The third factor is engaging in the development of others. Our research indicated that those who were better at accepting feedback also tended to be more effective at developing others. Development is contagious. One of the powerful tools to develop others is to provide them with useful feedback. That works best, however, when the leader has set the example by seeking feedback from the subordinate, welcoming any and all messages that would help the leader be even more effective.

The final factor is taking action and initiative to move forward and respond to the feedback. Passive acceptance is a

helpful start, but without action, nothing changes. Those who accept feedback and move forward start to respond with energy and enthusiasm about improving their performance. They provide others with a clear vision and goal about what they are going to change and how they will do it. Finally, after they start, they follow through on their commitment to execute the change. ●

Building Strengths at Work

An element that has possibly the highest potential to escalate a leader's strengths in the near term is the basic idea that valuable development can take place on the job and that work itself is a huge developmental opportunity if managed properly.

It has been known for decades that altering the nature and content of a job could increase the satisfaction and overall motivation of the people performing it. Job enrichment and job enlargement have been shown to improve the productivity of front-line workers. In addition, these practices enhanced overall employee satisfaction, and that in turn led to higher employee retention.

These ideas have been extended and given a modern twist at the University of Michigan, where the term *job crafting* is used. The basic idea is to focus on how workers at all levels can shape their jobs to add meaning and fulfillment. Job redesign can also be used as a leadership development tool by helping any workers, along with their managers, identify opportunities for developmental activities that can be integrated into their current positions.

That work assignments play an important role in development is beyond debate. Over the years, many organizations have had great success in developing future executives by giving them demanding assignments. A developmental assignment might be the responsibility of opening a new plant, with all the complexity it presents.

Leaders and managers have a certain degree of latitude regarding how they define and execute their jobs. The leader can add some activities, take away other activities and allocate time to those activities that would help in his or her ongoing development.

Next we suggest some activities that are specifically designed to bring learning into the job in a more formal way. The first has broadly been labeled *action learning*. This approach was originally pioneered by Reginald Revans, a professor at the University of Manchester in England. The essence of the action learning concept is that we all learn by doing and that business leaders are no different.

Revans' university had sponsored a variety of programs for executives, and he observed the impact the programs were having on participants. To his dismay, Revans became convinced that the programs were having little or no impact. It became clear to him that the conventional methods of teaching hardly made a dent in the way leaders behaved. Knowledge and information did not change behavior. Increasingly he came to believe that rather than have leaders study the usual abstractions about management (such as planning, organizing, control or strategy), it was best to have them study their own actions at work, along with how they were experiencing their work. He was convinced that the best course content was the actual work they were performing.

Another method for building learning into work is a technique pioneered by the military. At the conclusion of every mission, the group who participated would be assembled for an after-action review. The objective was to identify what went well and to ensure that those actions would be repeated in the future. The key question was to keep focusing on what you might do differently next time as a way of learning from every mission.

Building developmental opportunities into your job starts with selecting a competency to develop that is aligned with what your organization and team needs and for which you have energy and enthusiasm. Development activities that directly support performance goals tend to receive the most time and attention.

It's also often possible to modify the collection of organizational tasks that make up your current job in a way that still meets organization and team needs and at the same time provides additional opportunities for development of your chosen competency.

If you want to learn a skill, then build that skill into your job. Find opportunities to practice the skill in your job. Ask for feedback on what went well and what you could do better. ●

Sustaining Strengths

Another key to success in developing a strength is extensive follow-through. People don't win the 100-yard dash by running extremely well for 50 yards and then coasting.

Two elements are important. First, you must obviously be motivated if there is to be a sustained effort to develop a strength. Determination and stick-to-itiveness are essential. Second, linking your efforts to the genuine elements of motivation will escalate success. If the skill

you've chosen gives you greater autonomy in your work, a higher sense of mastery in what you are doing and the sense that you are working toward a higher cause or purpose, this will clearly expand your motivation.

Persistence in developing a strength hinges on knowing how you will use it and what specific steps are required to put this strength into place. Practice that leads to better performance calls for a person to do something new and challenging with an improvement goal in mind.

The environment that surrounds a leader is complex. It starts with the culture of the organization. It includes the roles of the immediate manager, the peers and the subordinates of the leader involved.

Craig is the manager of a large department. The organization sees real potential in him and tells him that he has a bright future if he will continue to develop himself. So who is responsible for Craig's efforts to develop his strengths? Is it the HR executive? Is it Craig's manager? Or is it Craig?

The participant muses, "Well, I know that this is about me, and I obviously am responsible for my development to a large degree, but my manager doesn't seem to notice if I improve the way I lead. The manager only cares about the numbers. There's never any discussion about the progress I'm making on my development. Also, I have no way of knowing if I'm getting better. I get no feedback."

Yes, we believe it is primarily Craig's responsibility. However, the others, especially the manager, have very strong roles to play in Craig's success in developing his strengths. The manager's ongoing coaching can have a major impact. HR can provide processes (repeated 360-degree feedback) and other channels (coaching) to help the leader have ample feedback. For real sustainability to occur, all the components of the environment — boss, peers, subordinates and HR— need to work together to support Craig's development. ●

PART 3: SPECIAL CONSIDERATIONS

Individual Contributors

It's often assumed that leadership is an assignment strictly for supervisors, managers and executives. The rest of the workforce, consisting of nonmanagerial workers and staff personnel, also known as individual contributors, are supposed to be followers, not leaders.

We assert that individual contributors can potentially be leaders and have the opportunity to use their influence to make a difference within an organization. Not only that, our productivity research shows that organizations today, more than ever, need these individuals to help lead those organizations so that key targets and results can be attained.

There have been many examples of great leaders who were not in formal positions of power in their organizations. These individuals didn't control huge financial budgets, manage and direct the work of large teams, or determine strategy. Yet as individual contributors their actions made a big difference. Similar to leaders with positional authority, individual contributors have the ability to see opportunities or potential problems, show initiative when needed, and lead others in the accomplishment of important objectives. Despite the numerous examples of the differences these folks make, their leadership contributions aren't always apparent. Sometimes this is due to the accomplishment of their work product being attributed to the "boss." Or the work is seen as a team effort and the magnitude of the individual contributor's work isn't completely understood. Yet it is the leadership efforts shown by these individuals that produce successful outcomes.

As with managers who are in formal leadership roles, extraordinary individual contributors are differentiated by the existence of a few profound strengths, not the absence of weaknesses. They, too, should implement their development efforts using the same approach of building strengths rather than fixing weaknesses.

Organizations that have begun providing 180 feedback and leadership development opportunities early in the careers of individual contributors have found not only that they prepare these people to become excellent managers in the future, but that their current effectiveness as individual contributors is greatly enhanced. ●

Getting Out of the Pit

An important element of a fatal flaw is that it is a behavior that is viewed as being very important in the person's current job or in the culture of the organization. In a professional services firm, technical expertise is so highly valued that all the professional staff members need to be technically competent in order to keep their jobs.

One way to measure if a weakness is fatal is to note whether it is the first trait people think about when a person's name is mentioned. It becomes the filter through which all other traits are viewed. This filter col-

ors all other characteristics. In many cases, people refuse to attribute any positive characteristics to a person because the fatal flaw has such a negative impact.

Our advice for people with fatal flaws is to immediately take steps to fix them. The really good news is that addressing a fatal flaw can have a substantial positive impact on how these people are perceived. In studying the impact of fixing fatal flaws, we found that 11 of the 15 leaders with fatal flaws made significant positive progress by focusing on fixing their fatal flaws.

Frequently, leaders get moved or promoted into new jobs where a competency that was not critical in the past becomes essential in their new positions. When a competency is mission-critical, average performance is never good enough. Most people can think of a person who performed well at some point in his or her career only to be promoted to a position where the performance was considered inadequate. This phenomenon has been labeled the *Peter principle*. The principle states that people are promoted until they finally get elevated to a position in which they are fundamentally incompetent. This explains why fatal flaws often appear later in people's careers as they are promoted to more senior positions.

Fatal flaws are not easy to change, but improvement is possible. The first and most necessary step is for people to accept the fact that they have a fatal flaw and that this flaw will eventually be fatal to their careers.

In order for people to change, they need to identify the problem behavior and then study the triggers that cause it to occur. The next step is to formulate a plan for change. People may need to ask for the forgiveness of others in order for other people to accept that the change is occurring. Enlist the assistance of others. And lastly, find a way to reward yourself for progress and the achievement of a goal. ●

Can Strengths Be Taken Too Far?

Is there such a thing as a behavior practiced to excess? Yes, we think so. Chances are we can all think of some behaviors that when done in moderation are positive, but when done to excess cease to be helpful. A commonly held belief is that strengths taken too far cease to be strengths and become liabilities or weaknesses.

We think it is terribly confusing to tell people to work on a strength but to always be monitoring themselves to determine when they become too effective or use the strength too much. We identified 16 competencies that described the most effective leaders and distinguished them from average and poor leaders. These strengths include qualities, such as character and integrity, problem-solving skills, technical competence, innovation, initiative, communication and strategic thinking.

We cannot envision many situations where doing less of any one of them would be better than doing more. Can someone be too honest? Too skilled at solving problems? Too technically competent or innovative? ●

Building Strengths With Multi-Rater Feedback

We think that the multi-rater, or 360-degree, feedback process is unparalleled in its ability to provide a comprehensive and yet granular way to help in the development process.

Inspiring leaders don't stand before the assembled troops and declare, "I want you to be just a little above average." The better message to participants is that the organization needs them to be performing like the very best. So rather than reporting data to managers that show how they compare with the mean average, why not show them how they compare with the best?

Because the 360 is administered to the subordinates or direct reports, it is possible to incorporate a mini employee survey right into the 360-degree feedback instrument. The 360-degree process affords the opportunity to ask the manager, peers, direct reports and others about their perception of what a person in a specific job or position should be focused on achieving.

Make the process a positive, not a negative one. The great joy for most participants can be the opportunity to identify and celebrate strengths.

Ensure that the survey process is not laborious. The objective is to acquire sufficient assessment information from each rater to provide validated survey results, but do it in the minimum amount of time. This requires a survey and software design that is well conceived and structured.

The 360-degree feedback process is not perfect, it just happens to be much better than any other technique that has been developed to help leaders grow. ●

RECOMMENDED READING LIST

If you liked *How to Be Exceptional*, you'll also like:

1. ***The Inspiring Leader* by Scott Edinger, John H. Zenger, Joseph R. Folkman.** The authors share their findings on how top leaders inspire teams to greatness and the behaviors exhibited by the most successful leaders.
2. ***The Extraordinary Leader* by Joseph R. Folkman, John H. Zenger.** Leadership is revealed as a skill, one that can be consciously learned and developed by anyone. Folkman and Zenger identify the competencies necessary for effective leadership.
3. ***The Extraordinary Coach* by John H. Zenger, Kathleen Stinnett.** The authors offer advice on how to deliver feedback, reinforce it, and redirect colleagues to better behaviors and habits.

Summary

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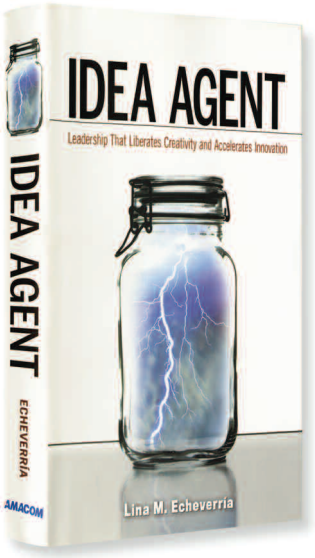
Leadership



Idea Agent

Leadership That Liberates Creativity and Accelerates Innovation

by Lina M. Echeverría

THE SUMMARY IN BRIEF

Is it possible to manage the creative professionals within your organization without stifling them? That's the million-dollar question for those trying to help their companies develop the kind of breakthrough innovations that result in unique products, improved processes and creative advantages that competitors can't copy. The challenge lies in striking the right balance between unleashing your creative people's energy and channeling it into tangible business results.

Drawing on Lina M. Echeverría's considerable experience assembling and nurturing cutting-edge teams at Corning Inc., one of America's leading technology companies, *Idea Agent* shows you how to become an Idea Agent — a catalyst for releasing your people's creativity, their advocate within the company, and also the person who keeps them focused and productive.

Containing practical methods for pulling strong-minded, visionary individuals together to solve incredibly complex problems, *Idea Agent* reveals seven proven principles to help you nurture — and follow through on — innovation.

IN THIS SUMMARY, YOU WILL LEARN:

- How to confront creative conflict.
- How to preserve space for discovery and invention.
- How to demand excellence and enrich lives.
- How to live values that liberate creativity.
- How to create a culture of creative engagement.

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THE COMPLETE SUMMARY: **IDEA AGENT**

by Lina M. Echeverría

The author: Lina M. Echeverría is an innovation leadership consultant with 25 years of experience in science and technology. At Corning Inc., Echeverría created an environment where scientists were both creative and productive, and where teams balanced the ability to explore the edges of possibility while delivering critical new technology on time and on budget. From scientist to vice president, she helped drive new products that now underpin our technology-based economy.

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For additional information on the author, go to www.summary.com.

Prologue

An impassioned culture of innovation thrives when guided by leaders who can resonate with team members — leaders capable of managing with passion and creating energized organizations while staying true to themselves and making their own work meaningful. Innovation thrives under a leader who internalizes and lives by the belief that to excel you must start with a group; to excel you must create a culture; and to excel you must manage one by one — one person at a time, one situation at a time, one project at a time, one group at a time — by staying in the present, undistracted.

In my experience in technology innovation, management and delivery, I have found seven essential elements that provide both the vibrancy and the rigor essential to create the culture of success in a team chartered with delivering innovation. I refer to these as Seven Passions of Innovation:

1. Looking creative conflict in the eye and flexing for resolution.
2. Bringing together teams of diverse, highly intelligent people freely in a way that engages their deepest personal motivations.
3. Living values that set creativity free.
4. Insisting on excellence and results.
5. Cultivating a culture that honors time for intuitive flow.
6. Defining an organizational structure that guides, but allows solutions to come from many permutations of talent and function.
7. Providing authentic leadership with the will to manage, the guts to decide, the wisdom to guide and the passion to make innovation happen.

These seven elements are not unarticulated components; rather they come together to make up a living system whose energy radiates from a leader at the core, its heart center. ●

Passion 1: Into the Ring of Fire

As anyone who has been surrounded by creative artists, writers or musicians knows, creativity often comes along with strong — even conflicted — personalities who will not stop in the face of obstacles along their way. The drive to materialize their vision is stronger than themselves.

Creativity can be a hot fire and you have to love it to gain from it. Fear of managing the passions of creative scientists will only lead to missed opportunities. Not being afraid of moving to free up and channel the energy and the creativity, on the other hand, can open worlds of opportunities.

It cannot be stressed enough: it is about understanding each one of the players for who they are, where they come from, what drives them and what they can bring to the solutions. And from this understanding, leadership that liberates creativity is about managing conflict — not preventing conflict from arising, but stepping into the ring of fire and managing all its actors and stages.

Leading a creative team means harnessing this conflict and managing it to benefit, not detract from, the work.

You will have divergences, clashes and tension.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Amanda Langen**, Graphic Designer; **Jeannette Scott**, Contributing Editor

Perhaps the level of control in your organization is high enough that the dissent is being discouraged. But then so are the good ideas, the ones that come at a 90-degree angle from your planned path.

An understanding of each human being and the way he or she relates to others needs to be your guide. As a leader, it starts with you knowing your people, their reactions and expectations, their roles in the team. It continues with being comfortable with conflict and with understanding that arguments and discussion are as essential to science as experimentation itself. And it moves on with playing an active role in managing conflict, literally sitting at the negotiating table, rather than shying away from it.

Find Your Courage

Managing personalities and tempers is not fun. It takes courage, serenity, flexibility and tact. Courage to understand that managing tempers does not mean compromising and that creating untouchable personalities means eroding the culture you are trying to create: the culture of respect, accountability and trust that drives the group. Serenity to stay detached during your exchanges. Flexibility to treat each personality in the unique way that is fruitful for each person involved. And tact to find the way to deliver a message in a way that does not flare tempers but yields results. ●

Passion 2: Let the Best Take Flight

The first step in building a high-performance team is to get passionate, brilliant and creative people in the room. Beyond stellar academic or work credentials, it is essential to get a sense of the candidate's fit with your organization by looking for the person — his or her upbringing and personality, ability to see wide-open spaces balanced by the need to remain highly focused, life at home and in the community, and reaction to those circumstances. Just as crucial is the need to look outside the person's work life for expressions of creativity, such as hobbies, activities and a zest for life.

Spotting Creatives

Some of the most successfully creative technical people I have led and worked with are musically talented and accomplished. I can think of talented classical piano players such as Peter Murray, a geologist turned glass scientist, who sings with a tenor voice and also enjoys cooking ethnic foods. And Joe Fishlinger, a polymer scientist with an understanding of chemistry and rheology of organic materials, who turned his knowledge into high-quality truffle-making that rivaled the most prestigious European chocolatiers.

Real creativity is productive and its expression yields a constant stream of output: a canoe for the family one month, an improved telescope system the next; a butterfly collection that keeps on growing; a new garment of wearable art every season. These are some of the signs to seek as output for social or family activities and they are a good predictor of professional output. They are the materialization of a creative flow that is ongoing. So it is important that the hiring process be rich enough to allow you to unearth, explore and walk around these passions to inform your decisions.

Players as Coaches

The opportunities to learn from your people are boundless. About their activities external to work, for sure, but also about the depths and reaches of their understanding. As a leader, whether in technology, architecture or medicine, you are expected to understand your field, to know where it is headed and to translate this knowledge into the strategic direction that keeps you ahead of the field. But you will be fooled, and your group and goals poorly served, if you as a leader do not have experts in your group whose knowledge and understanding far exceed your own.

Learning from your experts is not only an enriching experience for you as a leader, but it is one of the first elements of sharing knowledge, an important element in creating a persevering culture where creativity thrives and innovation delivers.

Make Room for Intuition

Creative people are driven to make real their dreams, hunches and drives a material reality. If given the freedom to be, the creatives themselves will guide you in how leadership can best help them — and the organization — to deliver. If you create an environment of trust and spend your time listening, you will understand the needs and the frustrations you hear.

The role of the leader is to act as shock absorber for the organization, to understand the needs of the commercial group on one hand and, with the knowledge of what it takes to preserve the space needed for invention on the other, to define goals that can benefit both sides.

In creating a culture of expansion, respect and freedom — to create, to deliver, to be — it is important to understand that the ultimate expression of freedom is the ability to follow your dreams. If an organization does not have the space for your more daring members to

spread their wings, their flight will take them away from you. Maintaining an inspired and motivated state for highly creative, talented individuals is the challenge of leadership. As leaders, we need to create cultures that grant our people the freedom to stay — cultures where leaders exhibit flexibility in responding to needs and identifying opportunities, in creating unorthodox career paths and letting people move outside their groups, in following their people's leads and opening spaces that create opportunities. ●

Passion 3: Live Values That Liberate Creativity

Our values — the principles we deeply believe in, the issues that are important for us to stand for — do not necessarily remain constant throughout life. Some may evolve; others may be added; others still may be dropped. There are those, though, that do remain unchanged. Those are the ones that will be more meaningful to you as a leader and therefore more powerful in creating culture, the ones you need to establish in guiding your organization.

Respect

Respect for ideas, for needs, for the whole self, is where it all starts. For the human being, the productive artist, the jazz singer, the heart surgeon, the architect, or the creative scientist, respect is what creates the space that allows conception and invention to flow.

Respect for this crucial side of their nature — the need to feel untethered, the need to safeguard their autonomy — takes the form not only of understanding that this is not a personal rebellion against you as a leader, or a deficiency in adjusting to a group setting on their part, but rather that it expresses a need to achieve that sense of empowerment that constitutes an important driving force for creatives.

Freedom

Freedom is the maximum reward; it empowers, it respects, it recognizes. Freedom starts with forms as basic as freedom of style. Not all your team members will have the same need for freedom, and only your deep knowledge of them as human beings and of their track record will inform you on the size of the performing ring each needs.

Flexibility

Respect and freedom open the way for flexibility: flexibility to embrace new ideas, to accommodate life-needs, to change direction, to change your true-and-tried ways. Flexibility is the way of life in research, so leading your group to adopt it as a way of life *in life* will bring vitality and a "can do" and "why not?" attitude to your group. It is an important culture-creating value as it shifts the focus from the "what" to the "how." And, just as importantly, it touches lives in all dimensions, from trivial to crucial.

Fun and Play

There is an air of lightness that the creative mind craves. Walk into a roomful of inspired artists and you will sense it. It is an energy that allows the creative spirit to free itself from limitations, that enables it to envision the changing of context and conditions that is a prerequisite to invention. Fun and play, in bringing that nimbleness, that buoyancy, help to maintain the spirit that invites novelty to emerge.

Interdependence

The principle of interdependence can be as simple as the recognition by individual members that in the workplace their survival, success and well-being depend on the mutual reliance of a collaborative group.

Honoring interdependence does not negate the ability to act with autonomy — that is, to be independent — but instead brings in the additional dimension of awareness of the impact of your actions on the well-being of the group.

Transparency

As a leader you owe it to your people to be transparent about your intentions, your plans and your concerns, in the same way you owe them your expression of your active interest in them, their results and careers, in the

Advise and Guide Without Imposing Your View

Throughout the years, I have served numerous people as mentor and coach. The situations have been all different, the personalities even more diverse. The request for advice, however, often comes in the same form: "What should I do? What would you do?" My answer would be consistent: "What I would do is not important. What matters is how you feel about it. What would you love to do now?" For therein lies the truth to our search. Find what you would love to do right now; let that intuitive feeling guide your decision; and, one step at a time, tread the path of your passion and your life.

form of direct feedback, dialogue and give-and-take. And though these give-and-take sessions can at times lead to difficult discussions, they are the first steps in creating a culture of open, honest communication.

Integrity

To live the value of integrity — the willingness to give and keep your word, to walk your talk, to fulfill your promises and agreements — is in essence to live in your commitment. And, as a leader, this is your aim for yourself and your people. Integrity is an unforgiving value, one that may exact unyielding pain if not pursued relentlessly, as the smallest of exceptions may give rise to damaging effects and consequences.

Passion

As a leader you are in an enviable position to help people unite their avocation and their vocation, and by so doing make work become play. It starts by using your intuition to become aware of the unseen potential in others and to support them to see and realize it. This is not about influencing their consciousness with what would be your personal choices, but about opening them up to their own. As leaders, our role in each case is to actively mentor and guide them into the personal path of their own discovery and, inasmuch as they are driven, their own awareness.

Trust

Trust is that fragile and vital value that must underlie every activity but that cannot be tangibly created. Trust is also essential to high performance. Expressions of trust are recognized by everyone's willingness for open, honest communication, dialogue and feedback. They are at the core of the courage of taking intelligent risk and they underlie a sentiment of mutual respect. The utmost expression of trust is the willingness to place our future in somebody else's hands, to follow his or her guidance into unknown territory, to pursue a trail that we had not charted or even envisioned ourselves.

Rigor

As the fundamental quality of good scientific work — and good work in any field — rigor is not only a necessity but an ultimate element of culture. By insisting on it, rigor permeates the thinking of a group and comes to represent an important underlying principle of every activity.

Rigor translates into being clear in communicating the difference between dreams, hypotheses, theories and results. Rigor produces fully developed scientific theories, discussion of results and publications. The net result is credibility, a culture that can be trusted and results that can be relied on.

Results

For any team chartered with delivering innovation, whether in high technology, medicine or cinematography, the raison d'etre is bringing forth results. There is a delicate balance — the "creative tension" — between unleashing creative researchers and harnessing their work to deliver actual products and revenues.

Two elements are important in cultivating a culture of results. First, there needs to be breadth in the definition of "results," and this does not mean a diluting effect but a definition based on the true understanding of your mission and the means of achieving it, and then there is a need for identification of the whole spectrum of desirable results. Tangible results, those that customers will pay for and use and the processes to make them — such as the optical fiber they rely on to bring information to their home, the new cardiac surgery technique that can save lives or the new building design — are easy to classify as results.

Standing firm on these values is the cornerstone of building a creative culture in which your teams can thrive. ●

Passion 4: Demand Excellence and Enrich Lives

As with living your values and with everything you do, in inspiring a spirit of high performance and demanding excellence, as a leader you need to guide, direct, coax, detour and show the way. And to do so, you need to lead by example.

There are two critical elements for success in bringing out the spirit of high performance in your group. First, expectations must be clearly spelled out, not just on your first day as a leader but for every single assignment, project and suggestion. The second element is, naturally, consistency — though not rigidity — in upholding your expectations. Your expectations may be nuanced by the people, the circumstances and the activities they perform, but your expectations, like your values, should not be accommodating of personalities — true for some but not for others.

At the core, the leader needs to offer unconditional support and deep interest in the careers of practitioners in such a genuine way that it underlies and permeates each action and is deeply felt by everybody.

Expectations of a Leader

At my first communications meeting with my groups, they consistently heard me articulate what I expected of each one of them:

• **To use their skills and follow their hearts.** There is an inescapable connection between honoring your being and doing good work. It is only by playing in the field where your skills are found that work can become play and you find yourself giving your best performance.

• **To be flexible and adapt.** In the social process that is innovation there is little value in being set in your ways, unable to look at things in a new way, unwilling to listen to an alternate viewpoint or to take a new path, or unwilling to take an unusual assignment.

• **To achieve mastery.** My groups have heard me exhort them many times: "Become an expert and let the world know about it." Assembling the best and the brightest in the world is the first step. Putting together all the elements for them to free up their potential is a good second step. But it will only go so far if they do not do the rest: become the best they can ever be.

• **To benefit from argument.** I do not advocate argumentation for the sake of fun or as a way of exerting control. What I expect is to have the clarity of thought, the courage of spirit and the ability to articulate a different viewpoint, to do so with an engaging dialogue and to express it with a constructive tone of voice. Yes, there are those whose ability for debate placed them on their college teams and whose voice can carry a stadium. I expect from them to tone it down into a constructive dialogue. And I expect the rest to stand up and not shy away in discomfort.

Commitments From a Leader

As leaders it is our responsibility to be accountable to each member of our groups and to let them know what they can expect of us. In my case, in addition to carrying on the responsibilities of managing the group, I shared what they should expect of me:

• **To continuously raise the bar as high for myself as for them.** I pledge to know each of them, what they can bring and what their very best effort is, and to drive them to achieve it; to guide them toward achieving mastery and self-awareness, without forcing them; and to demand the same of myself.

• **To take a deep interest in their careers.** The commitment needs to be to take a deep interest in their careers, in their development as human beings and in the whole of their life experience — and to participate by moving them along; to connect with their personal passions and resonate with them.

• **To design teams that work.** Few things are as important in assembling winning teams as understanding team dynamics and putting the right person in the right role.

• **To give them unconditional support.** Most important, it is about supporting them in the process of growing and reaching their potential. ●

Passion 5: Create a Culture

To excel in breakthrough innovation, it is not enough to manage a group of talented individuals. It starts with survival of the culture, and to survive a leader must create a culture defined by beliefs, attitudes, energy, interaction style and practices — and rituals. But to excel, the leader must ensure that the culture be one of creative engagement and liberating values. If it is clearly defined and rests on lived values, the group culture will flood the larger organization and, in so doing, create the network that is vital for innovation to take place.

Create Settings That Nurture Knowledge Sharing

The ability to collaborate and get along with others is paramount in enabling people to quickly share knowledge, either formally within a team or informally beyond the team. To foster informal knowledge transfer, teams need an environment that stimulates the senses and the emotions, one that fosters free association of ideas. An impassioned leader uses every lever, including workspaces and furnishings, to support the team culture. One effective way of promoting cross-pollination of ideas, actively coaching incoming talent and keeping team members up-to-date is to establish "creativity rooms" — nicely decorated and furnished rooms that look more like living rooms where teams can drop in and use the space informally as needed. They are true "living" rooms, for it is here that the culture is lived.

Only one rule should apply to a creativity room: It cannot be reserved for meetings, or it will become just one more conference room. It is to be used as the group sees fit: for one-on-one discussions, which might be joined by anybody else interested in the subject; to read an article, have lunch or simply decompress; for coffee breaks and celebrations; and to brainstorm around a tough problem. It belongs to the group in which — it cannot be forgotten — you as a leader also

participate. So it is important that you partake in the life that teems in the creativity room.

Encourage Forums That Advance Knowledge Sharing

For leaders, it is immeasurably valuable to learn to feel at ease with the concept that less is more, with the idea that there are times when managers are not needed. So encourage groups to meet on their own without leaders or managers present on a regular basis. Furthermore, create the culture that gives groups the space to emerge on their own. Resist the urge to continually analyze and schedule, but be prepared to respond when you identify a need. And you will be surprised as you see a sense of empowerment arising that liberates creativity and persists over time.

Significance in Recognition

To be coherent and lasting, a culture relies on open communication and recognition to build the trust that delivers high performance. There is a certain Darwinian principle that applies to the power of recognition in maintaining a culture: Appreciating, recognizing and rewarding each other's contributions are ways of pointing out desirable behaviors, those selected for emulation.

Unfortunately, in an understandable desire to protect privacy and discourage dissent and jealousy, most forms of "big" rewards — cash awards, merit increases, bonuses, stock options — need to be kept private, and so their value in promoting desirable behavior and performance is lost to the group. With their outstanding potential for motivation, they are nevertheless important forms of recognition, one that leaders should make every effort to use as frequently and generously as possible.

Promotions: Something to Take Dead Seriously

On the other end of the spectrum lies the promotion, the public nature of which represents an important force in motivation and culture creation. A significant part of the impact of promotions on culture comes from the fact that promotions are the return on accountability —the reward for the accountability trusted upon the receiver — informing the group what contributions and behaviors are of pre-eminent importance. But in order for them to be a creative rather than a destructive force, promotions need to be judged and awarded with the greatest sense of fairness. Promote for the right reasons and you have the wind behind you. Promote for misguided reasons — the pressure to retain a star, an effort to support diversity or a well-intentioned attempt at leveling the playing field — and you run into gale winds of resistance and backlash.

In a Class by Itself: Recognize Mastery

Then there is a form of recognition that is subtle and has a pervasive and lasting effect on culture: the recognition of mastery — the daily recognition of mastery. The leader who expects the members of his or her group to become the best they can be will be wise to recognize their steps in getting there and, by so doing, help the group move toward achieving mastery, the merging of professional excellence and personal fulfillment.

Recognition of mastery has many faces and presents many opportunities on a daily basis, most of them taking place in the intimacy of the group. On these two qualities, intimacy and constancy, rests the all-encompassing impact that recognition of mastery delivers, a sustained effect in shaping culture through honest, reiterated communication and celebration.

When carried out in a timely fashion and delivered with sincerity and a personal message, small actions of recognition are the daily nourishment that recognizes influence and impact and helps those being recognized feel established as practitioners. Opportunities that have impact are easy to find, such as:

- Bringing by a relevant high-level executive to an office or lab for an unexpected private pat on the back.
- Making a mention at your group meeting of a recent external honor awarded to one of them.
- Asking seasoned scientists to mentor younger ones.
- Assigning resources to parlay the outcome of one project into a broader impact.
- Inviting expressions of appreciation and reward by team members for one another's contributions.

Passion 6: Structure a Clear Organization

By defining a clear organization, the stumbling blocks — second-guessing, the fear that "it can't be done," risk-averse knee-jerk reactions, circuitous approval paths and many other pitfalls — are eliminated and replaced by a streamlined delivery process. The time invested in defining a structure, with roles, links and responsibilities clearly understood by all, is time well spent. The need to focus on clear organizational structure in no way demands a turning-away from maintaining the vibrancy of an organization, of establishing values, demanding excellence and creating a culture by taking care of your team members

one at a time. Just the opposite: Both need to coexist with equal intensity, enthusiasm and rigor.

A structure, however, needs to strike a balance between two organizational extremes. On one hand, authoritarian hierarchies impose great clarity on an organization or team, but they can also stifle creativity and passionate exploration. Free-form organizations, on the other hand, provide no boundaries or guidance for unconventional spirits, who often flounder without the structure imposed by a more traditional organization. The need, then, is for a clearly defined impassioned organization where everybody's role and everybody's responsibility is clear to all and where every exchange reinforces the role of each component.

The more comfortable every member is in understanding his or her role, the less he or she will feel driven to engage defense mechanisms to defend his or her turf. It is this absence of destructive conflict that creates space and liberates passions.

Who Has the Skills to Do What and With Whom?

From the perspective of the individual, there are two basic questions, the answers to which streamline work and facilitate delivery: "Who takes care of my personal needs?" and "Who takes care of my project needs?" The answer, of course, defines a basic and fundamental distinction in roles and responsibilities, one that is not always identified or addressed by organizations, creating unnecessary confusion and holding back progress. And the answer is as simple as defining and differentiating two roles: functional and project management.

Taking care of defining assignments, of developing careers, and maintaining motivation and challenge is the purview of functional managers. These are the people to whom practitioners turn for direction, arbitration and support.

In a complementary role, taking responsibility for enlisting the best resources for a project, defining the timelines, and driving team members to deliver on goals and schedules is the domain of project managers. Practitioners turn to them for clarity in project objectives, access to resources and timeline definition. ●

Passion 7: Provide Authentic Leadership

To guide intense, high-energy teams, a leader needs to be passionate; impassioned practitioners are naturally at odds with apathetic leadership and the ambiguous results it elicits. But a leader's passion must be authentic; it cannot be put on or imposed from outside. Leaders need to be true to themselves while carrying out their roles. Following a recipe and going through the mechanics, even if the symbols are there, will neither create a culture nor motivate teams.

Ultimately, for leaders to be able to successfully maintain the peak performance that the role demands, they need to run both hot and cold at the same time: impassioned and detached. The passionate, energizing aspect is key to the motivational and inspirational facet of the leader. But it is detachment that enables the leader to guide the raft through whitewater. Detachment arises from awareness of what is really happening, from the understanding that your participation is required, but your control is not. A detached leader can afford to put his or her energy into nurturing, not controlling.

At the core of genuine leadership is a clear sense of self-acceptance by the leader, which comes from strong and unrelenting work leading to self-awareness. These two qualities, self-acceptance and self-awareness, are the foundation of leadership as service that is expressed through courage, integrity and empathy toward others, allowing a culture of empowerment to emerge.

Self-awareness is an imperative for leadership. You need to discover who you are before you can lead others, before you can help them and before they will trust you. Conversely, the many dimensions and facets of leadership, the many different situations and challenges awakening unconscious conditioning and eliciting emotional responses in you, create an unparalleled opportunity for self-discovery, inner growth and fulfillment.

Leadership as service can only come through nonjudgmental acceptance of your whole being, regardless of your behavior and perceived lacks. Self-acceptance brings humility, which in turn frees us from arrogance and the drive to inflate ourselves. Leadership as service flourishes when there is no personal agenda of acquisition, when the leader is free to serve and to lead with the best interests of others at heart, while releasing the need to prove himself or herself to be above or below others. ●

RECOMMENDED READING LIST

If you liked *Idea Agent*, you'll also like:

1. ***Disciplined Dreaming* by Josh Linkner.** Linkner shows how to create profitable new ideas, empower all your employees to be creative and sustain your competitive advantage over the long term.
2. ***The Levity Effect* by Adrian Gostick and Scott Christopher.** The authors reveal how humor in the workplace will help you communicate messages, build camaraderie and encourage creativity for better outcomes.
3. ***The Wizard and the Warrior* by Lee Bolman and Terrence Deal.** The authors give leaders the insight and courage they need to take risks on behalf of values they cherish and the people they guide.

Summary

October 2009

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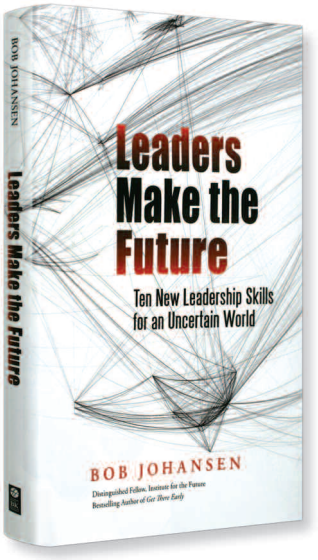
Leadership: Strategies

Leaders Make the Future

Ten New Leadership Skills for an Uncertain World



by Bob Johansen

THE SUMMARY IN BRIEF

We are in a time of disruptive leadership change. We need new leadership skills to succeed. The dilemmas we confront, the work forces we lead, the technologies we use and our organizational lives will change sharply in the next decade. We must develop new skills uniquely suited to the threshold decade ahead.

In a VUCA world — one characterized by volatility, uncertainty, complexity and ambiguity — traditional leadership skills won't be enough. Leaders who combine vision, understanding, clarity and agility can thrive in a VUCA world.

The Institute for the Future (IFTF) has been doing 10-year forecasting for 40 years for some of the world's top organizations. In *Leaders Make the Future*, noted futurist Bob Johansen draws on IFTF's latest 10-year forecast to introduce 10 critical new skills that will help leaders see new connections through the chaos and make a better future. He also provides role models, tools and advice to help you develop these future leadership skills.

Combining research-based forecasts, real-world examples and astute analysis, Johansen offers help to leaders who need to cope with and thrive in an extremely uncertain world.

IN THIS SUMMARY, YOU WILL LEARN:

- How to constructively depolarize tense situations and help people from divergent cultures to work together.
- How to immerse yourself in very different-from-you physical and online worlds and learn from them.
- How to organize smart mobs.
- How to apply the principles of nature in your leadership.
- How to prepare your organization and leaders for our rapidly changing future.

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THE COMPLETE SUMMARY: **LEADERS MAKE THE FUTURE**

by Bob Johansen

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For additional information on the author, go to http://www.summary.com.

Leaders Need New Skills to Make the Future

Leaders must learn how to make the future in the midst of volatility, uncertainty, complexity and ambiguity (VUCA). The discipline of foresight can help leaders make better decisions today. We need not passively accept the future. Leaders can and must *make* a better future.

A global futures perspective can help leaders make sense out of the chaotic patterns of change in the external world. Looking to distant possibilities can provide new insight for the present.

Leaders need not be overwhelmed and pummeled by the world of VUCA. The future will also be loaded with opportunities. Leaders must have the skills to take advantage of those opportunities, as well as the agility to sidestep the dangers.

The following 10 new leadership skills unfold in a definite order, moving from instinctual to complex. Leaders can either develop each skill personally or partner with someone else to perform.

Turning the Negative VUCA Around

These 10 new leadership skills are plausible, internally consistent and provocative statements about what will be most important for leaders in the years ahead. The negative VUCA can be turned around with effective leadership that follows these principles:

- Volatility yields to vision.
- Uncertainty yields to understanding.
- Complexity yields to clarity.
- Ambiguity yields to agility.

The VUCA world of the future will be formidable and loaded with opportunities. The best way to be prepared is to look 10 years ahead.

Maker Instinct

The maker instinct is the ability to exploit your inner drive to build and grow things as well as connect with others in the making.

Everyone has some maker instinct. The challenge is to turn the natural urge to create into a leadership skill, to synchronize the maker instincts of leaders with those of others. Many people don't realize their own maker instinct and potential. It must be recognized, valued and nurtured if it is to become a leadership skill for the future. Beyond do-it-yourself, we need to nurture *do-it-ourselves* leadership. The maker instinct will be amplified by connectivity.

The leaders of the future will be less controlling, since there will be fewer things they can control. They will also be more engaged with others, since connectivity will be required to make the future. Everyone is part of a network. Leaders are nodes, and the best ones are hubs that form, nurture and grow networks that stretch far beyond the individual leader.

Improvement

Leaders with maker instinct have a constant drive to improve the organizations around them. Both managers and leaders ask how things work, but leaders have an urge to make them work *better*.

Makers like to be hands-on and see things from the inside. The *MAKE: Magazine* motto is "if you can't open it, you don't own it." Open means transparent and accessible, but it also means able to be altered, customized or personalized.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Edward O'Neill**, Graphic Designer; **Chris Lauer**, Contributing Editor

Leaders will grow, re-grow and re-imagine their own organizations again and again. The maker instinct fuels that growth. Leaders will make the future in the context of the external future forces of the next decade.

Customization and Personalization

In the future, personal empowerment will mean that customization and personalization will be desired and often demanded. Even global products will need to feel local, or at least not feel foreign. Grassroots economic systems, like eBay, will make bottom-up financial transactions possible. Smart networking will create results that will not be predicted but will be profound.

Leaders with the maker instinct are able to approach their leadership with the commitment of a job and the energy of a hobby. The leaders of the future will kindle this maker energy in themselves and in others.

Clarity

Clarity is the ability to see through messes and contradictions to a future that others cannot yet see. Leaders are very clear about what they are making, but very flexible about how it gets made.

As volatility, uncertainty, complexity and ambiguity increase, there will be many people wanting to be led out of the mess. Clarity will be a prerequisite for compelling leadership.

The future will be loaded with contradictions, but leaders with clarity will need to see through those contradictions and have the ability to discern what to do and where to go, when neither is apparent. In order to grapple with complex questions, leaders will need to resist the temptation to oversimplify and give the easy answers that many people crave.

Clarity requires inner strength and discipline. Although they will no doubt experience hopelessness, leaders with clarity will still be determined to engage with the VUCA world and pull everything together in a way that is unmistakably practical.

Self-Knowledge

Clarity requires great self-knowledge, so leaders will have to look within and sort out what is most important to them.

Clarity requires external engagement. Leaders must express themselves clearly in ways that inspire others to follow and be able to make sharp statements about plans for the future with an enthusiasm that attracts others.

Clarity requires flexibility. The best leaders will be clear about their long-term intentions, but very flexible about how to get there.

Four Keys to Clarity in Leadership

Clarity in leadership is the ability to:

- See through messes and contradictions.
- See a future that others cannot yet see.
- Find a viable direction to proceed.
- See hope on the other side of trouble.

Muhammad Yunus

Nobel Prize-winner Muhammad Yunus is a current leader with clarity about social justice. Yunus developed the principles and practices of microfinance to help impoverished people help themselves. His approach is local, personal and integrated with local communities. His model focuses on micro-credit that allows someone with little or no resources to start a business, which creates an upward cycle of receiving income, investing more into the business, making a profit and repaying the loan. He works with and grows social capital with small loans, primarily to women in local communities. Expressing his clarity about social justice, Yunus says, "One day our grandchildren will go to the museums to see what poverty was."

Clear-eyed leaders will experience hopelessness, but they won't accept it; they will see through it and be determined to make it otherwise. Leaders will immerse themselves in the VUCA world and — even if they become disoriented — find a way to clarity.

Dilemma Flipping

Dilemma flipping is the ability to turn dilemmas — which, unlike problems, cannot be solved — into advantages and opportunities.

Leaders must be able to flip dilemmas over and find the hidden opportunities. They must avoid oversimplifying or pretending that dilemmas are problems that can be solved. Dilemma flipping is the recurrent skill that leaders (many of whom were trained as problem solvers) will need in order to win in a world dominated by problems that nobody can solve.

Future leaders must be able to nurture the ability to engage with hopelessness, learn how to wade through it to the other side and flip it in a more positive direction. Dilemma flippers turn hopelessness into hope.

Three Steps to Dilemma Flipping

To improve your own dilemma flipping abilities, try these three steps:

- First, identify your dilemma. If you are not sure if you are dealing with a problem or a dilemma, it is better to assume it is a dilemma. If it turns out to be a problem you can solve, just solve it. If, on the other hand, you mistake a dilemma for a problem, you may be in deep trouble by the time you realize your mistake. If others expect you to come up with a solution and you don't, it is hard to recast the situation as one that you cannot solve after all.
- Second, immerse yourself in the dilemma. This allows you to listen to and learn about what is going on within the frame of the dilemma — without jumping to conclusions. Immersion also allows you to look for patterns and ways of making some sense out of what is going on.
- Finally, flip the dilemma in a more positive direction. Dilemmas don't go away, but a leader can learn to reframe them and then re-imagine the apparent contradictions in a way that leads to new opportunities that others don't yet see.

Leaders of the future must revel in the space between judging too soon and deciding too late, leaning toward action. ●

Immersive Learning Ability

Immersive learning ability is the ability to immerse yourself in unfamiliar environments, to learn from them in a first-person way.

Variants of simulation and gaming are a practical way for leaders to experience the future before it happens. Growing up playing video games could be very helpful for prospective leaders since serious gamers have the chance to immerse themselves in dilemmas and learn advanced social networking skills. Gaming and simulation are low-risk-high-return learning mediums, if used in a constructive fashion. They provide mind expansion and leadership skill development.

Online Social Worlds

Immersive online environments can be a safe place to practice leadership skills. Leaders don't have to adopt every model they come across, but it is important that they explore and understand what they can and cannot do. At least, leaders should encourage others to explore online social worlds so they have some organizational intelligence.

Reacting with fear or distain to new technologies and media (and the ecosystem of social and cultural practices that surround them) is precisely what a leader should not do. Engagement with gaming environments and encouraging (not just accepting) similar immersion among those being led will be an important dimension of leadership. Social networks are necessary to succeed.

Active Attention

Immersive learning requires active attention, the ability to listen and filter, and to see patterns while staying centered — even when overwhelmed with stimuli. Leaders can't absorb everything, so they must filter out extraneous information and learn how to recognize patterns as they are emerging. The difficulties of signal/noise filtering are increasing dramatically as data sources multiply. Generational differences will be apparent, and leaders who have grown up in the digital age will have better skills for continuous partial attention.

Another requirement for immersive learning ability is an open mindedness beyond what many top executives can muster. Once leaders get toward the top of organizations, even open and informal ones, they get more and more insulated from what is really going on. Leaders need to step outside their protected roles to step inside very different experiences from which they can learn. Ideally, the immersive learning environment will be more difficult than what the leader experiences in the real world. Leaders should seek out immersive learning opportunities — especially experiences that make them uncomfortable in constructive ways. ●

Bio-Empathy

Bio-empathy is the ability to see things from nature's point of view; to understand, respect and learn from nature's patterns. Respect for nature is basic to this perspective, with a long-term view of what is needed for life to go on for generations beyond the present. Bio-empathy also depends upon a knack for natural thinking and a leadership resilience that draws from nature's ways.

Eating is everyone's everyday link with nature. If we eat with consciousness about where our food comes from, we have the potential to empathize more deeply with natural processes. Eating with awareness is one form of bio-empathy, the ability to learn from nature. It applies to many different forms of leadership in many different ways.

Bio-empathy looks at leadership through a natural filter, in search of the underlying biology of each choice. What are the underlying patterns of nature that could

inform how leaders lead? Nature teaches, if only we humans can understand its lessons.

Ecological Systems

One characteristic of bio-empathy is being able to see the big picture of ecological systems, not just the components. Some people begin to understand ecosystems through immersion in the natural world by camping or going on a safari.

Bio-empathy is about seeing human activity as nested within environmental stability and vice versa. Our human systems live within natural systems. Bio-empathy is about respecting the inevitable ecological consequences of one's actions and seeing these new parameters not as barriers but as opportunities. To acquire bio-empathy, one needs to be humble and realize that getting in sync with the processes of nature can add greatly to life.

Biomimicry is one example, where principles of nature get built into products. Some buildings in Africa, for example, are designed around the airflow principles of a termite mound and therefore have less need for air conditioning. Energy efficiency can be improved when it is based on models from nature. Bio-empathy can be a platform for long-term strategic planning, capturing a growing consumer market and opening one's mind to new insights.

Reflect Nature

A leader should reflect (as water reflects) nature. There are many ways to develop bio-empathy, but the first step is to observe and appreciate the natural processes that are always going on around you. Bio-empathy contributes to person-to-person communication. Mimicking natural processes ensures moral and ethical boundaries for human action. Every organization's guiding principles should reflect bio-empathy and express it in organic — not mechanical — language. Bio-empathy takes big-picture thinking that respects all the multiple interrelated parts and nonlinear relationships, as well as cycles of change.

Constructive Depolarizing

Constructive depolarizing is the ability to calm tense situations where differences dominate and communication has broken down — and bring people from divergent cultures toward constructive engagement.

In these times, many different groups will believe that they are right; some of those will believe that everyone else is wrong. Leaders will need to engage with extreme groups who may not even agree with other similar groups. Extreme positions and polarization will be commonplace. Engaging with those who are obsessed with certainty — whatever the source — will be difficult indeed.

Leaders need to redirect the energy of a conflict and bring the stakeholders toward constructive engagement and dialogue.

Remake Polarization Into Dialogue

Constructive depolarization is the maker instinct applied to a conflict, an attempt to remake polarization into dialogue. When leaders encounter conflict, the temptation is to pick sides. Picking sides, however, is rarely a good strategy. Conflicts are often dilemmas that must be flipped in order to make good progress.

A background in cultural anthropology (ethnography), qualitative sociology (participant observation) or comparative religions will be very helpful for future leaders. International travel and living in a variety of places can be very instructive, as can language skills. The more comfortable a leader is with cultural diversity, the more likely he or she is to be able to lead in diverse organizations.

Future leaders will need cross-cultural grace in order to constructively depolarize a situation: an ability to listen and learn from people who are very different from them — and perhaps different in a disturbing way.

Reverse-Mentoring

Reverse-mentoring is a simple but powerful strategy for crossing the polarities of the future. Many innovative organizations already have reverse-mentoring programs, and they are of great benefit. For example, young Facebook users mentor their Boomer managers in social networking skills. Mentors have traditionally been experienced, often older, people who show the ropes to those who are less experienced and younger. In situations where young people are actually more skilled than older people — as is often the case with the new social media — why not reverse this process? Leaders and soon-to-be leaders should look for these opportunities wherever possible.

Constructive depolarization starts with an ability to listen deeply, engage our common humanity and empathize with others who come from very different points of view. Leaders will need to calm tensions and move through the conflict.

Extreme polarization will be a driving force for the foreseeable future, so leaders will need a personal strategy and style for constructive depolarization that goes beyond picking sides.

Quiet Transparency

Quiet transparency is the ability to be open and authentic about what matters to you — without advertising yourself.

Transparency is rooted in the maker instinct. People's curiosity and knowledge about how things are made has always been there, but will increase dramatically. Where did those ingredients come from? What standards of safety were used? How green were the factories? Who were the workers and how were they treated?

Humility

Quiet transparency in leadership begins with humility. Leaders should be self-effacing and not self-promoting — as well as open.

Whether they are more or less transparent, leaders will definitely have to give up some control. They need to decide what they themselves can and want to manage, since they cannot directly supervise everything.

Some degree of transparency will be required of all leaders, certainly more than in the past. It will still be possible to keep some things private, but they will be limited and defined by your leadership role. Quiet transparency means that leaders will decide what measures are important to them (and to the people they lead) and then be completely open about those measures — but not necessarily about everything.

Sensing, Measuring and Monitoring

Outside scrutiny of leaders is likely to grow in the world of the future as the tools for sensing, measuring and monitoring — the tools of transparency — become ubiquitous. Also, it seems that there is more to be transparent about and more people who want to know what leaders are doing. In the future, they will have the tools to do it. Measuring devices will be everywhere, connected to people all around the world.

Corporations and their leaders will be under much more scrutiny in this world. But there will also be new opportunities to work across companies, perhaps across industries, to establish new commons for trading that fit within the constraints of certification. Industry associations, for example, will have new opportunities to use pervasive computing to provide shared measures around important topics like safety.

Beyond Petroleum

There is one big lesson from quiet transparency: If leaders advertise themselves and take credit for their own performances, they will become targets. British Petroleum learned this when the company changed its name to BP, for "Beyond Petroleum." BP did a lot to live up to its new name, with many creative efforts around sustainability. Taking that bold position with regard to environmental policies, however, did little to advance relations with advocacy groups or regulators. In fact, this self-promotion seemed to make people even harder on BP, which was sometimes perceived as a soft target.

This example teaches us this: Do the right thing and be transparent, but don't be self-promotional. Be willing to tell others what you are doing and why, but only when they ask. Anyone who is interested is more likely to see what you are doing and believe what you say. As a leader, you will need to make it easy for third-party organizations to notice your transparency as well as spread the word to others.

Rapid Prototyping

Rapid prototyping is the ability to create quick early versions of innovations, with the expectation that later success will require early failures. Rapid prototyping enables us to learn from failure quickly, again and again. It is the trial-and-error method that has always been important for innovators, but on a faster cycle. The motto of rapid prototyping is fail early, fail often and fail cheaply.

Rapid prototyping is a perfect leadership style for the VUCA world — where truth emerges from engagement, trial and error — because it allows leaders to try out their own ideas quickly, as well as tap into the maker instincts of potential collaborators.

Few leaders get it right the first time, and it will get even harder in the future. Early failure is often the key to later success. The failures of "computer conferencing" in the 1970s contributed to the eventual success of MySpace and Facebook, for example. This lesson from failure took a very long time, however. In the future, leaders need to speed up the process. As Alan Kay was known for saying when he was at Xerox PARC, "The purpose of research is to fail, but to fail in an interesting way." Rapid prototyping is all about failing in interesting ways.

Innovation and Refinement

Rapid prototyping is a quick cycle of innovation and refinement. Rapid prototypes typically have lifetimes measured in hours or days, not months. They are different from pilot or demonstration projects, which often take much longer to conduct.

Rapid prototyping is the maker instinct applied to

innovation. While the concept of do-it-yourself is still important, the next generation of innovation will be driven by "do-it-ourselves" leaders who don't get stuck on idea ownership since in this process people's ideas get mixed quickly and it is often impossible to sort out who thought of what.

In rapid prototyping, the emphasis is not on abstract thought about possibilities or plans; it should begin with real people, with the end users out in the field, and as early as possible in the process. It is more about listening than it is about thinking.

The Innovation Cycle

The innovation cycle is not necessarily over when the product is sold. Leadership through rapid prototyping:

- Is characterized by a trial-and-error mentality with an interest in getting something started quickly. Leaders expect to fail early in the process so they can succeed later.
- Emphasizes experience in the field, rather than massive advance planning.
- Maximizes education by putting priority on extreme speed in learning.

Leadership in the future will be about high-speed, perpetual prototyping. The best leaders will be those who embrace the process and develop the ability to discern the patterns across the prototypes, the ideas that really do work.

Smart Mob Organizing

Smart mob organizing is the ability to create, engage with and nurture purposeful business or social change networks through intelligent use of electronic and other media.

Some social networks will have intense values linkages, so leadership must mesh with those values, some of which will be competing. Indeed, leaders' own networks and connections will be their most powerful assets. This has always been true to some extent, but the connections in the future will be amplified.

Choose the Right Medium

Smart mob organizing starts with choosing the medium that is appropriate to the situation. Most of today's leaders communicate well in person, but have a range of skills using electronic media. Leaders of the future must have a strong online identity, as well as a compelling in-person presence.

The electronic media are not, by themselves, what makes a smart mob smart. The leaders and participants in the smart mob provide the intelligence, but the media amplify that intelligence. Powerful collaboration technologies are now practical, after more than 30 years of testing. Smart mob organizing is the maker instinct applied to social connectivity and network making. Solo makers are coming together into smart mobs of makers. All that maker energy has the potential to be channeled in new and highly creative ways, if leaders are able to figure out how to tap into it.

Common Purpose

Smart mob organizing brings together large groups for a common business or social change purpose, making savvy use of available media as appropriate. They are smart because the media amplify their collective intelligence for greater impact. They are mobs because their behavior is emergent and often unpredictable. Of course, smart mobs can be more or less intelligent — depending on the resources of the members, the talent of the leaders and the effectiveness of their media.

Smart mobs and not-so-smart mobs will become much more common over the next decade. Leaders will need to learn the skills of smart mob organizing and develop their own online presence and leadership styles. In-person leadership will not be enough.

The point is not that all leaders need to be smart mob organizers personally — although it is better if they use the media themselves and do at least some of their own organizing. Rather, it is that all leaders must be respectful and understanding of their importance in the future when they will all need to have smart mob organizers working for them.

Leaders must be smart about which medium works best to deliver the message at hand.

Commons Creating

Commons creating is the ability to seed, nurture and grow shared assets that can benefit other players — and sometimes allow competition at a higher level.

The more connected you are, the freer and safer you are. Connectivity can only make you free and safe, however, if you nurture it. As a planet, we are searching for new common ground. What is it that we have in common that could make the world a better place for more people?

Grow New Places

Future leaders will be called upon to create new commons, to grow new places within which collaboration and mutual success can occur. There will be many

opportunities to create new commons between public and private, social and economic, digital and physical. These spaces and places present many leadership challenges because they will be full of dilemmas, some of which will appear hopeless on the surface.

Essentially, the search for new commons is a process of engaging with dilemmas that combine what is good for both the individual and the community. Is it possible to address personal needs and community needs simultaneously? In a world shaped by problem-solving mentalities, having a winner usually implies that there is a loser as well. However, in a world of dilemmas, the potential for win/win solutions is more apparent, if leaders can figure out ways to flip the dilemmas into opportunities.

Shared Wealth

A commons is a shared asset that benefits multiple players, as in shared wealth. If a team improves its playing field, all the teams that play will benefit.

There are many types of commons, including parks, town squares, beaches and markets. While many commons are clearly organized for the public good, market-oriented commons are focused on providing a platform of shared assets that allow competition to take place at a higher level.

Leaders will have an opportunity in the next decade to reframe and broaden the purpose of their organizations. In the world of global interactive media, companies will have new potential to create both market value and more commons. Companies will be able to become stronger protectors of the commons that are already here and advocates for new commons that need to be created.

Conclusion: Readying Yourself for the Future

Leaders can make the future. Leaders can decide what kind of future they want to create and go for it.

Given the future forces of the next decade, where do you stack up in terms of the current leadership skills? Are you ready to lead in a future that will be volatile, uncertain, complex and ambiguous? How could you improve your own readiness?

Challenges

Leaders need to understand all of these future leadership skills, but don't need to do them all at once or all by themselves. These 10 skills are challenging to master, but each of them can be learned and there are many resources.

Foresight is the ability to look over the horizon and see the big picture. All effective leaders must have the ability to think ahead, beyond the standard planning time frame. Thinking 10 years ahead will give you a much more robust perspective from which to make decisions today.

Insight is discernment, the unique "Aha!" that suggests what it is that you should do to succeed. The challenge for leaders will be to derive insight from the messiness around them and sense what's important.

Action depends upon the ability to decide on a strong path ahead. Leaders may be known by their vision, but their actions will be evaluated most vigorously.

The best future leaders will have their own styles of cycling continuously through foresight, insight and action.

From the Negative to the Positive

Moving from the negative VUCA (volatility, uncertainty, complexity and ambiguity) to the positive VUCA (vision, understanding, clarity and agility) will be the ultimate challenge for leaders in the future. As leaders of the future, you will need to have all 10 of the future leadership skills in a mix that is all your own. Connectivity will bring the leadership skills to life and amplify their impact.

Creating Commons and the Next Generation

The more connected we are, the safer and more powerful we are — if we realize our interconnections. Through the growing global electronic webs, we are able to communicate and cooperate better than ever before.

The next generation will be the focal point for new commons. Thinking about the world we want to leave to our children and grandchildren gets everyone in a good space to create a commons and make the future.

RECOMMENDED READING LIST

If you liked *Leaders Make the Future*, you'll also like:

1. ***The Leader of the Future 2* by Marshall Goldsmith and Frances Hesselbein, editors.** This sequel contains 27 insightful essays from some of the world's most recognized leaders. It aims to help new and current leaders adapt to unexpected changes and comprehend new trends in leadership.
2. ***Saving the World at Work* by Tim Sanders.** Sanders reveals why companies must go beyond making profit and must start to make a difference. He offers concrete examples on how to join the "Responsibility Revolution."
3. ***Leadership Gold* by John C. Maxwell.** Maxwell shares a lifetime of leadership truths which can guide anyone who currently leads or aspires to lead.

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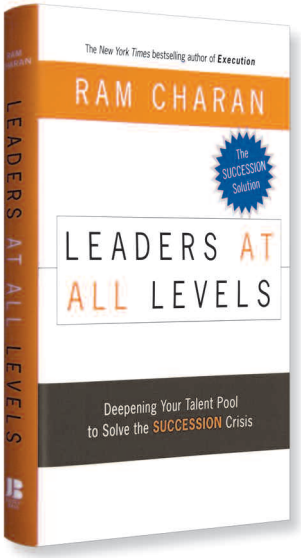
Leaders at All Levels

Deepening Your Talent Pool to Solve the Succession Crisis



by Ram Charan

THE SUMMARY IN BRIEF

Companies are too often short on the quantity and quality of leaders they need at all levels. But they could fill their leadership vacuum, says business adviser and author Ram Charan, if they knew how to spot and develop their potential leaders.

Most processes for finding and developing the potential leaders within an organization are deeply flawed. Companies need a completely new approach. This new approach, outlined in *Leaders at All Levels*, is called the *Apprenticeship Model*. It focuses on spotting leaders early and putting them in situations that drive them to grow fast. It transforms leadership development from a discrete activity run by the human resources staff to an everyday activity that is fully integrated into the fabric of the business, and in which line leaders play a central role.

The Apprenticeship Model of leadership development requires profoundly different attitudes and mind-sets as well as major organizational changes, and the results don't come quickly. But it is eminently practical, based on decades of observation of hundreds of leaders in dozens of companies. Companies that have embraced Charan's leadership development model have built powerful talent engines that give them an edge.

IN THIS SUMMARY, YOU WILL LEARN:

- How to sharpen your power of observation to spot potential leaders within an organization.
- How to accelerate leadership growth, build core capabilities and acquire new ones.
- How to apply the processes and tools that bring the Apprenticeship Model to life.
- How aspiring leaders can use the Apprenticeship Model as a road map for taking charge of their own growth.
- How to give each promising leader the opportunities that are right for him or her at the fastest pace of growth he or she can handle.

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THE COMPLETE SUMMARY: **LEADERS AT ALL LEVELS**

by Ram Charan

The author: Ram Charan is a world-renowned adviser to business leaders and corporate boards, a best-selling author and an award-winning teacher. He is the author or co-author of 14 books, including *Know-How*, *What the CEO Wants You to Know*, *Boards that Deliver* and the *New York Times* best-seller *Execution*.

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For additional information on the author, go to http://my.summary.com

A New Way to Fund the Leadership Talent Deficit

Leadership matters. It creates and harnesses the energy of people, gives them direction and synchronizes their efforts. It is a leading indicator of a company's prospects, unlike financial results, which tell you only where the company has already been.

Boards of directors and senior executives know this. They realize that the selection of a new CEO is one of the most important decisions a board ever makes and should be planned well in advance. They also understand that the quality of leadership at every level has a huge impact on the everyday running of the organization as well as the pool from which CEOs are chosen.

Yet, it's no secret that succession planning and leadership development fall woefully short in delivering on their promise. Companies must often resort to bringing in outside talent because they have failed to produce the leaders they need. Recruiting CEOs from outside has always been risky; now it is getting harder and costly.

Nobody Wins in a Bidding War for Leaders

Shareholders have grown impatient with CEOs who don't perform, so boards are faster to dismiss chief executives. And a revolving door at the top is disruptive to the organization.

This doesn't have to happen. It is possible for companies to build a steady stream of leaders and CEO contenders. Some companies — General Electric Co, Procter & Gamble, Colgate, and PepsiCo, among them — are net producers of senior leaders. Companies can grow all the leaders they need once they think clearly about what a leader truly is and what's required to develop one and then take decisive action to shape their leadership gene pool. ●

How Apprenticeship Turns Potential Into Leaders

It's hard for most people to picture a corporate executive as an apprentice, but the concept of apprenticeship is at the heart of this new approach to leadership development. The apprenticeship concept means that those who have a talent for leadership must develop their abilities by practicing in the real world and converting that experience into improved skill and judgment. That conversion does not take place in a classroom, and not everyone can make that conversion.

Companies using the rigorous Apprenticeship Model put leaders in jobs carefully chosen to build on their existing talents and test their ability to discover or acquire new capabilities. They also provide feedback in real time so the leaders continually improve their skills and judgment. At least once a year, their companies review the learning that has taken place and identify the learning that must come next for each leader to build his or her own brand of leadership.

Identify Leadership Talent Early and Correctly

Finding leadership talent early is essential. A high-potential candidate will exhibit the drive to master new skills, the ability to rapidly absorb knowledge and then communicate it, and a natural bent to build lasting relationships and mobilize others to get things done. Most important, he or she will have business acumen, a knack for understanding how a company makes money.

Once a high-potential candidate has been identified, his or her fundamental development is done through a series of planned apprenticeships. There will be on average just five jobs between entering the work force and assuming a top leadership job. Therefore, the design or selection of

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Chris Lauer**, Senior Editor; **Christine Wright**, Senior Graphic Designer; **Linda M. Shekhdar**, Contributing Editor

those jobs is crucial.

The Boss as Mentor

In the Apprenticeship Model, the boss becomes a mentor and takes a close personal interest in guiding and developing his or her young leaders, helping them to broaden their thinking, sharing experience and wisdom, and digging deep to pinpoint each leader's specific talents.

Some bosses will be better at the role of mentor than others. Those bosses who show a lack of interest or mentality to observe a subordinate's actions, decisions and behaviors; fail to give feedback and coaching; and/or fail to make incisive observations and judgments about the potential leader, shouldn't be bosses.

However, even the best mentor-boss can't do the job without the help of senior leaders and human resources. Those collective insights help detect the trajectory of a leader's growth and inform decisions about where the leader should go next.

Adopting and executing the Apprenticeship Model will require committed effort because it involves changing the way people think and act throughout the organization. You have to accept that truly high-potential leaders are different from other people and warrant the disproportionate share of time and attention. At the same time, you have to be clear that although leaders are different, they are not superior human beings. Companies should instead see leadership for what it is: a distinct job that requires distinct talents that not everyone has to the same degree.

Choosing the Next CEO

Filling the CEO job is the ultimate challenge of any succession and talent development system; it takes a ton of leadership ore to produce an ounce of CEO gold.

The job of a CEO is more intellectually, socially, politically and psychologically demanding than ever. It takes keen mental ability and seasoned judgment to be a leader at the highest levels, the kind our best leaders have acquired through a lifetime of experiences and learning. But such judgment doesn't have to take a lifetime to acquire. Given true leadership potential and the right experiences, a person's judgment can improve faster than you think.

With a cadre of leaders given precisely the kinds of experiences they need to expand through the Apprenticeship Model, the company can expect to have two or three viable candidates to be CEO when the succession decision is imminent. Naturally there is no guarantee any candidate will succeed in the job, no matter how impeccable the preparation. The odds increase greatly when leaders get the right opportunities and feedback, when the board is involved early and gets to know the candidates well, and when the process for choosing the next CEO is rigorous.

Why the Apprenticeship Model Works

Concentric learning is a key concept in the Apprenticeship Model. Think of a high-potential leader's career progression as concentric circles of expanding scope and complexity, with the innermost circle being the person's fundamental capabilities. If the next job involves greater scope and complexity and the leader has the talent to rise to the challenge, he or she will figure out how to apply the core capabilities to the new situation.

Deliberate practice is another key concept, one that goes hand in hand with concentric learning. Deliberate practice — in short, practice of core capabilities combined with feedback and self-correction — is how business leaders refine their abilities and judgment. Leaders benefit the most when the feedback is specific, constructive and in real time. That is why bosses should provide it as they are the ones who observe leaders practicing their core capabilities. ●

How to Recognize Leadership Potential

The Apprenticeship Model depends on spotting leadership talent early and correctly. Colgate-Palmolive, a company whose secret weapon is the depth to its leadership, all the way to the top, is a good example.

Daniel Marsili is the trustee of the company's talent machine, which at any given moment is working closely with about 500 or so people among Colgate's 36,000 worldwide employees who have been identified as "global high potentials."

Colgate's leadership identification and development process takes place at three levels: local, regional and global. The company's high-potential leaders are selected on strict criteria. No matter their country of citizenship, fluency in English is a given, as is an undergraduate degree from a respected university.

Focusing on Leadership Qualities

Colgate's real selection begins with a focus on several qualities of leadership:

- **How well the person demonstrates a set of leadership competencies that are more or less common to any company, such as people and communication skills.**
- **How well the person operates within and sets an example of Colgate's unique culture**

Other Indicators of Leadership Potential

Beyond the essentials, other criteria that are observed in leaders in any business include:

- **The capacity and inclination to see things in a broader context.**
- **Drive and aggression are common criteria and are conveniently easy to observe even in very young people.**
- **The ability to analyze and synthesize large amounts of data and make a decision based not only on the data but also on intuition.**
- **The passionate quest to continually learn and grow.**
- **Integrity to tell the truth at all times fearlessly and without weighing the consequences.**

and value system.

- **How well the person produces results and *how* those results are achieved.**

Colgate's talent identification process emphasizes early identification of high-potential leaders. Once identified, Colgate proceeds to treat them as high-potential leaders, and is consistent and clear about the earmarks of leadership potential. The challenge, according to Marsili, is to have really good mechanisms to ensure that no mind is wasted and to stay current on people's abilities, aspirations, limitations and capabilities.

Focusing on the Essentials

One way to think about the raw talent of a business leader is to think of two strands of a helix: people acumen and business acumen. The beginnings of these strands are pretty much in place in individuals by the time they reach their 20s. After that, we can test someone's people acumen and business acumen and give them opportunities to expand them. But we don't yet know how to implant them in mature people who lack them entirely.

• ***A leader with people acumen*** selects the right people and motivates them, gets them working well as a team and is able to diagnose and fix problems in coordination among groups of people. They also exhibit an enthusiasm for selecting people who are better than they are, and then using those subordinates to lift the organization and themselves to new levels of accomplishment.

• ***A leader with business acumen*** has the intuitive ability to comprehend the total picture of a business, how it makes money and how profits and losses interact with the company's balance sheet. With practice, any leader can improve his or her business acumen, but some leaders are naturally better at it.

Diversity and DNA

Companies will want to go beyond general criteria to particular qualities, skills and even attitudes relevant to their business. Doing so will give them an edge by differentiating themselves from other companies. The challenge is to define what your company considers important in its leaders and to ensure the criteria are up-to-date and anticipatory of where the company will be in the near and distant future.

Every company's leadership pool has a "DNA," or commonality in the basic makeup of its leaders. The best companies are conscious of their DNA, not only to ensure that they choose leaders who mesh with it but also to shape it and intentionally differentiate it from the competition. They design into their leadership selection criteria precisely the characteristics, skills and capabilities they want emphasized.

Where to Find High-Potential Leaders

The search for high-potential leaders begins with recruitment. Avoiding common errors — identifying as leaders people who really aren't, or missing great leaders in your midst — means continually revisiting the talent pool, removing those whose talents didn't materialize and allowing for the possibility of adding leaders whose talents have suddenly come to light.

Recruiting potential leaders from other companies is important to keep the talent pool diverse and flexible. Although an influx of outside talent can disrupt an organization's cohesiveness, the value of new ways of thinking makes it worthwhile to bring in outsiders as leaders at several levels below the CEO.

The military is another source of leadership talent. Its leadership training is second to none. People who have been through it and seem to have a natural interest in business can be a good bet. ●

Customizing Leaders' Growth Paths

The Apprenticeship Model requires companies to be creative in custom designing talent tracks that take each leader wherever he or she needs to go to unleash his or her talent quickly. You are not only handpicking your leaders, you're also handpicking their jobs so that each assignment provides the right kind of developmental challenge for that leader to grow as fast as possible. Bosses must be willing to take some calculated risks by

giving leaders jobs that stretch them.

High-potential leaders often grow in spurts, and their talent tracks must allow for that kind of expansion. They should be given jobs that are several notches up in scope and complexity and that force them to exercise the mental skills to find a clear path through it.

When is a leap too great? When it puts the leader or the business at undue risk. Companies must be sure they can withstand the consequences if the leader doesn't rise to the challenge.

Defining the Growth Path

The search for the right job for each leader turns conventional practice on its head. Most companies try to find the people for the jobs. In the Apprenticeship Model, the job is chosen, redesigned or even created specifically for each leader. The content of the jobs you give your leaders is the crucial difference in whether you're developing them or just moving them around.

Profit-and-loss (P&L) responsibility early on is crucial for leaders to develop their CEO nucleus. Any staff people who have leadership potential should get it. Some staff people rise high in their organizations through a functional silo, and only when they're near the top do they catch the eye of the CEO or board. By then it's almost too late to put the person in contention for a senior leadership position. This is why so few CEO candidates emerge from information technology, human resources, finance, legal and strategic planning.

Being able to handle the myriad challenges of the global environment is an imperative for many leaders today, so leaders must expand themselves beyond a single culture. It's not good enough to have direct reports in other countries. Running a business in China from New York is a completely different experience from living in China while running the business.

Not every leap in learning requires a new job. Some functionally organized companies provide important experiences by putting potential leaders on task forces. WELLPoint Inc., one of the largest administrators of health plans in the United States with some $50 billion in annual revenue, tests young high-potential executives in their regular jobs by assigning them to projects that are part of the company's ambitious "2010 Plan." Those projects tackle a range of real company issues, some of which involve the P&L. The leaders assigned to them have mentors, and an HR person administers the program.

Clearing the Path

No matter how well you plan for your promising leaders, you're bound to run into a variety of organizational and practical difficulties. You'll have to be creative in finding ways to keep them from blocking the leaders' progress.

One of the most challenging tasks may be to unblock a job held by a leader who has done his or her job well but is no longer growing. These situations must be handled carefully because every leader must be valued and treated with dignity. You can ease the disruption by making sure they, too, get jobs in which they can discover new talents and expand.

You may encounter resistance from bosses of high potentials, and you have to understand its root. Some bosses resist having a rising leader assigned to them because they don't want to take a risk on someone whose skills and capacities are untested, or they may be afraid of being outshined by an ambitious and aggressive person.

Resistance can't be tolerated. The deployment and development of leadership talent needs to be a corporate priority that every boss understands and acts on. It is a core value. Anyone who doesn't subscribe to it doesn't belong in a boss's job.

Freedom to Fail

Whatever the specifics of the talent tracks you design, they have to give your developing leaders the chance to make their own success — or not. The learning experience won't be complete, and the test won't be valid, if a leader isn't free to fail. The environment you put leaders in must meet three criteria:

- **The freedom to set ambitious targets for themselves that redefine their job.**
- **The latitude to lead the team they inherit in whatever way best suits them, making their own judgments about people and motivating them to achieve goals.**
- **The freedom to determine how best to balance the business' short-term and long-term needs.**

Failure is not necessarily the end of a leader's talent track. Many people who fail in one job flourish when they are reassigned to another that better fits their talents and skills. ●

The Crucial Role of Bosses

The Apprenticeship Model makes every boss a mentor and coach who invests energy and care in helping develop the high-potential leaders who report to him or her. Bosses are the eyes and ears of the company, gathering information about the leader, to answer a crucial question: What learning is in fact taking place?

Periodically the boss and others should take the time to pool their observations of the leader's *actions, decisions* and *behavior.* From that, they can crystallize where each leader is on his or her growth trajectory.

The point is to keep leaders focused on the one or two things they must deliberately practice so that their personal traits get honed and their skills get tested and hopefully expanded. This is the process of concentric learning. The more frequent the *deliberate* practice, the more the capabilities expand and the deeper the core capability becomes etched.

Deliberate Feedback

When feedback is deliberate, leaders sincerely appreciate it. In fact, they actively pursue it, and the whole relationship between the boss and the leader becomes more open and trusting. Communication gets more honest and spontaneous, and the learning and self-correction happen faster. If the leader doesn't listen and adjust, he or she can no longer be considered to have high potential.

Deliberate feedback should be a natural part of the monthly and quarterly operating and budget reviews bosses already conduct. The boss should ask questions and get into specifics to know how things are progressing, why and how the leader is handling situations as they arise — all crucial for execution.

Every up-and-coming leader benefits from deliberate feedback, but for high potentials, it is essential for maintaining their momentum. Once that is understood, it should be clear why bosses are the best people to provide it and why outside coaches so often disappoint. They are brought in for their skills in the psychological and behavioral aspects of leadership, but they're not in a position to see the leader in action in a variety of situations.

Keeping Track of a Leader's Growth

Every boss should have a routine to periodically take pause and consider the progress of each direct report. For some bosses, once a quarter is sufficient. Those who make a habit of it look forward to those moments, just as they eagerly track their quarterly numbers.

This should be in addition to performance evaluations and other kinds of numbers-driven assessments. Most people think evaluations based on numbers are the ultimate in objectivity, but numbers alone can be misleading. Evaluations that rely on them are often shallow and sometimes even dangerous when ethics and corporate culture are so important to the long-term health of a business.

Organizations should help the boss with an annual "leadership recalibration session" that combines the observations and thinking of several people who know a leader and whose sole purpose is leadership development. These sessions should be designed and conducted to allow all dimensions and nuances about the person to emerge. This is a way to correct misjudgments by the boss and prevent the wrong leaders from moving up the leadership trajectory.

Dialogue as the Principal Tool

The key to developing an accurate and nuanced calibration of a rising leader is periodic facilitated dialogue among several people who have observed the leader in action. The Apprenticeship Model elevates those conversations beyond gossip while allowing people to discuss each leader in everyday language, unconstrained by the predefined competencies some companies use.

A dialogue session should involve at least four people who have direct knowledge of the leader, including the person's boss, several of the boss's peers and preferably leaders at a high level. HR should moderate the dialogue.

The focus should be on getting the group to dig deeper to pinpoint the positives. There will be a tendency at first for the group to find flaws, but that is a waste of time. It is the positives that make the person a valuable leader. If the positives aren't there, the negatives simply don't matter. ●

Managing Apprenticeship Systematically

Every company has a formal routine for collecting financial data and sorting, shifting and analyzing them. These systems give managers at all levels and the board of directors consistent and integrated data for making decisions based on hard facts. But few companies systematically compile comparably useful information about their leadership resources.

Colgate-Palmolive's Successful Process

Can it be done? Absolutely. Colgate-Palmolive, for one, has mastered such a process and is enjoying tremendous success using it. Colgate measures and manages its leadership talent as carefully as it does its market share, finances and brand equity. It also frequently assesses its specific leadership needs to identify any gaps between the leaders it has in the pipeline and its emerging needs.

How does Colgate execute these tenets? It begins with methodologies and mechanisms that are uniform across the globe, ensuring the same process for identifying and developing leaders is used at every location and encompasses all functions — not just line and general managers.

The criteria are explicit, so everybody has the same

concept of what leadership potential looks like, but they are not set in stone. Colgate senior management constantly fine-tunes the mix in light of new requirements to meet competition, consumer tastes, shifting channels of distribution and changing modes of communication to consumers in the more than 160 countries in which the corporation operates.

The Colgate-Palmolive Model

Colgate begins at the country level. At least once a year the leadership team devotes one or two days to succession-planning discussions. These discussions result in updated training and development plans for each person. All the information goes into a database and generates a profile of a person that shows in a single page their personal information, work history and education, performance ratings, strengths and development needs. The database also includes recommendations for the leader's next two moves, recommendations for developmental actions and even the names of potential successors for his or her position.

Armed with all that information, a boss attends an off-site meeting prepared to discuss his or her people, get input from colleagues and make some commitments. A typical result is that one person may be tapped to go to Colgate's New York headquarters. When the off-site session ends and people have committed to the agreed-on developmental actions, the HR department takes the responsibility for ensuring that they happen. This provides follow-through.

The same process occurs each year at the geographical division level — North America, Europe, Latin America, Asia, Africa and the Middle East. The key difference is that global high potentials become possible successors for key regional and global positions. Because those kinds of moves involve many stakeholders, the discussions are more complex.

The final step in the process occurs at the board level where a personnel and organization committee gets presentations from the senior team about critical operational leaders who have a shot at the top jobs. The committee makes sure that Colgate has a good balance of talent around the world by function and geography.

Rewards and Recognition

Rewards and recognition are an important part of Colgate's talent development process. Colgate ensures that their high-potential leaders are compensated at rates above the marketplace average and they use special recognition tools, such as providing them with stock ownership when they otherwise wouldn't be eligible.

Colgate periodically rewards top-performing leaders at all levels by having them participate in what it calls "visibility programs." In the first five years of their career, for example, young leaders might be invited to participate in a "Leadership Challenge" that brings high potentials from all over the world to New York for a week. ●

Choosing the CEO Who Is Most Likely to Be Successful

The Apprenticeship Model goes a long way toward deepening the pool of potential CEOs. But when a decision is imminent, the board must use tools and techniques designed to delve into the specifics of the CEO job with great granularity and sharp focus. The board must take hold of the selection process and approach it with a fresh and objective eye.

Three fundamental principles should guide the CEO succession process:

1. Recognize that *the CEO's job is quantitatively and qualitatively different from all other jobs.*

2. Recognize that *no two CEO jobs are alike.* Every company has unique needs and opportunities that the CEO must recognize and act on. The concept of "fit" is paramount.

3. Recognize that *CEOs are people, complete with their share of human flaws.* The key is to understand the candidates in their entirety, to pinpoint the talents that make a particular leader stand out as the best possible person to lead the business at that time. Boards have to draw out the best thinking of all their members and make this judgment collectively.

Determining the CEO Criteria

Nothing is more important than pinning down the right criteria for a new CEO. Many boards go wrong by relying too much on the givens, which are the usual content of generic job descriptions and search criteria. Boards have to dig deeper into their company's situation, pushing and probing, bringing in outside experts if necessary, until they have a clear picture of what a new CEO must do well. They need to iron out any underlying disagreements about company direction or gaps in understanding the business and its external context. They cannot stop until the board has boiled it all down to the three or four specific skills and abilities that are critical. These are the non-negotiables.

Helping the New CEO Succeed

Becoming a CEO is a big leap for leaders. The CEO must take hold of the job within the first three to six

months, and the board members should provide whatever help they can, whether it's coaching from a seasoned director or concrete suggestions for how to complement the CEO's expertise.

Boards should be sure their new CEO is seeking and listening to their input but not completely deferring to them either. Consider, too, the impact of letting the outgoing CEO retain a board seat. Generally, this arrangement inhibits the successor.

Those Who Are Not Called

If there are other inside candidates for the CEO position, the board and the outgoing CEO may try to mandate that the new CEO take steps to retain the contenders. This is a mistake. If they wish to stay, fine. But the new CEO should be free to assemble his or her own team and not have to go through needless turmoil because his or her former competitors are being forced on him or her. It is almost certain that the other contenders for the CEO job will leave the company within a year or two no matter what the new CEO does, if only because headhunters will hotly pursue them. ●

Adopting the Apprenticeship Model

Only a few companies have in place a leadership development process that follows the tenets set forth in this summary. But an increasing number have realized the need for comprehensive leadership development processes and are in various stages of executing them. The Apprenticeship Model does not demand that companies follow it in every detail; it's the principles that ultimately count.

Any company attempting to build a better leadership development program can learn from those who have gone before. Your efforts will almost certainly differ in some fundamental ways. But you will surely face some of the same problems that others encounter. Some will be philosophical, some will be cultural and some will be merely mechanical. ●

What Can a Leader Do?

Individual leaders can and should embrace the Apprenticeship Model — even if their companies don't. Those who believe they have leadership potential that is undiscovered should take charge of their own learning and development. They should make their own luck.

The leader can create his or her own luck by figuring out when and where opportunities lie. If not in your current company, then search for a place where your talent can be used, recognized, encouraged and developed.

The search, which will continue throughout your career, is a three-part undertaking:

• **Begin by identifying what your potential is.** This requires introspection and the utmost intellectual honesty.

• **Find ways to nurture that potential.** You need to continually search for the job in which your talent and potential are likely to be best deployed.

• **Be aware of those things that can derail you as your potential develops.**

Some people may at some point have to face the realization that despite their aspirations to leadership, they really don't have the raw talent for it. It may take some testing and some brutal honesty to determine whether leadership is truly the best path for you, or whether your natural gifts should take you in a different direction. Remember that leadership is a job, not a badge of honor. ●

When Is It Right to Choose a CEO From the Outside?

Most companies would prefer to select an inside candidate for CEO. On the other hand, there are times when an outsider has a clear edge, when, for instance, the company needs:

- A turnaround (think Alan Mullaly at Ford).
- To restore credibility (Ed Breen at Tyco).
- To undertake a culture shift (Randy Tobias at Eli Lilly).
- A radical change in strategic direction (Fred Kindle at ABB).

RECOMMENDED READING LIST

If you liked *Leaders at All Levels*, you'll also like:

1. ***Know-How* by Ram Charan.** Charan has developed an integrated, holistic approach to what executives must do and be to become successful leaders, identifying the eight skills that separate leaders who perform from those that don't.
2. ***Execution* by Larry Bossidy and Ram Charan.** Subtitled "The Discipline of Getting Things Done," *Execution* sets out a five-step process for getting successful results. Bossidy, CEO of Honeywell, and Charan contend that leaders must get more involved in the details of execution if they want to get the job done.
3. ***Leading at a Higher Level* by Ken Blanchard.** Blanchard, a leading management consultant and author of *The New York Times* best seller *The One Minute Manager*, and his colleagues at the Ken Blanchard Companies have spent over 25 years helping leaders and organizations become great and remain great. They have brought all of that knowledge together and distilled it into *Leading at a Higher Level.*

Summary

November 2009

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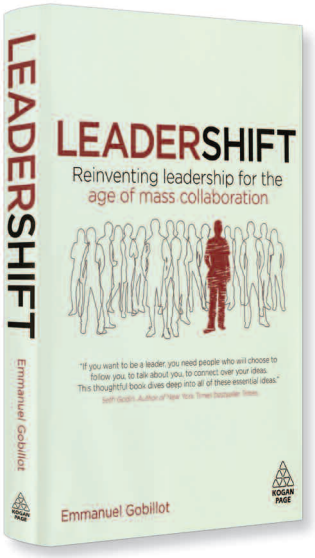
Leadership: Strategies

Leadership

Reinventing Leadership for the Age of Mass Collaboration



by Emmanuel Gobillot

THE SUMMARY IN BRIEF

The age of mass collaboration is challenging the very nature of leadership, yet it also offers unprecedented value for leaders who know how to lead in this new environment. *Leadershift* describes how to adapt traditional leadership roles, and presents the tools necessary to embrace and succeed in this new age. It offers a new business model that will allow leaders to engage successfully with communities, recognize and develop talent, and win customer loyalty.

For decades, leaders have been told that success depends on experience, expertise, efforts and power. But, today, four critical trends are making these variables irrelevant: the demographic trend, the expertise trend, the attention trend and the democratic trend. These critical trends are turning the world of work on its head. When people work collectively, there is no rulebook. The time has come for leaders to question every move.

Leadershift explores the world of mass collaboration — the collective actions of large numbers of people working independently of organizations — and what it means for leaders.

Using examples and ideas from a number of fields, author Emmanuel Gobillot rewrites the rules of leadership. His conclusion is as stark as his solutions are practical — adjust your mindset or become irrelevant.

IN THIS SUMMARY, YOU WILL LEARN:

- Who makes the decisions in a virtual world.
- How an online community effects change.
- What social networking means for the way we solve problems.
- What the online world can teach us about the offline one.
- How mass collaboration will change the way you lead.

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THE COMPLETE SUMMARY: **LEADERSHIFT**

by Emmanuel Gobillot

The author: For more than 10 years, Emmanuel Gobillot has advised senior executives on leadership and organization effectiveness issues. One of Europe's most sought after leadership speakers, he has delivered keynote addresses around the world. He is also the author of the bestseller *The Connected Leader.*

Leadershift: Reinventing Leadership for the Age of Mass Collaboration by Emmanuel Gobillot. Copyright © 2009 by Emmanuel Gobillot. Summarized by arrangement with the publisher, Kogan Page. 189 pages, $29.95, ISBN 978-0-7494-5531-6.

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For additional information on the author, go to http://www.summary.com.

Introduction

The social, collaborative and virtual networking phenomena have far deeper implications than just changing the way we do business. They are changing business itself. Business is no longer hierarchical (as it still remains in the main today) nor is it personal (as we were keen to suggest in the 1990s). Mass participation makes business social. Mass collaboration makes it communal. This is changing the nature of roles.

While sought and welcomed, leadership in communities is intrinsically linked to narrative, task and contribution rather than power, role and accountability. Therefore, by understanding the communal landscape we can understand the nature of the leadership requirements and start to develop new models of leadership effectiveness.

Mass Participation

Leading in mass participation requires us to don our Indiana Jones hats and become social anthropologists, focusing on the communities that are created, rather than the psychology of any one individual who contributes to one or more of them. Mass collaboration is indeed a herd phenomenon where focusing on the masses pays off.

The aim of leadership will always be to secure engagement, alignment, accountability and commitment. What is changing is the way in which we will achieve these.

The Day of Reckoning

Every challenge we face is met with a call for leadership. We have a thirst for people who can meet the only test of leadership — make us feel stronger and more capable. Our value and, ultimately, our survival as leaders, reside in our ability to meet the challenges dictated by four fundamental trends that make up mass collaboration. The real difficulty will be our ability to shift our emphasis when some of the things around us remain the same. The real challenge of mass collaboration is that it is practiced with tools that do not necessarily facilitate it.

Engaging in conversations that will help leaders paint a viscerally desired picture of the future is the way we will get over our reluctance to change. Of course, it will be a challenge to adjust our behavior when most of the structures and systems we operate under reinforce the status quo. But it is a challenge we must face, for if we don't, taken together, these trends spell the potential death of leadership — literally. We must face the four trends that create the acronym DEAD:

- **The *D*emographic trend, which will make your experience irrelevant.** Multiple generations, with multiple socio-cultural backgrounds, are now working alongside each other. Each brings with it its own hopes, fears, expectations and experiences, which the others don't understand and cannot relate to.
- **The *E*xpertise trend, which will make your knowledge irrelevant.** The expertise that drives organizational value increasingly resides in a network of relationships outside the managerial reach of the organization.
- **The *A*ttention trend, which will make your efforts irrelevant.** A collection of social and informational networks is coming to replace organizations as a source of coherence and cohesion for stakeholders.
- **The *D*emocratic trend, which will make your power irrelevant.** Consultants, interims, dotted

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor In Chief; **Andrew Clancy**, Senior Editor; **Edward O'Neill**, Graphic Designer; **Chris Lauer**, Contributing Editor

line reports, part-time employees, casual labor and networks of associates have acquired an equal voice at the organizational table, outside a leader's span of control.

These shifts cannot be stopped. But they are not to be feared as they offer leaders new, efficient and effective sources of value generation. ●

The Demographic Trend

Two elements make up the demographic trend. The first element is the never-ending war for talent and, in particular, a new front opening in that war — the battle for leaders.

While it is unlikely that the demand for leaders will decline, it is certain that a healthy supply pipeline is necessary if you consider that 50 percent to 75 percent of senior managers will be eligible for retirement by 2010. Replacing them is critical. It will require a fundamental rethink of leadership development.

The Clash of Experience

The second of the two elements that make up the demographic trend is the clash of experience.

Think about it this way: What we learn shapes our experience, which, in turn, informs the way we lead. Leaders are the products of their pasts. Their behavior and, as a result, the type of leadership they offer is a combination of who they are as people and the situations they find themselves in. As geographical and socio-cultural differences enter the workplace at an unprecedented rate to fill the leadership gap, fewer people will be able to relate to their leaders' demands. This difference of experience, when viewed through an organizational lens, quickly becomes a clash of experience.

No longer can leaders' experience help them comprehend others; nor can others' experience help them understand the leadership leaders seek to provide. As this trend continues, a leader's experience runs the risk of becoming irrelevant, if not altogether counterproductive. This problem is compounded by the fact that along with socio-cultural differences, we are also experiencing generational trends in organizations.

Generation Me

Thirteen years after she first started to research generational differences, Jean M. Twenge published *Generation Me*, which, to date, has to be the most thorough exploration of the Generation Y phenomenon.

Twenge had enough data to look at the behaviors of students of the same age throughout the 1950s, '60s, '70s, '80s and '90s. Armed with enough data points to make a pointillist pale with envy, Twenge exposed the real differences between generations.

This new generation, brought up with an idea of entitlement and an unrealistic sense of possibilities, is less likely to accept your leadership than any generation in the past. Having discovered that their dreams are unlikely to become reality, members of this generation are also more depressed and unfulfilled than their older siblings. Imagine a workplace where you have up to three generations from numerous continents with multiple socio-cultural backgrounds working alongside each other.

This demographic trend means that leaders will no longer be able to rely on their experience to lead. ●

The Role of the Leader

The role of the leader is to foster an environment where the conditions are right to attract a thriving community. Leaders must shift their emphasis to the fostering of social engagement by valuing conversations that they otherwise might have deemed wasteful and inefficient. To be worth following, leaders will need to work primarily on the contributions they make, rather than the direction they give, to the community. This requires them to develop enough executive maturity (i.e. being comfortable in their own skin) to be able to see mass participation as an opportunity to create value rather than a threat to their existence.

The Expertise Trend

Today's technology is putting the world of co-creation on steroids. What has become known as "distributed co-creation" — the bringing together of talent from numerous sources outside the organizational boundaries — is only in its infancy but is growing at an exponential rate.

Threadless, the company behind the T-shirt that reads "This was supposed to be the future so where is my jet pack?" relies on its users' community to generate designs that other members vote on and eventually purchase.

Distributed Co-Creation

Open source software was perhaps the best-known precursor to the developing movement. As more companies reconfigure their supply chain to rely on expertise beyond their organizational walls, they will increasingly

come to rely on a happy band of amateur experts (many call them "prosumers," for professional consumers). Already, while traditional Web sites are growing by about 20 percent a year, user-generated media sites are growing at about 100 percent a year.

The drive for co-creation illustrated by user-generated content is relentless. The often quoted example of Wikipedia, which in fewer than seven years has grown to be the world's biggest encyclopedia with more than 6 million articles in more than 250 languages, is but the tip of the iceberg. The very act of creating a product or service is no longer the preserve of a closed organizational system of experts. As the world reconfigures the make-up of expertise, that of individual leaders could become irrelevant. ●

The Attention Trend

As human beings, we are bombarded by messages and information. Unable to make sense of them all, we look to communities to help us focus. We rely on a few brands. We read only a couple of newspapers. We follow the same blogs. This selectiveness is our way of cutting through the information clutter and the demands on our attention.

While organizations used to form part of that network of attention, a collection of social and informational networks is coming to replace them as a source of coherence and cohesion for people. The reason is simple: They replicate more closely the way we seek engagement than organizations have been able to achieve through their narrow focus on roles, rules and economic incentives, rather than on individuals and their sense of moral and social obligations.

Wasted Effort

As leaders, our role is not only to get people to do something, it is to get them to do more than they thought possible. We want them to allocate their discretionary effort to our cause. Our reliance on roles, rules and economic incentives to achieve these ends has been to the detriment of the moral and social obligations that make us release that discretionary effort. That in itself would not be a problem if we had nowhere else to turn. But, as technology enables the creation of much more targeted communal experience in a way organizations could never replicate, the efforts put in by leaders to win the fight for attention will be largely wasted.

Faced with this trend, some organizations are multiplying their communication efforts. They try (sometimes successfully) to use new channels to reach us. But what the attention trend demonstrates is not so much that we need to be more intelligent and credible about where we find people but, much more importantly, it will shape what we say to them once we have found a place where they might listen. ●

The Democratic Trend

Ikea requires you to adopt as many different roles as there are stages in the somewhat schizophrenic experience of Ikea shopping. You are the interior designer arranging products together. You are the consumer savoring your meatballs. You become the storeroom picker carrying your goods, prior to acting as the transport manager loading stuff into the car.

We are facing the "Ikeazation" of our world. Our economies are starting to look like giant Ikea stores where people go from one role to another depending on their skills, passions — and ultimately demand. The idea that there are such things as employees or customers no longer satisfactorily represents the complexity of the economic activity.

A Complex System of Relationships

An organization is now a complex system of relationships most of which sit outside a leader's span of control.

In the democratic world, leaders are no longer an accident of birth. We can choose whom we follow. We even get to vote whenever we want. In this world, the leader never gets to call the election.

Devoid of positional power, leaders need to find a new way of engaging people. When the social, intellectual and informational capital of an organization no longer sits inside a leader's span of control, democracy takes over.

The Death of Leadership as We Know It

These four trends foretell a world where relationships between followers and leaders will need to be different from what they are today if they are to be productive. Yet, for every worrying facet of change there are opportunities. While this work is making the way we lead today irrelevant, it is also a world crying out for leadership. Taken together, the demographic, expertise, attention and democratic trends spell the death of leadership as we know it, but they do not altogether make the practice of leadership redundant. Our challenge is to understand the communities that will form the new business landscape and the way they are best engaged for the delivery of an economic objective. ●

Pay or Play?

The demographic trend coupled with the attention shift creates a direct threat to control. You cannot control what you do not understand or what doesn't want to be controlled.

The combination of the expertise trend and the democratic trend means that the legitimacy of structures (which relies on either knowledge or willing adoption of roles, and preferably both) is no longer present. The rejection of current organizational forms forced by the demographic and attention trends mixed with the loss of leaders' positional power as a result of the democratic and expertise trends threatens the order necessary for success.

Two Insights

The four trends indicate that the coordination of activities we have so far achieved through hierarchical means is not efficient and that the means through which we achieve coordination will need to change. There are two insights we can gain from the trends themselves.

The first is that the coercion of individuals toward an organizational cause (however cleverly articulated and positively intended) is not sustainable. Commitment cannot be engineered. The "Ikeazation" of the economy demands a "build it and they will come" mindset rather than a "lie cleverly and they will buy" capability. Communities do indeed self-regulate, even without centralized control. A complex interaction between transactional involvement and social engagement emerges, which no organization can or should try to regulate.

The second is that the very tools used to create the coordination of activities and the engagement of resources have had their legitimacy rooted in the institutional character of the organization. As these institutions cannot survive, we will need to find a new set of tools.

Beyond Leadership

The trends are changing the way organizations create. The new units of analysis are not organizations (in the sense of structurally organized), but rather companies (as in groups of companions). Does that mean that leadership will be irrelevant? Are we going toward some anarchical, communal days where no one is in charge (with the associated chaos we have all been taught to fear anarchy leads to)? Well, the way we have led might be irrelevant but this is not true of leadership altogether. We are living beyond the days of leadership. ●

Leadershift

"Leadershift" is about facilitating a community's engagement need. It is that new "leadershift" modus operandi that is defined as:

> *A type of leadership, non-hierarchical in form, that facilitates the collaboration of a self-selected group, of which the leader is an integral part, in the generation of a narrative that builds and sustains a valuable and co-created outcome.*

Blurring the Boundaries

Where "leadershift" differs from leadership is in its search for a truly dynamic, social and co-created form of leadership. This is leadership that blurs the boundaries between leader and follower and places the importance of culture facilitation over that of strategy articulation as the central focus of its efforts.

"Leadershift" actions and behaviors are only legitimate in so far as they are mandated by the community itself. To make a call because no one else can make it is only directive if the community never recognized you as being able to make the call. When the community asks you to arbitrate its decisions, a directive style becomes a helpful style.

Leadership vs. 'Leadershift'

In "leadershift," reputation rather than position makes the leader. What creates a reputation is the commitment the leader has shown to the community rather than the effectiveness by which they have made it work for their benefit. That kind of power is interdependent. The leader is only as strong as the community and the community becomes stronger through the actions of its leader. The difference between current organizational positional power and this communal, social power is that both parties need to agree and have the ability to review the contract. ●

Shift 1 — From Clarity to Simplicity

Simplicity is about realigning participants' intellectual and emotional outlooks. It is a combination of two elements: simplification and coherence.

A leader must learn to distinguish between what matters and what doesn't to the engagement of a community. Our simplification reflexes have become so sharp that, in our search for efficiency, we risk eradicating some important elements of the community's strength.

We have all witnessed how changes in processes and structure (even if as a result these are becoming simpler)

tend to decrease, rather than increase, levels of understanding. We have all seen employees trying to figure out who and what matters once a new structure is announced. So, while the simplification process is a worthwhile thing to do, it is not the only thing that matters to increasing engagement. What we ignore when we put our focus solely on simplification is the interplay between simplification and our second element of simplicity — coherence.

Coherence

Coherence is the ability to highlight the interdependence of a system (e.g. a car is a complicated system of parts, but a coherent mode of transport).

The role of the leader must be to deploy strategies that can help bring different elements together to build a coherent whole. The leader becomes a primary agent in helping the community stage discussions on what it stands for. The role of leadership is to help communities articulate the problem they are looking to solve.

What is important to us, as leaders, is not only that people choose our network to invest their time, money and efforts, but that they do so in a way that is beneficial to the organization. We call it alignment. Without it we fear that, instead of getting people involved in a concerted co-creation effort focused in one direction, we may end up with a multitude of unfocused, wasted enthusiasm. ●

Shift 2 — From Plans to Narratives

If simplicity is about generating the energy that propels a community forward, then narrative is the vector that helps that community move on a coherent path. A narrative helps that community in two ways. First, it clarifies the role of mass collaboration in a business, and second it helps participants align their actions to the delivery of value.

The second building block to any organizational effort, after engagement, is alignment. Leaders must answer two critical questions:

- *How do I ensure that community members understand their involvement in the social process (i.e. how do they best contribute)?*
- *How do I make sure that people stay aligned behind the mission?*

Both of these are normally answered with a plan. But as plans will invariably become obsolete in the face of change, it is better to have a community able to make sense of the evolving environment and respond appropriately to changes. This is achieved through narrative environments that enable free exploration of options while retaining an intact notion of the overall mission.

The role of the leader is to facilitate the narrative — helping participants and the community define who they are, what they aspire to and how they hope to get there.

Tone

The role of the leader is not to design plans, but to help the organization construct a narrative by nurturing the narrative environment. It sounds a bit more woolly but it's much more effective. Nurturing a narrative environment is about helping the organization acquire a tone.

The tone of the organization is the type of story it will tell. Is the story of your department, your function, your organization one of conflict or is it a story of change and cooperation? To nurture a tone forces a leader to understand the key moments in organizational life and frame these in a way that clarifies their significance. ●

Shift 3 — From Roles to Tasks

It is not for leaders to struggle to reconcile the conflict between the organizational role and the individual's self-image. What the leader is there to do is facilitate the creation of coherence by letting community members create that logic for themselves while reinforcing the need of the community. The best way to do this is to focus on clear task definition.

At this stage in the argument we should have already secured both the engagement and the alignment of any member of the community. We have the simplicity and the narrative we need to transform the organization in a company. Tasks are the critical incidents that move the narrative along. Of course, there is no denying that the organization needs roles; after all, roles are its foundations. However, the reinforcement of the social roles of individuals born out of their self-image can only be accomplished through tasks. Therefore, it is a change of emphasis in a leader's dialogue that needs to take place.

When tasks are well defined, time bound and necessary, they form the words in the company's narrative.

Two Types of Tasks

The fact is that in order to fulfill their self-image, people will choose to complete tasks that make the community sustainable. Some of these will be what we may want to call accountability tasks (i.e. going to the immediate fulfillment of the organizational purpose) while others might be best described as maintenance tasks (i.e. tasks that are contributory to

the fulfillment of accountability tasks).

It is crucial to understand that, in mass collaboration, the leader's time is better spent helping individuals find the opportunities to reinforce their self-image while preventing the organizational roles derailing their strengths. The reality is that no one who truly loves what they do will ever reject the accountabilities necessary for their commitment to the company's success and sustainability.

Shift 4 — From Money to Love

When leaders ask for commitment, what they are asking for is devotion to the organization. They look for people who will join the organization with the aim of staying and caring enough about it to ensure that their contribution is maximized.

Commitment is about putting the organization first. In practice, it means staying as long and working as hard as is needed for a task to be accomplished. It means showing flexibility to take any extra steps, whether planned or not, to ensure expectations are exceeded. Underlying these demands are two distinct ideas that define commitment.

Showing Dedication

The first is that commitment is about making a pledge to conduct a specific undertaking. Being committed, whether in our private or in our work lives, is about showing dedication. To be real, a commitment needs to be made.

The second idea underpinning the notion of commitment is the idea of obligation. A commitment is a felt obligation to do something irrespective of how much we may want to do something else. This is a critical idea as it leads to the sustainability of the relationship and highlights the fact that commitment and engagement go hand in hand. For commitment to exist, both parties have to willingly relinquish some of their freedom to act.

Commitment Cannot Be Bought

To secure commitment, leaders must look at their organizations through two new, non-financial lenses.

The first lens is to realize that both parties involved in the relationship have to love what they do. To be successful the organization needs all involved to embrace their tasks and identify themselves with the narrative.

The second lens is that a social, rather than economic, incentive can be created by focusing on the community rather than the individual. What matters to the functioning of our communities is not what motivates individuals but rather that they direct that motivation to making the community stronger.

Love Enters the Corporate Consciousness

In the late '90s, Daniel Goleman published a book that would popularize the term "emotional intelligence." The basic premise of emotional intelligence is that to be successful, leaders need to both understand and manage their emotions so as not to derail their intent.

In 2002, Tim Sanders released his first book, boldly titled *Love Is the Killer App*. In it, he argues that business success depends on three key factors: knowledge, networking and compassion. He goes on to show how, by becoming "lovecats" (sharing knowledge, becoming a business matchmaker and building people up), anyone can achieve the impossible.

The year 2005 gave us "Lovemarks," the new marketing technique introduced to the world by charismatic Worldwide CEO of Saatchi & Saatchi, Kevin Roberts. Following Sanders' example, he introduced another three-dimensional model, suggesting that by using Mystery (i.e. great inspiring stories), Sensuality (appealing to all the senses) and Intimacy (showing empathy and passion) organizations can do something that fads and brands can never sustain — command both respect and love.

The Elvis Fallacy

In 2002, Junkie XL remixed a song first recorded by Elvis Presley in 1968 and used in one of his movies, *Live a Little, Love a Little*. The single went straight to No.1 in more than 20 countries. "A Little Less Conversation" became an anthem that was used in the soundtracks of movies from *Bruce Almighty* to *Ocean's 13*.

It also became a favorite line for journalists and commentators to use every time they were dissatisfied. Politicians of all persuasions were asked for "a little less conversation and a little more action." Executives spanning the entire economic spectrum from the health to the financial sectors were directed to have "a little less conversation and take a little more action."

But if journalists saw the resurgence of the song as an opportunity to capitalize temporarily on its popularity, business leaders should have recognized it as the best articulation of one of their most entrenched and mistaken beliefs — actions speak louder than words.

Social Engagement Is Not a Sequential Process

That executives have harbored that belief is not surprising — transactional involvement is built on actions. Create clarity, communicate a plan, hold people accountable and reward appropriate outcomes. The sequential nature of the process reinforces the belief that doing something to others is the one sure way to succeed. On the other hand, social engagement, as we have seen, is not a sequential process.

Simplicity, narratives, tasks and love reinforce each other. So, at the very least, the "doing" part of leadership needs to be more complex, more refined, more interconnected and more holistic. But the fallacy that organizations suffer from a "little too much conversation and not enough action syndrome" does not simply rest on misguided beliefs about the type of actions to take. It is born out of a failure to accept that words and actions are, in fact, intrinsically linked. There are two important aspects to this.

Words Predict Actions

The first is that words can pretty much predict the nature of the actions to be taken.

We know that our moods are contagious. We can feel how the atmosphere in our workplace changes as the mood changes. This happens because of the words we use and the attitudes we display. Clearly, our words and our actions, and, by extension, the actions of others, are not disconnected in the way conventional managerial wisdom would have it. Words speak at least as loudly as actions.

The second element we need to consider in order to put the fallacy to rest is our belief that actions and conversations exist on two separate continua. The fact is that there cannot be efficient actions without effective conversations.

Breaking the "Elvis Fallacy" requires us to start by valuing what we have and, together, imagining and designing what we are imaginative enough to envisage.

Simplicity, Narratives, Tasks and Love

There are four steps that will prove crucial in developing the strengths and resilience leaders will need to foster simplicity, narratives, tasks and love in their organizations.

The first is to learn to do nothing. The focus of "leadershift" is not on what to start or do but rather what to stop.

The second step is to contribute to the narrative. Narrative ownership is distributed through the system rather than owned by the leader, so while it is legitimate (and recommended) for the leader to contribute, that contribution is in no way superior to the contribution of others (unless made as a result of a demand on the leader by the community).

The third is to build personal reputation. To be able to navigate through the mass collaboration effort, leaders need to have a solid reputation. While reputation is underpinned by an individual's behavior and capabilities, it is ultimately accorded by community members.

Finally, the last step is learn to love what you do. If we refocus away from role to task and learn to embrace our strengths and passions rather than our measured contribution it is likely that we will find more energy. ●

Concluding Thoughts

In his book *Wind, Sand and Stars*, author Antoine de Saint-Exupéry wrote, "What saves a man is to take a step. Then another step. It is always the same step, but you have to take it."

The DEAD trends do *not*, in any way, diminish our yearning for leadership. We want to follow. We want to be inspired. We want to be led. This is not because we are weak or paralyzed by fear, nor because of some deficiency that leaders need to fix. Instead, it is because we want someone to typify the changes we wish to make. We want someone to be the figurehead of a movement we want to drive.

The ultimate leadership challenge is not the erosion of the powers and tools thrust upon us by a turbulent environment. It is our ability to take Saint-Exupéry's first step. We cannot second-guess the future. There is no point looking for a truth that will answer all our concerns. It is not out there. Our job as leaders is to take the first step, without trying to second-guess or fearing what might lie ahead. Our future lies in our ability to march proudly into the future, at some times leaders and at others followers, working together, building on each others' strengths. ●

RECOMMENDED READING LIST

If you liked *Leadershift*, you'll also like:

1. ***The Accountable Leader* by Brian Dive.** Centered around three themes — leadership, accountability and organizational structure — this book explores what it means for managers to be held accountable at every level, and argues that most problems on the job result from lack of accountability.
2. ***Put the Moose on the Table* by Randall Tobias with Todd Tobias.** The former CEO of Eli Lilly and Co. shares his approach to leadership. He talks at length on values, empowerment, success and integrity.
3. ***Leaders at All Levels* by Ram Charan.** Charan takes aim at the current crisis in leadership by offering a new model for succession and development.

Summary

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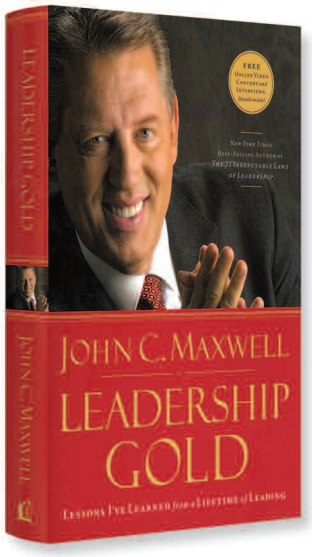

by John C. Maxwell

THE SUMMARY IN BRIEF

Good leadership always makes a difference. It can turn organizations around and positively impact the lives of thousands of individuals. Leadership is not easy to learn, but what worthwhile thing is? Being a better leader pays dividends, but it takes great effort. Leadership requires a lot from a person. It is both demanding and complex. By learning more about leadership you will make a difference in yourself, and you will make a difference in the lives of others.

A leader among leaders, Dr. John C. Maxwell promised himself early in his career that he wouldn't write this book until he was 60. And now it's finally here. Maxwell delivers the most valuable lessons he has discovered during 40 years of leading. The lessons he has spent an entire lifetime mining and now shares are personal and often simple, yet these gold nuggets can have a lasting impact on your leadership style and strategy.

Leadership Gold is for anyone who currently leads or aspires to lead. It offers the best of the best and the tried-and-true insights that no one but Maxwell can deliver. With his signature style, Maxwell comes alongside the reader like a mentor, candidly taking them through what feels like a series of one-on-one leadership lessons. If you are a seasoned successful leader, Maxwell's lessons will serve as reminders and they will help you as you guide potential leaders to also be successful and willing to make a difference.

IN THIS SUMMARY, YOU WILL LEARN:

- How the toughest person to lead is always yourself.
- Why you should not send your ducks to eagle school.
- How leaders distinguish themselves during tough times.
- Why the best leaders are good listeners.
- How the secret to a good meeting is the meeting before the meeting.
- How to create a legacy worth leaving.

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THE COMPLETE SUMMARY: **LEADERSHIP GOLD**

by John C. Maxwell

The author: John C. Maxwell is an internationally recognized leadership expert, speaker and author who has sold more than 13 million books. His organizations have trained more than two million leaders worldwide. Dr. Maxwell is the founder of EQUIP and INJOY Stewardship Services.

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If It's Lonely at the Top, You're Not Doing Something Right

There are many people in the world who are willing to give advice on things they've never experienced. They are like bad travel agents: They sell you an expensive ticket and say, "I hope you enjoy the trip." Then you never see them again. In contrast, good leaders are like tour guides. They know the territory because they've made the trip before, and they do what they can to make the trip enjoyable and successful for everybody.

A leader's credibility begins with personal success. It ends with helping others achieve personal success. To gain credibility, you must consistently demonstrate three things:

1. **Initiative.** You have to *get up* to go up.
2. **Sacrifice.** You have to *give up* to go up.
3. **Maturity.** You have to *grow up* to go up.

If you show the way, people will want to follow you. The higher you go, the greater the number of people who will be willing to travel with you.

Much of the Time Leaders Are Not at the Top

Leaders rarely remain stationary. They are constantly on the move. Sometimes they are going down the mountain to find new potential leaders. At other times they are trying to make the climb with a group of people. The best ones spend much of their time serving other leaders and lifting them up.

If you find yourself too far from your people, then you need to change. True, there will be risks. But if you want to be the most effective leader you can be, there is no viable alternative. Here's how to get started:

1. **Avoid positional thinking.** If you are in a leadership position, do not rely on your title to convince people to follow you. Build relationships. Win people over.
2. **Realize the downsides of success and failure.** Extremes in thinking can create an unhealthy separation from others.
3. **Understand that you are in the people business.** The best leaders know that leading people requires loving them!
4. **Buy into the Law of Significance.** "One is too small a number to achieve greatness." No accomplishment of real value has ever been achieved by a human being working alone.

If you're a leader and you feel isolated, then you're not doing something right. Loneliness on the part of a leader is a choice. Choose to take the journey with people. ●

The Toughest Person to Lead Is Always Yourself

To be successful in any endeavor, we need to learn how to get out of our own way. That's as true for leaders as it is for anyone else. Here are four steps that can help you do that:

1. **Learn followership.** Arrogant leaders are rarely effective in the long run. They alienate their followers, their colleagues and their leaders. Learn to submit to another person's leadership and to follow well, and you will become a more humble — and effective — leader.
2. **Develop self-discipline.** To make consistently good decisions, to take the right action when needed and to refrain from taking the wrong actions requires character and self-discipline. To do otherwise is to lose control of ourselves — to do or say things we regret, to miss opportunities we are given, to spend ourselves into debt.
3. **Practice patience.** Leaders need to remember that

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Chris Lauer**, Senior Editor; **Chris Bienick**, Graphic Designer

the point of leading is not to cross the finish line first. It's to take people across the finish line with you. For that reason, leaders must deliberately slow their pace, stay connected to their people, enlist others to help fulfill the vision and keep people going. You can't do that if you're running too far ahead of your people.

4. Seek accountability. The willingness to seek and accept advice is a great indicator of accountability. If you seek it early — before you take action — you will be less likely to get off track. Most wrong actions come about because people are not being held accountable early enough.

Leading yourself well means that you hold yourself to a higher standard of accountability than others do. Why? Because you are held responsible not only for your own actions but also for those of the people you lead. Leadership is a trust, not a right. For that reason, we must "fix" ourselves earlier than others may be required to. We must always seek to do what's right, no matter how high we rise or how powerful we become. ●

Defining Moments Define Your Leadership

What will determine whether *you* will step forward to successfully meet the challenges *you* face? The determining factor is how you handle certain critical moments in your life. These moments will define who you are as a person and as a leader. The choices we make in critical moments help to form us and to inform others about who we are. Here's why defining moments are important:

• **Defining moments show us who we really are.** They stand out because they give us an opportunity to stand up, be set apart from the rest of the crowd and seize the moment — or to remain sitting with the rest of the crowd and let it pass.

• **Defining moments declare to others who we are.** They put the spotlight on us. We have no time to put a spin on our actions. Whatever is truly inside us is revealed to everyone. Our character isn't made during these times — it is displayed!

• **Defining moments determine who we will become.** They are intersections in our lives. They give us an opportunity to turn, change direction and seek a new destination. They present options and opportunities. In these moments, we *must* choose. And the choice we make will define us. After a defining moment, we will never be the same person again.

Defining Your Moments

Leaders become better leaders when they experience a defining moment and respond to it correctly. Any time they experience a breakthrough, it allows the people who follow them to also benefit. You can choose how you will handle defining moments when they come, and you can take steps to prepare for them. Here's how:

1. Reflect on defining moments from the past. To predict how you will handle defining moments in the future, look at the ones from your past.

2. Prepare for defining moments in the future. Make major choices *before* times of crisis or decision.

3. Make the most of defining moments in the present. With opportunities come risks, but don't be afraid to take them. It is in moments of risk that the greatest leaders are often born. ●

When You Get Kicked in the Rear, You Know You're Out in Front

One of the prices of leadership is criticism. When spectators watch a race, where do they focus their attention? On the front-runners! Few people pay close attention to the racers who are out of contention. Racers who are viewed as being out of the running are often ignored or dismissed. But when you're out front and ahead of the crowd, everything you do attracts attention.

If you want to be a leader, you need to get used to criticism, because if you are successful, you *will* be criticized. Certain people will always find something to be unhappy about.

Never Work a Day in Your Life

Thomas Edison said, "I never did a day's work in my life. It was all fun!"

Following your passion is the key to finding your potential. You will not achieve the latter without pursuing the former.

Passion is an incredible asset for any person, but especially for leaders. It keeps us going when others quit. It becomes contagious and influences others to follow us. It pushes us through the toughest times and gives us energy we did not know we possessed. Passion is a real difference-maker. It separates the extraordinary from the ordinary.

The greatest job is one in which you're not sure where the line is between work and play.

How to Hold Up Under Criticism

Since all leaders have to deal with negativity and criticism, regardless of position or profession, it's important for them to learn to handle it constructively. The following four-step process has helped many leaders deal with criticism:

1. Know yourself. (This is a reality issue.) Many times, when a leader is being criticized, it's really the leadership position that prompts the negative remarks, not the individual leader. You need to be able to separate the two, and you can do that only when you know yourself. If a criticism is directed at the position, don't take it personally.

2. Change yourself. (This is a responsibility issue.) People can change for the better only when they are open to improvement. For that reason, try to maintain the right attitude by not being defensive, looking for the grain of truth, making the necessary changes and taking the high road. If you do these things, there is a very good chance that you will learn things about yourself, improve as a leader and preserve the relationships you have with others.

3. Accept yourself. (This is a maturity issue.) Accepting yourself is a sign of maturity. If you worry about what other people think of you, it's because you have more confidence in their opinion than you have in your own. Executive coach Judith Bardwick says, "Real confidence comes from knowing and accepting yourself — your strengths and limitations — in contrast to depending on affirmation from others."

4. Forget yourself. (This is a security issue.) Secure people forget about themselves so they can focus on others. As leaders, we must always be serious about our responsibilities, but it isn't healthy for us to take ourselves too seriously. ●

The Best Leaders Are Listeners

The positive benefits of being a good listener are much more valuable than we often recognize. Here are some ideas about the impact of good listening related to leadership:

1. Understanding people precedes leading them. Leadership finds its source in understanding. To be worthy of the responsibility of leadership, a person must have insight into the human heart.

2. Listening is the best way to learn. It is no accident that we have one mouth and two ears. When we fail to listen, we shut off much of our learning potential.

3. Listening can keep problems from escalating. Good leaders are attentive to small issues. They pay attention to their intuition. And they also pay close attention to what isn't being said. To be an effective leader, you need to let others tell you what you *need* to hear, not necessarily what you *want* to hear.

4. Listening enables trust. David Burns, a medical doctor and professor of psychiatry, points out: "What most people really want is to be listened to, respected and understood. The moment people see that they are being understood, they become more motivated to understand your point of view."

5. Listening can improve the organization. The bottom line is that when the leader listens, the organization gets better. No one can go to the highest level and take their organization there without being a good listener. ●

Get in the Zone and Stay There

No matter if you're just starting out or if you are at the peak of your career, the more you work in your strength zone, the more successful you will be.

Success is knowing your purpose in life, growing to your maximum potential and sowing seeds that benefit others. If you are able to do those three things, you are successful. However, none of them will be possible unless you find and stay in your strengths zone.

You don't become an effective leader by default. You must be intentional. And you must work from your strengths. You are not called to do something that you have no talent for. You will discover your purpose by finding and remaining in your strengths zone.

Similarly, you cannot grow to your maximum potential if you continually work outside of your strengths zone. Improvement is always related to ability. The greater your natural ability, the greater your potential for improvement.

Finding Your Own Strengths Zone

If you have an image in your mind of what talents people are supposed to have, yet you do not possess those talents yourself, then you will have a difficult time finding your true strengths. You need to discover and develop who *you* are. Here are a few suggestions to help you:

1. Ask, "What am I doing well?" People who reach their potential spend less time asking, "What am I doing right?" and more time asking, "What am I doing well?" The first is a moral question; the second is a talent question.

2. Get specific. The more specific you can get about your strengths, the better the chance you can find your "sweet spot."

3. Listen for what others praise. If others are continually praising you in a particular area, start developing it.

4. Check out the competition. If you don't have the talent to do something better than the competition, place your focus elsewhere.

If you desire to be an effective leader, you must learn how to develop people in their areas of strength. To do that:

- **Study and know the people on your team.**
- **Communicate to individuals how they fit on the team.**
- **Communicate to all team members how each player fits on the team.**
- **Emphasize completing one another above competing with one another.** Team members need to work together for the sake of the team, not only for themselves.

A Leader's First Responsibility Is to Define Reality

One of the pitfalls that can stop potential leaders is the desire to focus on vision to the detriment of facing reality. But good leaders are both visionary *and* realistic. Reality is the foundation for positive change. If you don't face reality, then you will not be able to make necessary changes.

If you are optimistic, and you naturally encourage people, then you may need to take extra care to look reality in the eye and keep yourself grounded. Continually cast a realistic eye on:

- **The Situation.** It is often worse than you think.
- **The Process.** It usually takes longer than you think.
- **The Price.** It always costs more than you think.

If you lack realism today, then you may lack credibility with others tomorrow.

Embrace Realistic Thinking

The ability to define reality as a leader means embracing realistic thinking so that we can see the consequences of our actions further and with greater clarity than those around us.

Here are four practices a leader can follow:

1. Admit your weaknesses. You can't *define* reality if you won't *face* reality.

2. Embrace realistic people. An effective leadership team has members who complement one another.

3. Ask for honesty from others. The only way a leader will get honest feedback is by asking for it, and by treating people well when they actually give it.

4. Invite "fresh eyes" to check you out. Many leaders pay outside consultants to come in, observe and tell them what they see.

To See How the Leader Is Doing, Look at the People

Leaders inevitably make things better or worse for the people who follow them. Wherever you have a good leader, the team gets better, the organization gets better, the department or division gets better. And wherever you have a bad leader, everyone that leader impacts has a tougher time. Leadership makes every endeavor either better or worse.

The best leaders are highly intentional about developing their people. But good or bad, leaders always impact their people. And if you want to know whether a leader is successful and effective, don't look at — or listen to — the leader. Simply look at the people.

Analyzing Leadership

If you want to know how you're doing as a leader (or if you want to analyze the leadership of someone else in your organization), do it by asking the following four questions:

Question #1. Are the people following? If someone with a leadership position has no followers, then that person has a position but isn't really a leader. There is no such thing as a leader without followers! Every time a good leader makes the right moves with the right motives, the relationship strengthens and the team gets better.

Question #2. Are the people changing? People will become their best only if they are changing. And they are unlikely to change unless an effective leader is present to help facilitate the process.

Question #3. Are the people growing? The best leaders help people with more than their jobs; they help them with their lives. They help them become better *people*, not just better workers. And that has great power because growing people create growing organizations.

Question #4. Are the people succeeding? The bottom line in leadership is always results. Leaders may impress others when they succeed, but they impact others when their followers succeed. Peter Drucker observed, "Leadership is the lifting of a man's vision to higher sights, the raising of a man's performance to a higher standard, the building of a man's personality beyond its normal limitations."

Don't Send Your Ducks to Eagle School

Here are three reasons why you should not try to turn ducks into eagles:

1. If you send ducks to eagle school, you will frustrate the ducks. Leadership is all about placing people in the right place so they can be successful. As a leader, you need to know and value your people for who they are and let them work according to their strengths. There's nothing wrong with ducks. Just don't ask them to soar or hunt from a high altitude. It's not what they do.

2. If you send ducks to eagle school, you will frustrate the eagles. Eagles don't want to live in a barnyard or swim in a pond. People who are used to moving fast and flying high are easily frustrated by people who want to hold them back.

3. If you send ducks to eagle school, you will frustrate yourself. As a leader, your job is to help your ducks to become better ducks and your eagles better eagles — to put individuals in their right places and help them reach their potential. You shouldn't ask people to grow in areas where they have no natural talent. Natural ability is not a choice. It's a gift.

It's very important for a leader to get the right people in the organization and put them in the right positions. There are few things that a leader does that are more important than this.

Keep Your Mind on the Main Thing

Here are five decisions leaders can make that can help them become more focused and productive:

1. Determine not to know everything. Successful leaders don't know everything. But they know people who do. If you're a leader and you don't have a good assistant, you're in trouble. If you have the right person in place, you can keep your mind on the main thing while your assistant thinks about everything else.

2. Determine not to know everything first. If every problem must be shared with leaders first, then solutions take forever. The people on the front lines are usually the ones who provide the best solutions.

3. Determine to let someone represent you. The decision to let others represent you requires much time and trust. This trust should not be given lightly. You must get to know the people in whom you place that trust, and they must earn it through seasons of proven performance. Once you reach that level of trust with people you work with, you will be freed up even more to remain focused on the main things that really matter.

4. Determine to stay with your strengths and not work on your weaknesses. Strive to stay with your strengths. In those areas of strength, you usually get good results because you remain focused.

5. Determine to take charge of what takes your time and attention. Take control of your calendar. You cannot fulfill your purpose if you are forever fulfilling everyone else's. If you don't take charge of your schedule, others will always be in charge of you.

Your Biggest Mistake Is Not Asking What Mistake You're Making

Everyone makes mistakes — large and small. To get maximum attention, make a big mistake. To cause maximum damage, fail to admit it! That will keep you from growing as a leader. When it comes to success, it's not the number of mistakes you make; it's the number of times you make the same mistake. If you want to learn to fail successfully and handle the mistakes you *do* make with maximum profit, then you need to do the following five things:

1. Admit your own mistakes and weaknesses. The first step toward anticipating mistakes and learning from the ones you do make is to take a realistic look at yourself and admit your weaknesses. You can't improve as a leader if you're too busy trying to pretend you're perfect.

2. Accept mistakes as the price of progress. Nothing is perfect in this life — and that includes you! If you want to move forward, you're going to make mistakes. If you want to reach your potential as a leader, expect to fail and make mistakes.

3. Insist on learning from your mistakes. People in leadership need to take their cue from scientists. In science, mistakes always precede the discovery of truth.

4. Ask yourself and others, "What are we missing?" Reading between the lines is essential for good leadership. We are most likely to do that when we ask the question, "What are we missing?" Asking tough questions causes people to think differently.

5. Give the people around you permission to push back. The best leaders invite the opinions of the people on their teams. Many good minds working together is always better than one working alone.

For information on managing your life, not your time go to: http://my.summary.com

Keep Learning to Keep Leading

The secret to success can be found in people's daily agendas. If they do something intentional to grow every day, they move closer to reaching their potential. If they don't, their potential slowly slips away over the course of their lifetime.

If you want to be a good leader, you've got to be a good learner. If you don't have a plan for personal growth, then don't expect to grow!

As you seek to learn and grow as a leader, here are a few suggestions:

1. Invest in yourself first. As long as people are following you, they will be able to go only as far as you go. If you're not growing, they won't be growing — either that or they will leave and go somewhere else where they *can* grow. Followers get better after their leaders do.

2. Be a continual learner. If you want to lead, you have to learn. If you want to *continue* to lead, you must *continue* to learn. Successful people continue to exhibit an excitement, a curiosity or a sense of wonder.

3. Create a growth environment for the people you lead. To be a lifelong learner, get out of a stagnant environment and distance yourself from people who have no desire to grow. As a leader, you need to create a positive growth environment for the people you lead.

Being around people who are better than we are has a tendency to make us stretch to improve ourselves. ●

Leaders Distinguish Themselves During Tough Times

Every leader faces tough times — and that's when leaders distinguish themselves and show who they really are. Leading others can be very difficult and can take great courage. Every change, every challenge and every crisis requires a tough call, and the way those are handled is what separates leaders from everyone else.

How do you know when you're facing a tough call and need to be at your best as a leader? You'll know when the decision is marked by these three things:

1. The tough call demands risk. Leaders have to be willing to do things others are unwilling to do. They have to put themselves on the line. You can't play everything safe and expect to take people forward at the same time. Progress always requires risk.

2. A tough call brings with it an inward battle. Any tough call you make will be questioned. Doing the right thing isn't always easy, but it is always necessary if you want to have integrity and be effective.

3. A tough call will distinguish you as a leader. When an organization not only has lost momentum but is moving in the wrong direction, that's when leaders really earn their pay! It is during those tough times that they make the toughest decisions and really distinguish themselves as leaders.

No matter how tough it gets, a real leader will keep on leading and never give up. It doesn't matter what kind of storm comes. ●

People Quit People, Not Companies

Some sources estimate that as many as 65 percent of people leaving companies do so because of their managers. We may say that people quit their job or their company, but the reality is that they usually quit their leaders. The "company" doesn't do anything negative to them. People do.

Most leaders can make a good impression on employees when they first meet. Add to that the optimism people have when they start a new job. They want a new job to work out. But over time, leaders will be recognized for who they really are, not who they are trying to appear to be. If a boss is a jerk, it's only a matter of time before an employee knows it.

So what kinds of people do employees quit? Most often they come in four types:

1. People quit people who devalue them. When leaders devalue their people, they begin to manipulate them. They start treating them like objects, not people. Look for people's value and express your appreciation for them.

2. People quit people who are untrustworthy. It becomes very difficult to overcome the damage done in a relationship when trust has been lost. Building and maintaining trust as a leader is a matter of integrity and communication. If you don't want people to quit you, you need to be consistent, open and truthful with them.

3. People quit people who are incompetent. When leaders are incompetent, they become a distraction to the team. Productivity declines, morale suffers and positive momentum becomes impossible.

4. People quit people who are insecure. People want to work for leaders who fire them up, not who put out their fire.

Here are things you can do to make yourself the kind of leader that other people want to follow:

• Take responsibility for your relationships with others.

• When a person leaves you, do an exit interview.

• Put a high value on those who work for you.

• Put credibility at the top of your leadership list.

• Recognize that your positive emotional health creates a secure environment for people.

• Maintain a teachable spirit and nurture your passion for personal growth. ●

The Secret to a Good Meeting Is the Meeting Before the Meeting

To be a good leader, you have to learn to make your meetings effective. Meetings are for getting things done. To do that, you must often have a meeting before the meeting to prepare people for the meeting. Here's why:

• The meeting before the meeting helps you receive buy-in. If you deliver surprising news to a group of people and the most vocal and most influential react negatively, then the entire group is likely to be negative. That can take a meeting off course or bring it to a grinding halt. That's why you want to get those vocal and influential people to buy in ahead of time.

• The meeting before the meeting helps followers gain perspective. As the leader, you need to help followers see things as you do. That requires time and intentionality. Give influencers the right perspective before the meeting and they'll help you spread it to everyone else.

• The meeting before the meeting helps to increase your influence. Leadership is influence. To gain influence with people, you invest in them. If the only time you spend with individuals is in meetings, and during that time you are asking them to take care of business according to your agenda, you won't build any kind of positive relationship with people.

• The meeting before the meeting helps you develop trust. You can answer questions. You can more easily share your motives. You can cover details that you might not otherwise want to go into publicly. And you can tailor the message to the individual with whom you are communicating.

• The meeting before the meeting helps you avoid being blindsided. Even the best leaders can miss something. Sometimes during the meeting before the meeting, the person they're talking to gives them information or insight that will help them avoid making a big leadership mistake. ●

People Will Summarize Your Life in One Sentence — Pick It Now

A legacy is something we leave for the next generation. It can be possessions that we place in the hands of others. It can be principles we lived by that carry on beyond our lives. It also can be people we have influenced whose lives are better as a result of knowing us.

Someday you are going to die. And eventually your life will be summarized in a single sentence. What do you want yours to be? Clare Booth Luce cleverly called this your "life sentence." If you are intentional about creating your legacy, people at your funeral won't have to wonder what your life sentence was.

Create a Legacy Worth Leaving

We can choose to live our lives from today forward in such a way that we continue to make a positive impact on others after our death. We can create a legacy worth leaving. To accomplish this, we need to do the following:

1. Choose today the legacy you want to leave others. Be intentional about it. That way you have the possibility of making a greater impact on a future generation.

2. Live today the legacy you want to leave. The greatest guarantee that you will leave the legacy you desire is how you live. Add up each action over the course of many years, and you can see your legacy beginning to take form.

3. Appreciate today the value of a good legacy. There is a great joy in taking others to places they have never been and to heights they have never dreamed possible. As a leader, you have a great opportunity to do those things. ●

Note: *Leadership Gold* has 26 chapters designed to be a six-month mentorship. Additional leadership nuggets may be mined in chapters entitled: Don't Manage Your Time, Manage Your Life; Experience Is Not The Best Teacher; Be A Connector, Not Just a Climber; The Choices You Make, Make You; Influence Should be Loaned, But Never Given; For Everything You Gain, You Give Up Something; Those Who Start the Journey with You Seldom Finish With You; Few Leaders are Successful Unless A Lot of People Want Them to Be; You Only Get Answers to the Questions You Ask. For other tools and information, visit **www.johnmaxwell.com/leadershipgold**

RECOMMENDED READING LIST

If you liked *Leadership Gold*, you'll also like:

1. ***The 360-Degree Leader* by John C. Maxwell.** Learn to develop your influence from wherever you are in the organization with guidelines from today's foremost authority on leadership and training.
2. ***Get There Early* by Bob Johansen.** Insights confirm that the decisions leaders made yesterday will affect their organizations five years from now. Johansen shows how you can navigate the road to the future.
3. ***Leading at a Higher Level* by Ken Blanchard.** Leading management consultant Ken Blanchard shares his knowledge gathered from more than 25 years of helping leaders and organizations become great.

Summary

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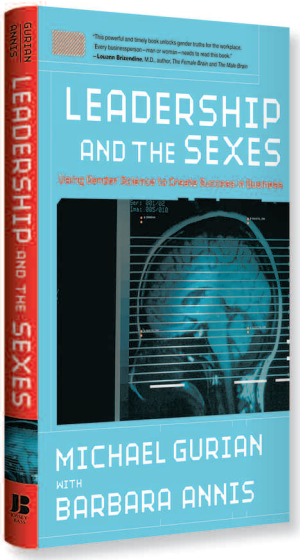
Leadership and the Sexes

Using Gender Science to Create Success in Business



by Michael Gurian
with Barbara Annis

THE SUMMARY IN BRIEF

We enter the workplace not only as a human being, but as a woman or a man. Each workday is a meeting of gender-different styles, modes of operating and leadership skills. The corporation that utilizes the differences between men and women is the corporation that discovers significant competitive advantage. The corporation that helps both genders understand each other has committed to maximum success.

Leadership and the Sexes weaves together Michael Gurian's use of brain science in gender studies and Barbara Annis' experience consulting to top companies on gender issues, and then adds real life examples of what is currently happening in business leadership. Its practical application focuses on executive and managerial leadership, then extends to all levels of the workplace operation. This summary will be helpful to women and men in the workplace who want to become more effective and fulfilled, and ultimately what they learn and incorporate in their managerial styles will help businesses to realize increased profits.

Leadership and the Sexes presents brain science tools that readers can use to look into the brains of men and women. The authors also provide five field-tested GenderTools for readers to increase both their personal comfort and competitive edge.

IN THIS SUMMARY, YOU WILL LEARN:

- How men and women lead differently.
- How to articulate differences without falling into the trap of creating male and female stereotypes.
- What the latest scientific studies reveal about male/female brain differences.
- How differences impact the ways that men and women negotiate, communicate, lead and run meetings.
- How ignoring gender balance impedes the true potential of any business.

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THE COMPLETE SUMMARY: **LEADERSHIP AND THE SEXES**

by Michael Gurian and Barbara Annis

The authors: Michael Gurian is the *New York Times* best-selling author of 21 books, including *The Wonder of Girls, Boys and Girls Learn Differently!* and *The Wonder of Boys*. His books have sold more than 900,000 copies in the United States. He is the co-founder of the Gurian Institute.

Barbara Annis is a thought leader, corporate keynote speaker and CEO of Barbara Annis & Associates. With more than 20 years as a specialist in workplace gender issues, she has grown from a one-person team to an organization of 27 associates in New York, Tokyo, Sydney and London.

Leadership and the Sexes by Michael Gurian and Barbara Annis © 2008 by Michael Gurian. Summarized by permission of the publisher, Jossey-Bass, a Wiley imprint, 989 Market Street, San Francisco, Calif. 272 pages, $27.95, ISBN 978-0-7879-9703-8.

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THE THEORY: GENDER INTELLIGENCE — THE NATURAL DIFFERENCES BETWEEN MEN AND WOMEN

Understanding the Science of Gender

Beginning in the 1970s, researchers began to use medical technologies and computers to study gender in the brain. There are three techniques most used:

• A *PET scan* uses positron emission tomography to identify areas of neutral activity. Scientists can locate the regions that become active while a person speaks, works, relates, loves and performs tasks. PET scans from all over the world show that male and female brains are organized differently.

• *fMRI imaging* uses magnets to detect signals from particles with a positive electronic charge that act like compass needles in the magnetic field. Because the amount of oxygen found in blood affects its magnetic properties, fMRI detects regions with changes in levels of blood oxygenation due to activity-related changes in blood flow. fMRI can help researchers accurately determine which brain regions are active in each task.

• *SPECT imaging*, similar to PET and fMRI, uses single photon emission computed tomography to provide lower-resolution images; it is much less expensive than PET.

Equal but Different Intelligence

As brain science becomes more sophisticated, the results of studies consistently indicate that although men and women produce equivalent intellectual performance, their brains do it differently.

We are different in the following ways:

• *How and what we remember.* Women take in more information through each of their five senses than men do, on average, and store more of this material in the brain for later use.

• *How we process words (and how many and what kind we use).* Women use more words than men, on average, when reading, writing and speaking are computed together.

• *How we experience the world.* New studies indicating that even the cells in our retina may well be different, with female retinas tending to have more P ganglion cells (which see color and fine detail) and male retinas tending toward more M ganglion cells (which more easily see physical motion of objects moving in space around them).

• *How we buy and why we buy it.* Because of sensory differences, women's buying is often more linked to immediate complex sensory experience than men's; for example, women more readily enjoy walking through a store and touching and feeling objects, while men will get less pleasure from this.

• *The ways our midbrain (limbic system) and emotional processing works.* The approach to developing self-esteem and emotional intelligence can be quite different in women and men, especially because women's brains tend to link more of the emotional activity that is going on in the middle of the brain with thoughts and words in the top of the brain (the cerebral cortex). Thus a man might need many hours to process a major emotion-laden experience, whereas a woman may be able to process it quite quickly. This often creates a lot of tension between women and men.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Chris Lauer**, Senior Editor; **Christine Wright**, Senior Graphic Designer

• *The amounts of white matter and gray matter in the brain.* Women have more white matter and men have more gray matter related to cognitive functioning in the brain. White matter connects brain centers in the neural network, whereas gray matter tends to localize brain activity into a single active brain center. The white/gray brain matter is one reason the genders bring different perspectives to the same problem or design.

First Principle and Task of Balanced Leadership

Principle: Gender intelligence — and, therefore, gender-balanced leadership — begins in the understanding that we are, in large part, hardwired to be who we are. This understanding begins a work/life process of nurturing our own nature and feeling personally responsible to help others nurture their own authentic gender qualities. When we open our thinking to science-based insight about gender, we take a first step in trusting both our own and the other gender's abilities, and we begin to expand into areas of gender intelligence that can lead to authentic and balanced leadership for both women and men.

Task: Begin the process of re-visioning your leadership and management philosophy toward dealing with gender issues scientifically. Be open right now to wherever this re-visioning takes your corporation. Also be open to where it takes you personally, and your leadership team as a group, including gaining an understanding of those individuals who are exceptions to gender "rules." ●

Understanding How the Male and Female Brain Work Differently

There are three major categories of brain differences between male and female brains that ultimately impact every aspect of our workplaces:

• **Differences in neural blood flow patterns.** Blood flow represents the neural activity in a brain at any given time. In the female brain, more neural activity occurs in the parts that think in and create words *and* in the parts that connect those words to memories, emotions and sensory cues; in the male brain, more neural activity occurs in the parts that use physical and kinesthetic intelligence, as well as spatial mechanics and abstraction.

• **Differences in particular structures in the brain.** The *hippocampus*, a significant memory center in the brain, plays a key role in women, as women often test out better than men at remembering the specific and minute details of interactive situations and events. Have you ever wondered why men tend to get more "physically expressive" when they get angry? The *amygdala* is one possible reason. The male amygdala is larger than the female amygdala, and because this structure stimulates more activity downward in the male brain toward the brainstem (and thus more quickly into the physical body) and more often upward in the female brain toward talking centers, men and women tend to differ in their angry behavior.

• **Differences in brain chemistry.** Not only do male and female brains differ in structural components and blood flow, but they also secrete their chemicals differently. This chemistry difference profoundly affects leadership and, ultimately, everyday life. Differences in brain chemistry can initially be understood when we realize that males secrete more *testosterone* and *vasopressin* (aggression and territoriality chemicals) than do women. Females, on the other hand, secrete more of the brain chemicals estrogen, progesterone, serotonin and oxytocin. Serotonin and oxytocin are less well-known than estrogen and progesterone; serotonin, among other things, calms our impulses; and oxytocin, among other things, is a bonding chemical.

Second Principle and Task of Balanced Leadership

Principle: Deeper understanding of male/female differences leads to a deeper individual and team awareness, with each gender learning from and relying on the other's gifts for corporate success.

Task: Work together as an executive team to list and get to know each other's personality and gender assets. Use gender coaches and trainers as advisers as much as need-

Bridge Brains

Having established that there is hardwiring of male/female differences, it is crucial to look at exceptions to the rule.

Ten years ago, author Michael Gurian coined the term *bridge brain* to help people understand the exceptions: These include people whose brains share a number of characteristics of the other gender's brain, transgendered individuals and people who just sense that their brains may be toward the middle of the gender/brain spectrum.

What research into bridge brains is showing us scientifically is this: (1) Every one of us has both our own gender's and the other gender's hormones and brain characteristics; (2) yet if we are biologically male, we will tend toward being more male on the brain/chemistry spectrum, and if female, we'll tend toward female; and (3) some of us are closer to the other gender on the spectrum than others are. Some of us, in other words, are neurological "bridges" between genders.

ed, especially if clear gender issues show up — you are not involved in an easy task here, and there are pitfalls. ●

Understanding How Men and Women Lead Differently

Leaders can appear at any level of a company. To get to the top, you have to be very good at putting yourself confidently into the daily stress of leadership, whether you are male or female. Research shows that females, by nature, embody senior leadership status differently from the way males do. This difference is hard-wired, and it's part of gender intelligence, balanced leadership and gender evolution as a whole.

There are a few basic characteristics found in male leaders. *Male leaders* tend to:

• Bond with co-workers in *short bursts* of connection, both physical (a pat on the back) and emotional (a word of praise), or through goal achievement that is less tied to words and emotions and more to action and competition than that of female leaders.

• Focus on leading workplaces and hierarchies through *order assessment, pattern thinking* and *ritualized action*.

• *Downplay emotion*, even at the risk of hurt feelings, in order to play up performance.

• Promote *risk-taking* and *independence* of the employee as long as that risk-taking and independence fits the ultimate goals of the corporation.

Female Leaders

Research shows that female leaders tend to:

• *Bond with co-workers in extended conversations,* both physical and emotional. Women tend to interconnect data and share common experiences.

• Provide as much *hands-on connection* to the co-worker as possible.

• Emphasize *complex and multitasking* activities, actions, team development — expanding leadership into various tasks and away from dominance by one task.

• Search for a method of *direct empathy* when someone's feelings are hurt, even at the expense of other current goals.

• *Relinquish personal, daily independence* in order to be cognizant of other's needs.

The end result of learning about hardwired gender differences in leadership patterns is not just understanding, but also practical action.

Third Principle and Task of Balanced Leadership

Principle: If we are committed to principles of authentic leadership, our corporations need both male and female assets in front-line, middle and upper management and at the highest CEO levels. As we look specifically at hard-wired differences in the area of gender leadership, we can achieve a level of mutual respect that makes possible greater innovation and advancement of talent.

Task: Notice the specific leadership style of each person around you, and notice how well you fit (or do not fit) with the gender style of each leader. Start your assessment by spending most of your time on strengths and much less on weaknesses in the other gender's leadership style. ●

THE TOOL: PUTTING GENDER INTELLIGENCE TO WORK IMMEDIATELY

GenderTool 1: Improving Your Negotiation Skills With Both Genders

Something important gets missed when women and men both undervalue the women's negotiation-through-rapport and overvalue men's negotiation-through-data-and-banter. What mainly gets missed is the effectiveness of both, in the right circumstances. The future of corporate success lies in women and men both becoming gender intelligent in negotiations.

Applying Balanced Leadership to Negotiations

Gender intelligence, like emotional or intellectual intelligence, is important to every negotiation. You will have to decide how important it is in a given situation. As you incorporate gender intelligence, consider adding these balanced leadership tools to your toolbox:

• Put together a team of negotiators that includes both women and men.

• Pick the right person to lead the negotiations. Do the strongest gender assessments you can on the people you are negotiating with, and plan strategically which women and men to have involved in negotiations — and which parts of the negotiations they should handle.

• Read gender signals clearly during any negotiations you observe or participate in. Check perspectives, intuitive and factual. By reading male and female signals more clearly, you'll know where you stand; how successful you're being; and what other tools you need to bring to bear — including other gender assets — to develop appropriate rapport, data and outcome.

As you work in your team on this gender-negotiation tool, talk about the following five specific areas of focus

in any negotiation: preparation, personality, use of data, rapport building and intended outcome. Then talk about the different gender intelligences, behaviors and follow-through of women and men in each area.

Ultimate success in all spheres comes when we remain ourselves but learn from others. Both women and men should learn from each other, and both women and men should be valued in a room. Gender intelligence is and always will be about tapping into the skills inherent in the other gender until we feel comfortable in the room with those skills — and able to gain allies in those skills when we don't feel comfortable.

GenderTool 2: Running a Gender-Balanced Meeting

Balanced leadership becomes all the more possible when you build your gender intelligence up to the point where you can fluidly run a gender-balanced meeting. One interesting and amazing brain fact to take into your meetings involves the hormones testosterone and oxytocin. Males, as we know, are driven by testosterone, having up to 20 times more of this aggression chemical in their bloodstreams and brains than women have. Women are more actively driven by oxytocin. These brain chemicals are directly affected by meetings.

Meetings raise our levels of cortisol — the stress hormone. When women's cortisol levels rise, they tend to secrete more oxytocin. Their brain system says, "You need to decrease your stress level now by 'tending and befriending' — protecting relational cohesion, keeping tension levels down, making sure social connections are secure."

When men's cortisol levels rise, they tend to secrete more testosterone. Their brain system says, "Assert yourself independently, interrupt, make sure you are aggressively known, mark your territory, take risks, challenge social cohesion if that will further the ultimate goals of the system or your own place in the system."

We bring different chemistry and brain functioning to meetings! No wonder meetings can be so complex.

Ten Essential Gender-Balanced Management Skills

To improve meetings from the point of view of gender balance, focus on these 10 skills that will help meet the needs of both genders:

Skill 1: Be a complete meeting leader. Plan, facilitate and follow up.

Skill 2: Set a gender-balanced frame. The most efficient meetings tend to begin with a statement of purpose, review of the agenda and alignment on intended outcomes.

Skill 3: Make meetings adult places. Use of humor is an aid to a good meeting.

Skill 4: Return meetings to their purpose. Keep the discussion or brainstorming focused.

Skill 5: Draw out talent. Encourage participation from all attendees so that everyone's ability and talent comes to bear on the issue, design concept or marketing strategy.

Skill 6: Care about diversity. You may need to make the inclusion of diverse ideas and viewpoints a tacit action item in every meeting.

Skill 7: Channel competitiveness. Facilitate the meeting so team members' personalities work together.

Skill 8: Be organized. Assign action items and next steps as you end meetings.

Skill 9: Be open to the post-meeting process. If you see that a person (woman or man) is dissatisfied with the meeting itself, take five minutes to debrief and hear the person's point of view after the meeting (or later that day).

Skill 10: Reach out for gender help. Reach out to trusted people of the other gender for their assistance.

GenderTool 3: Improving Your Communication Skills With Women and Men

Here is a tool you can use to improve your own communication as a leader and facilitate better communication in your team and workplace between the genders.

Be aware of and discuss the following five differences in language that exist between men and women who are trying to communicate what they need and want:

Difference One. Women tend to use *more words* than men, often relying more greatly on verbal and written communication throughout the workday. Men use fewer words, in general, and will interrupt people when they've reached what men consider their "word limit."

Difference Two. In their everyday conversations, women tend to *criticize themselves* more than men criticize themselves. Women often do this to match relationally with another person ("Oh yes, I made that mistake too"). Men tend to *criticize others* in order to match relationally ("He's not going anywhere in this company, you can tell").

Difference Three. Men tend, more than women do, to direct word use toward the *success goal* they are focused on (in this area, men will sometimes use *more* words than women do). Women will tend to use more words to

manage the process by which success is gained.

Difference Four. Men tend to spend more verbal time showing their own *accomplishments and prowess* than women do. Women tend to spend less time this way, instead spending more time asking *questions* like "So, what did you do?" which specifically de-emphasize their own prowess in favor of hearing another's accomplishments.

Difference Five. Women tend to spend more verbal time on individual *emotion-memories* and individual family and relational memories than men do. Men tend to spend more words on trivia and outcomes of *large social aggression-based groupings* (such as sports, factual history) and on showing dominance (one-upmanship).

Focusing on Nonverbal Communication

Here are four nonverbal communication differences you may need to navigate every day at work:

- Women tend to smile when listening, while men tend to squint and frown more.
- Women tend to use ***less physical space*** while communicating, whereas men tend to spread their legs out more, gesture their arms more widely and move around more.
- Men tend to believe more than women do that their *nonverbal relational cues* are being picked up.
- Men tend to notice fewer nonverbal cues of emotion, whether *on faces or in physical gestures*, than women do.

GenderTool 4: Improving Your Conflict Resolution Skills With Men and Women

Work teams can be made or broken by their ability or inability to handle conflicts together. Conflict is inevitable in relationships, and if done well, it is a good thing. It increases bonding and leads to creativity and new thinking. We don't want to try to remove conflict from relationships. We want to do conflict well, because when done badly, it can be dangerous to a team and a corporate culture.

Noticing Differences Between Women and Men in Conflict

For men, a primary mistake in angry conflicts is not returning to the issues of the conflict and resolving them (even later, after the fury is gone). Men will often think the conflict has been resolved because it is finished inside them. They won't realize how hurt the woman feels; they won't value her feelings. This is dangerous to corporate culture — it can lead in the long term to women leaving this particular workplace and taking their talent elsewhere.

Four Alternative Approaches to Conflict Resolution

Good conflict is not achieved through *one* verbal style of conflict resolution. There are many good approaches, and some don't involve talking a lot. These include:

- **Relax ASAP.** Do what you have to do to cut back on your stress levels.
- **Experience, express, expel.** Let your emotions move through their natural cycle in a safe way. This means feeling the anger, expressing it (even physically, in physical exercise or a safe, physical burst of energy) and expelling it by breathing it out or getting it out of your system via a conversation with a friend.
- **If you walk away, return.** Complete the conversation.
- **Examine your thoughts.** If you get triggered easily or if you often escalate quickly, you may need coaching or mentoring or other similar assistance.

For women, a primary mistake is saying to men right in the middle of the conflict situation, "What's happening? What are you feeling? Talk to me." When the male brain becomes angry, the swelling of the amygdala in the limbic system often leads to a near closure of a lot of the man's verbal circuits. Whereas amygdalic swelling in the female brain can open up a lot of her words and thoughts so she may want to "talk it out right now to seek understanding" as the key to resolution, the man's angry brain response may require that he delay verbal reaction, walk away and return several minutes later.

Authentic Leadership

Authentic leadership is about taking responsibility for one's actions. Our only real authority as individuals on a leadership team comes from that authentic act. We can't control others, but we can control ourselves. This holds true especially when we are navigating conflicts between ourselves and the other gender.

THE APPLICATIONS: ENSURING GENDER-BALANCED LEADERSHIP IN THE LONG TERM

Helping Women

In a study of what women need in order to be retained and advance, these were the most common responses:

- Women need work/life flexibility (men need this too).
- Women need men to understand that women's and

men's needs are not separate, but interdependent.

• Women need to be respected for who they are — they are not men.

• Women need to be validated with more verbal encouragement than managers and co-workers may realize.

• Women need to be mentored in a gender-intelligent way.

A recent Catalyst Corp. study shows that while some women certainly leave the corporate world to have their families, most actually walk out of one corporation into another that better fits their *needs* as executives, managers and women.

Fourth Principle and Task of Balanced Leadership

Principle: Gender balance is crucial to retaining and advancing women of talent in a corporation. When we apply science-based insight about gender, we alter corporations to fully advance women — through understanding and through intervention when necessary.

Task: Apply gender biology to your workplace by looking at the obstacles women face in your corporation, misunderstandings men fall into when dealing with talented women and lack of work/life balance. See women as powerful, and listen with openness to what women are saying about what they need. ●

For Women: Tips for Supervising Men

Here is a scenario that includes a common error some female supervisors make when supervising men:

A male staff member comes into your office and starts venting his frustration about an incident. He shares that he is tired of the complaining by some members of his team, annoyed that they aren't meeting deadlines, and on and on.

Trying to be supportive, you respond by empathizing. "I can see how frustrated you are with this situation. Have some coffee, tell me how you're feeling …"

Don't be surprised if the man says, "I don't need a cup of coffee — I need to know what to do about this!"

Supervising a Man Who is Angry

Your emotive processing style may not be what your male staff member is looking for at this moment of frustration: He wants solutions; he wants strategies. His task-focused male brain may want to resolve this situation and move on to completing tasks. He may not see emotional processing as a way to get himself positioned effectively back into the larger system.

A more effective response could be to immediately offer action steps. "Let's take notes about strategies you've tried that don't seem to be working. Then let's make a list of alternatives that you can implement right away." As you take these action steps with him, if you want to pursue emotional content and feeling talk, the most effective approach may be asking how he feels about the system. He may talk about feelings more if they are not about his own internal feelings, but rather about how he and you and everyone else might fit into the effective continuation of a strong system.

Fifth Principle and Task of Balanced Leadership

Principle: When we apply science-based insight about gender, we alter our corporate vision to fully understand men and what they need in the workplace. Men bring immense strengths to the gender dialogue, and they also bring specific issues that are part of the gender evolution in contemporary business.

Task: Apply gender science to your workplace with men in mind. Survey your work force to figure out men's strengths and issues. Supervise men in ways that are specifically effective for them. ●

GenderTool 5: Practicing Gender-Intelligent Mentoring and Coaching in Your Corporation

When mentoring women and men, three primary areas of focus emerge. Each is often handled differently depending on whether the mentor is helping a woman or man:

• *Career support.* The individual being mentored — the mentee — needs help with specific career track issues; for example, advancement up a leadership ladder.

• *Psychosocial support.* The mentee needs a listening ear for relational issues, help dealing with a particular leader or help dealing with a crisis at work or elsewhere.

• *Gender intelligence support.* The mentee needs help understanding the other gender's signals and developing a plan for action in relation to the other gender.

Mentoring Women Toward Success

Mentoring and being mentored can be risky and humbling experiences. As women seek out and accept mentoring from both women and men, and as, concomitantly, both women and men provide the mentoring, all parties must expect some discomfort at some point. Here are specific actions that often must be taken to fully

mentor women:

• *When important clients don't trust the woman.* As one male leader revealed, in reporting his mentoring efforts: "I've experienced clients saying to me that they really want a male executive on their project. I find I have to push back and tell them that the woman is the best candidate and has outstanding skills. My job as a mentor is to push for her to get the job. If I didn't push, she wouldn't get the job."

• *When a woman is slower than a man to say "yes" to a project.* Insist that the qualified woman look closely at the new job, providing her with the information she needs and being patient with her style of choice-making.

• *When a woman doesn't blow her own horn.* You may need to coach her in what words to use and how to talk about herself and her successes.

• *When a woman is not being direct enough.* Women in this situation need both female and male mentors to help them learn how to develop frankness that leads to specific solutions.

Mentoring Men Toward Success

The most frequently reported gender challenges men list when asked what they need mentoring on include removing barriers to advancement, understanding and navigating female ways of relating, feeling left out of female conversations, feeling gossiped about. As men seek out and accept mentoring from both women and men, and as, concomitantly, both women and men provide the mentoring, specific actions can be taken by both genders to fully mentor men:

• *When a man needs career help.* Men often do not ask for the help they need, yet they often need a mentor to help them advance.

• *When a man doesn't know how to give women feedback.* Men often need mentoring on how to give feedback, both to men and to women.

• *When a man isn't sure how to give feedback to a female leader.* If you are mentoring or coaching a man who is having trouble giving feedback to a female leader, help him focus on asking open-ended questions that create dialogue and complimenting specific achievement outcomes.

• *When a man needs help with work/life balance.* Research consistently shows a need among men to get help in developing work/life balance. A mentor who helps them develop work/life balance can become a kind of lifeline for these men.

Mentoring for the New Millennium

Female mentors are as crucial for women as male mentors are crucial for men, but so, too, is cross-gender mentoring. The mentoring programs of the future will move in the direction of providing both women and men to mentor both women and men.

Many of the issues women and men have faced in any work environment in the past have not been solvable without a mentoring component in place. The same holds true in your present corporation. To mentor and to be mentored is a part of the human DNA. As you are mentored and mentor others, you are participating in a profoundly important part of being a woman or a man.

The Future of Gender

Human nature is and always has been the prime mover of our instincts, and our workplaces are instinctual places — filled with ambition, power and need. The new gender evolution combines instinct with passion and passion with reason. The ultimate destination of this work is to ensure a future of gender relations that can awaken in each of us, and thus in our children — our future leaders and work force — a deep respect for who we are and they are, why each of us is here and why each of them is here. Newly energized by this respect, corporate leaders of the present and future can take dynamic leadership into the community at large, effecting competitive edge for a corporation and important social change for our culture.

Life Purpose

The issue before us, as we use science to understand gender, is the issue of life purpose. We, and those we care for — as well as our colleagues and our consumers — each want to feel meaningful and purposeful in life. This feeling — profound and very real — is gained in part by our free and reasonable expression as women and men. It has always been this way and always will be.

You as an individual leader have a great deal of power; your leadership team has even more. Be revolutionary in your gender discussions, reframing and retooling. Success in terms of bottom lines should be forthcoming from this revolution, and so, too, success as human beings. ●

RECOMMENDED READING LIST

If you liked *Leadership and the Sexes,* you'll also like:

1. ***The Art of Woo* by G. Richard Shell and Mario Moussa.** Learn the art of "Woo," the ability to win people over to your ideas without coercion using relationship-based emotionally intelligent persuasion.
2. ***Words That Work* by Dr. Frank Luntz.** It's not always what you say but how you say it. Luntz offers advice on how to tactically use words and phrases to get what you want.
3. ***Never Eat Alone* by Keith Ferrazzi with Tahl Raz.** True relationship building is the key to lifelong success. Ferrazzi offers a mind-set and skill-set to establish a community of colleagues, contacts, mentors and superconnectors.

Summary

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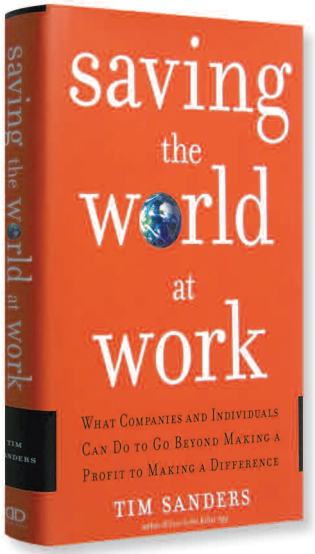
Saving the World at Work

What Companies and Individuals Can Do to Go Beyond Making a Profit to Making a Difference



by Tim Sanders

THE SUMMARY IN BRIEF

A "Responsibility Revolution" is shaking up corporate America. In *Saving the World at Work*, author Tim Sanders reveals why companies must go beyond making a profit and start making a difference.

Every one of us, regardless of title or position, can inspire our companies to change the way they do business, helping them to become a positive force for enriching people, communities and the environment. When this happens, not only do we help save the world, we help save our companies from becoming irrelevant. We become part of the Responsibility Revolution.

Companies that don't participate in this revolution risk becoming obsolete. Today, customers, employees and investors are demanding that companies focus on their social responsibilities — not just their bottom lines.

Saving the World at Work offers concrete suggestions on how all of us can help our companies join the Responsibility Revolution. Drawing on extensive interviews with hundreds of employees and CEOs who are making a difference in the workplace and in the world, the author offers practical advice every individual and company can use to make the world a better place — now and in the future.

IN THIS SUMMARY, YOU WILL LEARN:

- The five phases of business revolutions and how these revolutions lead toward massive changes in the manner in which business is conducted.
- How to properly link your personal goals with your company's business goals and add social value without a great deal of funding.
- How you can help to reduce your company's social inefficiency.
- How to develop a new type of business acumen.
- Why everyone should make a difference.
- How even the actions of a single person can help change the world.

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THE COMPLETE SUMMARY: **SAVING THE WORLD AT WORK**

by Tim Sanders

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PART ONE: THE RESPONSIBILITY REVOLUTION

The Power of One Revolutionary

The Responsibility Revolution has arrived. It demands that companies make a difference to society — not just indirectly, by producing jobs and profits, but directly, through their products, through their manufacturing methods and operational systems, through their environmental efforts and community outreach.

The consumers and customers leading this revolution will screen your company to see if it is socially responsible. Then, and only then, will they reward it with their loyalty.

The Responsibility Revolution represents a new consciousness among consumers concerning why we buy or don't buy, what we use or don't use. We want to make a positive difference with our wallets, and through our actions, to make the world a better place.

The 'Them Generation'

So who is behind the Responsibility Revolution?

I call the people who compose its growing chorus the "Them Generation." Many of them were born after 1980, but its membership includes everybody, of any age, who is focused on "them" — that is, on others.

Those growing up in the 1960s were part of the Me Generation. They were only one generation removed from the Great Depression. The Me Generation was superseded in the 1980s and 1990s by the Us Generation, a group that focused half on me, half on you. This is basically the same story, same theme. What's in it for me? What's in it for us?

By comparison, the Them Generation sees itself as affluent rather than impoverished. These people don't expect merely to survive, but to thrive. To them, there is enough to go around, and they are making a cause of giving some of it to others. They have little connection to the fear and insecurity of the Great Depression. They aren't obsessed with notions of scarcity, survival and security. They've moved up Abraham Maslow's psychological ladder to a higher emotional need: to achieve significance.

Make a Difference

No matter who you are, or where you work, or how high up or low down you are in an organization, you can make a difference. You can shape your community. You can become the catalyst to produce outreach programs that embed themselves throughout your entire company. You can change the world at work, even if you don't have a title and have never fancied yourself a leader. ●

The Nature of Business Revolutions

Revolutions are fueled by frustration with the status quo, combined with a perceived opportunity to seize the moment and alter it. Two of the most notable examples are the American and French Revolutions, but countless others — not necessarily political — follow the same pattern.

In the context of business, revolutions lead toward massive changes in the manner in which business is conducted.

Five Phases

Business revolutions occur in five phases:

The first phase is a *change in circumstances* that dramatically impacts how we think about the business landscape. Our lives are continually shaped by the social environment in which we live. When seismic events occur, they inexorably alter the business landscape. The result is a shock to the collective consciousness that causes us to view the world in new and unexpected ways.

Any major change in circumstances results in the second phase of a business revolution: *a new set of values*. In

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Judy Jensen**, Senior Editor; **Christine Wright**, Senior Graphic Designer; **Chris Lauer**, Contributing Editor

this context, the definition of values is: beliefs that shape the criteria by which one allocates resources. If you believe in corporate stability rather than strategic risk taking, your efforts will go into preserving the status quo instead of into research and development. If you value accuracy over speed, you'll invest in quality control rather than production capacity and quotas.

The third phase of the business revolution is the *arrival of the innovators*. In response to new values, some perceptive companies rush in to meet the needs of underserved or emerging markets. They are the innovators, and they play the role of spoiler to the old guard. They buck the system in a way that resonates with the new values. For example, innovative companies may offer faster instead of better or cheaper as a value proposition. Their quality may seem substandard, and their price too high, to the incumbent industry leaders. But to the new market for convenience, the innovator hits its sweet spot.

Disruption and the New Order

As the new values reach an inflection point of mass popularity, the fourth, and most extreme, phase of a business revolution occurs: *disruption*. This happens when incumbent industry leaders are either toppled or cave in to market pressures, and can only survive by making radical transformations to their business model. Earning shortfalls, layoffs, bankruptcies and organizational overhauls litter the disruptive phase of the business revolution.

The fifth and final salvo of a business revolution is the very long period in which companies develop proficiency in serving new markets as innovators become more sophisticated and customers more demanding. This period is *the New Order*.

Eventually, surviving companies will satisfy the new market needs and the competition will then turn to who does it best. ●

Phase One: A Change in Circumstances

Changes are coming that will threaten the stability of both your company and your industry. The world at work will never be the same.

The Responsibility Revolution is under way. It is following the same blueprint as the Quality Revolution, and it is starting to disrupt the business landscape in an even more dramatic way.

A Broad-Based Movement

The Responsibility Revolution is a broad-based movement of people and companies taking a disruptive approach to making a difference — contributing to our quality of life, locally and globally, for current and future generations. Making a living and making a profit are not enough for these people. Armed with wealth, knowledge and talent, they are using their money and time as levers to pressure companies to change their ways. They believe business possesses the money, technology, people and power to fix the problems of today's world.

A great many changes have rattled our social atmosphere. At the same time as we've been bestowed information-based empowerment, we've also been robbed of our ability to guarantee a safe future for our children. Anyone born in the tornado alley that is West Texas understands what happens during an onslaught of diverse changes in the atmosphere. You get a storm. The more dramatic the collision of elements, the worse the storm — like the 1970 Lubbock tornado that leveled everything in its path.

Think of the positive changes mentioned as a warm air flow of opportunity that has swept through our psyche and lifted our spirits. Imagine the disturbing changes as a cold air of dread that has depressed our souls. The convergence of these two extremes has created an environment similar to what happens when high- and low-pressure fronts collide in the sky. The rapid changes in the atmosphere of daily life are brewing a major social storm. ●

Phase Two: The Rise of a New Value System

Millions of adult Americans possess a new set of priorities in their personal and professional lives. They want their lives to make a difference to the world.

How have the recent experiences in Phase One influenced our values?

Change One: The Information Boom. An abundance of information empowers people to become highly selective about companies with whom they choose to do business. ThemGeners routinely use the latest online tools to screen for social responsibility and find alternatives.

Change Two: A Threat to Security and Safety. Most people who have suffered through traumatic experiences emerge with a new perspective on life, as well as new priorities.

Change Three: Scandals. The number of corporate flameouts between 2000 and 2003 was unprecedented. Tens of thousands of families lost their pensions or investments when Enron collapsed, and the entire economy felt the ripple effect in the resulting 2002 stock market swoon.

The mortgage/Wall Street meltdown of 2008 reinforces this feeling, and stokes mistrust of companies. This leads to more scrutiny of them by talent and customers alike.

Change Four: The Environmental Crisis. Many have made the environment a top priority. But none has embraced it more than today's youth, raised on recycling and save-the-planet campaigns, and now poised to spring into action.

Changing Rules

When values change, so do the rules we apply to everyday situations. They form the criteria by which we allocate resources, and we apply these beliefs to all facets of our lives. The three key areas in which we decide how to allocate our personal resources are how we buy, where we work and where we invest. ●

Phase Three: The Arrival of the Innovators

The rise in social values goes beyond changing how people buy, take jobs or invest. It invades the very core of how people do business.

ThemGeners come in all ages and from all walks of life. Many of them work inside the system, where they adapt their existing companies to serve these new values, while others start new companies based on social missions rather than financial ones.

These people are reinventing how business is conducted. Sometimes they're serving markets that were previously underserved; at other times, they are setting out to create and fuel them.

Pioneers and Fast Followers

In the Responsibility Revolution, the first wave of innovators are the pioneers those people who arrived on the scene filled with ideas and energy before others even knew there was a scene.

As the market for socially valuable business grows, pioneers are followed by another set of businesspeople: the fast followers.

Fast followers are innovators who, based on intelligence brought back from the front lines of their businesses, sense a values shift that will soon disrupt their current business model. They recognize the emergence of the new value proposition and act swiftly to place their companies ahead of the curve. Armed with a new business plan, they march into the future before the future marches into their backyard.

The difference between the pioneers and the fast followers goes beyond who comes first. It is also a matter of motivation. Both are driven by values, but the fast followers are driven by dollars as well. Pioneers want to change the world; fast followers want to win the game.

Fast followers help to legitimize the pioneers who preceded them. Highly successful fast followers include Starbucks (fair-trade coffee), Toyota (hybrid cars), Citigroup Inc. (community development) and British Petroleum (renewable energy). Today, fast followers can be found within almost all major industries.

Today's Fast Followers

Today's fast followers have acted to move the Responsibility Revolution to the threshold of the disruptive phase. Together with the pioneers, they've introduced a new value proposition: Contribute to the greater good with your money or your talent.

Once the growing flock of ThemGeners gets a taste of purpose with a paycheck, there's no going back. They'll expect it everywhere, in every industry, throughout all walks of life.

When the market becomes infected with a new value proposition, the innovation phase is complete. ●

Phase Four: Disruption

Unless a company is an innovator for good, business conditions will get ugly. This is due mostly to the following three emerging market conditions that will create disruptive clashes over scarce business resources:

1. The End of the Casual Customer. Mindful customers are the enemy of the thoughtless business. They don't buy based only on price or quality. They ask too many questions about the product: how it was made, where it comes from, who helped make it. And they tell their friends where and what to buy — and those friends listen. With each passing year, Americans' purchasing values are being reshaped by the context of modern life.

2. The End of the Deep Talent Pool. The signs of talent shortages are already visible. According to the National Science Foundation, industry demand in the pharmaceuticals business for scientists now outstrips supply by a margin of three to one; the technology industry faces the same crisis because of a shortage of highly skilled engineers.

The war for talent will not be won with money. ThemGeners are willing to take a pay cut to work for a company they'd be proud to post as their employer on their Facebook or LinkedIn profile page. Increasingly, the battle for talent comes down to reputation rather than compensation.

3. The End of the Nearsighted Investor. At some point in the next 10 years, a critical mass of farsighted investors will put the squeeze on just-for-profit companies and redistribute the juice to top corporate citizens. This paradigm shift will be the result of two disruptive trends: social investing going mainstream, and mainstream investing going social. ●

How the Body Shop Lost Its Focus

In order to make its numbers and expand its product line to meet the stock market's expectations, personal-care products retailer The Body Shop made the leap from private to public; in doing so, the company licensed technology from companies that conducted animal testing — in direct violation of the company's original mission. Exposed by the media, The Body Shop saw its stock swoon and its sales drop. To this day, the brand has not recovered its stature.

Phase Five: The New Order

The establishment of the New Order takes place when the new value becomes a source of competitive advantage for all. Social responsibility will be the new king. Companies that contribute more than they deduct from people, community and planet will make more money and will be more attractive as business partners.

As the Responsibility Revolution unfolds, five rules of the New Order will become clear:

1. The longer it takes to join the Responsibility Revolution, the more expensive it will be to realign in order to catch up with the innovators. It won't be sufficient for a company simply to announce its changes; the company will have to convince everyone that its intentions are sincere, and this effort will require major efforts in marketing and public relations.

2. Integration is as important as innovation in the long term. Companies that fail to integrate fully will have gaping holes in their business model compared with those that allow the new mission to guide all their operations.

3. Progress must be measured and reported. These metrics will measure a company's diverse social values, including employee quality of life, ethics in the supply chain, and its impacts on host communities and on the larger natural environment.

4. Companies must provide rewards for adding social value. The most effective way to get everyone on board is to reward as many employees as necessary for helping the company meet the newly established metrics. Rewards can take the form of compensation bonuses, promotions or some creative form of recognition.

5. Companies must stay focused on the new value. Many innovator companies paving the way for a revolution eventually fall victim to it because they don't stick to their original commitments. ●

PART TWO: THE SAVER SOLDIER

The Six Laws of the Saver Soldier

A saver soldier is a highly motivated individual who leverages work as a platform to help save the world.

Your personal transformation from businessperson to saver soldier begins with your perspective.

An unenlightened outlook can impede your ability to make the right decisions, while an enlightened one will impart wisdom in situations where the average person wouldn't know what to do.

Here are the six laws of the saver soldier:

1. The Law of the Ledger. Your company's financial success is always paramount — excellent fiscal acumen is fundamental to good business. Companies in economic crisis can't worry about the environment, the future or their employees. Bad numbers create bad business. If your company isn't making money, it can't be expected to help anyone.

2. The Law of Interdependence. This law states that, for the most part, the strength of a business depends on the strength of the greater community. Interdependence in a business context implies that a company is part of a greater ecosystem — comprising myriad stakeholders, other companies, communities, governments and the natural environment. In such a system, a small ripple can create dramatic waves.

3. The Law of Abundance. The Law of Abundance essentially states that there is always enough to go around. There are enough customers, enough talented people, enough recognition, enough of whatever is needed. People who possess an abundance mentality can find contentment where others find envy.

4. The Law of Reciprocity. The Law of Reciprocity states that people will give back when they've been given to. For the most part, every time you do the right thing for your customers, employees, partners and/or greater community, these people will find a way to repay you, through loyalty, by giving thoughtful feedback to improve your business, by telling their friends to buy from you or to work at your company.

5. The Law of the Long View. The Law of the Long View states that while making any decision, you must consider its long-term implications. Long-view thinking considers various consequences in response to an act over time. One way to implement long-view thinking is to look into the future and consider chain reactions to business activity.

6. The Law of the Last Mile. If you don't finish what you start, you might as well not start at all. The

only way to add true social value is to finish the difficult last mile. In business, the term "last mile" describes the final few action items required to convert an idea into a reality. When launching a new product, for example, the last mile is getting it into the hands of the customer.

By focusing on the last mile, you will dramatically increase your chances of making a difference, now and into the future. The last mile may not be easy to finish, but it is the one that counts most. ●

PART THREE: THE PRACTICE OF BEING GOOD

Assess

It's time to move from thinking to doing. Saver soldiers are people of action. When presented opportunities to add social value, savers seize them.

To start on the journey of becoming an effective saver, first assess your company's current place on the responsibility continuum and place it within the context of the Responsibility Revolution.

Go online. Google your company. Don't just search for the company name — add a series of keywords and phrases, such as *lawsuit, social responsibility, safety, fair trade, awards, protest, injustice, sustainability* and *liability*.

Next, go to Hoovers.com, a popular business research Web site that provides analysis for investors, and search for reports on your company. If your company is public, you can also try Yahoo! Finance, TheStreet.com or MSN Money, where you will find news items and SEC filings, as well as a bulletin board. If you notice consistent patterns of complaints, from mistreating workers to polluting a water system, take note and do more research.

Keep an Open Mind

Read what detractors say with an open mind. Some of these groups' claims may be baseless; what you are looking for are widely held beliefs about your company that signal a problem worthy of further consideration.

Now it's time to look at some of the good news about your company: its accomplishments, awards, philanthropy, outreach programs or other signs of a positive reputation, such as being ranked by *Business Ethics* or *CRO* magazine as a top corporate citizen.

Look at your company's Web site; examine its corporate social-responsibility section. Almost all Fortune 1000 companies aggregate the company's positive contributions here.

Create a Total Social Assessment

With your research in hand, it's time to create a total social assessment of your company. Your assessment will help you better understand what you can do as a saver. For example, if your assessment suggests your company is creating long-term environmental damage, you will want to be a change agent to help green up operations.

If your assessment shows that you're working at a company that is a pioneer or innovator, perhaps your role should be that of a booster, supporting existing efforts and initiatives.

However, remember that even the best-run and best-intentioned companies can lose their way as a result of changes in ownership or leadership, market conditions and/or employee participation. The general public will be unforgiving to companies that go back on their word as good corporate citizens.

To ensure that your company stays on track, participate in corporate programs aimed at developing people, community and the planet. ●

Act: Save Your People

Every one of us can jump into the revolution right now by bettering our company's social performance. There are dozens of opportunities to help save the world at work. The following lists are only a starting point for social innovation.

People

These five suggestions apply to anyone, regardless of title or role:

1. Join a Corporate Mentorship Program. Corporate mentorship programs help employees become more successful at the company and lay the foundation for flourishing careers.

2. Mentor a Co-worker or Employee. If your company doesn't have a mentorship program, think about creating one yourself.

3. Integrate a New Person Into the Company. Savers help the newbies create necessary and valuable connections.

4. Help Co-workers in Need. One of the best ways to connect your company to its people is to make their problems your problems. Sometimes people just need to be able to talk to someone else. Simply by listening, you can ease that suffering.

5. Give Ample Recognition. When people don't receive acknowledgment for their efforts, their sense of self-worth is diminished. Professional recognition acknowledges an employee's contribution to the company's success.

Partners

Few businesses can manage successfully without business partners. Partners help a company do everything your company can't do alone. Partners must be given the same respect that a company extends to its employees. ●

Act: Save Your Communities

Community-relations development is the process of forging a bond between your company and the community in which it does business. Your company is either a nutrient, a filler or a toxin to its communities.

Community relations count for a significant portion of a company's social status. The Golin-Harris survey ranks being "active and involved in communities where it does business" as a primary driver in a company's standing as a good corporate citizen.

Be an Employer of Choice

A Work Foundation survey noted that one out of three ThemGeners said they were planning to find a new job because their employer's community contributions were sub par.

You can help your company serve the communities in which it does business. Almost all businesses have community outreach programs that encourage employee participation. For those involved in these projects, your contributions will be evaluated by the strength of your efforts and ideas rather than your role or rank.

Get Involved

Here are five ways to help your communities:

1. Join an Existing Community Program. Find a program that excites you. Does it match your personal values? Look for something that can intelligently incorporate your skills. Search out opportunities that leverage your education or experience as well as your network.

2. Create a Virtuous Circle in Your Community. If you can't find a program that suits your and your company's needs, consider creating your own.

3. Sponsor Community Organizations. Whether you work at a large or a small company, explore possible local sponsorship opportunities.

4. Respond to Community Crisis. When a crisis comes to your town, don't wait for somebody else to spring into action.

5. Offer Your Company as a Meeting Place. Your board rooms, lunchrooms and meeting spaces can provide great opportunities for community organizations to get together, while enhancing your company's reputation as a community partner.

Act: Save Your Planet

Much of your company's greenhouse-gas-emission footprint results from the personal behavior of its employees. According to Michael Totten, senior director of climate at the Center for Environmental Leadership in Business, "Three numbers will dominate most organizations' footprint: energy used in the building, employee travel, and paper consumption."

Save Paper

The following five pieces of advice can help you save paper:

1. Use Recycled Paper. A 2002 study by the Alliance for Environmental Innovation determined that using recycled paper stock will enable you to eliminate wood use and reduce net greenhouse-gas emissions by 50 percent and wastewater by 33 percent.

2. Think Before You Print. We should think first and only then print — maybe.

3. Print on Both Sides of the Page. Set printing to duplex mode, or printing on both sides of the page. In 2006, office workers for the City of Seattle reduced their paper printing by more than 21 percent using duplex-mode copying and printing.

4. Recycle. When paper has run its course, has been printed on both sides, and is no longer useful, it should be properly recycled. Otherwise, it ends up in a garbage dump where it will decompose, releasing methane, a greenhouse gas 20 times more damaging to the environment than carbon dioxide.

5. Reduce Others' Paper Footprint. Redesign documents to print on fewer pages.

Reduce Your Personal Work Footprint

The next five points speak to your nonpaper-related

Timberland's Saver Soldiers

In December 2006, footwear maker Timberland held its wholesale account reps sales rally in New Orleans, 15 months after Hurricane Katrina. Timberland typically injects local community service into its agendas so as part of this conference, 200 sales reps lent a hand in the restoration of a popular restaurant in the historic Central City district. But it was in their visit to the hardest-hit Ninth Ward at a makeshift community gathering spot where a volunteer community organizer pointed to a chalkboard that listed shoes at the top of the Please Drop Off list that the Timberlanders really connected with the Responsibility Revolution. Following the lead of one employee who immediately bent down, unlaced his boots and handed them to the volunteer, all 200 sales reps donated their shoes or boots to the Ninth Ward that day. Over the next months, other Timberland employees and others they connected with became involved in the struggle to rebuild New Orleans, a chain reaction for good. Which sales rep started the chain? "It doesn't matter who did it," the sales rep told the event planner. "It just matters that it was done."

personal work footprint and will help you and your company become more environmentally, financially and socially efficient:

6. Become an Energy Saver. Turn off all the lights when you leave for the day. Turn off computers, copiers and printers in your cubicle and, if appropriate, your office.

7. Reduce Transportation Emissions. The next time you're taking a meeting out of the office, ask yourself — do you really need to go?

8. Reduce Waste. Simple daily acts such as having a drink of water or grabbing a quick lunch can create a tremendous amount of waste.

9. Buy Offsets Whenever Possible. Some companies allow employees to buy renewable-energy credits that offset their business air travel or total work-related carbon footprint.

10. Choose Virtual Over Physical. Do you use an electronic voice-mail system or a personal answering machine? The voice mail offered by almost every phone-services provider is a much greener option. ●

Influence

When you take on the challenge of influencing others, you are stepping up as a leader during a time of change. Here are some tips on how to help lead others:

1. Evangelize. In the context of business, evangelism signifies your personal campaign to bring about change. It arises from your deep passion to make a difference, combined with a strategic understanding of the area in which you want to see that change. Whether you're pitching a facilities manager on green buildings or a marketing director on community services, you must know how to transform minds and behavior.

Teach, don't preach; follow up relentlessly; and welcome your skeptics into the fold when they eventually convert.

2. Unleash the Power of Many. Another way to influence others is to organize diverse groups of like-minded people inside your company. Such groups not only show senior management that there is a collective will for change, but also can penetrate corporate boundaries and spread ideas, regardless of how sprawling and massive the company might be.

A variety of different approaches exist to create and manage groups. The two most effective are to build a movement and to create a network.

3. Mentor Your Leaders. No matter how persuasive you can be, how committed you are, or how many peers you sign up, there are going to be times when real change will require your leaders to become as involved as you are. ●

Good Gravy: The Power of Being a Saver Soldier

In the long run, social responsibility can be achieved at no cost to people or companies. Good, smart companies succeed. If you always connect your business to your social innovations, and you follow the six laws of the saver soldier, you cannot hurt your company by helping it do good.

Early Adopters Flourished

Strategic social responsibility is excellent for business, which is why Patagonia, SAS Institute, Aveda, Whole Foods and many other early adopters flourished even before the revolution was under way.

Doing good may actually be the very best way to succeed. A 2000 study from research company Towers Perrin examined the financial returns of 25 companies that excelled in taking care of their stakeholders. In the 15 years from 1984 to 1999, these companies outperformed the S&P 500 index by more than 126 percent.

If you help your company make a positive difference in the world, you'll feel your work has meaning, and you'll take pride in knowing that you're contributing to something larger than yourself. ●

If Not You, Then Who?

If you don't show up for the Responsibility Revolution at work, who will?

Revolution is in the air. ThemGeners are organizing against just-for-profit business and they are willing to sacrifice to change it. Even if your CEO is already aware of this news, and he or she likely is, no CEO can do the heavy lifting alone. So if you don't show up, you and your company may wind up on the wrong side of the revolution.

If not now, then when? The Responsibility Revolution is already under way. The longer you wait to join it, the more likely you and your company will struggle to play catch-up or miss out on opportunities to gain an unshakable edge over your laggard competitors. ●

RECOMMENDED READING LIST

If you liked *Saving the World at Work*, you'll also like:

1. ***Get There Early*** **by Bob Johansen.** Leaders are responsible for understanding how the decisions they made yesterday will affect their organizations five years from now.
2. ***Generating Buy-In*** **by Mark S. Walton.** Leaders need buy-in from their people. Learn how to speak the language of leadership.
3. ***The Necessary Revolution*** **by Peter Senge, Bryan Smith, Nina Kruschwitz, Joe Laur and Sara Schley.** The authors focus on sustainability and the challenge for businesses to invest in new solutions to environmental problems and innovative strategies to generate profit while creating a better world.

Summary

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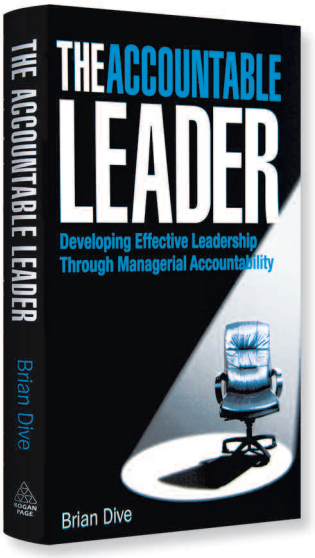
Leadership: Development



The Accountable Leader

Developing Effective Leadership Through Managerial Accountability

by Brian Dive

THE SUMMARY IN BRIEF

The Accountable Leader is centered around three themes — leadership, accountability and organizational structure. The book illustrates how the three concepts are related, and how accountability is at the heart of sound organizational architecture, which in turn is a pre-condition for truly effective leadership, leadership development and a rewarding career path.

The Accountable Leader is an explanation of how the structure of organizations has a profound impact on the ability of managerial leaders to perform their job effectively. It also describes how organization design has a huge impact on the individual well-being and happiness of those people earmarked for future promotion, so much so that talented staff may well leave an organization rather than suffer the effects of operating inside a poorly designed organization.

The Accountable Leader explores what it means for managers to be held to account at all levels in an organization. The author demonstrates that most leadership-related problems arise from the ineffectiveness of organizational structures that lack accountable jobs.

IN THIS SUMMARY, YOU WILL LEARN:

- The 10 key management accountabilities
- Why organizations are so often lacking clear accountabilities
- How to develop leadership in an organization
- How the Decision Making Accountability (DMA) Solution Set provides the principles needed to address the accountability of leaders
- The Seven Elements of Decision Making Accountability
- How leaders are held accountable at the various Work Levels within an organization

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THE COMPLETE SUMMARY: **THE ACCOUNTABLE LEADER**

by Brian Dive

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For additional information on the author, go to http://my.summary.com.

Accountable for Success

Accountability is vital to organizations for many reasons. Lack of true accountability causes excessive cost, both economic and psychological; de-motivation in those who work for the organization; dissatisfaction in those served by it, and suboptimal performance in general.

Accountability can afford greater freedom for leadership, or deny and constrain the individual's ability to perform effectively. In this sense accountability can be positive or negative; both are important.

Negative accountability occurs when there is interference with or blocking of the free exercise of positive action. Positive accountability occurs when one is answerable to another for the provision of work; husbanding of resources; and the delivery of a service, product or set of results that can be measured in terms of quantity, quality, cost and time. Positive accountability should operate at all levels in organizations. This is distributed accountability or, indeed, distributed leadership.

Authority and accountability are closely related concepts. The exercise of relevant authority is a critical element of accountability.

Popular wisdom has it that teamwork involves shared accountability. But this is a common mistake. Teamwork is a shared endeavor, not shared accountability. A team is led by an individual who is personally accountable for the team results.

Accountability assumes a proactive and conscious commitment to the purpose of an organization by an individual. It also presupposes clarity, transparency and participation, which enable contribution to that purpose.

The 10 Key Management Accountabilities

A bona fide line manager must be accountable for the following:

1. Deciding who comes into the team, negotiating and managing a budget for that team, and being held to account for its expenditure.
2. Deciding who will work where, in which jobs and when.
3. Securing employee commitment to attain the relevant goals and providing them with the means they need to deliver their goals.
4. Giving constructive feedback and deciding upon individuals' performance and appraisal ratings, agreeing on their training and development needs, and ensuring that these are acted upon.
5. Ensuring that the members of the team meet all their obligations and, if necessary, changing the goals, obligations or team members, as appropriate.
6. Providing solutions when confronted with problems. Accountability entails finding a new solution.
7. Making change happen.
8. Achieving results from peers and colleagues over whom the manager does not have direct control.
9. Achieving results with and through external agencies, such as consumers, customers, suppliers and shareholders.
10. Setting timelines and establishing goals, which then need to be achieved in terms of quality, quantity and service.

10 Indicators of Unsound Accountability — A Checklist for CEOs

There are several signs of faulty organization design:

- Unclear purpose and priorities
- A lack of timely and appropriate decisions

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Judy Jensen**, Senior Editor; **Christine Wright**, Senior Graphic Designer; **Barry Silverstein**, Contributing Editor

- Duplication of work
- Too many ineffective meetings
- A culture of long and excessive hours at work
- Managers working in their team members' decision space
- Multiple, small authorization steps, leading to "organizational treacle" that slows down decisions
- Quantitative grading systems that generate unnecessary jobs (and therefore structure) to provide administrative "promotions"
- Undue loss of good people
- Top management thinks there is a capability problem.

Organizing for Accountability

The challenge in the 21st century is to build accountable organizations: those in which the accountabilities of the individuals who work in them are clearly defined, differentiated, and understood in a way that is motivating and meaningful.

In an accountable organization people know what they will be rewarded for, and how those rewards are set and calibrated. They know they will be given the means to carry out the objectives they have agreed to. They also know what the consequences will be for not completing the tasks and assignments they have agreed to complete.

The majority of large organizations have too many layers and their average spans of management are too narrow. Organizations like this can be hell to work in.

Why Are Organizations So Often Lacking Clear Accountabilities?

There can be a number of reasons, the most notable of which are:

- Unclear direction or purpose
- Faulty strategy
- Key roles not linked to strategy
- Lack of understanding about accountability
- Poor organization design
- Negative company culture and history
- Genuine capability problems
- An obsession with continuous cost reduction
- Lack of feedback from the external environment
- Lack of performance measures
- Lack of consequences for action
- The adoption of management fads and fashions.

Leaders and Leadership Development

The focus here will not be on the CEO, but on leaders all the way from the front line up through the organization. It will be on distributed leadership, the leadership required at each level. Such leadership is the heart and soul of any successful organization, whatever its size and complexity.

Job Evaluation: Status, Grades and Ranks

If accountability is so important in leadership development, why then do so many companies and public agencies fail in this regard?

The answer is the historical use of a system of grades and ranks. While these started out being used primarily for job evaluation, almost unconsciously grades have come to drive organization design. Moreover, these structures often acquire a link with matters of status, and this contributes to ineffective structures, unwieldy bureaucracies and promotions that do not reflect substantial changes in responsibility.

Status is the position of an individual in relation to others. Unfortunately, a desire for status can work against recognition given for work done well, and prove the enemy of merit.

Grading systems aim to lay the foundations for a rational, fair and equitable system of pay or reward. The focus is on the job, not the jobholder. But the fundamental problem with job evaluation is it simply measures the job as it exists. It does not ask whether it *should* exist and, if so, whether it adds anything to other jobs around it.

Is a system of ranks the answer then? Well, not necessarily. There are shortcomings to a rank system not based upon clear levels of accountability.

Holding Leaders to Account: Leadership by Design

The Decision Making Accountability (DMA) Solution Set provides the principles that can guide organizational design and the empowerment of an organization's people.

DMA is the process of taking decisions in seven key decision-making zones called Elements that align with the purpose and strategy of the organization and add value to the work of others, while at the same time enabling the individual taking the decisions to learn and grow. The *Accountability Probe* plots what decisions people make and whether those decisions add value to the work of others. It reveals how many decision-making layers of management are required.

The 7 Elements of DMA

These Seven Elements are a touchstone for determining whether a job adds value, and they are a compass for determining the location of a job in the landscape of the organization.

1. Nature of Work. This first Element focuses on the core reason for the existence of a particular job and where it differs in essence from those below and above. This Element refers to what the organization expects and determines what the individuals should do — their roles. It defines the nature of their accountability for a distinct area of work.

2. Resource Complexity. This Element defines accountability for resources: people, technology, budgets, and know-how or knowledge. In the new "knowledge age," know-how is rapidly becoming the critical resource.

3. Problem-solving. This Element is concerned with the type of thinking that is required to solve a particular problem or set of problems. This is where intellectual capability is taken into account; this is an important factor in the assessment of individuals' ability to cope with the demands of increasing levels of accountability.

4. Change. The essence of strategic leadership is sensing and then ultimately managing change that leads to building a new competitive advantage. Change management is at the heart of modern management accountability. This demanding Element is concerned with accountability for driving innovation in its various forms.

5. Internal Collaboration. This Element refers to the lateral interaction or collaboration with peers within the organization to complete common tasks. It is this network that allows an individual to get the job done successfully.

6. External Interaction. This Element covers the need for collaboration outside the organization. The consumers, customers and suppliers are covered by this Element. Many jobs in a large multinational are accountable for achieving results in the external domain.

7. Task Horizon. Timescales drive large organizations. Most activities are framed by deadlines, which are usually subservient to the planning process. The accountability being assessed here is: "How long does it take to know whether the work covered in the first six Elements of the DMA Solution Set have been successfully completed?" A task horizon extends from minutes in some front-line jobs to many years at the higher work levels.

The Three Key Principles of DMA

1. All organized work falls into a hierarchy of discrete levels or strata of increasing complexity. At each successive level the objectives to be achieved, the complexity of work to be mastered, the changes to be managed and the decisions that therefore have to be taken become broader in nature.
2. For any assigned job, the balance of major tasks falls into a single leadership level. The balance of tasks comprises more than 50 percent of the burden of accountability.
3. Each accountability level above the front line requires one and only one layer of management. This is the golden rule of DMA.

The distinction between layers and levels is critical. A level refers to the decision-making zone or area in which a person is working. A layer of managerial leadership is a job on the spine of accountability in a hierarchy of increasing complexity.

Held to Account at the Front Line

Every day we encounter people working on the front line. They are invariably at the sharp end of customer service. What does a front-line worker do? What decision-making accountability do they have? We can find out by looking at the Seven Elements.

1. Nature of work. Work at Level 1 can be, and increasingly is, automated, like airline check-in processing, for example. The output or outcome is specified in advance, and it cannot be changed without the agreement of someone at a higher level. Work at Level 1 is often mapped out in guidelines or defined processes, which ensure maximum consistency and effectiveness.

2. Resource complexity. At Level 1, resources for jobs are restricted to the resources required to achieve the prescribed output. The person doing the job does not have the authority to change or make key decisions about those outputs, and is not accountable for decisions about those outputs.

3. Problem-solving. The problems faced at Level 1 are concrete, real-world problems that are familiar and recurrent. Usually there are guidelines to help employees at Level 1 to resolve these problems.

4. Change. Although jobholders at this level are not accountable for making changes outside guidelines, they are expected to respond to changes and, if the relevant schedule is not working, to seek improvements.

5. Internal collaboration. Front-line team members normally work closely with colleagues at the same level,

in the same department and at a single location. Roles at this level require the employees to act, primarily, as channels of information. Decisions are taken at a higher level.

6. External interaction. External links and interfaces at this level are likely to be with specified customers or suppliers, within a framework for regular contact and liaison. The majority of key decisions will have been anticipated, often as a result of previous experience.

7. Task horizon. The results of unskilled and semi-skilled work are often evident within seconds or minutes. As the work becomes more complex, however, the timescale for successful completion becomes longer, stretching to hours, days and weeks. The task horizon for Level 1 is up to three months.

Challenges at the Front Line

Most people in most organizations are at Work Level 1. Many organizations, and trade unions, have hopelessly overcomplicated the division of work at Level 1.

Support is often to be found in an important role at the top of Level 1, often referred to as a supervisor. The supervisor exists to assist a manager in the first layer of the hierarchy — at Level 2 — to manage the department. Supervisor is a role that tends to be surrounded with uncertainty and a lack of clarity. Despite the challenges involved, however, supervisory leadership roles are vital components of good organizational structures.

Managing the Front Line

Here are the Seven Elements at the second level of accountability.

1. Nature of work. A job at this level always contains an element of judgement. This judgement is more than just common sense; it is derived from experience, and often from formal professional training. The jobholder is required to make assessments in new situations or individual cases using analysis, diagnosis and judgement, before deciding on what action to take. Level 2 may be the front line.

2. Resource complexity. Where they have a team of Work Level 1 staff reporting to them, jobholders at Level 2 will be accountable for setting objectives, for the recruitment and release of people, for delegating main duties and work, for training and development, and for managing performance.

3. Problem-solving. At Level 2, analysis and judgement are required. Even though in many cases problems will be discrete and non-routine, and the leader (from either experience or professional training at this level) will know that a number of solutions are possible — some fact gathering and diagnosis will still be required to enable the appropriate solution to be found. The challenge here is to discover which solution is best applied in a particular case.

4. Change. Managerial leaders at Level 2 are expected to make changes to operating guidelines and procedures as appropriate, so that Level 1 staff can improve their performance. Jobholders are expected to find ways to use their specialist knowledge and experience to solve problems, to unclog systems, and to implement process and procedural improvements for those areas for which they are accountable.

5. Internal collaboration. At Level 2, managers work with colleagues at the same level, often, but not necessarily, within the same function or process at the same site; they could also cooperate with colleagues at different locations. To be successful in their own role, Level 2 managers have to learn how to get things done through colleagues to whom they cannot issue commands.

6. External interaction. If an individual has particular external duties at Level 2, these duties will generally involve acting as a first point of contact with bodies that the organization must cooperate with or serve, such as customers, suppliers, trade unions and so on. The shape of that interaction is likely to be largely influenced at the next level of accountability — Level 3.

7. Task horizon. In some industries, the time frame for the impact of major decisions to become apparent is generally from about three to six months. In other industries, the decisions of managers at Level 2 can generally be assessed within a year. The annual budget is the common overall framework for work at this level.

Most organizations seem to assume that the front line is invariably at Level 1, but there are certain situations where this is not the case. The most frequent example of a front line at Level 2 is where a professional entry requirement calls for Level 2 know-how and experience, and a competence to deal with recognized problems and to apply solutions in a manner requiring specific kinds of expertise — expertise that is often gained through study, training and experience.

Span of Control Guidelines

It is unwise to give rigid figures for optimal spans of control, or how many people should be managed by any one individual. It depends on a number of factors, such as the nature of the work and the technology used.

It is a good rule of thumb that any organization of at least 500 people with an average span of five or less is over-managed, and any organization in a country with a

GDP of up to US$100 billion with more than five layers of management is unhealthy.

Global companies have a median average span of control of eight across their entire business. Experience indicates that average spans in head offices tend to be lower. A target head office average span of five is both realistic and achievable. At present, most head offices seem to average closer to three.

Managing the Managers

Leaders at the third level of accountability are the backbone of a successful organization. They are the operational general managers who make sure things happen.

Work at Level 3 moves beyond leading one situation at a time, or diagnosing a single case, to balancing the needs and outcomes for a number of different individuals and sets of circumstances.

Here are the Seven Elements at the third level of accountability.

1. Nature of work. The key aspect of work at this level is the delivery of planned performance, while at the same time continuing to get better performance from the assets and resources year on year. The essence of Level 3 accountability is managing a sequence or flow of work tasks and events, which have to be managed as a whole, not as a series of unconnected events.

2. Resource complexity. Managers at Level 3 are not yet accountable for changing the fundamental disposition of the resources at their disposal. Resources have to be managed in the context of an integrated system, unit or head office department. Working at Level 3 often requires authoritative specialist knowledge. The Level 3 manager is accountable for the identification of potential managers and their appointment to Level 2.

3. Problem-solving. For the Level 3 manager, problem-solving involves identifying patterns in the actual performance of existing products, technology platforms and systems. Individuals at Level 3 manage a flow of interrelated problems that need to be prioritized and solved using the resources within the team. They are not accountable for strategy and policy but should see the implications and shortcomings of current practice and the need to shape different approaches going forward.

4. Change. The essence of Level 3 change is continuous improvement. Operational scientific change culminates in Level 3 innovation. It is important to distinguish between operational innovation, which occurs up to Level 3, and strategic innovation, which occurs at Level 4 and above.

5. Internal collaboration. Managers at Level 3 normally work across group disciplines, functions within a business, and sometimes a number of countries, in order to improve the performance of their unit or department or to improve the delivery of a process, operational system, study or project. Managerial leaders are accountable for their effectiveness in collaborating with peers.

6. External interaction. External contacts at Work Level 3 tend to be at a national level, in contrast to those at Level 2, which tend to be local or regional within a country. These interactions often involve negotiation of agreements. The response to the external world outside the organization is reactive. By contrast, at Level 4 the manager needs to be proactive.

7. Task horizon. Managers at Level 3 are very much involved in the delivery of the annual plan. A Level 3 manager adds value by looking across individual plans and budgets and ensuring that their contribution is such that the whole unit or department meets its time-related targets. These managers are also expected to make a significant contribution to the plans and activities of the following year.

There comes a point when an operational unit is too large to be run with only two layers of management. One should be very careful about designing units in excess of 1,000 at Level 3, unless the work is very routine and only needs minimal supervision or interference.

Managing on a Global Stage

The international dimension adds an additional facet of complexity. The following is a definition of the Seven Elements in relation to Level 4.

1. Nature of work. Jobs at this level are accountable for work that is more strategic than operational. At Level 4, the challenge is to identify resource gaps and constraints that adversely impact on performance and have them redressed. The person at Level 4 is accountable for the technical and professional input of the gap-assessment and suggested solution(s), and for their quality and accuracy.

2. Resource complexity. Level 4 managers are increasingly accountable for identifying new opportunities and resolving gaps in know-how, technology, the application of systems, the delivery of services, and the meeting of untapped or new needs.

3. Problem-solving. Abstract and conceptual analysis is required to identify problems and assess potential solutions involving new formulas, products, technology, systems or policies. This mental modeling process entails identifying the causes of patterns and linkages, perhaps first identified at Level 3, and devising the right solutions.

4. Change. Change involves fundamental realignment of assets and resources. It is not just a modification of what exists; it is taking leadership in an industry, science or profession based on breakthrough, first-in-the-industry, best-in-class, trend-setting change.

5. Internal collaboration. In an international company the network of peers is likely to span a number of different countries. Internal networks in large international companies can be fraught with internal politics. Collaboration is never easy. International, strategic collaboration is one of the most challenging types of collaboration of all.

6. External interaction. The nature of the interaction with the environment is the key difference between work at operational and strategic levels. In the first three levels of accountability the response is reactive. At the strategic levels managers are expected to be proactive. Increasingly they are expected to influence and shape the external environment to the advantage of the organization, or at least mitigate the damage that might otherwise be done.

7. Task horizon. Generally, the time frame for operational work seems to be up to two years. For strategic levels of accountability, it seems to be up to about 15 years.

Organizational Design Accountability and Leadership in Practice

Three variables are critical for the successful development of leaders throughout an organization:

- A role with clear accountabilities.
- An organization structure with the right number of layers.
- An individual with the right degree of competence for the job.

Unfortunately, the first two factors are invariably ignored.

Talented individuals cannot contribute to their full capacity and potential in a cluttered, top-heavy organization that blurs accountability and stifles initiative. Yet, for some reason, the critical link between effective organization design and successful leadership development is often ignored. Leaders cannot be held to account in a vacuum.

The difference between operational work and strategic work and the implications for leadership development is critical. Identifying where this difference occurs in an organization is even more critical. But most leadership approaches do not focus on this vital division, largely because the clarity of the demarcating line is blurred by administrative grading systems.

The Importance of Boundary Moves

A boundary move takes individuals outside their comfort zone but not outside their learning zone. The aim is to stretch and broaden the learning of the incumbent.

Boundary moves occur when job moves entail:

1. A change in accountability level.
2. A change to another function.
3. Changes in the type of experience for roles with the same title.
4. Change from line to support.
5. Change of country.

The Seven Steps for Building an Effective Leadership Development Program

1. Identify the levels of accountability.
2. Identify and define line and support jobs.
3. Plan the move to a healthy organization, if necessary.
4. Identify and establish a set of differentiating behaviors or competencies.
5. Construct a reliable and valid method for assessing individuals against their level of accountability.
6. Fill the value-adding roles with competent individuals.
7. Identify key career and learning tracks.

Leadership Development Schemes: How Can They Succeed?

The following case study shows how leaders can be identified and developed for future jobs in which they will be held to account.

There is strong anecdotal evidence that there is an acute shortage of school principals in a number of countries at present. Unlike private sector organizations, educational bodies are not noted for identifying leaders with potential and preparing them for leadership roles, such as principal of a school.

What are the key steps to identifying and developing these leaders — secondary school principals?

- Identify the accountabilities within a school.
- Identify and design the relevant boundary moves for leadership development.
- Adapt and apply a differentiating competency model (the DMA model).
- Design the assessment process — what to assess, how and why.

This approach can be described as an assessment or a development program. It can be either or both.

The program is based on knowing the level of accountability of the job of a secondary school principal. Once that is known, then the six DMA Leadership Competencies come into play.

The four-step process was designed to look for consistent trends in the individual's leadership behavior. A summary judgment indicated whether the individual demonstrated potential to be a principal within "one, three or five years." Detailed comments are provided that could form the basis of an individual's development program, aimed at better equipping the person in question to become a principal. ●

The Accountable Leader: 20 Key Ideas

1. Everyone has a right to real work and a real job; a real job is one in which the person in that job is held to account.

2. An individual can only be held to account if the organization has clearly demarcated levels of accountability, or leadership levels.

3. The Decision Making Accountability (DMA) Solution Set maps how leaders are held to account throughout an organization.

4. The principles of DMA form the basis for effective organization design.

5. A program to assess potential leaders needs to rest on a sound foundation of clear accountabilities.

6. The DMA Solution Set provides that platform.

7. An administrative promotion occurs when an individual is moved to another grade at the same level of accountability.

8. Boundary moves occur when individuals are taken out of their comfort zone, but not beyond their learning zone.

9. A bureaucracy is an unhealthy organization that has lost contact with both its purpose and its customers.

10. An accountability level is justified when the leader in it makes decisions that members of the team cannot make, and that are different in substance and quality from those of the manager to whom that leader reports.

11. Only one layer of management is needed for each level of accountability above the front line.

12. Compression occurs when there are two or more layers of management at the same level of accountability, or two or more tiers of supervision at Level 1.

13. A good engineer might not be a good manager, because leadership behaviors are required in addition.

14. Values are badges of belonging — important for the life of an organization and contentment of the individual, but not indicators of potential leadership.

15. Outstanding performance at one level of accountability does not guarantee good performance at the next level.

16. Beware of accelerated development programs. Insufficient experience at Level 3 correlates with failure on promotion.

17. Potential leadership is best assessed by differentiating behaviors (competencies) linked to the Seven Elements of the levels of accountability.

18. A differentiating competency identifies those behaviors that help ensure that a person can perform effectively at the next level of accountability.

19. One must know where the operational-strategic divide occurs in the organization in order to devise an effective leadership development program.

20. Apply these two tests to your organization: Is the average span of control less than six? And, do any of the following apply?

- Revenues or costs up to US$5 billion with six or more layers of management.
- Revenues or costs up to US$15 billion with seven or more layers.
- Revenues or costs up to US$45 billion with eight or more layers.
- Revenues or costs up to US$150 billion with nine or more layers.
- An organization in a country with a GDP of up to US$100 billion with more than five layers of management.

If the answer is "yes," then there are too many managers and they cannot be held to account clearly as leaders. In other words, your organization is over-managed and under-led. ●

RECOMMENDED READING LIST

If you liked *The Accountable Leader*, you'll also like:

1. ***Transparency* by Warren Bennis, Daniel Goleman and James O'Toole.** Digital technology makes transparency all but inevitable in this era. Three essays offer leaders practical advice on how to embrace it.
2. ***Leaders at All Levels* by Ram Charan.** Discusses the shortage of leaders prepared to face the complex business challenges of today and offers a solution via a new model of succession and leadership development.
3. ***Winners Never Cheat* by Jon M. Huntsman.** Business can return to the days when your word was your bond, a handshake was sacred and swarms of lawyers weren't needed to back it up. Find out how.

Summary

February 2010

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Leadership: Development

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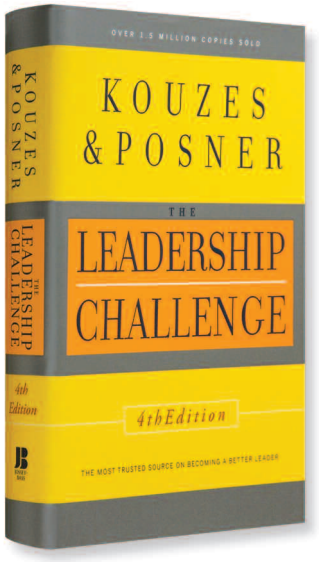

The Leadership Challenge

4th Edition

by James M. Kouzes and Barry Z. Posner, Ph.D.

THE SUMMARY IN BRIEF

The fundamentals of leadership are not a fad. While the context of leadership has changed dramatically, the content of leadership has endured the test of time.

When leaders understand that leadership is a relationship and they begin to engage in the Five Practices of Exemplary Leadership® — Model the Way, Inspire a Shared Vision, Challenge the Process, Enable Others to Act and Encourage the Heart — they are better able to embark on a lifetime of success and significance.

The Leadership Challenge is about how leaders mobilize others to want to get extraordinary things done in organizations. It is about the practices leaders use to transform values into actions, visions into realities, obstacles into innovations, separateness into solidarity and risks into rewards. It's about leadership that creates the climate in which people turn challenging opportunities into remarkable successes.

Authors James M. Kouzes and Barry Z. Posner, Ph.D., offer a set of leadership practices based on the real-world experiences of thousands of people who have answered the call for leadership. They confirm the discovery that when the leader in everyone is liberated, extraordinary things happen.

IN THIS SUMMARY, YOU WILL LEARN:

- How to utilize the five practices common to personal-best leadership experiences.
- How to improve your performance and the performance of your team with commitment and consistency.
- How to strengthen your abilities and uplift your spirits, as well as those of others.
- How the magic word "we" can help you enable people to act.
- How ordinary people exercise leadership at its best.

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THE COMPLETE SUMMARY: **THE LEADERSHIP CHALLENGE**

by James M. Kouzes and Barry Z. Posner, Ph.D.

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Kouzes and Posner are the co-authors of *A Leader's Legacy, Credibility, Encouraging the Heart* and *The Leadership Challenge Workbook* and more than a dozen other books and workbooks on leadership and leadership development.

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Getting Extraordinary Things Done in Organizations

When they are doing their best, leaders exhibit certain distinct practices, which vary little from industry to industry, profession to profession, community to community and country to country. Good leadership is an understandable and universal process. Though each leader is a unique individual, there are shared patterns to the practice of leadership. And these practices can be learned.

The Future of Leadership

The domain of leaders is the future. The leader's unique legacy is the creation of valued institutions that survive over time. The most significant contribution leaders make is not simply to today's bottom line; it is to the long-term development of people and institutions so they can adapt, change, prosper and grow.

Leadership is important, not just in your career and within your organization, but in every sector, in every community and in every country. We need more exemplary leaders, and we need them more than ever. There is so much extraordinary work that needs to be done. We need leaders who can unite us and ignite us.

In the end, leadership development is self-development. Meeting the leadership challenge is a personal — and a daily — challenge for all of us. If you have the will and the way to lead, you can. ●

What Leaders Do and What Constituents Expect

Leadership can happen anywhere, at any time. It can happen in a huge business or a small one. It can happen in the public, private or social sector. It can happen in any function. It can happen at home, at school or in the community. The call to lead can come at 4 o'clock in the morning or it can come late at night. The energy and motivation to lead can come in ways you'd least expect.

Personal-Best Leadership

From an analysis of thousands of personal-best leadership experiences, leadership researchers James M. Kouzes and Barry Z. Posner, Ph.D., discovered that ordinary people who guide others along pioneering journeys follow rather similar paths. Though each experience was unique in expression, every case followed remarkably similar patterns of action. Kouzes and Posner have forged these common practices into a model of leadership that provides guidance for leaders as they attempt to keep their own bearings and steer others toward peak achievements.

Leadership is not about personality; it's about behavior. The Five Practices of Exemplary Leadership are available to anyone who accepts the leadership challenge. And they're also not the accident of a unique moment in history. The Five Practices have stood the test of time, and the most recent research confirms they're just as relevant today as they were more than 25 years ago.

The Five Practices of Exemplary Leadership

This research has uncovered five practices common to personal-best leadership experiences. When getting extraordinary things done in organizations, leaders engage in these Five Practices of Exemplary Leadership:

1. Model the way. Exemplary leaders know that if

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Edward O'Neill**, Graphic Designer; **Chris Lauer**, Contributing Editor

they want to gain commitment and achieve the highest standards, they must be models of the behavior they expect of others. To effectively model the behavior they expect of others, leaders must first be clear about guiding principles. They must clarify values.

Exemplary leaders go first. They go first by *setting the example* through daily actions that demonstrate they are deeply committed to their beliefs.

2. **Inspire a shared vision.** As Mark D'Arcangelo, system memory product manager at Hitachi Semiconductor, said about his personal-best leadership experience, "What made the difference was the vision of how things could be and clearly painting this picture for all to see and comprehend."

Leaders gaze across the horizon of time, imagining the attractive opportunities that are in store when they and their constituents arrive at a distant destination. They *envision exciting and ennobling possibilities*.

Leaders have to *enlist others in a common vision*. To enlist people in a vision, leaders must know their constituents and speak their language. Leadership is a dialogue, not a monologue.

3. **Challenge the process.** Jennifer Cun, in her role as a budget analyst with Intel, noted how critical it is for leaders "to always be looking for ways to improve their team, taking interests outside of their job or organization, finding ways to stay current on what the competition is doing, networking and taking initiative to try new things."

Leaders are pioneers. They are willing to step out into the unknown. They *search for opportunities to innovate, grow and improve*.

Leaders know well that innovation and change involve *experimenting and taking risks*.

4. **Enable others to act.** Hewlett-Packard's Angie Yim was the technical team leader on a project involving core team members from the United States, Singapore, Australia and Hong Kong. In the past, she said she "had a bad habit of using the pronoun 'I' instead of 'we,'" but she learned that people responded more eagerly and her team became more cohesive when people felt part of the "we." "This is a magic word," she realized. "I would recommend that others use it more often."

Leaders *foster collaboration and build trust*. They engage all those who must make the project work — and, in some way, all who must live with the results.

Leaders make it possible for others to do good work. Exemplary leaders strengthen everyone's capacity to deliver on the promises they make.

5. **Encourage the heart.** Genuine acts of caring uplift the spirits and draw people forward. *Recognizing contributions* can be one to one or with many people. It's part of the leader's job to show appreciation for people's contributions and to create a culture of *celebrating values and victories*.

What People Look for and Admire in Leaders

Research documents consistent patterns across countries, cultures, ethnicities, organizational functions and hierarchies, gender, education levels, and age groups. For people to follow someone willingly, the majority of constituents believe the leader must be:

- **Honest.** Honesty is the single most important factor in the leader-constituent relationship. If people anywhere are to willingly follow someone, they first want to assure themselves that the person is worthy of their trust. They want to know that the person is truthful, ethical and principled.
- **Forward-looking.** People expect leaders to have a sense of direction and a concern for the future of the organization. Leaders must know where they're going if they expect others to willingly join them on the journey. They have to have a point of view about the future envisioned for their organizations, and they need to be able to connect that point of view to the hopes and dreams of their constituents.
- **Inspiring.** People expect their leaders to be enthusiastic, energetic and positive about the future. It's not enough for a leader to have a dream. A leader must be able to communicate the vision in ways that encourage people to sign on for the duration and excite them about the cause.
- **Competent.** To enlist in a common cause, people must believe that the leader is competent to guide them where they're headed. They must see the leader as having relevant experience and sound judgment. If they doubt the person's abilities, they're unlikely to join in the crusade.

Credibility Is the Foundation

Above all else, we as constituents must be able to believe in our leaders. We must believe that their word can be trusted, that they're personally passionate and enthusiastic about the work that they're doing, and that they have the knowledge and skill to lead.

If leaders practice what they preach, people are more willing to entrust them with their livelihood and even their lives. This realization leads to a straightforward prescription for leaders on how to establish credibility: *Do what you say you will do*.

To be credible in action, leaders must be clear about their beliefs; they must know what they stand for. They must put what they say into practice; they must act on their beliefs and "do."

This consistent living out of values is a behavioral way of demonstrating honesty and trustworthiness. People trust leaders when their deeds and words match.

Model the Way

CMP Media Electronics Group's Tim Avila said, "Having faith in my principles and beliefs gave me the courage to navigate difficult situations and make tough decisions."

To stand up for your beliefs, you have to know what you stand for. To walk the talk, you have to have a talk to walk. To do what you say, you have to know what you want to say. To earn and sustain personal credibility, you must first be able to clearly articulate deeply held beliefs.

Clarify Values

Clarifying values is where it all begins. To clarify values as a leader you must engage in these two essentials:

- **Find your voice.** You must know what you care about. To act with integrity, you must first know who you are. You must know what you stand for, what you believe in and what you care most about. Clarity of values will give you the confidence to make the tough decisions, to act with determination and to take charge of your life. Once you have the words you want to say, you must also give voice to those words.
- **Affirm shared values.** Shared values are the foundations for building productive and genuine working relationships. Although credible leaders honor the diversity of their many constituencies, they also stress their common values. Important as it is that leaders forthrightly articulate the principles for which they stand, what leaders say must be consistent with the aspirations of their constituents.

High-performance values stress the commitment to excellence, *caring values* communicate how others are to be treated, and *uniqueness values* tell people inside and outside how the organization is different from all the others. These three common threads seem to be critical to weaving a values tapestry that leads to greatness.

Set the Example

Leaders take every opportunity to show others, by their own examples, that they're deeply committed to the values and aspirations they espouse. No one will believe you're serious until they see you doing what you're asking of others. Leading by example is how leaders make visions and values tangible. It's how they provide the evidence that they're personally committed.

To set the example, you need to:

- **Personify the shared values.** Leaders are their organizations' ambassadors of shared values. Their mission is to represent the values and standards to the rest of the world, and it is their solemn duty to serve the values to the best of their abilities. Spend your time and attention wisely, watch your language, ask purposeful questions and seek feedback.
- **Teach others to model the values.** *Teach others* what's expected so they can hold themselves accountable for living the values of the organization, *confront critical incidents, tell stories* about what team members do to live the values and *reinforce the behavior you want repeated.*

In practicing these essentials, leaders become role models for what the whole team stands for and they also create a culture in which everyone commits to aligning themselves with shared values.

Ten Commitments of Leadership

Embedded in the Five Practices of Exemplary Leadership are behaviors that can serve as the basis for learning to lead. Here are the Ten Commitments of Leadership:

1. Clarify values by finding your voice and affirming shared ideals.
2. Set the example by aligning actions with shared values.
3. Envision the future by imagining exciting and ennobling possibilities.
4. Enlist others in a common vision by appealing to shared aspirations.
5. Search for opportunities by seizing the initiative and by looking outward for innovative ways to improve.
6. Experiment and take risks by constantly generating small wins and learning from experience.
7. Foster collaboration by building trust and facilitating relationships.
8. Strengthen others by increasing self-determination and developing competence.
9. Recognize contributions by showing appreciation for individual excellence.
10. Celebrate the values and victories by creating a spirit of community.

Inspire a Shared Vision

Organized efforts — whether those of a company, a project or a movement — begin in the mind's eye. Call it what you will — *vision, purpose, mission, legacy, dream, aspiration, calling or personal agenda* — the point is the same. If we are going to be catalytic leaders in life, we have to be able to imagine a positive future. When we envision the future we want for ourselves and others, and when we feel passionate about the legacy we want to leave, then we are much more likely to take that first step forward. If we don't have the slightest clue about our hopes, dreams and aspirations, the chance that we'll lead is nil.

Ideal and Unique Image of the Future for the Common Good

Exemplary leaders are forward-looking. They are able to *envision the future*, to gaze across the horizon of time and imagine the greater opportunities to come. They are able to develop an *ideal and unique image of the future for the common good*.

Leaders develop the capacity to envision the future for themselves and others by mastering two essentials:

- **Imagine the possibilities.** There are ways we can improve our capacity to imagine exciting possibilities and to discover the central theme for our lives. Improvement comes when you engage in conscious introspection. You need to do more to *reflect* on your past, *attend* to the present, *prospect* the future and *feel* your passion.
- **Find a common purpose.** What people really want to hear is not simply the *leader's* vision. They want to hear about *their own* aspirations. They want to hear how their dreams will come true and their hopes will be fulfilled. They want to see themselves in the picture of the future that the leader is painting.

Listen deeply to others. Determine what's meaningful to them. Make it a cause for commitment. People commit to causes, not to plans.

Enlist Others

Keith Sonberg, director of site operations for Roche in Palo Alto, Calif., said, "What really drives performance is not metrics. It's passion plus pride equals performance. I call it the three P's. The leader's job is to create an environment where people are passionate about what they're doing and take pride in what they're doing. The end result will always be performance." For Sonberg and his team, the three P's are all about sustainability, a vision of a company that delivers a triple bottom line. "We want to be environmentally sound, economically sound, economically viable and socially just," Sonberg explained.

Beyond the vision and mission statements, Sonberg and his team developed a program with categories of projects — including energy conservation, natural resources conservation, recycling, green engineering and construction, and employee and community growth and development. They wanted to become a model for what an organization could do to create sustainability.

Mobilizing a Crowd

Whether they're trying to mobilize a crowd in a grandstand or one person in the office, to enlist others, leaders must improve their capacities to act on these two essentials:

- **Appeal to common ideals.** Ideals reveal our higher-order value preferences. Connect to what's meaningful to others, take pride in being unique and align your dream with the people's dream.
- **Animate the vision.** Leaders have to arouse others to join in a cause and to want to move decisively and boldly forward. Use symbolic language, make images of the future, practice positive communication, express your emotions and speak from the heart.

Successfully engaging in these two essentials can produce very powerful results. When leaders effectively communicate a vision, constituents report significantly higher levels of job satisfaction, motivation, commitment, loyalty, team spirit, productivity and profitability. ●

Challenge the Process

When it comes to innovation, the leader's major contributions are in the creation of a climate for experimentation; the recognition of good ideas; the support of those ideas; and the willingness to challenge the system to get new products, processes, services and systems adopted.

Search for Opportunities

The work of leaders is change. All change requires that leaders actively seek ways to make things better, to grow, innovate and improve. To search for opportunities to get extraordinary things done, leaders make use of two essentials:

- **Seize the initiative.**
- **Exercise outsight.**

Sometimes leaders have to shake things up. Other times they just have to grab hold of the adversity that surrounds them. Whether change comes from outside challenges or inside challenges, leaders make things happen. And to make *new* things happen, they rely on *out-*

sight to actively seek innovative ideas from outside the boundaries of familiar experience.

Seize the Initiative

When people think about their personal bests, they automatically think about some kind of challenge. Why? The fact is that when times are stable and secure, people are not severely tested. They may perform well, get promoted, even achieve fame and fortune. But certainty and routine breed complacency. In contrast, personal and business hardships have a way of making people come face to face with who they really are and what they're capable of becoming.

Leaders must be innovators to navigate their organizations into and through the global economy.

Exercise Outsight

If leaders are going to detect demands for change, they must stay sensitive to external realities, especially in this networked, global world. They must go out and talk to their constituents, be they citizens, customers, employees, stockholders, students, suppliers, vendors, business partners, managers or just interested parties. They must listen — in person, on the phone, via e-mail, via Web sites — and stay in touch.

As CEO of Bay Area Credit Services, Michael Priest learned firsthand that leaders must look forward to fresh ideas. "Sometimes you just can't predict where the change will come from," he says, "but you have to have your eyes wide open if you have any hope of even catching a glimpse of it."

Leaders can expect demand for change to come from both inside and outside the organization. Unless external communication is actively encouraged, people interact with outsiders less and less frequently and new ideas are cut off.

Experiment and Take Risks

To create a climate in which the norm is to experiment and take risks, it's essential for leaders to:

- **Generate small wins.** Leaders should dream big but start small. Dream big about crossing that enormous cosmos to find some new world, but start small with a few short journeys to test your theories and your abilities.
- **Learn from experience.** Studies of the innovation process make the point: "Success does not breed success. It breeds failure. It is failure which breeds success."

These essentials can help leaders transform challenge into an exploration, uncertainty into a sense of adventure, fear into resolve and risk into reward. They are the keys to making progress that becomes unstoppable. ●

Three Ways to Clarify Values

Here are three actions that you can use to clarify values for yourself and others:

- **Write a tribute to yourself.** Begin the process of clarifying your values by reflecting on your ideal image of yourself — how you would most like to be seen by others.
- **Write your credo.** Get a single sheet of paper and write a "credo memo."
- **Engage in a credo dialogue.** Gather together the people you lead for a dialogue about shared values. Tell them what you've learned about personal and shared values. Tell them that you've written a credo memo that you'd like to share with them, but before doing that you'd like them to do the same thing. Ask each person to share with a few colleagues in small groups what he or she wrote. Model the process by reading your memo to them and telling them why you prize the values you chose.

Enable Others to Act

The first order of business for Jill Cleveland when she became finance manager at Apple Inc. was "to learn how to trust my employees. After being responsible only for myself for so long, it was very difficult to have to relinquish control. But I understood that in order for my employees, and thus myself, to be successful, I needed to learn to develop a cohesive and collaborative team, beginning with trust as the framework." This is a key realization for all leaders.

Foster Collaboration

World-class performance isn't possible unless there's a strong sense of shared creation and shared responsibility. To foster collaboration, leaders have to be skilled in two essentials. They must:

- **Create a climate of trust.** To build and sustain social connections, you have to be able to trust others and others have to trust you. Psychologists have found that people who are trusting are more likely to be happy and psychologically adjusted than are those who view the world with suspicion and disrespect. Be the first to trust. Be open to influence. Share information and resources.
- **Facilitate relationships.** To create conditions in which people know they can count on each other a leader needs to develop cooperative goals and roles, support norms of reciprocity, structure projects to pro-

mote joint efforts, and support face-to-face interactions.

Collaboration can be sustained only when you create a climate of trust and facilitate effective long-term relationships among your constituents. To get extraordinary things done, you have to promote a sense of mutual dependence — feeling part of a group in which everyone knows they need the others to be successful.

Here are three action steps that you can take to fulfill the leader's commitment to foster collaboration:

- **Show trust to build trust.** Building trust is a process that begins when one party is willing to risk being the first to ante up, being the first to show vulnerability and being the first to let go of control. Since you're the leader, the first to trust has to be you.
- **Say *we*, ask questions, listen and take advice.** When talking about what is planned or what has been accomplished, it's essential that you talk in terms of *our* vision, *our* values, *our* goals, *our* actions and *our* achievements.
- **Get people interacting.** Create opportunities for people to interact with one another and, in the process, form more trusting, more collaborative relationships.

People can't all be in this together unless you get them interacting on both a personal and a professional basis. People need these opportunities to socialize, exchange information and solve problems informally.

Strengthen Others

Exemplary leaders enable others to take ownership of and responsibility for their group's success by enhancing their competence and their confidence in their abilities, by listening to their ideas and acting upon them, by involving them in important decisions, and by acknowledging and giving credit for their contributions.

Creating a climate in which people are fully engaged and feel in control of their own lives is at the heart of strengthening others. People must have the latitude to make decisions based on what they believe should be done.

Here are two leadership essentials that strengthen others:

- **Enhance self-determination.** Leaders accept and act on the paradox of power: *You become more powerful when you give your own power away*. Self-determination can be enhanced in a number of ways. The most significant actions a leader can take to ensure that people can decide for themselves are to provide more choices, to design jobs that offer latitude and to foster personal accountability.
- **Develop competence and confidence.** Developing competence and building confidence are essential to delivering on the organization's promises and maintaining the credibility of leaders and team members alike. To get extraordinary things done, leaders must invest in strengthening the capacity and the resolve of everyone in the organization.

Turning Constituents Into Leaders

Strengthening others is essentially the process of turning constituents into leaders — making people capable of acting on their own initiative. A virtuous cycle is created as power and responsibility are extended to others and as people respond successfully.

Here are three action steps you can start taking to strengthen others:

- **Increase individual accountability.** Enhancing self-determination means giving people control over their own lives. Therefore you, the leader, have to give them something of substance to control and for which they are accountable.
- **Offer visible support.** Make others more visible. By fostering outside contacts, and by developing and promoting people with promise, you help build a greater sense of personal power, increase confidence and open doors for people so they can exercise more of their own influence.
- **Conduct monthly coaching conversations.** Schedule a once-a-month one-on-one dialogue with each of your direct reports. ●

Encourage the Heart

In high-performing organizations — and when people report being at their personal best — people work quite intensely and often put in very long hours, but this doesn't mean they don't or can't enjoy themselves. To persist for months at a demanding pace, people need encouragement. They need emotional fuel to replenish their spirits. They need the will to continue and the courage to do something they have never done before. One important way that leaders accomplish this is by recognizing individual contributions.

Recognize Contributions

Recognition is about acknowledging good results and reinforcing positive performance. It's about shaping an environment in which everyone's contributions are noticed and appreciated.

Exemplary leaders understand this need to recognize contributions and are constantly engaged in these essentials:

- **Expect the best.** Successful leaders have high

expectations of themselves and of their constituents.

- **Personalize recognition.** To make recognition personally meaningful, you first have to get to know your constituents.

By putting these essentials into practice to recognize constituents' contributions, leaders stimulate and motivate the internal drive within each individual — and fulfill their commitment to encouraging the heart.

Celebrate the Values and Victories

Performance improves when leaders bring people together to rejoice in their achievements and to reinforce their shared principles. If leaders are to effectively celebrate the values and victories, they must master these essentials:

- **Create a spirit of community.** Celebrations are among the most significant ways we have to proclaim our respect and gratitude, to renew our sense of community, and to remind ourselves of the values and history that bind us together. Celebrations serve as important a purpose in the long-term health of our organizations as does the daily performance of tasks.
- **Be personally involved.** One of the most significant ways in which leaders show others that they care and that they appreciate the efforts of their constituents is to be out there with them. This visibility makes them more real, more genuine, more approachable and more human.

Perpetuate the Stories

Leaders are on the lookout for "catching people doing things right," and this can't be easily done sitting behind a desk. They want to see and know firsthand what's being done right, not only so that they can let that person know to "keep up the good work" but so that they can tell others about this and other examples of what it means to put into practice and live out shared values and aspirations. ●

Leadership for Everyone

Leadership is not about position or title. Leadership is about relationships, credibility and what you do.

You Are the Most Important Leader

If you're a manager in an organization, to your direct reports you are the most important leader in your organization. You are more likely than any other to influence their desire to stay or leave, the trajectory of their careers, their ethical behavior, their ability to perform at their best, their drive to wow customers, their satisfaction with their jobs, and their motivation to share the organization's vision and values.

The leaders who have the most influence on people are those who are the closest to them. You have to challenge the myth that leadership is about position and power.

U.S. Army Maj. Gen. John H. Stanford

U.S. Army Maj. Gen. John H. Stanford grew up poor, failed sixth-grade but went on to graduate from Penn State University on an ROTC scholarship. He survived multiple military tours in both Korea and Vietnam and was highly decorated. The loyalty of his troops was extraordinary. Stanford headed up the Military Traffic Management Command for the U.S. Army during the Persian Gulf War. When he retired from the Army he became county manager of Fulton County, Ga., when Atlanta was gearing up to host the 1996 Summer Olympics, and then he became superintendent of the Seattle Public Schools, where he sparked a revolution in public education.

When asked how he'd go about developing leaders, whether in colleges and universities, in the military, in government, in the nonprofit sector or in private business, he replied:

"When anyone asks me that question, I tell them I have the secret to success in life. The secret to success is to stay in love. Staying in love gives you the fire to ignite other people, to see inside other people, to have greater desire to get things done than other people. A person who is not in love doesn't really feel the kind of excitement that helps them to get ahead and to lead others and to achieve. I don't know any other fire, any other thing in life that is more exhilarating and is more positive a feeling than love is."

Leadership is not an affair of the head. Leadership is an affair of the heart. ●

RECOMMENDED READING LIST

If you liked *The Leadership Challenge*, you'll also like:

1. ***The 8th Habit* by Stephen Covey.** Covey presents one more habit that will make you not just effective, but great. Find your voice and help others do the same.
2. ***Leadership Gold* by John Maxwell.** Maxwell shares a lifetime of leadership truths that can guide anyone who currently leads or aspires to lead.
3. ***Transparency* by Warren Bennis, Daniel Goldman and James O'Toole.** Digital technology makes transparency all but inevitable in this era. Three essays look at this urgent issue from different angles and offer leaders practical advice on how to embrace transparency.

Summary

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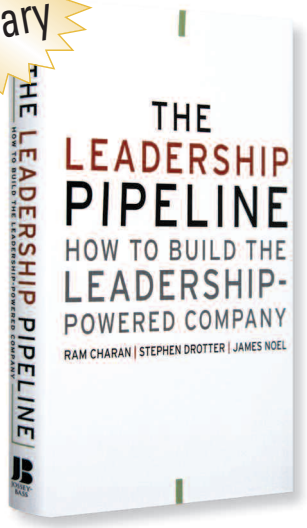
How to Build the Leadership-Powered Company



by Ram Charan, Stephen Drotter and James Noel

THE SUMMARY IN BRIEF

Today's businesses compete as much on the strength of their intellectual capital as on that of their financial capital. This intellectual capital resides in employees at all levels of the firm, but it takes strong leadership to fully develop and enable it.

In *The Leadership Pipeline*, three experts show companies how to build their own leaders by understanding the critical passages a leader must navigate, by providing the appropriate development for navigating those passages and by building the right system for ensuring a full pipeline of leaders now and in the future. They provide readers with a proven method for building a leadership pipeline by defining six critical leadership passages, assessing competence and performance at each passage, and planning leadership development in a way that addresses the unique challenges of each passage.

The authors' practical advice gives managers and human resource professionals the framework, tools and language they need to help leaders at every level reach their full potential. It also gives individuals a framework for managing their own development and planning their own careers.

IN THIS SUMMARY, YOU WILL LEARN:

- How to use a proven model for identifying future leaders, assessing their competence, planning their development and measuring the results.
- How to integrate your company's leadership development process with a succession planning process to constantly renew leaders at all levels.
- How to use diagnostics to identify problems and possibilities in your leadership pipeline.
- Ways to improve performance by clarifying roles and creating performance standards.
- How to challenge traditional notions of leadership to use the Leadership Pipeline approach effectively.

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THE COMPLETE SUMMARY: **THE LEADERSHIP PIPELINE**

by Ram Charan, Stephen Drotter and James Noel

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For additional information on the authors, go to http://www.summary.com.

Introduction

This is an era in which the demand for leadership greatly exceeds the supply. Signs of this imbalance are everywhere. Executive search firms are flourishing because of the demand for leadership talent. Just about every major organization is attempting to hire "stars," offering enormous compensation to entice the best and the brightest.

These overly aggressive, sometimes desperate attempts to recruit outsiders suggest that the leadership pipeline is inadequate. Internal training, mentoring and other developmental programs aren't keeping the pipeline full, making it necessary to look outside. Everyone is fighting over a relatively small group of stars who, even when successfully recruited, tend to willingly move from company to company.

What's needed is an approach that will allow organizations to keep their own leadership pipelines full and flowing. This is easier said than done because the requirements of leadership have changed so dramatically, and most development models are ill-suited for these changing requirements.

However, the following approach that takes into account the different requirements at distinct leadership levels is viable.

Six Leadership Passages

The six turns in the leadership pipeline discussed here are major events in the life of a leader. They represent significant passages that can't be mastered in a day or by taking a course. The goal is to help you become familiar with the skills, time applications and work values demanded by each passage. Once you grasp what these passages entail and the challenges involved in making each leadership transition, you'll be in a better position to use this information to unclog your organization's leadership pipeline and facilitate your own growth as a leader.

Passages Through the Pipeline

By establishing appropriate requirements for the six leadership levels, companies could greatly facilitate the succession planning, development and selection processes in their organizations. Individual managers could clearly see the gap between their current level of performance and the desired level; they could also see gaps in their training and experience and where they may have skipped a passage (or parts of a passage) and how that's hurting their performance.

Having a leadership pipeline in place can reduce emotional stress for individual employees. The Pipeline model makes skipping passages unlikely. This model also helps people move through leadership passages at the right speed. The Pipeline model provides a measurement system to identify when someone is ready to move to the next leadership level. In addition, the Pipeline model reduces the typical time frame needed to prepare an individual for the top leadership position in a large corporation.

From a pure talent perspective, however, the most significant benefit of the Pipeline methodology is that you don't need to bring in stars to prime the leadership pump and unclog the pipeline.

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From Managing Self to Managing Others (Passage One)

To be successful as a first-time manager requires a major transition for which many people are not adequately prepared. Perhaps the most difficult aspect of this transition is that first-time managers are responsible for getting work done through others rather than on their own. While new managers may recognize this transition intellectually, they reject it psychologically, as evidenced by their behaviors. Typically, they overpower their direct reports with their expertise. Giving up the tasks and responsibilities that earned them a manager title in the first place is a tremendously difficult aspect of this leadership passage.

First-line managers must become cognizant of the first-level leadership characteristics that will help them meet the needs and maximize the performance of their people.

Managers must cease thinking only about themselves and start thinking about others.

Pipeline-Unclogging Tactics

Measures need to be put in place so that first-time managers make a smooth transition from their individual contributor roles. These measures need to prepare people for this transition, monitor whether they're making it successfully and intervene when there are problems. Although there is some overlap between all three of these measures, let's look at them separately so you can understand how to implement them effectively:

- **Preparation.** Clearly communicate the skills, time applications and work values required at this passage and provide training that helps people make necessary changes. Individual contributors need to understand what's required of them as they move through this first leadership level, and they need to understand it in specific rather than general terms.

- **Monitoring.** Determine whether and where someone is having difficulty with this first-level transition. There are numerous ways you can keep tabs on whether a given manager is making a successful transition, including *observation, sampling* and *gap analysis.*

- **Intervention.** Provide regular feedback and coaching to help people make this transition; take action if they're experiencing significant difficulty in doing so. Intervention can take many forms: *coaching-feedback; peer learning and partnering; meetings, readings and travel;* and *a new work assignment*.

The direct responsibility for preparing first-time managers rests with managers of managers. This latter group needs to learn how to coach their direct reports to make this transition.

From Managing Others to Managing Managers (Passage Two)

Though most organizations have training programs for first-line managers, relatively few have any programs in place for managers of managers. Whereas being appointed as a first-line manager is a cause for celebration, the move to a manager of managers is usually greeted with more muted enthusiasm.

Yet this leadership level differs significantly from the previous one in terms of skills, time applications and work values. If this transition isn't addressed, many managers skip this passage, much to the detriment of their organizations.

Managers of managers are responsible for the greatest number of people in the company who do the most hands-on work; they're in charge of getting the work done that is directly related to the company's products and services. As you can imagine, quality and productivity suffer when managers of managers aren't performing their roles effectively. In fact, errors here harm the company's ability to execute and may even create a competitive disadvantage.

What Managers of Managers Should Do

The following four skills are absolutely essential at this leadership passage: selecting and training first-line managers, holding first-line managers accountable for managerial work, deploying and redeploying resources among units, and managing the boundaries that separate units which report directly and with other parts of the business.

Goals and measurements must be put in place that create accountability for new managerial behaviors. Appropriate measures include amount of improvement in efficiency; degree of improvement in quality, frequency and impact of coaching sessions; number of first-line managers promoted to bigger jobs or moved laterally for broadening experiences; success rate of new first-line managers; and teamwork within the assigned area and other areas.

Of all these measures, perhaps the most important revolves around preparing first-line managers for their roles.

It is especially important during these times of rapid change and uncertainty to involve managers of managers at a strategic level. They can play a major role in interpreting and communicating the company's evolving objectives to the work force, either directly or through first-line managers.

From Managing Managers to Functional Manager (Passage Three)

Maturity is a result of learning from success and from mistakes — in other words, learning from experience. Given that many relatively young, high-performing people are being promoted to functional manager positions, the odds are that this maturity isn't always developed. To help these managers grow, place them on task forces, teams and committees of managers from different functions or subfunctions with different backgrounds, skills and experience. Having to work effectively with people who are different is a growth experience.

Developing strategic competencies can be a more formal process. After three to six months on the job, training in these skills can be done through university classes, consultants or in-house resources. The best method of training, however, involves hands-on learning activities in which the manager uses the function's own data, challenges and resources in a strategy-related assignment. After completing the assignment, the manager should be evaluated and receive feedback.

Development Progress

Development progress can be measured with a calendar check. Functional managers have to make significant shifts in how they spend their time if they're going to transition to this new leadership level successfully. Time has to be blocked out for strategy sessions, communication meetings with a variety of sub-functional representatives and so on.

Perhaps the best way to measure development progress, however, is to watch for signs of maturity. Maturity can be measured in development of traits such as humility.

A clear sign of maturity is letting go of old silo behaviors. When silos were the rule, functions and sub-functions worked apart rather than together. Although management has attempted to tear down these silos, the old attitudes persist. Mature leaders will turn away from a narrow dedication to their function and embrace a more integrated, total business philosophy.

From Functional Manager to Business Manager (Passage Four)

Helping business managers learn to value all functions and assemble and rely on strong teams of direct reports requires a number of actions. Ideally, all the functional heads will have the experience and expertise necessary to facilitate appropriate treatment and total trust on the part of the business manager. In reality, this isn't often the case. Therefore, the business manager's boss should consider doing the following:

• Encourage the business manager to spend time with each of the functional heads and to ask questions, listen to answers and reflect on what he or she has heard.

• Set specific goals for the business manager for each of the functions, linking these goals to the support functions so they serve as an early warning system for problems.

• Suggest that the business manager make it a habit to take an appropriate functional head along on trips; this will help the manager become more attuned to the value of each function in "real-life" situations.

Though changing the way a business manager thinks isn't easy for any boss, it can be made easier if this issue is addressed on the first day of the job.

Five Signs of a Misplaced Manager of Managers

People who are struggling with this leadership passage usually are having problems with core leadership skills, as the following signs suggest:

• **Difficulty Delegating.** Some managers delegate improperly; they lack a control system that ensures accountability for what is delegated.

• **Poor Performance Management.** Look for someone who provides poor or little feedback to his managers, isn't a good coach, doesn't offer clear direction and whose people are unsure about their goals.

• **Failure to Build a Strong Team.** This is someone who works with her direct reports as individuals but doesn't organize them into a productive team.

• **A Single-Minded Focus on Getting the Work Done.** This individual frequently doesn't exhibit any interest in strategic or cultural issues.

• **Choosing Clones Over Contributors.** This not only causes diversity problems, but also pollutes the leadership pipeline with people who lack necessary leadership qualifications.

From Business Manager to Group Manager (Passage Five)

At this level, the best companies consider development a corporate responsibility and take this task seriously. At General Electric Co. and Citibank, succession planning focused on group executive candidates and provided them with a series of assignments designed to develop their ability to run multiple businesses.

Perhaps the most important developmental experience for group managers, therefore, is managing more than one business. Ideally, they will have the opportunity to manage very diverse businesses. This will help them make the shift from knowing one business model to experiencing different business models and will enable them to move beyond the belief that the known model is the only model.

Experience and Coaching

Through experience and coaching, group executives can also learn the art of critiquing strategy. Essentially, the skill they really need to master is helping their business managers produce a better strategy by asking the right questions and by examining the underlying data. This means knowing what questions to ask these managers, evaluating the strategic options they have presented, assessing the risks and telling these managers to go forward or go back to the drawing board.

Selecting functional managers for business manager positions is another group executive skill that can be developed.

From Group Manager to Enterprise Manager (Passage Six)

Enterprise leadership demands a system of beliefs substantially different from what is required at other leadership levels.

For managers who have built their careers achieving results faster and more effectively than their peers, valuing slow, evolutionary results can be a struggle. Giving up on long-cycle programs (such as quality-based ones) before they're fully implemented and able to produce measurable results is a common CEO failing.

Similarly, many CEOs experience difficulty valuing only three or four key objectives. Business managers and even group executives frequently have long lists of goals. They derive satisfaction by checking off one item after the next. The enterprise manager, however, should derive satisfaction from a short list of long-cycle initiatives.

CEO Development: No Skipping Levels Allowed

Though there are many paths to the chief executive spot, all of them should allow managers to make leadership transitions at each level. People who become enterprise managers and have skipped levels are burdened by a gap in their leadership experience.

To help develop group managers into enterprise managers, one of the keys is to have them run a group that is different in market position, product or customers from what they're used to. They need to learn how to deal with a new business model. This is good preparation for a CEO position, where running the company is much more challenging than grasping a new business model.

Another development step is to have them take on a staff position with companywide responsibilities. Research, deep analysis, long-term planning and measurement are necessary for CEO success, and staff positions can provide opportunities to develop these skills. It will also give them an appreciation of staff work and help them value and use staff more effectively when they're managing the enterprise.

Perhaps the best development method for CEOs is having a coach or some other "peer" who can give them feedback. In an ideal situation, boards will fulfill this role.

Dealing With the Spotlight

Dealing with the high visibility that this leadership level necessitates is an ongoing process. In some cases, managers will have developed a degree of maturity at the previous level that will help them handle the spotlight. Some managers' natural reaction to being closely and widely scrutinized is defensiveness and rigidity. To encourage openness and flexibility instead, business managers should try the following tactics:

- Pretest ideas, decisions and proposals with a trusted associate.
- Resolve to say "I don't know" when uncertain about answers or decisions, and then make a commitment to find the answers by a certain date.
- Collect many opinions — both for and against — before making decisions; look for external inputs as well.
- Use *The Wall Street Journal* test: Ask how you would feel about an idea or transaction if it were on the front page of the paper tomorrow.

Diagnostics: Identifying Pipeline Problems and Possibilities

Just about every organization has people working at the wrong leadership levels. The problem can occur at any of the six levels, but it's most common among first-line managers who are spending most of their time doing individual contributor work, business managers who are doing functional work and group executives who are focusing on business manager work.

Diagnostic Steps

The following steps will help you assess an individual quickly and accurately:

1. Identify the individual's behaviors and work production through observing and talking to him. Look at his calendar to determine how he's spending his time. Find out what work he's producing and the major focus of his efforts.

2. Discover his impact on others — direct reports, both past and present, as well as people in other units. Has he developed direct reports effectively for their current leadership levels?

3. Overlay this information on the Pipeline model. Analyze how an individual's actions and attitudes align or misalign with a given level's skills, time applications and values.

4. Determine the level at which someone is actually working versus the level at which he should be working. When you do so, be specific in identifying the gaps between his operating level and his assigned level.

5. Create a development plan that is value-focused. Keep in mind that if people learn the right values, the right time applications and skills usually follow.

Group Perspective

Many times, the Pipeline diagnostic is used for different groups within an organization. Business teams can use it to figure out whether they're working at the proper level, given their assignment and goals. The following steps will help groups use the Pipeline diagnostic effectively:

1. Conduct individual assessments of leaders who are part of the group being assessed.

2. Look at the individual assessments cumulatively and determine whether the skills, time applications and work values match what is appropriate for the level across the group.

3. If they're not appropriate, what are the specific gaps? Spell out what the misalignment consists of.

4. If you're looking at the entire pipeline, analyze each level's strengths and weaknesses. Where is the pipeline clogged? Can you pinpoint a particular level or levels where appropriate leadership is lacking? ●

Performance Improvement: Clarifying Roles and Creating Performance Standards

The Leadership Pipeline provides a fast and effective way to establish role clarity. By comparing what a leader *does* versus what is *required* at a given leadership level, as well as what his boss and subordinates do versus the model, you can sharpen role clarity. Because most development occurs on the job, it's important to establish the right role requirements so a leader understands them and develops in the right direction.

Role clarity can be achieved by using the Pipeline model to identify the leadership level at which a given job is located; communicating to managers what this level is and the skills, time applications and work values demanded by this level; and making everyone up and down the pipeline aware of the potential gaps and overlaps between "adjacent" levels and taking action to correct the gaps and overlaps.

Strategies for Getting to Full Performance

Certain leadership development strategies have proven to be very effective for companies attempting to improve the flow in their leadership pipeline. Here are four:

Strategy 1: Start with the boss and not the subordinate. Bosses must ask themselves what they're doing (or not doing) that's impeding leadership development and performance of their subordinates.

Strategy 2. Search for evidence of an appropriate values shift. The evidence of a values shift includes people willing to see their roles differently. They must be willing to reallocate their time, change the way they attack problems or change which aspect of the problem they tackle personally, and accept new skill-building requirements.

Strategy 3. Use Action Learning as a primary vehicle for development. Action Learning involves setting up teams of leaders who are all on the same leadership level and assigning them a highly challenging task related to a significant business objective. These are stretch assignments that demand that participants develop new skills, time applications and values in order to complete the assignments successfully.

Strategy 4. Address inappropriate performance immediately. Leadership pipelines clog when performance gaps are allowed to exist for lengthy periods. ●

Succession Planning

The following five-step plan will greatly facilitate your succession planning with Leadership Pipeline goals in mind:

1. Tailor the Leadership Pipeline model to fit your organization's succession needs. Add leadership levels if that better reflects how your company is set up.

2. Translate standards for performance and potential into your own language. Clear, detailed, unambiguous standards will greatly enhance both your succession and development planning.

3. Document and communicate these standards throughout the organization. When everyone is aware of the standards for judging potential and performance, they know what they have to do to move up a level and be qualified for a given leadership position.

4. Evaluate succession candidates through a combined potential-performance matrix. This is a useful tool for gaining snapshots of a leadership layer.

5. Review the plans and progress of the entire pipeline frequently and seriously. Ideally, your organization will have at least one annual succession meeting that will focus on this performance-potential evaluation, and you'll also schedule quarterly reviews and monthly action reporting. In addition, the CEO and his or her direct reports should be privy to the performance ratings for the entire leadership pipeline. Each leadership level should be looking at the ratings for at least two levels beneath them.

Creating this two-level-down accountability and using the definitions and standards will greatly increase the odds of selecting the right people for key leadership positions and developing them properly. What is more important, it will help organizations achieve their ultimate goal of getting the right people in the right jobs with the right preparation while producing targeted results now and in the future.

Identifying Potential Pipeline Failures

In company after company, people who were counted on to assume key leadership positions don't live up to expectations. Some fail in first-time manager positions and some as CEOs.

Although there are many reasons for failure and some can't be completely avoided (such as abrupt changes in consumer preference), a significant percentage of them can be prevented or dealt with effectively.

Failure is something that needs to be addressed as part of this process. Here are the four most common causes of individual failure: selecting the wrong person, leaving poor performers in the job too long, not listening to or seeking feedback and defining jobs poorly.

How to Prevent Institutional Failure

Three key ingredients can prevent institutional failure:

- **A framework for leadership.** The Leadership Pipeline model provides companies with a leadership framework. At the very least, it defines requirements by levels and makes clear distinctions between what is required from one level to the next.
- **Language for discussing problems.** Without appropriate language, organizations lack precision for diagnostics and solutions. With the language of the Pipeline, people can talk about their leadership requirements by using the same categories (skills, time applications and work values) but define them according to their particular leadership positions.
- **Standards for judging performance.** Performance standards help leaders set goals and create true measures on which their performance is judged.

The Functional Career Passage

The Leadership Pipeline branches out in a second direction at the passage from functional manager to business manager. Instead of moving from functional manager to business manager to group manager to enterprise manager, some managers move upward on a functional path. For the majority of people who work in large companies, this is the relevant upward path since very few are selected to be business managers. This functional offshoot is the one most people will follow.

This functional branch of the Pipeline becomes clogged as easily as the business leadership portion, and it's important to use this model to understand requirements and prevent the clogs. In fact, most organizations have a significant number of critical functional positions above Passage 4, and it's crucial that a process be in place to help them go through their leadership passages successfully.

Developing Enterprise Functional Managers

At this level, self-help is the norm. The CEO usually provides direction but it rarely suffices. The following suggestions are geared toward self-help because it's the most realistic course of development action:

- **Obtain an early, expert assessment of the function.** Valuing expert opinion other than your own is a basic requirement.
- **Validate your game plan and goals with the CEO and with a cross-section of key leaders at every level.** Since everyone in the company relies on the services your function provides, obtain input and confirmation from all levels. Being aware of perceived versus actual value of your function is crucial.
- **Make time on your calendar for touching the enterprise at every level personally.** You require firsthand information from your internal customers and they need to hear your message directly. Schedule visits at least once per month on an ongoing basis.
- **Separate the important from the urgent.** Quick response to urgent problems is mandatory for functional

leaders. Successful managers at this high functional level aren't seduced by short-term, highly satisfying victories. They learn to value real progress toward sustainable long-term goals.

Coaching

The Pipeline is motivational from both a carrot and a stick perspective. In terms of the latter, it shocks managers into realizing they're not operating at the right leadership level (given their position). In terms of the former, it's very specific in delineating the behaviors and attitudes they need to demonstrate to achieve specific career goals.

The Leadership Continuum

The Pipeline also helps managers locate themselves on the leadership continuum.

In many ways, these leadership passages correspond to psychological developmental stages — the developmental stages of children, for instance. They represent the progressive growth stages of a leader, and when they're presented in that manner, people become much more coachable.

Finally, the Pipeline is a great coaching tool because of its clarity and simplicity. People "get it" right away. They realize that if they want to be successful at the manager of managers level, they need to let go of certain values and skills that made them successful at the first-time manager level.

Benefits Up and Down the Line

There's a war for talent going on now, and it's only going to become more intense in the future. The Leadership Pipeline model provides a way to win that war.

No matter what your position within an organization might be, you can use it to think, talk about and decide on actions to build your group's talent. In doing so, you may need to convince yourself and others that it's worth adopting this Pipeline model. Some people will prefer buying stars; others will be reluctant to move from a traditional leadership development model.

A Flexible Pipeline for Changing Organizations

The six leadership passages and the attendant skills, time applications and values aren't set in stone. Some requirements might need to be tweaked to conform to specific environmental realities.

How Coaches Avoid a 'Fix-It' Mentality

Coaching with the Pipeline model rather than the problem in the spotlight is not always an easy task. Managers often are tempted to "fix it" and deal with the problem rather than with the individual's leadership capability.

To avoid a pure fix-it mentality, concentrate on attempting to achieve the following through coaching:

- Help people achieve their full potential. Discuss what managers need to do in order to fulfill that potential on their current leadership level.
- Provide an honest assessment. This means communicating to managers where they are on the Pipeline in terms of their skills, time applications and values, even if where they are personally is nowhere near where they are assigned.
- Communicate the benefit for both the individual and the organization.

Ultimately, the Leadership Pipeline's greatest value may be that it provides a framework upon which new organizations can be built and old ones can reconfigure themselves.

In the future, the six passages may change. As e-commerce affects almost every company and as other major trends force companies to rethink what they are and what they must do, leadership passages will evolve. Nonetheless, the Pipeline model will remain viable because its essential message is timeless: Leadership entails a series of passages that come with very specific values, skills and time requirements; leaders must not skip passages as they take on more responsibility and influence in an organization or they will end up working at the wrong level and will clog the pipeline.

With these principles in mind, any organization can develop its own talent to maximum leadership capacity now and in the future.

RECOMMENDED READING LIST

If you liked *The Leadership Pipeline* you'll also like:

1. ***Leading at a Higher Level* by Ken Blanchard.** Ken Blanchard has spent more than 25 years helping leaders and organizations become great and remain great. This is a distillation of all that knowledge.
2. ***The Leader of the Future 2* by Marshall Goldsmith and Frances Hesselbein, editors.** 27 practical essays from some of the world's most recognized leaders. Leaders must adapt to the latest trends and marketplace opportunities.
3. ***Judgment* by Noel M. Tichy and Warren G. Bennis.** Leaders are remembered for their best and worst judgment calls. It's a leader's judgment that can determine the fate of the entire organization.

Summary

September 2008

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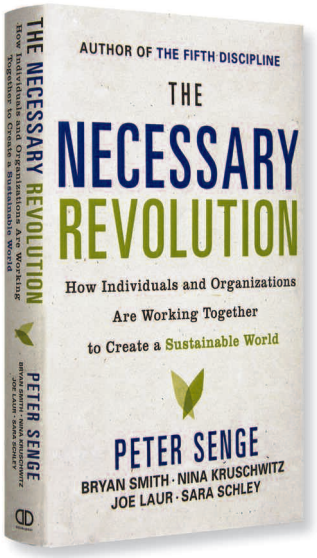
Leadership: Strategies

The Necessary Revolution

How Individuals and Organizations Are Working Together to Create a Sustainable World



by Peter Senge, Bryan Smith, Nina Kruschwitz, Joe Laur and Sara Schley

THE SUMMARY IN BRIEF

A revolution is under way in today's organizations. Companies around the world are boldly leading the change from dead-end "business as usual" tactics to transformative strategies that are essential for creating a flourishing, sustainable world.

There is a long way to go, but the era of denial has ended. Today's most innovative leaders are recognizing that for the sake of our companies and our world, we must implement revolutionary — not just incremental — changes in the way we live and work.

In this summary, the authors of *The Necessary Revolution* reveal how ordinary people at every level are transforming their businesses and communities. By working collaboratively across boundaries, they are exploring and putting into place unprecedented solutions that move beyond just being "less bad" to creating pathways that will enable us to succeed in an increasingly interdependent world.

This summary contains a wealth of strategies that individuals and organizations can use to build the confidence and competence to respond effectively to the greatest challenge of our time — creating a sustainable world, both for ourselves and for the generations to follow.

IN THIS SUMMARY, YOU WILL LEARN:

- Why life beyond the Industrial Age Bubble will be based on very different beliefs, assumptions and guiding principles from today.
- How Sweden became the world's model for reduced dependence on fossil fuel.
- The many benefits for individuals and organizations of embracing collaborative leadership in the regenerative economy.
- Why rethinking our actions and expanding our boundaries help us to see underlying limits and new forces at play.

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THE COMPLETE SUMMARY: **THE NECESSARY REVOLUTION**

by Peter Senge, Bryan Smith, Nina Kruschwitz, Joe Laur and Sara Schley

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Endings, New Beginnings

Something important has happened in the last stage of the industrial era that sets it apart from the past: Globalization has brought a level of interdependence between nations and regions that has never existed before, along with truly global problems that also have no precedent. The Industrial Age isn't ending because of the decline in opportunities for further industrial expansion. It is ending because individuals, companies and governments are coming to the realization that its side effects are unsustainable.

Endings are also beginnings. The Industrial Age has brought extraordinary improvements in public education, human rights and material well-being, but it has also destroyed ecosystems, swallowed up traditional cultures that had thrived for centuries and created a way of life that cannot continue for much longer.

A Future Awaiting Our Choices

Amid all the uncertainties, three guiding ideas stand out as essential for creating a more sustainable future:

1. **There is no viable path forward that does not take into account the need of future generations.**
2. **Institutions matter.**
3. **All real change is grounded in new ways of thinking and perceiving.**

The challenges we face appear in three interconnected areas — energy and transportation, food and water, materials waste and toxicity (what we make and discard) — and the consequent imbalances that result when too many resources are concentrated in too few hands.

A sustainable world will only be possible by thinking differently. With nature and not machines as their inspiration, today's innovators are showing how to create a different future by learning how to see the larger systems of which they are a part and to foster collaboration across every imaginable boundary. Three core capabilities — seeing systems, collaborating across boundaries and creating versus problem solving — form the underpinnings, and ultimately the tools and methods, for this shift in thinking.

How We Got Into This Predicament

If you had to explain our predicament to a 10-year-old, this would be a good way to start:

1. The industrial system — what we make, buy and use — sits within the larger systems of nature.
2. This larger natural world includes living, regenerative resources, such as forests, and other resources that, from a human time perspective, do not regenerate, such as oil.
3. The regenerative resources can sustain human activities indefinitely, so long as we do not "harvest" them more rapidly than they replenish themselves.
4. The nonregenerative resources can only be depleted or "extracted." Since they cannot be replenished, sooner or later — as is happening right now — many start to run out.
5. In the process of extracting and harvesting resources in order to produce and use goods, the industrial systems also generate waste — waste from extracting and harvesting resources and from how we produce, use and eventually discard goods. This waste damages the ability of nature to replenish resources.
6. The industrial system also sits within a larger social

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Chris Lauer**, Senior Editor; **Christine Wright**, Senior Graphic Designer; **Barry Silverstein**, Contributing Editor

system of communities, families, schools and culture. Just as overproduction and waste damage natural systems, they also cause anxiety, inequity and stresses in our societies.

We have gotten into our predicament today because of a way of thinking that focuses on parts and neglects the whole.

The Case for Urgency: The 80-20 Challenge

Although the problems of the Industrial Age have been evident for decades, there is now one important difference: global climate change. Greenhouse gasses accumulating in the atmosphere are like a bathtub that is filling rapidly; it is not enough to stop the inflow (of emissions) from growing: If the inflow exceeds the outflow, the tub level will continue to rise forever. Given how much CO_2 is removed from the atmosphere by natural sequestration (which is being *reduced* by global deforestration), CO_2 emission worldwide must fall 60 to 80 percent in the next one to two decades! Today, emissions are still *rising* around the world. Accomplishing this will require a sea change in the kinds of energy we use, cars we drive, buildings we live and work in, cities we design, and ways both people and goods move around the world, as well as other changes no one can even imagine.

While focusing on CO_2 levels helps us to understand the urgency we face, it is equally important to remind ourselves that climate change is not an isolated problem. Climate change is but one thread in a larger cloth; we cannot simply remove the thread, but must reweave the cloth.

The change will not happen without a radical shift in the thinking that has made the industrial era so successful — and so disastrous.

Life Beyond the Bubble

The Industrial Age constitutes an extended bubble. The question is not if the Industrial Age Bubble will end. The question is when and how.

Life beyond the Bubble will be based on choices such as:

- **Surf the flux.** Live within our energy income, not by burning our energy capital (fossil fuels).
- **Zero to landfill.** Everything is 100 percent recyclable, remanufacturable or compostable.
- **We are borrowing the future from our children; we have to pay it back.**
- **We are only one of nature's wonders.**
- **Value the earth's services; they come free of charge to those who treasure them.**
- **Embrace variety; build community.**
- **In the global village, there is only one boat, and a hole sinks us all.** ●

The Future Is Now

Of all modern industrial countries, Sweden is probably the furthest along in weaning itself from fossil fuels. Today, the country depends on oil for only 30 percent of its energy, down from 77 percent in 1970, and the whole of northern Sweden is working together to be the world's first "bioregion," an advanced economy operating entirely on sustainably produced biofuels with zero fossil fuels. (The United States, by contrast, depends on fossil fuels for 85 percent of its energy.)

You might have assumed that changes of this magnitude required a massive government effort involving tens of thousands of people, enormous financial subsidies and years of extensively funded research. But, in fact, for many years, there was none of this kind of support, government sponsored or otherwise. Instead, countless local networks developed quietly, thanks to the efforts of small groups of committed and courageous individuals who set out to find others with similar aspirations.

Sweden's Per Carstedt

In Sweden in the early 1990s, Per Carstedt was one such person. He is the owner of a large Ford dealership in northern Sweden. Carstedt kept asking himself big questions, but he also asked himself, "What can one person do?"

An answer came when Carstedt was contacted by a foundation that wanted help in getting ethanol cars into the Swedish market. Carstedt eventually managed to find a person at Ford in Detroit who was in charge of producing "flexi-fuel" vehicles, cars that could run on ethanol, gasoline or any blend of the two. "He saw me as a potential ally," says Carstedt, "and helped us buy three cars in 1995." When it became clear that three cars were not enough to wake up the market, Carstedt negotiated with Ford to buy another 300 flexi-fuel vehicles.

He and a colleague from the BioAlcohol Fuel Foundation spent the next four years traveling from city to city until they formed a buyer's consortium of 50 municipalities, companies and individuals committed to buying 3,000 cars. In essence, Carstedt arranged a field test. Along the way he was also getting others engaged — primarily local government officials — to help build momentum for his idea.

Campaign of Persuasion

By the time Carstedt and his colleagues imported the first 50 Fords, he had managed to persuade two filling stations to install pumps with ethanol. To expand to the number of stations needed to serve the hundreds and soon thousands of cars they were planning on importing, he and his colleagues from the BioAlcohol Fuel

Foundation began a campaign of persuasion, approaching one retailer at a time, often coming up with the financing to install pumps themselves. "The first 100 stations took 10 years to develop," Carstedt says. "Nowadays we add 100 stations every three months!"

The foundation set a course by 2000 to move beyond the "low-hanging fruit" of grain-based ethanol toward alternative sources — such as cellulosic ethanol made from forestry industry waste — that would not compete with food crops and would have significantly lower greenhouse gas emissions.

The Green Zone

In 1997, Carstedt met an architect named Anders Nyquist; the two soon decided to work together to "build the most environmentally friendly car dealership in the world," says Carstedt. This evolved into what he and Nyquist dubbed the Green Zone: a block of businesses, incorporating Carstedt's car dealership, a McDonald's restaurant and a gas station (gasoline and biofuel, naturally), that would be as energy-efficient as possible. They designed systems interconnecting the businesses. Overall energy use was cut more than 80 percent from comparable developments.

There were several showplaces of integrated complexes in Europe, but these were large manufacturing complexes. Carstedt and Nyquist's Green Zone was a cross section of smaller "everyday" businesses that could serve as a model to inspire others.

To Carstedt's surprise, his small pilot project inspired many more than he had imagined. Soon it started to draw media attention from around the world.

The Green Zone sparked people's imaginations because it was small and relatively simple, and involved businesses that people could understand and relate to. After seeing how the Green Zone worked, others "could start to take the next steps by themselves," explains Carstedt.

BioFuel Region

Eventually, many did just that and began imagining an entire region that worked much like the demonstration site, scaling up the Green Zone into a BioFuel Region. Gradually the vision of an entire industrial region free of fossil fuels started to take shape.

Today, the BioFuel Region vision in northern Sweden includes more than 200 people working actively in student projects, local businesses, building and urban design, feedstock development and the continual advancement of ethanol production.

Not surprisingly, the BioFuel Region has captivated people not only in Sweden but around the world. Carstedt now helps coordinate a global project sponsored by the EU, involving 10 regions seeking to follow in northern Sweden's footsteps. ●

Getting Started

Sustainability, like shareholder value creation, is a multidimensional challenge. The Sustainable Value Framework originated by Stuart Hart and Mark Milstein addresses this in a simple and elegant way.

It is built around two dimensions — time and space — but it includes the social and environmental challenges businesses now face. It's been used by companies of all sizes in many industries and by broader coalitions of business and nonbusiness leaders.

The framework demonstrates the connection between sustainability and the core functions of any business. As Hart and Milstein point out, many executives look at this model and realize that *this connection simply has not been made before.*

The framework helps people place their organizations' activities in perspective, and shows how they can work together to create and maintain value and simplify strategic decision making.

Sustainable Value Creation

There are many distinct forces compelling businesses toward the regenerative economy, but the Sustainable Value Framework helps us categorize them into four broad groupings — and allows us to better understand how sustainable practices are directly related to a company's core strategies.

The first, and perhaps most obvious, relates to the increasing industrialization of the last two centuries and its side effects, material consumption, pollution and waste generation among them. Firms can create immediate value by reducing the level of material consumption and pollution associated with their activities.

A second set of forces concerns the proliferation of "civil society stakeholders." As the power of national governments has eroded in the wake of global trade regimes, nongovernmental organizations (NGOs) and other civil society groups have stepped into the breach, assuming the role of monitor (and, in some cases, enforcer) of social and environmental standards. Internet-connected coalitions of NGOs are making it increasingly difficult for governments, corporations or any other large institutions to operate in secrecy. Moreover, companies that operate at greater levels of transparency and responsiveness to the public's desire for sustainable practices will see the direct impact of improved brand image on the bottom line.

Emerging 'Disruptive' Technologies

A third set of trends includes emerging "disruptive"

technologies that challenge the status quo and could render many of today's energy- and material-intensive industries obsolete. Genomics, biomimicry, nanotechnology, information technology and renewable energy all hold the potential to drastically change both the way we do business and our effect on the planet. There are few more effective ways for companies to invest in the future than by developing new, game-changing technologies.

Finally, a fourth set of drivers relates to global problems like resource depletion, deteriorating ecosystems and climate change; poverty and inequity in the developing world; and an equally broad set of sustainability drivers in the developed world, including global security issues and their close links to climate, resource consumption and energy supply and security. Social development and wealth creation on a massive scale, especially among the world's poorest 4 billion, are essential to sustainable development.

Companies that hope to thrive in the years to come must address each of the four broad sets of drivers.

Seeing Systems

The innovators creating tomorrow's regenerative economy have all, in their own ways, learned how to *see the larger systems* in which they live and work. They have learned to see systems by cultivating an intelligence that we all possess. Organizations committed to building the capacity to see the larger systems in which they operate not only create powerful learning environments within but begin to be a positive force for systems intelligence to flourish on a larger scale.

Once people start to practice seeing systems, they begin to understand the basic flaws in prevailing mental models and alternative futures that are possible.

Businesspeople with traditional competitive win-lose mind-sets are closing their eyes to the fact that there are really only two long-term options when it comes to dealing with sustainability issues: win-win or lose-lose. To avoid the lose-lose path, we all must be able to (1) break free of established mental models and the arbitrary boundaries on thinking such assumptions impose; (2) step back, expand our boundaries and see the larger limits on natural resources and what they mean for our businesses; and (3) when needed, work to build a stewardship ethic in our industries, helping other key players realize that we all share a "commons" that will support us only so long as we learn what it takes to support it.

Rethink Boundaries

Attempts to convince people that they are wrong and that they need to rethink boundaries will almost always be met with resistance; few people appreciate being told that their thinking is too limited. Instead, a more effective approach is simply to help people reflect on the assumptions that they are making.

When you begin to expand boundaries, you will start to see underlying limits and new forces at play. Many of the limits were there all along but have been obscured by previously assumed mental models. Seeing the forces that arise from underlying limits also enables seeing into the future.

The discipline of seeing systems is an ongoing process of stepping back to see a bigger picture, appreciating the deeper forces underlying a problem or situation, seeing new opportunities these forces might also create, and then focusing on these opportunities. But the intellectual insight this generates will only take you so far. Ultimately, we need to reflect on the mental models or assumptions driving the systems we belong to and make the choice to move in new directions.

Seeing Our Choices

Once companies see clearly that they have a simple choice to make — either take the lead on sustainability issues or shift the burden to someone else — they can start to make serious investments.

The shifting-the-burden dynamic can help companies see the very different outcomes of these two choices. One set of choices involves addressing a problem with short-term, symptomatic solutions. The other looks at fundamental, long-term solutions. The key insight here is that opting for quick fixes and avoiding fundamental solutions tends to set up a reinforcing set of pressures for more quick fixes over time.

Seven Benefits of Leading in a Regenerative Economy

Here are seven concrete benefits of embracing leadership in the regenerative economy:

1. **There is significant money to be saved.**
2. **There is significant money to be made.**
3. **You can provide your customers with a competitive edge.**
4. **Sustainability is a point of differentiation.**
5. **You can shape the future of your industry.**
6. **You can become a preferred supplier.**
7. **You can change your image and brand.** Companies in every industry can successfully remake their reputations and brands through serious investments in environmental initiatives.

When we interrupt the shifting-the-burden pattern, we begin stewarding the restoration of shared commons. Organizations will inevitably discover that many of the limits they face are in fact "commons," shared by others in their industry or by society itself. Building on their own efforts, they can then reach out with credibility to collaborate with others.

Virtuous Cycle of Improvement

By reinvesting the benefits from successful initiatives to better manage commons, a virtuous cycle of improvement can ensue: Cost savings become investment capital for further building the commons, reducing system costs still further.

We must find ways to manage essential commons such as water and topsoil, healthy ecosystems, rain forests and stable climate. But we still have a long way to go until we find a number of ways to do this practically. Managing or stewarding these commons starts with a critical mass of stewards — individuals, teams and organizations that see the risks and are willing to act. They then must create new systems — formal and informal rules and management practices based on new mental models — that are adequate to the task.

Work in Concert With Others

The leverage and opportunity, and the real excitement, come when individual interests work in concert with others. As more people realize that the core challenges of the Big Three global systems — energy and transportation, food and water, and material waste and toxicity — cannot be solved in isolation, collaborations will spread and become more sophisticated as people and groups combine systems thinking and skills in collaborating across boundaries. We are just starting to appreciate the level of collaborative systems-thinking skills that will be needed, but there is no doubt this is where real leverage for the future lies. ●

Collaborating Across Boundaries

Collaborating successfully requires more than good intentions. It also requires improving your "convening" skills so that you can get the right people together and have more open and productive meetings. It requires seeing reality through others' eyes so that you can better understand what might be holding them and you back from building more open and truly productive partnerships. And it requires forging genuinely shared aspirations to which everyone is committed.

More organizations are collaborating across boundaries because as the complexity of issues grows, people are beginning to understand that any one organization can only do so much.

Collaborating is ultimately about relationships, and relationships do not thrive based on a rational calculus of costs and benefits but rather because of genuine caring and mutual vulnerability. Building the capacity to collaborate is hard work and demands the best of people, particularly when it involves people from different organizations with different goals and with little history of working together — maybe even with histories of distrust and antagonism. In particular, building this capacity rests on three capabilities: convening, listening and nurturing shared commitment.

Convening: 'Get the System in the Room'

Like all journeys, "getting the system in the room" is a step-by-step process. In addition to requiring great patience and perseverance, it takes insight into who needs to be engaged and when. In practice, convening usually becomes a step-by-step iterative process — considering the system you seek to influence, thinking about the variety of key actors in that system, and remembering to include those who traditionally lack a voice in formal decisions or official policies but who possess important circles of influence nonetheless.

Seeing Reality Through Others' Eyes

The five elements of all learning journeys can help open your eyes to a larger reality beyond the one you usually see:

1. Bring together a diverse group of people who, to the highest degree possible, represents the larger system you belong to.
2. Identify the different facets of the system that you will explore.
3. "Go there together"; travel with the entire team.
4. Set aside ample time to reflect and talk together about what you experience.
5. Pay careful attention to the intentions and commitments that arise from your reflection, and take time for these as well.

The last element is an essential aspect of all learning journeys. Learning journeys, at their essence, are about "sensing" (or opening awareness to the present moment), but the goal is not simply awareness for its own sake, or to only deepen relationships between key players, but doing this in the context of compelling issues about which people care deeply. The team members must ultimately be prepared to re-examine their own beliefs and tried-and-true approaches in the service of genuine change.

Building Shared Commitment

Shared commitment arises through focusing first on

engagement — connecting to what matters to you and the larger organizations involved — and then on creating the opportunity for both focus and commitment to deepen naturally over time.

Your ability to foster commitment will never be greater than your own commitment. The key in fostering shared commitment lies in connecting to what you care about and what the organization cares about and gradually knitting the two together.

Move Beyond Views and Agendas

Opening minds and hearts starts with the process of moving beyond our own views and agendas so that we can start to connect with one another and truly work together to create new systems. But there is a third opening seen time and again among people who have embraced systems thinking and collaborating across boundaries — an opening of the will. This is what happens when people, individually and collectively, truly become open to their sense of purpose or destiny. These are unusual words to use in conjunction with developing practical approaches to very real problems. Yet they are often exactly what is missing. ●

From Problem Solving to Creating

Problem solving differs from creating, and though both matter, the vast changes required for creating a regenerative society will not be achieved just by reacting to crises after they arise. They will require inspiration, aspiration, imagination, patience, perseverance and no small amount of humility. They will require networks of committed people and organizations that not only learn how to see the systems shaping how things work now, but also create alternatives.

Look to Nature for Inspiration

Businesses innovate or they fail to survive. What will differ for life beyond the Industrial Age Bubble will be what *inspires* that innovation. Ultimately, the shift from a reactive problem-solving mind-set to a creative one is all about inspiration. More specifically, it's about taking nature as our primary source of inspiration.

The business model that drives virtually all Industrial Age companies can basically be reduced to "selling stuff." After customers have gotten the value they seek, they discard a product at the end of its service lifetime and replace it with more stuff. In effect, people buy a thing for its temporary value; when there is no more value, no one wants it any longer. Disposal falls on the shoulders of the customer — and ultimately upon society as a whole. But in a circular economy, designing products for "life after life" means also designing business models with the same aim. This can be accomplished through innovative business models inspired by nature.

You Don't Have to Have All the Answers

Prototypes such as Per Carstedt's Green Zone allow people to learn through doing, as happened when Carstedt discovered how "industrial ecology" concepts, developed for large industrial complexes, had to be adjusted to a cluster of small businesses.

Practical know-how, in turn, fosters a sense of possibility about "what we can *do*." Tangible prototypes also can bring together diverse interests and areas of expertise to form a community of learners.

Concrete embodiments of big ideas spark imagination in ways that abstract arguments cannot. This was Carstedt's biggest lesson from his work on the Green Zone. Initially he didn't really think the project was that exciting. But people started to come from all around the world to see it. All of a sudden, people could imagine what a "circular economy" would really look like.

Tangible Prototypes

In many ways, sustainability will be as much about seeing latent needs in the market as it is about implementing new technologies, and for this tangible prototypes are crucial.

Often people in important leadership positions think they have to have all the answers, and those "below" them hold the same view. Ironically, this fails to tap the collective intelligence that can arise when those in visible positions openly ask for help. Asking for help has two benefits, one obvious and one more subtle. First, it generates a remarkable diversity and depth of ideas and energy for change. Second, it engages people in changes that really matter to them.

From Low-Hanging Fruit to New Strategic Possibilities

Many companies start the sustainability journey with waste reduction or energy-efficiency improvements because there is an immediate "business case." But many never move beyond this low-hanging fruit because they fail to summon the imagination and courage to face the fact that they are selling the wrong products to the wrong customers based on the wrong business model.

To keep your organization from getting trapped in only undertaking sustainability initiatives with short-term benefits, you will need to gradually build a business case for investing in the future and to nurture a broader

network of leaders who see these same possibilities.

The spirit of prototypes is that you do not need to have all the answers; you are merely trying to show "proof of concept" now, and you can expand the variety of key players actively involved down the line.

Redesigning for the Future

As organizations get serious about moving beyond the low-hanging fruit of waste reduction and efficiency improvements, they invariably discover that traditional fragmented organizational structures must be rethought.

Start with redesigning the mainstream, backbone functions that represent the core of your organization. Focus on innovation next. Long-term R and D and innovation work is crucial and must be designed into the system. Then focus on staff specialists. Staff specialists can provide timely, high-quality advice and scan externally for challenging global best practices to pass on to business unit heads and other managers.

Inspired Performance

Proceed with confidence, knowing that the hard work of redesigning is well worth the effort and, even though all designs need to evolve over time, significant improvements are possible and will give every person in your company the robust organization they need for inspired performance toward life beyond the Bubble. ●

The Future

The emerging changes now taking shape around the world are very small compared to what is coming. We are entering an epic institutional transformation, where we must:

- **Reduce aggregate consumption.**
- **Invest in the regeneration of living, social and natural capital, the foundation of all real wealth.**
- **Accelerate social innovations, adaptation and learning by nurturing cultural diversity.**
- **Reverse the "short-termism" that dominates capital markets and many business decisions.**
- **Increase long-term economic performance through governance systems that promote collaborative stewardship of social and intellectual capital.**

Just as the Industrial Age has been an era characterized by the growth and spread of the large hierarchically controlled organizations, life beyond the Bubble may be characterized by a variety of business and nonbusiness organizations based on cultures of relationship rather than cultures of control.

Building enterprises based on cultures of relationship — organizations that not only work like nature but are more harmonious with nature, be it a forest or you and me — may prove a defining feature of a regenerative society.

The Future of Leadership

For much of the leadership required to create a regenerative society, look to the periphery, to people and places where commitment to the status quo is low and where hearts and minds are most open to the new, like women, young people and those from societies less socialized into the assumptions and norms of the Industrial Age Bubble.

Ultimately, leadership is about how we shape futures that we truly desire, as opposed to try as best we can to cope with circumstances we believe are beyond our control. It is now fitting that places such as Africa and China, left behind in the advance of the Industrial Age, have the opportunity to play key roles in shaping life beyond the Bubble.

A society without a way to value its past naturally discounts its future. It seems unlikely that life beyond the Bubble will be possible without leadership from those who can connect past and future and embrace far longer time horizons in both than characterized life within the Bubble.

The Future of Us

Life beyond the Bubble is not only about our relationships with the earth, with one another and with other species. It is also about our relationship with ourselves, what it means to be human.

We are a young species who, uncertain of our niche, has very recently — in a virtual second of life's day on earth — expanded to fill the world. In a sense we are like teenagers, full of enthusiasm and energy, and more than a bit confused. And, like every teenager must, we are about to discover that we are not the center of the universe — not even the center of life on this planet. We are but one of millions, and our merit depends not on our ego, but on our contribution.

Whether we are prepared or not, the teenager is growing into an adult and we must trust that the problems we face, no matter how daunting they appear, are exactly those needed to guide us through the transition. ●

RECOMMENDED READING LIST

If you liked *The Necessary Revolution,* you'll also like:

1. ***The Fifth Discipline* by Peter M. Senge.** This bestseller describes how any company can become a "learning organization" where people continually learn how to create the results they truly desire.
2. ***True to Our Roots* by Paul Dolan.** Fetzer CEO and master winemaker Paul Dolan describes how company leaders can balance value and creating value to build or sustain a modern and healthy organization.

Summary

December 2009

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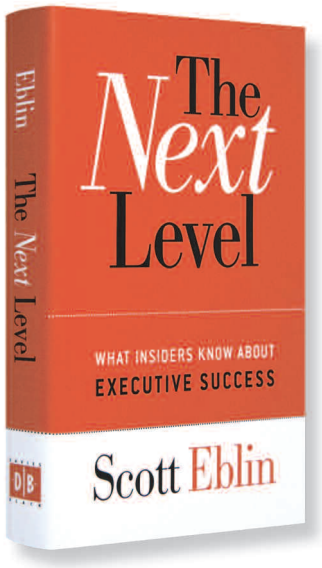
Leadership: Development

Bonus Summary

The Next Level

What Insiders Know About Executive Success



by Scott Eblin

THE SUMMARY IN BRIEF

In *The Next Level*, former Fortune 500 HR executive Scott Eblin explains the difference between being a functional leader in an organization and being an executive. At the executive level, you must let go of many of the attributes that made you a successful functional leader and begin to think in terms of the organization as a whole.

To be an effective executive, you need to know that what drove your progress at lower levels will not necessarily sustain your future success. You must adopt new ways of thinking and acting, and, more important, let go of old ways. Succeeding as an executive requires undergoing a transformational experience unlike any other in one's career. *The Next Level* provides the framework for achieving this transformation.

Eblin walks you through the pitfalls every new executive faces and provides the tools you will need to assure success in your new role. By learning the difference between accountability and responsibility, for example, you can put your energies in the right place.

Drawing on more than 20 years of experience working with new and seasoned executives, Eblin identifies nine key sets of behaviors and beliefs that rising executives must pick up and let go of to successfully transition to the executive level. If your goal is to make the most of the bigger footprint that is available to you as an executive, then *The Next Level* can help.

IN THIS SUMMARY, YOU WILL LEARN:

- Why insecure people make lousy leaders.
- How to make a Life GPS® (Goals Planning System).
- How to interact with your boss.
- How to learn what is important to senior executives.
- How to build teamwork.

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THE COMPLETE SUMMARY: **THE NEXT LEVEL**

by Scott Eblin

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For additional information on the author, go to http://www.summary.com.

Pick Up Confidence in Your Presence

Let's start with a basic truth: Insecure people make lousy leaders. So, as you move into the executive level, the first challenge is to keep insecurity from getting the better of you. Unless you are superhuman, your first days as an executive will naturally produce some uncertainty and discomfort. It is critical for your success that you not dwell on thoughts and self-assessments that cause you to doubt your capacity to contribute as an executive. You must build a sense of *grounded confidence* in your presence and in the idea that you have important contributions to make as one of the leaders of your organization.

From the Tactical to the Transformational

Regularly demonstrating your confidence in a grounded and appropriate way will build the confidence of your boss, your peers and your team in you. Building your confidence in your executive role can begin with some tactics that, when you make them part of your routine, can lead to transformational changes that dramatically raise your level of leadership effectiveness. The opportunity you have is to identify the key tactical behaviors that, if regularly repeated, will lead to a transformation in the level of confidence you project.

To achieve and sustain results over the long run at the executive level, strong relationships with peers, top leadership and functional team members across the organization are critical. Your success in managing relationships will stem from the confidence you have in yourself and your ability to work well with others to make things happen.

Get Comfortable with Letting Go of What Brought You to the Dance

Being a successful executive does not require you to change who you are, but it may require you to change what you regularly do so that you are more likely to be operating from the state of how you are at your best. To meet the expectations that your peers and top management have of you, you will have to let go of deep engagement in the day-to-day aspects of your function. To develop the confidence needed to succeed as an executive, you will have to explore fields beyond the comfort of the functional skills that brought you to the dance.

Pick Up Confidence

To play the broader leadership role as an executive, you will have to develop and project a sense of confidence in your judgment that extends beyond functional or technical knowledge. Taking constructive action that moves the organization forward will be a key aspect of how you are assessed as an executive. If you project discomfort or insecurity, your peers will sense it and become uncomfortable with you and your judgment. If you project a confident and comfortable presence, your peers will sense that and will return the favor.

Silence Your Inner Critic

It's important to recognize when your inner critic is speaking. Interference is whatever keeps you from performing in the position of how you are when you're at your best.

Before meetings, practice by asking questions like these:

- What is the meeting going to be about?
- What is my point of view on that subject?

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Edward O'Neill**, Graphic Designer; **Carol Carter,** Contributing Editor

- What outcome do I want from the meeting?
- What ideas will I need to share to reach that outcome?
- What are the top two or three points I want to make?
- How do I want to make them?

Pick Up Regular Renewal of Your Energy and Perspective

When faced with a challenge, a natural response for many leaders is to bear down and speed up. Having chalked up success after success, they see each new challenge as simply another hurdle to jump over. They believe that all it should take is more of what brought them to that point: smarts and a willingness to work harder and do more than the competition. The problem with this approach at the executive level is that it is one new challenge after another.

If your immediate response in the face of every new challenge is to bear down and speed up, you will eventually run out of gas and crash. Managing the demands of executive life requires picking up regular renewal of your energy and perspective, and letting go of running flat out until you crash.

The transformative challenge for new executives is to learn to take the regular breaks needed to renew the energy and perspective that enable them to perform at their best. Even brief periods of recovery or downtime can make a huge difference in executive performance. For executives who already feel the pressure to get through yet more work, stepping off the treadmill of working seven days a week seems like a leap of faith. But breaking the cycle of continuous exertion allows some time for recovery and reconnection to how they are at their best.

Perspective and Peak Performance

Think about how you perform and feel when you are at your most confident and relaxed. It is when your level of engagement is in that sweet spot between apathy and brain-lock inducing stress. Operating at this level of engagement creates the opportunity to perform at the peak of your capabilities and potential. To do that requires developing routines that enable you to recharge your energy stores and regain perspective.

Harvard professor Ron Heifetz makes the point that leaders periodically need to get off the dance floor and up on the balcony. As a leader, it is too easy to be down on the dance floor where all you can see is your partner and maybe a few of the dancers around you. When you take the time to leave the dance floor and get up on the balcony, you get a perspective on everything that is going on. After you gain that perspective, you can return to the floor and apply your attention where it is needed most.

Choosing to Perform at Your Best

As an executive, you will face a lot of pressure to react to dozens of demands on multiple fronts. Because change almost always involves loss as well as gain, you will run into resistance, lack of understanding, anger and other responses that can make life difficult and uncomfortable.

You can choose to react to these demands by taking on more and more meetings, answering e-mail at home every evening, skipping lunch, ignoring your health and key relationships, and basically running flat out until you crash. Alternatively, you can choose to respond to the demands by intentionally establishing routines designed to help you perform at your best.

Navigating with Your Life GPS®

Creating your Life GPS® (Goals Planning System) begins with identifying the core characteristics that describe how you are when you are at your best. To identify the characteristics that are central to you, think of situations you've been in when you are the most relaxed, productive, effective or energized. What are the four or five words or short phrases that describe you in your best state? Write them down in the center of a piece of paper.

The next step in creating your Life GPS® is to identify a short list of routine actions in four key domains of experience that — if you do them regularly — would reinforce how you are at your best. Those domains are the mental, physical, spiritual and relational.

If you were going to adjust your routines to allow more time for thinking, what would you spend that time thinking about? Many executives have found the value of establishing daily and weekly routines for short-term and long-term planning. Others make time for regular reading inside or outside their business discipline.

If one of your core characteristics is consistency, a regular set of routines in the physical domain would likely work for you. Develop a set of physical routines that reinforce how you are at your best. The energy that enables each of us to operate at a level of peak performance begins in our body. Make time to regularly renew it.

As you review your list of core characteristics of how you are at your best, identify some routines that draw on those qualities in a way that prepares you to

leave the place you're in better than you found it. As you consider what routines to pursue in the spiritual domain, reflect on the combination of core characteristics that represent how you are at your best. What could you do to really draw them out and make the most of them for the sake of something greater and longer-lasting than yourself?

The results-oriented focus of the executive lifestyle can be so all-consuming that it is easy to overlook the relationships inside and outside work that make life richer and more complete. When you look at the characteristics that describe how you are at your best, take time to consider how those qualities can inform the routines that will strengthen your most important relationships.

When you are ready to give more consideration to singling out the routines that, if regularly practiced, would reinforce how you are at your best, write headings for the *Mental, Physical, Spiritual* and *Relational* domains at the 10:00, 2:00, 4:00, and 8:00 positions around the core characteristics you wrote down earlier. Under each heading, write down three or four routines that apply to that domain and align with your core characteristics.

Results and Perspective

The last step in completing your Life GPS® is to consider the goals and intentions you have in the three key life arenas of home, work and community. Write the heading *Home* at the top center of your page and the headings *Work* and *Community* toward the bottom left and right corners respectively. Write down three or four outcomes you would expect to see in each of the three arenas of life.

Take a few minutes each week to bring yourself back to how you are at your best by reviewing and reflecting on your Life GPS®. Taking this kind of time for review and reflection is a powerful way to pick up the habit of regular renewal of your energy and perspective.

Pick Up Custom-Fit Communications

Executives don't spend much of their time producing anything tangible. They produce and deal in ideas. For those ideas to be of any value, they have to be well communicated to the right audiences at the right time.

Be very clear about your desired outcome, the audience for your message and what it will take to move that audience toward your desired outcome. Effective executives think strategically about their communications and custom-fit their approach to take into account where their audience is and where they want their audience to be in terms of thought, feeling and action.

Communicating with the Whole Organization

As an executive, you are always on stage in your organization. As a result, you need to be much more aware of the impact of your communications than you may have been in the past.

As an executive, you have the opportunity to help shape the communications in the broader organization. If you want to sustain or build an open culture, seek to put people at all levels at ease. Even if this does not come naturally to you, it is possible to develop this approach by being clear about what you're trying to do and intentionally adopting some behaviors that reinforce your goal.

Communicating with Your Boss

If you find that managing your time is challenging for you as a new executive, imagine what it is like for your boss. You need to be intentional and focused in communicating with your boss. Don't wait for your boss to tell you what information you're supposed to provide and how often you're supposed to provide it. Ask. Adopt a simple and consistent framework for presenting it. A University of Michigan professor offers a communications framework that is built on three simple questions:

- *What?* What issue needs to be addressed or considered?
- *So What?* What are the implications of this issue that make it worthy of consideration?
- *Now What?* What needs to be done next about this issue? What action or support do you need from your boss? What milestones should your boss look for in terms of progress?

It is important to craft and implement an ongoing strategy of keeping the results of your team's good work in front of your boss and your boss's senior executive peers. One of your jobs is to position your functional team for success. When they are successful, your next job is to speak for their success. This is the point at which your personal work will speak for itself.

Communicating with Senior Executives

Cultivate the habit of asking open-ended questions to learn what is most important to your organization's most senior executives. Align your actions with their definition of success. Your opportunities to make positive impressions on senior executives will come in formal presentations, regular update meetings and more informal conversations. Be prepared with a point of view on the key issues facing not just your function, but the

company as a whole. Regularly review your short list of key initiatives and priorities, and have a brief speech ready to deliver when a senior executive asks you what you're working on.

A common mistake that new executives make is to focus too much on how they came to their conclusions. To do this is to risk getting labeled as someone who, when asked for the time, explains how to build a watch. Focus much more on your recommendations and their implications than on the mechanics of how you arrived at them.

Communicating with Peers and Your Team

The foundation of your success as an executive is the strength of your functional team. The custom-fit communications advice with regard to your functional team is to be intentional about creating time to be approachable and available to them. Schedule time for regular and frequent conversations with your direct reports. Take time to walk the floor or go to remote locations to be visible to the folks on the front line.

To communicate what you intend to communicate, manage your presence at least as much as the content of your message. You can't just say you're excited; they need to see it and hear it.

Pick Up Team Reliance

To move successfully to the executive level, you have to develop a heightened level of awareness around your strengths and weaknesses. One of the biggest derailers is trying to do all the functional work yourself once you become an executive. You have to let go now.

Get the Right People in the Right Roles

You need people on your team who can keep up and contribute to creating successful outcomes. Having the right people in the right roles on your functional team creates the opportunity for you to redefine how you add value to the work of the team and the goals of the organization as a whole. Your role is not to check the work for accuracy, but to frame its broader implications for the organization. The question to regularly ask yourself is this: What is it, that — given the perspective and resources I have as an executive — only I can do?

Build and Lead

Here are some ideas for how to build effective teamwork:

- Get the team involved in shaping goals.
- Encourage team problem solving.
- Cultivate a diversity of views.
- Promote honest feedback.
- Show respect and earn trust.

A Focus on "What"

Steve Rippe, a retired major general in the U.S. Army, is currently COO of the Protestant Episcopal Cathedral Foundation. In that role, Rippe oversees the operations of the National Cathedral in Washington, D.C. A few months after he arrived at the Cathedral Foundation, he concluded that the organization needed a viable plan for conducting a state funeral. He hired a retired lieutenant colonel whose first priority was to update the Cathedral's plan for conducting a state funeral. A few weeks after the new director of operations delivered to Rippe a complete plan for conducting such an event, Rippe's cell phone rang one Saturday afternoon. The Episcopal bishop of Washington was calling to say that he had just received word that former President Reagan had died. The bishop asked him if they should meet immediately to plan the funeral. Knowing that the plan was already complete, Rippe suggested that they meet early the next morning instead.

Pick Up Defining What to Do

Instead of telling your team how to do the work, you now need to define the work your team needs to do. By focusing on what rather than how, you will be playing in the realm of the strategic rather than the tactical. Having the right people in the right roles is the key factor that will enable you to get comfortable in picking up defining what to do and letting go of telling how to do it.

Once you have developed clarity for yourself, your next responsibility is to share your understanding of what to do with your team and then ensure that excellent execution occurs.

Perspective Transference and Setting Expectations

One of the most valuable resources you can bring to your team is the perspective and insight you get from participating in meetings with other executives. Call this dynamic perspective transference. The power of executive level perspective and insight is in how it is used to shape direction and drive action through team members.

Setting expectations with your team should focus on both the what and the how. At the outset of a major project, these are some of the questions that should be asked and answered:

- When we're successful, what will be different from today's status quo?
- What difference will success make?
- What are the metrics that will help us to measure success?
- On the way to achieving the desired result, what actions are out of bounds?
- What is our deadline?

It is essential to establish clarity with your team on when they should bring you into the stream of work and ask for your perspective and assistance.

Guidelines, Systems, Levers

Set guidelines for defining what the team should accomplish and provide an appropriate degree of availability to follow up on how progress is being made.

As an executive leader, you need to maintain a stronger measure of control and influence around what needs to be done. The levers of control you use to keep a project on track should place the emphasis on what to do, not how to do it.

By picking up defining what to do and letting go of telling how to do it, you are taking an important step in developing future leaders of your organization, which is one of your primary new responsibilities.

Pick Up Accountability for Many Results

The distinction between responsibility and accountability turns on who is actually doing the work and how work is defined. In the responsibility model, you are the person who either does the work or closely monitors others who are doing the work. If you are responsible, you are likely to step in and do chunks of the work from time to time. You may even be doing chunks of the work all of the time. Either way, you're almost certainly going to personally make sure that the work comes together well and that it leads to the desired result. Because of the personal attention that the responsibility model requires, a leader can successfully manage only one or just a few results.

Successful executives learn to shift from being responsible to being accountable. The executive leader who successfully picks up accountability for many results is focused on outcomes. Outcomes begin with a clear definition of what to do. Executives who work from the accountability model are defining what to do across a range of issues, applying a perspective that is at a higher level and has a longer-term focus than those of their reporting managers. Their job is to set the agenda and bring the different streams of work together in a way that supports not just their own agenda, but also the larger organization's agenda. They are accountable for the results that support the agenda.

Reframing Your Definition of Work

When you operate at the executive level, you face a more intangible and ambiguous definition of what you accomplish on any given day. Your work is to oversee the process. You are learning how to operate in the accountability model and move away from the comfort and familiarity of the responsibility model.

As an executive, you have to let go of personal responsibility for every outcome. Your passion needs to shift from a narrow focus to a broad focus. The manager's questions focus on the day-to-day responsibilities of management reporting, customer satisfaction and new business development. In contrast, the leader's questions focus on the strategies of the competitive positioning of the company, options for expansion and acquiring the talent needed to expand.

Accountability and Monitoring

The accountability model of executive leadership has three implications:

- "What have you done for me lately?" becomes a more frequent question.
- You own the results for good or bad.
- You and your peers are accountable for solving bigger problems.

Because of the "What have you done for me lately?" atmosphere that can exist at the executive level, you should consider what you can do to manage the stream of your team's results. Ensuring that results are delivered consistently and on time will enhance the reputation of your team and its ability to get things done in your organization. It is also important to communicate to key stakeholders and influencers in the organization the results your team achieves. The work doesn't speak for itself; you have to speak for the work.

Your responsibility is to get the right people in the right roles, provide direction and monitor progress. You are, therefore, accountable for their results.

As an executive, you will regularly be expected to develop solutions to problems that are outside your functional realm of expertise. The problems will be bigger and more complex. You will have accountability for addressing them in collaboration with your executive peers.

Developing and shaping your staff so that they consistently meet the desired level of performance cre-

ates the opportunity for everyone to play at the next level up. For you, as an executive, having a staff that you can empower to deliver results enables you to take the broader perspective that is expected of you.

Pick Up Looking Left and Right as You Lead

Beginning here, we shift the focus from how successful executives lead their functional teams to how they demonstrate presence in the broader organization. That process begins with learning to focus your attention on your peers to the left and right, while also paying attention to those above and below you in the organization.

You are now part of two teams. You are still a member of the functional team that you lead, but you are also part of the leadership team of your organization.

As an executive, you will no longer be able to accomplish the things that matter most on your own. At the next level, interdependence replaces independence. To get things done, you have to know who to work with and who to talk to. You have to communicate your agenda clearly and act in a way that causes your peers to want to support it. There are five important elements of getting things done by persuading and influencing those on your left and right:

- Get to know your peers.
- Build trust.
- Establish credibility.
- Collaborate with your peers.
- Show up as an equal.

Looking Up into the Organization

By emphasizing the need to look left and right, this is not to suggest that you ignore looking up to the most senior executives or down to your team and the teams of your peers. One of the most important things to focus on with senior management is developing clarity about what success looks like to them. What are the metrics that need to be met or exceeded? What's the deadline for completion? Who has to be happy with the result?

Looking Down into the Organization

There are a couple of points to make about managing your relationships with the people in your organization who are below the executive level. The first is stay connected. Do this by:

- Staying visible and available.
- Listening without interrupting or appearing distracted.
- Asking open-ended, nonthreatening questions.
- Showing a sincere interest in people.

When your team does not perform at its best, it's important to show openness to feedback about their performance and act on it appropriately. Most of the time, this will mean helping them learn from their mistakes.

The flip side of this issue is striking the right balance on praising your team. At the same time, though, pay attention to when enough is enough.

Help your team stay grounded by helping them understand where they and their work fit into the bigger picture.

Pick Up an Outside-In View of the Entire Organization

As you reach the executive level, the focus shifts from "me and my team" to "us as the leadership team" of the entire organization. That shift from me to us needs to be quickly followed by an additional shift in perspective from us to them. The "them" in this case refers to all the stakeholders and competitors in the external environment.

Overcoming the "Me Mind-Set"

What got you to the executive level is not what is going to keep you there. As you move to the executive level, the expectation is that you will shift your allegiance from what is best for you and your function to what is best for the leadership team and the organization.

If your modus operandi has been to accumulate or even hoard resources to ensure the success of your function, you will need to quit doing that to be a successful executive. If you are in silo mode, it's difficult to see what really matters to the big-picture success of the organization. It is important to strike the balance between what is best for your agenda and what is best for the organization's agenda.

Moving into the "Us Mind-Set"

To make the contributions that are expected of you as an executive, you have to view yourself as a leader of the business and not just your function. It's not just about you and your to-do list anymore. It's bigger than that, and your peers and bosses expect you to demonstrate that you understand.

As you begin to put the business first and your function second, you will need to help your functional team understand your operating context. As an executive you will be privy to information that cannot go any further

than the communication between the executive principals. It is helpful to state up front for your team that you will share as much information as you can with them, but there will be times when it is in everyone's best interest for certain information not to be shared.

Thinking About "Them"

Sometimes executive teams can become so focused on "us" that they don't think enough about "them." Failure to regularly look at the organization from the outside in is a fairly common mistake that executive teams make. As a new member of the executive team, you may well have the opportunity, as a fresh voice, to encourage your colleagues to challenge their assumptions and take a broader look around. As you move from "me" to "us" to "them," you will find that your comfort level rises as you see the results that come from broadening your field of vision.

Pick Up a Big-Footprint View of Your Role

Expectations change when an executive title appears after your name. Everyone will have different expectations about what you should be doing and how you should be acting as an executive.

You have to pick up a big-footprint view of your role and let go of a small-footprint view of your role. You are going to be much more visible to all the stakeholders in your organization than you use to be. Because of your increased visibility, you will be expected to make a bigger impact in the organization.

Living with a Higher Profile

When you become an executive, your words will have a greater impact because of your higher role. The way that you use your words can dramatically affect the morale of the organization.

A sure way to damage morale and sink productivity is to casually speak about emotion-laden issues, such as downsizing, reorganization, compensation and benefits, and performance goals. Jokes about job security just aren't funny.

Another dynamic to watch out for is sucking all the air out of a conversation by pushing your point of view too hard. While you may think you are just having a spirited conversation, your subordinates will likely read it as you imposing your will as an executive.

As a member of the executive team, you have both the opportunity and the obligation to seek out feedback from employees about their concerns and what is on their minds. Getting out and mixing with employees on a regular basis is probably the most effective way to shape the business culture you and the rest of the executive team are trying to create.

Living with Other High-Profile Types

As someone operating at the executive level, you have a choice to make. One path is approaching the battle for control with clear winners and losers. The other begins with picking up the habit of looking left and right as you lead. Getting to know your peers, building trust, establishing credibility and seeking to collaborate with your teammates are the building blocks of learning to live successfully with other high-profile types.

If you insist on your answer always being the one best right answer, you can easily end up being seen as aggressive and overly critical. Don't waste time proving how smart you are to your peers. Spend your energy on bringing the group together to come up with smart outcomes.

Mind Your Message

You are the message for yourself and for your company. Assume that there are always people out there forming impressions based on the message you send.

A good rule of thumb for how to dress as an executive is to look at the successful people one level up and follow their lead.

When you're in a meeting, put away the BlackBerry, cell phone, pager, laptop, Palm Pilot and anything else that allows you to multitask. With the big footprint of an executive, you are the message. Act accordingly.

Play a Bigger Game

As an executive, you are expected to take action and work with your peers to make an impact for the organization. You are expected to deliver a series of positive results over time.

Things will continue to happen whether you're on board or not. If your goal is to make the most of the bigger footprint that is available to you as an executive, then you need to be on board.

RECOMMENDED READING LIST

If you liked *The Next Level*, you'll also like:

1. ***The First 90 Days* by Michael Watkins.** If you've been thrown into the ranks of management, this book will give you the road map for your first 90 days. Watkins offers specific and practical steps to secure wins.
2. ***Talent Is Never Enough* by John C. Maxwell.** Maxwell, a leadership expert, attests that talent is often misunderstood and overrated. To combat this, he outlines 13 crucial things that you can do to maximize your strengths and become a "talent-plus" person.
3. ***Put the Moose on the Table* by Randall Tobias with Todd Tobias.** The former CEO of Eli Lilly and Co. shares anecdotes, experience and his beliefs. Tobias expounds on his approach to leadership, including values, empowerment, success and integrity.

Summary

July 2009

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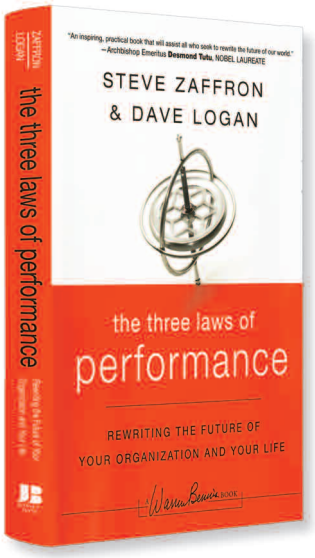
Leadership: Development

The Three Laws of Performance

Rewriting the Future of Your Organization and Your Life



by Steve Zaffron and Dave Logan

THE SUMMARY IN BRIEF

Each of us has a future that has already been written by hopes, fears, dreams, expectations and decisions made about life. In the same way, organizations have futures written by history, circumstances, culture, aspirations, successes and failures. These already-written futures determine and shape the level of performance that's possible for individuals and organizations.

The Three Laws of Performance cracks the code on rewriting the future for people and organizations. The result is the transformation of a situation, leading to a dramatic elevation in performance. Rewrite the future, and people's actions naturally shift: from disengaged to proactive, from resigned to inspired, from frustrated to innovative. This kind of transformation creates a wave of momentum: investors want in, companies seek partnerships, and potential employees seek employment.

When the Three Laws described by Steve Zaffron and Dave Logan are applied, performance transforms to a level far beyond what most people think is possible. Rewrite the future and old problems disappear.

IN THIS SUMMARY, YOU WILL LEARN:

- How to transform impossible situations.
- How to untie the knots of language and free communication.
- What it means to rewrite a future that's already written.
- The role leaders play in elevating performance.
- How to create a Self-led organization.
- How to master the game of performance.

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THE COMPLETE SUMMARY: THE THREE LAWS OF PERFORMANCE

by Steve Zaffron and Dave Logan

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The Three Laws of Performance: Rewriting the Future of Your Organization and Your Life by Steve Zaffron and Dave Logan.
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Part 1: The Three Laws In Action

The First Law of Performance: How people perform correlates to how situations occur to them.

The First Law answers the question, "Why do people do what they do?" Consider that when *we* do something, it always makes complete sense to *us*. On the other hand, when others do something, we often question, "Why are they doing that? It doesn't make any sense!"

Although there certainly are facts about how and why things are the way they are, the facts of the matter are much less important to us than the way those facts occur to us. The First Law rejects the common-sense view of actions — that people do what they do in a situation because of a common understanding of the facts.

What gives the First Law the potential to alter performance is its relationship to the other two laws. "The way a situation occurs" to people, and their correlated performance, can be altered through a certain use of language.

When people relate to each other as if each is dealing with the same set of facts, they have fallen into the *reality illusion*. To see the reality illusion at work, think of a person you aren't happy with at the moment. Think of words that describe that person. You might say, "self-centered" and "irrational." Notice that you've described how the person *occurs* to you. What we see is just the way it is. None of us sees things as they are. We see how things occur to us.

The First Law says that there are two elements: performance and how a situation occurs.

As counterintuitive as it may seem, most change efforts end up *reinforcing* how a situation occurs. Most companies are resisting a problem by trying to fix it, but the more they push, the more the problem pushes back.

The principle at work here is: *whatever you resist, persists*. If you can see any way that you are resisting your performance challenge, you'll see that you may be strengthening its hold on you and others — the more you have fought it, the stronger it became.

The Future Rewritten

There are specific actions you can take to tap into the power of the First Law of Performance. Notice the connection between performance and how situations occur for people. See that this relationship *always* holds.

See the reality illusion at work, in you and people around you. Almost without exception, people don't notice that all they are aware of is how situations occur to them. They talk and act as if they see things as they really are.

What if you could do something about how situations occur — to you and everyone around you? What impact would this make in everyone's performance?

Where Is the Key to Performance?

The Second Law of Performance: How a situation occurs arises in language.

People in a company get tied up in knots of language — knots composed of words, symbols, sentences and communication that somehow block and impede performance. The result is repetitive and unproductive behavior, mostly done with the best of intentions.

How situations occur is inseparable from language. Language is the means through which your future is

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Edward O'Neill**, Graphic Designer; **Barry Silverstein**, Contributing Editor

already written. It is also the means through which it can be rewritten.

Consider a performance challenge of your own. Your boss, your finances, your children, your industry, your country — are all resistant to change. But as the First Law of Performance says, your actions correlate with how these occur to you, not to the facts themselves. The key to performance is hiding in a particular facet of language.

The Knots of Language

Language includes not only spoken and written communication, but also body language, facial expressions, tone of voice, pictures and drawings, music, how people dress, and any other actions that have symbolic intent.

Untying the knots of language begins with seeing that whenever you say something, other communication is carried along with it. We call this phenomenon *the unsaid but communicated*. The unsaid is the most important part of language when it comes to elevating performance. It includes assumptions, expectations, disappointments, resentments, regrets, interpretations, significance, and issues that occur as dangerous. You can feel and experience the unsaid but communicated.

An aspect of communication that writes our future without our even realizing it is the part of language that exists outside the light of our attention, *the unsaid and communicated without awareness*. It determines and shapes which messages are possible, not possible, important, unimportant, and so on. The unawareness aspect puts this part of language outside our control. Until we find leverage on this part of language, the future is written and can't be altered.

The Key to Performance

For most people, exploring the unsaid is like walking into a cave — the journey goes from bright to dim to pitch black. It starts with someone saying what he or she has been thinking. After a time, the person will say something and feel surprised by what he or she has just said, as if another person uttered the words.

The unsaid, and especially the unsaid that people are unaware of, can leave people with no space to create anything new. The unsaid and communicated without awareness can become linguistic clutter.

The key to performance isn't pushing new conversations about strategy or reorganization into an already crammed space; rather, it's cleaning out the clutter.

Almost universally, it's the unsaid that's cluttered for individuals, groups and organizations. Before anything new can happen, people need to make space by doing the linguistic equivalent of clearing out closets. This means moving issues into the light of discussion — saying them and examining them in public.

The point is to notice that there are issues constraining people because of what they aren't saying. When people can address and articulate the unsaid, space begins to open up. People can discuss — openly and in public — what's holding them back and what to do about it.

Our 'Internal Voice'

As we move through the unsaid, there are forms and objects to look for. The first is the inner voice, which is the voice in your head that is constantly talking about everything and anything. Our internal voice runs so constantly that we mostly don't notice it.

Most of the time, the inner voice repeats old thoughts. Only rarely does it say anything new. And yet, it takes up a lot of our awareness. Notice that your inner voice probably won't produce any novel solutions to your performance challenge.

Rackets

Becoming aware of rackets, and taking responsibility for them, is one of the most important aspects of elevating performance.

A racket has four elements. First, there is a complaint that has persisted for some time. (*A common one in marriages is "He's late again!"*) Second, there is a pattern of behavior that goes along with the complaint. (*The wife may act irritated, aloof and withdrawn.*) The third element is a payoff for having this complaint continue. (*The wife gets to be right, makes her husband wrong, avoids the domination of her husband — or what occurs to her as her husband's domination by being late — and lets her regain control of the situation.*) The fourth element is the cost of this behavior. (*The wife loses closeness with her husband. The wife and husband running their "late again!" rackets are paying a price, about which they are both unaware.*)

Think about your racket. Can you see how the complaint might be a disguise for something deeper, such as a way of controlling a situation, or avoiding the domination of another person?

You'll have more power over a situation when you can label something a racket or can identify that what holds you back has something to do with how a situation occurs to you.

Using the Second Law

When we see the power of the unsaid, two compelling insights become clear. The first is that the situation is absurd. How the situation occurs to us is given by lan-

guage, yet it occurs to people to be as real as a wall.

The second insight leads to action: clear out the unsaid. Do this by saying what is unsaid and dealing with it. Getting the payoff and costs out into the open helps people discard some of the old conversations and make room for new conversations.

People often look for performance gains in the wrong place: in trying to force conversations before making space for them. The way to make space is to leverage the fact that how situations occur arises in language — and, in fact, the key to performance lies in language.

Rewriting a Future That's Already Written

The Third Law of Performance: Future-based language transforms how situations occur to people.

The Third Law rests on a fundamental distinction: there are two different ways to use language. The first is descriptive — using language to depict or represent things as they are or have been.

Future-based language, also called *generative language*, has the power to create new futures, to craft vision and to eliminate the blinders that are preventing people from seeing possibilities. It doesn't describe how a situation occurs; it *transforms* how it occurs. It does this by rewriting the future.

The Power of Future-Based Language

Future-based language projects a new future that replaces what people see coming. It doesn't modify the default future; it replaces it.

Future-based language is responsible for historical moments becoming turning points. When Martin Luther King Jr. said, "I have a dream," he created that dream in others — and displaced the default future of racial segregation.

Let's turn to your performance challenge. Think back on how the situation occurs to you. Notice that, even without trying, you think of past events. Your inner voice describes them and, based on what happened, predicts whether they will happen again or not.

Does your default future have any space in it to create something new, or is it all filled up?

What if, right now, you could substitute that future with another? Not one based on what's happened before, but something new? What if the future you see coming was to alter in its substance, going from default to invented?

Declaration: The Kind of Language That Creates a Future

All generative language relies on speech acts — an action taken through language. The most fundamental of speech acts is a declaration, which brings a possible future into existence. A declared future is not a dream or hope, but a future to which you commit yourself. Just as a default future isn't certain, a created future isn't a done deal, either. What we invent is a possibility to which we commit our entire being.

The Condition Required for Future-Based Language

How do you empty out the future that you are currently living into?

There are three dimensions to this process of "blanking the canvas," and people often move back and forth among them until they feel they have the room to invent something new.

The first dimension is *seeing that what binds and constrains us isn't the facts, it's language — and, in particular, descriptive language*. Issues that lurk in the unsaid occur as facts. When we become aware of these issues and are able to address and articulate them, what had occurred to us as facts shifts to being interpretations.

The second dimension is articulating the default future and asking, "Do we really want this as our future?" Until you can articulate the future and see that it isn't inevitable and necessary but is a construction of language, it's impossible to make a choice. Instead, we feel constrained and attempt to fight our way out.

The third dimension to creating a blank space is the most powerful: *completing issues from the past*. To complete means moving an incident from the default future to the past. This process goes far beyond "getting closure" or "starting the healing process." If you complete an incident, it no longer lives in your future.

Think about your performance challenge. Is there anyone involved in the situation with which you feel distance? Perhaps any sense that something is off? What you're seeing are incompletions — something that lives in your future, some baggage from the past. An incompletion lives in the occurring, not in the facts.

Creating a new future requires a constant commitment to being complete with everyone involved. Doing so creates and sustains a blank space into which the new future can be created.

Principles for Generating New Futures

Principle 1: Futures Inspire Action

Creating a new future with a large group of people takes a radically different path; more important, it starts with a different intention: to displace nonproductive conversations with conversations that establish a future so vibrant that people are eager to bring it about. That future creates a sense of urgency, and people's actions correlate to it.

Principle 2: Futures Speak to Everyone in the Process

In 2001, Northrop Grumman's strategists recognized that, in order to keep growing, the company needed to expand into markets other than defense. Space exploration became the obvious opportunity. After four days of work with 70 people, using the Three Laws of Performance, "we defined our role within the company and the new marketplace," says Doug Young, a Northrop Grumman vice president.

What made this effort successful is that people felt that the new future satisfied their concerns.

Principle 3: Futures Exist in the Moment of Speaking

Future-based language doesn't describe anything in the current reality. Rather, it creates a possible future to which the speaker is giving his or her word in the moment of speaking.

Take a moment and speculate about a future for yourself and others that would:

- Inspire action for everyone involved
- Fulfill the concerns of everyone involved
- Be vibrant and compelling in the moment you say it.

Part II: Rewriting the Future of Leadership

Each of the Three Laws of Performance has a leadership corollary — a corollary that guides what leaders do and, more important, shapes who they are for others.

Leadership Corollary 1: Leaders have a say, and give others a say, in how situations occur.

Leaders who empower others to rewrite and realize futures can transform any situation, no matter how impossible it may seem.

Leadership Corollary 2: Leaders master the conversational environment.

Leaders manage, and master, the conversational environment by working with people to resolve any incompletions they have. Leaders also work with other people to bring group rackets into the open so they can be discussed and resolved.

Leadership Corollary 3: Leaders listen for the future of their organization.

Leaders create conversations from the Third Law, composed of future-based language, to invent futures for the organization that didn't previously exist. However, leaders don't rewrite the future by themselves — they create the space and provide the "listening" for that future. When the future coalesces, leaders have a way of knowing it.

A leader who taps into the Three Laws listens for a future that will transform everything in the present. A leader listens for a future that is not predictable, probable, linear, and was not going to happen anyway, and which compels inspired action.

The Self-Led Organization

Although the last few decades have seen corporate responsibility increase, the fundamental nature of organizations hasn't transformed.

What would an evolution of corporations look like? What could the corporations of the late 21st century look like? How can we build them today, and use them to release us from crises we seem to be facing?

Our purpose is to make an organization Self-led, with the Self arising from all those people participating in the organization's network of conversations. The result is an organization that has it all: skyrocketing profits, dedicated and engaged employees, satisfied local communities, and sustainability.

Although a process as complex as finding an organization's Self can't be reduced to steps, there is a critical flow.

Encourage Leaders to Step Forward. The first part of stepping up begins with standing for the possibility that your organization can go beyond its current views of success to a place that integrates the profit motive with the desire to be global citizens.

Manage the Environment of the Network of Conversations. For the organizational Self to emerge, people have to take responsibility for the whole of the organization and for the concerns of stakeholders.

Create Ongoing Conversations with Stakeholders. Organizations that initiate and engage in ongoing conversations with their external stakeholders will be among the first to build authentic relationships with the groups and communities that they affect.

Listen for a Future That Encompasses the Self. An organizational Self emerges when the right seeds

have been planted. The conversational environment has to be tended to and implanted with integrity and ownership. The concerns of stakeholders must be an active set of conversations. People have to confront the truth about the default future of the organization and be willing to set it down and let it go. As the Self emerges, people begin to notice that they all have the same vision in mind.

Don't Lose Your Self. Once the Self of an organization is clear, leaders step forward and use future-based language to make declarations. Managers come forward to build systems, processes, policies and procedures to turn these declarations into reality.

Establish Self-Led Management. Finding an organization's Self is a business imperative. A company that listens and responds to all of its stakeholders can construct a business model to form long-term partnerships throughout the global workplace.

The New Organization: Built from the Self Up

Most organizations comprise networks of conversations that are inconsistent, dissonant and cluttered. However, if an organization's network of conversations could be infused with integrity, and harmonized, it could find its Self and become Self-led.

For an organization to deal with the pressure cooker it is in, it needs to rewrite its future by altering its network of conversations. It needs to create a compelling future for its stakeholders and align its network of conversations to fulfill that future. In the process, the organization's Self emerges, which is the collective essence of all of the people involved in its operations, including a future that inspires them and fulfills their concerns. This is what is meant by a Self-led organization.

Part III: Mastering the Game of Performance

Who or What Is Leading Your Life?

In all of our lives there are moments when we make critical decisions about ourselves that give us an overriding sense of who we are, not just in the present moment, but from then on. Based on the special self-defining nature of these decisions, we see ourselves in a way that limits who we are and what we can do.

The decisions we make that deal with what's wrong about us form the basis of our persona — who we consider ourselves to be.

These kinds of decisions are life altering. It's as if you are at a trial, and the trial is about how well you are dealing with life. You are playing three roles at the same time: the accused, the jury and the judge. That you are going to find yourself guilty is almost preordained. The sentence is the decision you make about how to deal with the future in a way that makes up for what is lacking in who you are. This is a lifelong sentence with no reprieve. These life sentences limit and narrow how you occur to yourself, and even how life occurs to you.

Overturning the Life Sentence

The good news about the life sentence is that you aren't just the accused, the judge and the jury. You can also be the court of appeals. You can reverse the conviction and release yourself from the prison of limitations. The bad news is that there is serious work to be done.

First, you have to tell the truth about your life sentence and what it is designed to hide. This step requires re-examining the evidence you used against yourself at trial. Only when the complete case is presented to the court of appeals can it be thrown out.

Once the life sentence is revealed for what it is — a decision about how to be in the future — you have a choice. Given that any decision is itself an action requiring language, you can renew or revoke it. But until you see the situation for what it is, you don't have a choice to say anything else about who you are.

Only when you see that it was you who made these decisions and judgments about and on yourself can you then overturn the life sentence. If you believe another person did it to you, or the circumstances did it to you, then you have no power. But if you are the imposer of the judgment, then you can revoke it.

Creating a Crisis of Authenticity

The idea of intentionally creating a crisis is counterintuitive. But if you want to transform who you are — how you occur to yourself — then you need to create a crisis of identity, one in which the only way out is transformation.

How do we create this kind of crisis that moves us into transforming ourselves? We do it by focusing on the areas of our lives in which we are inauthentic, those times when we are pretending.

The way out of the trap is to create a crisis over *being in the trap*. Tolerating any loss of freedom, power, contentment or self-expression becomes unacceptable.

To experience the kind of transformation that over-

turns your already-written future and writes it anew, you will have to give something up. Examples are giving up safety and risk avoidance, letting go of always having a way out, giving up the fear of having nothing to say or giving up the fear of saying something stupid.

When we alter how we occur to ourselves, everything around us shifts. Our business associates, our families, even life, show up in a new way. With that new foundation, anything is possible — even a new future.

The Path to Mastery

Milestone 1: Seeing Your "Terministic Screen" in Action

A person's way of seeing a situation is filtered through what scholar Kenneth Burke calls a "terministic screen." This screen itself is made up of language — words, terms, phrases and their relation to each other. This screen directs our attention to aspects of reality. We don't see the world, and we don't see the terministic screen; instead, we see what the screen allows us to see.

The path to mastering the Three Laws is to build a new terministic screen around new core distinctions. The process of learning something new can be seen to involve fitting what is new with what we knew before as a way of understanding. When you realize that you want to get the full impact of new ideas, it's time to build a new terministic screen.

This realization is the first milestone. Its point is that we allow a new screen to be built by rejecting the need to fit new terms into our already existing screen. We catch ourselves reshaping a new idea to fit what we already know, or rejecting a new idea as being inconsistent with our screen. There's nothing wrong with doing so — it's what happens until we get to the second milestone.

Milestone 2: Building a New Terministic Screen

To see the need to build a new terministic screen, consider how the earth appeared to people for millennia: at the center of the universe, with the sun, moon and stars moving around it. The terministic screen on this subject was consistent and compelling. Galileo argued for a radical new idea that didn't fit into the terministic screen of the day — that it was the earth that did the moving. People responded violently to this theory, which to them clearly was wrong.

So why is it so easy for us today to "see" ourselves moving around the sun, seeing the universe that Galileo saw? Because we learned a terministic screen with these ideas at the center. Because of our screen, we have no problem imagining asteroids, other worlds, space flight and life on Mars. All these thoughts would be impossible for someone with the old terministic screen.

Milestone 3: You'll See New Opportunities for Elevated Performance Everywhere

Shortly after you pass the second milestone, you'll notice that you are seeing old situations with a new perspective.

You'll become aware that most people talk about the future in terms of the past. You'll notice their default future, often unarticulated, and how their actions correlate with it.

A great side benefit of taking the path to mastering the Three Laws is developing leadership, and even charisma. You'll find yourself standing for a future rather than trying to figure one out.

As you declare the future — incorporating the concerns of others — people become engaged, excited and inspired. Workplaces transform. Performance elevates. The default future is rewritten.

You will notice that where there used to be a lot of confusion and anxiety about what to do, there now is a clarity and focus for what needs to be created. It's as if the frenzy concerning what could go wrong is replaced with an excitement of what can be created.

This third milestone of seeing opportunities for elevated performance everywhere is correlated to realizing that you are no longer remembering the Three Laws. They are now a part of your terministic screen.

Milestone 4: Teaching Others

The fourth milestone, making the application of the Three Laws a community effort, is itself a means of access to ever-expanding mastery. Through engaging, teaching and coaching others in thinking from the Three Laws, performance will expand while you discover new and creative applications of the Three Laws. When you take this step, elevating performance has moved from being your personal interest to being the group's interest. At this point, you are onto the opportunity to rewrite the future of an organization — perhaps even to discover an organization's Self and make that the driver of a new era in your company.

Breaking the Performance Barrier

The only thing that matters is performance, and performance comes down to the actions of people. Here are seven specific commitments that, when made with integrity, reliably break the performance barrier. Let them guide you in the conversations that you have.

Commitment 1: Get Out of the Stands

In the stands at a football game, people are talking *about* the game. There is little at stake, little at risk and their conversations have virtually no impact on the action of the game.

And then there are the conversations the players are having on the field. These conversations not only affect the game, they *are* the game. Throughout the game, people are communicating in such a way that the team is focused on winning.

You leave the stands when you stop assessing and judging and, instead, put something at risk. Make yourself accountable for winning the game.

Commitment 2: Create a New Game

You make a new game when you declare that something is important. This is what you're putting at stake, and it is what you're holding yourself accountable to. When others commit to the game with you, they join you on the field.

So use future-based language and declare what's important.

Commitment 3: Make the Obstacles Conditions of the Game

If something occurs to you and others as an obstacle, you'll push back by playing on the obstacle's terms. Instead, make the obstacles conditions of the game.

Commitment 4: Share Your Insights

Breakthrough performance becomes possible when you engage others in the insights from the Three Laws by sharing them.

When you share, other people take on performance challenges with you and form a network. In this community, everyone is learning and working together to achieve what once looked impossible.

Commitment 5: Find the Right Coaching

The coach isn't in the stands, and he or she doesn't play the game, either. Still, the coach risks as much as anyone who takes to the field.

Great coaching alters how the situation of the game occurs for the players, especially at critical moments. As you create a network that takes on breakthrough performance challenges, you will find yourself coaching.

Commitment 6: File Your Past in Your Past

We need to get the future and the past straightened out, once and for all.

Imagine two filing cabinets, labeled "The Past" and "The Future." From time to time stressful, difficult or dangerous things happen. When they do, and we survive, we note what worked and keep it on file in case that situation happens again. You put it in The Future cabinet.

After you've lived through enough of those incidents, the filing cabinet of The Future is full. You may find that you're repeating the past, and you are. You do the same things over and over because you've put those files in your future.

If we emptied everything out from The Future filing cabinet — all the decisions we placed there to deal with what may happen — what would be left in that filing cabinet? Nothing. That's the nature of the real future: there's nothing there. You can only create into nothing. You can create a future into nothingness.

You have to look into nothingness and declare what can be and what you actually commit to. If you stay in this conversation, you'll never confuse the future and the past again.

Commitment 7: Play the Game as If Your Life Depended on It

Begin the coaching by starting with yourself. Overturn your life sentence. Create a powerful future to live into.

There are no circumstances in business or in life that you can't handle from the Three Laws. No matter what hurdles you have to jump, challenges you have to face or unfamiliar territory you have to cross, you're ready for it.

Play the game passionately, intensely and fearlessly. But don't make it significant. It's just a game. ●

RECOMMENDED READING LIST

If you liked *The Three Laws of Performance*, you'll also like:

1. ***The Accountable Leader* by Brian Dive.** Centered around three themes — leadership, accountability and organizational structure — this book explores what it means for managers to be held accountable at all levels.
2. ***Primal Leadership* by Daniel Goleman, Annie McKee and Richard E. Boyatzis.** Discover how good leaders use their Emotional Intelligence (EI) to get results. Learn how the four quadrants of EI impact your style of leading.
3. ***Leaders at All Levels* by Ram Charan.** Ram Charan takes aim at the current crisis in leadership: the shortage of leaders prepared to face today's complex business challenges. Charan offers a solution that outlines a new model for succession and leadership development.

Summary

July 2008

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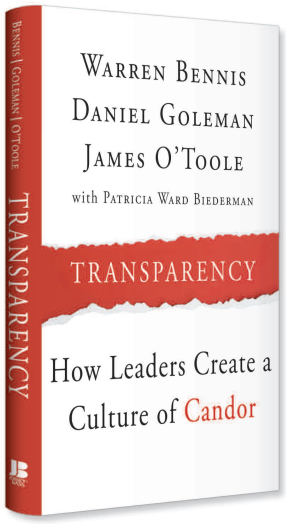
Leadership: Strategies

Transparency

How Leaders Create a Culture of Candor



by Warren Bennis, Daniel Goleman, James O'Toole with Patricia Ward Biederman

THE SUMMARY IN BRIEF

Recently, certain issues have started to enter almost all our conversations about organizations, business, public life and our personal realities. Transparency is one of those urgent, increasingly prominent issues.

The word *transparency* encompasses candor, integrity, honesty, ethics, clarity, full disclosure, legal compliance and a host of other things that allow us to deal fairly with each other. In a networked universe, where competition is global and reputations can be shattered by the click of a mouse, transparency is often a matter of survival.

In *Transparency,* experts explore what it means to be a transparent leader, create a transparent organization and live in an ever-more-transparent world culture. The three interconnected essays offer insights that will help leaders think more clearly and act more thoughtfully in matters relating to transparency, an issue that becomes ever more important as this fascinating, difficult era unfolds.

The authors look at transparency from three different vantage points — within and between organizations, in terms of personal responsibility, and finally in the context of the new digital reality — all with an emphasis on how these relate to leaders and leadership. They show how digital technology is driving the new transparency, one that is paradoxically both more and less dependent on the will of the individual.

IN THIS SUMMARY, YOU WILL LEARN:

- How leaders can show courage, integrity, candor and responsibility.
- How to create a transparent organization.
- How to embrace transparency, a good thing but rarely an easy one.
- How to take the long view of transparency.
- How to become a better follower and a better leader.

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THE COMPLETE SUMMARY: **TRANSPARENCY**

by Warren Bennis, Daniel Goleman, James O'Toole with Patricia Ward Biederman

The author: Warren Bennis is the author of *On Becoming a Leader and Organizing Genius* (with Patricia Ward Biederman) and many other best-selling books on management and leadership. Psychologist Daniel Goleman is the author of the groundbreaking and best-selling books *Emotional Intelligence* and *Social Intelligence*: *The New Science of Human Relationships*, among others. James O'Toole is the Daniels Distinguished Professor of Business Ethics at the University of Denver's Daniels College of Business. He is author of 17 books, including *Leading Change* and *Creating the Good Life*.

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Creating a Culture of Candor

In the spring of 2007 something unprecedented happened in the southern Chinese city of Xiamen. In a nation notorious for keeping citizens in the dark, word got out that a petrochemical plant was to be built near the center of the lovely port city. The factory would have produced toxic paraxylene, and residents who learned of the plans were understandably alarmed.

A decade ago, concerned Chinese citizens could have done little to stop the plant's construction. But this is a new age, not just in China but throughout the world. Via e-mail, blogs and text messages, word of the plan spread and a protest was organized against it. As the *Wall Street Journal* reported, hundreds, perhaps thousands of protesters gathered at Xiamen's city hall to oppose the plant.

Chinese officials refused to acknowledge the protest and shut down Web sites that opposed the plant. But using today's ubiquitous communication technology, protestors were able to circumvent the official silence. Participants took photos of the protest with their cell phones and posted them on the Web. Much to the chagrin of Chinese officials, some photos were transmitted straight to sympathetic media. The result was a victory of electronics-driven light over official darkness. City officials have postponed construction of the plant until a new study of its environmental impact is completed.

'Not Lying'

Today the word *transparency* pops up in stories about everything from corporate governance to the activities of the U.S. Justice Department. In the mouths of those in power, its meaning tends to be fuzzy, although, as *New York Times* essayist John Schwartz writes, when officials say they are being transparent, "what they really mean is 'not lying' and 'not hiding what we're really doing.' But that doesn't sound as nice or vague, does it?"

The vagueness is understandable, however. As we all know, claiming to be transparent is not the same as actually *being* transparent. Even as many heads of corporations and even of states boast about their commitment to transparency, the containment of truth continues to be a dearly held value of many organizations. Sadly, you can say you believe in transparency without practicing it or even aspiring to it.

While opacity is far less of a problem in the United States than in some other nations, it continues to characterize many, if not most, American organizations. And lack of transparency is usually no accident. It is often systematically built into the very structure of an organization.

Rise of the Blogosphere

The effort to withhold information from the public has become an all-but-impossible task because of profound changes in the global culture. Most important of these is the emergence of electronic technology that facilitates sunlight, and the rise, over the last decade, of the blogosphere — a development that has made transparency all but inevitable.

In today's culture, no corporate wrongdoing can be safely entombed forever in a company's locked file cabinets. A decade ago, secrets often remained buried until a professional journalist could be persuaded to reveal them. Today anyone with a cell phone and access to a computer has the power to bring down a billion-dollar corporation or even a government.

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What Is a Culture of Candor?

When we speak of transparency and creating a culture of candor, we are really talking about the free flow of information within an organization and between the organization and its many stakeholders, including the public.

For any institution, the flow of information is akin to a central nervous system: the organization's effectiveness depends on it. An organization's capacity to compete, solve problems, innovate, meet challenges and achieve goals — its intelligence, if you will — varies to the degree that information flow remains healthy. That is particularly true when the information in question consists of crucial but hard-to-take facts, the information that leaders may bristle at hearing — and that subordinates too often, and understandably, play down, disguise or ignore.

For information to flow freely within an institution, followers must feel free to speak openly, and leaders must welcome such openness. No matter the official line, true transparency is rare. Many organizations pay lip service to values of openness and candor, even writing their commitment into mission statements. Too often these are hollow, if not Orwellian, documents that fail to describe the organization's real mission and inspire frustration, even cynicism, in followers all too aware of a very different organizational reality.

Information Flow

Information flow simply means that critical information gets to the right person at the right time and for the right reason. Although the successful flow of information is not automatic and often requires the leader's commitment, if not intervention, it happens every day in organizational life, often in the most mundane ways.

For instance, a few years ago, General Electric became alarmed about a precipitous drop in appliance sales. At meetings on the matter, the conversation soon narrowed to how the problem could be solved by improving marketing: Should GE focus on pricing? On advertising? On some other change in marketing strategies?

Then someone from the company's financial services arm, GE Capital, spoke up. He put up a PowerPoint presentation showing that consumer debt had reached near-saturation levels. The problem wasn't that GE was failing to market its appliances successfully. The likelier problem was that customers were too strapped to buy the big-ticket items that GE sold. That single crucial bit of information swiftly shifted the conversation from marketing to financing, as the company began seeking ways to help customers pay for appliances. The right information had found its way to the right people at the right time.

Damming the Flow of Information

Just as the free flow of information can maximize the likelihood of success, damming its flow can have tragic consequences. An instructive example is the decision of Guidant executives to continue selling their Contak Renewal defibrillators even after they learned that the implanted heart regulators were prone to electrical failures implicated in the deaths of at least seven patients.

Because company officials remain silent on the matter, we can only speculate on why the firm decided not to recall the devices until 2005, three years after insiders learned of the flaw. Whatever Guidant's reasoning, the result was not only needless deaths but a catastrophic trust problem with its primary customers — not heart patients but the physicians who prescribe the lucrative lifesaving devices.

According to the *New York Times*, Guidant's share of the defibrillator market dropped from 35 percent to about 24 percent after the recall, apparently because of the disgust many physicians felt at the company's decision to conceal an embarrassing truth on which patients' lives literally depended. As one angry physician wrote to the firm: "I am not critical of Guidant's device problems — these devices are so complex, issues are expected. I will not, however, work with a company that put profit and image in front of good patient care and honesty in device manufacturing."

Choosing Transparency

It almost goes without saying that complete transparency is not possible — nor is it even desirable, in many instances. Just as national security concerns may justify limiting access to certain information to a small number of carefully vetted individuals, an organization may have a legitimate interest in holding close and guarding from competitors information about innovations, original processes, secret recipes or corporate strategies. Such secrets are reasonable.

However, secretiveness is often simply reflexive. And secretive organizations are vulnerable to exposure by both the mainstream media and their growing legions of amateur competitors. But even when lack of candor is likely to be harmful, many organizations continue to choose it over openness, as Guidant appears to have done.

Because the term *transparency,* like *courage* and *patriotism*, has the exalted ring of eternal truth, it is easy to forget that transparency is a choice.

'No Secrets'

The leaders who will thrive and whose organizations will flourish in this era of ubiquitous electronic tattle-tales

are the ones who strive to make their organizations as transparent as possible. Despite legitimate moral and legal limits on disclosure, leaders should at least aspire to a policy of "no secrets." The first beneficiaries of such a policy are the members of the organization itself, who are in a position to act on maximum rather than restricted information. According to *Fast Company* magazine, Whole Foods CEO John Mackey has a "no secrets" policy that includes posting every employee's pay.

Even if unattainable, a "no secrets" policy is worth striving for. Given that secrecy and even privacy are less and less likely in a world where every teenager has a cell phone equipped with a camera and Internet access, we all need to remember that each of us is, more or less, always under scrutiny and on display. To forget that is to risk embarrassment or worse. Best to do or say nothing that you might have to apologize for if it makes headlines or is reported in a blog.

Set a Good Example

The best way for leaders to start information flowing freely in their organizations is to set a good example. They must accept, even welcome, unsettling information. If leaders regularly demonstrate that they want to hear more than incessant happy talk, and praise those with the courage to articulate unpleasant truths, then the norm will begin to shift toward transparency.

Openness and what it says about the nature of the organization becomes a competitive advantage — in creating consumer loyalty as well as in recruiting and keeping the best people. Evidence that values matter to today's consumer include the enormous interest in green products.

Values Matter

That values matter to those in the most creative part of the work force is evidenced by the vast number of people who seek employment at Google, whose motto is famously "Don't be evil." When we talk about creating a culture of candor, we imply that the organization ultimately has control over the process. Certainly, transparency is enhanced when an organization's leaders are committed to it. But even when leaders resist it, transparency is inescapable in the digital age. The new transparency is not optional.

To the evident discomfort of some, recent candidates for the presidency of the United States faced questions during televised debates, not just from participants in time-honored Town Hall forums, but from visitors to the social networking site YouTube. Used to carefully vetted, controlled encounters, the candidates had to field questions lobbed from cyberspace by cartoon characters and people dressed in goofy costumes.

Just as YouTube has changed America's political discourse, Google has made it impossible for any candidate to deny past actions or statements. Within seconds, anyone with a laptop can check on the candidate's past positions and, within a few seconds more, report any distortions or self-serving memory lapses to the entire wired world. Whether the candidates like it or not, a culture of candor has been thrust upon them. ●

Classification Vs. Declassification

Writer Graeme Wood gives a vivid illustration of how transparency is a choice in his analysis in the Atlantic of how differently recent U.S. administrations have treated sensitive information.

Arguing that the administration of President George W. Bush is unprecedented in its insistence on secrecy, Wood says the current trend began in 1982 with Ronald Reagan, whose philosophy was, in effect, "When in doubt, classify." By 1985, 15 million documents had been classified, far more than had been shrouded under President Carter. President Bill Clinton, who favored declassification, ushered in a new era, saying, in effect, "When in doubt, let it out." Classification surged again under George W. Bush. In 2006, 20.6 million documents were classified, more than six times the 3.6 million classified under Clinton.

"Leaving aside the blinkering effect it has on congressional oversight, too much secrecy impedes the routine functioning of the executive branch, by making useful information difficult for many government employees to see," Wood argues. Ironically, he points out, secrecy also has the unintended consequence of making leaks more likely.

Speaking Truth to Power

In 2002, Enron's Sherron Watkins, WorldCom's Cynthia Cooper and the FBI's Coleen Rowley were recognized as *Time* magazine's "Persons of the Year" for courageously bringing news to the men at the top of their respective organizations that those leaders preferred not to hear. As *Time* reported, the three women weren't looking to curry favor, weren't looking for publicity, didn't want to be whistleblowers, and all three — primary

breadwinners in their families — courted great risk in terms of their jobs and careers. Sadly, not only did their warnings about serious ethical violations go unheeded by their bosses, the women then were marginalized, isolated, scorned and reviled by their organizations for their efforts to save them.

So why did they dare to speak truth to power? Their motivations differed, but the actions of all three were rooted in what they saw as a moral imperative to act. In the words of Martin Luther King Jr., "Our lives begin to end the day we become silent about things that matter."

In almost all social organizations — families, sports teams, schools, businesses, government and nonprofit agencies — those lower down the pecking order experience, from time to time, the terror involved in having to tell unpalatable truths to those ranked above them. While few of us have had direct experience calling attention to Enron-scale fraud and deception, almost all of us have stories to tell of retaliatory fury from the enraged "alpha dogs" we mustered the courage to confront.

Personal Danger

Speaking truth to power is, perhaps, the oldest of all ethical challenges. Certainly, it is one of the most terrifying in that it entails personal danger: from the days of the first humans until only relatively recently, tribal leaders, clan elders, kings, tyrants, caudillos, gang leaders, ward bosses and neighborhood bullies all ruled by force. To question their decisions was to risk death.

Ethical transparency is predicated on the existence of two parties — a candid speaker of facts and a receptive listener.

Managers in companies with healthy cultures are constantly willing to rethink even their most basic assumptions through a process of constructive dissent. Companies get into moral and competitive hot water when their leaders are unwilling to test their operating premises about such often-taboo subjects as the nature of the working conditions they offer employees, the purposes of their corporation and their responsibilities to various stakeholders. The failure to openly examine such behavior-driving assumptions leads to what commonly is called *groupthink*, a state of collective denial or self-deception that often has disastrous business and ethical consequences.

The Risks of Speaking Truth

The risks of speaking truth to power are particularly acute for those in professional services firms — the lawyers, accountants and consultants who are the very gatekeepers charged with providing business leaders with unvarnished assessments and warnings, and with objective advice and counsel. These professionals are too well aware that the fastest way to lose clients is to give them news they don't want to hear. This is especially true when the news that needs conveying is that the client-CEO's behavior is at the root of a company's problems.

Another example: It takes extraordinary moral courage for a compensation consultant to tell a CEO that he or she is overpaid. In too many instances, conveyers of such news would soon find themselves out of a job. Even if one is not fired, the penalty for losing a major client in a professional services firm is a fate worse than death: derailment from the partnership track. As the demise of the Arthur Andersen accountancy demonstrated, the incentives in most professional firms too often encourage people to lie to, and for, clients. And that won't change unless the ways in which professionals are evaluated and rewarded change.

The Legacy of Enron

In the wake of Arthur Andersen, Enron and similar instances of corporate lies and fraud uncovered over the last decade, increasing calls have been made in this country for transparency — that is, for business organizations free of dirty little secrets, the unveiling of which would destroy trust, ruin reputations and wreak havoc with profits. In fact, there really is no need for *any* business secrets in organizations beyond protecting plans for new products and processes and other sources of competitive advantage (protecting the personal privacy of employees is a different matter). As author Edward Lawler has shown, it even redounds to the benefit of organizations to post everyone's salary.

Transparency, trust and speaking truth to power are complexly interrelated ethical and organizational concepts. To create cultures that manifest those characteristics, leaders must do several practical things: provide equal access to information to all, refrain from punishing those who constructively demonstrate imperial nakedness, refrain from rewarding spurious loyalty and empower and reward principled contrarians. But that is easier said than done.

Integrity

In Stephen Carter's book on the subject of integrity, the distinguished Yale law professor lays out three requisite steps for the exercise of integrity:

1. Discerning what is right and what is wrong.

2. Acting on what you have discerned, even at personal cost.

3. Saying openly that you are acting on your understanding of right and wrong.

The first step captures the idea of integrity as requiring a degree of moral reflectiveness. The second brings in the ideal of an integral person as steadfast, which includes the sense of keeping commitments. The third reminds us that a person of integrity is unashamed of doing the right thing.

Integrity, by and of itself, is an insufficient virtue: after all, radical ideologues can have oodles of it. Yet, at the same time, all other virtues are insufficient without integrity.

Giving Negative Feedback

Great unintentional harm can be done when speaking truthfully. That's why managers find it so difficult to give candid performance appraisals to subordinates whose work is not up to par. Because giving negative feedback is nearly as unpleasant as firing people, most managers shy away from giving such appraisals even though they realize that an honest assessment of underperformance is in the interest of their organization and also of the subordinate receiving the bad news. And since offering negative feedback upward — to one's boss — is even more unpleasant, that occurs in organizations more rarely still.

A Highly Visible Lesson

As much as an unimpeded flow of information is the sine qua non of a business organization's ability to meet competitive challenges, the free flow of information is also a necessity for a democracy to flourish. A dozen or so books written by Washington insiders published over the last few years document the costs in terms of careers, reputations and even lives when America's political leaders have been unwilling to listen to uncomfortable truths.

Just before the start of the Iraq War in 2003, General Eric Shinseki told Congress that many more troops than had been planned for would be needed to stabilize that country after the U.S. invasion. Soon after his testimony, Shinseki's role was marginalized by the administration: Secretary of Defense Donald Rumsfeld rebuked him, and the deputy secretary, Paul Wolfowitz, claimed that the general's troop estimate was "wildly off the mark."

Shinseki soon retired, but the lesson to other generals was clear, as Kori Schake, former director of defense strategy on the National Security Council, explained, "It served to silence critics just at the point in time when, internal to the process, you most wanted critical judgment."

While there is no way to make giving feedback fun for the bearers of negative assessments and for the recipients above or below them, Frank Daly (the recently retired "dean" of corporate ethics officers) teaches that it is advisable for people in organizations to "practice having unpleasant conversations."

How to Speak Truth Virtuously

Since there are both constructive and harmful ways to do so, it behooves speakers of truth to learn how to engage in the former — and to avoid the latter. In sum, before speaking truth to power can be considered virtuous, the act must meet several criteria:

- **It must be truthful.**
- **It must do no harm to innocents.**
- **It must not be self-interested** (the benefits must go to others, or to the organization).
- **It must be the product of moral reflection.**
- **It must come from a messenger who is willing to pay the price.**
- **It must have at least a chance of bringing about positive change** (there is no virtue in tilting at windmills).
- **It must not be done out of spite or anger.**

This list is neither complete nor all-inclusive, and meeting each criterion requires considerable ethical analysis. ●

The New Transparency

The digital revolution has made transparency inevitable, not just in this country but worldwide. The Internet, camera-equipped cell phones and the emergence over the last decade of the blogosphere have democratized power, shifting it inexorably away from the high-profile few to the technology-equipped many. Historians of the phenomenon say this new digital transparency was born barely a decade ago (in 1998) when online columnist Matt Drudge revealed that the *Washington Post* had quashed a story about then President Bill Clinton's dalliance with a White House intern.

Blogs began to multiply with the launch in 1999 of San Francisco–based blogger.com, a free site that helped users create their own online forums. Since then millions of blogs have sprung up around the world, and their collective clout has transformed politics, the mainstream media and the public and private lives of people everywhere.

In the past, we often had to wait until a courageous whistleblower came along before we learned an institution's

secrets. Now a company's most incendiary internal memos may be disclosed by an anonymous blogger, without ties to any newspaper or television station but with inside knowledge, who can reach thousands, even millions of readers. Now anyone with Internet access can take on the most powerful institutions on earth, without making any significant financial investment and often with little or no fear of reprisals.

The Role of Blogs

Because of the blogosphere's ability to expose secrets to outsiders, George Washington University professor Michael Cornfield has described it as "half forensic lab and half tavern."

Web logs, as blogs are properly called, are also strange hybrids that combine multiple functions. Currently the most popular facilitator of Web logs, Google, gave the trademarked name Blogger to the free application that allows users to set up their own sites. Google explains at Blogger.com: "A blog is a personal diary. A daily pulpit. A collaborative space. A political soapbox. A breaking-news outlet. A collection of links. Your own private thoughts. Memos to the world."

Corporate Bloggers

A blog is, in short, a tool. One notable denizen of the blogosphere is the corporate blogger. A handful of top executives have made names for themselves as bloggers, including General Motors' vice president and car guru Robert Lutz, who describes himself as "at the wheel of FastLane blog." But the most effective corporate bloggers are often non-managers who allow outsiders to peek inside their companies and project a David-unafraid-of-the-corporate-Goliath persona despite collecting a paycheck.

Fortune magazine featured a popular employee blogger from Microsoft, Robert Scoble, in a story on the pervasiveness of blogs. Scoble's most notable achievement appears to be lessening the hostility routinely directed at his employer, so often treated as the Great Satan by the digital elite.

Chairman Bill Gates told *Fortune* that Scoble's and other blogs by Microsoft staff have enhanced the company's image. "It's all about openness," Gates said. "People see them as a reflection of an open, communicative culture that isn't afraid to be self-critical."

By their nature, blogs challenge hierarchies, introducing an outsider's or non-elitist voice into the conversation at hand. When those voices are wise or even simply contrarian, they benefit the organization by challenging its dominant assumptions, preventing tunnel vision and reminding the powers that be that they don't have a lock on all useful truths.

Transparency's Woes

But there is a downside to the instantaneous access to all kinds of information that is making organizations more transparent. The same forces are fast making privacy a thing of the past.

For example, the digital technology that allows supermarkets to manage inventory as never before, also allows Big Brother to peer into the shopping cart of every patron who signs up for an electronic discount card. The grocery chain stores the specifics of every trip to the supermarket Mrs. X makes in its computer files.

As more and more of our personal records go online, our ability to keep our information confidential will continue to diminish, no matter how conscientiously privacy advocates strive to protect it. At the same time, the ubiquity of cell phone cameras makes each of us the potential target of amateur paparazzi. The lack of privacy that results from transparency can be annoying, embarrassing and infuriating.

Electronic Advisers

Transparency would not be a problem in a world in which everyone is decent and fair-minded. In the real world, thugs and predators have computers, too.

If the new transparency changes our expectations of privacy in ways that can be problematical, the digital technology that drives it also has an invaluable upside. One of its remarkable strengths is its ability to tap into the wisdom of crowds, in writer James Surowiecki's resonant phrase. We can access collective intelligence as never before, making primitive forms of tapping opinion, such as focus groups, obsolete. We can also benefit from the wisdom of the group in such modest but valuable forms as the aggregate restaurant ratings in the popular Zagat guides and the collective recommendations that send many consumers to angieslist.com to find roofers and other service providers.

Typically, we ease into relationships with electronic advisers. We take a chance on one of their referrals, and if we like the meal or the paint job, we feel confident using the resource again.

The problem here, of course, is that what looks like transparency may not be. The blogger who slams a restaurant may not be a run-of-the-mill diner. He or she may be the unscrupulous owner of a rival restaurant who decides to whack the competition electronically, a despicable sock puppet.

'Nobody Knows You're a Dog'

Any number of commentators on the difficulty of establishing identity online cite a *New Yorker* cartoon that has been taped on thousands of computers: "On the Internet nobody knows you're a dog."

Genuine transparency is impossible as long as we cannot be sure that those online are who they say they are. Although digital technology may not be the sole cause of the problem, the United States is in the throes of an expertise crisis. Because the Internet is open to everyone, it tends to be a great leveler. But when all voices have the same force, it is harder and harder to identify those who have the training, experience and wisdom that make them truly worth listening to. Television today is full of self-appointed experts who make assured pronouncements on current events and other matters and yet have no credentials beyond a good haircut and an even better agent.

Devaluing Authentic Expertise

The mainstream media have accelerated this devaluing of authentic expertise by treating ordinary viewers and readers as the equals of those with genuine insight and experience. Thus, CNN devotes some time that could be spent hearing expert analysis to asking viewers what they think about American immigration policy and other issues of the day. Such public involvement may massage viewers' egos and increase loyalty to the station, but, arguably, it does little to advance the audience's understanding of important, often-complex issues.

This devaluing of expertise is of great concern to everyone who fears that the blogosphere may be the fatal blow to the world's great and beleaguered newspapers. Information in reputable papers is vetted by experienced journalists striving for the truth and committed to fairness. Bloggers may be committed to nothing more than making themselves heard.

Many feel that blogs will be an adequate substitute for great newspapers only when they go beyond repackaging content to generate comprehensive content of their own and when they commit to high standards of accuracy, fairness and conduct.

There Forever

The new electronic transparency has other characteristics that both organizations and individuals are just now coming to terms with. Negative information can be spread much more rapidly than in the past, and, once it is committed to the Internet, it is there forever. You can hire someone to spin what comes up when you Google your name or that of your organization, but you can't really make it go away.

There is another major problem with the new transparency besides its tendency to catch and preserve experience like some vast digital La Brea tar pit. That is the troubling fact that what is exposed usually seems true.

Authenticating Online Information

In a world in which organizational and personal secrets are revealed around the clock at blog speed, we have a greater responsibility than ever to vet and verify what we see. Lies, urban legends and distortions are as much a part of the mix as authentic revelations. Moreover, it is often impossible to determine the actual source of a nugget of information on the Web. For example, companies often add to their Wikipedia entries or delete information from them without leaving tell-tale fingerprints.

The Internet is a dispassionate delivery system; it doesn't care whether it trades in enlightenment or lies. As a result, governments, other institutions and individuals must find ways to authenticate online information, much as they earlier had to devise methods to determine the authenticity of signatures and $100 bills.

Unanticipated Changes

The new transparency is no doubt changing us in unanticipated ways we don't yet recognize. With its millions of intrusive cameras, its constant potential for trumpeting past indiscretions through cyberspace, and its other discontents, the new reality will force us to adapt or go mad. Eventually, a new etiquette will evolve that will allow us to live more comfortably with the round-the-clock possibility of surveillance by anyone who happens to pass by.

Some new method will emerge that quiets the cacophony of ever-present cell phones and lessens the pain of being "flamed" online by any malcontent who decides to go after us. Until then, we will have to be more wary, and we'll have to develop thicker skins. And since the cameras aren't going away anytime soon, we'll have to find a way to lower the blinds in our glass houses, if only in our minds. ●

RECOMMENDED READING LIST

If you liked *Transparency*, you'll also like:

1. ***Judgment* by Noel M. Tichy and Warren G. Bennis.** Leaders are remembered for their best and worst judgment calls, and it is a leader's judgment that can determine the fate of an entire organization.
2. ***The Wisdom of Crowds* by James Surowiecki.** Our everyday activities, our government and our economy are all affected by the power of crowds, and when things go awry, it is often because one of the key elements of an intelligent crowd is missing or underexpressed. Journalist James Surowiecki explores the underlying implications of the idea that large groups of people are smarter than an elite few, no matter how brilliant.

Summary

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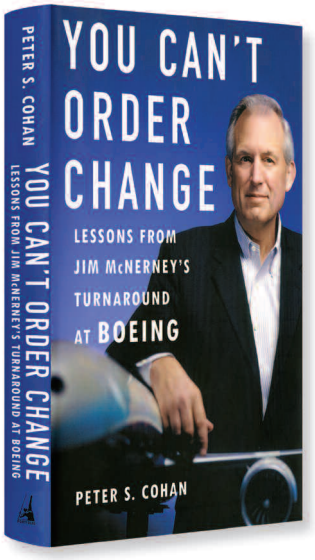
You Can't Order Change

Lessons From Jim McNerney's Turnaround at Boeing



by Peter S. Cohan

THE SUMMARY IN BRIEF

Boeing, the legendary aerospace giant, was on the fast track to doom, facing investigations into suspicious business practices. Meanwhile, sex scandals had led to embarrassing headlines, revenue was down, the stock was tanking, the workplace had grown toxic and key staffers were jumping ship.

Jim McNerney, head of 3M, and formerly one of Jack Welch's top protégés at General Electric, was asked to pull off a seemingly impossible turnaround. The fate of more than 150,000 employees rested on his leadership skills and business acumen.

You Can't Order Change is the story of how McNerney became Boeing's CEO and met the challenge with his consensus-driven leadership style. McNerney is smart about motivating people; crafting business strategies that spark profitable growth; and making operations more productive, efficient and effective. But most important, he is a genius at creating harmony within communities. *You Can't Order Change* reveals McNerney's approach to accountability, growth, cost cutting, leadership development, customer focus, new technology and other universal challenges.

IN THIS SUMMARY, YOU WILL LEARN:

- How to unlock individual achievement in each employee, and identify and develop leaders.
- How to set goals and implement strategies that help groups work together for the greater corporate good.
- Why you should link pay to profit and process rather than stock price.
- How to engage engineers so they are motivated to meet the needs of customers.
- Why organic growth is better than growth by acquisition.
- How to create a culture of ethics and compliance.

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THE COMPLETE SUMMARY: **YOU CAN'T ORDER CHANGE**

by Peter S. Cohan

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For additional information on the author, go to http://www.summary.com.

Introduction

Jim McNerney, current CEO of Boeing Co., spent much of his career as a rising star and major player at General Electric, where he was one of the three finalists to replace Jack Welch. When Welch gave that job to Jeff Immelt in 2000, McNerney was recruited by 3M's board, and he quickly set about revitalizing the tired old industrial giant. At Boeing, he has cleaned up a mass of legal problems, tackled the cultural issues that allowed them to arise, rebuilt the brand, and invested in new programs that promise a long, profitable future for the company.

At each of the companies that he's led, McNerney has managed its people as the key source of new product ideas that boost the top line *and* the essential ingredient for making operations more efficient. He does that not by frightening them into performing but by tapping into their innate desire to improve and by removing barriers that inhibit their growth.

Who Is Jim McNerney?

Jim McNerney is a leader who gets results by motivating others.

What makes McNerney the right leader at the right time for Boeing is his understanding that its future rests on making the right investments. These investments are bets on new products that he anticipates will meet the needs of its customers more effectively than do competitors'. And decisions about people are a critical leading indicator of whether those investments will pay off for shareholders. How so? Because Boeing's bets can succeed only if the right people with the right skills manage those bets.

So what is the source of McNerney's ability? McNerney embodies a core Midwestern value writ large: Don't break your arm patting yourself on the back. It's not that McNerney is not competitive and doesn't like to win. It's just that he prefers to let the organization's results speak for themselves rather than drawing all the attention to himself. ●

Help Your People Get 15 Percent Better

McNerney has set a goal to make Boeing's people 15 percent better every year. By this he means improving both the effectiveness of individuals and how all the people in the whole organization work together. The number may sound arbitrary, but McNerney uses it to let people know that he's measuring what they do.

Jim McNerney focuses on people's growth because he believes that if the company's people grow, then the company will grow. To encourage people to grow, McNerney sets goals that stretch people beyond their comfort zones, and he urges managers from the top down to be role models.

McNerney thinks about how he can help others improve. He tries to figure out how to unlock the creativity that he feels is often trapped inside people in a stifling, bureaucratic environment. McNerney's emphasis on enhancing people's productivity is relevant for both individual contributors and those who manage them.

McNerney does five things that help the people in his organizations perform more effectively:

1. He defines clear leadership attributes. McNerney defines clear leadership attributes because he knows that what gets measured gets done. While the leadership attributes aren't surprising, they're valuable because they motivate and direct the behavior of people with leadership

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Edward O'Neill**, Graphic Designer; **Barry Silverstein**, Contributing Editor

ambitions. McNerney promotes those whose behavior stands out as being most consistent with the leadership attributes. And he sidelines those who cling to the old ways.

2. He interacts with people so they jointly own the leadership attributes. McNerney's investment in ensuring that he and his people co-own the leadership attributes suggests three leadership lessons:

- Leadership attributes are the foundation of changing a company's culture.
- A CEO seeking to make fundamental changes must listen and broadcast over a long period of time to create a shared sense of ownership of the change.
- To change behavior, leaders must link the attributes to performance evaluation, pay and promotion.

3. He encourages communication from the bottom up. McNerney's efforts to encourage the flow of information from the bottom up frame four leadership lessons:

- Bureaucracies can create informal norms that stifle enthusiasm, creativity and the flow of information up and down the line.
- A CEO needs to take action to strip away the vestiges of bureaucracy and unleash people's growth potential.
- One reason for the CEO to encourage the flow of information from the bottom up is to identify individuals with the potential to grow.
- CEOs must identify the right balance between empowering and trusting their leaders. One way to do this is by creating channels to tap into information from lower levels of the organization.

4. He gets rid of players who block others. McNerney recognizes that his skill at managing Boeing's talent pool is critical to what actually happens inside Boeing as well as to the analysts' perceptions. McNerney does not pretend to be a visionary who can accurately predict the future of the aircraft industry and position Boeing accordingly. So he relies on having a smart, effective team in place. And this means that there is no room for people who sabotage subordinates in order to burnish their own reputations. By subtly punishing people who push out their more team-oriented peers and rewarding people whose talents will encourage and motivate others, McNerney is building up Boeing's talent pool.

5. He invests in developing leaders. McNerney invests heavily in leadership development by spending a large amount of his own time developing leaders. He considers leadership development so important that he is willing to put relatively untested potential leaders in charge of major projects that could affect Boeing's future. The chance that those projects might fail can be thought of as a tuition payment by Boeing shareholders for developing Boeing's future leaders on the job.

McNerney's investment in leadership development suggests four lessons:

- Spending time on leadership development gives the CEO the attention of key leaders and helps the CEO shape the way key leaders think about their jobs.
- Leadership development enables the CEO to create a shared sense of ownership about which behaviors result in rewards and which lead to being sidelined.
- Picking and empowering leaders prepares the company to prosper far into the future.
- The CEO must balance the desire to give leaders the freedom to succeed or fail against the need to protect shareholders from the cost of a failed project.

McNerney makes Boeing better by engaging its people in a purpose that captures their passion. He spends time working with people at the top and middle levels of the organization to identify what needs to be changed, and getting people to buy into a set of shared leadership attributes. He then uses those attributes as a context in which to set goals and promote or sideline people based on their performance. ●

Lead Groups to Higher Ground

In large organizations, there are many groups that share common bonds but also compete for resources and rewards. In order to boost Boeing's performance, McNerney needs to do more than simply motivate the individuals in these groups. He must also motivate these groups to cooperate with each other in pursuit of Boeing's corporate aims. The interests of these individual groups may sometimes be at odds with some of Boeing's overall corporate goals. McNerney must overcome the groups' natural desire to put their own interests above Boeing's.

McNerney does this, first of all, by pursuing corporate goals that make most groups better off. How does he accomplish this?

- He identifies the key players and understands their different needs.
- He focuses on getting agreement on critical issues and doesn't waste time on the trivial.
- He generates solutions that make key players better off.

• He overcomes obstacles to realize solutions.

McNerney's ability to lead groups to higher ground marks him as an exceptional leader. He praises the company and helps people see that their future may be brighter thanks to his leadership. By creating this openness, McNerney learns what most urgently needs to be done and unites different groups around those critical goals. From this unity, he crafts workable strategies to achieve the goals.

Link Pay to Profit and Process, Not Stock Price

Because managers can't control the price of their companies' stock, McNerney believes it is inappropriate to pay them based on stock price performance alone.

So rather than compensate executives for things they can't control, McNerney ties compensation to what managers can control. He pays them to focus their efforts on the financial performance that's under their control and in the company's long-term interests. To accomplish this, McNerney does the following things:

• **He bases pay on factors that leaders can control.** McNerney uses a measure called economic profit as the gauge of executive performance. Specifically, McNerney believes that leaders should be able to control two variables in their businesses: how much profit they earn and how much capital they use to achieve those profits. His notion is that the best business leaders make efficient use of the company's capital. McNerney also concentrates on these two factors because he believes that over the long run, investors will pay a premium for a company's shares if its business units consistently achieve high return on capital.

• **He weighs both profit and process.** While achieving economic profit and other business unit goals is clearly important to McNerney, he believes how people achieve those goals is equally important.

• **He makes shareholder value a by-product.** McNerney encourages people not to focus too much attention on a company's stock price. If executives meet their economic profit targets while adhering to corporate values, they receive bonuses regardless of stock price performance.

McNerney's approach to paying leaders seeks to get them to do the right things in the right way. Focusing managers on what they can control means they spend less time squabbling about matters that do not benefit shareholders and customers. Compensating leaders for achieving corporate and individual goals will pay off for shareholders.

The Skills of a Politician

McNerney has a politician's ability to identify which constituents he needs to satisfy in order to help an organization move forward. In each situation, these constituents might be different, so it is important to figure out quickly who the important players are and how to relate to them in order to gain their support.

By maintaining a modest demeanor and not harshly condemning the status quo, McNerney puts himself in a good position to establish an initial rapport with these constituents. McNerney also listens carefully to their views, understands their goals and appreciates the challenges they face in achieving those goals. With the input of these key groups, he forms a vision for action that enables him to pick goals that, if achieved, leave them all better off.

McNerney's shrewdness about leading people was evident as he stepped into Boeing as its CEO. McNerney had the experience from GE and 3M to realize that when a CEO joins an organization, he needs to gain the trust of the people in the organization. He inherits the history of conflicts among different groups and the frustration of those who thought they deserved his job. To keep these emotions from overwhelming his effectiveness, McNerney avoided charging into Boeing with lots of new ideas about how to fix everything that was wrong. Instead, he stepped into the new job quietly, praising Boeing's strengths and trying to get off on the right foot with its key constituents.

McNerney's actions reveal important lessons about how a leader should identify the key players in an organization and build relationships with them. Helpful tactics in this endeavor include the following:

- Start off by praising the company, its people and its accomplishments.
- Avoid making major proclamations about how everything needs to change.
- Don't immediately replace the people who report to you.
- Listen to key players before drawing conclusions about what needs to change.

Build Strategy on Customer Focus

During his career at GE, 3M and Boeing, McNerney, who is not an engineer, has learned that while technology is valuable, alone it is not enough to sustain the growth of a successful technology company. The company must use the technology to do things that customers want.

When it comes to managing technology, McNerney pleases the customers instead of pleasing the engineers. He encourages cross-functional teams to spend time with customers so they can understand what products they need to offer to close future sales.

McNerney's winning approach is to build strategy on customer focus, which he does in the following ways:

1. **He forms teams from different functions and across corporate boundaries.**
2. **He satisfies the needs of customers, not engineers.**
3. **He harnesses technologies that will make customers better off.**
4. **He shifts resources to projects with the highest profit potential.**

McNerney cites five ***myths of innovation*** that need to be overcome by individuals "as they seek to contribute creatively in the modern corporate environment." These five harmful myths include:

- Innovation is a crusade.
- Innovation is technology alone.
- All innovation is radical.
- Innovation is lucky.
- Innovation must be undisciplined.

McNerney contrasts these five myths with five ***innovation realities***:

- Innovation requires teaming.
- Innovation is shared.
- Innovation is broad.
- Innovation can be incremental.
- Innovation must combine creativity and discipline.

McNerney has introduced winning products that have contributed significantly to corporate revenues. He helped to push through the GE90, which generated $25 billion in revenue potential for GE. He contributed to the introduction of the 787 at Boeing, which has generated more than 900 customer orders. At the core of these successes is McNerney's ability to listen to the needs of customers. But McNerney also recognizes that despite the uncertain nature of innovation, he can make product development more disciplined by shifting capital and people from weak or irrelevant projects to ones with strong potential. ●

Invest in Your Strengths

To win customers, the company's product or service must satisfy customer requirements better than competitors'. To attract and retain the best employees and managers, a human resources strategy must create a more compelling work environment than competitors'. And to attract equity capital, the firm must exceed investors' expectations by a greater proportion and more reliably than competitors'. The CEO must formulate strategy and then manage the organization so that strategy gets translated into specific actions that lead to superior performance.

During his tenures at GE, 3M and Boeing, McNerney has demonstrated the ability to create and execute such strategies. How does McNerney achieve this?

- He focuses on big, growing markets.
- He invests in existing strengths and tackles weaknesses.
- He analyzes and exploits competitor weaknesses.

Before he became Boeing's CEO, McNerney was a Boeing director, and in that role he helped develop the strategy that allowed Boeing to make the right bet on which group of customers would be most profitable. Boeing focused on the midsize planes needed by the point-to-point airline segment, while Airbus targeted the larger planes used by the long-range, hub segment. As it turned out, Boeing made the smarter bet.

How did McNerney know that Boeing should bet on the midsize market? He took a clear-eyed look at the potential customers and what they wanted. Unlike Airbus, which may have fallen victim to confirmation bias — the tendency to see only data that reinforces a pre-existing expectation — McNerney relied strongly on Boeing's Strategic Analysis Department (SAD). As an independent unit, SAD gathers data, analyzes it and comes to a conclusion about the size of a market without pressure to slant the results to satisfy the demands of Boeing executives.

Boeing proposed to Airbus that the two companies conduct a joint study to assess the market potential for a replacement version of the 747. At the end of the joint study, Boeing concluded that the superjumbo market would be far smaller than Airbus did. Like Airbus, Boeing believed that size matters, but it wasn't the size of the plane that Boeing wanted to maximize. It was the size of the market and Boeing's potential share of it that mattered. At McNerney's urging, Boeing remained focused on the market for intermediate-sized jets, which proved to be the better bet.

McNerney has built on Boeing's strengths to help it win a substantial amount of business. Despite problems delivering the 787, Boeing has cleverly exploited Airbus' weaknesses. It targeted the midrange market while Airbus was distracted by its focus on the smaller jumbo segment. This strategy turned an $8 billion investment in a midrange, fuel-efficient aircraft into 896 orders. By building on its strengths, Boeing has prevailed over Airbus. ●

Grow Through People, Not Deals

Basically, a CEO can get growth from two sources: new products that the company develops itself or acquisition of companies. At both 3M and Boeing, McNerney has made it clear that he prefers the internal growth model.

One reason McNerney resists growth through acquisitions is that it's hard to merge the cultures and operations of acquired companies. Another reason McNerney says he is reluctant to make acquisitions is that they relieve a company of the obligation to chart its own destiny.

McNerney's choice of strategy for organic growth depends on the company and the industry it is in. For example, at 3M the challenge was to focus thousands of research projects and increase the odds that they would lead to new products that consumers would buy. By contrast, at Boeing, each individual new product could cost billions of dollars — an investment that is hardly guaranteed to earn back its cost. So while at 3M McNerney needed to develop multiple smaller products, at Boeing the challenge remains to succeed with fewer bet-the-company investments per decade.

To generate organic growth, McNerney does the following:

- He holds people accountable for growth.
- He applies current strengths to new markets.
- He makes acquisitions that complement organic growth.

While Jim McNerney used acquisitions in both 3M and Boeing, they complemented existing lines of business and more than paid for themselves through the higher profits they generated.

Tackle Challenging Situations Quickly and Effectively

McNerney's training prepared him well for parachuting into challenging situations, getting the lay of the land, figuring out the most important things to get done first and working with people to get the needed results.

McNerney has used these skills well at 3M and Boeing. At 3M, he focused research spending on health care products and plastic films for display screens. This was in stark contrast to 3M's prior CEOs, who had let its research and development employees work on whatever innovations they wanted without focusing on the revenues they might generate for 3M. McNerney shifted the culture to say, "Give me your three best ideas." And he almost immediately started getting results.

McNerney's focus on a critical few fixes at Boeing helped boost Boeing's revenues and profits significantly. As he did at 3M, McNerney has channeled Boeing's spending into areas where it's likely to get the biggest returns.

McNerney's accomplishments at both 3M and Boeing testify to his ability to tackle challenging situations via three methods:

- He diagnoses problems quickly and effectively. McNerney has built on his consulting experience and his subsequent management roles to hone his ability to tackle things quickly. He doesn't shy away from challenges. He doesn't put things off. He doesn't waste time.
- He pushes multipronged solutions and avoids simple answers. McNerney resists the one-size-fits-all approach to management problems. He understands the complex causes of problems and finds solutions to address them.
- He uses a hardheaded, soft-hearted approach to people. To accomplish change, McNerney does two things: He first sets very specific goals — the hard-headed part — and then he helps people achieve the goals — applying his soft-hearted side. He also recognizes that not all employees will succeed, and he is honest when letting go employees who aren't working out.

Tighten Operations With Process-Improvement Tools

As assiduously as McNerney pursues growth, he also seeks productivity. Increasing efficiency is a theme that runs through all his management and operational programs. He sees it as all connected: If you want profitable growth, you need to work on both the cost part and the growth part.

There are many ways to boost operational efficiency, and McNerney is not married to any one of them. He examines the company's challenges, determines where there are opportunities to boost its efficiency and judges which techniques will be most appropriate for achieving the goal. The primary technique he has used at Boeing is one called Lean. At 3M, he instituted Six Sigma, which he had seen work well at GE.

Once he decides which technique fits the company best, he starts to educate people so they share a common language for process improvement. He helps select the process-improvement projects, gives teams the resources they need to succeed, eliminates obstacles and rewards those who get results.

Lean is a quality-management process that Toyota developed and refined. Lean evolved from the Toyota Production System (TPS), which strives to mass-produce

goods more efficiently. Lean reduces waste, human effort, manufacturing space, investment in tools and engineering time to develop a new product.

Partner With Global Suppliers to Reduce Risk and Accelerate Time to Market

The bold notion of transforming global suppliers into global partners required a radical loosening of Boeing's control over the suppliers. Instead of specifying in great detail exactly what each supplier would manufacture, Boeing would describe only what the component should do and let the supplier decide how to design and build it. Boeing has outsourced 70 percent of the design and manufacturing work, much of it to firms abroad. This has meant that for Boeing to meet its production targets, all those highly complex parts need to come together correctly and on time. This has presented significant management challenges, one of which was getting dozens of partners around the world working productively on the same design software, linked to the same database with one set of drawings.

Boeing's first attempts at the hands-off approach turned out to be a bit too hands-off. When suppliers had problems, Boeing was too slow to see them and get them resolved. But when the anticipated delivery date had to be postponed several times because of supplier problems, McNerney replaced the person in charge, Mike Bair, and became more involved himself.

Despite the problems, he remains convinced that global partnering is a key to substantial profits, and to capture those profits McNerney has taken the following steps:

- He works closely with suppliers and their subcontractors during design and manufacturing.
- He builds trust up and down the line and with partners.
- He monitors performance relative to schedule and adjusts accordingly.

McNerney's efforts to globalize product development at Boeing are likely to pay off in the long run. McNerney's objects were ambitious, and in seeking to achieve them he ran into problems. He has learned that he can prevent these problems from recurring by restoring trust up and down the line and with Boeing's suppliers. And he has shifted from a delegate-and-trust approach to a trust-but-verify one.

Leadership Lessons From Tackling Challenging Situations

Jim McNerney does a great job of diagnosing business problems. His success suggests these lessons for leaders:

- Develop networking skills to help assess people quickly.
- Diagnose critical business problems early.
- Question and learn from your direct reports and find out what business indicators matter most in each function.
- Track changes in those business indicators over time.
- Analyze why they are changing.

McNerney's use of a multipronged approach to solving problems suggests these lessons for leaders when taking over a new leadership challenge:

- View the organization from the perspective of all its constituents.
- Avoid imposing solutions just because they worked in the past. Tailor an approach to fit the unique problems of the organization.
- Recognize that boosting financial results is crucial to gaining the confidence of constituents.
- Engage constituents in the short-term and longer-term efforts to boost performance.
- Use intellectual humility to tackle challenges, because it builds credibility with constituents and yields better solutions.

McNerney's record of tackling challenging situations quickly and effectively suggests three leadership lessons:

- **Take a fresh look at the challenges facing a company.** Such an opportunity yields practical insights about what can be done to improve the company's results quickly.
- **Devise effective solutions to the company's problems.** McNerney believes that a top-down approach is less effective because it fails to exploit the creative talent of the entire organization.
- **Boost results quickly — thus building enthusiasm for ongoing change.** If the CEO sets high expectations, then the odds are good that results will improve. The pressure for improvement ratchets up as the organization begins to believe it can meet those higher expectations.

Make Ethics and Compliance a Clear Competitive Advantage

McNerney's predecessors had shredded Boeing's reputation, and the company had a culture that appeared to put more value on winning contracts and making money than on ethical behavior. McNerney's first assignment at Boeing was to resolve the legal problems resulting from the procurement and document scandals and to make sure that in the future no such problems would recur.

In order to repair the damage from these scandals, McNerney acted on three fronts:

1. **Settlement.** McNerney settled a series of lawsuits against Boeing. According to *The New York Times,* "The $615 million settlement ended a three-year investigation and allowed Boeing to avoid criminal charges …"
2. **No tax deduction.** McNerney forced Boeing shareholders to pay a short-term price for restoring public trust in Boeing when, in July 2006, the company announced that it would not seek a tax deduction for the $615 million it had paid to the government — a decision that McNerney said would cost $200 million.
3. **Congressional testimony.** And the next month, McNerney found himself in front of Congress trying to draw a line in the sand between his tenure and that of his predecessors. During August 2006 testimony, McNerney said, "I hope to discuss why, going forward, the Congress and the taxpayers of this country can place their trust in Boeing. Companies doing business with the U.S. government are expected to adhere to the highest legal and ethical standards. I acknowledge that Boeing did not live up to those expectations."

McNerney brought an ethical compass to Boeing to transform its culture into one with a focus on ethics. Here are six steps McNerney is taking to accomplish the transformation:

- He directly addresses the sources of ethical problems in company culture.
- He adds ethical conduct to explicit values.
- He requires leaders to model ethical behavior.
- He opens channels to discuss ethical and business problems.
- He links promotion and pay to ethical conduct.
- He looks for ethics problems rather than waiting for them to surface. ●

Cut Your Company's Environmental Footprint

In the case of Boeing, there are fundamental reasons why reducing its environmental footprint makes business sense. Unlike leaders in the United States, European leaders take global warming and noise pollution seriously. This matters to Boeing for at least two reasons. First, Boeing sells to airlines based in Europe, and those airlines are increasingly interested in buying aircraft that produce lower carbon emissions. Second, if Boeing wants to continue to sell in Europe, it must take an especially cautious approach because all things being equal, European customers would prefer to buy from Airbus than from an American company.

McNerney does many things to cut Boeing's environmental footprint:

- He pushes Boeing to reduce carbon and noise levels.
- He builds products with smaller environmental footprints.
- He wins customers who value such products.
- He works with governments to encourage more stringent environmental regulation.
- He boosts the role of Boeing's environmental strategy department.

Boeing's ability to knock competitor Airbus out of the running for an aircraft order from Virgin Airlines indicates that this principle has a tangible payoff. Moreover, the emphasis McNerney has placed on this principle — by elevating Boeing's Environmental Strategy unit, investing in R&D to reduce the environmental footprint of its products and working with Boeing's constituents to reduce its footprint — attests to the business wisdom of cutting a firm's environmental footprint. ●

RECOMMENDED READING LIST

If you liked *You Can't Order Change,* you'll also like:

1. ***Winning* by Jack Welch.** Welch addresses his own management techniques honed during his tenure as CEO of General Electric Co.
2. ***The Toyota Way* by Jeffrey K. Liker, Ph.D.** Liker explains how creating a Toyota-style culture of quality can help any business.
3. ***Judgment* by Noel M. Tichy and Warren G. Bennis.** Leaders are remembered for their best and worst judgment calls. This book helps leaders to sharpen their skills.

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Superperformance

George Pesansky

Executive Book Summaries®

Superperformance

8 Strategies to Reach Full Potential for Yourself, Your Team, and Your Organization

by **George Pesansky**

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THE SUMMARY IN BRIEF

Many business leaders and organizations struggle to unlock their true potential. They may achieve brief flashes of high performance, but without a system to sustain success, those moments fade into inconsistency, burnout, and missed opportunities.

George Pesansky's book ***Superperformance: 8 Strategies to Reach Full Potential for Yourself, Your Team, and Your Organization*** offers a roadmap out of this cycle. Pesansky argues that "superperformance" is not luck but a skill that can be cultivated. Drawing on more than three decades of leadership and coaching experience, he introduces practical strategies designed to eliminate ambiguity, extend moments of peak performance, and create long-term clarity and momentum.

Through real-world examples, Pesansky illustrates how leaders can move beyond rigid expectations, build stronger collaboration, recognize and remove friction, and shift from problem-solving to replicating success. His approach emphasizes utility, the ability to get things done, as the core of creating value and achieving superperformance. By integrating vision, strategy, and action, readers can transform isolated high-performance moments into a repeatable, sustainable system for themselves, their teams, and their organizations.

IN THIS EXECUTIVE BOOK SUMMARY:

- Identify and eliminate bottlenecks, waste, and friction that stall progress.
- Harness the collective strength of teams through true collaboration.
- Shift from solving problems to replicating the root causes of success.
- Turn performance into a sustainable system by practicing improvement like a skill.

INTRODUCTION: On the Path to Enlightenment

I train people to solve problems, to learn, and to grow so that they can offer increasing value to their organization. I focus on techniques and habits that lead to actual skill improvements, so that any performer good at their job can become a *superperformer*, a stellar example for their peers and leaders and a source of knowledge for their team.

Being a superperformer—and finding or creating other superperformers to support you and your team—is crucial for career success, no matter what position you're in.

Creating value is about the utility you can provide or influence. Utility is simply the ability to do things that need to be done, and it's through utility that you create value. Superperformance—your ability to provide the greatest utility—happens at the intersection of vision, strategy, and action.

PART 1: VISION

CHAPTER 1: The Golden Hour

Many people think that there's no way they can ever work at 100 percent effectiveness (often called *zero loss*). They think this state of perfection is either impossible to achieve, unsustainable, or both.

The thing is, all of us have experienced perfection in our lives—the golden hour—when we're in a flow state and performing at our peak. And while that flow state may only last for an hour, a day, or a week, it is possible—each and every one of us has the ability to experience it. It's not a question of if; it's a question of *when* and for *how long*.

Your Outline for Action

Here are some things to keep in mind as you look to find your golden hour:

- A common obstacle to achieving the golden hour is negativity bias, the tendency of our brains to give greater weight to negative events in our life—and dwell on them longer—than positive events.
- The golden hour is all about focusing on expanding our strengths.
- The potential for perfection exists in every organization, but the question is who believes in it.
- Real leaders inspire their teams to hit their full potential, to show them what they're capable of; good leaders give them the opportunity to get to that outcome, unlocking what's possible and what they can do to achieve that greatness.

CHAPTER 2: Unlocking Potential

Superperformance is more about a way of approaching everything that you do. Most of it is about how you define your problem. Defining a problem—and then solving it—makes these people, these superperformers, differentiators.

Superperformers are potential force multipliers. They don't just go out and do projects; they recognize that the way improvements get done is by creating clarity and focus, by giving them a picture of exactly what it is we are trying to accomplish and then being able to connect the dots on how and why we're doing that.

Your Outline for Action

Unlocking potential is the heart of superperformance. Here are some things to keep in mind as you work to unlock your own potential or that of your team:

- No matter where, when, or who is involved, if you can create clarity, you can make decisions and take action. When you eliminate ambiguity, you erase doubt. When the direction becomes obvious, you act instinctually. You have utility.
- Remember the words of Charles Kettering: "A problem well defined is a problem half solved."
- How smart somebody is doesn't necessarily correlate with how much success they're going to have. I have found there is a correlation between success and how open-minded someone is; their willingness to listen, learn, and understand enhances their utility and enables them to reach their full potential.
- Author Stephen Covey developed a framework where knowledge (what to do), skill (how to do it), and desire (why you want to do it) intersect to form habits that lead to action and results. Everything we would like to get done, everything we want to communicate, can be viewed through this simple lens of *what*, *how*, and *why*.
- Use the magic wand question: "If I gave you a magic wand, what would you change?" Then ask follow-up

When you're working with people, success isn't just being right. It's about how much acceptance you can create. You've got to build agreement and support and alignment with the direction you propose to go.

questions about how they think they would have to go about doing it and why they picked out that specific thing to change.

- The effort you expend is almost always associated with whichever metric is the reddest.
- Instead of defaulting to "Let's figure out a problem and then correct it," look at the successes in your organization and figure out how to do more of that.

PART 2: STRATEGY

CHAPTER 3: Escape from the Prison of Expectations

The *prison of expectations* exists almost any time in an organization when you have three elements at play: the metric is highly visible, the expectations are high, and the consequences for not meeting the goal are also high. Many employees—leaders and frontline workers alike—are trapped in a *prison of expectations*. They (falsely) believe they can't achieve zero loss, so they're happy doing something less than zero loss, often *far* less. They may be meeting their numbers, but the potential is there to do so much more.

Your Outline for Action

The prison of expectations is when we end up in the Goldilocks zone where we don't work too hard, and we don't work too little. We go along to get along, and we miss out on turning golden hours into golden shifts. Here are some things to keep in mind as you try to escape the prison of expectations—or help others escape from it:

- Leaders sometimes think their people are sandbagging or that they're calling it in or not really applying themselves—even not very good employees at all. Experience shows that the way we're being measured forces us into this prison of expectations.
- Most of us are happy to exist in a small zone where we might move up or down 5 percent—no big moves, no big splashes, no big failures.
- Start off with the attitude that employees want to be successful, they want to have pride, they want to get respect.
- Instead of pointing out who is doing poorly, what are the things that you can emulate? Where are the places you're succeeding?

CHAPTER 4: Learn the Potential of We versus Me

While individuals often don't matter as much as they think they do, what really *does* matter is the team you work with. Together, that group has the ability to make really good things happen in any organization. When you start to think that your value to the organization is not *me* but *we*, then you are on the right track.

Your Outline for Action

Too many leaders firmly plant themselves in their offices, losing touch with the people in their organizations who get the work done. These leaders seem to believe that the world revolves around them and that they are more important than anyone else. And of course, that's just wrong. Here are some ways leaders can focus on their teams:

- Regularly put yourself in the shoes of the people doing the work.
- Be a servant leader, prioritizing the needs of others (your people, your customers, your vendors, your community, and so on) over your own.
- When you put the emphasis on *me*, you are naturally limited in what you can do. But when you put the emphasis on *we*, then there really are no limits. You can create your own dream team.
- Engaging in after-action reviews helps employees learn from both their mistakes and achievements.
- A true leader communicates the *what* and the *why*, and then listens and learns *how* to enable their team to achieve an outcome.
- Maximizing your potential is directly proportional to

activating the overall potential of your team. Every interaction you have has the potential to activate collaboration.

- S = Q × A. Success is equal to the quality of the solution times the level of acceptance. The quality of your solution and its level of acceptance is dependent on the team's ability to achieve high levels of assertiveness and cooperativeness, leading to true collaboration.
- Be a Sherpa, that person who has the activation energy to get the best out of everybody.

CHAPTER 5: Find the Friction and Lower the Temperature

When you're working with people, success isn't just being right. It's about how much acceptance you can create. You've got to build agreement and support and alignment with the direction you propose to go. Otherwise, you'll never get there. You can't do it alone.

Your Outline for Action

You always need to be self-aware, and you've got to be able to read the room—to feel the temperature. What can you do to find the friction and lower the temperature?

- An experienced Sherpa reads the expedition's potential and pushes the group to their limit but not beyond it. Pushing beyond the limit means you have goals the team can't realistically achieve, and the expedition will likely fail.
- Everything in life is a distribution, and on average, not everything is average. Some of your people are going to perform a little bit better, and some are going to perform a little bit worse.
- To lower the temperature, you've got to find the actual source of the friction, that piece of sand in the gears that is the problem, versus taking a general perspective that the engine is overheating and you've got to fix it somehow.
- The 80/20 rule—the Pareto principle—is always a good place to start. For example, it's likely that 20 percent of the people you're looking for in the marketplace are generating 80 percent of the issues you're having of being shorthanded.
- Start at the end of the process and work your way back to the beginning. The Kano model —being able to see things for the value they create— can help you do this.

CHAPTER 6: Make Focus Your Friend

Whether it's in a factory setting or even in the work that you do, there's always a strong allure to pick up the easy or obvious thing to do, to take care of the low-hanging fruit. If you have an infinite amount of time and resources, working on the easy things first could be perfectly fine. Eventually, everything will get done. But in a lot of business and professional situations, you absolutely don't have an infinite supply of time or resources. And in many cases, you're just not going to be able to get everything you want to accomplish done.

Your Outline for Action

You have to focus on the things that provide the most value for your customers. Here are some ways to do that:

- Work breakdown structures are a great way to take large tasks and activities and distill them down to manageable bodies of work.
- Use SIPOC—suppliers, inputs, process, outputs, and customers—to focus on the things that deliver the highest return and the greatest value.
- Use a PICK chart (possible, implement, challenge, and kill) to help you prioritize projects based on how difficult they are and the value they deliver.
- When you think about what you have to overcome and what you have to achieve, your first task is to try to meet this target condition. A target condition is your state after breaching the barrier between you and the things you need to do; it's an intermediate state of success.
- If you know exactly where you're going, and if you're always clear about the target condition you're moving to, then you have a really clear purpose and you're well on the way to superperformance.
- Use PDCA—Plan, Do, Check, and Adjust—and Toyota's A3 strategy to gain clarity on what you are doing, how you are doing it, and why it matters.

CHAPTER 7: Build an Improvement Factory

Superperformance is facilitating a team to their full potential and understanding the bottlenecks and waste in our improvement factory. It's achieving our full throughput

If you look closely at any successful entrepreneur or business, chances are that their success came about because they doubled down on what was working, what customers valued.

potential. To succeed, you've got to be really focused on your constraints and on the high-value, low-effort things you can do to overcome those constraints. You've also got to be willing to bypass activities that might get you all tied up in knots.

Your Outline for Action

You are an improvement factory manager. Just like a real factory, your goal is throughput—to make the products and services you deliver as fast as you can at the highest level of quality, to weave straw into gold. As you build your improvement factory, be sure to ask these questions:

- What outcomes do we desire?
  - » The golden lens: What does the customer want?
  - » What is preventing these outcomes?
  - » What is enabling these outcomes?
- What resources—people, material, machines, or technology—do we depend on?
- What stages or phases do we work through, and what does the work in progress look like?
- What does the success rate look like—overall and by phase or stage?
- What percentage of our improvements survive a year? Three years?
- What are our bottlenecks to speed or effort?
- What is the quality of results, and does it need to be reworked?
- What are the delays? (This is lost time.)
- What are our strengths to build on?
  - » What could we do more of?
  - » What could we share or replicate?

CHAPTER 8: Find the Root Cause of Success

You are likely sitting on a goldmine, and the ironic thing is you might not realize it. As humans, we tend to focus on our problems; it's no accident that root cause failure analysis is so deeply embedded in manufacturing and other industries. But if you look closely at any successful entrepreneur or business, chances are that their success came about because they doubled down on what was working, what customers valued.

Instead of the root causes of failure, let's emphasize the root causes of success.

Your Outline for Action

As humans, it's natural for us to focus on our failures. We need to change that focus from failures to successes. Knowing your best demonstrated practice—what works, what you do well, and why—is the most overlooked opportunity in business. Here are some things to consider as you shift your focus to finding your best demonstrated practice and root cause of success:

- Teach the elephant to dance by turning your lumbering organization into one that is nimble and responsive.
- When you find a best demonstrated practice, and a specific group or individual producing this result, you have captured the what. Next, find the how—how they execute and produce this result—which will enable you to learn why they represent the best demonstrated practice and get you to the root cause of their success.
- Use 5W&1H (what, who, where, when, why, and how), the 5 whys, and fishbone diagrams (also known as Ishikawa diagrams) to ask the right questions and read the collaboration vibe in your organization.

CHAPTER 9: Learn a Trade and Deliberately Improve

I suggest that you avoid getting hung up on the labels and, instead, think of the practical application of continuous improvement tools and the ability to drive change as a vocation. The vocation of applying many of the tools and methods described in this book to drive change for the better is something I call *deliberate improvement*.

Your Outline for Action

Avoid getting hung up on the labels applied to the tools of continuous improvement; instead, think of the practical application of these tools—and their ability to drive change—as a vocation. Here are some things to keep in mind as you approach this experience like learning a trade:

- Understand that knowledge is necessary, but that knowledge alone is useless without the skill and ability to use it effectively. If you approach driving change and improvement as a trade, you are already positioned for success.
- The vocation of applying many of the tools and methods to drive change for the better is *deliberate improvement*.
- *Troubleshooting* is the practice of checking all the conditions that should be working to try and find anomalies—things that aren't working or that are out of place—and all improvement should start with troubleshooting.
- Before you look for the root cause, there's one more very critical question you need to answer: Is this a *waste* problem or a *variation* problem?
- If you use root cause failure analysis (RCFA), pick out a specific instance and establish the chain of events that initiate from some specific cause, causes, or combination of events.
- At its heart, Kaizen (Japanese for "change for the better") is about empowering the people who do the work to improve their circumstances. It is best when you have direct experience with the problem and the people who will solve the root cause are the ones who experience it.
- DMAIC (define, measure, analyze, improve, control) is a process that focuses a team on a specific problem or opportunity. The team identifies factors that affect the process, gathers evidence, conducts analysis, tests solutions, and produces quantifiable, sustainable improvements that impact the business.

CHAPTER 10: Be Able to Clearly Explain WHY We Will Sustain

Every business wants improved worker safety and morale. Just because something is difficult to measure doesn't mean that you shouldn't try to do the right thing. The drive toward focusing on a metric, a KPI, or some other measurement of our success costs businesses literally billions of dollars every year. That idea is more than a little counterintuitive—that if you can't improve what you can't measure, but then you somehow measure it, it costs you billions of dollars. But it comes down to the problem of *sustainability*.

Your Outline for Action

Companies have entire organizations, training, consultants, teams, money, and time wrapped up in their improvement efforts, and 75 to 95 percent of the outcomes can't survive the warranty period on the results. That's unsustainable. Here's how to avoid being one of those companies that is pouring money down the drain:

- Understand that sustaining results from improvement projects is a must-win battle.
- The water you will carry is not only the size of the bucket, but also how fast the bucket leaks. Choosing the right projects that you execute effectively to produce sustained results is an order of magnitude better than a shotgun blast of projects where only a very small number land.
- You can't sustain what you can't explain; you need to know why and how your solution works if you want to sustain the results.

PART 3 ACTION

CHAPTER 11: Walk the Talk—A Call to Action

When we lack clarity on our target condition—what the barrier or issue is we are overcoming to reach our longer-term goals—we are asleep. People who have purpose know exactly what they're working on and exactly what they're trying to improve. And if you want to be a superperformer, you absolutely have to move with purpose.

Your Outline for Action

Being deliberate is different from the ongoing slow burn of what's constantly happening in the background. If you want your improvement efforts to succeed, you have to be deliberate about them. Here are some tips on how to do just that:

- To determine if you're moving with purpose, take note of this moment that you're in right now. *What*

are you doing? *Why* are you doing it? Next, imagine this same moment exactly seven days from now, after an entire cycle of the common patterns in your life has passed. In this moment, based on the intention that exists right now in your mind, what will be *different* seven days from now?

- Your ability to provide the greatest utility is what separates you from the rest of the pack. It's what makes you a superperformer.
- It's not enough to walk the walk or talk the talk. You must be able to walk the talk, engaging teams and organizations while having the skills (the vocation) to do what you say you're going to do and deliver results.
- Carefully craft your elevator speech. It will be your go-to method for doing your best to be a superperformer and to walk the talk. Be able to communicate three things in just a few minutes: the what, the how, and the why.

Acknowledgments

No success—no superperformance—is achieved alone. Just as this book emphasizes the power of clarity, utility, and collective success, its creation was made possible through the support, insight, and encouragement of many people who helped shape both the ideas within these pages and the journey that led me here.

To the readers—those who are committed to pushing past limitations, leading with clarity, and sustaining peak performance—may this serve as a guide to unlocking your own golden hours, eliminating ambiguity, and building a future defined by deliberate improvement and lasting success.

Thank you all for being part of this journey. Your contributions are a testament to the very principles in these pages—because real success is never achieved alone.

George Pesansky is a leadership and performance optimization expert with over 30 years of experience in operational excellence, executive coaching, and organizational transformation. Known for his practical, results-driven approach, he has led initiatives across industries to enhance efficiency, foster continuous improvement, and turn high-performance moments into repeatable systems. George has trained and coached more than 10,000 professionals in Six Sigma, Lean, and World Class Manufacturing worldwide, while also authoring influential work on peak performance and best practices. As founder of Capacity2Care, he encourages top performers to contribute their talents to strengthen charitable organizations.

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Swagger

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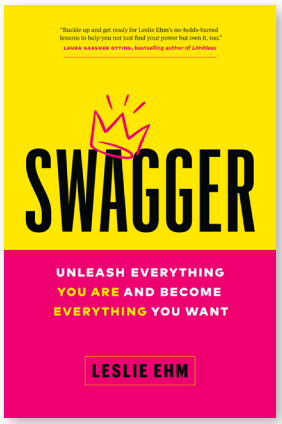
Executive Book Summaries®

Swagger

Unleash Everything You Are and Become Everything You Want



by **Leslie Ehm**

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THE SUMMARY IN BRIEF

We want to have what we think traditional swagger is—an air of powerful, cocksure confidence, no matter the situation. We want to be heard, respected, recognized, and rewarded for being our true selves at work, but we're too shit-scared of the possible repercussions. So, we squash our realness down, telling ourselves that we'll get what we want in the end if we're hardworking drones who don't stand out too much.

The more you are able to be yourself in your work, the more successful you will be at work. That's what swagger really is. Swagger is the ability to manifest the real you and hold on to it in the face of all the psychological crap that's going to come for it—regardless of the situation or environment. Leslie Ehm, speaker, consultant, and author of ***Swagger,*** assures us that swagger is not about perfection. It's about being a flawed badass. It's self-acceptance, not self-assuredness. And once you find your swagger, you'll never, ever want to go back to who you were, because having swagger is the secret to that game-changing, next-level success.

IN THIS SUMMARY, YOU WILL LEARN:

- Swagger is more than confidence.
- What will block your swagger.
- How truth, intention, and self-belief drive your swagger.
- To speak, walk, and feel your swagger.

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Introduction

Confidence is not about having all of the answers—it's about honestly believing in yourself, which is very different from simply pretending to. Confidence is not a "thing" to achieve; it's a by-product of self-belief that stems from real competence. If you believe that you are truly worthy of owning your awesomeness at the stage you're currently at, then you do. Nothing or no one can tell you differently. In that light, it makes sense to flip the adage from "fake it 'til you make it" to "feel it 'til you find it."

Swagger Blockers

Everyone is capable of swagger. Being an introvert or inexperienced is no excuse. Conversely, just because you're a crowd-pleaser doesn't mean you already have it. Tapping into and releasing true swagger has to be a conscious act. You won't always notice when, where, why, or how it's getting stuck unless you understand the psychological blockers holding it back. Imagine that the real, authentic you—the one seen every day by those who already love and accept you—sits at your very core. This is the you who feels free to speak and act without self-consciousness, fear of judgment, and nagging self-doubt. It's the you that the world deserves to see.

Persona

The first swagger blocker separating the real you from the world is Persona. So many of us develop a conscious demarcation between who we really are and what we reveal to the world, particularly in the context of our professional lives. We do this because we've been conditioned to believe that there's a way we're supposed to show up if we want to succeed. But the truth is, having a work persona hides our uniqueness and shrouds our value. When we align our persona as closely as possible with our true self, we can step into our power big-time.

Ambition

In the business world, the concept of ambition is extremely loaded, which is exactly why it qualifies as a swagger blocker. The Oxford English Dictionary's definition of ambition is "a strong desire to do or to achieve something, typically requiring determination and hard work." It's not about a title or power. It's wanting to be a badass to the best of your ability and for the right reasons. For ambition to be legit, it should never come at the cost of your authenticity.

Insecurity

Insecurity is the dreaded "what if"—the anxious state where all unknowns percolate. It's self-doubt in action. Remember that those voices in your head do not suddenly manifest—they've been simmering and solidifying for years, seeded by your parents, siblings, teachers, boyfriends and girlfriends, colleagues, and bosses your entire life. When someone tells us we're not good enough, it sticks. Those tapes get recorded and then play themselves when we're at our most vulnerable. Insecurity is rarely about the challenge we're about to take on—it's the history of self-doubt that is the killer. Retrain your brain to accept what is true instead of what is imagined.

Fear

Fear is real. It doesn't matter what the danger is. Telling someone, or yourself, to "just get over it" doesn't work. So let's get practical. The trick is going to be in building up some positive conditioning to counter the brain's certainty that all is about to go to hell in a hand basket. Having a clear and decisive plan to face your fears is like slowly chipping away at the boulder that sits on your chest. You'll feel lighter and more positive in no time.

Pain

We are all formed by pain. Ling was the only daughter in a family of four brothers. In Chinese culture (at the time), women were perceived as second-class, almost disposable entities. As such, she was completely overlooked. Her wants, opinions, and aspirations were ignored. She was told to "stay quiet" for her entire childhood. So she did, becoming progressively invisible—even to herself. Even when she broke free from her family and made her way to Canada, that silence stayed with her. It was rooted in profoundly painful memory and conditioning. Now, when she was free to speak up for herself, it was too late. She had literally lost her voice.

Slowly but surely, she was able to turn her volume up, and with it came the funny, quirky personality she'd been hiding for so long. Ling didn't just find her voice. She found her importance. Without learning what was triggering her pain, she may have stayed hidden forever. But now, understanding that hearing "speak up" wasn't a criticism of her worth, she was able to lean in and be heard in her own unique, quiet way.

Swagger Drivers

Truth is what you want and need to express, intention is why you want to express it, and self-belief is knowing that

you are the best person to express it now, and that you have the right to, in this situation. The biggest challenge you'll face is learning how to keep your truth, intention, and self-belief intact as they navigate through the swagger blockers.

Truth

Truth is the number one driver of our swagger because it has the power to carry our authenticity out into the fresh air. Speaking your truth isn't license to run around spewing your opinions or judgments on others, either. It's more an antidote to feeling unheard, misunderstood, or suppressed in some way. If swagger is the authentic manifestation of who you really are, then speaking your truth must be in your toolkit if you want to be successful.

Speaking truth to power has always been a human challenge. The ancient Greeks referred to it as "parrhesia," meaning "to speak candidly or to ask forgiveness for so speaking." Parrhesiastes means "one who speaks truth to power." In the 1950s, the Quakers used the phrase as part of their manifesto to find alternatives to violent actions. Since then, it's become a political rallying cry for everyone from Martin Luther King Jr. to Anita Hill and the #MeToo movement. Why? Because speaking truth when you feel like you're in a position of lesser power and believe there could be serious consequences can be utterly terrifying, regardless of whether the stakes are personal or global. So, if you're someone who struggles with truth, it doesn't make you "weak"; it makes you perfectly human.

Do a quick analysis of the situation that you believe requires or deserves your truth. Now swap chairs and imagine it from the perspective of the person or people you're hoping will hear it. How might they feel? How would you feel in their position? A little empathy can help you check yourself. While something may be your truth, it may not actually need to be shared for any other reason than to make yourself feel better. If that's the case, go for drinks with a friend and vent that shit.

Intention

Intention is everything. It is the "why" of your swagger and can mean the key difference between cocky and confident. Sharing your intention can do wonders to prepare your listener for what's coming, especially if the conversation is going to be touchy or delicate. For example, "I know you're having a really hard time these days and it's affecting you badly. My intention here is to help in any way I can because I know you're getting some harsh judgment about it." That's a juicy, well-intentioned conversation starter. It's the compass for your swagger, and you should always know exactly in which direction it's pointed.

Self-Belief

The ability to believe in one's self is tough, and it's the driver most likely to falter when facing down swagger blockers. What also makes self-belief challenging is that it must come from the self rather than being a reflection of other people's belief in you. Self-belief is the unerring faith that you are the right person to express this thing in this moment, for these people and this situation.

Remember how Wile E. Coyote would chase after the Road Runner with absolute commitment and gusto? He'd charge up the winding mountain path, trying to catch a bird that could take corners at breakneck speed. Inevitably, the poor sap would careen over the edge and find himself suspended in midair. He'd hang there for a moment. And he would fall only when he looked down. That's the secret to self-belief: Never. Look. Down. Instead, believe if you speak your truth and act with intention, that path through midair will magically reveal itself beneath your feet.

Walking, Talking, and Feeling Your Swagger

We are all born with physical quirks, nuances, and differentiators. That's what makes the breadth of humanity so freakin' gorgeous. Yet most of us develop a serious hate-on for the very things that make us memorable and unique. (Thanks, adolescence. You fully suck.)

Living in Your Swagger Skin

I worked with a female senior executive at Google who is incredibly tall. She is literally head and shoulders above all the dudes in the room. She has a gorgeously deep voice and a strong Eastern European accent. She is strong and smart and kind. Guess what she wanted my help with? How to appear smaller when she was in front of audiences. This glorious specimen wanted to take up less space because she believed her height made her intimidating. I spent the bulk of our time together persuading her to reframe how she believed others perceived her. Watching her step back into her body and discover its potency was a very powerful experience for both of us. Through this, she was so much more confident in expressing her truth, intention, and self-belief.

Speaking of Swagger

How we express ourselves reveals who we are and how we think and feel about the world around us. There's no such thing as "sounding smart." To qualify as smart, you are either in a place of knowledge or in a place of seeking it. The latter is about curiosity and openness. Sounding smart is about either or both insecurity and arrogance. These are the opposites of swagger.

When we put tons of unnecessary mental energy into planning and second-guessing every word we say, it's unlikely that we're going to find our flow. But when we just let it rip, focus more on our truth and intention, what comes out of our mouths will find acceptance.

Feeling Your Swagger

Everyone from interns to CEOs are cautious about having the "feels." All the wishing and hoping ain't gonna make emotions conveniently disappear. Every time we get criticized, rejected, or even celebrated, our brain's natural response will be emotional. The more you accept your emotional realities and complexities, the more secure in your swagger you'll become. You'll be less hyperreactive to external triggers—your sense of self will strengthen and you'll be far less subject to what would have been injury before.

Living Your Best Swagger Life

Small, medium, or mega, each swagger moment we have matters and counts. If we've consciously established our truth, intention, and self-belief in advance of any situation and are able to act on it—even in the tiniest way—that's an amazing win! Those moments will add up and before you know it, you'll have more consistent, conditioned reactions to whatever life throws at you. Because swagger is not just about what you do, it's also about how you feel about what you do. Your swagger is for you. The by-product is awesome for the world. But you're doing it for the betterment and happiness of only you first. So shed those pounds of insecurity, put down the bottle filled with fear, and dance that change like nobody is watching.

Former TV host and advertising Creative Director turned training guru, **Leslie Ehm** has spent decades travelling the globe with her award-winning company Combustion, working with executives and teams from top organizations like Google, Disney, Pepsico, TD Bank, Uber, and more. She's turned technologists into creative forces, bankers into storytellers, and has brought a serious dose of badassery to boardrooms everywhere. Leslie is now a Wall Street Journal, USA Today and Amazon #1 bestselling author, speaker, and Swagger Coach.

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The 100X Leader

Jeremie Kubicek and Steve Cockram

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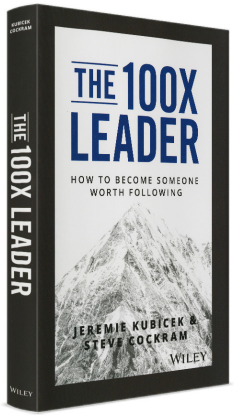
Executive Book Summaries®

The 100X Leader

How to Become Someone Worth Following



by **Jeremie Kubicek and Steve Cockram**

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THE SUMMARY IN BRIEF

Forget everything you know about motivating others and building a harmonious workplace. If you want to get the best out of people, you must be willing to fight. But that doesn't mean you become a dominator, nor does coddling others work.

The best leader you've ever had in your life was a liberator—someone willing to fight for your highest good, even at a personal cost. In ***The 100X Leader,*** global leadership experts Jeremie Kubicek and Steve Cockram explain what makes such leaders so unique, how to become that person yourself, and how to share the same gift with others.

Kubicek and Cockram revive the lost art of leadership—the intentional calibration of support and challenge for everyone you lead, your team, and your family. They help leaders become multiplication masters by learning to bring the best out of people for their highest good and that of the whole team.

The 100X Leader will help you become—and build—leaders worth following.

IN THIS SUMMARY, YOU WILL LEARN:

- Why the Sherpa guides are a great metaphor for leadership.
- To use tools like the Support-Challenge Matrix to understand and improve your leadership.
- The art of multiplication, which allows you to transfer knowledge, skills, and expertise to your people and your entire organization.

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Introduction

There is a group of people on this planet known for their superhuman abilities. They can climb at levels unimaginable, while carrying gear and supplies that would make the normal person wince. They are known as the Sherpa, and they are a perfect metaphor to describe a type of superhuman leader that exists on this planet as well.

The Sherpa people are a Tibetan ethnic group who live predominantly in the highest altitudes in the world—the Himalayas. Their genetic predisposition of altitude acclimation has given them the reputation of being some of the best mountain climbers in the world.

You may know the Sherpa for their expertise on Mount Everest and throughout the Himalaya mountains. Even more than their physical DNA, the Sherpa tend to have a belief system that is different than the extreme climbers who pay thousands to climb a mountain, seeking mostly the thrill of personal achievement. In contrast, the Sherpa climb out of respect for the mountain and for the chance to take care of their families.

The metaphor of the Sherpa represents the best example of what it means to truly lead people, modeling perfectly the ability to calibrate support and challenge. The goal in using this metaphor is to help you become a person who people *want* to follow, not one people *have* to follow. There is a big difference.

We Need Better Leaders

The 21st century is a steep mountain climb for today's leaders; the landscape is treacherous and constantly shifting as the complexities of work, culture, and life are changing rapidly in the digital age. It's unrecognizable from 30 years ago! In essence, the terrain has changed drastically, and people are either adapting or not.

Because of these changes, the world doesn't need more leaders—it needs more of the right kind of leaders, especially amid the chaos that is constant within global affairs. We need more leaders who people want to believe in, not leaders who people are forced to follow.

The changes in geopolitical realities, global leadership, and technological advancements have also caused a complete shift in the way adults learn. People have changed the way they read and view information and even the way they read books. Social media affects newsfeeds and attitudes, not to mention the endless options of entertainment. The proliferation of information has forced different behaviors as people try to filter what they want to take in and how much content to digest, whether it's audio, visual, or text. This dramatic shift in how we learn affects people's abilities to become healthy and to train others effectively.

For this reason, we need leaders who lead for the benefit of others, not just for themselves. But you must first change yourself before you can attempt to change others. This is the secret of the Sherpa, or 100X leader.

Welcome to base camp. Let's get ready to become someone worth following.

PART I: DEVELOPING YOU

Choosing to Climb

There's a symbol that can be used by you inside your world to help shape the intent of people becoming healthy leaders. That symbol is 100X.

The phrase 100X is simple and deep all at the same time. The number 100 simply means reaching 100 percent of the desired health or personal transformation of a person, encompassing their emotional intelligence, mental ability, and holistic leadership strength and effectiveness.

The hallmarks of a leader at 100 percent could look like the following:

- They are secure in who they are and confident with their abilities while remaining humble to those they serve.
- They are consistent in the way they lead so that people can count on them.
- They are self-aware and responsive when they have erred.
- They are intently for their people, not against them or solely for themselves.
- They have something to give others because they are full of the positive even in the midst of difficult circumstances.

And the X in 100X? The X stands for multiplication—the intentional transfer of knowledge, wisdom, and skills to those you lead. Once you journey up the mountain yourself and prove that you have what it takes, you will become the Sherpa for those you lead.

Put together, 100X is a formula for leadership success—

100X invites you to climb Everest every day for the rest of your lives and learn how to be a Sherpa to others at the same time.

transformation of the leader and multiplication to those you lead.

Some of you might be at 70 percent, as you are generally healthy in your leadership but may not be multiplying or helping others climb in the way they need. 100X invites you to climb Everest every day for the rest of your lives and learn how to be a Sherpa to others at the same time.

To do that well, you will need to become well rounded in three fundamental areas of your life. You will need to become a leader worth following, not one people must follow because of a job or just because you are their boss; build leaders worth following because every organization needs much stronger leaders to be able to sustain and grow; and lead organizations (or cultures) that people want to join. People have a choice, and 100X will help you create teams and organizations that people want to attach their names to.

Your 100 Percent Health Check

Let's prepare for the journey by taking a quick, unscientific, reality health check for your life now. Rank yourself 1–10 (10 being the highest level of health) on each of these statements:

- I am secure, not insecure, in my ability to lead people, teams, programs, or organizations to accomplish our goals.
- My personal life is healthy and allows me to be fully present and productive in accomplishing my objectives and goals.
- I am emotionally intelligent and have acclimated to leadership by learning how to lead people in complex situations.
- I am consistent in my leadership and not prone to rash emotions or using fear and manipulation to lead others.
- I know where I am going and what I am responsible for and feel the freedom and courage to lead at higher levels.
- I am fit to lead, physically, mentally, and emotionally.

Now, average your scores and divide by six. A score of 7 and above would highlight that you believe you are in a healthy season. A score of 5 and under would mean that there are real issues happening in your life and that you need some help to get healthy enough to continue climbing. Lastly, if you are between 5 and 7 then there are some flags that need to be addressed, as you could easily move up or down based on some circumstances in your life.

One-hundred percent is the goal. Most of us are not at that number, as stress and pressure, missed expectations, hard relational dynamics, kids, and life in general have shaved this number down into something well below.

The Making of a Sherpa

In the leadership context, a Sherpa is someone who has climbed his own mountain, learned how to lead himself and can thrive in higher altitudes, all the while helping other people climb up the same mountain. Figuratively speaking, the making of a Sherpa is the making of the 100X leader who must learn all of the technical aspects of leading, from communications to performance management, to alignment and execution, to dealing with people on every level.

The objective is to develop fully acclimated leaders who, like the Sherpa, can move up and down the mountain while helping others move up themselves. Key attributes of the 100X leader are as follows:

- They must decide that they want to become someone worth following and want to learn the secrets to becoming one of the best leaders in the world.
- They must become self-aware, knowing who they are and why they do what they do and be willing to change those patterns and actions for the benefit of all.
- They must learn how to calibrate support and challenge as they fight for the highest possible good of those they lead.
- As they learn to be consistent leaders, they must learn to handle hard realities and adjust as they go.

- They must desire accountability and be teachable—humble enough to let others help them up to the next level.
- They are committed to a lifelong process of intentional self-improvement.
- They must overcome the arrogance that comes from pride and learn to create a culture of empowerment and growth in the midst of turmoil and drama.

Dealing with Self-Preservation

Every person who climbs has to deal with fear. The Sherpas on the mountain must deal with the fear of loss and become comfortable using their experience with handling people and themselves at high levels. In the same way, the 100X leader must lean on their experiences and make difficult decisions that affect people's lives. They must become confident in their skills and overcome each of these self-preservation issues.

What am I afraid of losing? Your position and the salary and benefits that come with it? Some leaders are so afraid of losing that they tend to lose themselves. The fear of losing can drive people to do irrational things.

What are you trying to hide? The self-aware leader can answer any challenge without fear, while the insecure leader will do anything to keep people from seeing their weakness.

What are you trying to prove? In order to acclimate to the highest levels of leadership, this question must be dealt with honestly. What are you trying to prove and to whom? Is it your board or business partners or administration or simply your boss? Proving yourself is a natural rite of passage in any job. You want to do a good job so that people have confidence in you. However, if insecurity is rooted deeply in you, then the overproving can actually cause an undermining that can affect your influence and your respect.

Put another way, self-preservation is the overprotection of what you are afraid of losing. When you overprotect, you tend to lose what you were afraid of losing in the first place.

To climb to the higher levels on the 100X journey, we need to break through our own insecurities to become secure, confident, and humble people.

Your Ultimate Test

The Sherpa help people do what they don't believe they can do. Their secret to helping climbers lies in their ability to provide challenge commensurate to their support.

To become a person worth following is a balancing act, part science, part art. It is the calibration of managing support and challenge consistently with those you lead as well as with yourself. Most leaders default to their natural tendency of oversupport or too much challenge because they tend to live accidentally or out of habit.

The Sherpa understands the objective and helps guide people using both support and challenge based on the needs of the moment to get their people to the next level.

Support means to provide the appropriate help others need to do their jobs well: to equip people, serve them, and provide the resources needed for those you lead.

Challenge, on the other hand, means to motivate people by holding them accountable to what they could do if they had the resources. Challenge is the push needed to get people to move to be the best they can be, either as a team or as an individual.

The Support-Challenge Matrix

The Support-Challenge Matrix is a simple but powerful tool. There are four levels in the matrix. Each represents a standard of leadership behavior and the culture that leadership behavior creates: protect, liberate, abdicate, and dominate. Let's look at each one:

Dominating. Dominating others means that our tendency is to bring challenge but little support. This often occurs out of habit from stress rather than a deliberate decision. Those who dominate tend to coerce and browbeat people with fear and manipulation when they feel like they aren't winning or if control is slipping out of their grasp. They usually assume that others like them, but may be out of touch with the hard reality of what it is like on the other side of themselves as leaders.

Protecting. Those who protect give more support and rarely take time to share challenges or even reasonable expectations. Although this can feel comfortable and easy, ultimately overprotection creates a culture of entitlement and mistrust, as those who protect can flip from Dr. Jekyll to Mr. Hyde in their inconsistent leadership style.

At their core, a person who protects sees even healthy challenge as conflict and does anything to avoid it, wanting everything to just run smoothly. These people create caution in their cultures due to the inconsistencies that tend to occur in their leadership style.

Abdicating. Abdication usually occurs when people don't fully perform their duties or the responsibilities needed of their role. When a leader abdicates, it can be for many reasons. The leader may be worn out by the overwhelming tasks of the job or have switched off due to office politics or through sheer boredom with lack of challenge. Sometimes, abdication can occur from self-preservation or the fear of being rejected. Whatever the reasons, abdication is a sad place to live or lead. It creates lifeless cultures with low expectations for all.

Liberating. To liberate is to empower those you lead. 100X leaders are the best leaders in the world because they have learned how to liberate those they lead in every circle of influence (self, family, team, organization, and community). The problem is that there are just too few of them in the world. To liberate means to fight for the highest possible good of those you lead. Liberating leaders build healthy teams and cultures, and they produce a level of relational trust that takes performance to higher levels.

Know Yourself to Lead Yourself

The most important part of any leadership journey is the ongoing, never-ending process of self-awareness. For all the many books, articles, and experts who talk about it, self-awareness can be boiled down to two simple commitments:

- A commitment to understand how you're wired, the tendencies that result from such wiring, and the impact those tendencies have on others;
- A commitment to change your negative tendencies in order to become the best person and leader you can be.

One of the most potent tools to train 100X leaders is called Know Yourself to Lead Yourself. The tool involves discovering the process of how our actions and tendencies shape us.

Tendencies. We all have tendencies that create patterns of actions and behavior that generate consequences that ultimately shape our current reality. Therefore, if we want to change our reality, we must find the tendencies that form the patterns of action generating the undesired consequences.

Our tendencies will never change—they are hardwired into our DNA and our personality. It is therefore vital to catalogue our tendencies so we can know ourselves and lead ourselves. For example, what do you tend to do when you are angry? What is your tendency when you have not received the honor you think you deserve? How do you handle incompetence in others? How do you feel when you are under stress? What do you tend to do when you don't get your way?

Patterns. A pattern is something you do over and over again thinking it produces results, but it rarely does. People know your patterns, and if you ask them they will tell you. Patterns can be manifested as an external behavior or as an internal thought, and both must be managed in order to become a leader worth following.

Actions. Your actions come from your tendencies and patterns, and they lead to consequences that shape your reality. If you want to change your reality, then you must change your patterns and actions. The job of a Sherpa is to hold up a mirror and help leaders get to the next level. That is what the 100X journey is all about.

Self-aware people know their tendencies and default patterns of behavior and at times choose an action contrary to the default. The intentional journey from tendency to action is what defines the leaders who climb the highest. They are able to choose actions that are not their default patterns when they know to do so would be unhelpful.

Consequences. There is a price tag to our unconsidered patterns and actions: the consequences of our words, deeds, retorts, and responses. They shape who we are, how we think, how we interact, and the way other people learn to view and interact with us as a result.

If you don't like the consequences that you are experiencing, then it is important to look at the actions and work backward to the patterns and tendencies. All consequences ultimately shape current reality. So, in light of the consequences, it is vital to be intentional about the patterns we develop so that we produce positive rather than negative consequences.

Reality. Reality is the result of our natural tendencies growing into patterns, with actions that produced consequences that we now get to live with. Most people complain about their realities without ever acknowledging that their own actions and tendencies are at least partly (or entirely) responsible.

Another way to use the Know Yourself to Lead Yourself tool is to work backward. Pick a reality that you don't like and review it honestly—ask yourself what were the actions that created the mess that you are in. Once you've identified the actions, look at your behavior patterns and observe

what your natural tendencies are. Be honest with yourself, or ask a friend to work through it with you.

PART II: GETTING OTHERS TO A HIGHER LEVEL

The Higher Levels

The goal of a 100X leader is to establish liberation, which is to fight for the highest possible good of those we lead—by using the intentional calibration of support and challenge. It is our job to calibrate that support and challenge so that they can move to the next level with the proper equipping and motivation.

Once this is established, then your job is to look for what could take them out—the tendencies or patterns that undermine their influence. If you truly care for those you are leading, then it is vital for you to bring honesty with respect, to speak the truth in love, in order for them to become the best they can be. Ask three questions:

- What specific support and/or challenge do they need from me?
- What is the tendency or pattern most undermining their influence?
- How can I help them get to the next level?

How to Get People to Change

People change when they see what it is like to be on the other side of themselves. They begin to understand the damage they are causing and actually want to change themselves once they see there is a clear path to that change.

As Sherpas, our job is to help our people see the other side of themselves. It means having difficult conversations when necessary, while providing the right resources and support for your team, family, spouse, to become the best, healthiest, most productive version of themselves as they can.

One of the 100X tools is the Liberators Intent. It is simple but powerful, with the axiom of "calling people up, not out." The leader of Legacy School, Suzanne Phillips, shared with a group of executives about how kids change: "Children don't change by shaming them; they change through aspiration. You must call them up to who they are becoming instead of calling out their current behavior."

The same is true with the adults you lead. Call them higher and remind them who they are, and watch them self-adjust. The other alternative is to call them out on what they are not becoming, which rarely produces what you hope. Positive change rarely comes from negative judgment.

Sherpas need a great deal of patience, a "for-others" attitude, and a commitment to learning how to bring both high support and high challenge with precision. If you work to apply the "for-others" mindset, you'll be surprised at how quickly your capacity expands in order to cultivate change in those you lead.

People change when they see what it is like to be on the other side of themselves.

Becoming a Multiplication Master

Multiplication is the intentional transfer of knowledge, skills, and expertise into the lives of the people you lead. If you become an expert in the art of multiplication, the capacity of the individual, team, and organization increases dramatically. The key is being intentional.

If leaders are accidental and abdicate their leadership, they may subtract, or worse, divide those they lead. Most of us have experienced this in certain leaders we have worked with, whether it be in the constant feeling of disappointment amid no expectations being shared or the dysfunctional leader who pits people against others as a sick game to try to produce competition that might increase performance.

The 100X leader only multiplies the positive and does not subtract from people or divide teams. The Sherpa are always training their clients as they climb, because they want the climber to be successful and not cause any issues for the team. Thus, they are constantly teaching rope mastery, climbing technique, coaching on the terrain, or whatever is helpful for the next challenge. In the same spirit, the 100X leader is looking to intentionally multiply what they know to those they are leading to get to higher levels.

Here are the four main methods of multiplying yourself into others:

Although the Sherpa guides can't set the climate on Mount Everest, they can shape the atmosphere of their teams and the way things are done on the mountain.

Informing. Communication is critical for any leader, and informing is the most traditional style of intentionally transferring knowledge, wisdom, or skills. This comes when a leader shares information in a one-way manner. For the Sherpa, this occurs when they share rules or objectives or plans. For some leaders, this occurs through a written newsletter or email where they control what is communicated to others. For others, informing looks like the company speech or keynote where the leader is engaging through multiple channels with little or no interactive process.

Training. It is one thing to inform people and another to train. Multiplying via training occurs by creating facilitated learning events with clearly defined objectives using a controlled interactive process. Designing a training experience is a skill. It's a careful balance of new learning, interaction, and keeping energy in the room. With concentration spans being more limited than ever, people need interaction every seven minutes in order to effectively interact with the content and see its practical application for their immediate world.

Coaching. Coaching is the consistent investment in a small number of leaders over time, with mutually agreed upon objectives, in an interactive learning process. This could look like one-to-one consulting, best-practice core groups with a small group, or live troubleshooting. Coaching is an ongoing, proactive process that must be intentional to see real results in those you lead.

Apprenticeship. Apprenticeship is the intentional transfer of knowledge, skills, and expertise into a person. To apprentice is to invest long term in another person who has the capacity and desire to replicate skills and competencies. Apprenticeship is a lost art in most places. It was once the norm in training leaders but has lost its importance with the proliferation of information available in today's world.

PART III: CREATING 100X CULTURES

Creating the Atmosphere for Growth

Although the Sherpa guides can't set the climate on Mount Everest, with its freezing temperatures and rapidly changing weather patterns, they can shape the atmosphere of their teams and the way things are done on the mountain from a leadership perspective. It takes work to establish and keep the healthy culture of any group of people, which is why there are so few leaders worth following in the world and why we need so many more.

Culture can be defined as atmosphere. It is the air that people breathe while they are doing their work inside a team or organization. The leader defines the atmosphere by their style and standards. They shape it by their actions and reactions. They shape it by who they are and the work they've done on themselves to become leaders worth following.

To shape culture, a leader must first create a common language. Language is created through the establishment of a common vocabulary—words that come to mean the same thing, at the same time, with the same group of leaders. This language can be used to positively shape culture because people use the objective language to communicate effectively, while getting things done.

The language components of a healthy culture include **vocabulary**, which is expressed in **visual tools**. These visual tools create **objective language**, which then transforms **leadership culture**.

The following list of questions will help you begin thinking about how to purposefully shape your organization and cultivate the culture you truly want rather than the one you happen to stumble into:

- How would you describe the current atmosphere of your team? Is it healthy or toxic?
- Do you utilize a common language to help shape the culture?
- How well do you think you balance the often-competing needs of vision and values?
- Do you have a thorough process for raising new leaders?
- How intentional are you in helping new employees integrate into your culture?

- How do you celebrate together?

So, take a moment to think about these realities; then gather the troops and start asking these questions. And don't be afraid to dive deep, you'll need clear language and common understanding if you hope to communicate effectively and generate the buy-in that will take you to the next level as an organization.

Subculture, the Secret to Organizational Change

A subculture is any team of people or division inside an organization that has influence. A subculture leader can be someone with influence but without a powerful title—maybe someone with years of experience who could be influencing a small group of employees because of their seniority. Or it could be a small division with well-established employees who like to do things their way. There might be a subculture of new employees or support staff, a group in the accounting department, a group that gathers for coffee, and so forth.

Each leader creates an atmosphere that other employees live in. Now, look at your subculture leaders. What is their tendency? Do they tend to liberate, dominate, protect, or abdicate? Since leaders define the culture, then their influence will tend to shade the group that they lead, and that is how subcultures are built.

If you want to change the culture, you must change each subculture. If you are leading your organization, it starts with you and your senior team; you can't outsource culture. The subculture will be the primary experience of your employees.

Only by creating a multiplying language that everyone can learn and having a clear focus on the subculture leaders do you have the chance of creating a liberating culture, where 100X leaders are multiplied.

If you are the leader of the organization, then it is your responsibility to support and challenge each subculture as you move forward for the greater good of the whole. If someone is out of line, then it is your role to get them either moving in the right direction or moving out the door.

Liberating leaders challenge people to the agreed standards/values and the vision of the organization. If your culture is out of control, then it is up to you to lean in and deal with the situation with clarity, challenge, and proper perspective.

Every person who summits Mount Everest starts from base camp with an intentional goal. If you're not already walking, step onto the trail today and begin walking the path of becoming someone worth following.

IF YOU LIKED THIS SUMMARY, YOU MIGHT ALSO LIKE:

- ***Conscious: The Power of Awareness in Business and Life*** by Bob Rosen and Emma-Kate Swann
- ***Leading Clarity: The Breakthrough Strategy to Unleash People, Profit, and Performance*** by Brad Deutser

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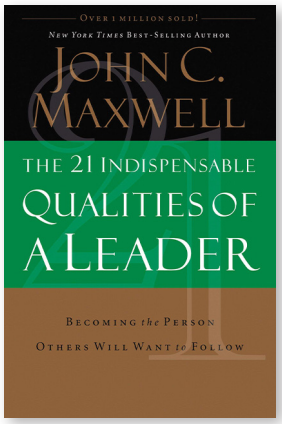
The 21 Indispensable Qualities of a Leader

John C. Maxwell

Executive Book Summaries®

The 21 Indispensable Qualities of a Leader

Becoming the Person Others Will Want to Follow



by **John C. Maxwell**

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THE SUMMARY IN BRIEF

What do you dream of? In your wildest imagination, what do you see yourself doing? Now, what is standing between you and that dream? The answer is leadership. "Everything rises and falls on leadership," says Dr. John C. Maxwell, "but knowing how to lead is only half the battle. Understanding leadership and actually leading are two different activities."

What makes people want to follow a leader? The key to transforming yourself from someone who understands leadership to someone who successfully leads in the real world is character. Your character qualities activate and empower leadership — or they stand in the way of your success.

Maxwell outlines a list of 21 qualities that he has found to be common among all great leaders and he explains these characteristics in detail in ***The 21 Indispensable Qualities of a Leader.***

Leadership truly develops from the inside out. If you can become the leader you ought to be on the inside, you will be able to become the leader you want to be on the *outside*. People will want to follow you. "If you are able to do that," says Maxwell, "you'll find there's nothing in this world you cannot do."

IN THIS SUMMARY, YOU WILL LEARN:

- Why leaders are effective because of who they are on the inside.
- How to go to the highest level of leadership by developing character qualities from the inside out.
- How true commitment inspires and attracts people.
- How to start and sustain the process of continuous personal growth.

Do You Have What It Takes to Become a Great Leader?

Do you know whether you have what it takes to become a great leader, the kind who attracts people and makes things happen? If you took the time to really look at yourself deep down, would you find the qualities needed to live out your boldest dreams, the ones so big that you've never shared them with anybody? That's a question each of us must have the courage to honestly ask — and answer — if we want to achieve our real potential.

CHARACTER

How a leader deals with the circumstances of life tells you many things about his or her character. Crisis doesn't necessarily make character, but it certainly does reveal it. Adversity is a crossroads that makes a person choose one of two paths: character or compromise. Every time a leader chooses character, he or she becomes stronger, even if that choice brings negative consequences.

The development of character is at the heart of our development not just as leaders, but as human beings.

Ask yourself whether your words and actions match — all the time. When you say you'll finish an assignment, do you always follow through? If you tell your children that you'll make it to their recital or ball game, are you there for it? Can people trust your handshake as they would a legal contract?

To improve your character, do the following:

Search for the cracks. Spend some time looking at the major areas of your lie and identify anywhere you might have cut corners, compromised or let people down.

Look for patterns. Is there a particular area where you have a weakness, or do you have a type of problem that keeps surfacing?

Face the music. The beginning of character repair comes when you face your flaws, apologize and deal with the consequences of your actions.

Rebuild. Now that you've identified any areas of weakness, create a plan that will prevent you from making the same mistakes again.

CHARISMA

Most people think of charisma as something mystical, almost undefinable. They think it's a quality that comes at birth or not at all. But that's not true. Charisma, plainly stated, is the ability to draw people to you. And like other character traits, it can be developed. One way to make yourself the kind of person who attracts others, is to "Put a '10' on every person's head." One of the best things you can do for people — which also attracts them to you — is to expect the best of them. It helps others think more highly of themselves and, at the same time, it helps you.

If you appreciate others, encourage them and help them reach their potential, they will love you for it.

How would you rate yourself when it comes to charisma? Are other people naturally attracted to you?Are you well liked? If not, you may possess one of these roadblocks to charisma: pride, insecurity, moodiness, perfectionism and cynicism.

To improve your charisma, do the following:

Change your focus. As you talk to others, determine how much of your conversation is concentrated on yourself. Determine to tip the balance in favor of focusing on others.

Play the first impression game. The next time you meet someone for the first time, try your best to make a good impression. Learn the person's name. Focus on his or her interests. Be positive. And, most important, treat him or he as a "10."

Share yourself. Make it your longterm goal to share your resources with others. Think about how you can add value to five people this year. Provide resources to help them grow personally and professionally.

COMMITMENT

If you want to be an effective leader, you have to be committed. True commitment inspires and attracts people. It shows them that you have conviction. They will believe in you only if you believe in your cause. As the Law of BuyIn states, people buy into the leader, then the vision.

Commitment starts in the heart. If you want to make a difference in other people's lives as a leader, look into your heart to see if you're really committed. The only real measure of commitment is action. And there will be times when commitment is the only thing that carries you forward.

When it comes to commitment, there are really only four types of people: cop-outs, holdouts, dropouts and all-outs. What kind of person are you? Have you been reaching your goals? Are you achieving all that you believe you can? Do people believe in you and follow you readily? If your

answer to any of these questions is no, the problem may be your level of commitment.

To improve your commitment, do the following:

Measure it. Sometimes we think we are committed to something, yet our actions indicate otherwise. Spend a few hours tallying up how you spend your time and where you spend your money. All these things are true measures of your commitment.

Know what's worth dying for. If it came down to it, what in life would you not be able to stop doing, no matter what the consequences were? Meditate on that thought, then see if your actions match your ideals.

Use the Edison method. If taking the first step toward commitment is a problem, try doing what Thomas Edison did. When he had a good idea for an invention, he would call a press conference to announce it. Then he'd go into his lab and invent it. Make your plans public and you might be more committed to following through with them.

COMMUNICATION

The success of your marriage, job and personal relationships depends greatly on your ability to communicate. People will not follow you if they don't know what you want or where you are going. You can be a more effective communicator if you simplify your message and focus on the people with whom you're communicating. As you communicate, never forget that the goal of all communication is action. If you dump a bunch of information on people, you're not communicating. Every time you speak to people, give them something to feel, something to remember and something to do.

If you know in your heart that your vision is great, yet people still do not buy into it, your problem may be an inability to communicate effectively.

To improve your communication, do the following:

Be clear as a bell. Examine a letter, memo or other item you've recently written. Are your sentences short and direct, or do they meander? Will your readers be able to grasp the words you've chosen, or will they have to scramble for a dictionary? Have you used the fewest words possible? To a communicator, your best friends are simplicity and clarity.

Refocus your attention. Pay attention to your focus when you communicate. Is it on you, your material or your audience? If it's not on people, you need to change it. Think about their needs, questions and desires. Meet people where they are, and you will be a better communicator.

Live your message. Are there any discrepancies between what you communicate and what you do? Talk to a few trustworthy people and ask them whether you are living your message. Receive their comments without defensiveness. Then strive to make changes in your life to be more consistent.

COMPETENCE

We all admire people who display high competence, whether they are precision craftsmen, world-class athletes or successful business leaders. But the truth is that you don't have to be Michael Jordan or Bill Gates to excel in the area of competence. If you want to cultivate competence, you need to show up every day, keep improving, follow through with excellence, accomplish more than expected and inspire others.

Do you attack everything you do with fervor and perform at the highest level possible? Or is good enough sometimes good enough for you? When you think about people who are competent, you're really considering only three types of people: those who can see what needs to happen, those who can make it happen and those who can make things happen when it really counts.

To improve your competence, do the following:

Get your head in the game. If you've been mentally or emotionally detached from your work, it's time to reengage. Identify the source of the problem and create a plan to resolve it.

Redefine the standard. If you're not performing at a consistently high level, reexamine your standards. Are you shooting too low? Do you cut corners? If so, outline more demanding expectations for yourself.

Find three ways to improve. Nobody keeps improving without being intentional about it. Find three things you can do to improve your professional skills and follow through on them.

COURAGE

Eleanor Roosevelt acknowledged, "You gain strength, courage, and confidence by every experience in which you really stop to look fear in the face. You are able to say to yourself, 'I lived through this horror. I can take the next thing that comes along.' You must do the thing you think you cannot do."

Courage deals with principle, not perception. If you don't

A leader who knows his or her priorities but lacks concentration knows what to do but never gets it done.

have the ability to see when to stand up and the conviction to do it, you'll never be an effective leader. Your dedication to potential must remain stronger than your desire to appease others.

What's ironic is that those who don't have the courage to take risks and those who do, experience the same amount of fear in life.

To improve your courage, do the following:

Face the music. Go out and do something stretching simply for the sake of growing in courage. Skydive. Perform in a play.

Talk to that person. Most people are avoiding confrontation with someone in their lives — an employee, a relative or a co-worker. If that's true for you, talk to that person this week.

Take a giant step. Maybe you've been afraid to make a career move. Take the time to really look at it. If it's the right thing to do, then do it.

DISCERNMENT

Discernment can be described as the ability to find the root of the matter, and it relies on intuition as well as rational thought. Discernment is an indispensable quality for any leader who desires to maximize effectiveness.

People who lack discernment are seldom in the right place at the right time. Although great leaders often appear to be lucky to some observers, it's more likely that leaders create their own "luck" as the result of discernment, that willingness to use their experience and follow their instincts.

Are you able to see root causes of difficult problems without having to get every bit of information? Do you trust your intuition and rely on it as much as you do your intellect and experience?

To improve your discernment, do the following:

Analyze past successes. Look at some problems you solved successfully in the past. What was the root issue in each problem:? What enabled you to succeed? If you can capture the heart of the matter in a few words, you can probably learn to do it with future issues.

Learn how others think. Which great leaders do you admire? By learning how other discerning leaders think, you can become more discerning.

Listen to your gut. Try to recall times when your intuition "spoke" to you and was correct. What do those experiences have in common? Look for a pattern that may give you insight into your intuitive ability.

One discernment-driven decision can change the entire course of your destiny.

FOCUS

What does it take to have the focus required to be a truly effective leader? The keys are priorities and concentration. A leader who knows his or her priorities but lacks concentration knows what to do but never gets it done. If he or she has concentration but no priorities, he or she has excellence without progress. But when he or she harnesses both, he or she has the potential to achieve great things.

So the important question is: How should you focus your time and energy? Use these guidelines to help you:

- Focus 70 percent on strengths — Effective leaders who reach their potential spend more time focusing on what they do well than on what they do wrong.
- Focus 25 percent on new things — Growth equals change. If you want to get better, you have to keep changing and improving.
- Focus 5 percent on areas of weakness — Nobody can entirely avoid working in areas of weakness.

How would your rate yourself in the area of focus?Have you been majoring in minor things?

To improve your focus, do the following:

Shift to strengths. Make a list of three or four things you do well in your job. Devise a plan to make changes, allowing you to dedicate 70 percent of your time to your strengths.

Staff your weaknesses. Identify three or four activities

necessary for your job that you don't do well. Determine how you can delegate the jobs to others.

Create an edge. What would it take for you to go to the next level in your main area of strength? Rethink how you do things.

GENEROSITY

Nothing speaks to others more loudly or serves them better than generosity from a leader. True generosity isn't an occasional event. It comes from the heart and permeates every aspect of a leader's life, touching his or her time, money, talents and possessions. Cultivate the quality of generosity in your life by being grateful for whatever you have, don't allow the desire for possessions to control you and develop the habit of giving.

Do you continually look for ways to add value to others? And to whom are you giving your time? Writer John Bunyan affirmed, "You have not lived today until you have done something for someone who can never repay you." If you aren't giving in the small areas of your life, you're probably not as generous a leader as you could be.

To improve your generosity, do the following:

Give something away. Take something you truly value, think of someone you care about who could benefit from it, and give it to him or her.

Put your money to work. Put your money to work for something that will outlive you.

Find someone to mentor. Once you reach a certain level in your leadership, the most valuable thing you have to give is yourself.

INITIATIVE

Leaders must show initiative by always looking for opportunities and being ready to take action. What qualities do leaders possess that enable them to make things happen? Here are four:

- They know what they want.
- They push themselves to act.
- They take more risks.
- They make more mistakes.

Are you constantly on the lookout for opportunity, or do you wait for it to come to you? Are you willing to take steps based on your best instincts? Or do you endlessly analyze everything? When was the last time you initiated something significant in your life? If you haven't pushed yourself lately and gotten out of your comfort zone, you may need to jump-start your initiative.

To improve your initiative, do the following:

Change your mind-set. If you lack initiative, recognize that the problem comes from inside, not from others. Find the source of your hesitation and address it.

Don't wait for opportunity to knock. Take stock of your assets, talents and resources. Doing that will give you an idea of your potential. Now, spend every day for a week looking for opportunities. Where do you see needs? Who is looking for expertise you have?

Take the next step. Pick the best opportunity you see, and take it as far as you can. Don't stop until you've done everything you can to make it happen.

LISTENING

Peter Drucker, the father of American management, estimated that 60 percent of all management problems are the result of faulty communications. And the overwhelming majority of communication problems come from poor listening.

A lot of voices are clamoring out there for your attention. As you think about how to spend your listening time, keep in mind that you have two purposes for listening: to connect with people and to learn.

Are you a good listener? When was the last time you really paid close attention to people and what they have to say? Start listening not only for words, but also for feelings, meanings and undercurrents.

To improve your listening, do the following:

Change your schedule. Do you spend time listening to your followers, customers, competitors and mentors?If you don't have all four groups on your calendar regularly, you're probably not giving them enough attention.

Meet people on their turf. A key to being a good listener is to find common ground with people. Get to know who they are and seek common ground to build your connection with them.

Listen between the lines. As you interact with people, you certainly want to pay attention to the factual content of the conversation, but don't ignore the emotional content.

PASSION

What makes it possible for people who might seem ordinary to achieve great things? The answer is passion. Nothing can take the place of passion in a leader's life.

Passion is the first step to achievement. Your desire determines your destiny. Think of great leaders and you will be struck by their passion: Gandhi for human rights, Winston Churchill for freedom, Martin Luther King Jr. for equality, Bill Gates for technology. Anyone who lives beyond an ordinary life has great desire.

Passion increases your willpower. It is the fuel for the will. If you want anything badly enough, you can find the willpower to achieve it. If you follow your passion — instead of others' perceptions — you can't help becoming a more dedicated, productive person.

To increase your passion, do the following:

Take your temperature. How passionate are you about your life and work? Does it show? You won't become passionate until you believe passion can be the difference maker in your life.

Return to your first love. Think back to when you were just starting out in your career — or even farther back to when you were a child. What could you spend hours and hours doing. Try to recapture your old enthusiasm. Then evaluate your life and career in light of those old loves.

Associate with people of passion. Passion is contagious. Schedule some time with people who can infect you with it.

POSITIVE ATTITUDE

If you desire to be an effective leader, having a positive attitude is essential. It not only determines your level of contentment as a person, but it also has an impact on how others interact with you.

Your attitude is a choice. No matter what happened to you yesterday, your attitude is your choice today. Your attitude determines your actions. You can choose your attitude, you can change it.

When you meet people, do you tell yourself they'll let you down? When you face new experiences, does a voice in your head say you're going to fail?

To improve your attitude, do the following:

Feed yourself the right "food." If you've been starved of anything positive, then you need to start feeding yourself a regular diet of motivational material.

Achieve a goal every day. Set achievable daily goals for yourself. A pattern of positive achievement will help you develop a pattern of positive thinking.

Write it on your wall. As incentive, people put up awards they've won, inspirational posters or letters they've received. Find something that will work for you.

PROBLEM SOLVING

No matter what field a leader is in, he or she will face problems. They are inevitable for three reasons. First, we live in a world of growing complexity and diversity. Second, we interact with people. And third, we cannot control all the situations we face. Leaders with good problem-solving ability anticipate problems, accept the truth and handle one thing at a time. They see the big picture and they don't give up a major goal when they're down.

To improve your problem solving, do the following:

Look for trouble. If you've been avoiding problems, go out looking for them. You'll only get better if you gain experience dealing with them.

Develop a method. Some people have a hard time solving problems because they don't know how to tackle them. Try using the TEACH process:

Time — Spend time to discover the real issue.

Exposure — Find out what others have done.

Assistance — Have your team study all angles.

Creativity — Brainstorm multiple solutions.

Hit it — Implement the best solution.

Surround yourself with problem solvers. If you aren't a good problem solver, bring others onto your team who are. They will immediately complement your weaknesses and you will also learn from them.

RELATIONSHIPS

The ability to work with people and develop relationships is absolutely indispensable to effective leadership. People truly do want to go along with people they get along with. And while someone can have people skills and not be a good leader, he or she cannot be a good leader without people

If you can determine what's really a priority and release yourself from everything else, it's a lot easier to follow through on what's important.

skills. Never underestimate the power of relationships on people's lives. If your relational skills are weak, your leadership will always suffer.

To improve your relationships, do the following:

Improve your mind. If your ability to understand people needs improvement, jump-start it by reading books on the subject, then spend more time observing people and talking to them to apply what you've learned.

Strengthen your heart. Make a list of little things you could do to add value to friends and colleagues. Then try to do one of them every day. Don't wait until you feel like it to help others.

Repair a hurting relationship. Think of a valued long-term relationship that has faded. Do what you can to rebuild it.

RESPONSIBILITY

Good leaders never embrace a victim mentality. They recognize that who and where they are remain their responsibility — not that of their parents, their spouses, their children, the government, their bosses or their co-workers. They face whatever life throws at them and give it their best, knowing that they will get an opportunity to lead the team only if they've proved that they can carry the ball.

People who embrace responsibility get the job done. They're willing to do whatever it takes to complete the work needed by the organization. If you want to lead, you've got to produce.

To improve your responsibility, do the following:

Keep hanging in there. Sometimes an inability to deliver despite difficult circumstances can be due to a persistence problem. The next time you find yourself in a situation where you're going to miss a deadline, lose a deal or fail to get a program off the ground, stop and figure out how to succeed. Think outside the lines. Creativity can bring responsibility to life.

Admit what's not good enough. If you have trouble achieving excellence, maybe you've lowered your standards. Look for places where you've let things slip. Then make changes to set higher standards.

Find better tools. If you find that your standards are high, your attitude is good and you consistently work hard but you still don't achieve the way you'd like —get better equipped. Improve your skills by taking classes, reading books and listening to tapes. Find a mentor. Do whatever it takes to become better at what you do.

SECURITY

Insecure leaders are dangerous — to themselves, their followers and the organizations they lead — because a leadership position amplifies personal flaws. Insecure leaders have several common traits: They don't provide security for others, they take more from people than they give, they continually limit their best people and they continually limit the organization.

In contrast, secure leaders are able to believe in others because they believe in themselves. They aren't arrogant; they know their own strengths and weaknesses; and they respect themselves. When their people perform well, they don't feel threatened. They go out of their way to bring the best people together and then build them up so that they will perform at the highest level. And when a secure leader's team succeeds, it brings him or her great joy. Don't let insecurity prevent you from reaching your potential.

To improve your security, do the following:

Know yourself. If you are the kind of person who is not naturally self-aware, take time to learn about yourself. Ask people who know you well to name your three greatest talents and your three greatest weaknesses and then reflect on it.

Give away the credit. If you assist others and acknowledge their contributions, you will help their careers, lift their morale and improve the organization.

Get some help. If you cannot overcome feelings of insecurity on your own, seek professional help. Get to the root of your problems not only for your own benefit but also that of your people.

SELF-DISCIPLINE

No one achieves and sustains success without self-discipline. It positions a leader to go to the highest level and is key to leadership that lasts. If you can determine what's really a priority and release yourself from everything else, it's a lot easier to follow through on what's important. And that's the essence of self-discipline.

Self-discipline can't be a one-time event. It has to become a lifestyle. To develop a lifestyle of discipline, one of your tasks must be to challenge and eliminate any tendency to make excuses. The next time you're facing a must-do task and you're thinking of doing what's convenient instead of paying the price, change your focus. Count the benefits of doing what's right and then dive in.

If you know you have talent and you've seen a lot of motion — but little concrete results — you may lack self-discipline.

To improve your self-discipline, do the following:

Sort out your priorities. Think about which two or three areas of life are most important to you and the disciplines that you must develop to keep growing and improving in those areas.

List the reasons. Write out the benefits of practicing the disciplines you've just listed. Post the benefits where you will see them daily. On the days when you don't want to follow through, reread your list.

Get rid of excuses. Write down every reason why you might not be able to follow through with your disciplines. Even if a reason seems legitimate, find a solution to overcome it. Don't leave yourself any reasons to quit.

SERVANTHOOD

Servanthood is not about position or skill. It's about attitude. You have undoubtedly met people in service positions who have poor attitudes toward servanthood: the rude worker at the government agency, the waiter who can't be bothered with taking your order, the store clerk who talks on the phone with a friend instead of helping you.

Just as you can sense when a worker doesn't want to help people, you can just as easily detect whether a leader has a servant's heart. And the truth is that the best leaders desire to serve others, not themselves. The first mark of servanthood is the ability to put others ahead of yourself and your personal desires.

Where is your heart when it comes to serving others?Are you motivated by a desire to help others?

To improve your servanthood, do the following:

Perform small acts. Find ways to do small things that show others that you care.

Learn to walk slowly through the crowd. The next time you attend a function make it your goal to connect with others by circulating among them and talking to people; getting to know their needs, wants and desires.

Move into action. If an attitude of servanthood is conspicuously absent from your life, the best way to change it is to start serving. Sign up to serve others at your church, a community agency or a volunteer organization.

TEACHABILITY

Leaders face the danger of contentment with the status quo. After all, if a leader already possesses influence and has achieved a level of respect, why should he or she keep growing? The answer is — your growth determines who you are, and who you are determines who you attract, and who you attract determines the success of your organization.

If you want to grow your organization, you have to remain teachable. Some people mistakenly believe that if they can accomplish a particular goal, they no longer have to grow. It can happen with almost anything: earning a degree, reaching a desired position, receiving a particular award or achieving a financial goal. But effective leaders cannot afford to think that way. The day they stop growing is the day they forfeit their potential— and the potential of the organization.

If you're not where you hoped you would be by this time in your life, your problem may be lack of teachability.

To improve your teachability, do the following:

Observe how you react to mistakes. Do you admit your mistakes? Do you apologize when appropriate?Or are you defensive? If you react badly — or make no mistakes at all — you need to work on your teachability.

Try something new. Go out of your way to do something different that will stretch you mentally, emotionally or physically.

Learn in your area of strength. Continue to learn in an area where you are already an expert. This prevents you from becoming jaded and unteachable.

VISION

Vision is everything for a leader. It is utterly indispensable. Why? Because vision leads the leader. It paints the target. It sparks and fuels the fire within, and draws him or her forward. It is also the fire lighter for others who follow that leader.

Show me a leader without vision and I'll show you someone who isn't going anywhere. At best, he or she is traveling in circles. When you look deep into your heart and soul for a vision, what do you see?

To improve your vision, do the following:

Measure yourself. Talk to your spouse, a close friend and key employees. Ask them to state what they think your vision is. If they can articulate it, then you are probably living it.

Write it down. If you've thought about your vision but never put it in writing, take the time to do it. Once you've written it, evaluate whether it is worthy of your life's best. Then pursue it with all you've got.

Do a gut check. If you haven't done a lot of work on vision, spend the next several weeks or months thinking about it. Consider what really impacts you at a gut level. What makes you cry? What makes you dream? What gives you energy? And think about what you'd like to see change in the world around you. What do you see that isn't — but could be?

Conclusion & Advice

Keep growing as a leader. Put yourself on a regular program where you consistently read books, listen to tapes and attend conferences that stretch you. Find other leaders who will mentor you. The only way to become the kind of leader that people want to follow is to keep growing and learning about leadership.

John C. Maxwell is an internationally recognized leadership expert, speaker and author who has sold more than 13 million books. A ***New York Times, Wall Street Journal*** and ***Business Week*** best-selling author, Maxwell was named the World's Top Leadership Guru by Leadershipgurus.net. Three of his books, ***The 21 Irrefutable Laws of Leadership, Developing the Leader Within You*** and ***The 21 Indispensable Qualities of a Leader*** have each sold more than 1 million copies.

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The 360 Degree Leader

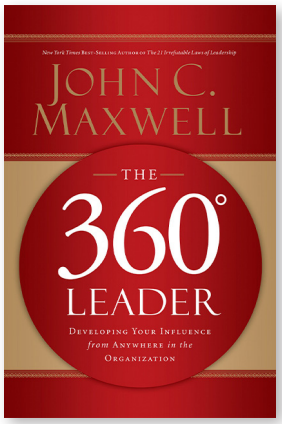
John C. Maxwell

Executive Book Summaries®

The 360 Degree Leader

Developing Your Influence From Anywhere in the Organization

by **John C. Maxwell**



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THE SUMMARY IN BRIEF

These are classic pictures of leadership: William Wallace leading the charge of his warriors against the army that would oppress his people. Winston Churchill defying the Nazi threat as much of Europe had collapsed. Mahatma Gandhi leading a 200-mile march to the sea to protest the Salt Act. Mary Kay Ash going off on her own to create the world-class organization Mary Kay Cosmetics. Martin Luther King Jr. standing before the Lincoln Memorial challenging the nation with his dream of reconciliation.

Each of these people was a great leader. Each made an impact that has touched millions of people. Yet these pictures can also be misleading. The reality is that 99 percent of all leadership occurs not from the top but from the middle of an organization. Usually, an organization has only one person who is the leader. So, what do you do if you are not that one person?

You can learn to develop your influence from wherever you are in the organization by becoming a 360-degree leader. You can learn to lead up, lead across and lead down. Only 360-degree leaders influence people at every level of the organization. By helping others, they help themselves.

IN THIS EXECUTIVE BOOK SUMMARY:

- Disprove the myths believed by many people in the middle of an organization.
- Deal with the most common challenges faced by people in the middle of an organization.
- Lead your boss, your colleagues and your followers.
- Overcome the setbacks and obstacles you will face on the road to becoming a 360-degree leader.
- Quantify the value of 360-degree leadership.

The Myths of Leading From the Middle

The Position Myth

The number one misconception people have about leaders is the belief that leadership comes simply from having a position or title. But nothing could be further from the truth. You don't need to possess a position at the top of your group, department, division or organization in order to lead. If you think you do, then you have bought into the position myth.

The true measure of leadership is influence — nothing more, nothing less. Leadership is dynamic, and the right to lead must be earned individually with each person you meet. Where you are on the "staircase of leadership" depends on your history with that person.

Position has little to do with genuine leadership. Influencing others is a matter of disposition, not position. Leadership is a choice you make, not a place you sit. Anyone can choose to become a leader wherever he or she is. You can make a difference no matter where you are.

The Destination Myth

Those who believe the destination myth might say, "When I get to the top, then I'll learn to lead."

But, if you want to succeed, you need to learn as much as you can about leadership before you have a leadership position. Good leadership is learned in the trenches. If you don't try out your leadership skills and decision-making process when the stakes are small and the risks are low, you're likely to get into trouble at higher levels when the cost of mistakes is high, the impact is far-reaching, and the exposure is greater. Mistakes made on a small scale can be easily overcome. Mistakes made when you're at the top cost the organization greatly and they damage a leader's credibility.

Start now to adopt the thinking, learn the skills, and develop the habits of the person you wish to be. Handle today so that it prepares you for tomorrow.

The Influence Myth

Those who believe the influence myth might say, "If I were on top, then people would follow me."

People who have no leadership experience have a tendency to overestimate the importance of a leadership title. You may be able to grant someone a position, but you cannot grant him or her real leadership. Influence must be earned.

A position gives you a chance. It gives you the opportunity to try out your leadership. It asks people to give you the benefit of the doubt for a while. But given some time, you will earn your level of influence — for better or worse. Good leaders will gain in influence behind their stated position. Remember, a position doesn't make a leader, but a leader can make a position.

The Inexperience Myth

Although the desire to improve an organization and the belief that you're capable of doing it are often the marks of a leader, without experience being the top person in an organization, you would likely overestimate the amount of control you have at the top. The higher you go and the larger the organization, the more you realize that many factors control the organization. More than ever, when you are at the top, you need every bit of influence you can muster. Your position does not give you total control — or protect you.

The Freedom Myth

Those who believe the freedom myth might say, "When I get to the top, I'll no longer be limited."

But when you move up in an organization, the weight of your responsibility increases. In many organizations, as you move up the ladder, you may even find that the amount of responsibility you take on increases faster than the amount of authority you receive. When you go higher, more is expected of you, the pressure is greater, and the impact of your decisions weighs more heavily. Leaders have more obligations and, because of that, they become more limited in terms of their freedom. It is a limitation they choose willingly, but they are limited just the same.

The Potential Myth

Someone who believes the potential myth would say, "I can't reach my potential if I'm not the top leader."

People should strive for the top of their game, not the top of the organization. Each of us should work to reach our potential, not necessarily the corner office. Sometimes you can make the greatest impact from somewhere other than first place.

The All-or-Nothing Myth

Someone who believes the all-or-nothing myth might say, "If I can't get to the top, then I won't try to lead."

Some people in the middle become frustrated by their position in an organization because they define success as

being "on top." As a result, they believe that if they are not on top, they are not successful. If that frustration lasts long enough, they can become disillusioned, bitter and cynical. If it gets to that point, instead of being a help to themselves and their organization, they become a hindrance.

Improve your leadership and you can impact your organization. You can change people's lives. You can be someone who adds value. You can learn to influence people at every level of the organization — even if you never get to the top. By helping others, you can help yourself.

The Challenges 360-Degree Leaders Face

The Tension Challenge

This challenge comes from the pressure of being caught in the middle. It's not enough to merely recognize that leading from somewhere in the middle of an organization can be stressful. You need to learn how to relieve the tension. Here are five suggestions:

- **Become comfortable with the middle.** Being in the middle can be a great place — as long as you have bought into the vision and believe in the leader.
- **Know what to own and what to let go.** Nothing frees a person from tension like clear lines of responsibility.
- **Find quick access to answers when caught in the middle.**
- **Never violate your position or the trust of the leader.**
- **Find a way to relieve stress.**

The Frustration Challenge

This challenge results from following an ineffective leader.

Your job isn't to fix the leader; it's to add value. The only time that is not true is when the leader above you is unethical or criminal. If the leader won't change, then change your attitude or your work address.

When you find yourself following a leader who is ineffective, do the following:

- **Develop a solid relationship with your leader, find common ground, and build a solid professional relationship.**
- **Identify and appreciate your leader's strengths.** Find them and think about how they might be assets to the organization.
- **Commit yourself to adding value to your leader's strengths.**

The Multi-Hat Challenge

Leaders in the middle must perform tasks and have knowledge beyond their personal experience. And they often are forced to deal with multiple shifting priorities, often with limited time and resources.

Every role or "hat" you are asked to wear has its own responsibilities and objectives. If you change hats, keep in mind that the context changes. The goal often determines the role and the approach to take. Don't use one hat to accomplish a task required for another hat. When you change hats, don't change your personality. And don't neglect any hat you are responsible to wear.

The Ego Challenge

It's normal for any person to want recognition, and leaders are the same. The fact that leaders in the middle of the pack are often hidden — and as a result they don't get the credit or recognition they desire and often deserve — can be a real ego buster. The challenge is to be a team player and remain content while contributing.

Here's how to do that:

- **Concentrate more on your duties than your dreams.**
- **Appreciate the value of your position.**
- **Find satisfaction in knowing the real reason for the success of a project.**
- **Embrace the compliments of others in the middle of the pack.**
- **Understand the difference between self-promotion and selfless promotion.**

The Fulfillment Challenge

The right attitude is absolutely essential to contentment in the middle of an organization. Truly, leadership is more disposition than position. With the right attitude and the right skills, you can influence others from wherever you are in an organization. Here are five ways to develop an attitude of contentment and fulfillment right where you are:

- **Develop strong relationships with key people.**

- **Define a win in terms of the team.**
- **Engage in crucial communication.**
- **Gain experience and maturity.**
- **Put the team above your personal success.** Leadership is about helping others win.

The Vision Challenge

Championing the vision is more difficult when you did not create it. The key to successfully navigating the vision challenge is this: The more you invest in the vision, the more it becomes your own. Even though your own vision may excite you more than someone else's, to get the opportunity to pursue your own dreams, you will almost certainly have to succeed in achieving the dreams of others.

The Influence Challenge

Leading others beyond your position is not easy. Leadership is influence. If you have neither position nor influence, people will not follow you. And the further outside your position they are, the less likely they are to let you lead them. That's why 360-degree leaders work to change their thinking from, "I want a position that will make people follow me," to, "I want to become a person who people will want to follow."

People follow leaders they know, leaders who care. If leaders care about each individual as a person, then people respond well to them. The greater the depth of their concern, the broader and longer-lasting their influence.

The Principles 360-Degree Leaders Practice to Lead Up

Leading up is the 360-degree leader's greatest challenge. Most leaders want to lead, not be led. But most leaders also want to have value added to them. If you take the approach of wanting to add value to those above you, you have the best chance of influencing them.

Your underlying strategy should be to support your leader, add value to the organization, and distinguish yourself from the rest of the pack by doing your work with excellence. If you do these things consistently, then in time the leader above you may learn to trust you, rely on you, and look to you for advice. With each step, your influence will increase and you will have more and more opportunities to lead up.

Lead Yourself Exceptionally Well

Nothing will make a better impression on your leader than your ability to manage yourself. If your leader must continually expend energy managing you, then you will be perceived as someone who drains time and energy. If you manage yourself well, however, your boss will see you as someone who maximizes opportunities and leverages personal strengths. To become someone your leader turns to when the heat is on, manage your emotions, time, priorities, energy, thinking, words, and your personal life.

Lighten Your Leader's Load

If you help lift the load, then you help your leader succeed. When the boss succeeds, the organization succeeds. Lifting shows you are a team player. It shows gratitude for being on the team and makes you part of something bigger. It also gets you noticed and increases your value and influence.

How do you lift your leader's load? Do your own job well first. When you find a problem, provide a solution. Tell leaders what they need to hear, not what they want to hear. Go the second mile and do more than is asked. Also, stand up or stand in for your leader whenever you can.

Be Willing to Do What Others Won't

Successful people do the things that unsuccessful people are unwilling to do. Few things gain the appreciation of a top leader more quickly than an employee with a whatever-it-takes attitude. That means taking the tough jobs. You learn resiliency and tenacity during tough assignments, not easy ones. When tough choices have to be made and results are difficult to achieve, leaders are forged. That means that you will have to sacrifice some personal goals for the sake of others. You will have to do something because it matters, not because it will get you noticed. Good leaders also find a way to succeed with people who are hard to work with by finding common ground and connecting with them.

Do More Than Manage — Lead!

To move beyond management to leadership, you need to broaden your mindset and begin thinking like a leader. If you are already leading well, then use this as a checklist to see where you need to keep growing:

- **Think longer term.**
- **See within the larger context of how something will impact those above and beside you.**
- **Push boundaries to find a better way.**
- **Emphasize intangibles such as morale, mo-**

tivation, momentum, emotions, attitudes, atmosphere and timing.

- **Rely on intuition.** As Dr. Joyce Brothers says, "Trust your hunches. They're usually based on facts filed away just below the conscious level."
- **Look for good people and invest in them to the point where they can be released and empowered to perform.**
- **Be an agent of change.** Leaders want more than just to see progress — they want to make it happen.

Invest in Relational Chemistry

All good leadership is based on relationships. People

won't go along with you if they can't get along with you. That's true whether you are leading up, across or down.

The key to developing chemistry with our leaders is to develop relationships with them by listening to their heartbeat to understand what makes them tick, knowing their priorities, catching their enthusiasm, supporting their vision, connecting with their interests, conforming to their personality, earning their trust, learning to work with their weaknesses, and respecting their family.

Be Prepared Every Time You Take Your Leader's Time

For all leaders, time is precious. For that reason, you must always be prepared when you take any of your leader's time.

Whether you have unlimited access to your boss or you only get a few minutes on rare occasions, you need to think and plan ahead. Don't make your boss think for you, and bring something to the table.

Know When to Push and When to Back Off

Successful leaders make the right move at the right moment with the right motive. Timing is critically important to leadership. When it comes to gaining influence with your boss, timing is equally important.

It's wise to wait for the right moment to speak up. A great idea at the wrong time will be received just the same as a bad idea. Of course, there are times when you must speak up, even if the timing doesn't seem ideal. The trick is knowing which is which.

Become a Go-To Player

Few things elevate a person above his or her peers the way becoming a go-to player does. Everyone admires go-to players and looks to them when the heat is on — not only their leaders, but also their followers and peers. Go-to players produce when the pressure is on. They are the people who find a way to make things happen no matter what.

If you adopt the positive tenacity of a go-to player and take every opportunity to make things happen, your leader will come to rely on you. If you have the willingness and the capacity to lift the load of your leaders when they need it, you will have influence with them.

Be Better Tomorrow Than You Are Today

Often, when people get to their desired destination, they stop striving to grow or improve.

There's certainly nothing wrong with the desire to progress in your career, but never try to "arrive." Instead, intend your journey to be open-ended. Most people have no idea how far they can go in life. They aim way too low. The key to personal development is being more growth oriented than goal oriented. There is no downside to making growth your goal. If you keep learning, you will be better tomorrow than you are today, and that can do many things for you.

The Principles 360-Degree Leaders Practice to Lead Across

To succeed as a 360-degree leader who leads peer-to-peer, you have to work at giving your colleagues reasons to respect and follow you. You can do that by helping your peers win. If you can help them win, you will not only help the organization, but also yourself.

Understand, Practice and Complete the Leadership Loop

If you want to gain influence and credibility with people working alongside you, don't try to take shortcuts or cheat the process. Instead, you have to show people that you care about them by taking an interest in them. Make an effort to get to know them as individuals. You should also strive to see others' unique experiences and skills as resources and try to learn from them.

When you go out of your way to add value to your peers, they understand that you really want them to win with no hidden agenda of your own. Affirm them by praising their strengths and acknowledging their accomplishments.

Put Completing Fellow Leaders Ahead of Competing With Them

In healthy working environments, there is both competition and teamwork. The issue is to know when each is appropriate. When it comes to your teammates, you want to compete in such a way that instead of competing with them, you are completing them.

Winning at all costs will cost you when it comes to your peers. If your goal is to beat your peers, then you will never be able to lead across with them. How do you balance competing and completing? First, acknowledge your natural desire to compete and channel it in a positive way. Embrace healthy competition. The whole goal of healthy competition is to leverage it for the corporate win.

Be a Friend

We often consider ourselves to be many things to the people who work alongside us — co-workers, teammates, contributors, competitors — but we often forget to be the one thing that every person wants: a friend. Poet Ralph Waldo Emerson wrote, "The glory of friendship is not in the outstretched hand, nor the kindly smile, nor the joy of companionship; it is in the spiritual inspiration that comes to one when he discovers that someone else believes in him and is willing to trust him."

A great approach to friendship at work is to make it your goal to be a friend, not to find a friend. As you reach out to your co-workers, listen, find common ground not related to work, be available beyond business hours, have a sense of humor, and tell the truth when others don't.

Avoid Office Politics

Playing politics is changing who you are or what you normally do to gain an advantage with whomever currently has power. In work environments, this may mean sucking up to the boss, constantly changing positions to get on the winning side, or using people for personal gain without regard for how it affects them. Political people are fickle and opportunistic, doing what's expedient in the moment to win, regardless of what's best for their peers, their employees or the organization.

In the long run, integrity, consistency and productivity always pay off — in better teamwork and a clear conscience. To avoid office politics, avoid gossip; stay away from petty arguments; stand up for what's right, not for what's popular; look at all sides of the issue; don't protect your turf; and say what you mean and mean what you say.

Expand Your Circle of Acquaintances

If you want to expand your influence, you have to expand your circle of acquaintances.

Expanding your circle of acquaintances helps you improve, exposes you to new ideas, and prompts you to see things from a different point of view, which will help you generate new ideas of your own. It will help you to learn new working methods and pick up additional skills. And it will help you to become more innovative. Expanding your circle also expands your network, putting you into contact with more people and giving you potential access to their networks.

Let the Best Idea Win

Leaders in the middle of the organization who help to surface good ideas are creating what an organization needs most. They do that by producing synergy among their peers. And they will develop influence with their peers because when they are present, they make the whole team better.

To generate good ideas, 360-degree leaders listen to all ideas and never settle for just one idea. They also look in unusual places for ideas. Don't let the personality of someone with whom you work cause you to lose sight of the greater purpose, which is to add value to the team and advance the organization. If that means listening to the ideas of people with whom you have no chemistry, or worse, a difficult history, so be it. A 360-degree leader protects creative people and their ideas.

Don't Pretend You're Perfect

Since nobody is perfect, we need to quit pretending. People who are real, who are genuine concerning their weaknesses as well as their strengths, draw others to them. They engender trust. They are approachable. And they are a breath of fresh air in an environment where others are scrambling to reach the top by trying to look good. To "get real," admit your faults, ask for advice, worry less about what others think, be open to learning from others, and put away pride and pretense.

The Principles 360-Degree Leaders Practice to Lead Down

What makes 360-degree leaders unique — and so effective — is that they take the time and effort to earn influence with their followers just as they do with those over whom they have no authority.

As a 360-degree leader, when you lead down, you are

doing more than just getting people to do what you want. You are finding out who they are, helping them to discover and reach their potential, showing the way by becoming a model they can follow, helping them become a part of something bigger than they could create on their own, and rewarding them for being contributors on the team.

Walk Slowly Through the Halls

One of the best ways to stay connected to your people and keep track of how they are doing is to approach the task informally as you move among them. To connect with people, you travel at their speed. Express that you care and create a healthy balance of personal and professional interest. Professional interest shows that you have the desire to help them. That is something all good leaders share. Personal interest goes deeper — it shows your heart. When you take interest in your people as human beings, you need to be sure not to cross the line. There is a point at which interest becomes inappropriate.

See Everyone as a '10'

Three-hundred-and-sixty-degree leaders get more out of their people because they think more of their people. They respect and value them and, as a result, their people want to follow them. The positive, uplifting attitude that they bring to leadership creates a positive working environment where everyone on the team has a place and purpose, and where everyone shares in the win.

To shine in this area, see people as they can become. Let them borrow your belief in them. Catch them doing something right. Give them the benefit of the doubt. And understand that people usually rise to the leader's expectations.

Begin today to see and lead people as they can be, not as they are, and you will be amazed by how they respond to you. Not only will your relationship with them improve and their productivity increase, but you also will help them rise to their potential.

Develop Each Team Member as a Person

There is much more to good leadership than just getting the job done. Getting the job done makes you a success. Getting the job done through others makes you a leader. But developing people while helping them get the job done at the highest level makes you an exceptional leader.

In order to develop your staff, you need to keep growing yourself. Understand that development is a longterm process. Development is based on the needs of your people: You give them what they need in order to become better people. To do that well, you need to know people's dreams and desires.

Take responsibility for conforming your leadership style to what your people need, not expecting them to adapt to you. As a leader, your first responsibility is to help others define the reality of who they are. Sometimes that means having difficult conversations. The thing you need to remember is that people will work through difficult things if they believe you want to work with them.

Place People in Their Strength Zones

When employees are continually asked to perform in an area of weakness, they become demoralized, they are less productive, and they eventually burn out.

Successful people find their own strength zones. Successful leaders find the strength zones of the people they lead. When you place individuals in their strength zones, you change people's lives for the better, their jobs become rewarding and fulfilling, and you help both the organization and yourself. The ability to help people find the best place means discovering their true strengths, giving them the right job, identifying the skills that they'll need, and providing world-class training.

Model the Behavior You Desire

Leaders set the tone and the pace for all the people working for them. Therefore, leaders need to be what they want to see. Your behavior determines the culture. Your attitude determines the atmosphere. Your values determine the decisions. If your decisions are not consistent with your values, they are always short-lived. Your investment determines the return. Your character determines the trust. Your work ethic determines the productivity. Your growth determines the potential.

Followers become like their leaders. They are influenced by their leaders' values. They adopt their working methods. They even emulate many of their quirks and habits. That's why we must always be aware of our own conduct before criticizing the people who work for us. If you don't like what your people are doing, first take a look at yourself.

Transfer the Vision

As a leader in the middle of the organization, you will be transferring what is primarily the vision of others. Leaders in the middle may not always be the inventors of the vision; they are almost always its interpreters.

To interpret the vision in a way that fires up people and sets them off in the right direction, include the following elements: clarity; connection of past, present and future; purpose; goals; a challenge; stories that make the vision relational and warm; and passion. If there is no passion in the picture, then your vision isn't transferable.

Reward for Results

Whatever actions leaders reward will be repeated. That is why it is very important to reward results and to do it the right way. To reward results most effectively, give praise publicly and privately, back up praise with money, don't reward everyone the same, give perks beyond pay, promote when possible, and remember that you get what you pay for.

The Value of 360-Degree Leaders

Becoming a 360-degree leader isn't easy. It takes much work and it doesn't happen overnight. But it is worth every bit of the effort.

As you seek to grow as a leader, you will not always succeed. You will not always be rewarded the way you should be. Your leaders may not listen to you at times.

Your peers may ignore you. Your followers won't follow. And the battle may feel like it's uphill all the way.

Don't let that discourage you. By becoming a better leader, you add tremendous value to your organization. Everything rises and falls on leadership.

The following are five values that 360-degree leaders add to their organizations:

1. A leadership team is more effective than just one leader.

Organizations need to develop leadership teams at every level. A group of leaders working together is always more effective than one leader working alone. And for teams to develop at every level, they need leaders at every level.

As a leader in the middle, if you develop a team, you will be making your organization better and helping it to fulfill its vision. You will be adding value no matter where you serve in the organization. As you do that, keep in mind that visionary leaders are willing to hire people better than themselves, wise leaders shape their people into a team, secure leaders focus on others and want them to do well, experienced leaders listen to their teams, and productive leaders understand that one is too small a number to achieve greatness.

2. Leaders are needed at every level of the organization.

If a team starts out with a vision but without a leader, it is in trouble. Why? Because vision leaks. And without a leader, the vision will dissipate and the team will drift until it has no sense of direction. On the other hand, if a team starts out with a leader but without a vision, it will do fine because it will eventually have a vision. Leaders are always headed somewhere. They have vision, and that vision gives not only them direction but it gives their people direction.

Without a leader, decisions are delayed, agendas are multiplied, conflicts are extended and morale is low. Without a leader, production is low and success is difficult.

3. Leading successfully at one level is a qualifier for leading at the next level.

Growing organizations are always looking for good people to step up to the next level and lead. To find out if a person is qualified to make the jump, they look at that person's track record in his or her current position. Leadership is a journey that starts where you are, not where you want to be. Great responsibilities come only after handling small ones well.

4. Good leaders in the middle make better leaders at the top.

Good leaders maximize the performance of those on their team. They set direction. They inspire their people and help them work together. They get results.

Good leaders bring out the best, not only in their followers but also in other leaders. Good leaders raise the bar when it comes to performance and teamwork, and this often challenges other leaders in the organization to improve.

Leaders in the middle of an organization are closer to the people in the trenches than the leaders on top. As a result, they know more about what's going on. They understand the people who are doing the work and the issues they face. They also have greater influence at those lower levels than the top leaders.

Today's workers are tomorrow's leaders in the middle of the organization. And today's leaders in the middle will be tomorrow's leaders at the top. While you function as a 360-degree leader in the middle of the organization, if you keep growing you will probably get your opportunity to become a top leader. But at the same time, you need to be

looking at the people working for you and thinking about how you can prepare them to eventually take your place in the middle.

5. Three-hundred-and-sixty-degree leaders possess qualities every organization needs.

The 360-degree leader possesses qualities that every organization wants to see in all of its employees, especially in its leaders. These include the following:

- **Adaptability:** Quickly adjusting to change.
- **Discernment:** Understanding the real issues.
- **Perspective:** Seeing beyond your own vantage point.
- **Communication:** Linking to all levels of the organization.
- **Security:** Finding identity in self, not the position.
- **Servanthood:** Doing whatever it takes.
- **Resourcefulness:** Finding creative ways to make things happen.
- **Maturity:** Putting the team before oneself.
- **Endurance:** Remaining consistent in character and competence over the long haul.
- **Countability:** Being able to be counted on when it counts.

John C. Maxwell, known as America's expert on leadership, has communicated his leadership principles to Fortune 500 companies, the U.S. Military Academy at West Point, and sports organizations such as the NCAA, the NBA and the NFL. He is the founder of several organizations, including Maximum Impact. He is the author of more than 30 books, including Developing the Leader Within You, Your Road Map for Success, The 21 Irrefutable Laws of Leadership, and Winning with People.

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The 5 Levels of Leadership

April 2012

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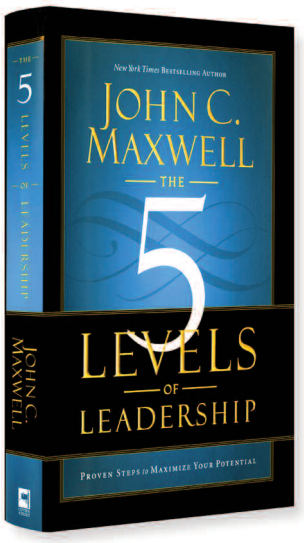
Leadership

The 5 Levels of Leadership

Proven Steps to Maximize Your Potential



by John C. Maxwell

THE SUMMARY IN BRIEF

True leadership isn't a matter of having a certain job or title. In fact, being chosen for a position is only the first of the five levels every effective leader achieves. To become more than "the boss" people follow only because they are required to, you have to master the ability to invest in and inspire people. To grow further in your role, you must achieve results and build a team that produces. You need to help people develop their skills to become leaders in their own right. And if you have the skill and dedication, you can reach the pinnacle of leadership.

The 5 Levels of Leadership are:

1. **Position.** People follow because they have to.
2. **Permission.** People follow because they want to.
3. **Production.** People follow because of what you have done for the organization.
4. **People Development.** People follow because of what you have done for them personally.
5. **Pinnacle.** People follow because of who you are and what you represent.

Through humor, in-depth insight and examples, internationally recognized leadership expert John C. Maxwell describes each of these stages of leadership. In *The 5 Levels of Leadership*, he shows how to master each level and rise up to the next to become a more influential, respected and successful leader.

IN THIS SUMMARY, YOU WILL LEARN:

- How to fulfill the role of the leader.
- How to raise your effectiveness and improve your performance.
- How to extend your influence beyond your immediate reach and time.
- A roadmap for taking the journey to the highest level of leadership.

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THE COMPLETE SUMMARY: **THE 5 LEVELS OF LEADERSHIP**

by John C. Maxwell

The author: John C. Maxwell is an internationally respected leadership expert, speaker and author who has sold more than 20 million books. Maxwell is the founder of EQUIP, a nonprofit organization that has trained more than 5 million leaders in 126 countries worldwide. Maxwell has written three books that have sold more than a million copies: *The 21 Irrefutable Laws of Leadership, Developing the Leader Within You* and *The 21 Indispensable Qualities of a Leader.*

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For additional information on the author, go to www.summary.com or JohnMaxwellOnLeadership.com.

You Can Have a Leadership Game Plan for Your Life

In all the years that I've taught about leadership, there has been one lecture that I have been asked to give more often than any other — from West Point to Microsoft and in countries all around the world. That lecture explains how leadership works, and it provides a game plan for learning how to become a leader. It's "The 5 Levels of Leadership."

You Can Learn Practical Leadership Tools

The 5 Levels has been used to train leaders in companies of every size and configuration, from small businesses to Fortune 100 companies. It has been used to help nonprofit organizations understand how to lead volunteers. And it's been taught in more than 120 countries around the world. Every time I talk about it, people ask questions and make observations. Those things have helped the 5 Levels of Leadership become stronger and develop greater depth. The concept is tested and proven. In addition, it offers several other benefits:

• **The 5 Levels of Leadership Provides a Clear Picture of Leadership.** How do people get a handle on leadership? For those who are not naturally gifted for it, leadership can be a mystery. For them, leading people is like walking down a dark corridor. They have a sense of where they want to go, but they can't see ahead, and they don't know where the problems and pitfalls are going to lie. For many people in the academic world, leadership is a theoretical exercise, an equation whose variables are worthy of research, study and rigorous debate. In contrast, the 5 Levels of Leadership is visually straightforward, so anyone can learn it.

• **The 5 Levels of Leadership Defines Leading as a Verb, Not a Noun.** Leadership is a process, not a position. Leadership deals with people and their dynamics, which are continually changing. They are never static. The challenge of leadership is to create change and facilitate growth. Those require movement, which, as you will soon see, is inherent in moving up from one level of leadership to the next.

• **The 5 Levels of Leadership Breaks Down Leading into Understandable Steps.** The subject of leadership can be overwhelming and confusing. Where does leadership start? What should we do first? What processes should we use? How can we gain influence with others? How can we develop a productive team? How do we help followers become leaders in their own right? The 5 Levels of Leadership gives answers to these questions using understandable steps.

• **The 5 Levels of Leadership Provides a Clear Game Plan for Leadership Development.** Good leadership isn't about advancing yourself. It's about advancing your team. The 5 Levels of Leadership provides clear steps for leadership growth. Lead people well and help members of your team become effective leaders, and a successful career path is almost guaranteed.

• **The 5 Levels of Leadership Aligns Leadership Practices, Principles and Values.** When I developed the 5 Levels, I conceived of each level as a practice that could be used to lead more effectively. As time went by and I used and taught the levels, I realized they were actually principles. Here's the difference: A practice is an action that may work in one situation but not necessarily in another. A principle is an external truth that is as reliable as a physical law. For example, when Solomon said,

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"A gentle answer turns away every wrath, but a harsh word stirs up anger," he stated a principle that is universal and timeless.

Principles are important because they function like a map, allowing us to make wise decisions. If we embrace a principle and internalize it, it becomes a part of our values. The 5 Levels influences my leadership life every day.

Level 1: Position

Leadership traditionally begins with Position. Someone joins the Army, and he or she becomes a recruit, working to earn the rank of private. A person gets a job, and along with it comes a title or job description: laborer, salesperson, waiter, clerk, accountant, manager. Position is the starting place for every level of leadership. It is the bottom floor and the foundation upon which leadership must be built. Real influence must be developed upon that foundation.

There was a time when people relied heavily on position to lead, which is no surprise when you consider that at one time, hereditary leadership positions were handed down from father to son (and sometimes daughter) within families. Princes became kings and their decisions were law — for good or bad. In most industrialized nations, those days are gone. True, there are still nations with kings and queens, but even in most of those nations, such as England, monarchs rule with the permission of the people, and the real leaders are usually elected. Position gives you a chance, but it usually carries with it very little real power, except in systems where the penalties for not following are dire.

There's nothing wrong with having a *position* of leadership. When a person receives a leadership position, it's usually because someone in authority saw talent and potential in that person. And with that title and position come some rights and a degree of authority to lead others.

Position is a good starting place. And like every level of leadership, it has its upsides and downsides.

The Upside of Position

Just as there are positive and negative aspects in every season of life, there are both positive and negative aspects to every level of leadership. If you are new to leadership and you receive a position, then there are things to celebrate. Here are four of them:

1. A Leadership Position Is Usually Given to People Because They Have Leadership Potential. Most of the time when people enter a leadership position, they do so because it was granted or appointed by some other person in authority. That probably seems obvious. But think about the implications: It usually means that the person in authority believes that the new leader has some degree of potential for leading. That's good news. So if you're new to leadership and you have been invited to lead something, then celebrate the fact that someone in authority believes in you.

If you have a new leadership position, then welcome to the first step in your leadership journey. You have a seat at the table and have been invited to be part of the "leadership game." You will have opportunities to express your opinion and make decisions.

Your initial goal should be to show your leader and your team that you deserve the position you have received.

2. A Leadership Position Means Authority Is Recognized. When an individual receives a position and title, some level of authority or power usually comes with them. Often, in the beginning, that power is very limited, but that's OK because most leaders need to prove themselves with little before being given much. As the *Infantryman's Journal* (1954) says, "No man is a leader until his appointment is ratified in the minds and the hearts of his men."

As a new leader, you must use the authority you are given wisely, to advance the team and help the people you lead. Do that and your people will begin to give you even greater authority. When that happens, you gain leadership, not just a position.

3. A Leadership Position Is an Invitation to Grow as a Leader. There should always be a relationship between receiving a leadership position and fulfilling the requirements demanded by it. One of the main requirements is personal growth. I learned this early in my life from my father, who loved to quote, "To whoever much is given, much shall be required." He believed that each of us had received a lot in life, and we had a responsibility to learn and grow so that we could make the most of it.

The journey through the 5 Levels of Leadership will only be successful if you dedicate yourself to continual development. If you believe that the position makes the leader, you will have a hard time becoming a good leader.

4. A Leadership Position Allows Potential Leaders to Shape and Define Their Leadership. The greatest upside potential for people invited to take a leadership position is that it affords them the opportunity to decide what kind of leader they want to be. The position they receive may be defined, but they are not.

When you first become a leader, your leadership page is blank and you get to fill it in any way you want! What kind of leader do you want to be? Don't just

become reactive and develop a style by default. Really think about it. Do you want to be a tyrant or a team builder? Do you want to come down on people or lift them up? Do you want to give orders or ask questions? You can develop whatever style you want as long as it is consistent with who you are.

As you think about the way you will define your leadership, take into consideration what kinds of habits and systems you will consistently practice. What will you do every day when you arrive at work? How will you treat people? What will be your work ethic? What kind of example will you set? Everything is up for grabs. It's up to you to define it. And the earlier you are on the leadership journey, the greater the potential for gain if you start developing good habits now.

The bottom line is that an invitation to lead people is an invitation to make a difference. Good leadership changes individual lives. It forms teams. It builds organizations. It impacts communities. It has the potential to impact the world. But never forget that position is only the starting point. ●

Five Downsides of Position

Since Position is the lowest level of leadership, it has a great number of negatives. Here are five:

1. Having a Leadership Position Is Often Misleading. Once you have a position or title, people will identify you with it. However, positions and titles are very misleading. A position always promises more than it can deliver.

2. Leaders Who Rely on Position to Lead Often Devalue People. As a result, departments, teams or organizations that have positional leaders suffer terrible morale.

3. Positional Leaders Feed on Politics. When leaders value position over the ability to influence others, the environment of the organization usually becomes very political. Positional leaders focus on control instead of contribution.

4. Positional Leaders Place Rights Over Responsibilities. Inevitably, positional leaders expect their people to serve them, rather than looking for ways to serve their people. This does nothing to promote teamwork or create a positive working environment.

5. Positional Leadership Is Often Lonely. If you're atop the hill alone, you may get lonely. If you have others alongside you, it's hard to be that way.

Level 2: Permission

Making the shift from Position to Permission brings a person's first real step into leadership. Why do I say that? Because leadership is influence, nothing more, nothing less. Leaders who rely on their positions to move people rarely develop influence with them. If their subordinates do what they are asked, it's usually because they think they have to — to receive their pay, keep their jobs, prevent being reprimanded and so on.

In contrast, when a leader learns to function on the Permission level, everything changes. People do more than merely comply with orders. They actually start to follow. And they do so because they really want to. Why? Because the leader begins to influence people with relationship, not just position. Building relationships develops a foundation for effectively leading others. It also starts to break down organizational silos as people connect across the lines between their job descriptions or departments. The more barriers come down and relationships deepen, the broader the foundation for leading others becomes.

When people feel liked, cared for, included, valued and trusted, they begin to work together with their leader and each other. And that can change the entire working environment. The old saying is really true: People go along with leaders they get along with.

Moving up to Level 2 is an important development in leadership because that is where followers give their supervisors permission to lead them. People change from being subordinates to followers for the first time, and that means there is movement! Remember, leadership always means that people are going somewhere. They aren't static. No journey, no leadership.

Best Behaviors on Level 2

If you find yourself in a place where you need to start working to win people's permission on Level 2, what should you do? How can you make the most of the opportunity to develop as a relational leader? Do the following:

1. Connect with Yourself Before Trying to Connect with Others. One of the secrets of connecting with people and building relationships is knowing and liking yourself. In my book *Winning With People*, I call it the Mirror Principle, which says, "The first person we must examine is ourselves." The work in relationship building always has to start with yourself.

2. Develop a People-Oriented Leadership Style. Permissional leaders don't rely on rules to lead people. They don't depend on systems. And they never try to rule with a stick. (Anyone who does needs to know that

every stick eventually breaks.) Instead, they use a personal touch whenever they deal with people. They listen, learn and then lead. They develop relationships. They have more than an open-door policy — they know the door swings both ways. They go through it and get out among their people to connect.

3. Practice the Golden Rule. I always teach the golden rule: "Treat others as you want others to treat you." It is a core teaching that can be found in every culture and religion. It is the simplest, most profound and most positive guide to living there is. Practicing the golden rule enables everyone to feel respected.

4. Become the Chief Encourager of Your Team. For many years I have enjoyed the friendship of the Cathy family, the leaders of Chick-fil-A. One day when I was having dinner with Truett Cathy, the company's founder, he said, "Do you know how I identify someone who needs encouragement? If the person is breathing they need a pat on the back!"

5. Strike a Balance Between Care and Candor. I believe that people can change their attitudes and can improve their abilities. And because I do, I talk to them about where they're coming up short. If you're a leader and you want to help people, you need to be willing to have those tough conversations. Care without candor creates dysfunctional relationships. Candor without care creates distant relationships. But care balanced with candor creates developing relationships. ●

Level 3: Production

The Production level is where leadership really takes off and shifts into another gear. Production qualifies and separates true leaders from people who merely occupy leadership positions. Good leaders always make things happen. They get results. They can make a significant impact on an organization. Not only are they productive individually, but they also are able to help the team produce. This ability gives Level 3 leaders confidence, credibility and increased influence.

Another benefit of leadership on Level 3 is that it attracts other highly productive people. Producers are attractive to other producers. They respect one another. They enjoy collaborating. They get things done together. That ultimately creates growth for the organization.

Leaders can get to Level 1 for an almost endless number of reasons: They show promise; they have connections; they play politics; they have seniority; the organization is desperate. You name it and someone has probably received a leadership position because of it. Leaders who are naturally good with people or who take pains to learn people skills can move up to Level 2. But some people never move up from Level 2 Permission to Level 3 Production. Why? They can't seem to produce results. When that's the case, it's usually because they lack the self-discipline, work ethic, organization or skills to be productive. However, if you desire to go to higher levels of leadership, you simply have to produce. There is no other way around it.

The Laws of Leadership at the Production Level

If you want to use the Laws of Leadership to help you grow on Level 3, then consider the following:

• **The Law of Respect: *People Naturally Follow Leaders Stronger Than Themselves.*** When you're working to gain relational credibility on Level 2, the positive results are often intangibles, such as morale and trust. In contrast, the results of good leadership are highly tangible at Level 3. People see better organization, increased productivity and higher profitability. The result is that they see your strengths and understand what you can do. Your credibility is established. People respect that and they follow not only because you treat people well, but because of what you do for the team and organization.

• **The Law of Magnetism: *Who You Are Is Who You Attract.*** When you reach Level 3 and create a highly productive team, you begin to attract other producers. The great thing about this is that it helps you make the productive team you've developed even more productive. Introducing additional highly productive people to the team raises the bar and makes everyone more productive. And if there are people on the team who won't or can't produce, others will be lined up at your door willing to take their place.

• **The Law of the Picture: *People Do What People See.*** Leaders are usually highly visible to the people they lead, especially if they lead by going first. As a result, their actions are always noticed. If you're a producer,

No One Can Fake Level 3

No one can fake Level 3. Either you're producing for the organization and adding to its bottom line (whatever that may be), or you're not. Thomas Watson, the founder of IBM, noted, "The outstanding leaders of every age are those who set up their own quotas and constantly exceed them." That is a good description of Level 3 leaders. They are self-motivated and productive. As a result, they create momentum and develop an environment of success, which makes the team better and stronger.

that's a good thing. Nothing motivates people in a positive way more than seeing a positive leadership model. When people see results from their leaders, they know results are expected from them. And whenever results are an expectation, greater productivity happens.

• **The Law of Victory:** ***Leaders Find a Way for the Team to Win.*** The best leaders on Level 3 find ways to win. They always do. They produce! If you are one of those people who consistently produces, then everyone will want to be on your team. That makes leading that much better.

• **The Law of the Big Mo:** ***Momentum Is a Leader's Best Friend.*** Level 3 is where momentum kicks in. Good results create momentum. Having momentum gives you greater results. Greater results create even more momentum. With momentum, an organization can overcome problems, negativism, past issues, pettiness and upcoming obstacles.

• **The Law of Priorities:** ***Leaders Understand That Activity Is Not Necessarily Accomplishment.*** Level 3 leaders do the right things the right way at the right time for the right reasons. They know that an organization where anything goes eventually becomes a company where nothing goes. They plan and act accordingly.

• **The Law of Sacrifice:** ***A Leader Must Give Up to Go Up.*** Radio broadcaster Paul Harvey remarked, "You can tell you're on the road to success; it's uphill all the way." You'll have to give up some privileges and resources to move up. Leaders learn to let go of everything but the essentials as they climb.

• **The Law of Buy-In:** ***People Buy into the Leader, Then the Vision.*** The buy-in comes from the relationships you have with them and the results you demonstrate in front of them. They want to know you care about them and they want to know you can produce. ●

Level 4: People Development

Effective leaders understand that what got them to their current level of leadership won't be enough to get them to the next one. They understand that if they want to keep getting better as leaders, they have to be willing to keep growing and changing, and that each move up the 5 Levels of Leadership requires a paradigm shift and a change in the way a person leads.

On Level 3, the emphasis is on personal and corporate productivity. The ability to create a high-productivity team, department or organization indicates a higher level of leadership ability than most others display. But to reach the upper levels of leadership that create elite organizations, leaders must transition from producers to developers. Why? Because people are any organization's most appreciable asset.

Good leaders on Level 4 invest their time, energy, money and thinking into growing others as leaders. They look at every person and try to gauge their potential to grow and lead — regardless of the individual's title, position, age or experience. Every person is a potential candidate for development. This practice of identifying and developing people compounds the positives of their organization because bringing out the best in a person is often a catalyst for bringing out the best in the team. Developing one person for leadership and success lays the foundation for developing others for success.

Bringing Out the Best in the Team

In *On the Profession of Management* Peter Drucker observed:

> Making the right people decisions is the ultimate means of controlling an organization well. Such decisions reveal how competent management is, what its values are and whether it takes its job seriously. No matter how hard managers try to keep their decisions a secret — and some still try hard — people decisions cannot be hidden. They are eminently visible. Executives who do not make the effort to get their people decisions right do more than risk poor performance. They risk losing their organization's respect.

How does this emphasis on people and people decisions translate into action? Leaders on the People Development level of leadership shift their focus from the production achieved by others to the development of their potential. And they put only 20 percent of their focus on their personal productivity while putting 80 percent of it on developing and leading others.

This can be a difficult shift for highly productive people who are used to getting their hands dirty, but it's a change that can revolutionize an organization and give it a much brighter future.

Beliefs That Help a Leader Move Up to Level 5

If you have managed to move up to Level 4, you are leading at a very high level, higher than 90 percent of all other leaders. But there is still one level higher that may be within your reach. Fewer than 1 percent of all leaders achieve it. To prepare yourself to attempt that final climb and give yourself the best chance of making it to the top, you must first embrace the following beliefs:

1. The Highest Goal of Leadership Is to Develop Leaders, Not Gain Followers or Do Work. When you help other people become leaders, you change their lives. You change the way they see the

world. You change their capacity. You increase their potential. You change the way they interact with others. If they become good leaders, you help them improve not only their lives, but also the lives of everyone they touch. I believe that is how you change the world for the better.

2. To Develop Leaders, You Must Create a Leadership Culture. You will not be able to move up to Level 5 unless you create a leadership culture. Jim Blanchard did this at Synovus. In an interview with George Barna, Blanchard said, "I think the most important and difficult thing is to create a culture in the organization where leadership is really important. It's important for people in the company to realize that this is a growth-oriented company, and the biggest thing we have to grow here is you, because it's you who will make this company better by your growth. ... So I would think making a culture aware of the significance of developing leaders is valuable."

3. Developing Leaders Is a Life Commitment, Not a Job Commitment. Level 4 leaders develop people. Level 5 leaders consistently develop leaders over a lifetime, and the leaders they raise up also develop leaders. It becomes a lifestyle they practice everywhere and at all times, not a program they implement or a task they occasionally practice. Mentoring is a mantle that they wear willingly and they strive to add value to others.

Level 5: The Pinnacle

Rare is the leader who reaches Level 5 — the Pinnacle. Not only is leadership at this level a culmination of leading well on the other four levels, but it also requires both a high degree of skill and some amount of natural leadership ability.

It takes a lot to be able to develop other leaders so that they reach Level 4; that's what Level 5 leaders do. The individuals who reach Level 5 lead so well for so long that they create a legacy of leadership in the organization they serve.

Pinnacle leaders stand out from everyone else. They are a cut above, and they seem to bring success with them wherever they go. Leadership at this high level lifts the entire organization and creates an environment that benefits everyone in it, contributing to their success. Level 5 leaders often possess an influence that transcends the organization and the industry they work in.

Most leaders who reach the Pinnacle do so later in their careers. But the Pinnacle level is not a resting place for leaders to stop and view their success. It is a reproducing place from which they make the greatest impact of their lives. That's why leaders who reach the Pinnacle should make the most of it while they can.

With gratitude and humility, they should lift up as many leaders as they can, tackle as many great challenges as possible and extend their influence to make a positive difference beyond their own organization and industry.

Guide to Being Your Best at Level 5

Use the following guidelines to help you grow as a leader and develop others to become Level 4 leaders.

1. Remain Humble and Teachable: The greatest potential internal danger of working your way up to Level 5 is thinking you've arrived and you have all the answers.

2. Maintain Your Core Focus: If you've made it to the Pinnacle level of leadership, you possess a primary skill set — a sweet spot or strength zone — that got you there. Identify that core strength and write out a plan for making the most of it in the coming years.

3. Create the Right Inner Circle to Keep You Grounded: All successful leaders need an inner circle of people who will work alongside them to achieve the vision, help them to enjoy the journey and keep them grounded.

4. Do What Only You Can Do: There are always a handful of things that only the top leaders can do for their organization, department or team. What are yours? Make sure you make them a high priority.

5. Create a Supercharged Leadership Development Environment: One of the most important factors in creating a Level 5 organization is developing and maintaining an environment where leaders are constantly being developed.

6. Create Room at the Top: If you don't create room at the top for developing leaders, you will waste much of your potential horsepower and you will eventually start to lose your up-and-coming talent.

7. Develop Your Top Leaders: Anyone who has the potential to lead as well as you do (or even better) should be on your radar for one-on-one mentoring.

8. Plan Your Succession: If you have developed a lot of Level 4 leaders, then begin focusing on the few who have the best potential to succeed you. If you haven't been developing high-caliber leaders, then start there.

9. Plan Your Legacy: It's been said that Alfred Nobel read his own obituary, which had been mistakenly published in the newspaper, and that prompted him to change his focus from manufacturing explosives to rewarding scientists and statesmen who advanced the cause of peace and development.

10. Use Your Leadership Success as a Platform for Something Greater: What opportunities do you have to contribute to causes greater than your own? Give that some thought and then leverage your ability for the benefit of others outside your direct sphere of influence. ●

Portrait of a Level 5 Leader: Coach John Wooden

My admiration and respect for John Wooden began when I was just a kid. You see, basketball was my first love. I'll never forget the day in fourth grade when I attended a high school varsity basketball game. It enthralled me. For the next dozen years, I played basketball just about every day. And because I was a great fan of the game, I knew about Wooden. How could I not! During his tenure with the UCLA Bruins, Wooden won 620 games in 27 seasons. His teams won 10 NCAA titles during his last 12 seasons, including seven in a row from 1967 to 1973. At one point, his teams had a record winning streak of 88 consecutive games. They had four perfect 30-0 seasons. They also won 38 straight games in NCAA tournaments and a record 98 straight home-game wins at Pauley Pavilion. Wooden was named NCAA College Basketball's Coach of the Year in 1964, 1967, 1969, 1970, 1971, 1972 and 1973. In 1967, he was named the Henry Iba Award USBWA College Basketball Coach of the Year.

I was fortunate to get the chance to meet John Wooden. I was even more fortunate that for the next seven years I had the privilege of meeting with him several more times and continuing to learn from him — for while he had made a great impression on me from afar, he made an even stronger one up close.

In fact, when I teach the 5 Levels of Leadership and I am asked to give an example of a Level 5 leader, Wooden is the person I most often talk about, because I think that by studying his life anyone can learn great leadership lessons. Here's how his life exemplified the 5 Levels of Leadership.

• **Level 1: Position — People Follow You Because They Have To.** Wooden coached basketball for 30 years. Like all leaders, he started by receiving a leadership position and got the opportunity to make the most of it. Coach Wooden used his position when needed, though he did it with a soft touch. For example, his practices were not long, but he demanded the full attention of every player each time they practiced. If a player lost focus and slacked off, Wooden would kick him out of practice.

• **Level 2: Permission — People Follow You Because They Want To.** Throughout his long career, Coach Wooden's relationships with all of his players were special. And after his career as a coach was completed, Wooden maintained his close ties to the men he had once led on the court. More than once he told me, "If, as a leader, you listen to them, then they'll listen to you." He understood that leaders listen, learn and then they lead.

• **Level 3: Production — People Follow You Because of What You Have Done for the Organization.** Coach Wooden turned around UCLA's basketball program in one season. Prior to his arrival, they had experienced a losing season. His first year as UCLA's coach, the team won the Pacific Coast Conference (PCC) Southern Division Championship with a 22-7 record. It was the most wins in a season for UCLA since their basketball program had begun in 1919.

• **Level 4: People Development — People Follow You Because of What You Have Done for Them.** Coach Wooden said, "Success is peace of mind which is a direct result of self-satisfaction in knowing you did your best to become the best that you are capable of becoming." That's what Level 4 leaders want for themselves and those they lead: to reach their potential.

• **Level 5: Pinnacle — People Follow You Because of Who You Are and What You Represent.** Many times people don't find out how wonderful a leader was until he or she dies. They go to the funeral or memorial service and they are surprised to discover how many other lives were impacted by the person. In the case of Coach Wooden, we didn't have to wait to find out. Players from four decades of teams had received the benefit of his leadership, and so did the people they have led after their days on the court. And millions more had watched from afar as he led teams to victory. He was wise, honest, principled, disciplined, humble, humorous, courageous and faithful. He was a Level 5 leader. The world needs more like him. ●

RECOMMENDED READING LIST

If you liked *The 5 Levels of Leadership*, you'll also like:

1. ***The 21 Irrefutable Laws of Leadership* by John C. Maxwell.** Author John C. Maxwell offers readers leadership principles that stand the test of time.
2. ***Everyone Communicates, Few Connect* by John C. Maxwell.** Maxwell shares the Five Principles and Five Practices to develop the crucial leadership skill of connecting.
3. ***The 360 Degree Leader* by John C. Maxwell.** Debunking myths and shedding light on challenges, leadership expert John C. Maxwell offers specific principles for Leading Down, Leading Up and Leading Across.

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The 7 Commitments of a Great Team

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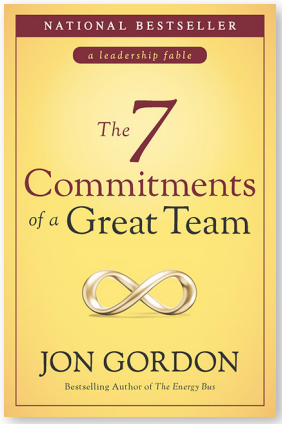
The 7 Commitments of a Great Team



by **Jon Gordon**

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THE SUMMARY IN BRIEF

This special book is built on real experiences, hard-earned insights, and the powerful lessons that come from working with teams. Many of the moments within its pages are inspired by true stories. While the story is fictional, it's rooted in events that truly happened—experiences that have touched lives and shaped perspectives. This book brings together the best of what has been learned, taught, experienced, and felt, with the hope that it will inspire you, too.

In ***The Seven Commitments of a Great Team***, Jon Gordon uses his own experiences with being coached and applies it to all aspects of life. In this book, readers are able to understand what makes a strong team, and how to rebuild them when they are failing. The seven commitments serve as a guide for anybody in a leadership position who is not only trying to make their company stronger, but how to show their employees or teams how valuable they are.

IN THIS EXECUTIVE BOOK SUMMARY:

- Discover strategies to use to craft any high-performing team.
- Learn how to construct team-building exercises.
- Understand the balance between accountability and encouragement.
- Form relationships that are stronger even after encountering adversity.

Teammates Are Forever

Tim sat beside Coach Richie's bed and held his hand. It was the same hand that he shook when he was offered a scholarship to play ball for him 30 years earlier. Coach Richie's grip was different then—strong, powerful, affirming. He scanned his thin, pale face and wondered what you say to the man who gave you so much and changed the course of your life.

Coach Richie's eyes lit up for a moment. "Remember, kid, teammates are forever. Teammates are forever," he said before closing his eyes again.

"So are coaches who change your life," said Tim as Coach fell back to sleep.

Disconnected, Discouraged, Disappointing Results

As Tim drove to the airport, Coach's words "Teammates are forever" kept running through his mind. He couldn't stop thinking about them. Are teammates really forever?

Tim couldn't help but think of his own team at work. Was he helping them get better? No, he wasn't. They were going through the motions. Disengaged. Apathetic. Complacent. They were on a team but they weren't a real team. They were disconnected, discouraged, and delivering disappointing results. He was at a loss of what to do.

How do you get a team that is simply going through the motions to create momentum? How do you get people who are focused on their own careers to care about other team members?

Commitments Are Greater Than Goals

Tim recalled a powerful experience that had a huge impact on him and the team. It was the beginning of his sophomore season. The previous season hadn't turned out the way they had hoped. They had a losing record and were frustrated because they had so much talent. On the first day of training camp, Coach Richie stood in the meeting room in front of the team.

"I want you all to write down your goals for the season," he declared. "You got five minutes to do this."

After a bunch of the guys shared their commitments, Coach Richie said, "So now you see why I had you guys do this exercise. You were excited when you shared your goals but that excitement easily wears off when you are confronted with adversity, inconveniences, and distractions. When you shared your commitments, you were more intentional, serious, and focused. Your commitments create a standard and if you keep your commitments and live up to the standard, you will much more likely achieve your goals. This season I'm also going to share with you our 6 Commitments as a team and program."

A Visit to Vino

Tim woke up the next morning thinking about his old teammate Vino. They hadn't seen each other in years but they shared the bond of a powerful moment as teammates their senior year. Coach Richie called them both into his office and let them know they weren't chosen as captains by the team because they weren't as popular as the other guys. But he saw them as leaders and wanted them to help lead the team, even though they didn't have a title.

It was a defining moment in their lives, and Vino would go on to lead one of the top sports marketing agencies in the world. Tim thought about how Vino was thriving, while he himself was currently struggling. He figured Vino would have some great ideas on how he could turn around his team and company.

"Do you remember the 6 Commitments Coach taught us?" Vino laughed. "Remember them? They've been a huge key to my success."

Commitment #1: Commit to the Vision and Mission of the Team

After Coach Richie had each teammate share their commitments, he said it was time for practice, and they ran out of the team meeting room and onto the practice field.

"Last year we allowed too many things to divide us. Last year we weren't one team. This year we are going to become one united team. This year my job and all of our jobs is to create a team with oneness in mission and vision. A team that is divided is weak. A team that becomes one is powerful and strong. We are all going to become one team, face the same direction, and commit to a shared vision and mission."

Vision: Become One Gritty Team That Competes Like Champions.

A season is like a roller coaster, with ups and downs, and when you're up you can't get too high on yourself.

Mission: Define and elevate this program. Set the standard and inspire teams after us to reach an even higher level.

Attack a New Opportunity

A week later the team had their first scrimmage of the preseason, and it didn't go well.

"From this moment on, we are not defending anything but our goal. We're going to attack a new opportunity every moment, every game. We will not focus on the expectations others have for us. We will focus on our commitments and let those commitments drive our results. Do you hear what I'm saying?" Coach hollered to the team.

Commitment #2: Commit to Staying Positive Together

Coach Richie could feel the tension rising. Training camp was taking its toll. The guys' bodies were tired and sore. Their minds were reeling. Some were asking themselves if they were good enough to make the team.

"We have to stay positive together," Coach yelled, emphasizing the final word. "Together is the key. The collective positivity and belief of our team is the result of each one of you choosing to stay positive and believe in our vision, our mission, our ability to win, and each other. Your positivity, optimism, and belief matters and every day you must feed yourself in order to feed your teammates."

Commitment #3: Commit to Giving Your Best

After their day off and a few days of practice, Coach Richie noticed that the guys were making too many mistakes. Too many were not being consistent. Too many were not giving their best effort. As a coach, he knew there were times his team needed to be pulled up and times they needed a push. With a few days left before their first game, he believed that now was a time they needed a little push. Before practice he had the team gather in the meeting room.

"To work harder, you have to care more. If you care more, you will push through the soreness. If you care more, you will give your all even when you feel like you don't have your all. If you care more, you won't just go through the motions. If you care more, you will always give your best. And that's the next commitment I want you all to make this season."

The Roller Coaster

Coach Richie's words and commitments must have struck a chord, because during the first game his team outworked, outhustled, and outplayed their opponent and cruised to victory for their first win of the season. A season is like a roller coaster, with ups and downs, and when you're up you can't get too high on yourself. And when you're going down the roller coaster and feel like you're crashing, you can't jump off and escape. You just have to stay on the roller coaster and focus on your principles and commitments.

Commitment #4: Commit to Getting Better

After practice the guys took their seats in the meeting room and Coach Riche held up a newspaper. "Hey, big boys! Don't believe the press clippings. They will tell you that you're better than you are and worse than you are. Today means nothing".

Coach walked to the whiteboard and wrote down the Questions:

1. What went well?
2. What could we do better?

What did we learn that will make us better?

"This is going to help us hold each other accountable to our commitments and make sure each person is giving their best and working to get better. If you see it, reinforce it and recognize each other. If you don't see it, call it out and address it."

Tough Love

The team lost two games in a row. The guys sat in the locker room exhausted, devastated, and defeated. They were now 5–4 and their season was on the brink. Coach Richie knew they were at a pivotal crossroad. They would either turn it around or the season would be another disaster. He knew the guys played their hearts out and after the game in the locker room he told them he was very proud of them. Their commitment to being their best and getting better was unmatched. He never had a team work so hard and give so much. But while he didn't say it in that moment, he knew the problem was that they challenged each other more than they loved each other. Every great team needs a combination of love and accountability. Tough love is essential, but love must come first.

Commitment #5: Commit to Connect

The guys walked into the team meeting room sad and somber, with their heads down and their hearts and bodies aching. Coach Richie pointed to their vision statement on the wall. "See that? It says, One Gritty Team That Competes Like Champions. You are definitely competing like champions individually. You are each being gritty in your play. But we are not being a gritty team together. You have individual grit but we don't have team grit because we are not one team. Team grit is all about connection."

The Safe Seat

Coach Amy placed a chair in the front of the room facing the rest of the team and called it the Safe Seat.

1. Who's your Hero?
2. What's a Hardship you faced that was a defining moment in your life?
3. What's a Highlight you are proud of?
4. What do you Hope for?
5. What's Hilarious? What makes you laugh? Could be a story or anything funny.

She had each guy sit in the Safe Seat one at a time and share their 5 Hs.

Team Beats Talent

Coach Amy had never seen the 5 Hs go wrong. Every team she had ever shared it with became more connected, and this time and this team was no different. They walked into the room as disconnected individuals and walked out a connected team. In sharing themselves and their stories, a special spirit filled the room. The walls of pride, envy, and ego came crumbling down, and what was left was always there. It was love. In the weeks that followed, Coach Richie watched as this team became the most connected team he had ever coached.

Commitment #6: Commit to Each Other

As the players took their seats in the meeting room, Coach Amy smiled and said, "Okay, it's time for some difficult conversations." She handed out plain white paper with each person's name at the top on one side and sticky tape on the other side. She instructed the players to stick the paper on each other's backs so everyone had a sheet of paper on their back. She had them all come to the open space in the front of the room and asked seven teammates to stand side by side while she handed out markers to the rest of them. "Now, on the white paper on your teammates' backs, write a few words that represent what you believe is holding that teammate back from being their best and being a great teammate. After we've done the first seven, the next seven will line up and you'll write on their backs. When we're all done, we're going to have some difficult conversations." She then had one guy at a time come to the front of the room and take the paper off their back, sit in the Safe Seat, and read out loud what was written on the paper.

It was a defining moment in Tim's life, and he and his team would be forever transformed by this exercise and their own willingness to change, improve, sacrifice, and become better teammates.

Loss

With more ups and downs than ever this year, he and his staff were not surprised that they won their next game and lost the game after that. The win was special because they played so well together. They finally jelled on the field and played connected, committed, and as one. The loss was devastating because they were once again playing so well together until H went down with a severe knee injury that required a cart to take him off the field.

This team wasn't worried about losing. They were focused on their commitments and competing and preparing to win.

Coach said "We lost our focus and we lost the game. I'm not mad at all. LOSS stands for Learning Opportunity, Stay Strong, so I want us to take the lesson from this loss, and stay strong as we approach our last game of the regular season."

I Am...

The next day at practice, a day before their final game, Coach Amy stood in the middle of the circle and looked at the team, including H, who was on crutches and awaiting surgery. His knee was too swollen to have surgery yet, and he loved his team too much not to be with them before the big game. "You are not the thoughts you think. You are the thoughts you believe," said Coach Amy. "So think about what would happen if you said, 'I am strong. I am powerful. I am a champion.' I want each of you to come into the circle one at a time and say, 'I am' and then add another word. Speak life into who you are. Say it and become it!"

Stronger Together

This team wasn't worried about losing. They were focused on their commitments and competing and preparing to win. They didn't want their season to end and because they played with confidence, determination, unity, and selflessness, it didn't. They played their best game of the season and left no doubt who was the better team. They did it. They had made it to the postseason, and when they got to the locker room they danced like they had never danced before.

"I'm proud of you guys," said Coach Richie. "Not because you won. I'm proud of you because of the team you have become."

An Unexpected Fan

They received a ton of press and accolades from the media and their fans. While the guys were doing their best to ignore what the media was saying, their families and friends were reading and watching everything. Including estranged family members like Tim's father. Tim hadn't seen or talked to him in years but he reached out to Tim and said he was coming to see him play in the quarterfinals game. Tim was a wreck leading up to the game. His teammates didn't know what was going on but they knew something was wrong.

During a team building session two days before the quarterfinals, Coach Amy asked the guys to share anything they were struggling with. Tim told the team about his father calling him and coming to the game. After the game Tim walked over to the stands to see his father, who had made his way onto the field. Tim wasn't in the mood to hug him or get into details of their past. But when his father said it was great to watch him play and that he was proud of him, Tim began to cry, gave him a hug, thanked him for coming, and said he had to go celebrate with the team.

Forever Teammates

Two days later the team walked into the stadium to play in the national championship expecting to win, and they played their best game of the season and competed like champions, but on this day they didn't win a championship. They gave their all and played beautifully together but their opponent was the better, more talented team who were also connected and committed.

"Trophies don't last," Coach said. "They break. They get lost. They get thrown out. They lose their significance. In a few hundred years no one will care about whether you won a championship trophy. But the way you cared about each other and loved each other and played for each other, that's what lasts forever. It's the love that lasts forever, and that's why you all are forever teammates!"

The 6 Commitments

Tim thought about what he was like back then and how those times with his team and Coach Richie's fatherly influence transformed him as a man and leader. And he smiled thinking about how Coach Richie and his teammates like Vino were still impacting him now, years later. Coach Amy popped into Tim's head.

He remembered seeing her 10 years earlier at an alumni event, where she told him about workshops she did helping teams implement the 6 Commitments. He opened the contacts on his phone, found her cell number, and called her. They agreed to have her fly in to do a workshop with his leadership team the next week. Tim loved the plan. He had already experienced the impact the 6 Commitments had on his college team. If they had even half the impact on his company, he would be very happy.

Commitment Recognizes Commitment

Going through the 6 Commitments with his team and Coach Amy was like being in a time machine. With each commitment he reflected on the past and saw how it applied to his present team and situation.

"Commitment recognizes commitment," said Coach Amy. "The more you commit, the more it will come back to you." Tim marveled at how Coach Amy had mastered the commitments and was prepared for every issue and nuance that came up during her teaching, as she helped guide the decisions of how each person and the team would implement the commitments. The fact that Tim took ownership of his lack of commitment helped greatly, and his vulnerability helped the team become vulnerable.

The Funeral

Tim thought he had cried his last tear after telling his family that Coach Richie had passed away. But as soon as he saw his teammates, the tears started flowing once again. He hadn't seen many of them in a long time. Some he hadn't seen since they graduated. Life flies by when you begin your career, meet your spouse, have kids, start and grow a business, and raise a family.

The Power Inside You

Tim wanted his employees to become forever teammates, and he wanted to provide practical tips to create something tangible when dealing with such an ethereal idea as "forever."

He made a video and shared it with everyone in the company, talking about the power of caring and creating your life and success from the inside out. He told them that being a forever teammate is possible in every moment by reminding yourself, "This matters. This meeting matters. What I'm doing matters. This person matters. This mission matters. This team matters. This effort matters. This client matters. If it matters to you and you care about it, you will put this care into the person, the project, the meeting, the team, and the client. And the care you put into it will determine the quality of it."

The 7th Commitment

Coach Amy had been teaching the 6 Commitments so long it felt strange to hear there was a 7th Commitment but she was open to getting better.

Tim went to the board and wrote:

The 7th Commitment: Commit to Valuing Each Other

Tim explained, "If you don't value each other and find value in your team members, then none of the other commitments work or make sense. You first have to value each other and value the team. If you do, you'll commit to giving your all to the team and commit to getting better together and commit to connecting with each other and commit to sacrificing for each other. If you value your team, you'll do all of it. But if you don't value each other, you won't do any of it."

Forever Impact

Tim made a commitment to himself and Coach Richie that he wasn't just going to talk about being a forever teammate and leader. He was committed to doing it and was going to do all he could to create a forever impact and help others do the same. He looked at the championship ring and had an idea. He wanted to create a reminder for his teammates and team members at work that symbolized the 7 Commitments.

By following the seven commitments in this book, leaders are able to understand the balance between accountability and encouragement. Jon Gordon is able to take his own experiences in being coached and allow readers in on the secrets that worked for him. Whether it is in a professional or personal setting, commitment is essential in building a solid foundation for people. Even after adversity, people can be coached to be a major part of high-performing teams.

Jon Gordon is a 16x bestselling author and thought leader, renowned keynote speaker, and consultant who has worked with many of the top leaders and organizations around the world. Jon is a highly sought after global influencer who inspires millions of people each year with his books, talks, podcasts, and messages on positivity, teamwork, and leadership.

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The 8 Laws of Customer-Focused Leadership

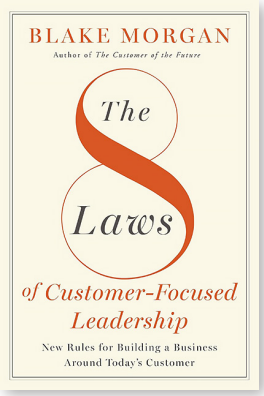
Blake Morgan

Executive Book Summaries®

The 8 Laws of Customer-Focused Leadership

New Rules for Building a Business Around Today's Customer

by **Blake Morgan**



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THE SUMMARY IN BRIEF

The 8 Laws of Customer-Focused Leadership examines how organizations must reorganize leadership priorities around customer experience in an environment shaped by technological transparency and rising customer expectations. The central problem addressed is how companies sustain differentiation when products and services become commoditized and competitive advantage shifts to the quality of customer experience. Morgan argues that effective leadership must place customer needs at the center of decision-making, embedding accountability and responsiveness throughout the organization. This approach requires leaders to model behaviors that align employees with customer-focused outcomes while reducing internal complexity that hinders service delivery.

The book advances a structured framework of eight laws that define customer-focused leadership as an ongoing organizational discipline rather than a discrete initiative. It emphasizes balancing short- and long-term priorities, maintaining strategic consistency, engaging employees as central drivers of experience, and adapting to future trends such as artificial intelligence. Morgan also highlights the importance of measurement systems that reflect actual customer expectations and reinforce accountability across teams. The work positions customer experience as a unifying principle that shapes culture, operations, and strategy, requiring continuous reinforcement to remain effective in dynamic market conditions.

IN THIS EXECUTIVE BOOK SUMMARY

- Establish a customer experience mindset using accountability and feedback
- Balance short-term results with long-term customer value creation
- Execute a consistent strategy with clear goals and daily improvements
- Anticipate future trends while maintaining human-centered service

Introduction

The treasure chest that great leaders seek today is a customer focus that leads to unimaginable treasure: strong relationships, loyal customers, innovation, engagement, and, yes, better revenue. Finding that treasure requires taking an enthusiastic journey toward customer-centric leadership with a total focus on customer experience.

The path to a customer-centric company is paved with leadership. A leader is nothing without a group of followers, but a leader is granted that title because other people choose to follow them. If the employees do not trust or respect the leader, the leader is simply a manager. And without trusting employees, you cannot build a customer-centric company.

By knowing the rules of customer-focused leadership, working on them in yourself, and setting an example to impart them to others, you will transform yourself into the kind of leader organizations need the most right now.

CHAPTER 1

The Rise of the Customer-Focused Leader

Over the past ten years, we've seen an explosion of businesses caring about customers. Corporate employee titles with the word customer exploded worldwide. What changed? Simply put, technology drove this new era of accountability and focus on the customer.

As customers, we all have a great amount of power because we have access to an incredible amount of information. There's no hiding. Today, we know what is happening everywhere, and we know quickly. We're all watching one another all the time. Employers are watching employees, employees are watching employers, employees are watching customers, and customers are watching employees and employers.

With all that watching, we've entered a new period of extreme accountability. Whether you like it or not, we are all accountable to the customer. The customer has the power. Your product or service is a commodity; if it hasn't become one yet, it's only a matter of time. Even if you have a new product idea, someone will come along and make it better or different and sell more than you.

The Customer Experience Advantage

Today, the only way to differentiate your brand is through customer experience (CX). To become a beloved brand, you must live and breathe it and interpret what that means for your company because no two are alike. It requires a mastery of the basics—but it's more than that. Great customer experience is created when it is part of your brand. In fact, it *is* the brand.

If the brand is the experience, the product itself isn't the only matter of importance. The complete experience around the product, the psychology of the customer, and the customer's perception of your brand matter a great deal. So how do you create this customer-centric culture?

As a leader, it starts with you. You can inspire greatness in employees only by modeling the behavior and setting the groundwork to drive the behaviors that lead to customer-focused outcomes. You can work to reduce back-end complexity so employees are free to focus on their roles and not the messiness of a poorly run company.

When leaders relentlessly pursue an amazing customer experience based on the eight laws that follow, even as the world and customers evolve, they spread that excitement and focus to the rest of their employees. And that's when the magic happens.

CHAPTER 2

The Current State of Customer Experience

If customer experience could boil down to one word, it would be *accountability*. This accountability comes from the mindset of the individual. When your company has the customer experience mindset, you have teams of people who all have the mindset of accountability, and when you have achieved that, you are unstoppable.

Every individual mindset is affected by the culture of the company, and that culture is created by the leaders. If you want to learn about everything that's going well and not well inside a company, you can get a sense of that by looking at the customer experience.

If the customer experience is incredible, it's likely the leaders of that company have adopted a customer experience mindset throughout the company.

What Is a Customer-Centric Leader?

A customer-centric leader places the needs, aspirations, and experiences of customers at the core of every decision, ensuring that organizational strategies not only drive business growth but also cultivate authentic relationships and lasting value for the people they serve.

> A customer-centric leader places customer needs at the core of every decision.

As the world and markets evolve, every business has become a commodity. Today, brands compete on experience more than price or product. And building a great experience and the customer experience mindset starts by understanding the modern customer.

Who Is the Modern Customer?

Customer demands and preferences are constantly changing, but perhaps never more than during and after the pandemic. Customers do not want to go back to the way things were, but companies are not rising to the occasion. The modern customer is

- experience-driven
- informed
- has diverse needs and craves personalization
- seeking convenience
- concerned about sustainability
- not married to any particular brand
- connected
- security- and privacy-conscious

CHAPTER 3

Law 1: Create a Customer Experience Mindset

Customer experience is the great leveling field of our time. Any small group can build an experience that people hate, reconstruct it with a better experience for the customer, and be the new big fish. No company, no matter how big or old it is, is safe from being disrupted.

Being a customer-centric leader means you feel extreme ownership over your work. You make the decision every day to be better than average; you choose to balance short-term goals with long-term strategies. 72% of business executives say they understand what it feels like to be one of their customers, but only 35% of consumers say that companies understand them well. The customer-centric leader works arduously to understand their customers and create experiences based on actual feedback about what customers would like to see and experience.

The Energy for Influencing Change

If you have the energy for influencing change, you will never be without a leadership opportunity. Sometimes long-standing rules and practices, especially in the contact center, must be thrown out. To be bold, you must have the energy for influencing change. If you don't have the energy, you better start working on developing your energy levels and your appetite for change.

The following eight steps stand out as critical ways to create the customer experience mindset for yourself. These eight steps can give you a big boost with your own leadership, to truly become a customer-centric leader and embody the customer-focused mindset.

1. **Flip burgers next to employees**. The customer experience mindset means you are an in-the-trenches kind of leader. You are not above the work you ask others to do.
2. **Give no excuses**. The customer experience mindset is when a leader decides to be accountable. While the problem might not be your fault, and you cannot control the behavior of others, you are accountable for always doing your best in that moment.
3. **Commit to excellence**. While perfection is not possible in modern life, aspiring for zero defects or unforced errors is. A commitment to excellence is simply the act of always doing your best.
4. **See feedback as a chance for growth**. Feedback should not be seen as a pain because the company must change, but as a chance to improve.
5. **Don't take yourself too seriously**. The customer experience mindset doesn't take itself too seriously. That means that when a leader messes up, they can admit it. Ego does not get in the way.
6. **Believe employees are the path**. A customer-focused mindset is laser focused on what is happening with employees. The employee is the path to the customer.
7. **Know that everything you do matters**. Creating a mindset for excellence starts with you. You show up every day for everyone in your life with honor, respect, grace, and gratitude.
8. **Have a life outside of work**. When you're a leader,

no one is going to take care of you. That is why *you* must take care of *you*, so you have the energy to give to others.

CHAPTER 4

Law 2: Exceed Long-Term Profit Expectations

Short-termism is a real problem for leaders, and it prevents them from making the customer-centric choice every time. Leaders are in a constant state of balancing two pursuits at one time. This is the essence of the customer-focused leader: this leader is always thinking about what is happening with customers today while also considering all the opportunities for tomorrow.

Companies with a long-term orientation are rewarded with a lower cost of capital, which allows them to afford more innovation—a virtuous cycle. Profit today is increasingly a reward for long-term focus on disruption and innovation.

Customer Experience in Action

When David Cote took charge as CEO of Honeywell International, no one expected him to succeed in turning the company around.

Over the next several years, with David's short- and long-term vision, Honeywell did the seemingly impossible—stabilizing the company and progressing on a number of fronts simultaneously.

His approach to customer experience was straightforward:

1. Truly understand what the customer values
2. Develop metrics that correspond to something the customer values
3. Figure out which processes drive the metric and map them
4. Constantly go back and survey again and again

Leaders have to think about many moving parts in running a company, but the part that is not always as defined or clear is the one with the word "customer" in it. It's easy to forget about the customer's experience when there are so many problems to solve. So who owns it? Essentially, everyone.

And yet, customer experience most often lives in the contact center where leaders often do not have the resources to paint the story of why and how much it matters to the bottom line of the business.

Creating a Short- and Long-Term Vision Statement

The leaders I interview who succeed with customer experience know that profits can be a little further in the distance when they do the right thing up front and invest in customer experience. Facing the stress head-on, rather than allowing dysfunction to perpetuate and get worse, makes for a stronger leader and a stronger company. The leader must focus on the vision and come up with a strategy to protect customer programs from the chopping block.

Both good times and bad are important times to invest in customer experience. It makes sense that when you're making money, and things are up, no one wants to put a wrench in the wheel and slow the company down.

But when profits are up, it's a good time to experiment with a new program on a small group of customers. When profits are down, something is off in how you are providing goods and services to customers. The ability to balance short-term strategies with long-term goals is a key leadership skill today.

CHAPTER 5

Law 3: Lay Out Your Customer Experience Strategy and Stick to It

If CX is so simple, everyone would do it. It's much easier to talk about building a customer-centric business than it is to actually build one. Simply put, investing and prioritizing customer experience matters. And while experience centers on relationships and people, it also has a significant impact on the bottom line.

The hard part is not creating a plan; the hard part is sticking to it and being consistent. You must constantly go back and fix your recipe to ensure it's always relevant in an ever-changing world. But if you put customer work into your weekly schedule, it will be much easier than if you try to do it randomly. If your customer experience strategy is a wash, rinse, and spin cycle, it would look like the following:

- **Define your mission and vision**: Clarify why you are doing what you are doing, how you will measure success, and what that success looks like. Identify what customers value and what you can deliver, and use those insights to shape your vision.
- **Build a customer-centric culture**: Recognize that culture may not be visible, but it is felt by employees and experienced by customers.

> The value of a company now lies in its ingenuity, relationships, and psychological power in the customer's mind. ”

- **Align business goals with customer experience outcomes**: Understand your business objectives and how they intersect with the outcomes you want your customer experience to drive.
- **Align the organization around the vision**: Ensure the entire company is working toward the same mission and value set, grounded in the desired customer experience outcomes.
- **Operationalize the strategy**: Create a roadmap, cascade it to leaders and managers, and measure what matters to drive the outcomes you seek.

Every company has a different version of this, but generally, you start with goal setting, then get into how you're going to achieve your goal and figure out how to keep these priorities in check.

Customer Experience in Four Steps

1. **Walk a mile in their shoes**. This means understanding the reality of the customer experience; the leader personally goes through the customer journey to know it inside and out.
2. **Ask for the truth**. Leadership must have a consistent commitment to the truth and always be willing to ask for feedback from employees and customers.
3. **Yes to accountability**. Saying yes to accountability is a mindset. It's the mindset of employees who jump out of bed in the morning to start their day because they love their work. This is often innate, but you can inspire it in yourself by shifting your mindset and modeling and inspiring it in your employees.
4. **Small improvements every day**. Overnight success is a myth. Good things take time, and the most valuable experiences take years to build. Small daily changes have cumulative impacts.

Customer experience requires constant attention. Creating a culture of "fail fast and break things" is critical. It's all about experience design and empowering your people to deliver experiences they can be proud of. Giving employees the tools they need to own and deliver great experiences pays off. A study shows that 82% of customers are more loyal to brands that empower contact center agents to solve issues without having to follow a script.

CHAPTER 6

Law 4: Embark on Your Ninety-Day Get-Started Plan

It's important, when you start a new role, that you start strong. The customer leadership role is tough because you are walking into an uncertain situation where you will need to be an investigator.

At times you will feel like you're at a start-up because the path is not entirely clear. You will need to build the airplane as you fly it.

Some of the goals you will need for yourself in your new role include achieving early wins for credibility, finding advocates and building relationships, making informed strategy decisions, and finding focused learning time (you have a learning curve) while not drinking from the fire hose and getting overwhelmed.

The role of the customer-focused leader is to make life better every day for employees and customers. Your job is to effect change, starting where you can and spurring innovation. Ultimately you want to create a customer-focused culture across the company.

Your First Ninety Days in Ten Steps

1. Go on a CX listening tour
2. Gain tools for rapid learning
3. Match your CX strategy to the situation
4. Secure early CX wins
5. Negotiate CX success
6. Achieve CX alignment
7. Build your CX team
8. Create CX coalitions
9. Ensure you are not overly stressed and aim for balance
10. Be the tide that raises all boats

It's normal that in your first ninety days there will be some huge waves that throw you off your game or make the journey feel very uncertain. The key is to stay the course, hold on to what you can, and don't lose faith in yourself and the important work you are doing.

CHAPTER 7

Law 5: Anticipate the Future

Businesses are increasingly operating in a world where the products being sold are not physical at all. One of these intangibles is the relationship the customer has with the brand. The value of a company is not what it used to be: it now lies in its ingenuity, relationships, and psychological power in the customer's mind.

What Is a Futurist?

A *futurist* is a person who systematically explores predictions and possibilities about the future and how those possibilities can emerge from the present. A *customer experience futurist* considers the business implications of the broader trends and changes in society and how that could affect your customers.

You're seeing more innovation than society has ever encountered, coupled with more uncertainty than ever before on a variety of fronts. The world needs leaders who understand futurism and think about it all the time.

How Customer Experience Will Be Affected by AI

The exponential growth of AI has created many ethical gray areas and watchdogs calling to slow down the speed of AI development. One of the biggest opportunities for AI, and one of its fastest adoption areas, is customer service.

Although Goldman Sachs says AI could replace the equivalent of three hundred million full-time jobs, most experts agree that customer service jobs will be augmented and automated but not replaced.

By automating mundane tasks, AI could provide a better experience for customers with more self-service options and help fix some of the industry's biggest problems, especially employee burnout and inefficiency.

These experiences have led to a massive talent shortage and make it costly for companies, which have to continually recruit and train new employees, all of which affects the customer and employee experience. AI won't replace human customer service jobs in the short term simply because there are so many open jobs.

The Cone of Possibilities

Some leaders are bold futurists, moving too fast for the world, even alienating or offending some. Others are way too insular, not bringing in outside counsel to tell them when they have their head in the sand. The ideal customer-centric leader who is also a futurist is able to ride in the middle.

The fact is customer experience cannot save your company from being disrupted. If your leadership is stale and your model is outdated, problems will arise. For customer experience leaders, the cone of possibilities framework provides a structured way to think about the future, anticipate various scenarios, and plan accordingly. The cone is made up of a series of zones that move from the most likely to the least certain outcomes over time:

- **Probable future**: The central part of the cone represents the most likely outcomes based on current trends and data. Examples could be increased use of AI in the contact center, the demise of retail stores and transformation into experience centers, the continued consumerization of health care, and so on.
- **Plausible future**: These scenarios are possible but less certain. They're based on potential shifts in current trends. Examples in customer experience would be more attention paid to the contact center by senior leadership and the CMO, the rise of new channels such as video chat, and increased personalization from brands as customer expectations increase, particularly among Gen Z.
- **Possible future**: These scenarios might seem unlikely right now but could occur if certain conditions change. One example is the idea that your entire customer experience will be automated, and customers won't want to interact with a person.
- **Preposterous future**: The outer edges of the cone represent wild, speculative scenarios. While they seem far-fetched, they challenge our assumptions and spark creativity. The preposterous future examples might include a contact center without a person in it, fully emotionally intelligent robots handling all customer issues, and the complete disappearance of jobs for humans.

CHAPTER 8

Law 6: Don't Forget That Employees Are Customers Too

Every team must have a great coach, and that great coach can be you. If you want to be a customer-focused company, you must start with the type of leader you want to be. A customer-focused culture is a coached culture of employees that genuinely feel part of a team. The culture must reward team-

> Performance metrics are the number one hindrance to creating a customer-focused culture and organization.

work over praising individual superstar behavior and pitting individuals against one another.

A customer-focused company is not built by a leader and customers alone. The team is the secret sauce that leads to a business that customers can't get enough of. You practice how you play, and the enthusiasm for the drudgery of practice, and paying attention to all the minutiae and details, is what makes the team perform well when it counts.

Engagement Ideas for Contact Center Agents

The contact center has some of the worst churn of any industry, ever. But it is the most important place in your entire business: these are the lucky individuals who get to talk to your customers every single day. Brian Dunphy, the former VP of customer experience at Warby Parker, has seven tactics he uses to engage his employees in the contact center:

1. **Director for the Day**. Brian would swap positions with his agents so his agents would become the director and Brian would take the contact center calls.
2. **Recognition on TV boards throughout the office**. This recognition would be for anniversaries, birthdays, or an amazing call an agent had with a customer.
3. **Handwritten cards from leadership**. Brian would set a reminder to write cards to staff every week, including words of praise and gratitude.
4. **Special badge lanyards**. Brian would provide special lanyards to staff to differentiate veteran staff from new hires, with varying colors or beautiful designs.
5. **Team lunches**. Brian's team would host lunches for top performers. Lunch-and-learns would be moderated with senior staff, or they'd just enjoy some casual chitchat together.
6. **Having food delivered to remote agents**. Remote agents would receive a complimentary lunch while they were being onboarded and gifts for the very "serious" remote agent dress code like a bathrobe, fun-branded pajamas, or sandals.
7. **Agents coach other agents**. Brian felt that a message delivered by peers resonated more than a message delivered by management. One powerful tool would simply be to have agents coach one another.

CHAPTER 9

Law 7: Evaluate Success and Measure What Can Be Measured

The discussion of metrics is one of the more polarizing topics for leaders who run contact centers. The predominant metric for customer experience today is Net Promoter Score (NPS), which is how likely a customer is to recommend a company to a friend on a scale of 0 to 10.

But NPS is problematic. And with the proliferation of data today and the ability to analyze millions of pieces of structured and unstructured data, NPS is losing the appeal it once had for many leaders.

The contact center exposes how much or how little the company cares about its customer relationships. The way a company manages its contact center or any customer-facing role says everything about what they prioritize. Managing the contact center can be very complicated, but when you get very clear about your goal, the path is clear.

If there were one glaring problem with customer experience, it's this: performance metrics are the number one hindrance to creating a customer-focused culture and organization.

How you measure success says everything about what your company values and everything about how hard you are willing to work to make improvements based on the reality of customer feedback, not a euphemistic view from someone who simply wants to keep their job and make their bonus.

Experience Level Agreements

Experience Level Agreements (XLAs) are a way to run your contact center that starts with the customer experience and backs into the metric. Most contact centers don't do this.

If you want to create a new metrics program based on XLAs, you can do the following:

- understand your brand promise and how you can best bring it to life
- connect with your customers on a deep, emotional level
- identify what your customers want

From here you create a quadrant and tell the story of your customer's core expectations. Map these expectations to current questions on your survey and analytics engine or create new survey questions (and retire former ones that don't directly connect to actionable insights) that roll up directly to the XLA metric. Include the emotion and brand promise throughout in a clear and understandable way to "tell the story."

When you evangelize XLAs in your organization, it brings alignment around what all employees own in meeting customers' core expectations. Eventually, as you integrate them into the culture, it becomes a refreshing mantra for what the customer needs that will ensure that you are a true and steadfast advocate for your customers.

Earned Growth Rate

There is also a very basic way to look at customer happiness. You can obviously look at sales. If your sales are high, that means you are doing something right, but you don't know if what you are selling is good enough that the customer will come back. A better metric than just "sales" is how many of those customers are so happy they tell their friends.

Many businesses have taken customer experience and applied stats that are no longer relevant. Customer experience leaders are missing the point and have lost their way in focusing on a scoreboard that isn't guiding a customer-centric strategy. Why don't we think of the contact center as a place where employees contribute to the bottom line?

Everyone at your company touches the customer experience in some way whether you acknowledge it or not. Customers are more likely to come back after a contact center agent helps them than after seeing an advertisement interrupting their favorite TV show.

The Importance of Metrics for CX

The importance of metrics in shaping a successful customer experience strategy cannot be overstated. Monitoring the right customer experience metrics allows teams to gauge the effectiveness of their strategies, identify areas for improvement, and continually enhance the customer experience.

But traditional metrics like NPS and Customer Satisfaction Score that many brands relied on in the past may not fully capture the expectations of today's sophisticated customers. More modern companies are using data and analytics to get the full picture, filling the gaps where older metrics lack substance. Companies need to elevate their metric monitoring and track new behaviors and attitudes.

If you knew that your customer-facing agents were the most important people at your company, because they have the special and impactful opportunity to talk to customers, what resources would you put toward their employee experience? How would you measure or manage them differently?

CHAPTER 10

Law 8: Reaffirm the Priority

Most companies are bad at customer experience because it is really hard to do. Not only is it hard to get started, but it's hard to keep it up. Changing economic conditions, changing priorities, and changes in leadership and personnel: how is any corporation supposed to stay the course over years and years, decades and decades?

What business leaders might feel is very far away could be right at their fingertips. Just like a person, a business can change; its leaders just have to want to. When you talk about customer experience, it is a series of high-level business decisions. But it is also how you manage your employees. And it is definitely how you set up and manage your contact center.

Customer experience is like exercising. You have to do it all the time or you lose your muscle. Being customer-focused is a way of life.

Conclusion

Customer experience is a mindset. It is about putting in the work. It's about believing in yourself and doing things that are hard. Seeing what you are capable of is what makes life meaningful. You have to fight for the things you care about.

There is so much work to be done in the world. We need all the helpers we can get. Being a customer-focused person is really about healing the world. The faster we embrace being uncomfortable, the sooner we can fix some of the systemic issues that plague the world. The customer experience mindset is a way of life; it's a life of meaning through service to others.

And it's not just good for your customer. It's not just good for the business. It's good for you. Being of service to others means you have purpose in your life every day, and that meaning makes for a happier and more fulfilling life.

Blake Morgan is a customer experience futurist, author, and keynote speaker known for her insights on the future of customer-centric business. Named "The Queen of CX" by Meta, she has written three books on customer experience and was recognized among the top female keynote speakers by *Real Leaders* magazine. Morgan hosts *The Modern Customer Podcast* and is a contributor to *Forbes*. She teaches as a guest lecturer at Columbia University and the University of California, San Diego, and serves as adjunct faculty at Rutgers University. She has worked with organizations including Coca-Cola, AT&T, and the Federal Reserve Bank.

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The 8th Habit

Stephen R. Covey

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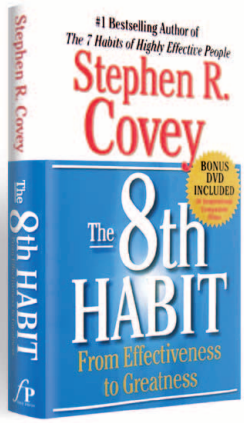

By Stephen R. Covey

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From Effectiveness to Greatness

THE 8TH HABIT

THE SUMMARY IN BRIEF

For individuals and organizations, effectiveness is no longer merely an option — survival requires it. But to thrive, excel and lead in the Knowledge Worker Age, we must move beyond effectiveness to greatness, which includes fulfillment, passionate execution and significant contribution. Accessing a higher level of human genius and motivation requires a sea change in thinking: a new mind-set and skill set — in short, an additional habit to those featured in The 7 Habits of Highly Effective People. *The crucial challenge is to find our own voice and inspire others to find theirs. This is the 8th Habit.*

The 8th Habit *shows you how to tap the limitless value-creation promise of the Knowledge Worker Age. It shows you how to solve the major contradictions inherent in organizational life — most of which are a carry-over from the Industrial Age. This summary will transform the way you think about yourself, your purpose in life, your organization and other people. It explains how to move from effectiveness to greatness.*

What You'll Learn In This Summary

✓ **The power of win-win thinking.** When you're willing to suspend your own interests long enough to understand what the other person wants most, you can collaborate on a new, creative solution.

✓ **How to increase your influence.** Find out how to work on these three dimensions of yourself: ***ethos*** (your ethical nature, personal credibility, and the trust that others have in your integrity and competence); ***pathos*** (your empathy — knowing how others feel and how they see things); and ***logos*** (the power and persuasion of your own presentation and thinking).

✓ **There is a connection between leadership style and success.** The very top people in truly great organizations are "Servant Leaders." They are the most humble, the most reverent, the most open, the most teachable, the most respectful and the most caring. They model moral authority through service, humility and contribution.

✓ **The importance of the Balanced Scorecard.** It is concerned not only with the traditional bottom line, but also with the quality of the organization's relationships with all its key stakeholders. These are predictors of future results.

✓ **How to create 8th Habit leadership.** The 8th Habit leader has the mind-set and the skill set to constantly look for the potential in people. This kind of leadership communicates to people their own worth so clearly that they come to see it in themselves.

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The Pain, the Problem And the Solution

More than 25 years ago, Muhammad Yunus was teaching economics at a university in Bangladesh when he met a woman making bamboo stools for two U.S. pennies a day. She explained that because she didn't have the money to buy the bamboo to make the stools, she had to borrow from a trader who imposed the condition that she had to sell the product to him alone, at a price that he decided.

Yunus made a list of 42 similar workers around the village who could use very small loans to improve their lives. The total needed by all those people was $27. After loaning them the money, he was paid back every penny.

Grameen Bank

After making many more loans and proving that poor people would pay back every cent, Yunus struggled unsuccessfully to find a local bank that would lend small amounts of money to the poor people in nearby villages. He then spent two years setting up a formal, independent bank to do just that. On Oct. 2, 1983, Grameen Bank was created.

Grameen Bank now works in more than 46,000 villages in Bangladesh, has 1,267 branches and more than 12,000 staff members, and has lent more than $4.5 billion, in loans of $12 to $15. A housing loan is $300. At the heart of this empowerment are individuals who chose to become self-reliant, independent entrepreneurs producing goods out of their own homes or neighborhoods to become economically viable and successful. They *found* their voices.

The Pain

Most people in organizations today are neither fulfilled nor excited. They're frustrated and uninvolved in their organization's goals. That's why our high-pressure, 24/7 era requires more than effectiveness (the "7 Habits"). To achieve greatness, we need an "8th Habit": ***Find your voice and inspire others to find theirs***.

The Problem

Our basic management practices come from the **Industrial Age**. These include:

- The belief that you must control people;
- Our view of accounting (People are an expense; machines are assets.);
- The carrot-and-stick motivational philosophy; and
- Centralized budgeting, which creates hierarchies and bureaucracies to drive "getting the numbers" — a reactive process that produces "kiss-up" cultures bent on "spending so we won't lose it next year."

As people consent to be controlled like things, their passivity only fuels leaders' urge to direct and manage.

There's a simple connection between the controlling, Industrial Age, "thing" paradigm that dominates today's workplace and the inability of managers and organizations to inspire people's best contributions in the Knowledge Worker Age: *People choose how much of themselves to give to their work, depending on how they're treated.* Their choices may range from rebelling or quitting (if they're treated as things), to creative excitement (if they're treated as whole people).

The Solution

Most great organizations start with one person who first changed him- or herself, then inspired others. Such people realize that they can't wait for their boss or organization to change. They become an island of excellence in a sea of mediocrity. They learn their true nature and gifts, then use them to envision what they want to accomplish. *They find and use their voice.*

Greatness involves transcending the negative cultural "software" of ego, scarcity, comparison and competitiveness, and choosing to become the creative force in your life.

All of us can choose greatness — we can cultivate a magnificent spirit in facing a serious disease, make a difference in the life of a child, be a catalyst inside an organization, or initiate or contribute to a cause. ■

The author: Stephen R. Covey is a respected leadership authority, family expert, teacher, author, organizational consultant, and co-founder and vice chairman of FranklinCovey Co.

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PART ONE: FIND YOUR VOICE

Discover Your Voice

We can discover our voice because of three gifts we're born with. These gifts are:

Gift #1: The Freedom to Choose. Our past, our genes, the way others have treated us — these influence us but don't determine us. Between stimulus and response there is a space where we choose our response. In our choices lie growth and our happiness.

Gift #2: Natural Laws or Principles. To use wisely that space between stimulus and response, we must live by ***natural laws*** that dictate the consequences of behavior. Positive consequences come from fairness, kindness, respect, honesty, integrity, service and contribution.

Gift #3: The Four Intelligences. These are:

- ***Mental Intelligence (IQ).*** IQ is our ability to analyze, reason, think abstractly and comprehend.
- ***Physical intelligence (PQ).*** PQ is what our body does without conscious effort, coordinating 7 trillion cells with incredibly complex precision.
- ***Emotional Intelligence (EQ).*** EQ is one's self-knowledge, self-awareness, social sensitivity, empathy and ability to communicate successfully. It is a sense of timing and appropriateness, and having the courage to acknowledge weaknesses and express and respect differences.
- ***Spiritual Intelligence (SQ).*** SQ is our drive for meaning and connection with the infinite. We use this to develop our longing and capacity for meaning, vision and value. It allows us to dream and to strive. It's our conscience.

SQ helped the late president of Egypt, Anwar Sadat (who, with former Israeli prime minister Menachem Begin, brought about the Camp David Peace Accord between Israel and Egypt) write these words while he was a young man in solitary confinement in a Cairo prison, "He who cannot change the very fabric of his thought will never be able to change reality, and will never, therefore, make any progress." ■

Express Your Voice

Great achievers develop their mental energy into vision. Vision is applied imagination. Everything is created first as a mental creation, then as a physical reality. Vision also means affirming others, believing in them and helping them realize their potential.

Great achievers develop their physical energy into discipline. They don't deny reality. They accept the sacrifice entailed in doing whatever it takes to realize their vision. Only the disciplined are truly free. Only a person who has disciplined him- or herself for decades to play the piano is free to create magnificent art.

Great achievers develop their emotional energy into passion — desire, conviction and drive. Passion appears as optimism, excitement, emotional connection and determination, and is deeply rooted in the power of choice. Passionate people believe in creating their own future.

Great achievers develop their spiritual energy into conscience — their inward moral sense of what's right and wrong, and their drive toward meaning and contribution.

Moral authority makes formal authority work toward positive ends. Hitler had vision, discipline and passion, but was driven by a mad ego. Lack of conscience was his downfall.

Conscience — the small voice within us — is quiet and peaceful. It deeply reveres people and sees their potential for self-control. It empowers, understands the value of all people, and affirms their power and freedom to choose. It values feedback and tries to see the truth in it.

But our ego is a tyrant. It micromanages, disempowers and excels in control. It is threatened by negative feedback. It punishes the messenger, interprets all data in terms of self-preservation, censors information and denies reality.

We must control our ego and let our conscience guide our moment-to-moment behavior. As we develop the four intelligences — physical, mental, emotional and spiritual — in their highest manifestations, we find our voice. ■

PART TWO: INSPIRE OTHERS TO FIND THEIR VOICE

The Leadership Challenge

The leadership challenge is to enable people to sense their individual innate worth and potential for greatness, and contribute their talents and passion — their ***voice*** — to accomplish the organization's highest priorities in a principled way. Leaders must model the four intelligences, so that the organization won't neglect them.

If an organization neglects its *spirit and conscience*, the result is low trust; backbiting; in-fighting; victimism; defensiveness; information hoarding; and defensive, protective communication.

If it neglects its *mind*, it has no shared vision or common value system. If there's an ambiguous, chaotic culture, people act with hidden agendas, play political games and use different criteria in decision-making.

When there's widespread neglect of *discipline*, there's no execution or systemic support for the priorities of the organization. Processes, culture and rules replace human judgment. Bureaucracy, hierarchies and regulations replace trust and produce the codependent "wait until told" mentality.

When *the heart* is neglected, there's profound disempowerment. Thus, a great deal of moonlighting, day-

(continued on page 4)

The Leadership Challenge

(continued from page 3)

dreaming, boredom, escapism, anger, fear, apathy and malicious obedience results.

Where there's no trust, "servant leaders" model trustworthiness. Where there's no common vision or values, they try to create them. Where there's misalignment, they align goals, structures, systems and processes. Where there's disempowerment, they empower individuals and teams at the project or job level. This kind of leadership affirms people's worth and unites them as a team.

To model conscience, set a good example. To engage in pathfinding, jointly determine the course. To achieve alignment and discipline, set up and manage systems to stay on course. And to empower and evoke passion, focus on results, not methods — and then get out of people's way and give help as requested.

These modeling roles are sequential. We must first strive to find our voice personally before attempting to build high-trust relationships and practice creative problem solving. ■

The Voice of Influence

Before you respond to a situation, decide whether or how to use the voice of influence. The boss may be a jerk, but you can choose your response. The key question: What's the best thing you can do *under these circumstances?*

You choose which level of initiative to use on the basis of how far the task lies within or outside your "circle of influence." This choice takes sensitivity and judgment, but gradually your circle will expand.

There are seven levels of initiative. They are:

1. Wait until told. Unless you have the influence of someone who can do something about a problem, don't waste energy on something you can do nothing about. Otherwise, you risk the "emotional cancers" of criticizing, complaining, comparing, competing and contending.

2. Ask. Ask about something within your job description but outside your circle. If the question is intelligent and preceded by thorough analysis and careful thinking, it could be very impressive and may widen your circle.

3. Make a recommendation on an issue outside your job and at the outside edge of your circle. This process works great in many situations, and can enlarge your circle.

4. "I intend to." Here you've done more analytical work. You've owned not only the problem but the solution, and you're ready to implement it.

5. Do it and report immediately. This is on the outside edge of your circle but within your job. Report to the people who need to know.

6. Do it and report periodically. You are clearly within your job description and your circle.

7. Do it. When something is at the center of your circle, it's at the core of your job description, and you just do it.

You empower yourself by taking initiative in some way. Be sensitive, wise and careful about timing, but do something — and avoid complaining, criticizing or negativity.

In our culture of blame, taking responsibility means going against the current. It will also require some vision, a standard to be met, some improvement to be made — and discipline. It requires enlisting your passion, in a principled way, toward a worthy end. ■

The Voice of Trustworthiness

Trust is the key to all relationships — and the glue of organizations. It's not true that all we need for success is talent, energy and personality. Over the long haul, who we are is more important than who we appear to be.

Trustworthiness comes from personal character:

- **Integrity.** Your actions are based on principles and natural laws that govern the consequences of behavior.
- **Maturity** develops when we win the private victory over self, so that we can be simultaneously courageous and kind, and deal with tough issues compassionately.
- **Abundance Mentality.** Rather than seeing life as a competition with only one winner, you see it as a cornucopia of opportunity and resources. You don't compare yourself to others: You're genuinely happy for their success.

Trustworthiness also involves competence:

- **Technical competence** is the skill and knowledge necessary to accomplish a particular task.
- **Conceptual knowledge** is the ability to think strategically and systematically, not just tactically.
- **Awareness of interdependency** and the connectedness of all life is important for organizations concerned with the loyalty of customers, associates and suppliers.

We must model trust in order to deserve it. So, to improve any relationship, we start with ourselves. ■

The Voice and Speed of Trust

Communicating in an environment of no trust is impossible. Even if communication is clear and precise, people will always look for hidden meanings and agendas. But when there's high trust, communication is easy and instantaneous. Mistakes hardly matter, because people trust you: "Don't worry about it. I understand." No technology ever devised can do that. There is nothing as fast as the speed of trust. When trust is present, mistakes are forgiven and forgotten.

Enduring trust in a relationship cannot be faked and is rarely produced by a dramatic, one-time effort. It's the fruit of regular actions inspired by conscience. The "deposits" and "withdrawals" we make have a profound impact on the level of trust in any relationship.

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The Voice and Speed of Trust

(continued from page 4)

Deposits to the "Emotional Bank Account" include:

- **Seek First to Understand.** We don't even know what a deposit is to another person unless we understand that person from his or her frame of reference. What may be a high-level, high-value deposit to you may be a low-value deposit to another — or even a withdrawal.
- **Make and Keep Promises.** Nothing destroys trust faster than breaking a promise.
- **Honesty and Integrity.** If we can put our integrity and our relationship with another person above our pride and natural desires to hide our mistakes and avoid embarrassment, we can form powerful bonds of trust.
- **Kindnesses and Courtesies.** Everyone has feelings. Small courtesies and kindnesses can yield huge dividends. But people see through superficial techniques; they know when they're being manipulated. True kindness comes from a deep character reservoir of SQ.
- **Thinking Win-Win or No Deal.** The key to breaking out of the "win/lose" mind-set is to settle on *championing the other party's win as much as your own.* This requires courage, abundant thinking and great creativity. You must be prepared to walk away — unless both parties actually feel the conclusion is a win for them.
- **Clarifying Expectations.** Most communication breakdowns originate with ambiguous or unfulfilled expectations about who is to do what and how goals are prioritized.

Loyalty, Apologies, Feedback and Forgiveness

- **Being Loyal to Those Not Present.** This is one of the highest tests of both character and the depth of bonding in a relationship. When everyone seems to be bad-mouthing someone who isn't there, you can, in an unself-righteous way, just speak up and say, "I see it differently." When we give in, go along and join in the bad-mouthing, we tell everyone that we would do the same to them.
- **Apologizing.** To learn to say "I was wrong" or "I was on an ego trip. I overreacted," and then to live accordingly, is one of the most powerful deposits you can make.
- **Giving and Receiving Feedback.** Giving negative feedback is one of the most difficult communication tasks — and one of the most needed. Many people have serious blind spots they never confront, because no one knows how to give them feedback. Often, people are too fearful of rupturing relationships or having their future compromised by taking on their boss.

To give feedback, describe your feelings, your concerns or your perceptions of what happened. Don't accuse, judge or label the other. He or she may then become open to information about a blind spot without feeling threatened.

When receiving feedback, express gratitude for it, however much it may hurt. Our blind spots are not as tender as we imagine. Our sense of worth is intrinsic and doesn't come from a particular weakness or behavioral pattern.

- **Forgiving.** True forgiveness involves letting go and moving on. We all make mistakes. We need to forgive ourselves and others. It's better to focus on our own mistakes and ask forgiveness than to dwell on other people's offenses, wait for them to ask forgiveness first, or give it begrudgingly if they do. When you forgive, when you refuse to bear a grudge, you actually take away another person's power over your life. ■

Blending Voices: Searching for The Third Alternative

The "third alternative" is a higher middle position, better than either of the other two ways. It's a product of creative effort. It emerges from our willingness to really listen. We don't know where it's going to end up. All we know is that it'll be better than it is now.

It's not true that both participants have to think win-win. Only one has to think it — then prepare the other for it by practicing empathic listening, seeking the other's interest and staying with it until the other person feels trust. Most people won't do the tough work of thinking win-win and seeking first to understand in order to get to the third alternative. It takes considerable character development to get to the point where your security lies in you, rather than in people's opinion of you or in your being right.

The key is your ability to be vulnerable, because your integrity to your value system makes you secure. You can afford to be open to other influences, to be flexible, and to search without knowing where you're going to end up.

Typically, senior managers who are deeply invested in their beliefs and have the power of position will decide strategy — then announce it to everyone else. The silent audience resents the heavy-handed treatment and resists the announcement. The codependency conspiracy of "wait until told" becomes stronger. Leaders are getting their strength from their high positions but lack moral authority.

There are two steps to searching for a third alternative (see Fig. 2). Repeatedly applying these steps provides

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TWO STEPS TO ACHIEVING SYNERGY

(THIRD ALTERNATIVES)

*Would you be willing to search for a solution that is **better than** what either one of you (us) have proposed?*

Would you agree to a simple ground rule: No one can make his or her point until they have restated the other person's point to his or her satisfaction.

Fig. 2

Blending Voices: Searching for The Third Alternative

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feedback and helps create the trust that encourages the search to continue.

The two steps are not always sequential. Sometimes you start with the first one; other times, with the second.

Every situation is different. And every relationship is unique. It requires good judgment, awareness, self-control and presence to initiate either of these two steps.

Executive Modelers

The most important modelers are those on the executive team. They have formal authority, so they need to manifest moral authority. Moreover, because executives are so visible, they can be immensely motivational to others.

But third-alternative communication can begin at any level. The results produced by those at lower levels can convert the cynics at higher levels — because true leadership is a choice, not a position.

As people practice third-alternative communication, mutual respect develops. Increasingly, they seek to acknowledge the strengths of others and to compensate for their weaknesses by leveraging others' strengths. ■

For additional information on empathic listening, go to: http://my.summary.com

One Voice: Pathfinding Shared Vision, Values and Strategy

"Pathfinding" is uniting diverse people into one voice, one great purpose. One way to do this would be to announce the vision, values and strategy to people, without any real involvement on their part. You can also seek excessive involvement and get bogged down in paralysis by analysis, with endless off-sites and discussions, as if you didn't need to actually execute. The third alternative is to reasonably involve people in the process of developing the vision, mission and strategy, in a culture of trust.

Pathfinding creates order without demanding it. As soon as everyone agrees on what matters most, everyone shares the criteria that drive all subsequent decisions. Now, they're focused, yet agile. Your challenge is to help create that shared view. Everyone who is involved in determining the vision and mission then has ownership in the values and the strategic plan.

To determine your priorities, first come to grips with the realities you face. Since pathfinding means dealing with diverse personalities, perceptions of reality, trust levels and egos, modeling is extremely important. If people can't trust the person or team that is initiating the pathfinding process, there will be no identification, and involvement will be very dysfunctional. Much depends on the leader's modeling the behavior that he or she professes to value throughout the organization.

The key pathfinding tools are: *the mission statement* (this expresses your sense of purpose), *your vision and your values*, and *your strategic plan*. The plan explains how you'll provide value to your customers and stakeholders, and achieve certain goals — by specific deadlines — in getting and keeping customers.

The words of the mission statement may vary, but organizations have the same fundamental needs as people:

- **Survival:** Financial health (body).
- **Growth and development:** Economic growth, customer growth, innovation and increasing institutional competency (mind).
- **Relationships:** Strong synergy, external networks, partnering, teamwork, trust and valuing differences (heart).
- **Meaning, integrity, contribution:** Serving and lifting all stakeholders; making a difference in the world (spirit).

No Margin, No Mission

Unless your enterprise produces consistent profits over time, you'll lose your opportunity to deliver on your mission. If you have a clear mission statement and strategic plan, anyone at any level in the organization should be able to describe how his or her job helps fulfill the plan and is consistent with the company's values.

Once the mission statement and plan are shared, half the battle is won. Mental, emotional and spiritual creation has taken place. The physical creation (execution) then follows: setting up structure, getting the right people in the right jobs with the right support, and then getting out of the way and giving help as requested.

If your pathfinding is successful, your values and strategic plan will drive every decision. You won't get sidetracked by matters that aren't central to your core purpose.

To get focus and teamwork, employees must know what the highest priorities are, buy into them, translate them into specific actions, have the discipline to stay the course, trust one another and collaborate effectively.

If priorities are clearly identified, but people feel no ownership of strategy, are given competing priorities or are unable to see the link between their tasks and corporate vision, their ability to execute is jeopardized. Teamwork is threatened by low trust, backbiting, faulty systems or processes, or too many barriers to action.

Organizations that create a shared sense of mission — such that departments, teams and individuals are consistently focused on their goals, and people are accountable to the organization's highest priorities — can find their voice and build a powerful, principle-centered culture. That's what pathfinding is all about. ■

The Voice and Discipline of Execution

To execute your values and strategy consistently without relying on the leader's continuing presence to keep everyone going in the right direction, you practice ***alignment***. This involves the following three actions:

- *Use personal, moral and formal authority* to create systems that institutionalize the strategy, vision and values.
- *Create, throughout the organization, cascading goals aligned with its vision, values and strategic priorities.*
- *Adjust and re-align according to regular feedback from the marketplace and the organization.* Aligning requires constant effort and adjustment, simply because you're dealing with so many changing realities.

Be sure that your reward systems actually reward what you say you value. Many organizations preach cooperative effort but reward only individual effort — thus, little more than lip service is paid to cooperation.

To get input to the alignment process, benchmark yourself against superior performers of similar functions within your company and throughout the world. Identify best practices and learn from them.

Institutionalized Moral Authority

Aligned organizations that are truly principle-centered have ***institutionalized moral authority: the ability to consistently produce quality, trusting relationships with various stakeholders, as well as continued focus on efficiency, speed, flexibility and market friendliness.***

The key to alignment is to begin with results. What kinds of results are you getting in the marketplace? Are your shareholders happy with their return? Are your employees and suppliers happy with their return on their mental, physical, spiritual and emotional investment?

Now, look at the gap between the results and your strategy. ***"Effectiveness" is the balance between production of desired results and production capability. It's achieving the result you want in a way that enables you to get even more of those results in the future.***

To ensure alignment, create a scoreboard. To the extent possible, everyone should be involved in developing the scoreboard — and should then be accountable to it.

One of Edwards Deming's great insights was that over 90 percent of all organizational problems are systemic. Aligning structures and systems with values and strategy is one of the toughest of all leadership challenges. Structures and systems represent the past: tradition, expectations and assumptions. Many people derive their security from the predictability and certainty of such structures and systems, which truly become sacred cows and cannot be ignored or kicked aside unless there's deep buy-in to the pathfinding criteria. ■

The Empowering Voice

The empowering role of leadership means creating win-win agreements about goals that align with the company's vision, and then holding people accountable for results. ***Most organizations are overmanaged and underled.***

Empowerment is the natural result of both personal and organizational trustworthiness, which enable people to identify and unleash their potential. True empowerment enthrones *self*-control, *self*-management and *self*-organizing. It taps into passion, energy and drive — in short, *voice*.

In organizations where people do every day what they do best, there's lower turnover, higher productivity and higher customer satisfaction. And since only 30 percent of product cost today is materials — the rest is knowledge — we must empower knowledge workers as never before.

Managers must overcome their inability to give up control. ***With empowerment, control is not lost. It's translated into self-control.*** This comes when there is a commonly understood end, with agreed-upon guidelines and supportive structures and systems, and when each person acts as a whole person in a whole job. In this "directed autonomy," managers shift from controllers to enablers: They remove barriers and become a source of support.

Successful empowerment depends on management's commitment to work with team members by win-win agreement. The result is an overlapping of the four needs of the organization (financial health, growth and development, synergistic relationships with stakeholders, and meaning/contribution) with the four needs of the individual (physical — survival, health and security; mental — growth and development; social/emotional — relationships; and spiritual — meaning and contribution).

It's essential that executives build a culture where people are allowed — even expected — to push back against a decision that would result in serious consequences to the overall mission and values of the organization.

Empowerment implies a different kind of performance appraisal. Instead of a lecture by the boss, your progress should be evaluated by the best qualified person: *you*.

Self-evaluation is tougher than anyone else's evaluation (bosses actually know the least, being the furthest removed from the actual job performance), but with a high-trust cul-

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The Win-Win Agreement

A key empowering tool is the Win-Win Agreement Process. The agreement that results is neither a job description nor a legal contract. It is an open-ended, psychological/social contract that defies expectations. It is written first into the hearts and minds of people, and then put on paper in a way that is easy to change, because it must be renegotiated as circumstances change.

The Empowering Voice

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ture, helpful systems, as well as 360-degree feedback data, self-evaluation becomes not only possible but easy.

The performance evaluation can then revolve around managerial questions such as: How is it going? What are you learning? What are your goals? How can I help you?

The role of the supervisor is to set up the conditions of empowerment and then to clear the path and become a source of help as requested. This is "servant leadership."

Our jobs are not about gratifying our egos. They're about getting the organization's best work done. It's *empowerment* that creates heartfelt commitment and excitement. ■

The 8th Habit and the Sweet Spot

Peter Drucker wrote, "So much of what we call management consists of making it difficult for people to work." The problem is a failure in these six drivers of execution:

- **Clarity.** People don't know what the goals or priorities of the team or organization are.
- **Commitment.** People don't buy into the goals.
- **Translation.** People don't know what they need to do to help the team or organization achieve its goals.
- **Enabling.** People don't have the proper structure, systems or freedom to do their jobs well.
- **Synergy.** People don't get along or work together well.
- **Accountability.** People don't regularly hold each other accountable.

An organization with great leaders (who live the four roles of leadership — modeling, pathfinding, aligning and empowering) and great people (who have discovered their birth gifts) can govern and discipline itself. It has hit the "sweet spot" where the greatest expression of power and potential happens.

Four disciplines, practiced consistently, can vastly improve your ability to focus on and execute your top priorities. These disciplines are:

1. Focus on the Wildly Important. People are naturally wired to focus on only one thing at a time and still do an excellent job. The more goals, the lower the chance of achieving them all. Focus intensely on a few crucial goals.

2. Create a Compelling Scoreboard. People play differently when they're keeping score. Without crystal-clear measures of success, they are never sure what the goal truly is. The same goal may be understood by different people in different ways. Your scoreboard should identify your key measures and represent them visually. For each priority, provide three elements: the current result, the target result, and the deadline for hitting the target.

3. Translate Goals Into Specific Actions. All the top people may know what the goals are, but that doesn't mean that the front line knows what to do. Goals will never be achieved until everyone knows exactly what he or she is supposed to do about them. Ultimately, the front line produces the bottom line. Translate your organization's goals into weekly and daily tasks.

4. Hold Each Other Accountable, All the Time. A self-empowering team focuses and refocuses in frequent accountability sessions that move key goals forward. There's "triage reporting" that quickly covers the vital few issues, leaving the less important ones for later, followed by finding third alternatives for moving goals forward. Managers agree to do things that only they can do, and to enable workers to achieve. ■

Using Our Voices Wisely to Serve Others

The 8th Habit enables us to expand and develop our freedom to choose. We grow personally when we give ourselves to others, and our relationships deepen.

We begin our search for wisdom by admitting how little we know, and how much we need others. Wisdom also requires the courage to live by unchanging principles when they're contrary to social norms. Wisdom plus an "abundance mentality" produce the kind of empowering, noncontrolling leadership that operates in terms of third alternatives.

Moral authority exponentially increases the effectiveness of formal authority. People are extremely sensitive to a leader's use of patience, kindness, empathy and gentle persuasion. Such characteristics activate the consciences of others and create emotional identification with the leader and the cause or principles for which he or she stands.

Finding your voice is a synergistic concept: It's greater than the sum of the parts. When you respect, develop and integrate the four parts of your nature, you realize your full potential and achieve lasting fulfillment.

As you continually apply the 8th Habit and find your own voice — and inspire others to find theirs — you'll increase your own power and your freedom of choice to solve your greatest challenges and serve human needs. ■

For additional information on a description of a "Level 5" executive, go to: http://my.summary.com

SOUNDVIEW RECOMMENDED READING LIST

If you liked *The 8th Habit,* you'll also like:

1. ***The 7 Habits of Highly Effective People*** **by Stephen R. Covey.** Covey explains the steps it takes to achieve personal congruency and effectiveness for healthy, growing relationships with others.
2. ***Crucial Confrontations*** **by Kerry Patterson, Joseph Grenny, Ron McMillan and Al Switzler.** The authors help others develop the skills it takes to resolve the most pressing problems.
3. ***Life Matters*** **by A. Roger Merrill and Rebecca R. Merrill.** The Merrills show you how to develop your navigational intelligence to optimize your life choices and stop wasting energy, money and time.
4. ***How Full Is Your Bucket?*** **by Tom Rath and Donald O. Clifton, Ph.D.** Clifton and his grandson, Tom Rath, help people focus on the positive in their lives.
5. ***First Things First*** **by Stephen R. Covey, A. Roger Merrill and Rebecca R. Merrill.** The authors describe better ways you can slow down, live by your principles and find your mission.

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The Adaptation Advantage

Heather E. McGowan and Chris Shipley

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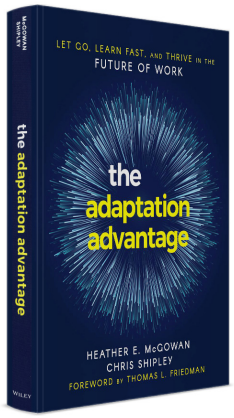
The Adaptation Advantage

Let Go, Learn Fast, and Thrive in the Future of Work



by **Heather E. McGowan and Chris Shipley**

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THE SUMMARY IN BRIEF

Technology is changing work as we know it. Cultural norms are undergoing tectonic shifts. A global pandemic proves that we are inextricably connected whether we choose to be or not. So much change, so quickly, is undermining our sense of identity and challenging our ability to adapt.

The Adaptation Advantage explains the profound changes happening in the world of work and posits the solution: new ways to think about careers that detach our sense of pride and personal identity from our job title and connect it to our sense of purpose. Activating purpose, the authors suggest, will inherently motivate learning, engagement, empowerment, and lead to new forms of pride and identity throughout the workforce.

Of course, making this transition is hard. It requires leaders who can attract and motivate cognitively diverse teams fueled by a strong sense of purpose in an environment of psychological safety—despite fierce competition and external pressures. Adapting to the future of work has always called for strong leadership. ***The Adaptation Advantage*** is an essential guide to help leaders meet that challenge.

IN THIS SUMMARY, YOU WILL LEARN:

- The meaning of adaptation in the Fourth Industrial Revolution.
- Why purpose and learning are more important than ever in the tech-driven economy.
- To seize the adaptation advantage for individuals and organizations.

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PART I: ADAPTING AT THE SPEED OF CHANGE

The World Is Fast

Technology Is Changing Everything and Planting Opportunity Everywhere

We are entering the Fourth Industrial Revolution, marked by the merging of biological and cyber systems into a fully digitized economy. In this push to a digital world, any physical or mental task with a predictable, repeatable outcome will be handled by an algorithm. Objects will contain sensors connected to networks where data drives decisions in real time. Many aspects of the biological world will be augmented by robotic and cognitive technologies.

In this world, our relationship to work is no longer a monolithic career based on a single dose of early learning and compiled experiences. Instead, our careers will be defined by a state of constant learning and adaptation as new technologies, applications, and data alter the current state.

Three Interlocking "Climate Changes"

Celebrated *New York Times* columnist Thomas Friedman argues that we are being buffeted by three simultaneous and interlocking "climate changes": technology, the environment, and the global economy. These changes, he suggests, are rapidly reshaping our world.

Technological climate change. Where technology-driven productivity shifts were once absorbed across a lifetime, allowing workers to adjust at pace, they are now on an exponential growth curve where change drives workers from job to job, employer to employer, and career to career.

Your work life will be one of constant adaptation. Every time you hand off a skill to technology, you must reach up to add capacity to your arsenal. Understanding the need for continuous adaptation is the first step in achieving the adaptation advantage.

Environmental climate change. Scientists aligned to academies, governments, and non-governmental organizations (NGOs) around the world are clear on one point: Our natural environment is changing at a rate faster than at any time in the past 7,000 years. Eighteen of the 19 warmest years on record have occurred since 2001. Every company will soon be forced to adapt to avoid catastrophe or adapt to catastrophe itself. There is no denying that this will reshape how and where work is done.

Climate change of the market. In the analog economy, global commerce moved only as fast as a ship could transport a container across the sea, and that container could easily be regulated, inspected, and taxed as it moved from port to port. Not so in the emerging digital economy. Bits flow across international boundaries at the speed of light. There are no ports of entry, customs inspections, or tariffs on digital goods. The adage "information wants to be free" may not always hold, but on the internet, it certainly flows freely.

We now live in a world in which any company can tap into the human talent cloud to identify the highest-quality, lowest-cost actor (human or technological) for any given task. In this reality, you must focus on how you uniquely add value, leveraging but not competing with rising technology and your own access to the talent cloud.

We must find a new path, one that loops through the traditional notions of work, learning, and retirement in a continuous and adaptive cycle. Where we once learned to work and then used that learning to build a career over decades, now we must work in order to continuously learn to recognize and embrace the challenges and opportunities that these climate changes present. Working to learn is the cornerstone of the adaptation advantage.

The Only Things Moving Faster Than Technology Are Cultural and Social Norms

The only thing moving faster than technology is culture. Rapid shifts in social norms are tearing at our individual and social identities, leaving many of us struggling to answer the three basic and oft-asked questions that establish our identity and orient us in the world: Who are you? What do you do for work? Where are you from?

Recent census data project that by 2045, white/Caucasian may no longer be the majority race in the United States. In the United States between 2009 and 2019, according to Pew Research, the share of adults who identify as Christian declined from 77 to 65 percent, while the share who claimed no religion at all rose from 17 to 26 percent.

According to the United States Department of Labor, 4.4 percent of those over 85 years old were engaged in the workforce in 2018, up from 2.6 percent in 2006.

The once "nuclear" family is giving way to extended families, as grandparents, aunts, and uncles engage in primary caregiving for children and aging adults.

> Imagine what it might be like to tackle each workday as if it were the first day of school, but without the starchy new clothes.

Gender is now fluid. In various business, academic, government, and other forms, you may be asked to declare your personal pronoun preference.

Over the past decade, according to a survey conducted by Gallup, 69 percent of Americans say they have lost trust in the media. The proliferation of news sources and the inclination to cherry-pick facts and reject uncomfortable "truths" has eroded a once-common American experience: the day's news delivered by a trusted news anchor.

Human populations have always aggregated in physical communities, city-states, and countries. Now, though, these geolocated populations are being eclipsed by a new form of association—online platforms.

Occupational Identity and Expertise

If so many facets of identity are being reshaped, the question "Who are you?" may be more rightly changed to "How do you define yourself?" Psychological security will be dependent on our abilities to define, own, and embrace the fundamental aspects and values of our complex selves, especially in a world where we are not likely surrounded by people who look, eat, pray, or speak like we do.

Likewise, that ice-breaker question "What do you do?" loses its relevance when our job is no longer our primary identity. "Where do you find purpose?" may be the better question in a world where your career identity is fluid at best and more likely becoming a portfolio of self-expression. Your adaptation advantage starts with a resilient and adaptive identity, even as the forces of globalization, diversity, and changing social and societal norms reshape your touchstones.

Getting Comfortable with Adaptation

The Slowest Rate of Change Is Happening Now

This exact moment in time, right now, is the slowest rate of change you will experience ever again. This speed of change makes it even more important to occasionally pause to reflect and focus on being human. Advances in technology allow machines to do many things, but they cannot dream, contemplate, or yet imagine our unseen future.

Imagine what it might be like to tackle each workday as if it were the first day of school, but without the starchy new clothes. That idea—that every day is a new learning day—is at the heart of the adaptation advantage.

From Scalable Efficiency to Scalable Learning

Throughout history, industrial companies grew and thrived by embracing scalable efficiency. Essentially, once a company figured out how to make something of value, it leveraged technology and process innovation to deliver the product more quickly and less expensively in order to make more profit.

That model breaks in the digital era, however. Digital production at scale is virtually infinite, and incremental costs are virtually zero. That's the upside. The downside is that products—digital and digitally enabled—have shorter life cycles than they once did.

Consider the Sony Walkman, introduced to the market in 1979. For the next 30 years, Sony continuously innovated the product line, altering styles and media from cassettes to compact discs to keep pace with fashion and technology innovation, ultimately selling 385 million units before discontinuing the Walkman brand in 2010.

By contrast, Apple introduced the iPod in 2001 and sold virtually the same volume—390 million units—before ending most production in 2014. What killed the iPod? The iPhone. Apple killed its iPod cash cow in 2007 at the peak of iPod sales. The lesson here: If we disrupt ourselves at our peak, we'll be well prepared to surf the next wave of innovation, and we'll own the timing of our transformation. That is the adaptation advantage in action.

Scalable learning is what allows a company like Amazon to transform from online bookseller to global marketplace to web services provider to Academy Award–winning entertainment producer. Amazon seizes the opportunities that come like so much flotsam and jetsam of rapid market disruption.

From Stocks to Flows of Knowledge

But scalable learning is so much more than evaluating market turns and grasping at emerging fads. Principal to scalable learning is recognizing that information, which is

the atomic stuff of learning, is changing. In a slow-moving world, we had time to codify information into curriculum, establish a pedagogy, conduct training sessions, memorize, test, and apply "stocks" of knowledge, quite like inventory stored in a supply closet for future use.

In a fast-moving world, the information comes at us not in packaged and digestible chunks but in continuous flows. To become scalable learners, we need to become adept at drinking in new information as it flows by.

Now, rather than learning how to work, we ought to work in order to learn. That is, we take learning from our work as the primary benefit of work. People have always learned on the job, but what they learned was how to perform the explicit aspects of the job; they acquired the skills to do the work.

Now, we have to ask what the work has taught us. What did we learn from all the information that flows through the process of working? How were specific problems solved? Which approaches failed and why? How might those same approaches be effective in different circumstances?

In this increasingly fast-moving, change-dominated world, the speed you need comes from matching the "how," rather than the "what," of what you do. Make that shift in perspective and identity, and you are well on your way to adapting to the emerging market.

PART II: LETTING GO AND LEARNING FAST TO THRIVE

Finding the Courage to Let Go of Occupational Identity

In his seminal book ***The Practice of Management***, Peter Drucker describes the parable of the three stonecutters: "An old story tells of three stonecutters who were asked what they were doing. The first replied, 'I am making a living.' The second kept on hammering while he said, 'I am doing the best job of stonecutting in the entire country.'

The third one looked up with a visionary gleam in his eyes and said, 'I am building a cathedral.'"

In one version of the story, the third stonecutter declares, "I am building a cathedral to bring people together." In that version, the stonecutter reveals not just a vision—to build a cathedral—but also a purpose—to bring people together.

A purpose-driven identity—a sense of self that transcends job title and skill sets—is the best defense against work-related obsolescence. Yet, building that identity is not easy, because to have a sense of purpose, you must first discover your purpose.

You Are a Prototype; Start With Why

How do we avoid falling prey to occupational identity traps? We start with Why. In the age of accelerated change, every company needs to define themselves not just by their What or How but also by their Why. The Why is the principle that guides organizations through rapidly transforming market requirements, product and services opportunities, and business model adaptation. The Why is every company's unique advantage.

As technological and social change unmoor us from our professional identities, we must connect to our Why as well. If research is correct, young people in the developed world graduating today will likely hold 17 jobs across five different industries in the course of their careers. To navigate that trajectory, you cannot define yourself by what you do. Instead, you must take your definition from how and why you do it.

By thinking of your career as a continual "beta," you will develop your relationship to purpose, better understand and develop your superpowers, and come to recognize that your job is merely the application of your skills and a connection to your purpose at a moment in time. This is how you move from "a fair day's work for a fair day's pay" (stonecutter 1) or a fixation on your current tasks (stonecutter 2) to a greater purpose-driven vision (stonecutter 3), "building a cathedral to bring people together."

What kind of stonecutter are you? How do you define your Why and How? How does your What manifest your Why and How? What is your purpose?

Pay attention to what interests you; that is the fuel source for your lifelong learning and the basis for your adaptation advantage. In fact, the answers to these questions will give you the courage to let go and thrive.

Learning Fast

Why An Agile Learning Mindset Is Essential

We are in the greatest velocity of change in human history, and somehow we've got to keep up. The thing is, we will never keep pace by doing the same things faster. In fact, that will only get us farther behind. Why? Because it is the modality of the past. To keep up with this quickening pace, we need to focus not on speed and efficiency but on agility

and adaptability.

The ability to learn and adapt continuously requires both an agile learning mindset and a resilient and adaptive identity. It is nearly impossible to learn and adapt if your core identity is under threat. Learning, and more specifically unlearning, requires a comfort with vulnerability, an ease with ambiguity, an acceptance of not knowing, and, most importantly, an openness to failure.

The Agile Learning Mindset

In order to operate in an accelerating world that demands continual adaptation, we need a mindset outfitted to navigate change. We need an agile learning mindset. The agile learning mindset is separate and distinct from the agile methodologies of software and product development, although it shares similarities with those practices.

The agile learning mindset contains four components: agency, agility, adaptability, and awareness.

Agency. Agency, in social science parlance, is the capacity to act independently and to make choices for oneself. Some describe agency as the opposite of powerlessness. Navigating a rapidly shifting future of work will require the agency to learn and adapt quickly, understanding explicitly that learning is your responsibility. Connect that agency with purpose, curiosity, or motivational drive to fuel your learning and exploration.

Agility. Agility, and specifically learning agility, is the ability to both learn and unlearn. It is founded in your own learning style to optimize how you take in new information, form new knowledge, and let go of information that is no longer useful. It is flexibility, nimbleness, and responsiveness. Agility includes your ability to pivot not only to take in new information but also to deliver value when old processes and business models begin to fail and new ones are required.

Adaptability. Charles Darwin is thought to have said, "It is not the strongest of the species that survives but the most adaptable." In work as in life, then, evolutionary success belongs to those who can most readily adapt. Adaptability enables us to navigate ambiguous situations and work through challenges even when not all the information is clear or even known.

Awareness. Awareness starts with an understanding of self. Self-awareness and your sense of personal identity are essential to engage meaningfully in work. One must also have a keen market awareness. Change is coming so quickly now that organizations are in a constant dance, pivoting from one business model to the next. In fact, one might argue that the pivot *is* the business model. As a result, all workers—and most certainly every leader—need to understand how the organization creates value and how they contribute individually and collaboratively to that value creating.

Some of what separates us from other animals is also similar to what separates us from today's artificial intelligence technologies.

Rise of the Humans

Developing Your Creativity, Empathy, and Other Uniquely Human Capabilities

It seems that it may be our ability and inclination to continuously learn and disrupt ourselves that makes us uniquely human. No other animal species disrupts themselves by creating new innovations and new, more complex tools, and certainly not ones that threaten their very survival as a species.

Interestingly, some of what separates us from other animals is also similar to what separates us from today's artificial intelligence (AI) technologies. Silicon cognition has not been able to replicate or demonstrate innateness, that inherent sense of awareness, sentience, or wisdom found in humans. It struggles to apply learned skills and knowledge to new contexts. It simply lacks common sense.

The Predictive Markets Declare Future Skills That Favor Humans

Check any list of future skills, from the World Economic Forum to the Institute for the Future, and you will find one particularly intriguing similarity: None of them are specifically technical skills. The skills most needed in the future of work all center on uniquely human skills and our ability to think about our own thought processes and how we operate, and, more specifically, to collaborate with rising technology capabilities.

So why are so many people grasping at technology and sounding the alarm that schools need to teach more and better STEM skills, insisting that every kid must learn to code? Without a doubt, digital skills are important. But Dr. Randy Swearer, vice president of learning futures at Autodesk, says, "Humans need to understand what's computable. They don't need to understand a code, or to code, but they need to understand what's computable."

The real advantage to digital fluency is that it enables uniquely human skills to be seamlessly augmented with technological capabilities. That empowers individuals to see what can, and perhaps should, be automated. It empowers you to see that your real value comes from your uniquely human skills—your ability to leverage the technology tool and provide the wisdom, judgment, and common sense to maximize the value you create.

The Institute for the Future (ITF)'s Future Skills 2020 list is divided into two camps: individual performance skills and the aptitudes that enable better human-to-human and human-to-machine collaborations.

Individual skills:

- **Design mindset.** ITF defines design mindset as the "ability to represent and develop tasks and work processes for desired outcomes."
- **Novel and adaptive thinking**. ITF defines this as "proficiency at thinking and coming up with solutions and responses beyond that which is rote or rule-based."
- **Cognitive load management**. Defined as the "ability to discriminate and filter information for importance, and to understand how to maximize cognitive functioning using a variety of tools and techniques."
- **Sensemaking**. ITF defines sensemaking as the "ability to determine the deeper meaning or significance of what is being expressed."

Collaborative skills:

- **Social intelligence**. The "ability to connect to others in a deep and direct way, to sense and stimulate reactions and desired interactions." "Emotional" intelligence" can be added to this definition.
- **Transdisciplinarity**. This is "literacy in and ability to understand concepts across multiple disciplines."
- **Cross-cultural competency**. ITF defines cross-cultural competency as the "ability to operate in different cultural settings."
- **Computational thinking**. The "ability to translate vast amounts of data into abstract concepts and to understand data-based reasoning."
- **New media literacy**. The "ability to critically assess and develop content that uses new media forms, and to leverage these media for persuasive communication."
- **Virtual collaboration**. The "ability to work productively, drive engagement, and demonstrate presence as a member of a virtual team." As we increasingly work on global and often virtual teams, we must hone our ability to forge new relationships with, and perhaps even lead, people we may never meet in person.

PART III: LEADING PEOPLE AND ORGANIZATIONS IN THE EVOLUTION OF WORK

Leading in Continuous Change

Modeling Vulnerability, Learning From Failure, and Providing the Psychological Safety That Builds Trusting Teams

As we wade into the Fourth Industrial Revolution, we have to be more thoughtful about who we are leading and where we are taking them.

Leadership guru Jim Kouzes, co-author with Barry Posner of the seminal book ***The Leadership Challenge***, says, "The most self-evident and stable truth is that, at its heart, leadership is a relationship between those who aspire to lead and those who choose to follow. It is the quality of the relationship that makes the difference, not the rapidly advancing technology, or the fact that there are more human beings on the planet, or that organizations are more diverse, or that the economy is more global."

"The more frequently leaders exhibit exemplary behaviors, the more likely it is people will feel engaged, be more productive, deliver higher-quality work, and all the other measurable outcomes you would expect from exemplary leadership."

What, then, are those "exemplary behaviors" that deliver exemplary leadership in the context of accelerated change? How can we drive, eyes forward, to lead the future of work? Two ideas from Kouze's and Posner's work are to model

While you may assume your team knows who you are, you may be surprised to find they actually do not know what you value.

the way and enable others to act in order to lead adaptive teams. By embracing these two ideas, you will set the conditions for rapid learning, unlearning, and build the transformational teams at the heart of your adaptation advantage.

Model the Way

Introduce yourself and share your values. While you may assume your team knows who you are, you may be surprised to find they actually do not know what you value.

Be vulnerable. Too often, we think of vulnerability as a weakness, but University of Houston research professor and best-selling author Dr. Brené Brown has convinced millions over nearly 10 years that vulnerability can also be the basis of strength and connection. As machines do more and more routine and predictable work, humans need to be, well—more human.

Trust is essential at speed. In order to learn and adapt to new technologies, new roles, and new business models, we have to think like a trapeze artist and let go of one bar so we can grab the next. If you are asking your team members to leap, you have to assure them there is a net to catch them should they fall.

The best leaders are curious learners. To build a team that continuously learns and adapts, that learning has to start with you.

Enable Others to Act

You do not need to know everything. In the past, leadership often meant the person at the top of the organizational chart was the unquestionable expert. No longer. In a complicated world, you can predict outcomes. In a complex one, you need to constantly adapt in order to direct outcomes.

Establish psychological safety. Having the courage to show your weakness, embracing not knowing, and admitting mistakes is how you model vulnerability so that your people will be open with their own gaps and raise their hands when they need help.

Encourage respectful discourse and dissent. You may avoid tough conversations to spare people's feelings. Maybe you are avoiding your own discomfort. Avoiding tough conversations, though, robs your team of the feedback that may help them grow or adapt.

Prioritize wellness. As our world has become increasingly complex, tenure in jobs has become shorter, and continuous learning has become a nonoptional requirement for staying relevant, it's no surprise that stress levels have skyrocketed. It is high time that corporations make mental health and stress reduction not just a human resource benefit but a core business strategy.

The Adaptive Organization

Creating the Capacity to Change at the Speed of Technology, Market, and Social Evolution

As we cross the bridge to a digital economy, we need to shift from measuring output to optimizing throughput. In other words, the conditions in which we create and produce will matter more than the product itself.

That may sound like a radical idea, but consider this: The things we produce—because they may be transient—are a product of our organization's capacity to identify and rapidly respond to new opportunity and capture new value.

Products and services will be short-lived. Rather than optimizing for specific production, our best work will be in establishing the conditions that enable continuous and continually shifting methods of value creation. These conditions result in an agile, learning, and adaptable company able to thrive in the new realities on the other side of the digital economy bridge. Those conditions are culture and capacity.

It's a radical but remarkably straightforward concept: Companies are nothing more than culture and capacity. Period.

Of course, neither culture nor capacity is a simple construct. Still, if you can break apart these two elements to understand them, you can rejoin the ideas to create a framework for highly effective organizational leadership.

Culture at the Core

Culture is either intentional or accidental. An intentional culture is a deliberate construction of organizational leaders, created in collaboration with all those who are led. An accidental culture is an environment that emerges without intention from a collection of experiences. Accidental cultures are almost always toxic.

Intentional culture begins with organization's leadership. Frankly, it *is* organizational leadership. So, where do you start to build a great culture?

Author and leadership guru Simon Sinek reminds us that transformational leaders of all kinds set clear targets. From Martin Luther King Jr.'s leading the civil rights movement to the Wright Brothers' chasing the dream of flight, great leaders craft a big vision and give their people a reason to follow them. We join our efforts with great leaders because we share a sense of purpose and live by common values.

Or, as Sinek would say, start with Why. The center of every great culture is a clear sense of purpose.

Capacity: Culture's Partner

Culture alone is not enough for effective adaptation. To get there, you must also nurture culture's partner, capacity. This is where you need to connect the two concepts for effective leadership.

If culture is the heart of a company, capacity is its brain. Simply put, capacity is an organization's ability to respond to opportunity. But it is much more than the available space, time, and talent needed to address a new opportunity. Capacity is how we think about new information and ideas in order to assess and respond to opportunity. In other words, it's not enough to ask whether you have the people—or even the right people. You also need to ask whether your people have the mindset to think about this opportunity in the right way.

"Human beings are works in progress that mistakenly think they're finished," says psychologist Dan Gilbert. The world is changing, and fast. It is hard to imagine.

We will change, too. The work we do and the way we do it will differ almost from day to day. It will always be easier to look back and remember than it will be to look forward and imagine.

That practice of looking back and forward, and it is a practice, is incredibly intimidating when you are tightly bolted to a professional identity that measures how you walk in the world.

On the other hand, it's incredibly exciting to imagine a future of work that lets us explore *why* we walk in the world.

IF YOU LIKED THIS SUMMARY, YOU MIGHT ALSO LIKE:

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- ***The Reinventionist Mindset: Learning to Love Change and the Human How of Doing It Brilliantly*** by Joe Jackman

Future-of-work strategist Heather E. McGowan helps leaders prepare their people and organizations for the Fourth Industrial Revolution. In 2017, LinkedIn ranked her as its number-one global voice for education. She gives nearly 50 keynote talks a year and is a regular *Forbes* contributor. Journalist, analyst, executive producer, and startup mentor Chris Shipley has documented, influenced, and predicted the impact of technology on business and society for more than 30 years. As executive producer of the DEMO Conference for more than a decade, she ushered groundbreaking products such as salesforce.com, TiVO, and VMWare to market.

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The Advantage

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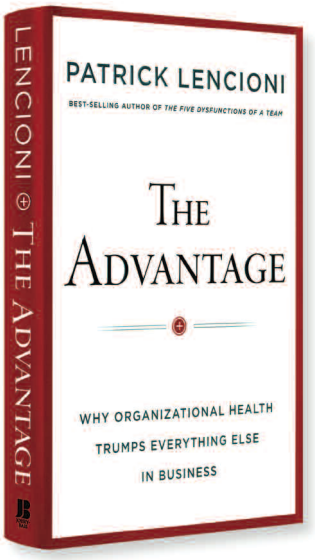
The Advantage

Why Organizational Health Trumps Everything Else in Business



by Patrick Lencioni

THE SUMMARY IN BRIEF

"Organizational health will one day surpass all other disciplines in business as the greatest opportunity for improvement and competitive advantage."

This is the promise of *The Advantage*, Patrick Lencioni's bold manifesto about the most unexploited opportunity in modern business. In his immensely readable and accessible style, Lencioni makes the case that there is no better way to achieve profound improvement in an organization than by attacking the root causes of dysfunction, politics, and confusion.

While too many leaders are still limiting their search for advantage to conventional and largely exhausted areas like marketing, strategy, and technology, Lencioni demonstrates that there is an untapped gold mine sitting right beneath them. Instead of trying to become smarter, he asserts that leaders and organizations need to shift their focus to becoming healthier, allowing them to tap into the more-than-sufficient intelligence and expertise they already have.

The author of numerous best-selling business fables including *The Five Dysfunctions of a Team* and *Death by Meeting*, Lencioni takes a different route in *The Advantage*. He forgoes fables and instead draws upon his 20 years of writing, field research, and executive consulting to some of the world's leading organizations. The result is, without a doubt, Lencioni's most comprehensive, significant, and essential work to date.

IN THIS SUMMARY, YOU WILL LEARN:

- The three biases that prevent leaders from embracing organizational health.
- The difference between a smart organization and a healthy organization.
- Why the Four Disciplines model builds and maintains organizational health.
- The secrets to cascading communication throughout your entire company.
- How you can hold meetings and still have plenty of time for your job.

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THE COMPLETE SUMMARY: **THE ADVANTAGE**

by Patrick Lencioni

The author: Patrick Lencioni is founder and president of The Table Group, a management consulting firm specializing in organizational health and executive team development. He is the author of nine business books with more than 3 million copies sold.

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The Case for Organizational Health

The single greatest advantage any company can achieve is organizational health. Yet it is ignored by most leaders even though it is simple, free, and available to anyone who wants it.

That is the premise of *The Advantage* — not to mention my career — and I am utterly convinced that it is true. If it sounds absurd, it should. After all, why in the world would intelligent human beings ignore something that is powerful and readily accessible? That question was finally answered for me on July 28, 2010.

I was attending a client's leadership conference, sitting next to the CEO. This wasn't just any company. It was, and still is, one of the healthiest organizations I have ever known and one of the most successful American enterprises of the past 50 years.

As I sat there at the conference listening to one presentation after another highlighting the remarkable and unorthodox activities that have made this organization so healthy, I leaned over and quietly asked the CEO a semi-rhetorical question: "Why in the world don't your competitors do any of this?"

After a few seconds, he whispered, almost sadly, "You know, I honestly believe they think it's beneath them."

And there it was.

The Three Biases

In spite of its undeniable power, so many leaders struggle to embrace organizational health because they quietly believe they are too sophisticated, too busy or too analytical to bother with it. In other words, they think it's beneath them.

This is a shame because organizational health is different. It's not at all touchy-feely, and it's far bigger and more important than mere culture. More than a side dish or a flavor enhancer for the real meat and potatoes of business, it is the very plate on which the meat and potatoes sit.

But before leaders can tap into the power of organizational health, they must humble themselves enough to overcome the three biases that prevent them from embracing it. The three biases are:

The Sophistication Bias: Organizational health is so simple and accessible that many leaders have a hard time seeing it as a real opportunity for meaningful advantage.

The Adrenaline Bias: Becoming a healthy organization takes a little time. Unfortunately, many of the leaders I've worked with suffer from a chronic case of adrenaline addiction, seemingly hooked on the daily rush of activity and firefighting within their organizations. As simple as this may seem, it remains a serious obstacle for many dysfunctional organizations led by executives who don't understand that old race-car drivers' axiom: *you have to slow down in order to go fast.*

The Quantification Bias: The benefits of becoming a healthy organization, as powerful as they are, are difficult to accurately quantify. Organizational health permeates so many aspects of a company that isolating any one variable and measuring its financial impact is almost impossible to do in a precise way.

Smart Versus Healthy

Smart organizations are good at those classic fundamentals of business — subjects like strategy, marketing, finance and technology — which I consider to be decision sciences.

But being smart is only half the equation. Yet somehow it occupies almost all the time, energy and attention

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Amanda Langen**, Graphic Designer

of most executives. The other half of the equation, the one that is largely neglected, is about being healthy.

What I find particularly amazing is that none of the leaders I present to, even the most cynical ones, deny that their companies would be transformed if they could achieve the characteristics of a healthy organization. They never dismiss it as touchy-feely, and they immediately recognize the practical connection between a lack of health and overall performance. It would be natural to assume that those executives would then march back to their companies and focus a large portion of their time, energy and attention on making their organizations healthier.

I've come to learn that even well-intentioned leaders usually return to work and gravitate right back to the "smart" side of the equation, spending their time tweaking the dials in marketing, strategy, finance and so forth.

The Four Disciplines Model

An organization doesn't become healthy in a linear, tidy fashion. Like building a strong marriage or family, it's a messy process that involves doing a few things at once, and it must be maintained on an ongoing basis in order to be preserved. Still, that messy process can be broken down into four simple disciplines:

Discipline 1: Build a Cohesive Leadership Team. An organization simply cannot be healthy if the people who are chartered with running it are not behaviorally cohesive in five fundamental ways.

Discipline 2: Create Clarity. The leadership team of a healthy organization must be intellectually aligned and committed to the same answers to six simple but critical questions.

Discipline 3: Overcommunicate Clarity. Once a leadership team has established behavioral cohesion and created clarity around the answers to those questions, it must then communicate those answers to employees clearly, repeatedly and enthusiastically.

Discipline 4: Reinforce Clarity. In order for an organization to remain healthy over time, its leaders must establish a few critical, nonbureaucratic systems to reinforce clarity in every process that involves people.

Discipline 1: Build a Cohesive Leadership Team

There's just no way around it. If an organization is led by a team that is not behaviorally unified, there is no chance that it will become healthy. But first, we need to get clear on what a leadership team really is.

So many teams I've encountered struggle simply because they're too large. A leadership team should be made up of somewhere between three and 12 people, though anything over eight or nine is usually problematic. There is nothing dogmatic about this size limit. It is just a practical reality.

Now that I've put forward a general definition of what I mean by a leadership team, let's focus on the steps for building a cohesive one. At the heart of the process lie five behavioral principles that every team must embrace:

Behavior 1: Building Trust

Members of a truly cohesive team must trust one another.

Many people think of trust in a predictive sense; if you can come to know how a person will behave in a given situation, you can trust him or her. As laudable as that might be, it's not the kind of trust that lies at the foundation of building a great team.

The kind of trust that is necessary to build a great team is what I call vulnerability-based trust. This is what happens when members get to a point where they are completely comfortable being transparent, honest and naked with one another, where they say and genuinely mean things like, "I screwed up," "I need help," "Your idea is better than mine," and even, "I'm sorry."

At the heart of vulnerability lies the willingness of people to abandon their pride and their fear, to sacrifice their egos for the collective good of the team. While this can be a little threatening and uncomfortable at first, ultimately it becomes liberating for people who are tired of spending time and energy overthinking their actions and managing interpersonal politics at work.

As important as it is for all members of a leadership team to commit to being vulnerable, that is not going to happen if the leader of the team, whether that person is the CEO, department head, pastor or school principal, does not go first. If the team leader is reluctant to acknowledge his or her mistakes or fails to admit to a weakness that is evident to everyone else, there is little hope that other members of the team are going to take that step themselves.

Behavior 2: Mastering Conflict

Contrary to popular wisdom and behavior, conflict is not a bad thing for a team. In fact, the fear of conflict is almost always a sign of problems.

Even when teams understand the importance of conflict, it is frequently difficult to get them to engage in it. That's how powerful our cultural aversion is to discom-

fort. In order to break through that aversion, there are a few things that a team leader can do.

One of the best ways for leaders to raise the level of healthy conflict on a team is by mining for conflict during meetings. This happens when they suspect that unearthed disagreement is lurking in the room and gently demand that people come clean.

Another tool for increasing conflict is something I refer to as real-time permission. The idea here is that people need to get immediate feedback, the positive kind, when they start to try out this approach to conflict. And no matter how minor the nature of that initial conflict might seem, it is going to be uncomfortable.

Behavior 3: Achieving Commitment

The reason conflict is so important is that a team cannot achieve commitment without it. People will not actively commit to a decision if they have not had the opportunity to provide input, ask questions, and understand the rationale behind it. Another way to say this is, "If people don't weigh in, they can't buy in."

Most leaders have learned the art of passive agreement: going to a meeting, smiling and nodding their heads when a decision is made that they don't agree with. They then go back to their offices and do as little as possible to support that idea. The impact of this is often embarrassing and costly for the organization.

The only way to prevent passive sabotage is for leaders to demand conflict from their team members and to let them know that they are going to be held accountable for doing whatever the team ultimately decides.

Behavior 4: Embracing Accountability

Even well-intentioned team members need to be held accountable if a team is going to stick to its decisions and accomplish its goals.

Peer-to-peer accountability is the primary and most effective source of accountability on a leadership team.

When team members know that their colleagues are truly committed to something, they can confront one another about issues without fearing defensiveness or backlash. After all, they're merely helping someone get back on track or seeking clarity about something that doesn't seem right. And the person being questioned about her behavior or performance will be willing to admit that she has inadvertently lost her way — after all, she's vulnerable — and adjust her behavior accordingly.

Behavior 5: Focusing on Results

The ultimate point of building greater trust, conflict, commitment and accountability is one thing: the achievement of results. What would members of an executive team be focused on if not the results of their organization? Well, for one, the results of their department. Too many leaders seem to have a greater affinity for and loyalty to the department they lead rather than the team they're a member of and the organization they are supposed to be collectively serving.

The only way for a leader to establish this collective mentality on a team is by ensuring that all members place a higher priority on the team they're a member of, than the team they lead in their departments. A good way to go about this is simply to ask them which team is their first priority. Many well-intentioned executives will admit that in spite of their commitment to the team that they're a member of, the team they lead is their first priority. This is absolutely natural, common, and understandable. And dangerous.

When members of a leadership team feel a stronger sense of commitment and loyalty to the team they lead than the one they're a member of, then the team they're a member of becomes like the U.S. Congress or the United Nations: it's just a place where people come together to lobby for their constituents. Teams that lead healthy organizations reject this model and come to terms with the difficult, but critical, requirement that executives must put the needs of the higher team ahead of the needs of their departments. That is the only way that good decisions can be made about how best to serve the entire organization and maximize its performance. ●

Discipline 2: Create Clarity

The second requirement for building a healthy organization — creating clarity — is all about achieving alignment. This is a word that is used incessantly by leaders, consultants and organizational theorists, and yet, for all the attention it gets, real alignment remains frustratingly rare.

A big part of the reason for the failure to gain alignment has to do with the fact that, like so many other popular terms, people use it without being specific about what they mean.

The point is that alignment and clarity cannot be achieved in one fell swoop with a series of generic buzzwords and aspirational phrases crammed together. Leaders simply cannot inspire, inform, motivate, market, and position their companies in the context of a T-shirt or lucite tschotske. Clarity requires a much more rigorous and unpretentious approach.

Let's take on each of the six critical questions that leaders must answer in order to create clarity and build a healthy organization.

Question 1: Why Do We Exist?

An organization's core purpose — why it exists — has to be completely idealistic. I can't reiterate this point enough. Employees in every organization, and at every level, need to know that at the heart of what they do lies something grand and aspirational. They're well aware that ultimately it will boil down to tangible, tactical activities.

Two companies that are in the same industry will often have different reasons for existing. That makes sense. However, it's also interesting to understand that two companies in completely different industries can share the same purpose. For instance, both a hospital and a masseuse could very well exist to alleviate pain and suffering in the world.

Question 2: How Do We Behave?

The word intolerance isn't often used in a positive way in society. And yet when it comes to creating organizational clarity and alignment, intolerance is essential. After all, if an organization is tolerant of everything, it will stand for nothing.

An important key to identifying the right, small set of behavioral values is understanding that there are different kinds of values. Among these, core values are by far the most important and must not be confused with the others.

Core values are the few — just two or three — behavioral traits that are inherent in an organization. Core values lie at the heart of the organization's identity, do not change over time, and must already exist. In other words, they cannot be contrived.

Question 3: What Do We Do?

This question is the simplest of the six and takes the least amount of time and energy to address. The answer lies at the opposite end of the idealism scale from why an organization exists and is nothing more than a description of what an organization actually does. No flowery adjectives or adverbs here. Just an unsexy, one-sentence definition — something your grandmother can understand. The answer to this question is something we call an organization's business definition (but never a mission statement!).

If an organization's reason for existence answers the question, Why?, then its business definition answers the question, What? It's critical that it be clear and straightforward. It should not be crafted so that it can also be used in marketing material.

Six Critical Questions to Gain Clarity

What leaders must do to give employees the clarity they need is to agree on the answers to six simple but critical questions:

- Why do we exist?
- How do we behave?
- What do we do?
- How will we succeed?
- What is most important, right now?
- Who must do what?

Question 4: How Will We Succeed?

When team leaders answer this question, essentially they are determining their strategy. Unfortunately, more than any word in the business lexicon, strategy is one of the most widely employed and poorly defined.

Essentially, an organization's strategy is simply its plan for success. It's nothing more than the collection of intentional decisions a company makes to give itself the best chance to thrive and differentiate from competitors. That means every single decision, if it is made intentionally and consistently, will be part of the overall strategy.

But that definition is not particularly actionable or useful for guiding the decisions of leaders and employees. The best way for an organization to make strategy practical is to boil it down to three strategic anchors that will be used to inform every decision the organization makes and provide the filter or lens through which decisions must be evaluated to ensure consistency. Strategic anchors provide the context for all decision making and help companies avoid the temptation to make purely pragmatic and opportunistic decisions that so often end up diminishing a company's plan for success.

Identifying Anchors

The best way for leaders to go about finding their strategic anchors is to take a reverse-engineering approach and extract them from everything that they know to be true about their organization. They need to start by creating an exhaustive list of all the decisions and realities that form the context of their current situation. This will include anything beyond the organization's reason for existence, core values and business definition.

Unlike a company's reason for existing and core values, which never change, and the business definition, which changes fairly infrequently, an organization's strategic anchors should change whenever its competi-

tive landscape shifts and market conditions call for a different approach. How often this happens will vary depending on the nature of a given organization's market or industry.

In some cases, one of an organization's strategic anchors may not yet be on the list because it isn't part of what the organization is currently doing, so it needs to be added. That's why it's important for an organization to realize that the process of identifying strategic anchors should not be completely reactive or historical. Sometimes it is the very process of identifying strategic anchors that alerts an organization to the fact that what it is currently doing isn't right or isn't enough to ensure success and differentiation, and so a change is needed.

Question 5: What is Most Important, Right Now?

More than any of the other questions, answering this one will have the most immediate and tangible impact on an organization, probably because it addresses two of the most maddening day-to-day challenges companies face: organizational attention deficit disorder and silos.

Of course, to say that there are too many top priorities is something of an oxymoron. After all, for something to be the top priority, it has to be more important than everything else. The point here is that every organization, if it wants to create a sense of alignment and focus, must have a single top priority within a given period of time.

I had been hearing so many of my clients complain about the silos within their organizations that I decided I should try to solve that problem.

Then I realized that there was a certain category of organization that seemed to rise above the silo problem — emergency responders. These include firefighters, emergency room doctors and nurses, soldiers, even police officers in the midst of a dangerous situation.

What these groups have in common is a crisis — a clear and present situation of great and immediate consequence. What a crisis provides for an organization is a rallying cry, a single area of focus around which there is no confusion or disagreement.

The Thematic Goal (a.k.a. The Rallying Cry)

I decided that there is no reason that every organization couldn't have a rallying cry, even when it is not in crisis. I called this rallying cry "a thematic goal" because it needs to be understood within the context of the organization's other goals, at the top of the list. And so, the thematic goal is the answer to our question, *What is most important, right now?* A thematic goal is:

Singular. One thing has to be *most* important, even if there are other goals under consideration.

Qualitative. The thematic goal should almost never be established with specific numbers attached to it.

Temporary. A thematic goal must be achievable within a clear time boundary, almost always between three and 12 months.

Shared across the leadership team. When executives agree on their top priority, they must take collective responsibility for achieving it, even if it seems that the nature of the goal falls within one or two of the executives' regular areas of ownership.

Defining Objectives

Realizing the benefits of having a clear and collective focus requires more than merely identifying the thematic goal. That goal must then be further clarified by defining the objectives that will make accomplishing it possible. I call these defining objectives.

Defining objectives are the general categories of activity required to achieve the thematic goal. Like the thematic goal, defining objectives must be qualitative, temporary and shared by the leadership team. They provide a level of specificity so that the thematic goal isn't merely a slogan but rather a specific and understandable call to action. In most cases, there are between four and six defining objectives, depending on the nature of the goal itself.

Once teams identify their defining objectives, they have to take on the next, and last, step in the thematic goal process: identifying their standard operating objectives. These are the ongoing and relatively straightforward metrics and areas of responsibility that any leadership team must maintain in order to keep the organization afloat.

Coming up with standard operating objectives is not terribly difficult because they are usually somewhat obvious. In for-profit companies, they usually include categories like revenue, expenses, customer retention or satisfaction, product quality, cash flow, morale or any other issues specific to a given industry.

Different kinds of organizations have different thematic goals, defining objectives, and standard operating objectives for a variety of reasons. However, what they all have in common is that their goals fit on a single sheet of paper.

Walking away with a single sheet of paper that lists a team's thematic goal, the defining objectives, and the standard objectives would give leaders the clear focus they need to align their actions and avoid distraction.

Question 6: Who Must Do What?

There is not a great deal to be said about this particular question, aside from warning leadership teams not to take it for granted. Although there is often clarity among executives in most organizations about who does what on the team, making assumptions about that clarity can lead to surprising and unnecessary problems.

Regardless of how clear or confusing a company's "org" chart may be, it is always worthwhile to take a little time to clarify so that everyone on the leadership team knows and agrees on what everyone else does and that all critical areas are covered. ●

Discipline 3: Overcommunicate Clarity

Once a leadership team has become cohesive and worked to establish clarity and alignment around the answers to the six critical questions, then, and only then, can they effectively move on to the next step: communicating those answers. Or better yet, overcommunicating those answers.

The need for repetition is not a testament to undue cynicism on the part of employees; it is the result of the generic, almost spoof-like communication that takes place within so many organizations.

The problem is that leaders confuse the mere transfer of information to an audience with the audience's ability to understand, internalize and embrace the message that is being communicated. The only way for people to embrace a message is to hear it over a period of time, in a variety of different situations, and preferably from different people. That's why great leaders see themselves as Chief Reminding Officers as much as anything else. Their top two priorities are to set the direction of the organization and then to ensure that people are reminded of it on a regular basis.

Cascading Communication

Someone once told me that the best way to ensure that a message gets communicated throughout an organization is to spread rumors about it. Therefore, they concluded, leaders simply out to go out and tell "true rumors." As silly as that may sound, it is the basis for the most important means of communication within a healthy organization.

The most reliable and effective way to get an organization moving in the same direction is for members of a leadership team to come out of their meetings with a clear message about what was decided, promptly communicate that message to their direct reports, and have those direct reports do the same for their own direct reports. We call this "cascading communication" because it begins the structured but interpersonal process of rolling key messages down through the organization directly from the leadership team.

There are three keys to cascading communication: message consistency from one leader to another, timeliness of delivery, and live, real-time communication. This starts toward the end of leadership team meetings, a time when executives are usually trying their best to get out the door. That's when someone needs to ask the sixty-four-thousand-dollar question: "Hey, what are we going to go back and tell our people?"

For the next few minutes, sometimes longer, leaders need to review their discussions from the meeting and decide which of their decisions are ready to be communicated and which are not. We refer to this as "commitment clarification," for obvious reasons. Often it's during this process that they discover that they were not on the same page about what they had decided. This will certainly take more time, but the cost of not doing it is often great. ●

Discipline 4: Reinforce Clarity

As important as overcommunication is, leaders of a healthy organization cannot always be around to remind employees about the company's reason for existing, its values, and so on. In order to ensure that the answers to the six critical questions become embedded in the fabric of the organization, leaders must do everything they can to reinforce them structurally as well. The way to do that is to make sure that every human system — every process that involves people, from hiring and people management to training and compensation — is designed to reinforce the answers to those questions.

The fact is that the best human systems are often the simplest and least sophisticated ones. Their primary purpose is not to avoid lawsuits or emulate what other companies are doing, but rather to keep managers and employees focused on what the organization believes is important. That's why a one-page, customized performance review form that managers embrace and take seriously is always better than a seven-page, sophisticated one designed by an organizational psychologist.

This point cannot be overstated. Human systems are tools for reinforcement of clarity. They give an organization a structure for tying its operations, culture and management together, even when leaders aren't around to remind people. And because each company is differ-

ent, there are no generic systems that can be downloaded from the Internet. ●

The Centrality of Great Meetings

An organization that has embraced each of the four disciplines will certainly become healthy, making success highly likely. But one activity, more than any other, will be central to maintaining those disciplines and sustaining health.

No action, activity or process is more central to a healthy organization than the meeting. As dreaded as the "m" word is, as maligned as it has become, there is no better way to have a fundamental impact on an organization than by changing the way it does meetings.

So what kinds of meetings does the leadership team of a healthy organization have? There are four basic types: daily check-ins, tactical staff meetings, ad hoc topical meetings and quarterly off-site reviews.

Whenever executives challenge me about the practicality of having four different meetings on a regular basis, I ask them to add up all the time that they would spend in those meetings in a given month.

If we apply the model in the most time-intensive way possible (a full 10 minutes each day in check-in meetings, 2 hours each week in tactical staff meetings, 6 hours each month in topical meetings, and 2 days each quarter in developmental review meetings), the grand total of time amounts to about 1,560 minutes, or 12 hours per month.

Assuming a 50-hour workweek, that amounts to just 13 percent of our time. If you work just 45 hours per week, then it's 14 percent. That means even when we're spending the maximum amount of time at each meeting, more than 85 percent of our time is still available for whatever else we do.

Finally, it's worth asking, *What else should leaders be doing besides going to meetings?* E-mail? Analysis? Customer visits? OK, there are certainly times and places for these. But a leader's first priority is to create an environment where others can do these things and that cannot happen if they are not having effective meetings.The truth is, if executives are having the right kind of meetings, if they're driving issues to closure and holding one another accountable, then there is much less to do outside meetings, including managing their direct reports. ●

Seizing the Advantage

As more and more leaders come to the realization that the last frontier of competitive advantage will be the transformation of unhealthy organizations into healthy ones, there will be a shift in the mind-set of executives away from more technical pursuits that can be delegated to others and toward the disciplines we've outlined here.

There is just no escaping the fact that the single biggest factor determining whether an organization is going to get healthier — or not — is the genuine commitment and active involvement of the person in charge. For a company, that's the CEO; for a small business, it's the owner; for a department within a company, it's the department head.

As tempting as it may be, leaders must not abdicate or delegate responsibility for communication and reinforcement of clarity. Instead, they have to play the tireless role of ensuring that employees throughout the organization are continually and repeatedly reminded about what is important. And they must be on guard against contradictory and inconsistent processes that can confuse employees and against bureaucracy that can creep into an organization when people get complacent.

If all this sounds daunting, it's because it is. People who lead healthy organizations sign up for a monumental task — and a very selfless one. That is why they need to relinquish their more technical responsibilities, or even their favorite roles, that others can handle. Because when an organization is healthy (when the leader at the top is doing his or her most important job), people find a way to get things done. When an organization is unhealthy, no amount of heroism or technical expertise is going to make up for the confusion and politics that take root.

At the end of the day, at the end of our careers, when we look back at the many initiatives that we poured ourselves into, few other activities will seem worthy of our effort and more impactful on the lives of others, than making our organizations healthy. ●

RECOMMENDED READING LIST

If you liked *The Advantage*, you'll also like:

1. ***Bury My Heart at Conference Room B* by Stan Slap.** Slap provides a remarkable process that allows you to use your own values to achieve tremendous success in your personal and organizational goals.
2. ***Breaking the Fear Barrier* by Tom Rieger.** Fear compels employees and managers to protect themselves by creating seemingly impenetrable barriers. Learn how to overcome the barriers that plague your company.
3. ***The Performance Pipeline* by Stephen Drotter.** Readers learn how work flows from top to bottom and reveals what results each layer must produce and what each layer must pass down to make the layers below successful.

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The Arc of Ambition

James Champy and Nitin Nohria

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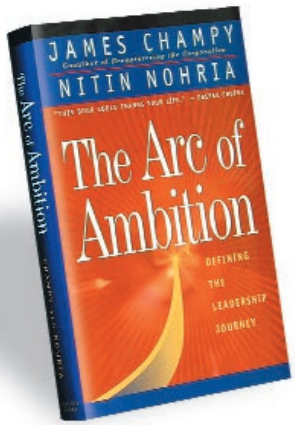

By James Champy and Nitin Nohria

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THE ARC OF AMBITION

THE SUMMARY IN BRIEF

What drives some people to accomplish spectacular things, to fulfill aspirations beyond anyone's expectations and to make a lasting impression upon everyone around them? For authors James Champy, the former head of CSC Index and co-author of *Reengineering the Corporation,* and Nitin Nohria, a professor of business administration at the Harvard Business School, the answer is ambition. They believe that ambition is the key ingredient that transforms a simple idea into a global business, topples an empire, or turns a family of immigrants into a financial dynasty.

Most of us dream of greatness from an early age. We envision growing up to be like our role models, whether they are our parents, teachers or athletes. We are further inspired as we read our schoolbooks and learn about national heroes such as Abraham Lincoln, Rosa Parks and Sally Ride. All of these experiences nurture the seedling of ambition that was planted at birth.

Yet, people have always had ambivalent feelings about ambition. Although we recognize that it is essential, we regard it as slightly dangerous. We don't approve of those who abuse it, but we don't respect those who lack it. However, history confirms that ambition is more often good than bad. In fact, good ambition is the lifeblood of human achievement.

In this summary you will learn what ambition is and how to use it to accomplish great things for yourself, your family and your company. Specifically, you will learn about the fundamental abilities that can take you up the arc of ambition, including:

- Seeing what others don't.
- Recognizing when to seize the moment.
- Never violating your values.
- Keeping control by giving it up.
- Leaving gracefully.

The habits and practices of ambitious people aren't innate; they can be learned. If you are ready to embark on a journey that can take you to the top of the arc of ambition, turn the page.

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THE ARC OF AMBITION

by James Champy and Nitin Nohria

— THE *COMPLETE* SUMMARY

Ambition Is the Root of All Achievement

People have always been ambivalent about ambition. We see it as dangerous yet essential. We disapprove of those who abuse it, but we dismiss those who lack it. We see too little of it as a failing, too much of it as a sin. Simply put, ambition is what makes us go.

Almost everyone dreams of doing something special, whether it's building a new Internet company, writing a novel or going into politics. Whatever the size of your goal, it is driven by ambition. And that ambition, as shown by the study of the careers of great achievers, follows a predictable arc.

The curve of the arc of ambition, as the authors call it, isn't necessarily the same for everyone. For some, the rise is slow. It was for Sam Walton, who didn't open his first Wal-Mart store until he was 44 years old. For others, the curve rises quickly, often at a surprisingly early age. Michael Dell started producing custom-built personal computers in his college dorm room.

The first segment of the arc is the *rise* of ambition — the initial dream and the perseverance and courage that must be exercised in the pursuit of that dream. The second section of the arc covers the *apex* of ambition, as an individual tries to build something bigger than himself. It could be a business, a university or a country. The third section confronts the *decline* of ambition, the time when every achiever must cope with his or her toughest challenges. By studying achievers and understanding what makes them accomplish so much, you can learn how to best achieve your personal ambitions, whatever they may be.

Creators, Capitalizers and Consolidators

Ambition is the catalyst that ignites daring achievers and converts the ordinary into the extraordinary. Ambitious individuals tend to emerge when a new technology or way of thinking sweeps the world. During these times, three archetypal figures emerge. These ambitious men and women are creators, capitalizers and consolidators.

Creators are true innovators who pioneer a new technology to the point of making an old field technically obsolete. In the arts, dancers like Isadora Duncan and Martha Graham are creators. So was Ernest Hemingway, whose terse style broke the Victorian hold on novel writing. In the sciences, Albert Einstein and Jonas Salk were creators.

Capitalizers come next. They market the new technology so energetically that a whole new infrastructure is required to accommodate its distribution. For example, the nation's electronic subsystem has been rebuilt three times in the last 70 years by capitalizers who found new uses for innovations, going from telegraph to telephone to cable to satellite to the Internet.

Finally come the **consolidators,** the professional managers in business and the museum curators and theater producers in the arts who make new technologies work consistently and profitably. Ultimately, however, consolidators tend to look inward rather than outward to customer needs, and they lose their creative impulses. The stage is then set for a new wave of creators as the cycle repeats itself.

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Do Achievers Make History or Vice Versa?

Some philosophers have argued that heroes shape events, while others argue that events shape heroes. The truth is probably somewhere in between. After all, if Madame Curie had not discovered radium, wouldn't someone else have? On the other hand, had not Abraham Lincoln become President, would the United States still exist?

Achievers arise from a rich ragout of unpredictable ifs. **If** people have the talent and the training, **if** they are in the right place at the right time, and **if** they have the inner drive we call ambition, they may succeed and hold onto their success.

The authors: A pioneer of the reengineering movement, James Champy co-authored *Reengineering the Corporation*. Nitin Nohria is Richard P. Chapman professor of business administration at Harvard Business School and author of the award-winning *The Differentiated Network.*

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Ambition Is the Root of All Achievement

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The Arc of Ambition

The rise and fall of an individual's arc of ambition can be reduced to a series of stages. These stages are:

✓ **Seeing what others don't.** The arc begins when someone sees something others don't. A fresh insight of discovery springs forth. In an ambitious person, the idea is transformed into something that is possible. From this, there emerges a belief that hard work must and will make it happen.

✓ **Following a steadfast path.** Success often comes after a series of setbacks. To achieve success, you must learn to be stubborn. The road to success requires perseverance, optimism and an unquenchable hope that the moment of opportunity will come.

✓ **Seizing the moment.** Dreamers become achievers when suddenly the moment they have been waiting for looms ahead and they seize the opportunity.

✓ **Tempering ambition.** At some point along the arc, as you near the apex, you run the danger of losing your balance. The key to successfully retaining your balance is setting ambitious goals you execute well.

✓ **Inspiring with a greater purpose.** To keep soaring along the rise of the arc, you need to transform your personal ambition into a broader purpose so that you inspire others to join in and contribute to the effort.

✓ **Never violating values.** When the point comes that you are tempted to cut corners to get further ahead, pause and consider the consequences. There is no more certain way to hasten a fall down the arc.

✓ **Keeping control by giving it up.** The only way to keep control is by giving some of it away. Fear chills minds and kills companies.

✓ **Changing or perishing.** Change is inevitable. Do not become complacent, or the competition will whittle away at your success.

✓ **Leaving gracefully.** We all get old and die. When you have created a lasting legacy, don't hesitate to step down with grace. ■

Something New From Something Old

A café that serves coffee is hardly new. Building 2,000 cafes that consistently offer superb coffee in attractive settings is distinctly new. Howard Schultz turned that idea into Starbucks, creating a new social institution in the process.

Retail discounting isn't new either. But Sam Walton saw the possibility of lowering prices further and further, while making service better and better. And he saw that rural America might provide the best markets from which to realize his dream.

Similarly, Ted Turner did not create the idea of news, but repackaged it as television news 24 hours a day. Schultz, Walton and Turner all saw something others didn't see and made it into an entirely new business.

See What Others Don't

For centuries, human flight has been a tantalizing fantasy. In Greek mythology Daedalus and Icarus dreamed of flying away from King Midas' prison. Daedalus created wings made of feathers and wax to aid their escape, and away they soared until Icarus, the disobedient son, flew too close to the sun and fell to his death as the wax melted. The legend implies that a creative mind can achieve the impossible provided it sees what others cannot see and avoids the danger of hubris. The story of Daedalus and Icarus is a metaphor for ambition.

Achievement is about seeing beyond the conventions of the day. Achievers ignore the boundaries of the old and have the courage to explore the new. They see something others don't. Sometimes that something is an intellectual meteor, like Albert Einstein's theory of relativity. Sometimes it's as simple as taking a familiar form and turning it into something new and wholly original.

What unites all achievers is their ability to see the world clearly, unhindered by the fear of obstacles. When others see roadblocks, achievers find ways of getting around them. They follow through on ambitious dreams with action. They find a way to act, either by directly confronting the obstacle or by taking incremental first steps around it.

Achieving the Impossible

Achievers dare to fly in the face of disbelief. Consider the case of the Wright brothers. The two brothers achieved what others had only dreamed of: human flight. Together, they revolutionized transportation and warfare for all time.

The Wright brothers grew up in Ohio and never graduated from high school. But they did have a knack for mechanics. In 1894 they read about the first successful human glider and decided that they wanted to try something similar. Over the next few years they experimented with different configurations until they finally found a way to get a glider off the ground.

But they didn't stop there. Instead, they refocused on powered flight. On December 17, 1903, they took the world's first powered flights. By 1908 they had a contract with the War Department to produce airplanes that

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See What Others Don't

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were to fly 40 miles an hour.

Begin With the Possible

If you want to rise along the arc of ambition, you need to take your impossible vision and begin the ascent with what is possible. This is the resolve that drove Judy George, founder of Domain, Inc., a chain of upscale furniture stores on the East Coast. Her dream, begun in childhood, was to create a tranquil and beautiful home unlike the one she grew up in. Today almost everyone who walks into her stores responds to the atmosphere of comfort and serenity she has created.

Judy spent ten years building someone else's furniture company, a $100 million a year success story. Then she was fired. Her reaction was to create a business plan, impress venture capitalists, and launch her own chain. Her goal: to enrich family life, not just sell sofas. ■

Abraham Lincoln Finds a General

When commanders like George McClellan disappointed Abraham Lincoln, he sought out a more ambitious general. He found Ulysses S. Grant, an unpretentious genius of few words but a clear sense of courage. Where other generals feared confronting a seemingly superior enemy, objectivity gave Grant an advantage. He knew that both sides feared the other, and he used that fear as the great equalizer.

Follow a Steadfast Path

It takes a strong character and a lot of willpower to hold onto a dream under adverse circumstances. Success simply doesn't come easily; perseverance is essential. Without the ability to persist, you won't make it up the arc of ambition. That idea may seem old-fashioned, but it still holds true.

Dreams and determination combine to produce greatness. You need only consider the journey of Nelson Mandela to understand the road to achievement. Mandela's dream of transforming the racist society of South Africa into a multiracial democracy lasted more than 50 years. His determination to advance that dream, to keep fighting despite intense torments to both his people and himself, carried him to a day in May 1994 when he became president of South Africa.

Optimism Can Be Learned

Constantly moving toward a goal, even if the steps are small, will eventually bring success. If you want success to come, you must remain optimistic. Optimism keeps the mind wide open to opportunities. It helps to view setbacks as temporary, to reject stereotypes of what success looks like, and to not internalize defeat. Those are exactly the characteristics that kept Mandela's dream of a united South Africa alive. When he was imprisoned for his political activities, he viewed his sentence as a temporary defeat, even though it ultimately lasted 27 years. He refused to accept the stereotypes that all whites were racists, thus allowing him to build support in the white South African community. Finally, he refused to internalize defeat, despite confinement in a maximum-security prison on an escape-proof island. He continued to see himself as his people's leader, despite his prison isolation.

Optimism can be learned. It just requires you to make a concerted effort to change how you see things. A huge proportion of success, perhaps as much as 60 percent, is a matter of attitude, positive thinking, and seeing in your mind's eye that things are sure to come to a good end. The rest of success is perseverance begetting good luck.

Achievers share an appetite for learning from the success of others and from their own mistakes. Those who never stop learning are the ones who move forward. ■

Sam Walton and the Rise of Wal-Mart

Perhaps no modern day businessman exemplifies lifelong learning better than Sam Walton. Originally a small-town merchant, he became one of the richest men in business history. He rose from rural poverty to business triumph as he created the world's largest discount chain. Today there are over 3,000 Wal-Marts worldwide.

After returning from a stint in the military during World War II, Walton bought a Ben Franklin five-and-dime store in Arkansas. Within three years, the store was bringing in double what it had when he bought it. Almost immediately, Walton realized the value of volume sales. Within six years, Walton's Ben Franklin was the most profitable in a six-state region. Next, he bought another Ben Franklin, and another, until he had six. Then, in 1962, he opened his own discount store, the first Wal-Mart. By 1979, there were 230 stores.

Walton didn't stop with Wal-Mart. He took note of a new wholesale format, pioneered by a California retailer, Sol Price's Price Club, and added Sam's Club to his retail empire. By the time he died, Walton was the richest man in the United States.

Seize the Moment

At some point on the way up the arc of ambition, a moment will come when opportunity stares you in the face. The action you take at that moment determines whether you will succeed or be left with just your dreams. To seize the moment, you must be prepared. Hard work in preparation for that moment is what can fix the odds in your favor.

Consider the case of Thomas Jefferson. In 1803 he was the president of a fledgling republic with no power, little cash and few prospects. Nonetheless, he had a vision of a great country. When opportunity presented itself in the form of an offer from Napoleon to purchase the Louisiana territory, he seized the moment and bought the land. With that purchase, Jefferson set the stage for the growth of a great nation.

You won't recognize opportunity unless you obtain the proper knowledge. Knowledge can even turn what would otherwise be foolish risks into acceptable opportunities. With knowledge, what may seem like foolhardy risks to others may actually be calculated and measured risks to someone prepared.

Timing is crucial when it comes to seizing opportunities. You can't seize the right opportunity at the wrong moment, nor will the opportunity hang around while you dither for the right moment. When daring is augmented by a shrewd sense of timing and a vision unseen by others, ambition flourishes. Business is risky, but if you are to make your vision a reality, you must take action when an opportunity dangles before your eyes.

Ambitious Achievers Make Their Own Breaks

Sometimes opportunity doesn't appear out of nowhere. You must seek it out, creating your own break. Consider Ray Kroc, the moving force behind fast food giant McDonald's. He didn't create the first McDonald's, but he did recognize its promise when he saw it. When he heard about a new kind of restaurant that had just opened in Pasadena, California, he immediately went to check it out. What he found was a clean restaurant with fast-moving lines and very satisfied customers. Visions of McDonald's restaurants dotting the country paraded through his head. Within a week, he was the owners' national franchise agent. Like many other ambitious achievers, he thought big when others thought small. He spotted a trend.

Trend spotting is another skill you can develop. It is a talent best honed by constant focus on new developments, sustained by a zest for catching the next wave early. In other words, you must develop a knack for being active, engaged and a master of what's happening. Achievers learn to use sharp senses to spot opportunity-laden trends.

To develop your sense for what will be the next new thing, you must be out in the world, ear to the ground, nose to the wind, eyes and mind open to signs of what millions will care and talk about before they know they will. Train yourself to listen and watch and then act on what you see and hear. ■

Trend-master Ted Turner

Ted Turner is probably the greatest trend spotter of our age. After taking over his father's failing outdoor sign business, he started buying radio stations. Then he moved on to television. After buying first one, then a second station, he began negotiating a satellite hook-up with RCA. At that time, cable television was still in its infancy. When the Atlanta Braves came up for sale at a bargain price, he bought them, figuring he could use his stations to broadcast games.

In the late 1970s three television networks still controlled about 90 percent of the market. Ted Turner sensed that the nature of the family was changing. Soon, he reasoned, mom, dad and the kids would not be gathered around the television for the evening news. Their active lifestyle would require that news be delivered when they could see it, not on a network's schedule. On June 1, 1980, he launched the Cable News Network. By 1981, CNN was reaching 10 million homes. Today, CNN dominates broadcast news and is seen in 210 countries.

Next, Turner launched Turner Network Television (TNT). He planned to show movies anytime and all the time. By 1996, Turner was able to sell TNT to Time Warner, making him one of the 50 richest people in the United States.

Temper Ambition

Is there such a thing as too much ambition? Many would say that the answer certainly is yes, that unbridled, unmitigated ambition can lead to folly of historic magnitude. The ability to walk a high wire — to risk all without failing — is rare in business. You must master your own limitations, learning to be neither cowed nor seduced by heady opportunities. Don't begin believing you are invincible or you may pay a huge price for self-delusion.

A startup business must be propelled by its founder's ambition, imagination and force of ego. But it can't survive unless you pay attention to the nuts and bolts of everyday operations. Business is grounded in reality. Ambitious business leaders get in trouble when they tell their employees to get results and then don't monitor

(continued on page 6)

Temper Ambition

(continued from page 5)

how those results are obtained.

Perhaps you dream of spectacular growth for your enterprise. This is the time your rise up and over the arc of ambition may be most tenuous. You need realism and discipline during times of giddy growth. We all want it: more money, more power, more pleasure. But growth has real limits. In business, growth also brings bureaucracy. In the end, a nimble upstart one-tenth your size may prove your undoing.

Dream-Killing Realities

Achievers are at risk of drowning in egotism. They tend to be gifted, dynamic people who have in some measure earned their large egos. But an overactive ego can kill dreams. You must devise a checklist of dream-killing realities if you intend to stay at or near the top of the arc of ambition. Your checklist should include the following:

✓ **Time.** There are only so many hours in the day, and decisions made after 48 sleepless hours are rarely solid ones. Recognize that time will limit you, and work within reasonable time limitations.

✓ **Talent.** You must become adept at identifying other people with talent. If you refuse to delegate work to others, you will find yourself stretched too thin, and things will slip through the cracks.

✓ **Momentum.** Be aware that when you reach the top you may lose momentum. Maintain an enthusiastic outlook.

✓ **Risk.** Don't expect to dominate your field forever. You are always at risk that someone with a better idea or better follow through will catch and surpass you. ■

Ambition Undone by Greed

Two years after he led Republicans to a sweeping victory in the House of Representatives, Newt Gingrich was forced to resign from his position as Speaker of the House. Why? In large part, because he let ambition and power get the best of him. Shortly after he was made to exit Air Force One by the back door rather than the front, he shut down the government during a budget impasse. The childish stunt led to his fall from grace. Gingrich, of course, is not the only recent politician undone by hubris while at the pinnacle of the arc of ambition. President Clinton may not fare well in history after his affair with a young woman half his age.

Making a Business of Respect

There is probably no more public example of someone who has focused on the environment than Tom Chappell. His "Tom's of Maine" line of products, including everything from soap to toothpaste, contain no ingredients that can damage the environment. Chappell founded his company on the belief that people and nature deserve respect. In framing his greater purpose and imbuing the company with a sense of his mission, he has strengthened both the organization and its ties to him as the founder.

Inspire with a Greater Purpose

People who reach exceptional heights usually share a sense of a clear goal, a compelling purpose that serves as true north. The most satisfying purpose goes beyond making money and toward a quest for a higher good. A "right" purpose can lead you to an enriched life, as it galvanizes many people working together for a vital cause that gives all of them a sense of meaning.

The need for meaning drives every human to create, to build, to pursue achievement. A worthy cause holds enormous appeal. Many great achievers have viewed their goals as a calling and pursued them with a sense of mission. However, your purpose need not be extravagant or all encompassing to be meaningful. Your gift to the world might well be an honest car dealership or a reliable hardware store.

> ***The need for meaning drives every human to create, to build, to pursue achievement.***

A purposeful ambition will survive even great hardship, whereas a less purposeful one will quickly die. There are eight practical ways that you can elevate your ambitions to a higher purpose. They are:

- ✓ **Achieve excellence in whatever you do.**
- ✓ **Create great value.**
- ✓ **Empower the individual.**
- ✓ **Improve the human condition.**
- ✓ **Create fun and pleasure.**
- ✓ **Invent the future.**
- ✓ **Use profits for the public good.**
- ✓ **Improve the environment.**

If you emulate successful businesspeople, politicians and other ambitious achievers who stay true to their chosen path, you will be imbued with a sense of purpose. This sense of purpose can take the form of financial support for the environment, culture or education. ■

Never Violate Values

Compromise is bad for ambition. You will inevitably face right versus wrong choices. The right decision may even be costly, the wrong one easy. But your integrity is too precious to squander on short-term gains. When you violate moral or ethical values you say you believe in, you are headed for a slippery slope, sliding from bad to worse.

The strength of long-held moral values prompts right actions even when one might least expect it. Consider the case of Floyd Mann and Congressman John R. Lewis. During the height of the civil rights movement, Lewis arrived in Montgomery, Alabama, as a "freedom rider." Mann, who was the state's public safety commissioner, and a staunch segregationist, accompanied the riders.

When the freedom riders got off their bus, an angry white crowd greeted them. Lewis and a fellow rider were knocked unconscious. Mann, the dedicated segregationist who had sworn to keep order, did just that. He marched into the angry mob and demanded they stop, probably saving the men's lives. He did so because of his strong conviction for the rule of law.

Strong values can help establish business purposes by ensuring customers are treated fairly. Your reward, of course, is that you earn their loyalty. One excellent way to establish strong business values is to develop a company code of conduct or other statement of values.

Not an Abstract Exercise

Dealing with ethical values is not an abstract exercise. What do you do, for instance, if a valued employee is caught taking favors from a vendor looking for more business? Doing the right thing at a high cost is a task worthy of Solomon, but you must do it. What you preserve is far more valuable than the employee you fire for violating company rules. What you preserve is the company's image and reputation.

Unparalleled integrity is not at odds with success. Rather, you will find that as your reputation for strength of character becomes common knowledge, others will flock to your side, sometimes from unexpected places. But remember that even highly principled people sometimes make a wrong turn. If you do, be assured that correcting it can still yield a positive outcome. An example of a wrong turn later corrected is Intel's initial decision to ignore a minor "bug" in a new computer chip. Although the flaw would affect very few computer users, when the word got out there was pandemonium. Intel did an about-face and offered to replace the chip for anyone who wanted a new one. It was expensive, but in the end it was the right decision. ■

Keep Control by Giving It Up

Clinging to power is a temptation that is hard to resist. Yet, sharing power is the only way to open an enterprise to its full growth potential. Replacing autocracy with partnership releases human potential. Remember that your power derives mainly from being able to inspire others. Don't assume that no one else can match your own ambition, competence or vision.

Make sure your advisors are honest, independent and perhaps even smarter than you. Condition them to tell you what you need to learn, not what you want to hear. But never let them forget that you are the person who is ultimately responsible for the toughest decisions.

Micromanaging Is Not Possible

From a practical point of view, it is simply not possible for you to run a complex company by micromanaging it from behind your executive desk. It may sometimes seem that autocracy pays off, but that is true only in the short term. If you are cold-blooded enough, you can terrify people into doing anything you demand of them, but tyrants, political or corporate, will eventually become so isolated that they are incapable of seeing reality. When that happens, their arcs of ambition inevitably curve south.

What you need is to be surrounded by people doing their best to achieve their goals — and yours. By challenging people with ever more responsibility and rewarding them with ever more praise, the ambitious leader can instill the kind of loyalty that empowers a work force. In fact, at a certain level, sharing control can transform the way people perceive their jobs. They sense that their fate is linked with the company's fate, which itself is entwined with the arc of ambition of their leader.

In fact, no leader of a company can ever have enough creativity, knowledge and time to make the right decisions alone. Your survival depends on sowing and reaping the brilliant work of others. By sacrificing the appearance of power, you achieve the substance — the real reward — of power. ■

Dreams and Ambitions

To attract the best, you must create conditions that allow them to pursue their own dreams and ambitions. Treat them as people free to pursue their most compelling ideas. You must recognize that a healthy balance of freedom and control sets the stage for peak accomplishment. The truth is that sharing power unleashes a new level of performance for everyone. When you enter into partnership with your key people, you will quickly discover that the whole is greater than the sum of its parts.

Change or Die

Knowing how and when to react to events is the secret to changing things for the better. The idea that you can do business at your own pace is a fantasy. Consider what would happen if you set up shop in an isolated village in Vermont serving only the local population. Suddenly a developer creates a lavish ski resort for thirty-something investment bankers. How do you save yourself? Perhaps the answer is to leave town. Or maybe you reinvent yourself as an epicurean or antiques emporium. But one thing is certain; you will have to change. Business is constantly changing whether you want it to or not. When you face tough competition, the answer is not to declare defeat, but to reorganize.

However, before you can meet the competition, you have to know what is out there. That means you must always be alert to the world outside your organization's walls. It isn't easy to know both when and how to face a challenge to your dominance in the market. You must become adept at "sensing," meaning adept at spotting trends and seizing opportunities ahead of your competitors. Thus, you become neither a victim of change nor a victim of tradition.

A more frequent challenge for an ambitious person is coping with defeat. When that happens and you fall from grace, you shouldn't assume that you have to get back in the saddle immediately. You may need time to weigh what happened and learn from your mistakes. A measured approach is the best way to increase the chances that your next attempt will succeed.

Change When Things Are Going Well

Sometimes the time for change is when things are going well. Consider the case of Sealed Air Corporation, the original patent holder for Bubble Wrap® wrapping and shipping paper. Given that the patent protected Sealed Air from competition, the company was in danger of becoming complacent. When they were still five years from the expiration of their patent, Sealed Air concluded a radical change was needed to inspire and transform the work force. Competition was inevitable in the future.

The CEO borrowed a large sum of money and paid it out as a one-time dividend to shareholders. He also dramatically increased employee stock ownership. It worked like a charm. By creating a controlled crisis (a huge debt load that required cost-cutting and productivity improvement to pay down), the company remained profitable and business boomed.

Sometimes you simply have to accept change and move ahead without regrets. If you can learn to fashion something constructive out of adversity, you will keep moving along your arc of ambition. ■

Leave Gracefully

Although few of us like to talk about it, we are not immortal. The same goes for our time as leaders. A graceful exit while at the peak of the arc of ambition is preferable to a quick slide down from the top.

A 1944 *Life Magazine* photograph captured for all time the way not to exit from the pinnacle of success. The photo depicts two military policemen hoisting a large executive chair and its occupant up in the air. Sewell Avery, then the deposed leader of Montgomery Ward, was sitting grimly in his chair as he was carried away. The military police were there because Avery had refused to obey a military wartime directive to sign a union contract. President Roosevelt ordered the U.S. Army to take over the company — minus Avery!

On the other hand, some business leaders have the sense to exit gracefully but never really leave. Sam Walton, for example, spent his retirement years cheerleading those he left in charge of his empire.

Unfortunately, some leaders not only don't leave gracefully, but they manage to sabotage the next generation. They do this by either not leaving at all or by making sure that what the next leaders need to know isn't passed on.

Those who leave while still in control are far more likely to leave a lasting legacy than those who have to be carried out. Decide how you want to exit, and when the time comes, go gracefully.

One of the most spectacular examples of a graceful exit is that of Andrew Carnegie. On the arc of ambition, he conceived and carried out his extraordinary achievements—to first get rich, then do good. He seized the moment to leave gracefully when opportunity presented itself in the form of a multimillion-dollar buyout offer from J.P. Morgan. He knew precisely when to fold his cards and pocket his winnings. But rather than spend his millions on a summer mansion, a luxurious yacht or a profligate social life, Carnegie lavished his wealth on plans and projects for the common good. Among the many millions he donated to every aspect of human betterment was $30 million to various universities, $56 million to building more than 2,500 libraries in the U.S. and Great Britain, and $125 million to launch the pioneering Carnegie Foundation.

To be sure, few will reach the extraordinary heights of an Andrew Carnegie. But by following the principles outlined here, everyone can increase his or her chances of ascending to the peak of the arc of ambition. ■

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The Art and Discipline of Strategic Leadership

Mike Freedman

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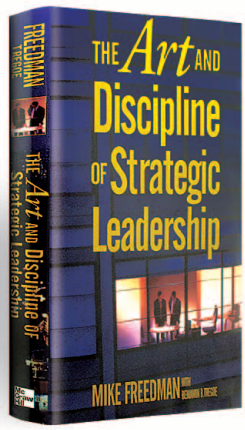

By Mike Freedman
with Benjamin B. Tregoe

Drive Breakthrough Strategic Thinking Throughout Every Level of Your Organization

THE ART AND DISCIPLINE OF STRATEGIC LEADERSHIP

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THE SUMMARY IN BRIEF

In the 21st Century it is more critical than ever that CEOs provide clear strategic leadership. In the ever-changing business landscape leaders must master both the art of strategy creation and formulation and the discipline of strategy implementation and review. Mike Freedman presents the Kepner-Tregoe five-phase model for strategy formulation and implementation to show how your company can develop a strategic vision and action plan, communicate the vision, implement it, and monitor it to ensure ongoing success.

What You'll Learn In This Summary

✓ **How to use** The Enterprise Model to examine your company's external and internal environments before embarking on a strategic journey.

✓ **How to gather and analyze** the appropriate strategic intelligence to direct your company to a sound strategy.

✓ **How to formulate a strategic profile** using analysis, time frame, basic beliefs and your company's Driving Force.

✓**How to determine whether your company is ready for implementation.**

✓**How to develop a strategic Master Project Plan** for implementation of the strategic vision.

✓ **How to monitor and update your formulation and implementation process** so that your strategy remains evergreen.

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THE ART AND DISCIPLINE OF STRATEGIC LEADERSHIP

by Mike Freedman with Benjamin B. Tregoe

— THE *COMPLETE* SUMMARY

Beyond Vision

Everyone throws around the word strategy, but what does it really mean? Freedman defines it as the **framework of choices that determine the nature and direction of an organization.**

A **Framework** establishes the boundaries and scope of the business activity.

The **Choices** are about the products and services provided, the markets served, and the key capabilities needed.

The **Nature** of the organization is what exemplifies it and describes its character. Like Intel's "chips" and McDonald's "fast food chains," nature gives strategic coherence to decision-making and communications.

Direction is the organization's future course determined by choices about future products and services, future customers and future markets.

Also understand what strategy is not. A decision is not strategic simply because it is long-term, or involves a multi-million dollar expenditure. These decisions can be made within the strategic framework, but only decisions that change the framework are strategic.

Critical Aspects

There are three critical aspects to a strategy:

- A strategic vision must be **based on facts, informed assumptions and the best-possible what-if thinking**.
- The vision must be **communicated throughout the organization** to clarify and align the role of every strategically critical player and process.
- The vision must be **monitored** to ensure continued strength, agility and relevance.

Recent strategic thinking has been weakened by dot.com-fueled fear of failure or the desire to appease Wall Street analysts. When weak strategies fail, some assume strategy is irrelevant or unnecessary. In fact, a company without a coherent strategy is particularly vulnerable in these times, as is any company that has a clear direction but poor implementation.

Strategy requires the art of creativity to fashion a vision and the discipline to direct thought processes and execution. Discipline turns vision into reality. Executives must proactively create a strategy instead of succumbing to a default strategy that was inherited, stumbled into, or borrowed from a competitor. Lack of a clear strategy subjects your organization to competitor, shareholder and employee threats. ■

For Additional Information on threats of a default strategy, go to: http://my.summary.com

Preparing for Strategic Leadership

How Does Strategy Begin?

All strategic leadership starts with the chief executive, and in order to succeed, he or she must understand the playing field. The Enterprise Model developed by Alan Brache in *How Organizations Work: Taking a Holistic Approach to Enterprise Health* presents a full picture of the organization and the impacts on its strategy. [Editor's note: see Soundview Summary #24-17, *How Organizations Work*.]

The model demonstrates the organization's place in the value chain, external and internal influences, and its leadership capabilities before developing a strategy. Once the strategy is set, success relies on the issue resolution systems that will implement the strategy. A chief executive must fully understand each area and how it will affect and be affected by strategy.

The Strategy Process

Today's volatile world and marketplace require a

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Preparing for Strategic Leadership

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robust process to guide strategy formulation and implementation. To formulate strategy, a CEO should concentrate on the following issues:

● Strategy is built around the **answers to a few vital and specific questions**, not from the masses of data typically drawn up by consultants. Executives should know the answers to these questions; they just have to be honest and thoughtful about them.

● **Process-based questions yield better strategy than narrow, content-driven questions.** Consider the utility of these content questions. When should we enter the sub-Saharan marketplace? Which of those countries should we enter first?

Now consider process questions. Should we pursue growth through entering new geographic markets in Africa? What criteria should we use for selecting new markets? Does the sub-Saharan market meet our criteria better than other alternatives? The second group of questions uses a rational process to resolve the issue through a logical sequence of gathering, organizing and analyzing information.

● The **skill and commitment of the top team** is key to the success of strategy formulation and implementation. The rational process and tough questions allow everyone to use the same language and disengage from personal agendas and politics.

The Five Phases

In addition to the considerations above, there are five phases of strategy formulation and implementation processes that will be explored in the rest of the summary. These five phases are:

1. Strategic Intelligence Gathering and Analysis.
2. Strategy Formulation.
3. Strategic Master Project Planning.
4. Strategy Implementation.
5. Strategy Monitoring, Reviewing and Updating. ■

For Additional Information on the Nine Questions for Constructing the Strategy Framework, go to: http://my.summary.com

Phase 1: Strategic Intelligence Gathering and Analysis

Executives often gather reams of data to help formulate a strategy, but the data are only representative of the past and present. They say nothing about the future. With so much raw data available today, it is difficult to discern what is relevant and not get sidetracked by minutiae and research for the sake of research. But even the right data is not useful if you do not use it to make judgments about the future. You only need enough data to **find implications of trends and assumptions for your own business**.

The team must ask universal questions that explain the past and present and look to the future. Examine broad areas of your external environment that are out of the organization's control: **trends in the economy, society, government, politics and technology that could affect your business.** Then identify key players in your current value chain: your **major customers, purchasers and end users**. What trends are likely in your **supplier base**? What is the **overall competitive scenario** in the structure of the industry's value chain? What are the **essential requirements for success** for any organization in the industry, and how do you measure up?

Find other clues to the future by looking at your company's internal environment: When have you been **successful or unsuccessful** with products and services, customers or end users, or in various geographic markets? What was the cause? Questions about past internal strategy processes will also help: What basic **beliefs or values** affect organizational culture and strategic behavior? What is your **strategic history**? What are the **expectations of your various stakeholders**? What are expectations for **growth and return**? How well have you **implemented previous strategies**, and do your **business plans and annual budgets** reflect your strategy? Do you have a **review process** for your strategy?

These questions determine which data are strategically relevant. Your team will now move from information to judgment to strategic insight. You will develop a set of commonly held assumptions about the external and internal environments that the company will operate in over its strategic time frame and the implications for your company. Assumptions, or general knowledge, should be distinguished from implications, which are the insight into the effect on your organization. This process is inherently iterative and will take a lot of work; however, if done well it will provide a solid foundation for the remaining four steps of strategy formulation and implementation. ■

Phase 2: Strategy Formulation

Strategy formulation begins with the company's **strategic time frame and basic beliefs**. Time frame and basic beliefs will help determine how to guide the organization, define and strengthen your competitive advantage, recognize which key capabilities you need, allocate scarce resources, determine direction and scope for growth and new business, and plan expectations for return and profit.

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Overview of Gathering and Analyzing Strategic Intelligence

1. Gather accurate data, focusing on vital questions not masses of information.
2. Distill data into a manageable quantity and identify common themes.
3. Analyze and agree on the meaning of the information presented.
4. Make judgments based on environmental assumptions and implications.
5. Analyze potential problems and opportunities.
6. Evaluate the validity of assumptions and implications.

Strategy Formulation

(continued from page 3)

All goals must have an endpoint to create a sense of urgency for accomplishment. Your **time frame should be determined by your individual organization and the forces that affect it** — from macroeconomic trends to emerging regulatory concerns to your value chain's timetable. The strategic time frame is not the same as the time period for long-range planning activities, which are often arbitrary and determined by accounting and shareholder expectation.

Basic beliefs are deeply held tenets, creeds, convictions or persuasions that provide the social cohesion of organizations. They set boundaries for day-to-day decision-making, reinforce strategic unity, and set a standard for performance and accountability. Basic beliefs must be defined during the strategic intelligence phase and returned to throughout the process. Identify beliefs by considering where they came from, how they are articulated and demonstrated, how new beliefs become implemented and accepted, and the desired nature of your company's relationship with its stakeholders. Beliefs are meaningless unless they support your strategy. They are not just nice to have, they explain how an organization conducts its everyday business, and they align communications, culture and practices with strategic vision.

Driving Force

Freedman coined the phrase **Driving Force** with his colleagues at Kepner-Tregoe. It is **"the primary determinant of the products and services an organization will and will not offer and the markets (customers, consumers and geographies) it will and will not serve."** It expresses the essence of what your business is about. You will need the Driving Force to provide the focus for your competitive advantage, the scope of your products and markets, key capabilities and communications systems. It is also a filter for new growth opportunities and a guide for phasing out non-strategic business areas. After establishing a time frame and basic beliefs, you will brainstorm alternative strategic visions for consideration based on one of the eight Driving Forces at the core of all strategies.

Three of the Driving Forces are quite common. Companies with a **Products/Services Offered** Driving Force provide a limited range of products to an unlimited market, such as Rolex and Toys R Us. **Markets Served** companies provide an expanding group of products to a specific market, such as Dunhil and Nike. **Return/Profit** companies, such as General Electric, focus primarily on increasing financial returns.

The other driving forces are **Low-Cost Production** (eg. commodity companies), **Technology** (eg. Cisco and GoreTex), **Natural Resources** (eg. oil companies), **Method of Sale/Distribution** (eg. express mail delivery companies), and **Operations Capability** (eg. printing and metal fabricating companies).

Choosing the optimum Driving Force for your company will be one of your most important decisions. It is an intense and demanding job that will determine your organization's competitive advantage and the key capa-

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Finding the Driving Force Of Hallmark International

Sales for Hallmark International, the half-billion dollar global subsidiary of Hallmark Cards, Inc. were slumping. One reason was that the global company kept trying to emulate the driving force of its U.S. parent, which had the characteristics of a Market Served organization — it offered its mostly female, middle aged, middle of the road clientele greeting cards, television miniseries, inspirational posters, a chain of portrait studios in the malls and even the Crayola crayons.

Hallmark International tried to base its strategy on the Markets Served Driving Force, but its diverse, multi-national client base didn't respond. The Method of Distribution Driving Force, based on the success of the U.S. parent's distribution network, was also considered — but company executives thought Hallmark Card's success would be difficult to emulate.

Finally, Hallmark International settled on the Products Offered Driving Force, which focused on greeting cards and very closely related products. The decision played to Hallmark International's strength: meeting customer needs for greetings, expressing care and building relationships.

Strategy Formulation

(continued from page 4)

bilities required to capitalize on it. Your team must determine a ranked set of objectives for the company and use a well-defined process to develop and articulate future strategic visions for several Driving Forces. Discuss how well each Driving Force fits the prioritized goals, and choose the right one to propel your company toward unity and purpose.

Completing the Roadmap: Thrust and Priorities

Now use the Driving Force to determine an actionable plan to drive the company's product and market momentum. Your team must envision its future business in terms of the thrust and priorities for growth and new business, and then outline specific products to be offered and markets to be served.

Companies can rarely venture into entirely new products and new markets at the same time and still maintain their Driving Forces (see box at right). The exception is the Return/Profit driven company where the only constraints are financial. A Products Offered company, such as a carmaker, will generally remain with current or modified products instead of completely new products, but may enter new markets. A Markets Served company, such as *Playboy,* will offer modified and new products, but stay in its current market. If there is a relatively risk-free and potentially profitable way to head in both directions, the strategy team should make it clear that this venture is outside the core business. Fully exploiting the current product in the current market is often overlooked in pursuit of more exciting options, but it can be an excellent source of growth.

After clarifying the company's products and markets, the team establishes the financial goals it expects from the strategy. Only a purely Return/Profit company has financial goals as its prime motive behind strategy. For other companies, financial success should be an *output* of strategy, not a motivator. Financial goals should be expressed through specific parameters like ROI, profit targets, cash flow requirements, as well as through general parameters like increased revenue and improved year over year performance. These are not financial plans or projections, but goals describing an ideal future.

The Product/Market Matrix

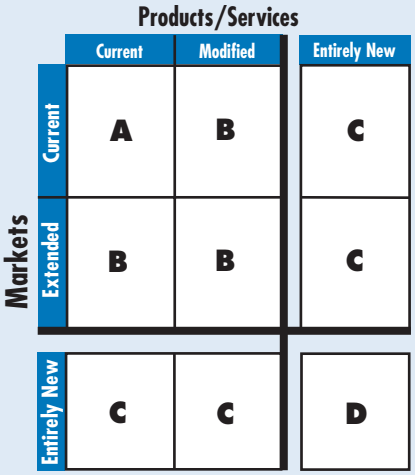
Now it is time to create the Product/Market Matrix as a roadmap to achieve the strategic vision. This matrix (see example on following page) is a robust tool that allows you to manage strategy by determining relative emphasis of each product/market combination and showing you how to allocate scarce resources to exploit competitive advantage. There are four steps to create the matrix.

- **Segment Products and Markets** — Use the Driving Force to segment products and markets into strategic categories that share a natural synergy. Place all current and potential products and markets that are consistent with the strategy along the two axes.
- **Determine Criteria for Emphasis** — Using previous strategic intelligence gathering, Driving Force, competitive advantage and key capabilities, basic beliefs, and initial financial targets, establish criteria for assessing the relative role for each product/market combination, or cell in the Matrix.
- **Assess Each Cell** — Use the established criteria to conduct a small-scale decision analysis on the future activity for each cell that reflects the contribution to the strategic intent. Determine the future degree of emphasis (Low, Medium, High) and the type of emphasis (Develop, Sustain, Opportunistic, Monitor, Explore, Phase Down) needed to achieve the ideal future.
- **Review Matrix and Strategy** — This is an iterative process, and most companies find they have too many "High" and "Develop" types of emphasis cells. The team must review and rework to obtain a real action plan rather than an unobtainable wish list.

At this point the team will have gathered so much information, it is time to stop and articulate a strategic profile using all of the information, judgments and implications developed so far. It will allow the team to effectively get to the nitty-gritty of implementation. The CEO must also take time to consider the team and how it is working. Do roles have to be changed? Does the team need more support? ■

Thrust for Growth and New Business: Priorities

Each strategic Rubicon separates current and modified products from entirely new products, and current and extended markets from entirely new markets. Determining the organization's exact thrust for growth and new business lies in the priority assigned to each of the four to six boxes the company will pursue.



A Every organization has current markets and products. Companies should seek to maximize opportunities in this area before venturing further.

B Most organizations will pursue current and modified products, and/or current and extended markets, early in the strategic period.

C Many organizations will eventually aspire to address either products/services entirely new to them, or entirely new markets.

D Few organizations will be able to take new products to new markets.

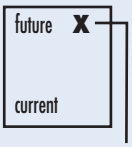
For Additional Information on how to build the Product/Market Matrix, go to: http://my.summary.com

Example of a Product/Market Matrix

Current Markets			Current Products: Alcohol – Beer	Alcohol – Wine	Alcohol – Spirits	Sodas – Coke Clones	Sodas – Others	Juices – Organic	Juices – Standard	Modified Products: Coffee, Tea, Milk	Entirely New Products: Non-beverage, Nuts, Chips, Pretzels, Cookies	Total Overall Customer Emphasis
Retailers	Supermarkets		H D M	H D M	L PD M	M S M	L S L	H D L	L M	O E O	L D O	H M
	Specialty		H S H	M D L	M S M	L S L	L S L	M D O	L L	O E O	L D O	M M
	Corner Shops		N/A	N/A	N/A	L PD M	L S L	L D O	L L	O E O	L D O	L L
Pubs	Chains		H H	H D M	M PD H	M S M	L S L	L D O	L PD M	M D O	L D O	H M
	Independents		H H	H D M	M PD H	M S M	L S L	L D O	L PD M	M D O	L D O	M M
Government	Educational Establishments		N/A	N/A	N/A	L PD M	L PD M	L H	L PD M	L E O	O E O	L M
	Hospitals		L S L	M D L	O PD L	L S L	L S L	H D L	L PD M	H D M	O E O	M L
	Retirement Homes		L S L	M D L	L S L	L S L	L S L	H D L	L PD M	M D H	M O	M L
Total Overall Product Emphasis			H H	H M	M H	L M	L L	H L	L M	M O	L O	

KEY

Degree of Emphasis
- **H** = High
- **M** = Medium
- **L** = Low
- **N/A** = Not applicable, e.g., lipstick to men
- **O** = Choose not to pursue at this time



Type of Emphasis
- **D** = Develop
- **S** = Sustain current effort
- **OPP** = Opportunistic
- **M** = Monitor
- **E** = Explore
- **PD** = Phase Down

Phase 3: Strategic Master Project Planning

Reluctance or incompetence in crafting a process for implementing strategic change is the most reliable predictor of failure. Every corner of the organization must change, so strategy implementation should be built into the work of the entire organization. The scheduling, resourcing and sequencing of project management are familiar to us all, but the Strategic Master Project Plan has the following distinguishing characteristics:

- All projects in the Plan flow **directly from the strategy**.
- Plan includes a considerable number of **diverse projects**.
- Plan requires the **disciplined prioritization** of initiatives.
- There is enterprise-wide adoption of **common project management language and methodology**.
- Plan includes **disciplined approach** to project management methodology.
- Success depends on discipline, commitment and active support of entire top team.

The purpose of the Strategic Master Project Plan is to assess the necessary strategic initiatives, integrate the existing operation projects, identify which projects must be accomplished first, and create an overall system that keeps implementation in line with the strategic vision.

The projects that address the **critical issues** discussed above are of highest priority. The team then looks at the **strategic profile** and determines the difference between the organization's current state and the ideal. The strategic profile developed in Phase 2 consists of the Product/Market Matrix; competitive advantage; key capabilities; basic beliefs; strategic intelligence gaps; functional, divisional or business unit strategies; and potential mergers, acquisitions or joint ventures. **Existing key projects** such as moving headquarters or upgrading a telephone system must be considered in the way they affect the organization's ability to implement strategy. Finally, the top team should use the **Enterprise Model** as a diagnostic tool for determining affect of strategy on the organization as a whole. For each component of the Model ask, "How do we compare with our strategy ideal for this component?"

By drawing on these four sources, the top team gathers a potential pool of projects for the Strategic Master Project Plan, and then prioritizes them based on impact and urgency of their results. By using the strategic criteria they develop an optimal portfolio of projects that can be accomplished within the constraints of available resources. As organizational capacity and resources become available, more projects can be added to the portfolio.

Once the portfolio is determined, the top team must

(continued on page 7)

Common Implementation Pitfalls

- ✓ **Strategic inertia** or not getting started.
- ✓ **Lack of stakeholder commitment** to the vision.
- ✓ **Strategic drift**, or not focusing on the destination.
- ✓ **Strategic dilution** where things are moving, but it's not clear who's driving.
- ✓ **Strategic isolation** where things are happening, but no one communicates.
- ✓ **Failure to understand progress** or know where you are on the journey.
- ✓ **Initiative fatigue** when things are happening, but nothing gets done.
- ✓ **Impatience** for immediate change.
- ✓ **Not celebrating success** and rewarding progress.

Strategic Master Project Planning

(continued from page 6)

set the foundation for the best possible execution. They must choose a **single systematic process that defines project management discipline**. It needs robust tools for resource planning, scheduling and monitoring, and should also **make time for the people side of project management**, including communication, motivation, and time management and balance. The **strategy formulation team must have its own management structure** with the systems to support it, including stewardship and support from the top team and a well-funded support office dedicated to the implementation. The **top team also devotes ongoing effort to monitor and manage** the success of the overall Plan, including reviewing the portfolio and managing employee behavior. ■

For Additional Information on typical roadblocks of Strategic Master Project Planning, go to: http://my.summary.com

Phase 4: Strategy Implementation

Aligning the Infrastructure

The fourth strategic phase is implementation. Though all Strategic Master Project Plans are different, they do have some common traits that are so important that they must be regularly reviewed and realigned with the strategic intent when necessary.

Organization Structure: When approaching implementation, first examine the current structure. If it promotes implementation, leave it alone. If it doesn't, use the Driving Force to suggest a different structure. A Products Offered company will most likely consider a structure reflecting its major product categories. Most importantly, the selection criteria for structure must be rooted in the strategic vision.

Strategic Information Management: Companies expect their capacity to gather and synthesize information to play a crucial role in success, but the analysis and dissemination of critical strategic information must be built into the implementation plan. The Driving Force will determine the most important strategic information needs, such as a Markets Served Driving Force company that will need data on demographics and related trends.

Complexity: Because CEOs don't like to say no and companies try to be all things to all people, there is a lot of unnecessary complexity in companies. Strategy teams must ferret out any organizational complexity that will cripple implementation.

Aligning Strategy, Culture and Performance

Ignoring the "soft" or human side of implementation jeopardizes your strategic goals from the outset. There is a direct line of sight from strategy to culture to performance, and then on to business results. Freedman and Tregoe define culture as **"the combined effect of behaviors, values, heritage, thinking and relationships and the way these are embedded in an organization and its performance."**

Culture: To align strategy and culture, leadership must address both the explicitly expressed values and behaviors and the latent elements hidden in the organization's subconscious, with a focus on those culture elements that have remained unchallenged for years. Basic beliefs are key to setting strategy, but without leadership they don't define or create a strategic culture.

Performance: Consider the extent to which the strategy and its supporting culture are embedded in the way your organization directs, manages and rewards its people? How does your organization produce behavior from employees that are directed toward achievement of a specific goal? How are people rewarded and encouraged to behave? It is also important to align the performance system with the strategy, so people are encouraged to pursue the strategic dimension of their jobs and receive negative consequences when they ignore them.

Communicating Strategy

Failure to communicate the strategy throughout the ranks is a death sentence for implementation. There are many stakeholders involved when a new strategy is implemented — employees, unions, analysts, shareholders — and all of them have their own biases and preconceptions about a new strategy. They will ultimately

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Strategy Implementation

(continued from page 7)

respect a strategy that shows clear direction and purpose, because they will have important roles in its future.

Communicating strategy promotes ownership and gives people a reason to support the implementation. Stakeholders can also be an important feedback source when they understand the strategy. Communication translates the big-picture vision into specific expectations from individuals and groups, and helps to motivate and get people committed to change. When communication is implemented properly every internal and external stakeholder will know **"what does this mean to me?"** Finally, proper communication changes behavior, because strategy informs the processes of setting goals, developing job descriptions, managing projects.

When the top team sets out to communicate the plan they must explain the strategic profile and Strategic Master Project Plan to the internal or external professionals who will execute the plan. They must know the nature of each audience and the appropriate message. For instance, communication about the company's thrust for growth and business will be communicated differently to middle managers, plant workers and investment bankers.

Communications should begin early to quiet rumors and reassure employees, and the top team should shoulder the responsibility. When communicating with a specific audience, they should stick together and remember to communicate face-to-face as much as possible, involve the supervisor closest to the target audience, listen as well as talk, skip the dazzle and focus on the message, engage the audience, and connect every message with an action or plan to be implemented. People will watch closely for congruence between actions and words, but if communication is built into the Strategic Master Project and used effectively, it is invaluable for driving the changes in culture and individual performance that make implementation possible. ■

For Additional Information about constructing a Communications Matrix, go to http://my.summary.com

Components of the Communications Plan

- ✓ Strategic message
- ✓ Means of testing the listener's understanding of the strategic message
- ✓ Understanding of the costs
- ✓ Schedule for releasing information and obtaining feedback
- ✓ Evidence of top management's direct involvement
- ✓ Built-in feedback mechanism

Phase 5: Strategy Monitoring, Reviewing and Updating

The final phase of the strategy process asks the top team to keep the strategy "evergreen" by asking what could go differently than anticipated, how will you know if it occurs, and what will you do when it occurs.

Monitoring: The top team monitors both the continuing viability of the strategy and its implementation. They review how well the company is implementing the projects in the Strategic Master Project Plan. Is strategy driving the decisions made in your company, or are managerial "lone rangers" operating independently of strategic imperatives? Leadership determines if the environmental assumptions made during strategy formulation are still valid, if the company is performing well against financial expectations and other key indicators of strategic success. If not, the strategy may not be viable. The top team must continually revisit the components of the strategic profile to make sure they are still applicable.

Renewing: Leadership must consider the implications of any identified deviations from the strategy discovered during monitoring. The strategy generally needs to be reevaluated when small deviations occur on a regular basis, or when there is a major deviation. Determine if the deviation is the direct result of the strategy rather than operations, but avoid blame and finger-pointing. In the absence of identifiable deviations, there should be at minimum, an annual review of the strategy.

Sticking to it: It is important to recognize that monitoring is just as important as strategy formulation and implementation. Executives may not want to keep up with monitoring because it is never-ending, and in the current fast-paced business environment it is hard to keep an evergreen approach, even though it is more critical than ever to have one. Companies should not monitor for the sake of monitoring, but so that they can manage change. Survivor companies adapt quickly to changes in the business environment if it is necessary to maintain strategic focus. Successful companies anticipate change and alter their strategies in advance. World-class companies dictate the nature and pace of change, redefining their industries and even drive the value chain. The difference between these kinds of companies is the rigor of their strategy monitoring, reviewing and updating. ■

For Additional Information on Strategy in the 21st Century, go to: http://my.summary.com

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The Art of Self-Leadership

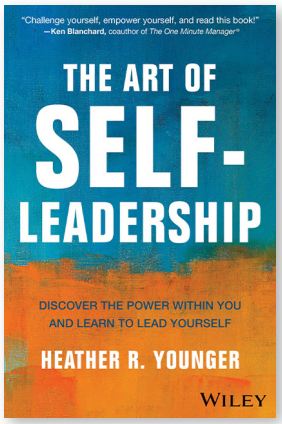
Heather R. Younger

Executive Book Summaries®

The Art of Self-Leadership

Discover the Power Within You and Learn to Lead Yourself

by **Heather R. Younger**



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THE SUMMARY IN BRIEF

Those who read this book will instantly feel more powerful, become more aware of self- imposed limitations, and realize the many ways that they can learn to lead themselves that inspire others to want to be around them more. ***The Art of Self-Leadership: Discover the Power Within You and Learn to Lead Yourself*** is part self-help, part career development, and part leadership development.

Imagine a life over which you have more control and influence? This new way of being allows you to progress in your career and life without constantly feeling like you are in a holding pattern to someone else's whims. The more we grow in self-leadership, the more magnetic we become, the more confident we feel about ourselves, and thus the more confidence others place in us. This opens the door for a personal and professional life that is more by design than by accident. This way of being gives us a life full of purpose that draws us closer to who we are meant to be. This is a compelling reason to pursue The Art of Self-Leadership!

IN THIS EXECUTIVE BOOK SUMMARY:

- Focus on self-awareness, self- worth, and overcoming self-imposed limitations to build confidence and resilience.
- Learn the importance of progress over perfection, using the ARC Method for goal-setting.
- Emphasize the value of trust, effective communication, collaboration, and mentorship in fostering strong personal and professional connections.
- Encourage empowerment through using your voice, personal branding, and the GROW framework to drive self-leadership.

Part I: Foundation of Self Understanding

Understanding Your Intrinsic Worth

A conversation about self-leadership and intrinsic worth is not possible without first discussing the importance of self-awareness. In the context of a self-leadership discussion, our ability to be our own solution versus the thing that stands in the way of our success is the only way through and to the life we want for ourselves. Intrinsic worth is the value that we have by our very existence. Over reliance on external validation can undermine self leadership because, by definition, self-leadership includes growing inwardly to shine outwardly.

There is a difference between having a strong self-worth and having strong self-confidence in that self-worth is more about you valuing yourself and feeling that you are a good person who deserves to be treated with respect.

Strategies for Building Self-Confidence

- Pursue a degree or certification.
- Commit to lifelong learning.
- Prepare for success.
- Don't compare yourself.
- Accept the good news.
- Adopt an abundance mindset.
- Do a skills assessment.

Understanding Your Limitations

Self-imposed limits are those barriers we put up in our own way that stop us from achieving things we set out to do. When we understand our limits to both personal and professional growth, it releases the pressure to be and do things that we are not and will never be.

Understanding Fear

A rational fear might mean that you are afraid when you run into a real-life lion. An irrational fear might be that you are paralyzed every time you see a spider. It's important to know how to categorize the fears we have and also where they originated. Some fears are learned based upon our environment and others are based upon our personal experiences.

Part II: Personal Growth and Sustainability

Personal growth is not a destination, but a journey, and to sustain a growth mindset requires effort, grace, and resilience. In this part of the book we will focus on what is required to keep evolving and bring the GROW framework for self-leadership to the forefront.

Deciding Between Progress and Perfection

Self-leadership is much more about continuous improvement than any unattainable ideal of perfection. There is a difference between a healthy striving for excellence and perfectionism. Embracing progress is the best way to feel good about who we are, where we're at, and where we're going. It's impossible to grow in self-leadership without this viewpoint.

Let's adopt a new way of setting goals using the "ARC Method." A stands for Aspirational Vision. You must first start by envisioning your desired future state or outcome. R stands for Realistic Pathways. Once you come up with the aspirational vision, you will need to break it down into realistic pathways or strategies for achievement. C stands for Continuous Adaptation. In this last step of the ARC Method, you want to embrace a mindset of continuous adaptation and flexibility as you work toward your goal.

Prioritizing Self Care

We must understand that at the forefront of leading ourselves is a way of being that prioritizes us in daily ways. If we are to be strong self-leaders, we need to learn to let go of the way everyone else thinks of self-care, and learn to lean in hard to a more expansive view. It's important to know and own that self-care is a necessity for sustained personal and professional performance, not a luxury that we treat like an occasional add-on in our lives.

The Three Stages of Empowerment

The majority of definitions for empower are "receiving" power from an outside source. You should think of empowerment more as something that you do for you, first. You give yourself the power to decide what you will do in and for your personal and professional life. By extension, you decide, and thus own, your own professional and personal growth and development.

Stage 1: The Awakening

The first step to fully awaken is to recognize your current state, your limitations, and even areas where you lack

That power that is deep inside us literally breaks through to the surface, and now we can really see the Art of Self-Leadership in full force.

control. In the Awakening stage, we need to focus on new knowledge acquisition.

Stage 2: The Struggle

There are internal and external factors that can challenge us to step outside of our comfort zone and to become truly empowered to be our best. Examples of these challenges are: fear of the unknown, resistance from others, lack of resources, lack of skills or knowledge, and institutional barriers.

Stage 3: The Breakthrough

This stage is where true self-empowerment is obvious to us and to those around us. That power that is deep inside of us literally breaks through to the surface, and now we can really see the Art of Self-Leadership in full force.

Plan for Empowerment

Create a detailed plan for moving through the three stages of empowerment. Include specific actions you will take, resources you will use, and potential obstacles you may face. Select one area where you feel disempowered and commit to learning more about it. Document your learnings and how they contribute to your empowerment.

Keying in on Your Strengths

The thing to remember about strengths is that we don't all have the same ones, and that's a good thing. When you commit to valuing the diverse strengths of others, that's when things can really be fruitful at work. You want to dig deep and do the homework to discover your strengths. If you manage a team or an organization, you want to also uncover the strengths of your people.

Discovering Your Strengths

There are different tools to assist with this, including:

DiSC®

A communication and behavioral preference assessment that can help people understand their communication style and preferences.

CliftonStrengths

Pinpoints your strengths and uncovers language to describe your natural, instinctive approach to problem-solving and relationship-building.

Myers Brigg

Is designed to help people identify and gain some understanding around how to take in information and make decisions, the patterns of perception and judgment, as seen in normal, healthy behavior.

Developing Your Strengths

There are three areas to focus on to develop what's already inside of you: Focused improvement; learn to contribute your strengths within your team to benefit the team; seek out mentors or engage a coach.

Applying Your Strengths

Ways that applying your strengths can improve your workplace experience and advance you in your career:

- Improved decision-making.
- Creating opportunities.
- Create a positive work environment.

Part III: Social Interaction and Influence

Relationship Building in Action

It is next to impossible not to be in a relationship with others. How we lead ourselves directly impacts those relationships. It is quite critical for you to focus on self-leadership first and then leadership for others.

The Foundation of Trust

Trust is a dynamic force, evolving through consistent actions and open communication. Trust in the workplace can be defined as the firm belief in the reliability, truth, ability, or strength of someone or something within the

professional environment. When team members trust each other, they are more willing to share ideas, take risks, and collaborate effectively.

How can you learn to build trust with those in your personal and professional life?

- Consistency and reliability.
- Transparency and openness.
- Empathy and compassion.
- Accountability and integrity.
- Recognition and appreciation.

If you want to build and maintain trust, focus on finding the small things that your coworkers and even your family do and show sincere appreciation to them for those things. Admitting mistakes is a huge trust builder. It is also a big trust "rebuilder" too. You will immediately endear people to you when you don't place blame elsewhere.

Effective Communication

Communication is a two-way street that determines a significant amount of our success. The problem is that many of us focus on hearing our own voices and interacting in ways that we most understand. We must learn the skills to communicate in ways that are clearer and meet others where they are.

There are three communication skills needed: being clear in your messaging, learning to actively listen, and understanding and responding to different communication styles. We need to do all of this inside the backdrop of a digital-first world.

Tips to help you become a clearer communicator:

- Simplify your message.
- Be direct.
- Use visual aids.

Active Listening

Everyone can benefit from learning a more effective way to listen to those who expect us to hear them. Active listening is the doorway to remove the clay that covers many of our relationships to reveal the good from within.

Here is an overview of the "The Cycle of Active

Listening™ process:

1. Recognize the unsaid.
2. Seek to understand.
3. Decode the message.
4. Take action.
5. Close the loop.

Understanding Communication Styles

Use DiSC® to help others understand how their style and communication preferences affect their relationships with others. Four styles make up the DiSC acronym.

The D communication style represents a person who is dominant in their decision making, moves fast in many areas of their life, and focuses more on task achievement with an eye to achieving some level of success.

The I communication style is someone who is influential, because they focus on people and what is happening to and with them.

The S communication style is known to be steady and more deliberate in everything they do.

The C communication style is very conscientious.

The easiest way to determine your own default communication style is to ask yourself these two questions: (1) What is my speed? (2) What is my focus or priority?

Collaborative Teamwork

An African proverb says, "If you want to go fast, go alone. If you want to go far, go together." It speaks to the importance of cooperation for long-term success. Working with others can be challenging for those who prefer to work quickly, but collaboration is essential for making real progress. We must also always bring new and different people around our decision making table. One toxic behavior that will never serve you or your team members well is gossip.

Networking and Mentorship

In today's interconnected world, building a strong network beyond your immediate team is crucial for personal and professional growth. Expanding your network beyond your immediate teammates is essential for career advancement and resource sharing.

Begin by building connections within your current organization:

- Attend cross-departmental meetings.
- Join employee resource groups.

Clear expectations are the foundation of effective self-leadership.

- Leverage internal social platforms.

Building a network is not just about making connections; it's about nurturing them. Some tips:

- Follow up.
- Offer value.
- Stay consistent.

Mentorship is a powerful tool for career development and provides:

- Guidance and support.
- Skill development.
- Networking opportunities.

If you choose to be a mentor yourself, the benefits to you include:

- Leadership development.
- Fresh perspectives.
- Personal fulfillment.

By embracing mentorship, you can unlock new levels of professional success and contribute to a culture of continuous growth and support within your organization and industry.

Nurturing and Sustaining Relationships

Here are several ways for you to sustain long-term relationships that can serve you and others into the future:

- Keep in touch with those with whom you already have a strong relationship.
- Mark your calendar with their important dates and reach out to them.
- Even in a remote setting, prioritize touching base with colleagues and team members.

Leaning Into Flexible Thinking

Flexible thinking is when we are willing to change our thinking and our behaviors when different ideas arise or any kind of change is necessary.

The Foundations of Flexible Thinking

One of the most important concepts to know about flexibility is cognitive flexibility. According to BetterUp Fellow Coach Lauren Miller, cognitive flexibility is "all about your brain's ability to adapt to new, changing, or unplanned events . . . and is also the ability to switch from one way of thinking to another."

By integrating mindfulness practices, embracing diverse perspectives, practicing understanding without needing agreement, fostering curiosity, having a growth mindset, and owning your power to reframe, you can overcome cognitive rigidity and enhance your self-leadership.

Implementing Flexible Thinking in the Workplace

Flexible thinking is a must if we are to have flourishing cultures with constructive dialogue and to innovate together.

Expect Clear Expectations

Clear expectations are the foundation of effective self-leadership. By setting clear expectations for ourselves and others, we create an environment where goals are understood, efforts are coordinated, and success is achievable. The consequences of poorly set expectations are confusion, frustration, and decreased productivity.

Setting Expectations for Yourself

Job analysis and performance feedback are two ways to identify and clarify your job role.

Communicating Your Expectations to Others

Once you come up with your own expectations for yourself, it's time to communicate your own expectations to those at work and at home.

Expecting Clear Expectations from Others

Understanding what is expected of you can significantly enhance your performance and satisfaction in your role. When expectations are not clear, it's crucial to proactively seek clarification.

Dealing with Ambiguity

It is frustrating when we are ready to move forward but those who need to provide direction are unwilling or unavailable to provide us clarity to ensure success. Strategies to gain more clarity:

- Set interim goals.
- Stay flexible.
- Document everything.

Self Advocacy

If you don't understand your strengths and limitations, it will be hard to discover your power to show up in moments that require advocacy. Ideas to help you include:

- Be assertive, not aggressive.
- Request regular check-ins.
- Use constructive language.
- Seek resources and support.

Maintaining and Adjusting Expectations

Work and what we do there is not static; it's ever-changing. So we need to be maintaining expectations, and be open to adjusting them for ourselves and others. Managing up involves effectively communicating and working with your direct manager to achieve mutual goals and create a productive working relationship. Tips to help you include:

- Understand their goals and priorities.
- Be proactive and solutions-oriented.
- Build a trust-centered relationship.
- Adapt to their preferences.

Feedback is a Gift

Feedback is the cornerstone of personal growth and workplace empowerment. Effective self-leaders understand that constructive feedback fosters continuous development. Effective feedback has specific characteristics that make it useful and actionable:

- Specific.
- Actionable.
- Timely.

Lean into giving people positive feedback often, which makes them more receptive to constructive feedback.

Delivering feedback effectively requires a thoughtful approach that encourages engagement and minimizes defensiveness. Some techniques:

- Use "I" statements.
- Focus on behavior, not the person.
- Understand their perspective.
- Show genuine concern.
- Be supportive.

To integrate these principles, techniques, and the empathetic approach into your feedback practice, consider these three things: prepare beforehand, continue to practice active listening, and follow up after the feedback. When you receive feedback, If you start off a feedback session with the mindset "This is a gift," you are already in the right mindset to listen well.

Use Your Voice and Be Seen

Stand up and be seen for the brilliant person you are. Don't wait for someone else to give you a voice. When you use your voice, you will experience greater empowerment, engagement, recognition, and overall life satisfaction.

If you manage even just one person, know that you have more power than you think to make them feel safe and foster an environment where everyone speaks up. Authenticity is crucial for using your voice effectively. If you try to mimic someone else's style or opinion, people can sense it and you lose trust. Actively participating in your professional environment is crucial. Active participation in meetings, projects, and public forums is essential for being seen and heard within your organization.

Some ways to make sure you are thought of as a key person of influence are to volunteer for or take on key projects, prepare to speak up in meetings, and present your work.

Building a strong professional network is vital for career growth. Consider attending industry events, joining professional organizations, leveraging social media, and seeking mentorship.

Personal Branding

To intentionally build a brand you can be proud of:

- Identify your strengths.
- Define your brand message.
- Create an online presence and share your insights.

- Seek opportunities for visibility by looking for chances to speak at conferences, write for industry publications, or participate in webinars.
- Do a brand audit on your brand perception and how you can improve.

These strategies will help you assert your presence, share your unique contributions, and connect with others who can support your professional journey.

Using Your Voice and Being Seen

Cultural and organizational barriers can create environments where certain voices are marginalized or ignored. Homogeneous work environments may overlook or undervalue diverse perspectives. Unconscious biases can affect who is listened to and whose ideas are given importance.

Useful strategies to navigate systemic barriers include forming alliances with colleagues who share your values and goals, utilizing formal channels for feedback and suggestions, and advocating for organizational changes that promote inclusivity and diverse voices. Some benefits to leaning into your unique voice and expressing it often include boosting confidence, building trust, and achieving personal goals.

Using your voice and being seen are powerful tools for personal and professional growth. By embracing self- leadership and encouraging diverse voices, you can drive positive change both within yourself and in your organization.

Here's a short acronym that helps ground us in self-leadership in a memorable way – GROW.

- Growth: Developing oneself from within
- Resilience: Bouncing back and moving forward
- Outwardly: Extending one's influence and impact into the world
- Wisdom: Leveraging insights and experiences for continuous improvement

No matter where you are on this journey, you can make different choices despite your circumstances. No more waiting, no more blaming, just a life full of self-love, inner peace, outward shine, deeply fulfilling relationships, and the ability to bounce back like you have never seen. If more people commit to this type of change, we will become a world that embraces our own responsibility to show up differently, with strength, empathy, self-compassion, and an undeniable inner glow.

Heather R. Younger is a bestselling author, renowned keynote speaker, and one of the world's leading experts on workplace culture. As the visionary Founder and CEO of Employee Fanatix, a preeminent employee engagement and workplace culture consulting firm, Heather has reviewed over 30,000 surveys and facilitated over 100 employee focus groups.

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The Attacker's Advantage

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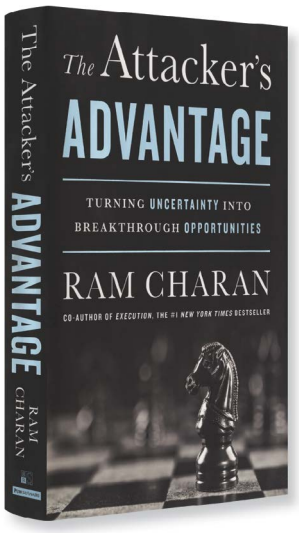
The Attacker's Advantage

Turning Uncertainty into Breakthrough Opportunities



by Ram Charan

THE SUMMARY IN BRIEF

The forces driving today's world of structural change create sharp bends in the road that can lead to major explosions in your existing market space. But exponential change also offers exponential opportunities. How do you leverage change to go on the offense? *The Attacker's Advantage* is the game plan for winning in an era of ambiguity, volatility and complexity, when every leader and every business is being challenged in new and unexpected ways.

Ram Charan, harnessing an unequalled depth and breadth of experience working with leaders and companies around the globe, provides tested, practical tools to help you

- Build the perceptual acuity to see around corners and detect, ahead of others, those forces — especially people, who are the catalysts of change — that could radically reshape a company or industry.
- Commit to a new path forward despite the unknowns, positioning your business to make the next move ahead of competitors.
- Make your organization agile and steerable by aligning people, priorities, decision-making power, budgeting and capital allocation and key performance indicators to the new realities of the marketplace.

The Attacker's Advantage provides a stark and simple challenge: Stay in a legacy world of incremental gains or defensiveness, or be an attacker by creating a new world, scaling it up quickly, ahead of the traditional players.

IN THIS SUMMARY, YOU WILL LEARN:

- How to perceive catalysts for change ahead of others.
- How to define a path and create the mindset for going on the offense.
- How to make your organization more agile with Joint Practice Sessions and improved decision making.

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THE COMPLETE SUMMARY: **THE ATTACKER'S ADVANTAGE**

by Ram Charan

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The Attacker's Advantage: Turning Uncertainty into Breakthrough Opportunities by Ram Charan. Copyright © 2015 by Ram Charan. Summarized by permission of the publisher, PublicAffairs. 228 pages, $24.99, ISBN 978-1-61039-474-1.

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For additional information on the author, visit www.attackersadvantage.com or summary.com.

Introduction: What Is the Attacker's Advantage?

The attacker's advantage is the perceptual acuity to detect ahead of others forces that could radically reshape a market space so that you can position your business to make the next move first. It is the mindset to overcome fear of uncertainty and find the opportunities in it and the courage to move forward despite the unknowns. It is the ability to gain the advantage with speed, with focus and without breaking morale.

By pinpointing the sources of uncertainty, defining a path forward and making the necessary frequent adjustments to steer your organization along it, you will see that uncertainty is not something to fear. On the contrary, by immersing yourself in it, you can discover possibilities for creating something new and immensely valuable. The more you embrace uncertainty and practice the skills to deal with it, the more self-confidence you will develop, and the better prepared you will be to lead.

PART I: THE FUNDAMENTAL LEADERSHIP CHALLENGE OF OUR TIME

Bends in the Road

Taking control of uncertainty is the fundamental leadership challenge of our time. We all know that life is full of uncertainties, of course. Most of those that businesses face are familiar. What's new is structural uncertainty. It is structural because the forces now at work can explode the existing structure of your market space or your industry, putting it at risk of being drastically diminished or completely eliminated.

The Essentials for Leading in Uncertainty

Steering your business through structural uncertainty calls for a distinctly different type of leadership than the one you were trained for, requiring a radically different mindset and new skills for anticipating events and going on the attack.

The advantage now goes to those who create change, not just learn to live with it. Instead of waiting and reacting, such leaders immerse themselves in the ambiguities of the external environment, sort through them before things are settled and known, set a path and steer their organization decisively onto it.

Those who are best prepared to lead now have the following skills and abilities:

- **Perceptual acuity:** Have the mental preparedness to "see around corners" and spot potentially significant anomalies, contradictions and oddities in the external landscape ahead of others.
- **A mindset to see opportunity in uncertainty:** Recognize that uncertainty is an invitation to go on the attack, and be ready to take your organization to a new place and the changing landscape.
- **The ability to see a new path forward and commit to it:** Be willing to build whatever new capabilities you will need, which will include a high level of proficiency in the use of digitization and algorithms.
- **Adeptness in managing the transition to the new path:** Going on the attack may require a major shift as well as constant adjustment in setting priorities and ensuring financial health.
- **Skill in making the organization steerable and agile:** Linking the external realities in real time to

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Amanda Langen**, Graphic Designer; **Corbin Collins**, Contributing Editor

people assignments, priorities, decision-making power, budgeting and capital allocation and key performance indicators.

Taking advantage of the landscape that is emerging will almost certainly call for significant changes in how you define your business. In many cases it will mean starting a new and different business that could sooner or later eclipse your biggest revenue maker.

Why Structural Uncertainty Is Different

You can manage an operational uncertainty with existing tools. But a structural uncertainty arises from your external environment. It is outside your control, and it can obliterate your business if you don't detect it in time and create your own space in the new environment.

More often than not there are early warning signs that go unnoticed. Nokia had a fantastic brand, was highly profitable and built dominant market share. Its near demise took less than three years. The bend in the road was caused by Apple, which offered a new, compelling consumer experience. It was so enormously different that the consumer not only paid a high price but waited in line to gain access to it.

Nokia was taken by surprise — but it shouldn't have been. The leadership team found it hard to believe that a computer company would go into the cell-phone business and thought that Apple would not be a threat even if it did, because it wasn't big enough to pose a serious challenge. What confounded Nokia was the uniqueness of the iPhone and the ferocity with which Apple scaled up.

The leaders who succeed *because* of uncertainty realize that a world in flux creates new possibilities and lowers the entry barriers. They are the attackers. They see clearly, move decisively and act.

The Mathematical Corporation

The single greatest instrument of change is the advancement of the mathematical tools called algorithms and their related sophisticated software. Never before has so much mental power been computerized and made available to so many — power to deconstruct and predict patterns and changes in everything from consumer behavior and human health to the maintenance requirements and operating lifetimes of industrial machinery. Algorithms are dramatically changing both the structure of the global economy and the lifestyles of individual people.

The use of algorithms is already fracturing time-tested business models and creating trailblazing new ones. Algorithms are most prominent so far for their role in radically transforming retailing and by literally making it possible for giant corporations to deal with customers as individuals. Companies that have the new mathematical capabilities possess a huge advantage over those that don't. Google, Facebook and Amazon were created as mathematical corporations. Legacy companies that can't make the shift will be vulnerable to digital competitors.

GE is now essentially turning itself into a math house and has become the leader in the Industrial Internet. It not only uses the Industrial Internet to improve the profitability of its own products and services but also creates new demand by sharing its sophisticated software packages and algorithms with competitors. GE's newly built expertise in software and algorithms has recast the entire company for the 21st century.

Searching for Early Warning Signals

There's a long list of prominent leaders who ignored or failed to see warning signals of structural change. Often the signals emanate not from within your immediate ecosystem but from some outlier or oddity. When Napster appeared with its sophisticated software and algorithms that allowed people to share music files online, the music industry assumed it would only be a matter of time until the courts put an end to what was essentially piracy. Then Steve Jobs struck a deal to buy songs and distribute them through iTunes to Apple's breakthrough product, the iPod. Industry titans didn't pick up the early warning signal Napster sent, nor did they reset their path fast enough. Power shifted as high-margin CD sales fell drastically, dragging total industry revenues down with them.

The attacker's advantage is the ability to detect ahead of others those forces that are radically reshaping your marketplace, then position your business to make the next move first. Uncertainty is not something to fear but rather something to immerse yourself in, because in it lie the possibilities you can combine to create something new and immensely valuable. The more you embrace uncertainty and practice the skills to deal with it, the more self-confidence you will develop, and the better prepared you will be to lead.

PART II: BUILDING PERCEPTUAL ACUITY

Identifying the Catalysts of Structural Change

Perceptual acuity is your human radar for seeing through the fog of uncertainty so you can act before others do. Only a small percentage of upcoming leaders look at their businesses from the outside in and peer over the horizon to pick up signals that could be harbingers of change. One of the earliest warnings is the emergence of a catalyst. This is a person with exceptional perceptual acuity who seizes upon a force or combination of forces — for example, linking a demographic trend with an existing technology. Catalysts are doers who take risks based partly on fact and partly on their imagination about what could happen when forces combine in what others might later call a convergence. The catalyst, in fact, is the one who often creates the convergence.

Practice your perceptual acuity by watching for catalysts in or outside your industry, regardless of your job or organizational level. As your acuity sharpens, you'll spot catalysts sooner and begin to see the world as they see it: full of new possibilities and opportunities.

Seeing What Catalysts See

As you develop your perceptual acuity, you will become more attuned to interesting new ideas, events, technology developments and trends. You'll expand your capacity to see the landscape from multiple angles, discern what's important and speculate about how you could shape it by engaging other people in this task. You'll not only benefit from the diverse points of view but also build your team's ability to detect change sooner and create the next bend in the road.

Train yourself to stand back from your business and its environment. In particular, look for the larger significance of anomalies, contradictions and oddities: things that depart from or challenge familiar patterns and differ from what you have known or believed.

The following are some anomalies to look for:

- An accelerating trend: A trend by itself may be passive, but a change in its momentum can be, well, momentous.
- An extraordinary event: Such an event need not be business related but could be social or political.
- Potential scalability: You should be able to sketch the scenario and their outcomes, opportunities and breakthroughs quickly.

Whenever you notice an anomaly, contradiction or oddity, you need to imagine what the new landscape might be if what you're seeing is a signal of powerful change — and how you might take advantage of the shift.

Tools to Build Perceptual Acuity

Practicing perceptual acuity will raise your value as a leader. What follows are a range of tools you can choose from to develop perceptual acuity for yourself and your organization:

The 10-minute exercise: In every staff meeting of an hour or more, devote the first 10 minutes to learning about and discussing anomalies in the external landscape.

Seek contrary viewpoints: Surrounding yourself with people from different industries and backgrounds, with different cognitive bandwidths and attitudes about risk-taking, helps you see the same world through different lenses.

Occasionally dissect the past: Spend time with colleagues and look at a big external change that hit your industry or some other one sometime in the past 50 years. Dissect that change. What were its seeds, and who were the catalysts?

Dive into the sources of risk: Management must have rhythmic, disciplined mechanisms to detect signals of risk and take appropriate action ahead of others.

Continually build your mental map of changes in multiple industries: Warren Buffett reads some 500 transcripts of investor calls each year, in which all the presenters state their views about their company and industry and what they anticipate in the future. Buffet watches for changes across industries that might prompt him to change the resource allocation in the portfolio.

Ask "What's new?": In my coaching work with executives, I get ongoing feedback on how effective this simple phrase is in stimulating new thinking, expanding the imagination and connecting various insights.

Use outsiders to multiply your capacity to scan: Use third parties to search media across the globe and gather information on what critical topics are emerging and what anomalies are disrupting patterns.

Watch the social scene: Pay close attention to how society is changing and what new consumer behaviors are emerging. Social issues are sometimes followed by increased scrutiny or regulation as they work their way into the political sphere.

Be a voracious reader: Look for what surprises you. Reflect on what it might mean and for whom. Doing this with whatever you read will increase your ability to identify signals and catalysts that might create bends in the road.

Whatever tools you use to build your perceptual acuity, bear in mind that seeing the world through a wide lens is not merely an academic exercise. You need to use your observations to plot a course for your organization and steer it through the changes you detect.

PART III: GOING ON THE OFFENSE

Defining the Path

Seizing the attacker's advantage starts with this central question: What new developments can I take advantage of to create a new need or give the customer or consumer a more compelling experience? Two things will greatly improve your ability to find a path through uncertainty: a sharp focus on the end-to-end experience of the customer or consumer and a working knowledge of digitization and analytics.

Transitioning to a new path poses special challenges, but you can't let them stop you from defining where you need to go. Going on the offense is no longer optional, for one simple reason: Defense alone means a shrinking business. Delivering the company's short-term bottom line in generating cash can backfire unless you find a new path.

Defining the path means figuring out what's missing from the consumer experience — or what could be a terrific new experience — and figuring out how you could fill the gap. The "aha" moments come from observing both the external environment and the consumer and imagining the ultimate in convenience or cost from the consumer's perspective, using technology in a new way.

You cannot develop an intuitive understanding of customers or consumers without direct observation. Even as CEO of Walmart, Sam Walton walked the stores, and Steve Jobs' and Jeff Bezos' feel for the consumer, gained through keen observation, is legendary.

A Mindset for Offense

Even the best strategic thinkers can be weak on offense if they lack the courage to move in the face of uncertainty. Going on the offense almost always requires taking action before you have a crystal-clear picture of all the factors your success will depend on. You must be willing to commit to a new path forward even when some things are fuzzy, knowing that you will adjust your path along the way. This is the mindset of offense for moving ahead and creating uncertainty for others.

Removing the Blockages

Even if you educate yourself about digitization and the consumer, your own psychology may get in the way of finding a path to take advantage of uncertainty. Paying keen attention to the deeply rooted subconscious blockages — your own as well as your team's — will help transform your mindset from defense to offense.

Some of the blockages that can interfere with people's observational acuity and decision making include

- Attachment to your existing core competencies
- Inability to build a new core competency
- Obsolescence of key people
- Fear
- Avoidance of opposition

Do you have the guts to make a big move? Intellectualizing is one thing; having the courage to pull the trigger is another. Doing nothing can be risky in itself, and there will always be some unknown unknowns — risks you don't even know exist despite careful thinking. But pinpointing the particular signals that your assumptions were right or wrong can build your confidence to step onto the path.

Kaiser Permanente's Path Through the Turmoil in Health Care

You didn't have to be a genius in the early 2000s to sense that health care was going to change. A focus on the total end-to-end experience of the consumer, in this case the patient, was conspicuously missing. The industry was data poor: Medical records were kept on paper in separate physical locations, so while patients passed from one care entity to another, information about them did not. People inside and outside of the industry, including members of Congress, began talking about health care rationing as perhaps the only viable endgame for care delivery.

In 2002, George Halverson became CEO of Kaiser Permanente, the California-based health-insurance company that also ran clinics and community hospitals. He saw things differently. Why not use information technology to integrate information and use it to find ways to improve the cost and quality of outcomes for care delivery? Halvorson went on the offense.

The CEO convened a task force of 70 people, almost all doctors. He asked them to identify everything they wanted a system to do and look at every system in the world. The price tag for the project was $4 billion, the biggest investment in an information system ever made. "I told them we were betting the farm on this… The tool could have infinite capabilities… Once we had the system, it would be like having the Internet — we would keep finding uses we didn't know were possible." The board approved the investment, and KP forged ahead on its new path to become a completely computerized and paperless care system — with all data on all patients instantly accessible to all caregivers.

Data opened new lines of discovery, with impressive results in the treatment of HIV, congestive heart failure, asthma and stroke. The good results from data access and process improvements boosted KP's reputation.

PART IV: MAKING THE ORGANIZATION AGILE

The Joint Practice Session: Transparency and Coordination

What makes an organization "steerable," or agile enough to be redirected quickly, is streamlining its linkage with the speed and character of the external environment. That means breaking the core rigidities that commonly constrain organizations: long, drawn-out processes for making decisions through multiple layers; the slow, filtered, often sequential processing of information on its way to the decision makers; unresolved disagreements stemming from narrow perspectives and self-interest of siloed leaders; budgets and KPIs and the incentives that are tied to them, all of which are essentially fixed for a year or more at a time; and people assignments that don't get changed.

A tool that can break these rigidities and allow the organization to adapt is the Joint Practice Session (JPS). Developed by Sam Walton in the early years of Walmart, rigorously implemented by Steve Jobs and used by Alan Mulally in the masterful turnaround at Ford, the JPS is a powerful mechanism for integrating and steering the organization.

Not Just Another Meeting

A JPS is based on the premise that when information is transparent to everyone in the group at the same time, people can form a common view of the total picture. They are more willing and better equipped to make trade-offs and adjustments spontaneously. Decisions are made, bottlenecks get broken, people are energized and the organization gets results.

The JPS includes all the critical people whose work is highly interdependent, meaning that their goals, priorities, information and outputs affect and are affected by each other's. Additional people are invited to attend when their viewpoints or expertise are needed. The core group meets frequently; once a week is common.

Transparency rules. All members put forward their progress on their most critical tasks — the good, the bad and the ugly. Dashboards show which tasks are on target (coded green), which are encountering difficulty (yellow) and which are stalled (red).

The group members focus on getting to the root cause of every task that is off track and helping the person work through it — the exact opposite of traditional meetings that put people on the defensive.

Transparency allows people to see how decisions affect each part of the business and the common goals. Conflicts become visible and are resolved.

Observations about what is happening in the external context and how it is affecting the business are built into the discussions. Members present their own perspectives but converge on a common view, which stimulates their sense of urgency to behave differently.

Team members can better steer their parts of the organization because they can visualize the progress of the total group and know what the hurdles are on a weekly basis.

Sam Walton's JPS

Sam Walton made the JPS his central steering mechanism. Key people gathered together — store managers, logistical people, advertising people and buyers — and worked as a team to ensure that Walmart delivered on its mission of providing the lowest prices: What are customers asking for that we don't have? Is there too much in the store that is not selling? How does our price for a given product compare with our competitors? These sessions made Walmart agile, able to respond promptly to customers' changing needs.

Steve Jobs, when he returned as CEO of Apple in 1997, instituted a four-hour Monday morning session at Apple at which people whose interdependence was crucial discussed one or more products. Jobs wanted everyone in the room listening to each piece of information simultaneously, believing that the resulting dialogue and debate would foster better integration.

In his first week at Ford, Alan Mulally introduced a weekly JPS. All senior leaders were required to attend. Re-

ports on progress toward the company's turnaround goals were to be succinct and honest, and facts — not politics or personality — ruled the day. Mulally used the meetings to sharpen his team's perceptual acuity. They were crucial in relentlessly driving accountability and execution of the steps Ford was taking to put itself on the new path. Week after week, progress since the previous meeting — or lack thereof — was on the charts for all to see.

The JPS has become a necessary tool to make an organization agile in times of structural uncertainty.

How Keurig Green Mountain Adopted the Joint Practice Session

In January 2014, Keurig Green Mountain CEO Brian Kelley launched what he later came to call JPSs to integrate all the functions across the business, including some 25 top people. At the inaugural meeting, members were asked to write down the top three priorities for the upcoming quarter. The intention was to help them focus on executing the short-term steps that were part of their journey. Then they were asked to list these priorities across the bottom of a blank piece of paper, and above each, to draw bars, smokestack style, for the five critical tasks associated with that priority. Going around the room, each person explained his or hers.

It was the first time they had heard each other's priorities and tasks in detail. They were asked to grab markers to color-code these critical tasks red, yellow or green for how they were progressing as of that day. People were noticeably uncomfortable that there was lots of red and very little green. But they were assured that this is normal for any company and encouraged to keep looking. As they did, the team members started to notice that a number of the reds had something in common: The people with critical technical expertise that they depended on were stretched too thin.

Other issues also surfaced. Two leaders were driving similar critical tasks. A decision was made on the spot to combine them into one. Another critical task was red because a supplier had been lagging behind, and again people put their heads together to figure out how to overcome the problem in the short run.

The group reconvened six times over the next three months. They could see the total picture of the business; they had identified the blockages and in many cases had fixed them. They knew what they had to focus on when they went back to work, and that it was aligned with what was happening across the company. The JPS had become a routine, and a welcome one that gave the company newfound agility.

The What, Who and How of Decision Making: Zeroing in on the Organization's Critical Decision Nodes

Your ability to dissect your organization's decision making is an important part of how you steer it through the big bends in the road and also make small adjustments as you navigate. Unless you drive the necessary changes in decision making, your organization could seize up and your great plans shrivel. You must identify the crucial decision nodes: the specific points in the organization at which the most critical decisions are made.

Start with the *what*. What are the most critical decisions, the ones that are pivotal to the business and that drive many other decisions? These will point you to the nodes. Then consider the *who*. Who should be responsible for getting these decisions made and held accountable for them, and who else should be involved in making them? Pay attention to who is exercising power; it might not be the official decision maker. And pay attention to *how* those decisions are being made. Decisions increasingly require inputs from multiple vantage points and areas of expertise. Is collaboration truly happening?

Attending to the what, who and how of decision making at the ground level will get you to the crux of what drives or stalls the process of moving in the new direction in dealing with new uncertainties. It will keep you on the attack.

Identifying Decision Nodes

To find the decision nodes that matter most, work backward from the crucial actions that must be taken. A node can be an individual, but more often it is a group of people, with one person ultimately responsible.

Leaders facing new challenges often make changes in organizational structure or key people. Such moves might be necessary but by themselves miss what is perhaps the most important factor: looking with fresh eyes at decision nodes to get the moving parts of the organization working together in ways that are different from the past.

Use common sense to answer three simple questions about the individuals you put in charge of decision nodes:

Does this person have the attitude, the necessary social skills and the right expertise?

Once you have defined your most critical decision nodes and who should be in them, consider how and how well they are working. Are decisions made both formally and informally? What information is being used — is it external, and is it used in real time?

Decision nodes are likely to go awry or become obsolete at some point, so be prepared to confront those issues promptly. As people act and react, you will discover new things, and the organization will have to adjust. Stay alert for when you need to step in and dissolve the blockages or redesign the decision nodes.

Steering on Two Tracks

You may have a creative and well-thought-out plan to go on the offense, but you will still have to sustain your existing business for some period of time. You can't allow it to fall apart just because you are trying to put a new one in place. Yet you have to shift decision making, bring in new expertise and change people's priorities to the new initiative. This dual track creates enormous stresses, particularly among those at higher levels of the organization who are being adversely affected. People who sense that they're losing power will procrastinate, hide resources, distort the changes you need to make — usually hoping the new thing will go away. Their reactions may stir up your own self-doubt and test your leadership. You will have to become a master in managing the transition at the appropriate speed.

Setting Short-Term Milestones

Once you know where the organization must go and have explained that to others, define the specific steps that must be taken in the near term to move on to the new path. These items become the short-term milestones that you must hit one, two or three quarters out. They are the front end of your long-term goals.

You need to track the short-term milestones just as intensely as you do costs, gross margins and the like — and be just as swift to take remedial action when something deviates. The milestones will show whether your new path is working and what course corrections are needed.

Within the company, use rigorous reviews to sniff out friction in the social system caused by changes in decision-making power in the assignment of people. Your discipline in following through on both the existing trajectory and the short-term milestones is key to steering. Create an environment in which people are keenly attuned to the external environment and are willing to suggest changes when budgets and KPIs are causing rigidity.

As you move onto your new path, you will have to redirect cash, take on more borrowing, sell some assets or find a partner to fund the investment. Steerability increases when you build the capacity to withstand a shock if something unexpected strikes the business or to quickly muster the resources to attack when the opportunity is right.

Keep Others with You

As you transition, keep feelers out to know how various constituencies are reacting. Since by definition you're veering from the existing path to something untested, good people can have different judgments and confidence levels. People who are not in your camp might see the transition as an opportunity to dislodge you.

CEOs have to be especially concerned about investors and their boards. As the leadership teams at Google, Apple and Amazon have clearly shown, you can keep investors with you if you explain the path you're on and deliver on the interim steps. Meeting the milestones will increase your credibility.

The essence of keeping people with you is communication: of the facts, of your point of view about the things that are not yet clear and of the likely second- and third-order consequences.

If you have done all this and convinced no one, you may want to rethink your plan. That doesn't mean you have to back off, though. Ultimately, leadership is not a vote. You lead by your convictions. As Verizon CEO Ivan Seidenberg says, "There comes a day when you have to say 'This is what I believe.' If the investment in fiber optic cable didn't work, the board probably would have changed management. I was fine with that."

RECOMMENDED READING LIST

If you liked *The Attacker's Advantage*, you'll also like:

1. ***Bringing Strategy Back* by Jeffrey Sampler.** Sampler introduces four "strategic shock absorbers" that enable leaders to build resilient organizations that can withstand even the most unexpected global turbulence.

2. ***Thirteeners* by Daniel Prosser.** Prosser shares how to transform an organization's internal connectedness so it can create a workplace environment that supports your vision and assures participation.

3. ***Anticipate* by Rob-Jan de Jong.** de Jong explains how to develop the ability to see things early and incorporate them into the future of your organization.

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The Authority Advantage

Adam Witty, Rusty Shelton

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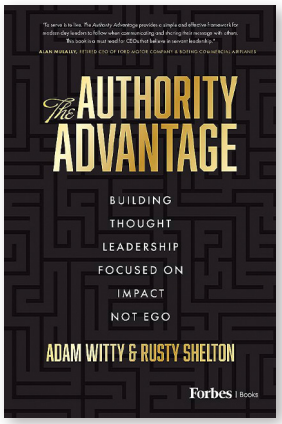
The Authority Advantage

Building Thought Leadership Focused on Impact, Not Ego



by **Adam Witty and Rusty Shelton**

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THE SUMMARY IN BRIEF

Thought leadership is critical when it comes to establishing a following and strengthening trust within your brand – both on a personal and business level.

The book, ***The Authority Advantage: Building Thought Leadership Focused on Impact, Not Ego*** lays out a comprehensive roadmap to help you leverage yourself as a true Authority. It also helps you create (and execute) your own Master Authority Plan (MAP) and establish valuable connections through personal branding.

Authors Adam Witty and Rusty Shelton distill the insights that they had been discussing with their clients for years about how business leaders can build their thought leadership to effective ends. They also help you create compelling content and leverage books, speaking engagements, and publicity tools for impact, recognition, and profitability.

IN THIS SUMMARY, YOU WILL LEARN:

- About Authority Advantage and The Authority Matrix.
- How to build your Master Authority Plan (MAP).
- What falls under the new media landscape and how you can tap into it.
- How to create the ultimate Authority Advantage.

Introduction

Do you have any idea what kind of impression you are making right now? In our experience, most leaders don't.

That's why we wrote this book. We want you to understand that the cornerstone for building trust and creating a connection isn't your business brand- it's you, particularly once you create your authority advantage.

As you continue through these pages, we are going to share a step-by-step roadmap for creating an Authority Advantage for your business, your legacy, and your life. First, however, we're going to start by understanding the big shifts that are driving this new climate and why an authority advantage is more an urgent essential than a nice-to-have for today's leaders.

Part 1: Why Make This Journey?

Chapter 1: What Is the Authority Advantage?

Many leaders have the mistaken impression that building their brand in a more public-facing way runs counter to the servant leadership model they have been successful with and take pride in. Sadly, this is a flawed belief.

Good leaders who are winning today understand that their best and highest service isn't limited to those who are already a part of the business. It includes building trust and rapport with potential customers, partners, and team members at scale. If a leader isn't providing value in a public-facing way, they limit the impact they have on the business they lead. As a result, they do their existing team a disservice.

Building Mission Driven Authority is an important foundation of modern servant leadership because you extend your impact at scale. When you have the Authority Advantage you position yourself to build your business by creating influence and leverage at a scale you can't imagine.

Chapter 2: The Big Shifts

There is a remarkable difference between businesses that have a well-known, authentic, public-facing leader and those who don't. The former creates a seismic advantage in today's landscape where the leader focuses their energy on connecting with stakeholders in an authentic, valuable, and visible way. So, the question now remains: are you giving your business a similar advantage?

The three seismic shifts driving much of the urgency in this book include:

Shift 1: From Corporate Branding to Authority Branding. Building your own personal credibility with the public can be much more important than leading with your company brand. We are dramatically quicker to trust individuals than we are corporations, and the quicker you can put that reality at the forefront of your strategy, the quicker you will win in this new environment.

Shift 2: From Corporate Media to Micromedia. The opportunity that smart content creation provides to leaders today is best understood by looking at two most important contributing factors to its effectiveness: trust, and personalized value. Your audience increasingly wants to push major media that is giving them fractional value out and instead turn their attention to learning directly from you. This is what micro media helps achieve.

Shift 3: From Selling to Buying. People don't want to be sold something. They want to buy something. The best way to get someone to seek out the opportunity to buy from you is to position yourself as the unquestionable authority in your space.

Chapter 3: The Authority Matrix

There are four archetypes included in the authority matrix.

Archetype One: The Top-Down Leader. This is the leader who is the "boss" who's always right in his mind and expects others to agree with that assessment. This kind of leader risks alienating not only their own people but also potential clients and customers because their egos often make them blind to their lack of communication skills.

Archetype 2: The Behind-the-Scenes Servant Leader. These types of leaders become successful in their careers by serving those around them. Yet despite all the great things they do, they constantly hear their company is "the best kept secret" in their industry.

Archetype 3: The Ego Driven Leader. This type of leader has plenty of visibility but approaches it in the wrong way by proclaiming constantly how great they are. They build a brand that reflects poorly on them and their business.

Archetype 4: The Mission Driven Thought Leader (The Authority). The Mission Driven Thought Leader archetype is, we believe, the ideal one for a modern business leader. This leader has all the traits of a behind-the-scenes servant leader but also makes it a point to expand the reach of the impact they make beyond those who meet them directly. They command outsized influence in their space based

on the value they provide, the size of their reach, and the third-party credibility they get from writing books, creating media, speaking, and authoring content. People trust them and follow their lead.

If you aren't already a Mission Driven thought leader, we're about to help you become one and if you are one already, we're going to help you get even bigger.

Part 2: Building Your Master Authority Plan (MAP)

Chapter 4: The Urgency of Building Your Authority Brand

Your reputation is your lifeblood as a leader. In today's media environment, the first place most people will interact with you and your brand won't be in person or even over the phone. It will be online.

If your potential hires, customers, and partners are getting their first impression of you from their online searches far before they connect directly with you, don't you want to control that first impression and be intentional about that image so you can build trust instead of squandering that opportunity?

This is where the importance of branding lies. Branding is about creating an image in the mind of your audience. Building your authority brand helps you create an image that can cause your customers to trust you. It helps you build a connection with your audience and ultimately serve them with a Mission Driven mindset.

Chapter 5: Defining Your Brand

Building an international authentic brand as a leader involves 2 phases: Phase One = Preengagement. This image is created before an individual has direct interaction with you, your company, or your message. Phase Two = Post Engagement. This image is created when the individual has had direct interaction with you as a customer, team member, prospect, partner, or even neighbor.

Post-engagement begins when someone engages with you in some meaningful way. Evidence of solid a post-engagement brand includes customer referrals, positive customer reviews, team member retention, and more. Brands that rely primarily on post-engagement have no direct control over the lead flow.

To build solid visibility and create your Authority Advantage it's equally important to tap into the power of the preengagement phase. Preengagement offers a high level of discoverability which, as a result, increases trust.

Chapter 6: Building Your Brand

Once you've established your discoverability, the next step is to build authority by association, which accelerates the speed of trust.

Until your name is a brand that means something to a large audience – Gordon Ramsay, for example – it's important to differentiate yourself by associating yourself with brands that do mean something to your audience. This is the single most important step to take when it comes to building trust with your target audience before you have a chance to interact directly with them.

It's also important to establish a visual authority by association. As you grow your visibility as an authority, more and more people are going to land on your website, seeking to learn from you instead of immediately being ready to buy. The visuals within your website must give them a reason to pay attention to your message. The message you advance must clearly communicate why you are the absolute best fit for your target audience.

Chapter 7: Showcasing Your Brand

The art of referral marketing can be an important component of your Authority Advantage. Typically, the referral you are most proud to make is one where there is an air of scarcity or authority involved.

Take, for instance, this referral, "The new five-star restaurant downtown is booked a month out, but I know the owner. I'll work on getting you a table."

The person who makes this kind of referral enjoys what we call the "Authority Halo." In the end, good authority-driven referral marketing creates a win-win-win for you, your customer, and your new lead in several ways. You generate leads more consistently, your customer refers you because of the authority Halo, and your new lead gets the benefit of having the chance to consume your product or service.

Chapter 8: The Three Categories of Content to Create an Authority Advantage

When you set out to establish your brand, it's important to remember that content is king. The three categories of content you must focus on include:

You-Driven Content. This is your stuff. It connects back to your experiences, your personal journey, your perspective, your intellectual property, and your own resources. This kind of content is in great demand once you have a large audience in place.

News-Driven Content. This type of content is timely content that connects to a topic your target audience is paying attention to. The two subcategories here include calendar-driven content and newsjacking.

Relationship-Driven Content. The content type helps create an authority advantage not only as an opportunity to build your brand but also as a bridge to build and strengthen relationships with others. By doing so, you give yourself a clear road map to creating and growing relationships at a scale and speed you may not realize is possible.

Aside from understanding how to distribute your content across the three categories, it's also important to do an audit of your current content streams across each of your channels.

Part 3: The New Media Landscape

Chapter 9: The Key to Understanding Media Today

The key to understanding the new media landscape is to develop a keen understanding of virtual real estate and, more specifically, a clear grasp of who "owns" the connection to the audience you're communicating with. In your past, the biggest landowner in terms of audience size was traditional media. Today, the power has shifted towards the largest rented media brands in the world such as Google, Facebook, TikTok, LinkedIn, Twitter, Instagram, and other large social media platforms. The new media landscape of today includes three media types: rented earned and owned.

Chapter 10: Rented Media

Rented media includes all media where you fully control the content, but you don't own the real estate. This media includes advertising, social media channels, bio pages on corporate sites, and 3rd party listings on sites like Crunchbase, health grade, etc. Build your rented media strategy by understanding the nuances and etiquette of each media channel.

Chapter 11: Earned Media

Earned media includes all content that goes out on real estate others own where the impression of the audience is that you earned that message. It includes publicity, speaking engagements, online business or book reviews, referrals, word of mouth, and awards. Publicity, speaking, and publishing a book are three of the most important categories of "earned media."

The most effective way to get PR today is to have a push/pull approach, where you pitch ideas directly to the media while also pulling them to you via smart content marketing. Tap into the power of public speaking by focusing on branding, delivering on stage, and capitalizing on each engagement. Finally, write and publish a book to establish instant respect and credibility with whomever you meet, and position yourself as an expert on whatever topic your book is about.

Chapter 12: Owned Media

With media you own, you get to make all the rules. You control what it looks like, what message is communicated, what style you embody, and, most importantly, the way a relationship with your audience is started, nurtured, and converted into action. Owned media outlets such as websites or podcasts are focused on attention and, more specifically, on doing everything they can to earn and then own the attention of their audience on an ongoing basis.

The starting point for an owned media strategy is having a clear understanding of the three audiences that every business always has in place. These include:

Audience 1: Paid Ticket Holders. This group includes your existing clients, strategic partners, and team members.

Audience 2: Tailgaters. These include an audience group who has not yet decided to spend money with you, take that job offer, book you for a speech, or move forward with whatever conversion you may be trying to drive.

Audience 3: Future Fans. This is the group that could benefit tremendously from working with you or hearing your message, but they currently have no idea who you are.

Create a content strategy that caters to the needs of these three audience types.

Conclusion

Success looks different to everyone, which is why the authority advantage works so well. It's customizable, adaptable, and authentic to who you are and what you do. Whatever means success for you, we hope the road map we have provided here can help support you on the way.

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The Blueprint

Douglas R. Conant

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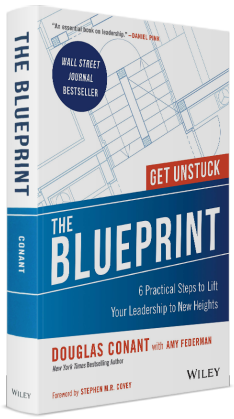
Executive Book Summaries®

The Blueprint

6 Practical Steps to Lift Your Leadership to New Heights



by **Douglas R. Conant with Amy Federman**

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THE SUMMARY IN BRIEF

In 1984, Doug Conant was fired without warning and with barely an explanation. He felt hopeless and stuck, but surprisingly, this defeating turn of events turned out to be the best thing that ever happened to him. Embarking on a journey of self-reflection and discovery, he forged a path to revolutionize his leadership and transform his career trajectory. Ultimately, Conant was able to condense his remarkable leadership story into six practical steps.

Part leadership manifesto, part practical manual, ***The Blueprint*** teaches leaders how to work through the same six steps that Conant used to transform his journey. The steps are manageable and incremental, designed to fit practically within the pace of busy modern life.

The prospect of change can be daunting, so ***The Blueprint*** arms readers with exercises and practices to realistically bring their foundation to life in every situation. Today's leaders who feel stuck and overwhelmed finally have a blueprint for lifting their leadership to make meaningful change in their organizations and in the world.

IN THIS SUMMARY, YOU WILL LEARN:

- The six steps for building your foundation of leadership.
- To plan your unique leadership model.
- To adopt a growth mindset that allows you to constantly improve.
- The 10 key building blocks to leadership that works.

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Introduction: The Raw Materials of Change Are Already Within You

You already have the raw materials to change your leadership life. But today's leaders don't have the time to figure it out on their own. The pace of life has accelerated rapidly; technology has ushered in a tacit expectation that we be "on" and reachable 100 percent of the time. The number of texts and emails we receive has tripled in recent years. Expectations are higher. Companies want more, better, faster.

Leaders both seasoned and aspiring don't have to muddle through figuring it out on their own anymore. By following six steps, you can fulfill your potential and deliver ever-improving results in a demanding, confusing, and time-starved world—and actually enjoy yourself along the way.

These steps teach you about yourself and help you build a customized framework for reaching your goals, in a way that works uniquely for you, with your own leadership voice and style. All you have to do is follow the practical steps in earnest. Each step is small and manageable; nothing ever has to be "perfect" or "complete." Because that's not the way life works.

There is one small catch: You must enter into this journey understanding that it is ongoing. While you'll be making measurable progress right out of the gate, noticing changes, and achieving goals, you won't ever truly be "finished." Once you embark on this journey, it never ends.

Part I guides you through the practical six-step process of self-reflection and study, to build the foundation for your leadership success. You'll learn how to use small steps to meet big goals.

In Part II: Manifesto, you'll get anchored in foundational leadership lessons. Your greatest support in the realization of your special leadership dreams will be a deep understanding of what leadership is and the timeless principles that make leadership work, no matter the practitioner.

PART I: BLUEPRINT: GET UNSTUCK

In the world at large, a blueprint is a tool for bringing to life the dreams of an architect. Here, the Blueprint is a tool for bringing to life the dreams of leaders. Rather than building a structure, you are building your future; while the output is not as tangible as concrete, steel, or glass, it can be just as magnificent as the most dazzling skyscraper.

If you ask any good structural engineer, they'll tell you that the trick to building a soaring skyscraper is laying a deep foundation. The taller the structure you want to build, the stronger and deeper the foundation you'll need.

The same thing is true in leadership. The leaders who succeed have a sturdy and secure foundation. That foundation tethers them to their beliefs and values, keeps them connected to their unique personality, characteristics, and temperament, and allows them to put their skill set to work in the most productive way.

That's what your journey through the six-step Blueprint will be focused on: designing the foundation that allows you to build a personal leadership approach that can withstand almost anything.

Step 1: ENVISION: The Power of Intention and Purpose

The first step in the Blueprint is to Envision your leadership future, to reach high and set an anchoring intention for your journey. To lead effectively, you must focus on being just a little more intentional every day.

The first step to *being* intentional in your leadership is *having* an anchoring intention. In the following exercises, you'll do the necessary reflection to uncover a working draft of your purpose.

To begin to arrive at your crisp statement of purpose, you will answer three questions—the first and most important questions of leadership. This is your opportunity to envision what your boldest dreams of success and fulfillment might look like.

Question 1: Why do I choose leadership? How can we begin to Envision what we want our leadership to look like if we don't understand why we are doing it to begin with? Why have you made the choice to lead people? What will be the greater meaning behind that choice that will help you to continue to choose it, enthusiastically, throughout the course of your life?

How do you want to spend your leadership life? What is the work you feel called to do? What is your dream? How do you want to leverage your special gifts and interests to make the world a better place? What does "improving the world" look like to you?

Question 2: What is my promise? This question adds texture to your reason for leading because it helps you con-

What have you learned from big wins or successes in your career? What successes were you able to replicate time and again?

nect with your promise: what you can deliver. What makes you different? How do you stand apart from your contemporaries and colleagues? What qualities are you not willing to compromise on? What parts of your personality do you leverage most in your leadership?

Question 3: What are my values? To gain a better understanding of your purpose—and to begin to work toward fulfilling that purpose with integrity, you'll need to identify a set of values. Your values are related to the principles you hold most dear; they are the qualities, ideals, or precepts you expect from others and strive to embody with your own behavior. In short, they are your standards. It is important to get rooted in your values early in the Blueprint process because they will be reflected throughout every other component of your entire Foundation.

To diagnose your values, you have to think back on your life and career thus far. Can you think of times where you took a principled stance even though it might have been risky, inconvenient, or even damaging to your career?

Can you think of times you feel certain you behaved with integrity even when it was very challenging to do so: examples in which you went against the grain, had an uncomfortably candid conversation, or defended an unpopular decision?

Now take a stab at a rough draft of a purpose statement that hits all three of those cylinders in some fashion. You won't get it right on the first try. But you'll be in a good position to make it better. Use the words "My Purpose Is" to guide your thinking.

Step 2: REFLECT: Dig Deep

Using the thinking you did in Step 1 as a springboard, you will be challenged to travel deeper within yourself to learn what life experiences have influenced your beliefs about leadership. You will begin to understand how you can inspire and motivate people to do better.

Question 1: What motivates people to give their best? To understand how to motivate others, first think about what has motivated you on your own journey. When were you most driven in your life and/or career? Was it when you were chasing a bonus or raise, when you were seeking the respect of a mentor or superior, or perhaps when you were perplexed by an intricate problem that needed solving?

You will find that what motivates you may not always be what motivates other people. So, now, expand your reflection to the people around you. What motivates the people closest to you in your life—your friends, family, closest colleagues?

Keep a list of things that stand out. Notice how and when there are points of synergy between what you find motivating and the values you brainstormed in Step 1.

Question 2: How do you influence people to deliver consistently high performance in an inconsistent world? This question asks you to think about successful practices and tactics for influencing others. It drills down on specifics and gets more into the nitty-gritty.

What have you learned from big wins or successes in your career? What successes were you able to replicate time and again? Which ones felt more like one-offs? Were you ever part of a team that felt so in sync and so productive that good results came repeatedly and organically? If so, what created the magic?

Thinking of the above prompts, identify four to six specific practices or actions that brought about desired results or superior performance throughout your career.

An important part of graduating from the Reflect step is to compile your leadership vocabulary. Building on the work you did in Step 1 to think about your values, beliefs, and leadership purpose, here you will add shape and structure to the words that are meaningful to you.

What are the words you will use to find strength and to describe what is most important to you? What words hold the key to the person and leader you would like to become?

Now, take a stab at a preliminary list of your leadership beliefs. Use your values and your leadership vocabulary as a reference point. For example, if one of the words in your

leadership vocabulary is "integrity," a leadership core belief that brings that word to life might be "Always be true to your word," or it could be as literal and on-the-nose as "I believe a true leader leads with integrity."

Step 3: STUDY: Lay Your Groundwork

In the Study step, you will be challenged to look beyond your own lived experience to gain deeper insights from the world around you through reading, observing, practicing, and studying.

The first concept in the Study step is the idea of building a network. People tend to think of networking as a way to advance their career and build professional relationships. And it is, but it's much more than that.

The other concept in the Study step is more in keeping with a traditional definition of studying: the idea of doing your homework. This requires reading about leadership, studying leaders past and present whom you admire, consulting with executive coaches, seeking out mentors, and more.

The Entourage of Excellence™ gives you a framework for evaluating what you admire in other leaders. And it equips you with an on-demand advisory board that can assist you in your thorniest moments. First, choose, two people from your professional life (past or present); two people from your personal life (past or present); two leaders from history who have inspired you. For each person you choose, write down their name, the qualities you admire about them (e.g., teamwork, mental toughness, EQ); and a brief story or anecdote (two or three sentences) about why you are adding them to your entourage.

Anytime you need guidance, you will simply do a quick mental accounting of your entourage, choose the right person for the job, and ask, "What would _____ do?" "What would they recommend?" "How would they challenge you?" When you develop this as a habit, you too can more confidently choose the best path forward, with excellence—at a moment's notice.

Leadership dos and don'ts. Keeping in mind the qualities that make the members of your entourage so exceptional, and the tactics you came up with when you answered "What makes people give the very best of themselves?" you will list the "greatest hits" from all your reflections thus far: five to 10 of the very best things that good leaders do. These should be tangible and specific practices that bring key qualities to life, as they will become crucial components in the leadership plan you create in the next step in the Blueprint.

For example, if your reflections have revealed that "Recognition" or "Earning Trust" is a cornerstone of your idea of good leadership, a practice that brings that to life might be "writes handwritten thank-you notes."

As important as it is to be explicit about what you should do, it's equally important to be definitive about what you should not do. So start one more list for don'ts. Brainstorm the five to 10 things that good leaders definitely do not do. These should be specific things to avoid like "doesn't give feedback," "breaks commitments," "lies," "boasts," or "always casts blame on others."

Step 4: PLAN: Design Your Leadership Model

Most leaders have a plan for the key business initiatives they want to accomplish: a plan for talent acquisition, a plan for business development, a plan for increasing sales, and so on. Planning is woven into the fabric of the corporate world for a reason. To get things done, you need a path to follow.

This step is about equipping you with a plan for bringing your leadership to life in the real world. First, you'll create a prototype, and then you'll refine your work in the next step.

A leadership model is a representation of a system, composed of concepts and practices, which you use to help people—including you—know and understand your approach to leadership. Ultimately, with the creation of your leadership model, you will create a succinct encapsulation of how you intend to lead. Once you have developed your model, as part of your overall Foundation, you have a resource that helps you to be consistent in your behavior.

Everybody's model is and should be different. That said, there are some broad guidelines about what your model should capture.

Guiding question. How will you advance your leadership purpose and honor your leadership beliefs? Advancing your purpose is about how effective you will be. Honoring your beliefs is about how authentic you will be.

Two basics. Two basic things you should strive to capture in your model are performance and people. You can find your way through just about any workplace culture or

To excel at leading, just like any art form, you must treat it as a craft: honed with intention, practiced mindfully, and improved constantly.

challenge, even in the most volatile environments, if you both perform and take care of people. The same is true of your leadership model.

Clusters. No matter what shape or framework you land on, your model will also have key practice areas. Now is the time to extract a few words, ideas, or thoughts to use for your clusters. Do this by looking back now on the exercises you have already completed. Reflect on the process briefly and extract at least a few key insights, words, or ideas. What revelations have been especially resonant? Is there an issue or idea that has occurred to you repeatedly?

Grouping. Spread out all of your notes in front of you. Which words or ideas seem to go together? Which components seem to speak to your leadership purpose? Which components seem to speak to your leadership beliefs? Start to organize your notes into clusters. Don't worry about it being "right" or "wrong." You will notice that distinct themes will emerge.

Taking shape. Now comes the fun part. Take a stab at organizing your clusters into a shape or framework that speaks to you. The possibilities for your unique design are endless.

Step 5: PRACTICE: Build Your Leadership Profile

To excel at leading, just like any art form, you must treat it as a craft: honed with intention, practiced mindfully, and improved constantly.

Deliberate practice requires dedication and smart application. To do it, you have to consistently adapt your approach; it requires calculation and careful thought but can also be broken down into small manageable steps. It means working through occasional discomfort and persevering when you're tempted to quit.

In keeping with the small step ethos, you will now do two incremental things: refine the key practice areas of your leadership model and identify just one practice for each area in your model that brings the concept to life.

To start, refer to the work you've already done in the previous steps. First, look at the Entourage of Excellence and "Dos and Don'ts" exercises you completed in the Study step. The dos and don'ts you already identified *are* practices you can use as inspiration now. Looking at those practices, you already have a stable of actions you might consider for your practice treasury.

Key practice areas are the finalized guiding themes of your leadership model; they are what your clusters should evolve into. They define what is most important to your plan for success in your leadership, outline what matters most to you as a leader, and embody your standards for conduct.

Compare your dos and don'ts to the rough draft of your leadership model. What practices fit with which clusters? How can you narrow your clusters down or expand them based on the practices you will use to bring them to life? Based on your looking at it with fresh eyes, what are the key elements you want to include?

Now pick one practice for each key practice area in your model. For each practice you choose, make sure it is specific, repeatable, requires focus, and iterative (subject to feedback).

For example, Nancy Killefer, a retired senior consultant at McKinsey, has had an illustrious career in consulting and government. She's an extrovert who found in the past that she had a tendency to steamroll or take up too much space in conversations. Wanting to practice the skill of better listening, she developed a practice that helps: She sits on her hands. Knowing that she talks with her hands, she practices restricting their movement so that she becomes aware of whenever she has the urge to interject (because the urge naturally begins in her hands). Then, she pauses and instead allows the other party to fill the silence and guide the conversation as needed.

If one of your areas is "Relationships" or "Relationship Building," a practice in service to that might be holding informal meetings outside the office. If one of your areas is "Communication," your practice might be explicitly stating your expectations in a manageable way.

Step 6: IMPROVE: Reinforce Your Foundation

The rapidly changing business environment is competitive and unforgiving. What is tried and true today may be obsolete tomorrow. What is innovative this week may be passé the next. That's why the best leaders, and organizations, understand that they must either grow or die. It's a Darwinian world. The competition is fierce and unrelenting. The pressures are unceasing. How can you keep up? If you are not constantly evolving, you are withering toward obsolescence.

Since the demands of the marketplace require agility, we must engineer ongoing growth into our leadership DNA. That's what this step is designed to help you do. Embracing a continuous improvement mindset helps you adapt, grow, and ensure you are best suited to juggle the changes you will encounter in today's world.

The Growth Mindset

First, you must internalize the growth mindset. This is a phrase coined by researcher and psychologist Carol Dweck. In simple terms, people with a growth mindset believe that intelligence can be developed and improved. It's a fundamental belief in the ability to get better.

To make the lessons in this step real and to internalize the growth mindset, you have to keep this one urgent question at the top of your mind: How can I do better? This is the same question everyone who has ever excelled in their field has used as their North Star, from Beethoven to Botticelli to Beyoncé.

As a first step toward improvement, go back through your first five steps of the Blueprint and see if they hold up to scrutiny at a high level. Are there better ways to answer the first five questions? Have you unearthed all the insights you can? Does your emerging approach make sense? What can you change or rework? What needs tinkering?

Now you will identify specific areas for growth and make a plan for improving in those areas. Pick three areas that play to your strengths, that you will be able to pursue with the joy that comes from doing the things you are good at, rather than the things that leave you feeling frustrated or depleted.

Think—what inspires you? Thinking back on your first step in the Blueprint, what did your boldest dreams of leadership success look like? Holding that vision in your mind, contemplate: What do you have to improve to get there? Maybe it's that you want to apply your skill set in a new way by pursuing board governance, or maybe it's that you want to enhance your cultural fluency with an international assignment. Perhaps you want to deepen your already rich relationship-building abilities and you want to create an action plan for that.

Write down three areas in which you want to improve and one action you will take over the next 30 days in service to that improvement initiative.

For example, if you want to strengthen team morale, the action might be this: Over the next 30 days, commit to holding at least one to three meetings in a more informal setting, whether an off-site or a walk-and-talk outdoors.

PART II: MANIFESTO: MAXIMIZE YOUR IMPACT

Thus far, ***The Blueprint*** has helped you discover a way of leading that is uniquely yours, to anchor you in a strong Foundation so you can freely adapt to the challenges you will encounter in a way that is authentic to you. But alone that is insufficient. Your greatest support in the realization of your leadership dreams will be a deep understanding of what leadership is—and the timeless principles that enhance leadership effectiveness—no matter the practitioner.

What Is Leadership?

Leadership is the art and science of influencing others in a specific direction. To influence people effectively and create an evolved leadership approach, you must first learn how to leverage enduring leadership principles: the basic building blocks. Once you're better steeped in the fundamentals, you can more ably deploy innovative, high-impact leadership practices that capture the spirit of your Foundation. The more you ground yourself in these principles now, the more enduring your leadership legacy will be tomorrow.

There are 10 key building blocks to "leadership that works": high performance, abundance, inspire trust, purpose, courage, integrity, growth or die mindset, humility, how can I help, and have fun. Attending to them in a manageable way offers your best chance at delivering enduring results in the marketplace, creating a legacy of contribution, delivering consistent value for all stakeholders, and, most importantly, charting a course to professional joy and fulfillment.

There is a "higher truth" about leadership that knits together the 10 tenets in this manifesto: Leadership is all about the people. Leaders need followers. Followers are earned; they're not guaranteed on the merit of your title alone.

To earn the confidence of your constituents and spread your influence, all of your actions must be tethered to a

Trust is not a soft, social virtue—it's a hard, economic driver for every organization.

commitment to honoring people. This is the single most important thing for leaders to understand. Let's now discuss three of these tenets.

Inspire Trust

Trust is not a soft, social virtue—it's a hard, economic driver for every organization. Trust comprises two-thirds of the criteria for *Fortune's* esteemed "100 Best Companies to Work For" list because their research shows that "trust between managers and employees is the primary defining characteristic of the very best workplaces." These companies beat "the average annualized returns of the S&P 500 by a factor of three."

Trust starts small and gets big. It's not a nice-to-have; it's a must-have. Without it, every part of your organization can fall, literally, into disrepair. This could mean something more abstract like losing profits or market share in a corporate context, or something as vital and grave as losing more lives in combat zones.

Conversely, with trust, all things are possible—from the most ambitious strategic goals in a corporate context to the most valorous victories won on the world stage in a military milieu. It's clear that as you work to develop your leadership craft, you must inspire trust at every step along the way. You really have no choice. Your entire suite of leadership behaviors depends on it.

Luckily, trust, like most leadership behaviors, is a skill that can be learned and built. To inspire trust, you must

- Honor all stakeholders.
- Declare yourself and do what you say you are going to do.
- Develop and display character and competence—consistently.
- Uphold high ethical standards.
- Model the behavior you expect from others.
- Acknowledge mistakes.
- Consistently meet performance expectations.

A theme that runs throughout the suite of behaviors listed in the bullets above is the importance of demonstrating respect. A recent *Harvard Business Review* article found that employees value the feeling of being respected by their leaders more than anything else, even more than explicit recognition, visionary leadership, or learning and development. These findings link closely with the overarching theme of all effective leadership: honoring people.

Integrity

We all know leaders who have a bias for action, who have little patience for words and only value results. These leaders say indignantly, "It doesn't matter what you say, it's what you do that counts!" It's a popular idea.

The truth is that both what you say and what you do matter; they matter a great deal and in equal measure. To demonstrate integrity you have to say how you will act, then do what you say. You have to say what matters and then do what matters. You must tell people where you're going to take the organization, then actually lead them there.

Yes, your actions are crucial. But without words to measure your actions against, they are less powerful; absent any criteria from you about what you believe and how you will act, it is harder to gauge whether you are behaving with integrity or not.

Declaring Yourself

Declaring yourself gives people a criterion for measuring your trustworthiness, to lay the groundwork for building productive working relationships, and to model the behavior you want to see reflected throughout the organization.

Declaring Yourself works in two important ways. First, it spreads trust from the inside out. As you model the practice of being forthright and transparent, people can approach their work demands with that same transparency. And they can proceed with all the necessary information to work smoothly alongside you. It is a relationship accelerant that dissolves mystery and enhances understanding between co-workers.

Second, it creates accountability for you to adhere to the commitments you make when you declare yourself.

What types of things should you include when you declare yourself? Anything you deem pertinent.

A "Declaring Yourself" document can include what is important to you, what kind of leader you're trying to be, what you value in an organization, what you seek in direct reports, how you believe your industry operates, your planning philosophy, operating style, and so forth.

Humility

Often when we think of humility, we consider its most surface level meaning: that it refers to how modest a person acts. Sometimes, leaders even misunderstand it to mean holding themselves in low esteem, or assume it requires publicly denigrating oneself so as not to appear cocky or brash.

Humility in a leadership context has two crucial overarching components. The first part of humility involves putting your ego aside to let people know a more personal, less-rehearsed version of who you really are. Instead of only showing people the best version of ourselves all the time, it means coming down to earth to show a few cracks, too.

It requires shedding your armor a bit, and doing the necessary work to delve deeper in your understanding of yourself so you can share your leadership story and gifts more freely with others.

The second part of humility requires that we look beyond our own abilities and perceptions to learn from others; it means fully recognizing we are not the smartest person in the room and learning to listen—to really listen—to the people around us.

Learning to be alert to the abundant wisdom that exists in the world around us and within the other people in our organization is a skill that will serve us well on our leadership journey. We can do this by mastering the art of listening, reading more, becoming more open-minded, and learning to give credit to others more generously.

These two components boil down to two essential elements: connecting and listening.

Your life story is your leadership story. Only you can write it. Only you can chart your course. The six steps have helped you connect more deeply with your unique talents, insights, experiences, goals, and dreams. There isn't another soul alive who can replicate your exact Blueprint, who possesses your one-of-a-kind Foundation. Cherish that knowledge. Your contribution is special.

People are waiting for you to make a difference. The time is now. Go forth and lead!

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Douglas R. Conant is the only former Fortune 500 CEO who is a *New York Times* best-selling author, a Top 50 Leadership Innovator, a Top 100 Leadership Speaker, and one of the 100 Most Influential Authors in the World. He is founder and CEO of ConantLeadership, former president and CEO of Campbell Soup Company, former president of Nabisco Foods, and former chairman of Avon Products. Amy Federman is a highly experienced writer, passionate marketer, fastidious editor, and voracious reader with a track record of success in corporate and digital communications, business writing, and publishing.

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The Brain Advantage

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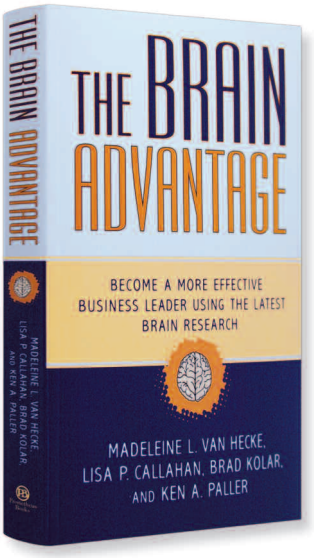
Leadership: Development



The Brain Advantage

Become a More Effective Leader Using the Latest Brain Research

by Madeleine L. Van Hecke, Lisa P. Callahan, Brad Kolar, and Ken A. Paller

THE SUMMARY IN BRIEF

The Brain Advantage ties the latest brain research to its implications for leadership styles and practices. The human brain is a three-pound miracle. But of all of its miraculous features, there is one that is too precious to neglect. We have the power to "step outside of ourselves" and be aware of what our brain is doing.

Consider a rat that has mastered a tricky maze to find food. Move the food closer to the starting point, and the rat will run right past it. The rat is trapped in its routine.

As humans, we too get trapped in mindless behaviors. But unlike the rat, we can take a step back and realize what we are doing.

The authors of *The Brain Advantage* consolidate research from a wide range of studies, articles and books that delves into the *neurocognitive* underpinnings of how people think and act, leading to provocative insights into the human condition. *The Brain Advantage* draws on key research findings and analysis that can help you become a more effective decision maker, communicator and change agent.

IN THIS SUMMARY, YOU WILL LEARN:

- Why leaders should see themselves as facilitators of innovative people.
- Why "smarter" brains don't have to work as hard.
- Why being an authentic leader does not mean revealing every random thought.
- How leaders hone their intuitions by reflecting on and analyzing their past experiences.
- How low levels of stress may make us more resistant to tough challenges.

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THE COMPLETE SUMMARY: **THE BRAIN ADVANTAGE**

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Using Constraints to Free Up the Mind

What is going on in the brain of a jazz pianist? This is a tough question for neuroscientists to answer. If you are doing research on this in order to study creativity, how can you tell that what you are seeing in the brain scan reflects actual improvisation and not simply the playing of a prearranged jazz piece. These were the challenges faced by researchers Charles Limb and Allen Braun as they planned their study of jazz improvisation.

Limb and Braun found that the *medial prefrontal cortex* – an area of the brain that is a few inches behind the center of the forehead — was much *more* active during improvisation. At the same time, there were two parts of the brain that were significantly *less* active when the musicians improvised, compared to when they played a memorized piece.

One of these areas, the *orbital frontal cortex*, is involved with monitoring our behavior to keep it socially appropriate. The second area that was quiet during improvisation was the *dorsolateral prefrontal cortex*. This part of the brain is involved in what are sometimes called the brain's "executive functions."

When we are consciously pursuing a goal, planning to achieve it and monitoring our progress, this part of the brain is at work. In the flow state, thoughts and sensations can come through without being controlled, judged or censored. In contrast, the flow state is interrupted when executive functions are activated.

For example, when an artist steps back from a painting to consciously consider progress, he or she is activating the executive parts of the brain. When this happens, the self-expressive parts become idle.

In some circumstances, conscious analysis can also interfere with creative problem solving and innovation.

How Can I Use This Information as a Business Leader?

Companies need innovation to thrive; leaders are expected to encourage innovative thinking. This creates a challenge for many leaders since it requires a neural orientation that they typically avoid. A successful leader, for example, relies heavily on the area of his or her brain that controls executive functions. Goal-oriented business leaders are consciously, intentionally and deliberately thinking about what they are doing. Indeed, the kind of thinking most likely to result in innovative ideas is at odds with many typical business goals.

Leaders don't want employees to reinvent the same old wheel, but they do want new wheels that improve what already exists. They want better products and services and original ways to solve problems. At upper levels of management, companies want leaders who are imaginative enough to see the entire industry from different perspectives. But the values that are typically embraced in business, such as careful planning and efficiency, make it hard for some leaders to endorse the kind of thinking that leads to innovation.

Business leaders can impose constraints that encourage rather than stifle creativity, but these must be the right sorts of "nonsuffocating" constraints. In her article "How to Kill Creativity," Teresa Amabile advises leaders to "give people freedom within the company's goals. Tell them which mountain to climb, but let them

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Edward O'Neill**, Graphic Designer; **Paula Ezop**, Contributing Editor

decide how to climb it."

Leaders who have set boundaries may find it easier to relinquish tight control. The boundaries create a sense of safety for the leader as well as for the employees.

Overall, leaders have a huge impact on innovation because their decisions shape the space within which creative employees can improvise. ●

Do Expert Brains Think Less?

Brain imaging techniques allow researchers to witness the brain's activity reflected in a rainbow of colors on a computer screen. When brain cells are highly active — working harder — the result shows up as brighter colors on the screen. Brilliant reds and yellows indicate brain areas that are most active. In contrast, the blues and greens on a scan show a quieter, less active brain area.

Neurologist Richard Restak summarized a UCLA study that compared individuals with high IQs to those with average IQs. Higher IQ people had cooler, more subdued brain scans "while their less intellectually gifted counterparts lit up like miniature Christmas trees."

When individuals undergo training and gain expertise, their brain activation may be reduced following learning. Restak concluded that "smarter brains" don't have to work as hard. Why? One strong bet is that when we are inexperienced — when we still have a lot to learn — we have to make a conscious effort to think about what we're doing. But later, after we've become more adept, much of what initially took effort becomes automatic. The brain automates well-learned responses.

The good news is that functioning on autopilot allows us to expend less of our brain's energy on routine aspects of work. Our expertise allows us to direct our energy elsewhere.

However, carrying out routines more automatically has one major drawback. It increases the risk that people will at times implement these procedures "mindlessly."

The Risk of Autopilot

In 1989, international rock climber Lynn Hill was preparing to climb a wall in Buoux, France. She threaded the rope through her harness, but then, instead of tying the knot, she stopped to put on her shoes. While tying her shoes, she talked to another woman. "The thought occurred to me that there was something I needed to do before climbing," she later recalled. But Hill "dismissed the thought" and climbed the wall. When she leaned back to rappel to the ground, she fell 72 feet. Fortunately, tree branches broke her fall and she survived.

Laurence Gonzales, who tells this story in his book *Everyday Survival*, points out "experience contributed to her accident." She could tie her rope to her harness on autopilot, but the similarity between tying her shoes and tying the rope "tricked" her brain into thinking she had done what she needed to do.

The key question for business leaders is how to ensure that people stick to autopilot when it's working well, yet make the shift to more conscious deliberation when it's needed. ●

Eureka! How to Make New Connections

As Northwestern University neuroscientist Mark Jung-Beeman observes, "In the two millennia since Archimedes shouted 'Eureka!,' it has seemed common knowledge that people sometimes solve problems — whether great scientific questions or trivial puzzles — by a seemingly distinct mechanism called insight. This mechanism involves suddenly seeing a problem in a new light, often without awareness of how that new light was switched on."

Sometimes we need to shift away from our methodical left-brain orientation and let the right brain take over. Our right brains let the insights "happen" and help us notice them when they occur. Insights involve making new connections among ideas that we already have. ●

Can I Trust You?

Trust is risky. Yet without trust, we would never rely on a friend to pick us up at the airport or depend on a colleague to steer us in the right direction as we worked on a project. So how do we decide whom to trust?

Economists look at trust as a calculation. Based on how someone has treated us in the past, we calculate the odds that we can trust that person in the current situation.

The neuroscience research suggests that fairness is not the only element that influences trust. The brain does try to imagine what the other person might be thinking in an attempt to predict how that person will behave. And the brain does appear to keep track of what has happened in the past to determine the odds that our partner will play fair or betray us. But once trust is established, we take it for granted and our brains no longer need to engage in careful calculations to decide what to do. We simply trust.

For trust to develop between leaders and employees,

both parties need to demonstrate their trustworthiness. Leaders need to earn a reputation for competency, honesty and dependability. Both leaders and followers need to make sure that they keep their promises.

Ouch! You Left Me Out

Psychologists used to think of social pain mainly in terms of what we feel when we are humiliated or insulted, but as social exclusion research clearly indicates, we also feel pain simply from being left out.

Leaders cannot dole out their time and attention in precise or equal measures — nor should they try to do so. But they can shoot for a balance to ensure that whole segments of their organization do not feel left out and that individuals do not feel routinely overlooked.

Feeling like you are contributing to the organization in a meaningful way, feeling connected to your team or coworkers, and valuing your relationship with your manager are three of the key drivers of engagement. All three of these motivators are harmed when people feel excluded. ●

Will the 'Real' You Please Stand Up?

There are costs associated with trying to hide our emotions. We may suppress the expression of those feelings, but that does not mean we are no longer actually experiencing them.

In the more primitive part of the brain, our reactions grow stronger when we try to hide them. Other cognitive research reveals that it takes a lot of cognitive effort to keep that stiff upper lip. This is so pronounced that when we try to hide our reactions, it is harder for us to later remember the whole experience.

There is another cognitive cost that comes when we hide our feelings — we monitor ourselves. For example, in today's business world, it is socially unacceptable to express prejudice. People try to stop themselves from saying or doing anything that might reflect bias. This kind of monitoring takes effort. That effort uses brain resources to such an extent that it temporarily impairs our ability to do other cognitive tasks.

The effort to restrain our emotions is so cognitively taxing that it distracts us from what is happening; this exacerbates our physical stress reaction as well. Moreover, it creates stress for others around us. In contrast, reappraising a troubling experience early on — before our emotional reaction escalates — helps. Thinking about what is happening from a more positive perspective calms our brain's reactivity and calms us.

You Can't Fake Authenticity

Most of us have had lots of practice in molding a bland facial expression when we actually feel embarrassed or upset. However, because our limbic system can trigger a grimace faster than we can suppress it, we sometimes unconsciously reveal what we initially meant to keep secret.

Leaders Should be Authentic

In their article "Managing Authenticity: The Paradox of Great Leadership," Rob Goffee and Gareth Jones point out one of the great paradoxes of authenticity — namely, that leaders have to be many things to many people while remaining true to themselves. One solution to this quandary, Goffee and Jones suggest, is to recognize that our authentic selves are complex and multifaceted.

They agree that it is possible to express only those aspects of ourselves that are appropriate in a given setting and still remain authentic. Being authentic does not require us to reveal every random thought and feeling we have.

Yet one major facet of authenticity, as humanistic psychologist Carl Rogers emphasized, is to make sure that our inner selves — what we truly think and feel — match our outer behavior. When we act in ways that are not congruent with our genuine feelings, other people detect it and react.

Leaders who step back from disasters to reflect on the positive aspects of the situation may find that their own emotions genuinely shift for the better. ●

Fire, Ready, Aim?

You are in the batter's box and the pitcher is winding up. You see the ball leave the pitcher's palm and come flying toward you. When you think the ball is just leaving the pitcher's hands, it is no longer there. It has already traveled nine feet. Neurologist Robert Burton uses this example to explain that we are often on a time delay when we perceive the world around us.

As neuroscientist Jeffrey Schwartz put it, we may not have "free will" but we appear to have "free won't." We have a window of time in which we can decide what we want to do about our decision. How much time we have depends on how fast we have to react.

The batter has very little time to react. In other situations, like reacting with an angry outburst, we can stretch out the amount of time we have to make a decision. But even when we have very little time — like two-tenths of a second — we at least have time to veto our original intended action.

In his discussion of the baseball player, Burton draws a parallel between the batter's situation and a person engaged in a conversation. Sometimes, we have a brief exchange in a hallway or swap ideas in a brainstorming session. In a fast-paced conversation, information speeds toward us and we respond just as quickly. We only have a small window of time to take in what other people are saying. We may be responding to the other person — believing that we have accurately heard what he or she has said — when we haven't accurately heard anything at all.

What if Leaders Encourage Slower-Paced Communication?

Leaders can show that they would like to see people take a bit more time before responding to one another rather than shooting from the hip. What if leaders experimented by imposing more silence? For example, what if leaders proposed that for just 15 minutes of a meeting, everyone would pause for two seconds after every comment or question?

Team members would learn how they react to silence. Does silence make them impatient or uncomfortable? Do they use the time to see if they understood what was said? Or do they use it to think about what to say next? Team members might even realize that this additional time leads them to change how they otherwise would have responded. ●

That's Not Fair

Evolutionary biologist Keith Jensen's research with capuchin monkeys shows that even subtle experiences of unfairness can trigger anger. Monkeys in adjacent cages were trained to hand over small granite rocks to researchers in exchange for a slice of cucumber. As long as the monkeys saw that their neighbors also received cucumbers, the monkeys happily traded rocks for food. But what happened when the researchers favored some of the monkeys with juicy grapes, a much-preferred treat? The slighted monkeys reacted.

"They would literally take the cucumber from me and ... throw it on the ground, or when I offered it to them they would simply turn and refuse to accept it," psychologist Sarah Brosnan commented. Ultimately, the monkeys who felt insulted were less willing to continue the exchange. This was even more evident when they saw other "slacker monkeys" getting grapes for *doing nothing*.

Human beings hate unfair treatment, too. People retaliate when they feel they have been treated unfairly. People will retaliate even when it means that they themselves get nothing.

In work settings, it is not uncommon for leaders to impose equal solutions in the name of fairness. To many leaders, equality means treating everyone the same. But people, departments, customers and shareholders have differing needs. Treating them equally is not necessarily fair, nor is it the best solution.

Fairness is about consistency, but it is also about applying a consistent process. As long as leaders give equal, unbiased consideration to each person's or department's needs, they are being fair. The final results or actions taken might be very different for each department. In fact, if leaders are leading effectively, they should be.

Leaders need to make sure that they are evenhanded in their dealing with employees. But just being fair is not enough. Leaders also have to make sure that employees *perceive* their decisions and actions to be fair. This perception is not based solely on the actual fairness of the leader's decisions. It is also influenced by two other factors — transparency and empathy. ●

Rules of Engagement

Apparently, our brains compute the odds of getting rewarded and create rules of thumb to guide us to the biggest payoffs — all without our conscious awareness.

Leaders influence the rules of thumb that employees learn. In *Gut Feelings*, psychologist Gerd Gigerenzer argues that an entire culture can shift when enough people implicitly learn what the leader values. Based on the leader's behavior, the culture can become "more or less open, more or less inclusive, more or less formal."

Leaders know that their behavior impacts others, but many leaders fail to realize that they are probably conveying rules of thumb without being aware of what they are doing. Leaders leave hundreds of subtle cues about their expectations, likes and dislikes. Because they are communicating norms without being aware of it, leaders can unknowingly establish norms that they would never intentionally promote.

Oppressive rules of thumb can continue to influence people — sometimes even years after the leader who introduced them has left the scene. ●

Mood Contagion

In his breakthrough book *Emotional Intelligence*, Daniel Goleman tells an amazing story of what happened in the middle of heavy fighting during the Vietnam War. As American troops and Viet Cong soldiers were shooting, six monks suddenly came into the line of fire. They walked with utter calm along a ridge through the middle of the battle. Not one shot was fired at them from either side. In fact, no one issued another shot after the monks had passed safely through.

The American soldier who recalled this incident said that something changed in him after watching the monks. He said it was as if "all the fight was out of me. I just didn't feel like I wanted to do this anymore, at least not that day. It must have been that way for everybody, because everybody quit. We just stopped fighting."

Goleman uses this extraordinary story to illustrate the power of a phenomenon called *emotional contagion*.

Can Everyone Be Having a Bad Day?

One classic study shows that just being in the same room with another person can shift your mood to match theirs.

Are moods contagious in work groups? Research shows that moods of group members converge within two hours. Even a single individual can influence the mood of an entire group — to the point of affecting how well the group functions.

Studies have shown that when leaders and managers maintain positive moods, the performance of employees is higher. What if leaders create a culture in which fun is the norm?

Some companies, like Scripps Networks, include "humor" as one of their core values. Southwest Airlines encourages its employees to come to work with a "warrior spirit, servant's heart and fun-loving attitude." By engaging employees and promoting a light-hearted, and perhaps humorous, workplace culture, leaders can increase the productivity and loyalty of their teams. And they have fun doing it.

As Adrian Gostick and Scott Christopher describe in their book, *The Levity Effect*, as a result of creating a lighter tone so that people have fun at work, employee loyalty and retention increase. ●

Often Wrong, But Never in Doubt?

How do we know that the feeling of being right is a creation of the brain? One strong indicator is that neurological conditions can exaggerate this sense of being certain so much that we cling to beliefs that we know cannot be true.

The feeling of knowing can be so strong that it trumps logic and leads us to accept beliefs that we ought to be questioning. We are often more confident than our expertise justifies, maybe because the "feeling of knowing" assures us that we are right.

It is one thing to question employees, but it's the rare business leader who is truly able to question him- or herself. Most successful business leaders would not have achieved their high status had they not been right much of the time. This makes it easy for successful leaders to become arrogantly sure of themselves. Leaders who have an arrogant style discourage employees from bringing up contradictory ideas or information, which only reinforces a leader's conviction that if he or she is sure of something, then it must be right.

Some leaders fear that unless they act sure of themselves, the people they lead will lose confidence in them. There is a different way to look at this issue. Leaders can be more *conditional* about what they believe and still act *decisively*. To get respect, leaders need to be decisive, but being more conditional means that leaders examine their sense of certainty, not that they are indecisive.

Once leaders have looked at opposing perspectives, questioned assumptions and exhausted other alternatives, they can act decisively based on the information they have gained. ●

The Halo Effect

Nearly 100 years ago, psychologist E.L. Thorndike first introduced the term *halo effect*. The halo effect describes how our perception of one desirable trait in a person can cause us to judge that person more positively overall. If people are likable, for instance, we often perceive them as more honest and intelligent as well.

Another form of bias is the *shadow effect*. This is the halo effect in reverse. Leaders who fall under the shadow effect may view people through the lens of the "One Big Mistake." Although the mistake may have happened years earlier, the story has been retold so many times that it overshadows any future successes.

Just as biases influence leaders as they deal with individuals, they also influence leaders' attitudes toward organizations. "In business," Phil Rosenzweig, author of *The Halo Effect* notes, "a company's overall performance — usually defined by tangible financial results — shapes our evaluation of other things that are less tangi-

ble. ... When times were good, Cisco Systems and ABB were both admired for their customer focus, efficient organizations and charismatic CEOs; but when performance slipped, they were criticized for the exact same things."

As brain research shows, decisions based on the "emotional brain" can be biased. But the solution is not to eliminate emotion — which would be an impossible goal in any case. Rather, the solution is to recognize potential sources of bias and address them. ●

Seeing Is Believing? Not Always

Sometimes the brain fills in or infers an inaccurate representation of the world. This is what happens in optical illusions. The brain *constructs* meaning from the information that it receives. Perhaps most important, the brain fills in what psychologists call "causal patterns."

For example, when we are watching a pool game, we don't see the movement of the balls as a series of disconnected events. We see causation. The cue ball hits the nine ball and propels it into the pocket — the brain decides one event has caused another.

Various factors affect our perception of causality. For example, timing matters. We won't think that the cue ball caused the nine ball to move if it touches the nine ball and then nothing happens for the next 10 seconds — even if at that point the nine ball propels itself toward the pocket.

The tendency to see causality is very strong. Yet, just as the brain can lead us astray in its perception of optical illusions, our inferences of causality can also be wrong.

We all "fill in" meaning. We all interpret what is going on in different ways. This has two major repercussions in the business world. First, different interpretations can be a source of conflict. In business settings, for example, leaders are frustrated when their employees don't "get" what seems obvious to the leader — and vice versa. Second, the fact that we don't know "reality" directly, but rely on the brain to interpret reality, is a source of error.

Once business leaders become aware of the fact that different people perceive reality differently, and that their own brains can misinterpret data to determine causality, then leaders can work to create more effective plans, whether it be to flatten the hierarchy of an organization, determine the variables behind market trends or prepare for the unforeseeable future. ●

Multitasking — Asset or Liability?

What is really happening when we multitask? As microbiologist John Medina puts it, when applied to the idea that we can simultaneously attend to more than one thing at a time, "multitasking is a myth." Sometimes when we multitask we are simply carrying out actions that are so habitual they do not require any conscious attention.

But when we are engaged in multiple activities that cannot be done on autopilot, something different is going on. At these times, multitasking involves a split-second shifting of our attention from one task to another.

Normally when we multitask we are working in a stream of interrupted time. Medina argues that research shows it takes substantially longer to complete interrupted tasks and we make more errors as we carry them out.

Multitasking can cause a significant productivity hit, even though it is a "skill" we tend to admire. ●

Fight, Flight or Freeze

The part of the brain called the *limbic system* reacts when we are in peril. It includes a cluster of cells called the *amygdala*. The amygdala generates reactions of fear and rage. In normal circumstances it is regulated to some extent by the cortex — the more deliberative part of the brain. But in intense situations, the reactions of the amygdala can overwhelm the cortex and hijack our ability to act reasonably.

Rather than acting reasonably, we react instinctively in one of three ways. We may lash out and fight. Or, we run for our lives to escape. These reactions constitute the famous "fight or flight" duo. But it turns out that the duo is really a trio, and sometimes — like a deer caught in the headlights — we freeze.

Unlike soldiers, firefighters and paramedics who may have only moments to act, business leaders usually have more time to consider their decisions. In fact, leaders can often buy more time for themselves or their people because they are the ones who decide how urgent the situation is. But despite the latitude that leaders have, they sometimes react instinctively and make poor decisions. To keep the executive brain functioning optimally, leaders need to be able to manage their emotions.

When a leader is angry with an employee who fails to complete a crucial assignment or anxious about meeting a key client, it might help to recognize the role of the brain in these reactions. Realizing that the amygdala is disrupting the executive functions of the prefrontal cor-

tex, leaders can reclaim the authority of their thinking brain. By stepping back from their feelings and labeling them, or by reappraising the situation altogether, leaders can quiet the emotional response and move into a more rationale mode. ●

What Doesn't Kill You Will Make You Stronger

Between 1980 and 1988, 28,000 workers in a Boston shipyard were exposed to low levels of radiation as they handled toxic materials. Harvard Medical School psychiatrist John Ratey, who describes the research carried out by the Department of Energy to assess the long-term effects of low-dose radiation on the workers' health in his book *Spark*, writes, "somehow the toxins that everyone feared were ruining the workers' health were doing just the opposite."

In high levels, radiation damages healthy cells and stimulates the growth of cancerous cells. But in low doses, these toxins apparently strengthened the workers. How is this possible? The answer lies in the notion that the cells in our bodies can become more robust when they are mildly stressed.

This "stress inoculation" idea underlies the theory called *hormesis*. Biologist Mark Mattson describes hormesis as a process where "organisms exposed to low levels of stress or toxins become more resistant to tougher challenges."

Could stress be either helpful or toxic depending on the "dose"? The answer is yes. Short-term stress can sometimes be adaptive. It gives us the kind of adrenaline surge that once helped our ancestors escape from a lion pounding across the savanna. But if stress hormones are released repeatedly over a long period of time, our bodies and minds become damaged.

What if leaders proactively manage stress in the same way that they allocate money or time in their departments? This would mean taking people's level of stress into account when assigning tasks. For example, leaders might go easy on people who are just coming off highly stressful assignments.

The goal is to become more sensitive to individual employee's stress points. The same assignment that puts one person over the top could be a welcome challenge to another. ●

Can Working Less Generate More?

Exercise stimulates brain activity. During exercise, more oxygen is carried to the brain. This helps the brain transform glucose into additional energy. But energy transformation has a downside. It results in potentially toxic waste by-products. The brain counters these by generating protective enzymes to destroy the by-products. These protective enzymes repair and strengthen nerve cells. Not only that, but exercise stimulates the development of new neurons in the hippocampus, a brain structure that is heavily involved in learning.

Leaders want their employees to perform at their best, including their intellectual best. Exercise could help. Brain expert John Medina writes, "Exercisers outperform couch potatoes in tests that measure long-term memory, reasoning, attention, [and] problem solving." They also perform better on tasks that assess fluid intelligence, a measure of creativity.

The research related to the importance of sleep and the debilitating effects of sleep deprivation also holds important lessons for business leaders. Given the links between sleep, learning and memory consolidation, it is not surprising that adequate rest appears to be necessary to develop high levels of expertise. Concentration takes energy. We need sleep to renew that energy.

Inadequate sleep and exercise, like poor nutrition, have a detrimental effect on the body. What the neuroscience research reminds us is that they also impact people's thinking and performance — much more than we realized. ●

Conclusion

Leaders can sustain their "Brain Advantage" by keeping up with recent neuroscientific discoveries and continuing to explore possibilities in their own practices.

The brain research of the past two decades does, indeed, lead us into a fantastic world, the hidden world inside the brain that influences us so dramatically, often without our awareness. Knowing about the latest brain research, leaders can align what they do to the natural

RECOMMENDED READING LIST

If you liked *The Brain Advantage*, you'll also like:

1. ***Re-Think* by Ric Merrifield.** Merrifield provides executives with the knowledge to stop thinking about "what" and focus instead on the "how" and "why" of management.
2. ***Leadershift* by Emmanuel Gobillot.** Gobillot describes how to adapt traditional leadership roles and presents the tools necessary to embrace and succeed in the new age of leadership.
3. ***Buyology* by Martin Lindstrom.** Subtitled "Truth and Lies About Why We Buy," Lindstrom takes a look at the buying behaviors of consumers using neuroscience research. The results will surprise readers everywhere.

· Book 279 of 388 ·

The Brink

Mark Hunter

Leadership Development

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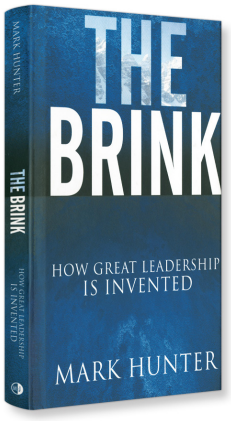
The Brink

How Great Leadership Is Invented



by **Mark Hunter**

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THE SUMMARY IN BRIEF

Today's world is suffering from a gap in leadership. Almost every major problem in the world (financial crises, crime, violence, global warming, etc.) can be fundamentally linked to a gap in leadership. ***The Brink*** provides the solution to closing this gap with step by step actions.

The process of facing great challenge will create the leader within you. The solution to the leadership challenges/gaps that the world faces today starts with your individual leadership. This book serves as a guide to becoming a leader and how to invent leadership in and around you. Everyone can benefit from accepting this leadership challenge.

The new leadership paradigm—the brink—requires an inward focus rather than external management. Taking responsibility, accepting difficult challenges, and facing fears are part of the processes to continually grow as a leader personally and professionally.

IN THIS SUMMARY, YOU WILL LEARN:

- The practice of making choices every moment.
- To welcome fear and adversity and to avoid the normalcy trap.
- How to embrace practice by using specific principles.
- The necessity of seeking imbalance and staying curious.

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Focus on Your Vision as a Leader

Pick a Mountain

The first step toward leadership on the brink is to pick a "mountain" (a goal or challenge) to which you can apply yourself; one that is bigger than you can necessarily see possible, even one that causes fear. Embracing fear is necessary when accepting any leadership challenge or climbing a mountain.

Fear will be present on the brink of any challenging leadership possibility. But it may not be outwardly visible in leaders, as leadership is practiced mostly internally.

Know the Answer to "What for?"

What motivates people differs, but in order to effectively lead a team, all members must get the connection between the mountain and the thing they most want in the world. The job of leaders on the brink is to uncover and distinguish that connection with their team.

The vision of the leader must be put forth regularly, so followers will maintain the focus on the: Why, What, and How. Address these questions in this order for yourself and your team while focusing on context over content. Encourage yourself and your team to stop looking for balance and actively seek out imbalance.

At the brink, we experience reverence, a powerful respect for and relationship to something greater than ourselves. The brink requires reverence—reverence for the team, vision, and mission (mountain). The brink and reverence are inextricably linked. Reverence is a deep respect for something or someone—the experience of awe. Along with reverence, there must be parity within the team to create ownership in each member. This forms a team of leaders. A team of leaders is much more capable than a team of followers. There are three qualities of a leader that create parity: Relationship to self, connection to team, and strength of spirit.

Choose Everything

The brink challenges leaders to practice putting themselves at crossroads and making choices at every moment. Leaders also realize that not choosing is in fact making a choice. Leaders constantly challenge patterns and remain curious to new possibilities. Curiosity is one of the most important assets of leaders because it invites innovation, collaboration, investigation, and growth. Curiosity is a choice. Unconditional curiosity separates great leaders from ineffective ones. This curiosity also challenges leaders to not avoid pain and discomfort. The pain and discomfort become signposts of progress along the path up their mountain, rather than road blocks.

Normalize the Presence of Discomfort

Practice

The word Buddhists use for practice is translated from Sanskrit more accurately as "complete, together, coherent, wholesome."

The Six Principles of Practice Are:

- Persistence
- Intentionality
- Urgency
- Curiosity
- Commitment
- Play

With practice comes discomfort. Practice itself implies learning and therefore the possibility of doing something poorly. On the brink, comfort is a trap, and discomfort is a practice. Here leaders look for places to practice being uncomfortable and normalize the presence of discomfort.

Collaborate

The most powerful leaders always create powerful teams around them. Leaders don't need followers, but leadership on the brink will create a following of individuals who relate to themselves as leaders in their own roles. The three components of powerful collaboration are enrollment, empowerment, and truth. ***Power*** is an essential tool for the leader in collaboration, but it is a tool that is generated from effective leadership, to be wielded from the heart, not from the old paradigm of influence and control.

The Five Laws Of ***Power*** On The Brink Are:

- Authenticity Is King
- The Team Is Your Greatest Asset
- Have a Mirror
- Get Needs Met Elsewhere
- Continued Reinvention

Take Ownership

On the brink, ownership equals leadership. Ownership is akin to relating to yourself as ***The One***—the person where the buck stops, and ultimate responsibility lies.

Some of the distinct behaviors of ***The One*** include: leading as a result of enrollment and value rather than force and imposition, being responsible for the impact of his/her leadership on others and on the goal, and being open-hearted and able to make difficult decisions at the same time.

Trust in Possibility, Not Probability

Trust

The brink also requires trust and faith not only that the goal is possible, but that it will happen. Trust in this model is based in possibility, not in probability. Possibility is unlimited and based in commitment and vision. Probability is limited by the evidence of experience and is based on odds and measuring likely failure. Probability is trying to answer the possibility question without trust or faith. Having complete trust and faith in the vision is revealed when all escape routes and back doors to the goal are closed. This intentionally eliminates options. Focus is enhanced when there is no way to turn back.

The how trap outlines the fact that the question "How?" derails most goals before they are ever attempted, because the question is asked before the commitment and choice are made. The answer to the question "How?" will unfold once the choice to move forward is made and the first steps are taken. The truth is that much of it will have to be discovered and is impossible to figure out beforehand. Leaders intentionally create these types of risks to overcome or shift an unwanted pattern. This is called ***risk loading***.

Embrace Fear to Become Unstoppable

Welcome Fear and Adversity

On the brink, fear is normalized and accepted, rather than mitigated and avoided. The entire relationship to fear needs to be reinvented for a leader to be able to take action in its presence, rather than waiting for it to go away. Fear is unavoidable but suffering as a result of that fear is optional. Facing fear and adversity is how new answers are found. Alternate perspective can produce fear, but deviants or outliers are assets on the brink. The outlying or deviant perspective challenges leaders and the team to remain open and curious. The old model of requiring uniformity is ineffective at this level of leadership. These alternate perspectives cannot be hidden in the closet. Closets are places where opportunities and unfulfilled goals are hidden because of fear. Leaders must know that these closets exist, be aware of what's in them, and clean them out regularly, otherwise leadership will be sabotaged.

On the brink, success is a choice, drama is eliminated, and inconvenience is normalized. Success is optional and needs to be a conscious choice. Choice helps generate the success as teams embrace the choice and actively seek out new challenges.

> "Being willing without wanting to" allows leaders to act from commitments without needing to feel like it.

The evidence myth highlights the fact that, by definition, there will be no evidence of past success when we are up to creating something that has never been created before. By using ***The persistence principle***, which states that the degree to which leaders are persistent in an endeavor is inversely related to the depth and duration of fear that they will endure, leaders on the brink are relentlessly persistent in order to move past any lack of evidence.

Persistent focus and relentless action leave no room for distraction by fear. "Being willing without wanting to" allows leaders to act from commitments without needing to feel like it. Problems become challenges on the brink. Challenges are exciting to face, while problems are exhausting to have to fix.

Create Integrity

On the brink, integrity is redefined to mean that there are no power leaks, in the same way that the hull of a ship has no water leaks when it is in integrity. This removes the judgment of good or bad and allows for addressing the power leaks directly, rather than first having to deal with

the judgments about them. The leaks must be addressed for reintegration.

The four stages to generating reintegration when integrity goes out are:

- Awareness that there is an integrity leak.
- Choice to put it back into integrity.
- Willingness to get uncomfortable in doing so.
- Practice putting things back into integrity through what may be multiple iterations of the process.

Leaders on the brink know that peace comes from integrity and peace needs integrity in order to grow and last. The brink requires commitment to and relentlessness around its undertaking, which means to be constant and incessant in one's actions, past the point of reason. The brink requires a leader to avoid shortcuts, make bold declarations to generate integrity, and let go of the idea of safety in order to focus on integrity.

Be Unstoppable

On the brink, unstoppable is a way of being. Results are directly proportional to the sum of resilience and focus. Being unstoppable actually includes the possibility of being stopped. It simply also requires making sure that you don't stay there. Relentless pursuit is an art in that relentlessly pursuing a goal means relating to all experiences and adversity along the way as part of that goal, rather than opposing forces. Being unstoppable incudes the willingness to take on hard work and surrender to the fact that there will be obstacles and breakdowns along the way and then committing to overcoming them.

The insight trap is a trap that leaders can fall to by stopping at the point at which they are aware of what is so and what needs to be done but have not actually done anything about it. The insight into action pattern outlines the path that needs to be taken with an insight to bring it into action. This pattern is awareness, choice, action, and results.

The Big Picture

Leadership is most effectively created when we pursue a large endeavor that we cannot see the other side or guarantee its success. Leadership is needed in all organizations, teams, and individuals. The intention in creating this model is to lay a path for leadership. The brink defines transformation through a journey. It begins with a choice to lead and positions the individual as an agent for change and a "stand for" (commitment to) a result. Leaders are forged through that challenge and the growth it provides. In the process, they instill leadership in those around them. This is the seed for transformation from the old paradigm to this new paradigm of leadership.

The world needs leaders willing to step to the edge and climb. Your leadership, your life, and the world will be forever changed by that single first step.

Mark Hunter is the president and founder of Pinnacle Coaching, LLC, an international leadership coaching company that works mostly with organizations and executives around leadership and team development. He holds the designation of Professional Certified Coach (PCC) through the International Coach Federation, serves as the executive team's chief development officer, and is senior program leader for Accomplishment Coaching, LP. A keynote speaker at private and corporate events, he leads corporate executive leadership workshops internationally and contributes to the development of hundreds of business and community leaders.

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The CEO·s Playbook

Dr. Nora Ganescu

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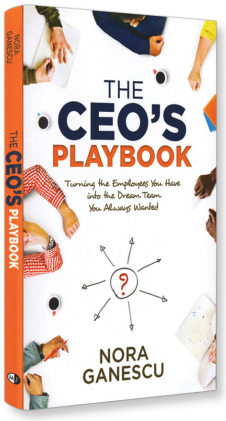
The CEO's Playbook

Turning the Employees You Have into the Dream Team You Always Wanted



by **Nora Ganescu**

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THE SUMMARY IN BRIEF

The key to a healthier, more innovative, and competitive company is to create an environment where employees are highly engaged and eager to contribute to their fullest. Employee disengagement affects about 70% of all employees and costs the U.S. economy $450 to $550 billion per year (on average, a third of the payroll of a company).

The CEO's Playbook offers a solution and blueprint for establishing a new culture of work. Transforming how you manage people and cultivating a culture where employees thrive will lead to a boost in passion, productivity, and the company's bottom line.

Author Nora Ganescu helps you challenge old, outdated management thinking and presents the specific steps and concrete actions that you can take to make your company an amazing workplace, one that is more self-organized, wholesome, and where people drive innovation together. She details what keeps employees engaged, who you need to involve, and outlines several methods that will help you encourage creativity and trust. Whether you lead a small group or work with thousands of employees, ***The CEO's Playbook*** gives you the tools to make applying new work principles easy and effective.

IN THIS SUMMARY, YOU WILL LEARN:

- What engages people in the workplace
- To reset your assumptions about today's work landscape and culture
- How to construct a new type of company
- Concrete actions to take and who to involve to help you

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Fixing the "People Issues"

Most of the management theories we have were developed on 150-year-old views of "the worker" as lazy, irresponsible, and unreliable. Employees have to be managed, given direction, and assigned very specific tasks. They need to be coerced and incentivized, otherwise they would not work. This command-and-control model looks at companies as efficient machines built from interchangeable human resources. However, the work environment of today has seen tremendous change and our management thinking needs to be reset.

Generations Y and Z are not interested in a traditional career ladder and will not be happy playing a very narrow role in a company that treats people like disposable spare parts in a machine. They are looking to work in a company that will not suffocate their individual drive and creativity. These new generations are increasingly the most qualified people available, and you should see them as bringing opportunity and potential.

What Do People Want?

The top three things that will keep people eager to contribute their best talents are autonomy, mastery, and purpose.

Autonomy. Which kind of task would be more exciting to you: one that you choose and then get to make most of the decisions about, or one where you have almost nothing to to decide, and just have to do it? If you're like most people, it is the first one, the one where you get to decide—and if you don't feel competent, then you get to ask advice and then decide how it gets done.

Mastery. What if your company could be the place where people would feel called and supported to pursue mastery in whatever they do? Just imagine what that would mean for your results and your performance.

Purpose. Coming together in the pursuit of something truly worthwhile is what we all want. We all want to invest our time in something meaninful, something that makes a difference. No matter how trivial the actual task, if we can link it to a worthwhile purpose, we will feel more excited and dedicated to it.

The companies who have the courage to re-examine old management assumptions and successfully create a great workplace and community perform far above average.

Changing the way your employees relate to your company is among the changes with highest return on investment, if you do it right. When companies successfully engage their employees, they experience a 240% boost in performance-related business outcomes, compared with companies that don't.

Some of these companies are start-ups, while others have transformed themselves from old-fashioned enterprises. They are in every industry around the world. These companies are more flexible with greater capacity to address and solve the challenges they encounter. They are also healthier, more innovative, and more playful. Specific management practices differ, but they share a few hallmarks: A high degree of self-organization, where employees have a great deal of freedom and decision-making power within the scope of their work; an environment of wholeness, where people feel supported and appreciated; and an openness to developing new ideas from all levels of the company to drive strategy.

If this is the kind of company you want to have, it is achievable. Your job as the CEO is to create the conditions for your people to thrive. When they do, many of the hard business decisions that you make now, through your own effort, will take care of themselves.

Start at the Heart of the Matter

The New Work of a CEO

The first step is committing to transform the ailing management model. The second step is to observe what is happening in your company right now through a new lens based on the premises that "people are good, responsible, caring adults" and "everybody wants to contribute and bring forth their biggest talent."

Look around and spot what is not working. Would that thing be done differently if we all trusted each other, spoke openly, and assumed the best about each other? Note what is working and what conditions made that success story possible. Keep a journal of your observations for a week. Learn to see the new possibilities that arise from shifting your assumptions. Be vigilant about not allowing doubts to sabotage you.

You can use an exercise to help see a more complete picture: write down all the thoughts that are tormenting you. Take each thought and explore if it is always true, how you feel and act when you believe this thought, and who you would be without it. Ask yourself if the opposite of the statement could be true. Reflect on the answers. This exercise can help you loosen the grip of the thoughts that scare and sabotage you and are not necessarily true.

It is essential to do the internal work to prepare you for leading change. Find a personal practice that will help center you. Whether this practice is mediation, prayer, sports, or gardening, clearing your mind of chatter for even 15 minutes a day will aid you in showing flexibility and understanding in the face of obstacles.

As CEO, you don't need to be the smartest, strongest, or fastest resource on the team. Your superpower is to incubate and engage the talents and intelligences of your people—and then let them pour it into the work. You are not above your employees; you are working together.

Your job is to hold a space for change and growth; initiate and support the change; and model the new culture. Like a parent with a child, you need to create a safe environment where people can experiment, learn, and sometimes fail without fear. Trust that the people you have hired have the competence and capacity to act as adults and organize themselves in the best way. When people can work in a space of trust, they can create their best work, attain the most cooperation, and achieve mastery.

An organization is a complex system, with many moving parts. Careful, continuous observation is key. You need to listen to people, initiate the right conversations, support your people, observe, and listen again. Start carefully, look at the entire system after each change, and determine the best way to proceed.

A Change Incubator

Do not try to change the company by executive decision. If your people don't get a say, you will have to deal with strong backlash. You need people to share the new vision for a management model that supports self-organization, wholeness, and evolutionary purpose.

To create a stable rate of change, there are three stages: creating a small core group of two or three other people that will help support you; expanding to a larger "Sandbox" group where new ideas are explored and tested; and then adopting new practices for the entire company.

At every stage, be mindful to set things up so people can show up with openness, curiosity, and excitement. You want them to know that that their presence, time, and effort is valued. And that they are not being forced to participate. Begin with inviting your core group through one-on-one conversations instead of an Outlook invitation. Instead of a sterile meeting room or office, make settings welcoming. You want everyone to be on an equal footing, listening to each other.

The Core Group

Meet with your core group several times. Explain your inspiration but commit to figuring out the transformation together (you don't have all the answers). View the core group as a think tank or peer coaching to share case studies. They should be very open to new approaches.

Unleash the Brilliance of Your Team

Once you feel ready to proceed, invite a larger Sandbox group to explore and test new ideas. This group is the creativity incubator and the engine that leads to great engagement. Choose collaborative people who are natural connectors from different parts of the company. Make sure the group is not dominated by senior management. If your company is less than 70 people, invite everybody who wants to come. Schedule a couple meetings, a maximum of two weeks apart and 2 ½ hours each. The first meeting is to begin to cultivate trust, the second is to start the conversation about what changing the management premises could mean in practice.

Discuss burning issues and new ideas. This is when the new management principles face the old culture. Bring in as much new thinking as possible, while preserving what works well from the old system.

To make the conversations meaningful, you need to craft and ask powerful questions. Make the questions simple but thought provoking. Instead of asking "what new goals should we set?" reframe it and try, "who do we need to be to provide the best service to our clients?" Structure the conversation to increase participation.

There are endless ways to design productive Sandbox meetings. You can use some of the methods (Appreciative Inquiry, Open Space Technology, World Café, or Proactive Café, etc.) described in chapter 6 of the book to organize your conversations and encourage creativity.

Some issues raised in the Sandbox will be easy to solve, others will require the group to contribute solutions to their own questions.

As CEO, you need to keep convening the group, keep reassuring them it is safe to ask questions and seek constructive solutions. Do not judge what people come up with, even if some things sound challenging or misinformed.

Instead of taking minutes that nobody reads, the core group should think in advance about how to use the results of the meeting. Perhaps it is a visual record or a statement of breakthroughs. Actively show support for the people and the initiatives resulting from the Sandbox. Keep an eye on the journey of proposals, as they can highlight both strengths and great dysfunctionalities.

Make it clear to managers that you are trying to devolve decision making and use the Advice Process to help validate new initiatives and proposals in a way that gives employees a great deal of trust and power. It also ensures that all action will be taken with enough information and advice.

The Advice Process works like this: someone has an improvement idea and is empowered to talk to a variety of stakeholders. Upon consideration of all the insight received, a decision will be made according to their best judgment. They implement their idea with the support of the company, improving their idea based on feedback from the stakeholders.

Systemic Improvements

There are three areas that are the hallmarks of truly evolved companies. You want to encourage significant change to start in these areas.

Wholeness refers to the capacity of your company to use the many talents that people can offer, not just a narrow set of skills. It also means providing an environment in which people feel supported and appreciated. Initiatives might include telecommuting, flexible hours, parental leave, etc.

Self-organization and a high degree of autonomy are markers of a company that is not burdened by too many management levels or too many non-productive tasks. Teams might decide to create their own schedules, do their own hiring, reduce the number of sign-offs, or have more control over their budgets. People will take ownership over the quality of their work, not because they report to someone, but because they are self-directed.

Evolutionary purpose. Traditionally, company strategy comes from the top-tier management, but this can waste invaluable guidance and intelligence from other levels of the company. If the company is prepared to listen to ideas about how the company should develop or what could be the next big thing from all parts of the company, its chances of growing and thriving are immensely greater.

How to Support the Transition

Transforming the way people are managed and work is organized is a fundamental change and people may well feel threatened. You need to help them find their value in the new system and support them through different stages of grief (denial, anger, bargaining, depression, and finally acceptance) as they adapt to the new normal, where the new thinking and management premises are in effect.

As you learn more about the real nature of your people and trust them with their areas of responsibility, a lot of the "busy-ness" that stems from the need to control others' daily assignments falls aside. You will have more time for the parts of the business that fill you with excitement.

Over time, these practices will become second nature and you now have a way to adapt, innovate, attract, and retain the best talent—with ease and joy.

Dr. Nora Ganescu is a coach, consultant and trainer. Her work is helping companies maximize their impact and become amazing workplaces, where people love to contribute at their fullest. Nora started her professional journey as a youth activist for intercultural understanding in post-communist Romania, and she has been dedicated to building bridges every since. She has worked as an external and internal consultant in over 30 countries and across three continents. Lufthansa, Habitat for Humanity, European Commission, and the National Academy for Public Administration are a few examples.

The CEO's Playbook:Turning the Employees You Have into the Dream Team You Always Wanted by Nora Ganescu, PhD. © 2017 by Nora Ganescu has been summarized with permission from the publisher, Morgan James Publishing. 123 pages, ISBN 978-1-68350-310-1. Summary copyright © 2019 by Soundview Book Summaries ® www.summary.com, 1-800-SUMMARY.

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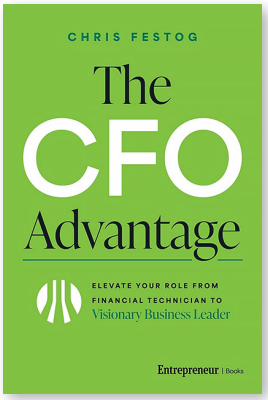
The CFO Advantage

Chris Festog

Executive Book Summaries®

The CFO Advantage

Elevate Your Role From Financial Technician to Visionary Business Leader



by **Chris Festog**

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THE SUMMARY IN BRIEF

Many finance professionals find themselves confined to technical roles, valued for accuracy and compliance but excluded from strategic influence. Despite deep expertise in reporting and controls, they struggle to evolve into trusted business partners who shape direction, drive innovation, and lead through change. This gap limits both individual careers and the organization's ability to turn financial insight into competitive advantage.

The CFO Advantage: Elevate Your Role From Financial Technician to Visionary Business Leader addresses this challenge by providing a practical roadmap for moving from financial technician to strategic leader. It outlines proven frameworks for building leadership character, strengthening communication, and expanding strategic thinking. It shows how CFOs can develop high-performing teams, champion technology and data analytics, and create cultures that support long-term performance rather than short-term compliance.

Written by Chris Festog, a former CFO with more than four decades of executive experience at organizations including Zurich Insurance Group, RenaissanceRe, Texaco, and Mutual of America Financial Group, ***The CFO Advantage*** blends real-world examples with disciplined leadership principles. Festog explains how the most effective CFOs become stewards of people and strategy—not just numbers—and how they leave a lasting legacy by developing others and building organizations that thrive.

IN THIS EXECUTIVE BOOK SUMMARY

- Learn how to evolve from technical expert to strategic business partner
- Examine different ways to influence strategy through communication and insight
- Understand how to leverage technology and data analytics for impact
- Get practical tips to develop teams and cultures that sustain long-term success

Introduction

I recently celebrated the completion of over four decades as a financial professional, most of which I spent in the financial services industry. Of all the titles and jobs I've had, I've most enjoyed the role of CFO. Perhaps more than any other role in a company, apart from that of the CEO, the CFO holds the most power and ability to influence and truly transform an organization.

Spending so much time in the C-suite, I've learned critical lessons that have made me a truly high-impact CFO, lessons that I've then shared to empower and equip future financial leaders. These include successful communication, becoming a change champion, building a strategy that motivates teams, and leveraging data and business intelligence (BI) to drive growth. I've built stronger, more focused financial teams at every company I've worked for—teams that are now fully positioned to advance strategic and high-value work.

Whether you're new to the financial team or have been in your role for twenty years, I want to empower you to grow, build skills, and have a lasting and meaningful impact within your organization. I earnestly desire to help you lead a life of consequence and shape a career that brings you deep joy and satisfaction.

CHAPTER 1

Becoming a High-Impact CFO

One of the challenges for finance professionals is that many define their roles as purely technical positions. But a high-impact CFO should be a principal leader and innovator within the organization. To succeed in this role, they must cultivate and intentionally develop critical skills and abilities, categorized around three major disciplines: stewardship, leadership, and transformation.

Stewardship

In every organization in which I've worked as a CFO, my defining characteristic has been that of a steward. A steward is someone who does not own anything but is responsible for everything. In that inclusive capacity, I ensured that each company and its resources were run for the benefit of the owners or shareholders and not for the sole benefit of the employees.

The core responsibility of a CFO as a steward is to ensure the organization's financial integrity and that financial, regulatory, and tax reporting meet all necessary requirements.

But for a high-impact CFO, stewardship has a far broader reach. Because of this role's deep knowledge of the business and detailed performance across the organization, they often identify organizational inconsistencies or inequities.

CFOs must also frequently arbitrate how expense budgets are allocated across groups and ensure they are accurately defined in accordance with longer-range goals and objectives.

Finally, a CFO's stewardship must extend beyond the issues and events of today. It should reach far into the future by leading and developing a long-range perspective of the company's future performance.

Leadership

Moving beyond stewardship, a high-impact CFO must be a leader. When leading an organization, they must ensure that every action embodies the organization's mission, vision, and values.

Leadership manifests when employees are treated with respect and in a manner consistent with company values, and when conflicts are addressed patiently and wisely. To lead in such a manner, humility must be a defining attribute. An arrogant, closed-minded CFO will not be embraced by their team or other members outside of the finance organization.

They must also support and advance other leaders. Such a position carries significant weight in a business and requires wisdom, especially when addressing problems.

Transformation and Innovation

Perhaps the greatest differentiator in a high-impact CFO is their ability to innovate and transform an organization. A powerful component of transformation is the opportunity to partner with the business to drive investment and innovation.

Business owners who seek to build and transform their operations need senior leadership and other champions who will support them in their efforts to obtain the funding and resources needed to succeed.

The CFO can play a critical role in this by fully engaging with the business, understanding what it is trying to achieve, and working closely with other leaders to further develop the business effectively.

Ultimately, a truly successful CFO is measured by the ability to go beyond supporting business units and become a true and effective initiator of transformation and innovation across the entire company.

> Acting on partial information can wreak havoc on a team and company—or at the very least, slow performance.

CHAPTER 2

Character Counts

To be a successful CFO, you must build on something much more important than typical outward signs such as wealth and power. Success—true success that lasts—is built on character. It is built one day at a time over many years.

Professional skills and intelligence will only help so much on your journey. To truly scale the professional mountain, you must possess outstanding character.

You must build with hard work and passion to overcome obstacles, walk with integrity, earn the trust of others, and effectively steward the companies and people you work with.

Hard Work

There is absolutely no replacing hard work as the cornerstone of your career. There is a distinct danger at work when you do not work hard. You can very easily fall into what I call a "narrative of mediocrity." You do not work hard, so you fall behind with your work.

Deep inside, you know it is not your best work, but you are not willing to put in the few extra hours and effort that may make a difference. As a result, you begin to not like your job.

The only remedy to the narrative of mediocrity is to work yourself out of it. If you want to be a successful professional, you must put in the time. It's as simple as that. You must show yourself and others that you will make the effort to be more than good—to be great. You simply cannot succeed without hard work.

Passion and Pride

Two vital partners must be added to hard work to allow it to flourish: passion and pride in your work.

When people own their work, two key things happen. First, they truly understand what they are doing. They aren't just doing this task and then the next; they understand the whole. As a result, they make fewer errors and can ask better questions and do better work. Second, as they begin to own the entire product, they are able to take pride in their work and its outcomes.

Walk with Integrity

Talent, intellect, and working hard will only get you so far. Success is built over decades; it is not a short win. To sustain high levels of performance over many years, the people you work for, as well as the people who work for you, *must* trust you.

Trust does not come from persuasion. It can only be earned. You can certainly communicate all the reasons someone should trust you, but they will only trust once you have earned it. They will trust you when they see you make hard decisions based on your communicated values.

As a CFO, you are called upon many times to make hard decisions. Frequently, you will be criticized for them, but your integrity will sustain you in all of them, even if many never understand or perhaps are never able to understand.

Embrace Stewardship

Stewardship must be a defining characteristic for any CFO, or they will never be truly successful. You only perform this role for a short time before you are replaced by another. To be effective, you must be in a constant state of replacing yourself with better people, better processes, and better cultures so that the next generations might thrive.

Stewardship is taking responsibility for and care of something without owning it. It is putting the company, employees, and shareholders in front of your own interests. It is taking great care to grow and develop those around you and balancing the requirements of each. Stewardship is integrity and trust taking flight.

CHAPTER 3

Critical Knowledge

After establishing deep character through hard work, integrity, and the stewarding of other employees and the company, you must develop a deep, critical knowledge of your work to succeed. This knowledge begins with the technical aspects and moves quickly beyond that to understanding the business.

A high-impact CFO who leads and transforms must learn to be a student of people and of life. They lead a passionate life of continuous learning, always growing, always being trans-

formed themselves. They are never satisfied with the status quo, and always strive for continuous improvement through a succession of "career construction" initiatives.

Technical Expertise

The first building block in your career is technical expertise. If you are an accountant, you must possess technical accounting skills. If you are a data engineer, you should understand programming and modeling.

Your goal, then, is to become the go-to person in your job, which will significantly increase your ability to gain promotion and financial success.

Business Expertise

Focusing on and taking time to learn the business accomplishes significant steps in your development. It clarifies and focuses your technical knowledge.

As a steward of the business knowledge of the company you work for, you have an opportunity to create new ideas, develop new processes, and identify areas for improvement. The more you know about your job and company, the more likely you will be to accomplish this. In turn, you will be given more opportunities and achieve more success.

Knowledge of Life and People

Work is not performed in a vacuum but experienced with others. Success at work is not determined by technical and business expertise but by working and living successfully with those around you.

You must understand their strengths and weaknesses, their dreams and fears. To care for them and get the best out of the team, you must become students of each individual and how they interact with one another.

CHAPTER 4

Communicating for Success

Having all the work ethic and knowledge in the world—along with strong character—is only latent, untapped potential. Success depends on your ability to *communicate*.

For many professions, especially technical professions such as accounting and finance, too little thought is given to the development of communication skills. The communication necessary to succeed starts with the basics but must grow to a high level of sophistication the more you continue to advance in the organization.

Genesis of Communication — Listening

Listening at work should always be oriented around your business and people, and specifically in areas in which you need to grow and develop, from technical development to management skills to leadership.

Most important in learning is to not let go until you understand fully. Acting on partial information or knowledge can wreak havoc on a team and company or, at the very least, slow performance. In your journey to listen, ensure that you remain as objective and focused as possible to fully understand the matter at hand so that you can invest your knowledge and talent in the conversation.

Art and Science of Expression — Writing and Speaking

Your communication in writing is often the first and potentially the only way that many people will experience who you are as a professional. It determines their perception of your business knowledge and ability to provide insight into the business for decision-making.

Each communication should have a defined purpose, and the writing should achieve that purpose with clarity and comprehensiveness.

Though writing is often your initial interaction with others, just as frequently, your first communication is spoken. The great thing about speaking is that just about everyone can grow and improve in this area.

At a basic level, whether one-on-one or in a small group setting, you should pay careful attention to the following:

- **Speak with sufficient volume**. If others cannot hear you, they will not understand what you are saying.
- **Speak clearly and at the right pace**. Do not speak too fast or blend your words so that they are easier to understand.
- **Be respectful when you speak**. Do not use foul or offensive language.

Communication Summit — Sales

The power of sales does not reside only in the realm of the chief marketing officer and sales team. To impact the organization and drive change, investment, and innovation, the

> An excellent manager changes everything. They change how well the business is run. ”

CFO and their colleagues must think and communicate like a sales team.

The customers of the finance team include not only the ultimate customers of the business itself but also each vendor, department, or division. The issue many CFOs face is that they do not identify these stakeholders as customers, and, more importantly, they do not approach these interactions as a sales process.

Thinking like a salesperson transforms communication from facts and figures into the selling of ideas, values, and vision. Building the ability to effectively communicate and sell will transform you as a financial professional and shape the current and next generation of leaders.

CHAPTER 5

Pivotal Management

One of the first steps in progression as a professional is managing people. Ultimately, just about everyone will manage people at some point in their career. Investing and caring for people and building high-performance teams are some of the most rewarding aspects of work. But managing people is not for the faint of heart, nor is it something to be taken lightly.

An excellent manager changes everything. They change how well the business is run. They nurture happy and content employees. An excellent manager is pivotal to changing the company and people's lives.

Developing People

Despite technological advances, the number one resource in a company is its people, and your number one job as a manager is to help them grow as professionals. Managing people with excellence will be one of the hardest jobs you will ever do. Helping people grow professionally is not complex, but it takes commitment and integrity at the highest level.

To manage people effectively, focus on the following:

- Provide clear guidance and expectations for what you want from them
- Provide each person with honest, complete feedback as often as possible
- Provide challenges and a vision for them to grow

The greatest privilege we have in this life is to care for one another. At work, as a manager, you have a unique opportunity and obligation to care for your team and fellow workers in ways that last. You need to become a student of your team. While you need to understand and develop them professionally, you also need to get to know them as individuals.

Building and Nurturing Teams

Building and nurturing a team requires clarifying its vision and focus—what the team is trying to do and each person's role. The true power of a team lies in bringing together a diverse group of people who can apply their different strengths to achieve a common vision. When teams understand this, they achieve strong results.

To achieve great things, the team must have strong building blocks. Everyone must put forth the same effort and passion. Though each person may have a different role, all must be equally committed to success. Managers must root out below-average performers, as they will drag the entire team down. Equally problematic are high performers who do not fit or buy into the vision.

Effective communication is essential to success. Regular team meetings help communicate the vision and challenges and allow leaders to observe team dynamics. Finally, strong teams require recognition and reward—when people do great things, they must be acknowledged, as recognition does not require significant financial investment.

CHAPTER 6

Change and Innovation Champion

The most successful individuals are those who embrace and master change. One of the most important aspects of being a professional is how you respond to it.

Change is so formative to us as individuals and organizations, yet it is frequently discussed in terms of difficulty or even fear rather than opportunity. Why are corporate boards, CEOs, leaders, and individuals so reticent about change, about demanding change and transformation? Why is change so often thrust upon a company rather than embraced?

Though change has great power, it also brings real challenges: uncertainty, effort, coordination, and complexity. These must be confronted, understood, and overcome.

Leading Through Change

Change is coming from outside the organization and from within, but it is surely coming. The choice is yours as to how you are impacted.

Though understandable, resisting change results in meaningful consequences. Those who resist change will not enjoy the process but rather will be afraid or anxious about the transformation. No one performs well when they are scared or afraid of their environment.

If you resist change, you will lose a valuable opportunity to grow in your work and may even negatively impact your career. The most effective way to succeed through change is to embrace it. Embracing change allows you to enjoy the journey—to grow, innovate, dream, and not be afraid of the outcome but rather to have faith in and a vision of something better and more amazing on the other side.

Even if you get a team to fully embrace the change process, you will confront two primary challenges when leading through change.

1. Change does not need to be big or corporate-wide
2. Revolutionary change normally only occurs if evolutionary change has not taken place

True change requires leadership that builds a culture and team that cultivate living, breathing transformation; not a change that ticks the box but one that is birthed from a passion and zeal to make everything a little better every day. You must build a team that values and embraces change. Once you introduce change and improvement and the team fully embraces it, it can be intoxicating.

CHAPTER 7

Courageous Leader

Being a leader is not optional—certainly not in your growth into a high-impact CFO. Leadership is like being a parent. When you have a child, you no longer have a choice about being a parent. The choice before you is only what kind of parent you will be. So too in business, everyone will lead. The question is what type of leader will you be?

When people think of leaders, they usually think of people such as Abraham Lincoln, Martin Luther King Jr., and Michael Jordan. They think of people who have done great things. Great leadership may bring notoriety, but notoriety does not define leadership.

A leader is not just the person at the top of the vision but anyone who supports it in word and deed. They work toward the team's goals consistently, quietly, and passionately—leading by example, often with few words. They encourage others when things get tough, define success, and shape the team's culture from behind the scenes.

Leaders change the future. They transform individuals into teams to achieve a common vision. They encourage and motivate people to believe they can achieve the impossible. They empower people to overcome obstacles to achieve prescience, changing the present and building a new future.

Interestingly, many leaders, especially newer ones, do not know or even see their power or influence. To lead effectively, it is important to understand the impact you are having and how you are shaping those around you. You may adversely affect others or lose the opportunity to make a meaningful impact if you do not.

Cast, Communicate, and Sustain the Vision

The most fundamental aspect of a leader is that they must cast a vision. Organizations, teams, and everyday people long for vision, to be better, to achieve new things, to grow. The greatest risk for a leader is to have no vision.

A leader's job is not to focus on the next twelve months but to look ahead to the next three to five years. If you have built the right team, they should have the right skills, abilities, and vision to execute over the next twelve months. This should be a point of pride and ownership for the team.

However, even the greatest visions and leaders will fail without effective communication. It is no secret why the greatest leaders are great communicators. Communication is essential to achieving the vision.

Clarity of the goal initiates the movement, but it also effectively aligns the team. When everyone knows the vision, it is imperative that they understand how their role contributes to the broader objective.

Yet even a clear and well-communicated vision will only take you so far. Companies and teams must know that leadership is committed to doing what is necessary to accomplish it. Many visions fail due to lack of commitment, sustained effort, resources, and leadership. It is imperative that the leader commit to the change and ensure that every individual and team is fully aligned.

> A high-impact CFO builds an environment that turns data into insights that move the organization forward.

CHAPTER 8

Accelerate Through Technology

Technology has grown exponentially, and it continues to transform business and our lives at breakneck speed. To become a high-performing professional, no matter your discipline, you must learn to accelerate your skills and career through the creative and powerful wielding of advanced technological competencies.

Many people look at technology as a necessary evil in their work, or they use technology at the most basic level to accomplish their tasks. But building a deep understanding of how to not only use your technology but also deploy its full capabilities can transform your job and help you flourish in your career.

When you, as a nontechnical operational or financial professional, begin to grow your technological expertise, you will quickly see the massive gap that exists between those with business knowledge and those with technological knowledge.

The issue is that most businesspeople can only "speak business" and do not understand the potential of technological solutions. Conversely, most technology professionals primarily understand the technical side of their solutions, not the business implications. This makes it difficult to implement technological solutions and, more importantly, to maximize their potential.

The CFO and finance team play a critical role in successfully bridging this gap.

Steward the Technological Investment

Given the potential materiality of technological investments, as well as the strategic impact they have on an organization, it is essential that the CFO speak clearly to major technological designs and investments.

A few considerations when making technological solutions include the following:

- Plan for and embrace significant material investment
- Accept that technological investments bring risk
- Acquire solutions, not technology
- Recognize that technology is not only systems but also people
- Invest in change management

CHAPTER 9

Strategy That Focuses and Motivates

The CFO plays a central role in building the strategic plan across organizations. In larger companies, specialized teams may lead the effort, while in small- to medium-sized entities, responsibility typically falls to the CEO or CFO. Regardless of structure, the CFO must remain fully engaged in analyzing and guiding all aspects of the business.

This enables tight alignment with financial forecasting and modeling and creates an opportunity for the financial team to work closely with operations and ensure clarity of vision and alignment across the entire organization. This will clarify and speed up the strategic process and accelerate understanding and adoption of the plan at every level.

It does not matter how great the leadership, how effective the management, how powerful the communication, or how excellent the product; if a company does not plan for its future, it will not be aligned or find success.

Strategic Thinking

Thinking strategically is not light work; it takes great effort that cannot be squeezed between meetings. Because it often has little to do with your day-to-day work, you must do the following:

- Establish a deep understanding of the business
- Develop a living understanding of the organization's mission
- Nurture an inquiring mind
- Cultivate humility

Strategic thinking is not operational thinking. It is not problem-solving. It is creative, thoughtful, reflective, and transformational. Strategic thinking requires you to spend time considering the potential of the organization and brings life, power, and clarity to the mission.

CHAPTER 10

Secrets of Data and Business Intelligence

Data is the foundation of business operations and finance. Without data, there is no analysis, no financial reporting, or no planning. Yet for many companies, data is an afterthought. A high-impact CFO must build an environment that captures, enriches, and transforms data to provide operating insights that move the organization forward.

Once you start on the path to data and analytics, it never ends. It begins a fascinating journey of discovery, providing new insight into the business that speeds decision-making at every level of the organization. From product development to entering new markets and expanding businesses, BI creates a clear path forward.

CHAPTER 11

Building a Lasting Culture

Culture is the manifestation of the shared actions and values of an organization. These lived—and sometimes only implicitly communicated—values determine what is honored, respected, affirmed, and pursued. They likewise define, usually not formally, what is not accepted, not valued, and not affirmed. Culture is the world you live in at a company. It is the soil in which you plant, nurture, and harvest all your efforts.

Cultures are formed over many years and consist of intertwined values and actions that can be difficult to navigate. But to succeed, to become a high-impact CFO, you must not only become keenly aware of an organization's culture, but you must learn to steward, lead, and transform within its construct. To neglect culture is to fail. To transform a culture to higher levels of excellence, innovation, and integrity is a noble and powerful calling.

Practically, most of us work in organizations that are somewhere in between a positive and a negative culture. If you wisely choose an organization that communicates a positive culture, the practical challenge arises when that culture is not consistently followed.

When this happens, it creates a tension in the organization around clearly understanding the values and actions that are truly affirmed and how to act when difficult or stressful events take place. The most common causes of cultural drift include the following:

- Culture is not communicated consistently
- Actual culture is not aligned with written values
- Culture is not updated as the organization changes

Flourishing Within the Culture

No matter how carefully you may select an organization for its culture, no culture is completely what it says it is, and no culture is perfect. However, to successfully lead and steward an organization, you must learn to flourish within the culture and, if possible, help transform the culture for good. In simple terms, there are three typical scenarios:

1. Building a new culture

The great advantage of starting a business is that you get to build a brand-new culture. It is essential that you focus on the values and culture that you want to build to support the overall mission of the organization. These must be established early, as each new employee should embody and embrace the culture of your new organization.

2. Working within a culture

When taking on a new job, most of us will inherit a culture that will not be perfect. If you want to succeed in that organization, you need to accept and work within it. The first step in this journey is to ensure you understand the environment. Do not push back on all aspects of it. Bring your true self to the game, but remember that the culture of the organization includes everyone who has ever worked or is currently working there in any capacity.

3. Transforming a culture

Perhaps the greatest privilege of a leader, and the most common, is the opportunity to not only turn around an organization's strategy, effectiveness, and performance but to transform its culture. Much transformation can take place if given sufficient time. You must clearly articulate the new culture—the new standards that everyone will be expected to live up to. Once articulated, you and your leadership team must be the first to live them out. If you expect hard work, work hard yourself. If you expect honesty, speak truthfully. If you desire innovation, expect and reward risk-taking, not just success.

CHAPTER 12

Leaving a Legacy

A high-impact CFO is not stumbled upon but created, formed by every skill, every moment of a faithful journey. Their impact is more than business. If done well, they leave a legacy of transformed lives, businesses, and societies.

In *Good to Great*, Jim Collins introduces the concept of a Level 5 leader. Jim and his team were seeking to understand the key attributes of an organization that goes from being something good to something great. The Level 5 leader they identified was a unique blend of ambition, perseverance, and insight wrapped in humility and stewardship. These leaders were obsessed with the success of the company but not with their own success. In fact, many fled from recognition.

The purpose is not to turn everyone into a Level 5 CFO. The intent was to encourage each of you to understand and embrace the opportunity to leave a legacy in everything you do at every stage of your journey.

There are three primary ways to leave a legacy:

1. Innovate and transform the business
2. Build and nurture a transcendent mission and culture
3. Create lasting impact through shared experiences with others

Conclusion

The titles you hold and the money you earn will never be remembered. But the testimony of your impact on other people's lives will live forever. Every person I encouraged, every new approach I introduced, every individual I challenged to grow, and every mission I helped transform became part of a lasting legacy. For each person I influenced, the testimony of that moment became a part of them forever. My love, care, innovation, and passion for them is passed on forever.

In your quest to be a great professional and a great CFO, the question is this: Do you want a title and money, or the testimony of a life well lived—a life of creation, stewardship, grace, and influence?

I made my choice many years ago. What will yours be?

I hope your journey will be as rewarding and fulfilling as mine has been. *Enjoy* it.

Chris Festog is an entrepreneurial leader with more than forty years of experience building and transforming businesses in the global insurance industry. He has held senior roles with Zurich Insurance Group, Texaco, RenaissanceRe, and Mutual of America Financial Group, often serving as chief financial officer and driving innovation through technology integration. Festog has led international operations across the United States, Europe, and Bermuda and brings deep expertise in leadership, stewardship, and business transformation. He currently serves as chief financial officer of CrossPurpose and sits on multiple boards. He is also a speaker, consultant, executive coach, and contributor to *Forbes*.

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The Change Maker·s Playbook

Amy J Radin

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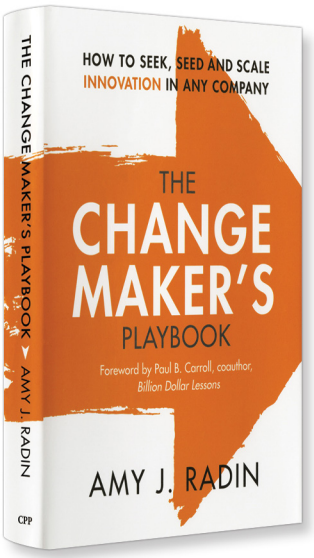
The Change Maker's Playbook

How to Seek, Seed and Scale Innovation in Any Company



by Amy J. Radin

THE SUMMARY IN BRIEF

Any leader in any company, no matter the size or sector, feels the pressure to innovate, find new ideas and business models, and create enduring customer value. There is no one formula or set process to find and execute the ideas that achieve these goals; customers set moving targets, shareholders are unforgiving and demanding, and society expects companies to care about much more than the bottom line.

In *The Change Maker's Playbook*, author Amy J. Radin walks readers through her adaptive, nine-part framework, showing leaders how to find the big ideas that will meaningfully address customer needs, take insights from idea through implementation in a way that delivers, and lead effectively through the obstacles that tend to derail or diminish innovation. Three phases — seeking, seeding and scaling — organize the framework within an intuitive, logical and useable format. Leaders will find tangible steps to find and safeguard the plans that will deliver the sustainable impacts their businesses need — new customers, new relationships, new sources of value and growth.

Success requires that leaders rethink how they lead innovation. *The Change Maker's Playbook* will help innovation leaders learn how to do just that.

IN THIS SUMMARY, YOU WILL LEARN:

- How purpose is different from a vision statement or slogan.
- The key traits of resourceful leaders.
- Essential questions to help you create your business model.
- How to anticipate and adapt in today's fast-paced innovation landscape.

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THE COMPLETE SUMMARY: **THE CHANGE MAKER'S PLAYBOOK**

by Amy J. Radin

The author: Amy J. Radin is a nationally recognized Fortune 100 chief marketing and innovation officer, advisor and investor, board member and thought leader on how to deliver innovation for sustainable, business-changing impact. She has been at the forefront of rewiring brands for growth and now applies her expertise working with executives to reduce the uncertainty, ambiguity, and uncertainty in, and realize the benefits of, innovation.

The Change-Maker's Playbook: How to Seek, Seed and Scale Innovation in Any Company by Amy Radin, © 2018 by Amy J. Radin, The Daily Innovator, LLC, has been summarized with permission of the publisher, City Point Press. 272 pages, ISBN 978-1-9479-5106-8.

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PART I: SEEKING

To create innovation, you have to take action. There is no fixed formula. But a no-downside starting point is to listen — both to your inner voice and to the sources of useful feedback in your surroundings.

What most matters is to create the foundation. That is where listening, insight, purpose and commitment come into play. Why?

You are setting yourself up to go after market opportunity. Seeking behaviors come first and benefit all aspects of the framework. Set yourself up to innovate by being open — and as a result, allow for possibilities.

Discovering Real Needs

Making an effort to listen — to hear, observe and understand people — will make you a great discoverer. Discoverers want to understand where people are coming from: their backgrounds and environment, motivations and emotions. Discoverers back away from being in "I already know it" mode. They collaborate. They pursue dialogue, not interrogation. For those who are curious, discovery is fun.

People Buy Painkillers, Not Vitamins

A fellow innovator once said, "People buy painkillers, not vitamins." Living as we do with so much complexity, relief from life's hassles alone can earn attention and commitment to a brand.

Take, for example, ketchup. In 2002, Heinz's business goal was to grow sales. Discovery led to a user problem: the hassle involved in getting the last bit of ketchup out of the bottle. Users reportedly jammed knives down the bottles, or shook bottles hard, only to be squirted with a watery mess, or tried balancing the right-side-up bottle upside down.

Given the long narrow neck and wide bottom, that is a tough act. Heinz responded by introducing the inverted ketchup bottle, applying a package design first invented for shampoo. Providing a better alternative to user workarounds revolutionized a 150-year-old product. Heinz grew at three times the market rate within a year of this new-to-category innovation.

Remember that users, buyers and payers all matter. Different family members each have an influence on which bottle of ketchup will be pulled off the supermarket shelf. Heads of household pay for the item, but family members all around the table are users. Perhaps a caregiver or relative handles grocery shopping. It's important to understand the roles each member of the influence group plays, early on, to inform product priorities. Start to anticipate the complete experience.

Begin with users. Ultimately what matters is to map all members of the system and to understand how they affect each other's decisions.

Don't Just Bet on Your Own Horse

Be sensitive to the risks of do-it-yourself. Discovery requires an open mind. The common trap is to seek customer feedback as validation. Entrepreneurs fall in love with their ideas and then listen for the answers they preferred all along. That is why, budget permitting,

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whether for entrepreneur or corporate innovator, there is value in having a third party with no stake in the outcome assisting in discovery. Think of discovery as co-development with users.

Purpose, Passion, Promise and Positioning

What is purpose and why does it matter? Having purpose is not a matter of writing a vision statement that ends up an empty slogan. Purpose means knowing what you stand for — why you want to exist. With purpose backed by commitment, you can challenge yourself — and others — to put in their best efforts.

Purpose comes to life through

- **Passion** — the commitment and strength of belief that fuels delivering on what you stand for;
- **Promise** — the expectations you set for the people you choose to serve;
- **Positioning** — how you portray and promote the promise.

Purpose triggers alignment across values, principles and execution. When purpose is baked into the culture, things happen the right way and everyone knows what that right way is.

How can you figure out your purpose? Look within your life for signals: read to expand awareness of your interests; talk to others about their sense of purpose; collect magazine pictures of images that attract you, looking for patterns that signal things you feel strongly about; pursue your hobbies to further boundaries; seize the opportunities arising out of personal moments of truth; work on something that fits with your purpose, either in an already-built company, at a startup or on your own.

From Purpose and Passion to Promise and Positioning

With knowledge and commitment to your purpose, get ready to shape positioning, the tool to express purpose in words, images and actions. Everything you do should manifest your positioning.

Positioning was not always thought of so broadly. Pre-digitally, positioning was a communications technique in the domain of the marketing team and the advertising agency. Now, ads are like a transparent coat of gloss, and much more is required to execute positioning that is credible and compelling.

Change makers are asking questions of customers, employees and themselves to get to the truths of a business's purpose and to confirm the links between purpose, business model, and executional and performance outcomes.

Purpose is the foundation of a pyramid leading to positioning. Positioning is a big decision, not to be shortchanged. To get it right,

- Invest in the best expertise;
- Test out possible approaches by prototyping;
- Lead an inclusive process;
- Don't cut corners;
- Implement proven rules of brand development, and go beyond;
- Give employees permission to deliver the brand promise within and beyond marketing;
- Recruit believers;
- Don't build without purpose.

The Art of Being Resourceful

Finding, shaping and implementing innovation takes resources. The obvious ones are people, money, technology, equipment and materials.

Whatever the starting point, change makers end up changing how the product is created, not just what the product is versus whatever came before. And the stronger the status quo, the more likely the need is for basic resources to overcome obstacles.

You can counter the drain on money, time and talent by being resourceful. Resourcefulness is

- A high payoff must-have for any change maker in any context;
- A force multiplier on every penny, every hour, line of code, every ounce of materials invested;
- A virtual stockpile of options to turn to when obstacles hit.

Resourcefulness separates the funded from the unfunded. Change makers are dogged enough to get the first vote of confidence that initial funding represents, then execute the plan, sticking to dates and budgets. They find the path forward no matter what. They work the ins and outs, the unexpected, the good news, bad news, great news and terrible news, knowing the news before it even happens. They live steps ahead in the future. Living in the

present means being too late and burning resources in a game of constant catch-up.

The Resourceful Leader Profile

Resourceful leadership depends on mindset. Resourceful leaders have a positive outlook and, as a result, tune into solutions. This means they are optimistic, reframers, attentive, curious and creative.

Resourceful leaders treat others with respect and value people as people and, as a result, inspire and attract others to enable their purpose. This means they are self-aware, collaborative and engaging.

Resourceful leaders can execute under diverse circumstances, especially through adversity. This means they are pragmatic, focused, impatient, hands-on, energetic, prepared and anticipatory.

Resourcefulness takes creativity, not just penny pinching. Resourcefulness has an element of watching how much money is being spent and on what. But being resourceful is not about restricting use of color printer ink, telling the team to take the cheapest flights, or engaging in nickel-and-dime directives that make any team groan. Such requests can be perceived as petty and inflict damage on morale above whatever money is saved.

Better to put effort into the bigger message: how to shape a culture where everyone on their own wants to find ways to achieve the purpose. Then, everyone is driven to make the best use of dollars, time and talent.

PART II: SEEDING

Seeding means change makers will test market conditions to see if they are right, and be willing to adapt. They will experiment, commit to trial and error, face down ambiguity and surround themselves with people who amplify their vision and purpose. Let's now talk about the skills, tools, mindset and capabilities that get concepts to take hold.

Prototype, Test, Learn, Iterate

Prototyping opens the door for users to co-develop concepts. A good prototyping process focuses on creating models, letting users engage with them, learning from the interactions and creating versions that are progressively closer to being market ready.

Prototyping is a way to learn. Engaging users in a live rendition of a product or service, however rough, narrows gaps between a great idea inside your head and a tangible, functional and sought-after real-world product.

Building prototypes and letting users play with them begins to uncover answers to questions like

- Does it function?
- Does it do what it was intended to do?
- Does it hit quality standards and expectations?
- Can it be replicated at scale and at what cost?
- Does it solve the problem it was intended to solve, and does it do so effectively?
- How does it perform relative to existing alternatives?
- What reactions does it evoke for potential users?

The When, Why, How and Who of a Prototyping Process

The When. In principle, prototyping best begins as soon as you can put something tangible down on paper, in code, using materials on hand. Capture the intention as soon as you start to see elements of your idea. No matter the business or sector, "early" and "fast" must be the rules of thumb for prototyping.

The Why. There is nothing like seeing and interacting with the real thing to identify functional requirements (what will product dimensions be? what will the user experience navigation be like? can partners deliver on promises?); use trial and error (the only way to figure out how to make new concepts work); spot and avoid easily missed mistakes; understand user emotion (emotions shape perceived value and utility — drivers of commercial potential — that otherwise would be hard to predict at this stage); foster collaboration; and move faster.

The How. Sameer Vakil and Summi Ghambir, co-founders of the startup GlobalLinker, offer their best advice about prototyping: begin with a clear and well-articulated vision; decide up front what kind of organization and culture you want; dream big and stay the course; and finally, recognize what prototyping is really about. First, the technique — the skills of building the iterative models toward product-readiness. Second, the purpose you set for your business that got you to be a change maker.

The Who. Never take users for granted or underestimate their input. Users may not be sitting at the work table or standing at the whiteboard with sticky notes in hand, so it is every team member's job to keep users' perspectives present. With regard to the team, follow this principle: "Include all of the stakeholders whose buy-in is going to be necessary for approval of my prototype," says Art Chang, founder and

CEO of Tipping Point Partners. "It is just common sense that the timeline to production will be shorter if everyone is brought into the process at day zero." Be clear about who is most important to get to a valid minimum viable product. "Valid" means proving feasibility and showing evidence that there is market demand.

Business Model Linchpins

From a vacation beach chair in 1976, Citibank CEO John Reed penned a vision to transform the retail banking business model.

Mastercard global board member Steve Freiberg joined Citi under Reed's leadership. Steve says about Reed, "Here was a guy who was young but senior. He went to his boss and said, 'I've got a great idea. I am going to take a machine and stuff $50,000 into it and leave it in the lobby of a bank branch. Over the weekend after we go home people can come and go, and take money out as they please.'"

The guys in suits, starched white shirts and pricey silk ties sitting on executive row must have thought Reed's vision was crazy. But he persisted and moved Citi to disrupt the sleepy model of Monday through Friday, 9 a.m. to 3 p.m. branch banking. In so doing, Reed defined the business model parameters for what is now a given — a 24/7 banking experience where people bank when, where and how they prefer.

Reed's vision would not have become real without a viable business model. Creating a new relationship between banks and their customers meant challenging the team to reframe the bank's purpose, from one based on pushing financial products to one based on understanding and meeting customer needs; connecting what was not obvious yet technologically possible with what mattered to users; breaking orthodoxies inside a large, complex organization; and seeing value in a totally new customer experience.

To set up the possibilities for your business model, start by answering these six questions:

- How do you plan to make a significant difference for the people you intend to serve?
- What is the size of the market? How many users and buyers are there?
- How do sources of revenue connect to your point of difference?
- How will you execute the strategy, manage the business-model levers and maintain your point of difference?
- What resources are required?
- How do plans translate into financial statements, organization design, policies, processes and infrastructure?

Being able to articulate the business model is a test of readiness and exposes the holes that must be filled to move ahead.

Getting to the Business Model: Culture and Leadership

Getting to a viable business model demands experimentation. If the team does not have the leadership backbone to create space for failures, that new model will not be found.

Sponsorship is essential, but the daily dynamics of the culture are throughout the team and help others persist against odds, show guts and act with urgency. Be the culture, and lead others instead of debating culture and leadership.

Stay centered on redefining the user experience by improving it in ways the market could not even have thought possible until you came along; imagining how to attract customers, operate and deliver value that upends the status quo; executing at scale by delivering the experience with quality and predictability, at large volumes; defining metrics that include market share and expectations for profitability; and keeping resources constrained.

Apply these principles and you will leave the competition flat-footed and bewildered.

The Green-Light Moment

The green-light moment is here. The market wants what you have created. You have the funds to move forward toward a launch.

People, strategy and execution are the three essentials of the green-light moment where attention is on moving toward launching and scaling.

People. You have hustled for dollars and technology. Now, find and engage the best people. Interviewing and assessing candidates is a learned skill. Seek all guidance on how to be an effective interviewer. Know and set the expectation that the interview experience is also the time to sell the role and the company. Competency-based interviewing is a technique that zeros in on how a person has used specific skills to solve problems in the past. The goal is to encourage the candidate to share examples illustrating how they felt and acted in real life. A quick search of the term "competency-based

interviewing" will net good, free resources if you don't have access to formal training.

Avoid the biggest hiring mistakes: bringing in people who are just like you; under- or over-hiring expertise; hiring for skill alone, without assessing culture fit and leadership; compromising; poorly framing roles; misreading people's skills and motivations.

Strategy. Strategy is where execution begins. Done right, strategy encompasses not only conceptual logic and analyses but also how execution will happen. Strategy answers four questions:

- **The starting point:** Where are you now?
- **The destination:** Where do you want to be?
- **The route:** How do you anticipate getting there?
- **The rationale:** Why does any of this matter?

The two "wheres": The answers to the "now" and "later" questions of "where" set context for smart decisions. Context motivates people and costs nothing. The starting point and destination are already in the business model metrics.

The how: Defining how means getting from the pages of the pitch into the real world where things get complicated. The best plans lead to a finish line because of the team's ability to adapt on the fly.

The why: Knowing why accelerates decisions and assures consistency without micromanagement. Being clear and open about "why" is much more effective than authoritarian leadership if you want to attract and retain people who are wired for innovation.

Execution. Execution takes time. And every change maker faces unforgiving pressure to move faster. Weeks are compressed into days, months into weeks and years into months. The constant demand is to execute, get the product out and achieve results.

Remember to assess your own competencies as you move ahead on people decisions. Know for sure that trying to prove that you can do it all will prove disastrous. Now that it is time to bring your vision to life, size up your own capacity to execute, and find ways to offset shortfalls. Putting on the operator hat means being a role model for attitude, courage, purpose, progress and culture.

Your purpose is amazing. What are you doing to ensure your team sees what's in it for them? The "WIFM principle" — what's in it for me — is not about cynicism or self-interest at others' expense. We all want to take care of ourselves and our loved ones. We evaluate personal plusses and minuses and are more motivated when the weighting is one that feels favorable, whether overtly or subconsciously.

PART III: SCALING

Scaling expands requirements. Commitments to defining and delivering on user needs, iterating quickly and aligning resources do not stop. You are juggling balls and spinning plates. To keep everything in the air, this section offers guidance, stories, concepts and tools for the last three pieces of the framework: launch, testing and experimentation, and anticipating and adapting.

Launch

Launch is when a team shifts efforts toward delivering product at the scale of results projected in the business model. It is when users expect the product to be available and functional, for platforms to work and customer service to be responsive.

Startup or grown-up business, you are ready to launch when you have crossed over from low-volume beta testing to having earned the capital for expanded sales and marketing. This is a new push requiring more diverse skills, set in place during your green-light moment, and carrying opportunities and risks not requiring attention until now.

Here are some launch questions to keep on your radar:

Are you on track to pass the 10x test? Founder Peter Thiel has advocated that to succeed commercially, an innovation must be 10 times better than whatever the user currently has available.

Ten times better means a *dramatically* better alternative. The 10x test may be met during beta testing. But now, execution must ensure that wallets open and product is snapped up at the expense of yesterday's solution.

Are you prepared to meet the launch expectations you have set? Look back. What expectations were created by beta results, market analyses and business model assumptions?

Expectations grow as production, sales and marketing efforts expand. Conflicting expectations co-exist. The business will be amazing and new … and things will be messy. There will be stops and starts, lots of stuff flying around, at the same time as media commitments are being made, while revenue projections and potential risks grow. And you created believers by passionately selling your concept and inspiring others with your purpose.

Are you getting ready for what scale means? In the case of product manufacturing — say, a chemical

compound like a new drug — active ingredients may be in short supply, even rare. Perhaps such compounds can only be procured in sufficient quantity from a far-away supplier. Perhaps, for a new product, textiles are produced in one location and are assembled elsewhere. Or prototype development happened locally, overseen by founders. Now, to hit unit costs, production moves to a vendor located elsewhere.

Which metrics are right for launch? Align launch metrics to the strategy. Metrics should codify the promises made to executives and investors and link strategy to reality. Factors to create metrics:

- Work backward from the goals.
- Measure the drivers — the user and buyer behaviors that move the business model. Of course the outcomes are where the buck stops, but drivers are where outcomes are influenced and where a team has leverage to create results.
- Pay attention to leading indicators allowing you to be proactive.
- Do your best to ensure that results will be available to allow you to take action based on what is happening, e.g., with media and other marketing elements.

Testing and Experimenting

For change makers, the stakes are too high to rely on guesswork. Seat-of-the-pants may have been necessary in the past, but today's complexity, competition and demands to achieve scale all require more. There is too much information, too many choices and decisions, and too little time. Expectations are high, while the effects of innovation investments can be difficult to discern.

Testing and experimenting keep startup and grown-up businesses on pace. Even better, they point to marketplace discontinuities leading to innovation.

Traditional testing depended upon market opportunities holding still. Today nothing holds still. But there are still principles and patterns, some of which have been proven through decades. So, even when there is no fixed template, rigor is achievable.

What are you trying to figure out? Decide which of the three types of insight apply to your priorities: hindsight, or descriptive results explaining what happened; insight, or diagnostic results, explaining why something happened; and foresight, or progressive insights, about how to make something happen.

Three critical thinking guideposts. No matter the path, consider scribbling these guideposts on sticky notes tacked up in your workspace:

1. Define the questions leading to decisions and action, linked to strategic priorities.
2. Know the business-model operating levers — user behavior, processes, policies and regulation. All drive financials.
3. Have the execution capability to apply models, including each test result. If not, what is the point of the test?

Moving to action through small, manageable steps. How can you make a habit of sensing where there is useful data, analyzing, synthesizing, assessing and then applying findings quickly? Marcia Tal advises executives on advancing innovative data science and technology-based solutions. Marcia advises focusing first on internal data sources. She says, "Internal data will always be the most valuable. Other sources won't replace proprietary data — they can complement it." Not collecting or maintaining a strong customer database? Make it a priority to figure out how to address this gap.

Next, know how the business operates to construct, execute and interpret tests. Especially important is to understand how customers make decisions that define behavior with the brand.

Focus on the gaps when designing tests. "You will get lost if you don't keep going back to the question, 'What am I trying to do?'" says Angela Curry, former managing director, Global Analytics & Insights at Citi. "Understand the goals. Where do you need insight? Build tests from there."

An easy way to gauge a well-defined goal is to fill in the blank in this sentence: "We will be successful in our venture if _____ happens."

Assemble the right mix of people for testing and experimenting success. The **planner** is able to anticipate whether, what and when testing will be influenced by the operations, processes or policies of a business. The planner identifies and integrates multiple perspectives. They connect the dots between test design and implementation.

The **implementer** has hands-on knowledge of analytics tools and methods. Perhaps they are a mathematician or technologist. Such backgrounds provide foundational implementer skill sets. Data is vast and varied, sources expand and tools change. So what they know today may be obsolete in a few quarters. That is

why the implementer who shines is skilled in how to look for information, read and write code to set up tests, and adapt to new techniques.

Anticipating and Adapting

Adapting to market conditions by making predictable, controllable, incremental moves used to be good enough. Now, the pressure is on to adapt at high speed and also to many concurrent changes. That is a tougher challenge, especially for people within big companies built with multilayered organizations, systems and processes.

Play by this ground rule to keep your vision fresh and vibrant: Anticipate whenever you can, and get on pace to adapt when the unanticipated happens.

What to Anticipate

Obvious and irrefutable trends are easy to explore, thanks to discoverable, free thought leadership content, government surveys, and virtual and live events. A good network of relationships is also a great resource. Consider just these five mega-trends, all game-changers:

Demographics: shifts in age, cultural, religious, geographic and economic cohorts affecting people's needs, habits, attitudes and preferences.

Natural resources: population growth and movement, climate change and demand for resources affecting food, water, and energy quality and supply.

Individual empowerment: reduced overall poverty (notwithstanding wealth polarization — a trend in and of itself), increasing access to education and also to manufacturing, communications and healthcare advances.

Dispersion of power: the continued shift of power to networks and alliances, changing who has influence and authority.

New technologies: both solving problems and creating consequences.

These mega-trends are seeds of massive unsolved problems and growing needs. They are sources of ideas for new ways to attack old problems. They are raw material to inspire vision and purpose.

Why are some organizations better at anticipating and adapting than others? Businesses that reinvent have four traits in common. They

- Pay attention to and act upon social and economic trends;
- Know and are passionate about their vision and purpose;
- Engage in experimentation and value diverse perspectives;
- Do not allow themselves to be taken hostage by an investor agenda misaligned with vision and purpose.

What makes some people better at transformation than others? What is it that makes some people able to imagine a different future and create that future through leadership and action? It's a matter of who we are.

Step back to 1999, when Joshua Green established Friends of the High Line, a group of Manhattan west siders who were able to imagine transforming abandoned railroad tracks into an elevated ecosystem. Demographic, workforce, transit, urbanization, real estate and other factors fed public and private sector support for reinventing the site as a recreation, retail, arts and dining destination. An urban wasteland was transformed into a dynamic residential, tourist, commercial and corporate magnet.

People who excel at transformation have a true "North Star" to serve people's needs; are able to tune out naysayers — those who see anticipators as "crazies"; possess confidence and courage to step beyond where most others can see; partner with people who complete the bundle of creative, technical, operations and influence skills required for execution; sustain an attitude, outlook and relationship network that fuel luck.

We all come into the world with a purpose, born with capabilities and potential. When we stand still, time is passing, and so there is less opportunity to make a difference and achieve purpose.

So get moving, and while you are making your dent in the universe, give back to other change makers by sharing what has worked for you and what you have learned.

Make change that matters. Find your purpose and passion. Choose happiness.

MORE SV CONTENT ON INNOVATION

Summary: *Costovation* by Stephen Wunker, Jennifer Luo Law. With costovation, you let go of assumptions, take a fresh look at the market and relentlessly focus on what customers really want. When combined, innovation and cost-cutting expose untapped opportunities to outsmart and under-spend competitors.

Webinar: *The Power of Constructive Conflict* by Jeff DeGraff. Jeff DeGraff offers a rigorous but highly accessible guide for achieving breakthrough solutions by utilizing the full — and seemingly contradictory — spectrum of innovative thinking.

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The Character Triangle

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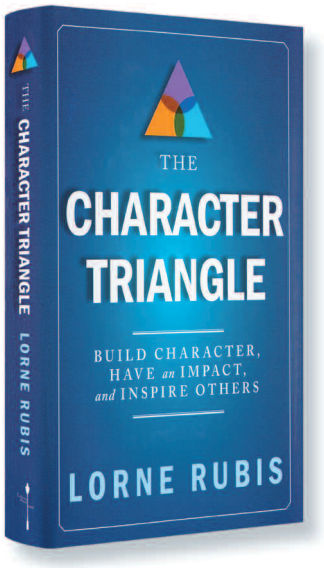
The Character Triangle

Build Character, Have an Impact, and Inspire Others



by Lorne Rubis

THE SUMMARY IN BRIEF

The challenges facing leaders, and the attributes foundational to their success are many and complex. We see and understand the true value of outstanding leadership when the situation is most critical, complicated and broadly impactful.

Before Lorne Rubis became a successful business leader and CEO, he began his career as a schoolteacher and coach who was profoundly honored by the gratitude of his students. Inspired, he purposefully set about to define a framework for the values he embraced: respect, accountability and abundance. He connected his "Character Triangle" to a system of beliefs and habits that are a veritable game changer for success, which is evidenced in his own career. *The Character Triangle* is a value and habit system, and when you apply it to your life's purpose, it becomes exponential in its value to each of us and all the people we interact with.

Rubis' book, *The Character Triangle*, examines and defines the three distinct but interdependent values that, if applied in our daily thoughts and actions, are a "playbook" for attaining rewards in any type of work and any situation in life. Rubis' relevant and timely examples of role models in diverse fields of endeavor — thinkers and doers from contemporary life from his own experience — illustrate the power of the Character Triangle.

IN THIS SUMMARY, YOU WILL LEARN:

- Why the blame game — blaming others or yourself — never works.
- The four key steps to becoming more accountable.
- How to listen with understanding in order to be respectful.
- How to understand that abundance is a state of mind.
- The connected system of accountability, respect and abundance.

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THE COMPLETE SUMMARY: **THE CHARACTER TRIANGLE**

by Lorne Rubis

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The Character Triangle: Build Character, Have an Impact ,and Inspire Others. Copyright © 2011 by Lorne Rubis. Summarized by permission of the publishers, Langdon Street Press. 174 pages, $19.95, ISBN: 978-1-936782-60-4. To purchase this book, go to www.amazon.com or www.bn.com.

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For additional information on the author, go to www.summary.com.

Introduction to the Triangle

What is the Character Triangle? It's a personal game changer: Learning and applying it will help you build more character, have a greater impact, and inspire others. Change the game by applying it, and develop a habit system of using it.

Our character is exclusively ours. We define it by how we think, what we do, and the choices we make.

The Character Triangle describes and emphasizes three distinct but interdependent values to apply in our daily thoughts and actions:

Accountability

Accountability starts with the word "self." When we approach every situation we experience in life by FIRST asking what we personally can do about it and how, we begin to understand the concept of self-accountability. The ideas associated with "blame" and "victim" have little if any place in the self-accountable framework. This is a tricky concept to fully accept and grasp for many of us. We need to ask ourselves daily how often we feel compelled to blame ourselves or others for our condition and circumstances.

Respect

None of us work or, for that matter, live in a vacuum; our successes or failures are all built on the strength of our relationships. And relationships run on respect. To be true to the root of respect, one has to continuously look at one's self with openness and understanding. The point is to examine the way we treat OURSELVES first and then how we treat others. Most of us want to be listened to with understanding, treated with courtesy, and recognized for our contributions. Do we do that with ourselves? Then how much do we do this with others in every interaction? Again, this value can be deceptively oversimplified.

Abundance

Abundant people do not have to take anything away from anyone else to be successful. It is literally fun to work with people who are abundance-focused. They may be competitive, but rather than merely to beat someone, the essence of their drive is to advance something. In fact, abundant people relish others' success and achievements. They also focus on the resources available and finding what they need to get results. Generosity of spirit and the belief that giving leads to getting are part of their makeup.

Building the Triangle

Building character, having an impact, and inspiring others means fully embracing the values of the Character Triangle and applying them relentlessly each day. Accountability, Respect and Abundance may sound like straightforward and perhaps even simple concepts; but before you realize it, you'll think about each value more completely; and more importantly, you will understand how they connect and reinforce each other to bring success in all aspects of your life.

In this geo-economic environment of hyper-competition and tornado change, the external buffeting of the organization we reside in can rapidly add to a feeling of little or no personal control over the life cycle of the organization itself, let alone our roles within that organization. The combined effects of these business truisms can leave the best of us dazed, confused, and struggling just to keep our heads above water.

So, the question becomes, how do we go beyond just surviving in this type of undulating work climate? Is it

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possible to complete each day with a personal sense of reward and contribution regardless of what is happening around us? I believe it is. While we may have less than desirable control of our environment, we do have control of our character — how we choose to think and act — regardless of the situation.

As you complete the Character Triangle, you will be able to determine how valuable and helpful these concepts can be in providing a clear guide and benchmarks. While the values of accountability, respect and abundance are generic in definition, these values will be exclusively yours in application. Like most worthwhile things in life, the rewards and benefits from embracing the Character Triangle will come from regular and incremental practice. Remember — success in any area will most effectively be defined by you and your daily interactions with others. ●

Be Accountable

What is your understanding of the concept of accountability? People often think of accountability as a concept best applied to others. "Holding other people accountable" is a common phrase. In business, it's often seen in mission and vision statements. How often have you heard or considered that someone needs to "hold others accountable"? This approach to accountability may be limiting and, perhaps, even counterproductive.

While it is vital that we all be held accountable, continually putting the emphasis on others merely takes the spotlight off ourselves and our responsibilities. From my perspective, being self-accountable is a much more constructive way to live and work. The very foundation of self-accountability revolves around the notion of taking personal responsibility for whatever situation you are in: good, bad or ugly.

If you find yourself in a situation that is less than desirable, you can respond in several ways. One way is to feel victimized and "point fingers." As an example, people may ask the following types of questions:

- Why is this happening to me?
- Why don't THEY...?
- Why do I have to change?
- When are THEY going to...?
- Don't look at me to do something first.
- That was So-and-So's responsibility...

In business in particular, it's almost our "default setting" to point the finger elsewhere when put on the hot seat. It may just be a symptom of self-protection, but in many cases, it's a symptom of deep and underlying unwillingness to assume responsibility for one's own actions.

Sometimes, asking these types of questions implies that you have little or no control over your situation. However, we do have total control over how we act and respond to amend the situations we find ourselves in.

Think for a moment and ask yourself, rather than immediately pointing a finger at someone else, wouldn't it be more effective and productive if you approached your challenges at work (and life) first by asking and answering the questions: In what way and how might you personally make a difference? So, be first. Ask what you can do about a situation, and answer how you might do something about it.

Consider:

- How do you think your boss or teammate would respond if you seriously and sincerely addressed a problem from this perspective?
- Would it make a difference in how you might work together?
- Would it pave the road to exploring better ways of mutually winning versus the corporate duel of thrust and defend?
- Would it make you a better team player?
- Possibly a better team leader?

Why the Blame Game Never Works

When something goes wrong, such as poor quarterly sales, it's easy to begin the finger-pointing, blame-game explanation of "how bad the market is," "how we're actually out-performing some competitors," "how production was late with product releases," "the underperformance of a few top sales people," etc. The blame first/assume responsibility last duel can become interesting. However, what if all parties involved approached the situation with serious self-examination around what and how they might personally do things better to improve results?

If all parties have the self-accountability approach and skill to aim and fire at data, issues and behaviors, rather than a personal test to see "who can out-blame the other," the "duel" in this case becomes instead a joint assault on changing processes and results. This is fundamentally different for both sides than feeling victimized and blaming. Of course, this approach is not necessarily easier.

Blaming? Now that's easier. With a simple finger point in somebody else's direction, it's no longer your fault or your responsibility. Instead, when we first take personal accountability seriously, we each have to skill-

fully analyze and execute appropriate actions. As we all know, this takes additional time, thought and energy. However, despite its greater degree of difficulty, the tone of the interaction changes substantially.

Typically, this focus is much more positive, with interpersonal energy better applied to everyone contributing personal and forward-moving action. The opposite results in less productive, defensive behavior, which is energy-draining, often leading to interpersonal friction.

Key Steps to Becoming More Accountable

Being Accountable does not mean blaming oneself, either. This exercise is not designed to take the blame off of everyone else and put it squarely on our own shoulders. The entire concept of blame is not very helpful, whether pointing at others or ourselves. When the concept of self-accountability is first introduced or revisited, some people rush to "fall on their swords" to demonstrate self-accountability. This is not helpful and, frankly, can come across as disingenuous. Regardless of how it appears, the effect is the same: blame decreases effectiveness, not increases it.

When we're busy blaming others or ourselves, that means we aren't busy finding solutions. We are only identifying those who may have gotten us into trouble. If sales are down, it is absolutely critical to find out why, but only in the sense that we can correct it via practical and effective solutions. Self-responsibility is a forward motion; blame takes us backward.

How to avoid the blame game in your own life? It can be a hard habit to break, but with the following four steps, you can leave the blame game in the past and look forward to a life full of personal accountability:

1. Be honest and do it now! Get the data, and recognize and accept that a situation is not acceptable. Avoidance is often a signal that something is wrong. Be aware of that, and insist on an honest evaluation. If sales are down, developing and executing a plan for getting sales back up is a forward-motion step we can take immediately. It includes discovering why sales were down; knowing why sales were down is necessary to help in determining how to get them back up.

2. Be first. Ask yourself, in advance of expecting anything from others, what you personally might do to change things. The emphasis here is on what YOU can do, FIRST and foremost, even before you consider what someone else might do to help.

3. Do what you can do. Take personal action to improve process and results. Be careful not to underestimate the plan. The solution starts with you. You'll often need others to accomplish the mission, but whether you're the CEO, VP of sales, leader, manager or team member, you can still have a direct impact on the larger organization's results if you take personal action to improve both the process and results. The execution is in the details of the plan.

4. Do not "beat yourself up." Being self-accountable does not involve blame, including self-blame. Acting with character is a lifelong process, not an overnight achievement.

When starting to approach accountability as a personal matter, it also can be disappointing when others don't reciprocate. It is downright exasperating when others listen to your self-accountable approach and choose not to act in kind. However, it is important to apply self-accountability as a personal value in your character, regardless of the behavior of others. This is about defining your own success by living with character.

The Be Accountable Playbook

1. Establish the mindset to improve yourself first. Approach issues with self-examination of in what way and how you might contribute before asking or expecting from others.

2. Always ask in what way and how you might do something. Begin each interaction with yourself in control by taking responsibility for your action.

Dig a Little Deeper and Find a Well

Do you sometimes want to change things? Wish "They" would do something to make things different? What if the "They" were you?

Ryan Hreljac of Canada was inspired at age 7 to raise $70 by doing extra chores to help build wells in Africa. By 2010, his own charity, Ryan's Wells Foundation, has helped fund more than 550 wells in 16 countries. He has helped supply clean water to more than 700,000 people.

Sometimes it is a matter of asking what and how you can take action to change things. Self-accountability is the courage and confidence to believe you can so something to develop a more desired state of being. This applies at work and outside of work. Each of us has way more power and influence than we often believe. Start now... before you know it, 700,000 people have clean drinking water. Start now … and your place of work will see the benefit of changes you have initiated.

3. Act self-accountable without expecting reciprocity. Being accountable is more about your character than others. You can be self-accountable regardless of what others do.

4. Avoid blaming, especially self-blaming. There is very little value if any in finding someone to blame. Remember that blame moves you backward, while holding yourself accountable moves yourself forward.

5. Watch out for the "victim thinking" often related to the word "they." Waiting or wanting the often undefined or mysterious "they" to make things better is often frustrating for all, to say nothing of wishful thinking.

6. Be on the lookout for the "procrastination" signal and under-planning. Avoidance often is a signal that you're waiting for someone to do something. At the same time, taking action does not imply capricious activity. It takes a plan, and be cautious not to underestimate what is needed to make a sustainable difference.

Feedback in Today's Workplace

If we wait to get and give performance feedback on an annual basis, it must not matter much. Feedback should be given and received in a much more timely way. Dan Pink, author of *Drive: The Surprising Truth About What Motivates Us*, suggests three things we can do to make a workplace a little more feedback rich.

1. Do it ourselves. Why not establish our own feedback system, such as getting feedback on a regular basis — perhaps once per month — from colleagues on how we're doing. If we have a boss who's really thinking clearly, that person will honor and support this activity.

2. Peer recognition. This is a great tool to give feedback. It can range from written acknowledgement on a comment card to allowing team members to award their peers gift certificates for a job well done.

3. Do it with software. There are some great software packages that drive extensive 360-degree feedback — the more timely, specific and constructive, the more effective results.

Great leading companies have feedback systems driving behavior. Self-accountable people find a way to get timely feedback on their performance. ●

Be Respectful

To be respectful is to be willing to see beyond our first impression. As was the case with accountability, it is imperative to start by putting "self" in front of the word "respect." To work and live this value, we need to understand what respect means. The root of the word "respect" means to "look again." Literally, then, to be respectful is to be willing to see beyond our first and often superficial impression. Respect requires us to be genuinely open to what the other person is trying to communicate. So to be true to the root of respect, one has to continuously look at one's self again and again with openness and understanding. If we treat ourselves with respect first, it's easier to be genuinely open to others and treat them respectfully, too.

So Respect Is to Be Earned, Right?

We often say respect is "earned," indicating that others must prove themselves before earning our respect. Yet, if we follow the principle of "looking again," perhaps respect for others would not come at the price of passing a subjective test to determine if they are worthy.

Think of it this way: Do we personally have to "earn" being listened to, treated courteously, and recognized for contributions? Really? We shouldn't. In this context, respect is not something to be earned but rather something to be given. To live with character is to give respect unconditionally to ourselves and others.

Everything Is a Process

When we accept the notion that everything is a process, it becomes easier to be open and understanding. If everything is a process, then everything can be viewed as a way or method of doing things. And we can confront the effectiveness of methods and ways without attacking each other personally. This is a subtle but an important principle for people in organizations to learn and apply. It helps us bridge the concepts of being performance- and improvement-driven, while still embracing the value of behaving respectfully.

No one is perfect; everything we do or our coworkers do is a process. And if a process can be understood, it can be addressed and improved. It is respectful — and necessary — to continuously improve our processes.

Listen With Understanding

Listening with understanding is hard work. One has to be present. We have to care what others are saying and meaning. There can be no respect without active listening. When you genuinely open yourself to take another look to understand an individual, the respect value is significantly enhanced.

Listening doesn't always mean agreeing. Aristotle stated, "It is the mark of an educated mind to be able to entertain a thought without accepting it." In fact, highly

respectful organizations are invigorated with constructive disagreement and conflict. A company filled with "yes" men and women often means a company with no objective viewpoint and one that is out of touch with the competition and customer.

The STP Model and Process

Here is a simple tool you can use to help with your listening dialogue. It's called STP: Situation — Target — Proposal. It's timeless and yet so simple to apply. The essence of STP is that if you work to understand the current environment (Situation) and objectives of others (Target), then action-based dialogue (Proposal) often has a successful outcome.

Situation (Define the Situation)

Generate and reach agreement on a comprehensive list of situation statements:

- What is the situation we're facing?
- What data do we have about what is going on?
- What is working well?
- What is wrong with the way things are going?
- Where is the problem occurring?
- How serious is this?
- What are people's reactions to what's going on?
- What might be the cause of the problem or situation?
- What might need help or hinder identifying a feasible solution to the problem?
- Are there situational facts and data we do not have and need to collect?

Target (Identify Targets)

Generate and reach agreement on a comprehensive list of target statements:

- How would you describe the ideal situation?
- What does success look like?
- What are our goals?
- How would things be different if the problem were solved?
- What differences would we like in the way we do things, in the way people work together, and in our methods or equipment?
- What major and minor outcomes do we want from this situation?

Proposal (Develop Proposals)

Generate and reach agreement on a comprehensive list of proposal statements:

- How can we get from where we are to where we want to be?
- What can we do to solve the problem?
- What actions should we take to immediately remedy the situation?
- What actions should we take for long-term prevention?
- If we didn't have any constraints (time, financial, etc.), what could we do to solve the problem?

Final Steps

Plan to close the Situation — Target (S — T) gap:

- Check for conflicting targets.
- Group S-statements that relate to the targets.
- Identify S — T gap.
- Identify proposals that close S — T gaps.
- Reach agreement on proposals to implement (may use ranking and voting to facilitate decision-making).
- Put proposals into action.
- Convert proposal into action.
- Plan — identify who does what and when.

Ensure the action plan assigns responsibilities to track completion and results.

Embracing Diversity

Diversity is a matter of benefitting from the unique angles of other people. Of course, when we capture the best combination of race, ethnicity, region, religion, culture, age, perspective, etc., we demonstrate the sincerest application of respect. The richness of organizational diversity is directly related to how effective we are in listening and understanding the many viewpoints of others.

Be Nice, Be Kind, Be Present

In business, it's necessary to be tough-minded, make hard decisions, and act decisively, but "tough" is not synonymous with "mean." The most admired people in organizations are usually the nicest as well. They treat people the same respectful way regardless of place, position or stature, whether they work in the corner office or on the front lines. Arrogance and respect do not go together. Being nice and kind, while perhaps sounding mushy, is fundamental to acting with respect.

Respectful people also work hard to be physically and emotionally present when they interact with others. They have a commitment to be "in the now." This is another important attribute when it comes to respect. How thoughtfully do you give your undivided attention when working with your colleagues?

The Be Respectful Playbook

1. Start with "self" first, and "look again." Take the time to reassess and reevaluate every situation from

an "inside out" perspective by putting the "self" before "respect." Take the time to look again with openness and receptivity.

2. Remember that everything is a process, and all processes can be improved. A process is distinct from the person.

3. Always examine the process, behavior and situation first; never attack a person. Remember, open dialogue and discussion — even disagreement — does not equal personal attacks and petty sniping.

4. Treat yourself the way you want others to be treated; then do it. Be nice. One can be very tough-minded and results-driven and still be courteous and accessible to all others. Arrogance provides no value.

5. Listen with understanding; be present, and look at every perspective. Diverse angles and great dialogue are fundamental to being respectful. Give others your full attention when interacting.

6. Use the STP process as a great listening tool, problem-solving process, and a way to get people aligned. ●

Be Abundant

People tend to lean either toward a philosophy of abundance or a philosophy of scarcity. What's the difference? Well, it's all about attitude connected to behavior that validates a way of thinking. Abundance-oriented people seem to approach work and life in general as if they were meant to be prosperous. The wonderful thing about these people is that they see the objective of life as development and growth. Even better, when they can't actually touch, see or feel them, abundance-oriented people believe the resources for their success are available — somewhere.

Abundant people do not have to take anything away from anyone else to be successful. They believe that it is a divine right for every person to create, advance and grow and not to impede others that growth.

Don't be confused: abundance-oriented people live within the same resource constraints that scarcity-thinking people do; they can't just "wish it" and make more resources appear. However, abundance-oriented people don't allow a lack of resources to be the reason why they can't find a way to move their situation to a more desirable state. Going back to self-accountability, if they don't have what they need, abundance-oriented people ask and answer what and how they need to do, get and be where they want to be.

It is literally fun to work beside — or with — someone who is abundance-focused. They are competitive, but rather than being out to beat someone, the essence of their competitive drive is to advance something for themselves, for teammates, coworkers, colleague — for all involved. Abundance-oriented people relish other people's success and achievements. Such people see abundance everywhere and not just in mere things. A coworker's positivity, or resourcefulness, a life lesson, a strategy, an example, a formula all are seen as tools to become more abundant.

Abundance as a State of Mind

Abundance as a state of mind contributes materially to attracting the resources you need to get things done. This doesn't mean things come easy or that life is without worry. And having strong beliefs and actions based on self-accountability and respect are brother and sister to being abundant.

Abundant-thinking people are prepared to live in the world of uncertainty. They take calculated risks because they have faith that things will work out for the better.

Climbing to the Top of the Character Triangle

Erik Weihenmayer has climbed every major summit in the world. This is an incredible feat in its own right, but Erik makes this accomplishment astounding due to the fact that he is blind. You've probably all imagined the difficulty of climbing Mt. Everest … but climbing it blind? Erik accomplished that. Now, that's character!

Erik embodies every element of the Character Triangle. When he became unexpectedly blind as a teenager, he could have blamed the world. Instead he asked himself what and how he might respond. How about deciding to climb every major challenge in the world? Now, that is self-accountability.

Erik's life teaches us about respect by the way he prepares for every climb. He respects each peak and pays homage by his preparation and attention to detail. Additionally, he ropes up with every person on his team. He listens to each peak and the teams that help him reach it.

When it comes to being abundant, Erik also sets the bar. In Tibet, blindness is a basis for discrimination. When Erik became aware of this, he responded by embracing blind Tibetan kids and teaching them to climb … the pinnacle being Everest. Now, that's being abundant.

They believe, often unfailingly, that you cannot succeed with an attitude of doubt and unwarranted anxiety (fear). Abundant people recognize that even success is in a constant state of flux, and to arrive at a plateau is the platform for a new beginning. Change brings growth, and growth brings success; and all are part of the abundance process.

Jealousy and negativity are a part of daily work life. But think about that for a moment: What good is ever derived from acting with jealousy or negativity towards anyone? Contrary to what your ego may be whispering over your shoulder, abundant people applaud the recognition others receive.

Abundance does not exist in a vacuum (or in the mind alone), and it cannot flourish without taking action. The best way to reinforce abundance is to be the most generous, giving person you can be at work (and in all aspects of life). This means sincerely giving of oneself without expecting payback.

The Be Abundant Playbook

1. Be self-abundant in thinking. Being abundant is a state of mind. Be self-abundant first. If you see yourself as prosperous, you will be focused on becoming prosperous. If you see yourself as lacking, you will focus on all that you lack. Remember that we have to be self-abundant first.

2. Act with abundance; take calculated risks. Embrace the deeply held belief that all things will work out for the best and that you have the right to material wealth, peace of mind and health.

3. Avoid negative people and people who want to take instead of give. Jealous and mean-spirited people are intent on making themselves feel better by taking from others.

4. Be as generous as possible in as many ways as possible. Believe in the virtue that those who give will receive and that helping others is both giving and receiving at the same time.

5. Avoid giving based on conditions. Be abundant; just give. ●

Character Triangle Points to Remember

Living with character and applying the Character Triangle is a belief and action habit system. Each of the following is equally important to the Character Triangle's successful contribution in living out your life's purpose.

- **Belief.** Don't let studying the Character Triangle be your "flavor of the month" idea before relegating it to your "business bookshelf" with all the other great ideas that sounded good in theory but never took root in your active, daily belief system. For the Character Triangle to have a personal impact, you must first understand it and believe in its three core elements.
- **Action.** Beliefs are the foundation, but they become alive when acted upon. So when you truly begin to believe in the Character Triangle, you must take it one step further and act on those beliefs. Apply the playbook. Practice everyday.
- **Habit System.** We can't just live with character when it's convenient. Living the Character Triangle must be a systematic and habitual part of your daily life plan. Additionally, the three values of Accountability, Respect and Abundance act in reinforcing unison as a powerful trinity. Each value stands on its own legs, but the Character Triangle is a habit system.

We Define Success

As a system, the Character Triangle helps us get the most out of our work (and life) situations. By applying Accountability, Respect and Abundance together, that is, living in the Triangle, we put ourselves in much greater control. While we cannot control what others do, we can control how we think and act. We personally become the most important determinant for thriving and winning at work and life.

But remember, living in the Triangle does not equal perfection. For example, there may be factors outside of one's control that impact the outcome. Being cognizant of these enhances your decision-making. Applying the Character Triangle in tandem with one's own raw intelligence illuminates but does not guarantee the desired result. But when we live in the Triangle, we know the journey we've taken. We can be proud of that. ●

RECOMMENDED READING LIST

If you liked *The Character Triangle,* you'll also like:

1. ***Leading with Character* by John J. Sosik.** Sosik offers a unique collection of fascinating stories about 25 famous leaders from business and history.
2. ***One Piece of Paper* by Mike Figliuolo.** Based on Figliuolo's "Leadership Maxims" training course, readers will learn to create a living document that communicates their values, passions and goals to others.
3. ***Common Purpose* by Joel Kurtzman.** Kurtzman helps readers understand the concept of common purpose. He tackles the task of uniting people to create outsized, measurable results.

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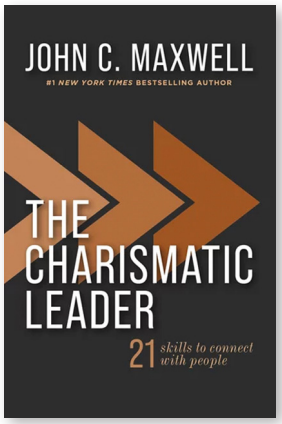
The Charismatic Leader

John C. Maxwell

Executive Book Summaries®

The Charismatic Leader

21 Skills to Connect with People



by **John C. Maxwell**

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THE SUMMARY IN BRIEF

Charisma starts with becoming interested in others. In ***The Charismatic Leader: 21 Skills to Connect with People***, you will learn twenty-one simple ways to develop charisma by interacting positively with people. You'll learn skills in three phases: 1) Becoming Interested in Others; 2) Becoming Invested in Others; and 3) Becoming Interesting to Others.

When you care about people and learn about them, they will find you interesting. From there, you will learn simple ways to invest in others to add value to them. Finally, you will learn four ways to make yourself more interesting. This is where most people mistakenly try to begin developing charisma, but it is, in fact, the least important of the three. To be charismatic, you don't need to be physically attractive, tall, athletic, talented, or rich. You just need to care about people and make them feel important. Anyone who does that can connect with people and become a shining light in a dreary world.

IN THIS EXECUTIVE BOOK SUMMARY:

- Charismatic leaders prioritize others over themselves, which leads to a greater sense of purpose, increased energy, and deeper contentment in life.
- Believing the best in people, valuing their contributions, and remembering personal details fosters trust, rapport, and meaningful relationships.
- Encouraging dreams, sharing credit, helping people grow, and creating special moments demonstrate leadership and strengthen bonds with those around you.
- By committing to generosity, storytelling, excellence, and helping others succeed, you become a more compelling, influential, and charismatic leader.

Part 1: Become Interested in People

Put your focus on others. Truly charismatic people care about others and focus their attention on them, not on themselves. We must get outside of ourselves, see the bigger picture, and start putting other people first if we want to live our best life and become better leaders. Everyone else in the world matters, not just us.

HOW FOCUSING ON OTHERS HELPS YOU

1. Gives You A Sense Of Purpose

Put your focus on others, and a greater purpose for your life and leadership may reveal itself.

2. Gives You Energy

Continual focus on yourself will drain you of energy. In contrast, focusing on others usually has the opposite effect.

3. Gives You A Sense Of Contentment

Serving others cultivates health and brings about happiness.

Believe the Best of Others

If you want people to be drawn to you, don't look for the flaws. Look for their best.

HOW TO EXPECT THE BEST

Believing the best about others and extending them grace and forgiveness is a very winning quality that will make you attractive to other people. To cultivate it:

LOOK FOR THE BEST ABOUT PEOPLE

If you want to believe the best in others, then the first thing you need to do is check your attitude. Search for their best traits. Catch them doing what's right and compliment them for it.

SEE THINGS FROM OTHERS' PERSPECTIVE

This takes maturity. The less mature one is, the more difficult it is to see things from another's point of view.

GIVE PEOPLE THE BENEFIT OF THE DOUBT

If you want others to give you the benefit of the doubt, you should extend the same courtesy to others.

FOCUS ON PEOPLE'S GOOD DAYS, NOT THEIR BAD ONES

We all have good days and bad days. When it comes down to it, giving others the benefit of the doubt and believing the best of them is a choice.

Add Value to People

1. VALUE PEOPLE

Your ability to add value to people starts with your attitude toward people. Human relations expert Les Giblin remarked, "You can't make the other fellow feel important in your presence if you secretly feel that he is a nobody."

2. MAKE YOURSELF MORE VALUABLE

Making yourself more valuable is not a selfish act. When you acquire knowledge, learn a new skill, or gain experience, you not only improve yourself, but you also increase your ability to add value to others.

3. KNOW WHAT PEOPLE VALUE

Once we know what people value, with some effort we can add value to them. You can lift them up, help them advance, make them a part of something bigger than themselves, and help them to become who they are made to be.

Encourage Others Every Time You Meet

EVERYONE NEEDS ENCOURAGEMENT

People everywhere need a good word or an uplifting compliment to fire their hopes and dreams. It takes very little effort to do, but it really lifts people up. Here's how:

1. ENCOURAGEMENT SHOWS YOU CARE

Think about something encouraging you can tell to the people you are going to meet that day.

2. ENCOURAGING OTHERS GIVES THEM THE TRIPLE-A TREATMENT

All people feel better and do better when you give them attention, affirmation, and appreciation.

3. ENCOURAGEMENT GIVES OTHERS ENERGY

What kind of environment do you think you could create if you continually affirmed people when you first came into contact with them? Whenever you walked into a room, the people would light up when they saw you. Just your presence alone would brighten people's day. That's charisma.

4. ENCOURAGEMENT INCREASES OTHERS' MOTIVATION

When you take the time to learn what's important to others and you make that important to you, it communicates how much you care and desire to develop a good relationship with others.

Everybody needs motivation from time to time, and when they receive it, that encouragement really helps them. Treating others negatively lowers your level of charisma and diminishes your leadership while encouraging others raises it.

Remember People's Names

In 1937 the granddaddy of all people-skills books was published, ***How to Win Friends and Influence People***, by Dale Carnegie. What made it so valuable was Carnegie's understanding of human nature. The book is a course in charisma.

A PERSONAL TOUCH IS NEEDED NOW MORE THAN EVER

What was true in 1937 is even more applicable in our fast-paced world. Remembering a person's name and calling them by it tells them you care about them as an individual.

Here are a few tips to help you remember names:

MAKE THE DECISION TO VALUE AND LEARN NAMES

When people care enough to know your name, they make you feel valued. Most people don't naturally remember everyone's names. It takes intentionality.

USE THE "SAVE" METHOD TO REMEMBER NAMES

S — Say the name three times in conversation.

A — Ask a question about the name or about the person.

V — Visualize the person's prominent physical or personality feature.

E — End the conversation with the name.

WHEN YOU CAN'T EASILY REMEMBER A NAME

Try to recall the situation in which you met the person or last saw them. If you can't recall that, ask, "How long has it been?" Perhaps that will jog your memory.

GIVE YOURSELF GRACE IF YOU FORGET

If you make the effort to remember names and are successful even only part of the time, the people whose names you remember will appreciate you, and the ones whose names you can't recall will sense that you care about them and desire to know them better. Your attitude will shine through, and you will be more attractive to others.

Learn What Matters to People

WHAT'S IMPORTANT TO YOU IS IMPORTANT TO ME

When you take the time to learn what is important to others and you make that important to you, it communicates how much you care and desire to develop a good relationship with others.

ACCEPT THE FACT THAT PEOPLE ARE DIFFERENT

As you set out to learn what's important to others, don't judge them. Instead, value them, accept them unconditionally, and appreciate their differences. Everyone is important and has value.

ASK QUESTIONS TO LEARN ABOUT PEOPLE

Asking a good question is essential to discovering what makes people tick and what matters to them most. Be curious. Ask questions. Listen and learn.

ESTABLISH COMMON GROUND

Effective leaders, communicators, and people persons always find something they have in common with the people they are speaking to. This makes them more charismatic.

REALIZE THAT WITH TIME, PEOPLE CHANGE

It is a major leap for some people to tune into others' dreams and desires and to discover what matters most to them. But time changes all things, including the human heart.

Listen with an Open Heart

OPEN YOUR EARS AND YOUR HEART

President Woodrow Wilson said, "The ear of the leader

must ring with the voices of the people." Every great leader listened with not only their ears, but also their heart. Here are four tips to help you improve:

1. FOCUS ON THE OTHER PERSON

Many people put their focus on the ideas being communicated, and they almost seem to forget about the person. You need to keep the person in focus, first and foremost.

2. OPEN YOUR MIND AND HEART

Even after you have begun to focus on the person with whom you are conversing, you may still experience many potential barriers to effective listening. Removing the things that prevent you from listening well:

- Distractions
- Defensiveness
- Closed-mindedness
- Projection
- Assumptions
- Pride

3. LISTEN PROACTIVELY

There's a difference between listening passively and listening proactively. To listen with your heart, your listening must be active.

4. LISTEN TO UNDERSTAND

The fundamental cause of nearly all communication problems is that people don't listen to understand; they listen to reply. If you want to connect with people and listen with an open heart, stop focusing on what you think and the response you could make to be right.

Learn Everyone's Story

It's a great way to learn about their journey in life, as well as their interests, hopes, and challenges. Not only that, but it also puts your focus on them, which makes them feel important, and lets them know you care about them.

TO APPRECIATE SOMEONE'S STORY, FOLLOW THREE SIMPLE STEPS

Great news about this connecting skill is that anyone can do it.

1. ASK WITH GENUINE INTEREST

When you meet someone new, after the introductions and initial pleasantries, don't hesitate to ask a person about their story. Use your own style to ask.

2. LISTEN ACTIVELY

Some of the tips to be a good listener:

- Look the speaker in the eye.
- Be attentive
- Be respectful.
- Don't interrupt.
- Repeat back

3. REMEMBER THEIR STORY

Some people have a knack for numbers, others for names. But just about everyone has the capacity to remember a story. The process of connecting with someone through their story can do a lot to build greater rapport with them.

Express How Much You Value Someone

The most fundamental and straightforward way of developing a connection with people is to express how much you value them. That has a great impact when given one-on-one and is multiplied by ten when you do it in front of others.

THE VALUE OF VALUING OTHERS

To develop rapport with people and let them know how much you care, value them verbally. Here's why:

COMPLIMENTS MAKE PEOPLE FEEL VALUED

"Everyone has an invisible sign hanging from his neck," said Mary Kay Ash, the founder of Mary Kay Cosmetics. "It says, 'Make Me Feel Important!' " She knew compliments and affirmation were critical to enjoying success with others.

COMPLIMENTS INCREASE IN VALUE WHEN WE VALUE THE PERSON WHO GIVES THEM

Who gives the compliment has a lot to do with how much we prize it.

COMPLIMENTS AFFIRM PEOPLE AND MAKE THEM STRONG

An affirmation is a statement of truth you make firm in a person's heart when you utter it. As a result, it cultivates conviction.

COMPLIMENTS IN FRONT OF OTHERS ARE THE MOST EFFECTIVE ONES YOU CAN GIVE

> No matter how successful you are, you need people, and you need to let them know that you cannot win without them.

Whenever you have the opportunity to praise another person publicly, don't let it slip by. You can do it in the moment, but you can make a huge impact on others when you're intentional.

Part 2: Become Invested in People

Be quick to help others. Whenever you are quick to help others, it makes a statement. You matter to me. To become a leader who helps, follow these guidelines:

MAKE HELPING OTHERS A PRIORITY

We are often so consumed with our own agendas that helping others never becomes important to us. The solution is to make helping others a top priority.

MAKE YOURSELF AWARE OF PEOPLE'S NEEDS

You can't meet a need if you don't know it exists. Each of us must begin by caring about the people around us and looking for what they need.

BE WILLING TO TAKE A RISK

Sometimes helping another person can be a risky proposition, yet that should not keep us from lending a hand.

FOLLOW THROUGH NO MATTER WHAT

When you help someone who doesn't know you, it can win them over. When you help people with whom you already have a connection, it endears you to them even more. And when you help others whose attitude toward you isn't positive, they reevaluate their assessment of you and let their guard down.

Invite People to Join Your Team

Make the invitation. No matter how successful you are, you need people, and you need to let them know that you cannot win without them. Here's why:

PEOPLE NEED TO BE NEEDED

Have you ever stopped to ask someone for directions? Nearly every time, people stop whatever they are doing and help if they can. Why? Because whenever a person feels that he or she knows something you don't, it makes that person feel good. Everyone likes to be an expert, even if it's for a moment.

PEOPLE NEED TO KNOW THEY NEED OTHERS

Every individual's fate is tied to that of many others. We cannot be like the shipwrecked man who sits at one end of a lifeboat doing nothing while everyone at the other end bails furiously, and says, "Thank God that hole isn't in my end of the boat!"

PEOPLE NEED TO KNOW THEY ARE NEEDED

Every human being longs for a life of significance. We all need to know we are needed and that what we offer to others is of value.

PEOPLE NEED TO KNOW THEY HELPED

"Good leaders make people feel that they're at the very heart of things, not at the periphery," said author and leadership expert Warren Bennis. Everyone feels that he or she makes a difference to the success of the organization. When that happens people feel centered and that gives their work meaning.

Encourage the Dreams of Others

If someone thinks enough of you to tell you about their dreams, take care. Even if you privately have doubts about the viability of their dream, don't doubt them or discourage them. Instead, encourage them and keep these things in mind: Dreams are fragile; Losing a dream is a great loss; Encouraging others to pursue a dream is a wonderful gift. How can you help people turn dreams into reality? Follow these six steps:

1. Ask them to share their dream with you.
2. Affirm the person as well as the dream.
3. Ask about the challenges they must overcome to reach their dream.
4. Offer your assistance.

5. Revisit their dream with them on a consistent basis.
6. Remind yourself daily to be a dream booster, not a dream buster.

PEOPLE LIVE UP TO THEIR DREAMS WHEN GIVEN A CHANCE TO FULFILL THEM

There is no telling what might happen if you were to begin encouraging the dreams of the people around you.

Share the Credit with Others

How can you give credit to others? Passing the credit on to others is one of the easiest ways to connect with people and make yourself more attractive to them as a leader. If that's what you desire, take these suggestions to heart:

- Check your ego at the door.
- Pass on the credit at your first opportunity.
- Give credit publicly.
- Put it in print.
- Say it only if you mean it.

Create Special Moments for Others

There are a few common characteristics of a memory maker. If you want to create memorable moments for others, here are some qualities to cultivate:

Initiative — Make Something Happen

Time — Set Aside Time To Make Something Happen

Planning — Plan For Something To Happen

Creativity — Find A Way To Make Something Happen

Shared Experiences — Make Something Happen Together

Mementos — Show That Something Happened

Relive The Memory — Talk About What Happened

Share Information with Others

Give others the inside track. Any time you let people in on something impactful, it makes an impression. Sharing information with someone is a matter of two things: reading the context of a situation and desiring to build up the other person. If you keep those two things in mind, you can learn this skill and connect with people. As you try it out, keep these three things in mind: 1) Share information vital to people's success; 2) Share with the goal of making people feel special; nd 3) Share information to include others in your journey.

Speak Into People's Lives

You must invest in people verbally. If you desire to lift people up by speaking into their lives, here are suggestions about how to get started:

HAVE A HIGH OPINION OF THEM

The opinions you have of people in your life affect them profoundly.

BACK UP YOUR HIGH OPINION WITH ACTION

When you back up your belief in people with action, their self-doubt begins to evaporate.

LOOK BEYOND THEIR PAST AND PRESENT AN EXPECTATION FOR THE FUTURE

Old negative labels can block a person's growth and progress.

Build Bridges for Others

You can become a bridge-building leader. No matter how much or how little you think you have, you have the ability to build bridges and do for others what they cannot do for themselves. You can approach the task by thinking in terms of four areas:

1. Introduce others to people they wouldn't know on their own.
2. Take people places they can't go on their own.
3. Offer opportunities others can't attain on their own.
4. Share ideas others won't discover on their own.

Part 3: Become Interesting to People

Do everything with excellence. You must give your best every time. Embrace these four truths to help you improve:

1. Every day deserves your best.
2. Everyone is important enough to be given your best.
3. Anything ordinary can be made extraordinary with excellence.
4. Performing with excellence makes you extraordinary.

Be a Generous Person

There is a secret to being generous. Because generosity is an attitude issue, and attitude is a choice, it means anyone can become generous if they have the desire.Generosity in

people almost always boils down to three characteristics: 1) Adopt an abundance mentality; 2) Become a maker instead of a taker; and 3) See the big picture.

Become a Good Storyteller

To tell a good story:

- Share something you've experienced.
- Tell stories with the goal of connecting.
- Put your heart into it.
- Assume that others want to hear it.

Help People Win

What does it take to help others win? Helping another person to win is one of the greatest feelings in the world. If you want to help people win, you can do so by taking the following steps:

- Believe in people.
- Give people hope.
- Focus on the process, not just the win.
- Understand that when you help others win, you also win.

Connect with Charisma

There you have them: 21 skills you can use for connecting with people. Learn them, practice them, and enjoy their benefits.

When you become interested in people, invested in people, and interesting to people, you will increase your influence, effectiveness, and impact as a leader.

Use these skills only to motivate others for their benefit and mutual advantage. If your goal is always to help people and lead them better, charisma will be the natural byproduct.

John C. Maxwell is a #1 New York Times bestselling author, coach, and speaker who has sold more than 33 million books in fifty languages. He has been identified as the #1 leader in business and the most influential leadership expert in the world. His organizations - the John Maxwell Company, The John Maxwell Team, EQUIP, and the John Maxwell Leadership Foundation - have translated his teachings into seventy languages and used them to train millions of leaders from every country of the world.

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The Coach's Way

Eric Maisel

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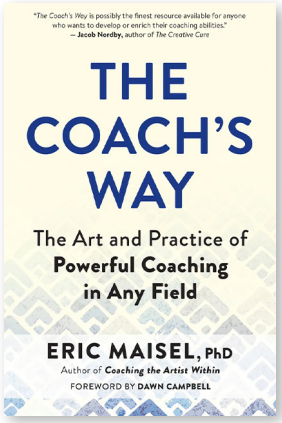
The Coach's Way

The Art and Practice of Powerful Coaching in Any Field



by **Eric Maisel**

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THE SUMMARY IN BRIEF

A central tenet of Taoism is naturalness. The "way" in Taoism has to do with ease, spontaneity, and connection, that there is an eternal, nameless, indescribable, but nevertheless authentic path that each of us can walk. It is a path that coachees choose to walk together with their coaches, which is an honor and responsibility that coaches do not take lightly.

This is what Eric Maisel, a master coach and popular masterclass speaker at the International Authority for Professional Coaching & Mentoring (IAPC&M), has achieved with ***The Coach's Way: The Art and Practice of Powerful Coaching in Any Field***, his latest in a long line of well-thought-out, user-friendly, practical books.

This book is for everyone committed to improving their lives through improved communication skills. *The Coach's Way* will no doubt speak to everyone in a helping relationship: parents, mental health counselors, human resources specialists, teachers, tutors, mentors, spouses. Who doesn't need to help someone sometimes?

IN THIS SUMMARY, YOU WILL LEARN:

- The essence of what it means to coach someone professionally.
- How to hold space for a coachee.
- How to improve your life through improved communication skills.
- How a coaching session can be a magical and highly useful conversation.
- How to form a good helping relationship.

Introduction

A coach is a human experience specialist, someone who knows what human beings feel, think, encounter, and experience as they navigate personal life and professional goals. A coach knows that human beings sometimes despair; that they sometimes rise to the occasion; that they sometimes don't; that they sometimes make themselves proud by their efforts; that they sometimes disappoint themselves. This is a coach's area of expertise, along with whatever other specialized knowledge they bring to a coaching session. It is a special way of two people being deeply and poignantly together; and, for the coachee, it is often a first-time experience of being so deeply seen and heard.

This book explains how that remarkable thing, a coaching session, can function at its best — and how it can do so while also being easy on the coach. It is important that a coach find the work she does more effortless than exhausting, or else she will quickly burn out. Coaching really can be easy and effortless, if you follow the field-tested practices presented in the following chapters. If you give these ideas a try, I think you'll discover that coaching may be exactly the right profession for you.

Week 1: Starting with You

You are you. Coaching begins with you. That is unavoidable.

A coaching session is first of all an agreement you make with yourself that you are willing to coach another human being. The second agreement is the pact you make with yourself that you intend to be of help. When you coach, you and your client occupy a certain space and spend a certain amount of time together. You want to relax into that space and relax into that time.

Week 2: Your Working Philosophy

So much of coaching is ultimately about whether or not a client feels that his life is purposeful and meaningful. If these are core considerations, then a coach is rather obliged to know what she herself believes about purpose. A feature of your life philosophy is your position on possibility.

Your clients will know, either consciously or just outside of conscious awareness, whether or not you have a decent understanding of human nature and whether or not you are operating from a truthful place with respect to human nature. You might want to create a new overarching or underlying principle for your work with human beings: "I am working with real people, in all their richness, darkness, and complexity."

Week 3: Before the First Session

Before you meet with a new client, three things will likely happen. First, you will gather some information from your client, so that you can hit the coaching-session ground running. Second, you will sit with that information and begin to think of what might help and where help may really be needed. Third, you will feel through what sharing that information may have meant to your client and how vulnerable that may have made her.

A life coach has a simple, essential game plan — to get things on the table, to point his client in the direction of action, and to be of some help. Unlike a mental health helper — a psychiatrist, psychologist, psychotherapist, family therapist, et cetera — you are not burdened by the need to translate the information your client has provided into "symptom picture" language or "mental disorder" language.

Week 4: The First Session

Your client arrives, let's say via computer video. You let her onto the platform, and she appears on-screen. What do you do first? Smile. This is not trivial. This is not cosmetic. Rather, this is you warming up the moment. Your smile doesn't have to be radiant, but it is like a radiator. It warms the space and lets your client sigh into the space.

The first thing you say is the equivalent of a hearty greeting. The second thing you say is the equivalent of a request, some version of "Tell me more." This greeting, followed by this request, is the way that sessions can typically — and effectively — start. It can all be kept this simple, as simple as opening a door. You step into your client's world, say hello, inquire as to how things are going, and begin.

Ending a coaching session is a bit of an art form, but it is a process made up of understandable parts, including, from my point of view, the coach summarizing and the coach ending with hope.

Week 5: Between Session 1 and Session 2

The amount of time that passes between your first session

and your second session depends on your setup. Will you meet with clients once a week, once every two weeks, once a month, or less frequently? The choice is yours.

You may formally coach between sessions via email as part of your model and your practice. You may sometimes coach between sessions because of the nature of your relationship with a given client or because of the nature of the circumstances. Or you may shy away from coaching between sessions, maybe restricting your interactions to check-ins or maybe to no interactions at all. There is no right or wrong here — all of this is for you to choose.

Week 6: The Second Session

The second session is like the first session in that a client's challenges and goals get named again. It is different from the first session in that time has passed between two sessions, during which time your client did, or intended to do, certain things. If we hold space for both, we will have a rich second session.

During this second session, you are both starting fresh and continuing; checking in to see how much got done or didn't get done in the past week, two weeks, or month; beginning to calibrate your working pace; and expanding and amplifying and/or narrowing and focusing the coaching.

With each client, you will need to appraise how well the particular interval you've chosen is working and what changes you might want to make, not to the interval but to your coaching expectations. You will already have gotten a sense in your first session as to whether you're going to be moving relatively quickly or relatively slowly with a given client. But the second session gives you another, and better, opportunity to calibrate the pace of your work together.

Week 7: Quiet Energetic Presence

As coaches, we engage in two kinds of thinking in session: what I'm calling "quiet thinking" and "accelerated thinking." These roughly correspond to being quiet in session, listening to your client, and safely holding the space so that he can say what's on his mind; and, alternately, speaking in session by asking a question, making an observation, making a suggestion, et cetera.

Coaches see their work as a collaborative dance of genuine following, where what the client has to say really matters, and careful, thoughtful leading, where the coach's knowledge, expertise, and wisdom have their part to play. The phrase "quiet, energetic presence" captures something of the character of this elegant dance. A coach fosters quality quiet as she listens, nods, and thinks; and, when it is called for, she accelerates her thinking, ups her energy, and does her active part.

Week 8: Asking Quality Questions

What is a quality question? It is not the only right question to ask, as many sensible and useful questions can be asked in any given set of circumstances. Rather, it is a top-tier question that has the quality of being spot on, that promotes engagement, and that pulls from our client the information or awareness that he or she really needs. Quality questions lead to useful experiments.

Week 9: Drop-Ins

A session doesn't come with a road map, and you can't follow standard exam procedures or baguette recipes. You must improvise. Practically speaking, this may mean that right in the middle of the chat you are having with your client, you realize it might prove really helpful to stop everything and drop something in: maybe an exercise, an anecdote, a bit of teaching, a bit of rehearsing, et cetera. And so you do that. You would do this for no other reason than that you think it makes sense to do so and you think it might help.

Week 10: Effortless Work

There is a combination of factors at play that make a certain thing easy for one person and hard for another. That combination includes a person's belief system, nervous system, skill set, experience level, and more. The complicated nature of personality formation that can make a person a fearless general yet afraid of spiders or a great race car driver but incapable of delivering a two-minute speech means that you may or may not be able to work effortlessly as a coach. The more self-aware clients become, the harder it is for them to repeat their mistakes, think thoughts and engage in behaviors that don't serve them, and get in their own way.

Week 11: In Session

A time may come in session when it makes good sense to say, "I wonder, can we stop for a moment and take a look at that?" It takes a bit of practice to arrive at a place where

you feel comfortable gently but energetically stopping your client's flow, but that's an important habit to acquire. If you don't acquire that habit, many chances to deepen the relationship or to be of some help will pass the two of you on by.

Week 12. On Progress

We want our clients to make progress, and we want to help them make progress. But we also want them to breathe and live. We want them to find a measure of happiness in daily experiences that do not look anything like progress. We can attend to the idea of progress as a valuable thing without exalting progress and without making it the best measure or the only measure of what help looks like. Progress is important, but it is not everything.

If we take that wider-angle view — that progress is one measure but not the only measure — we will by our very energy and outlook help clients feel less frustrated and less down on themselves when, during a given period, they haven't made progress. Yes, just as they do, we want our clients to make progress. But we also want them to feel deeply okay even if, between when we saw them last and seeing them now, they didn't lose those three pounds or write those two thousand words. Progress is not the only goal and not the only measure.

Week 13. The Work Over Time

Clients are not some fabulous blank slate. They come with a formed personality, a history of experiences, small and large anxieties, and all sorts of grudges, regrets, and disappointments. All of this will color what they are inclined to do, willing to do, and capable of doing. You do not need to hunt for some too simple, overarching, and essentially pejorative label for who they are, some label like "borderline personality" or "obsessive-compulsive personality." Just think "human being." That's who's coming through the door, a human being, and that's what they will bring, everything human.

You are working with a member of your species, someone exactly as complicated as you are. You may be working with a client on a goal or an array of goals, but you are more fundamentally working with a human being, someone who can be forthright one moment and secretive the next, someone who is hopeful one moment and demoralized the next, just like you. Get ready — your species is waiting.

Conclusion

Magic happens when two people actually talk. Most conversations are superficial or informational — that's all they need to be. No preambles are necessary. No sets of instructions are required. All that is needed is the unspoken agreement that real work is about to commence. Just like that, you and your client are right there, holding the beating heart of the matter in your four hands.

On a given day, you will be of some help; and occasionally, the results will be dramatic. And, yes, there will be days when your client is down, unmotivated, overwhelmed, and feeling pretty hopeless — and even then, you can help, by listening, by offering some kindness and some consolation, and by being human. That, too, is a beautiful session.

Isn't that quite something?

Eric Maisel, PhD, is the author of more than fifty books in the areas of critical psychology, writing, and the creative life. A retired family therapist, he is now an active master coach who blogs for Psychology Today, the Good Men Project, Thrive Global, and Fine Art America. He lives in the San Francisco Bay Area.

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The Coaching Effect

Bill Eckstrom and Sarah Wirth

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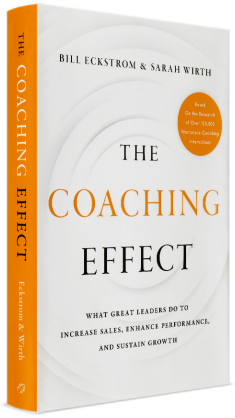
The Coaching Effect

What Great Leaders Do to Increase Sales, Enhance Performance, and Sustain Growth



by **Bill Eckstrom and Sarah Wirth**

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THE SUMMARY IN BRIEF

In ***The Coaching Effect: What Great Leaders Do to Increase Sales, Enhance Performance, and Sustain Growth,*** authors Bill Eckstrom and Sarah Wirth detail measurable and quantifiable coaching activities that have led to improved performance and sustained team growth.

With a justifiable focus on what coaches can do to drive more performance from individuals and teams, the authors also detail how an organization can adopt and implement coaching best practices.

The authors also share a four-step coaching methodology that can be utilized by businesses of all sizes to create a team of high-growth coaches, the outcome of which measures and quantifies coaching activities, behaviors, and overall coaching effectiveness.

IN THIS SUMMARY, YOU WILL LEARN:

- Why managerial effectiveness must be measured to drive growth.
- How Growth Rings illustrate environments that either promote or hinder growth.
- Four high-growth coaching activities that have the strongest correlation to effort.
- The Four-Step Coaching Process that can be executed in an organization to achieve growth above and beyond what is currently being achieved.

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Sarah T. Dayton, Editor-in-Chief • Meghan Kozak, Director of Content • Kylie O'Connor, Graphic Designer

Measuring Managerial Effectiveness

To a high-performing business, developing talent is the essential function of their managers, rather than just one of their priorities. Managers and their team members have used the term healthy tension to describe how high-performance environments feel. They push themselves and their teams to constantly improve; and being "too busy" is never an excuse for not getting done what is most important. The success of high-performance teams depends on their coaches. In fact, every growth challenge a business faces is a management issue.

Data that measures employee effectiveness is by no means new, especially in sales, where many companies track most every selling activity imaginable. Very seldom is that the case with management and managerial effectiveness must be measured. For the heads of organizations to know nothing about the activities, behaviors, and overall effectiveness of the role that has the greatest impact on team performance, the manager, is ludicrous. Common sense dictates that nobody comes to work with a goal of failing, but the manager's role is arguably the most precarious regarding longevity. Companies are quick to release managers, and a revolving door is set in motion, especially in sales departments.

A big reason for this chaotic turnover is that nobody helps them understand how to be effective, nor is anyone measuring their performance inputs or outcomes. Time and again senior executives have no idea how their managers are spending their days or even how they should be spending them. Even managers themselves question if they're focused on the activities that produce the best team results.

The Growth Rings

Growth only occurs in a state of discomfort, and leaders at every level have the greatest impact on the discomfort level of their teams.

To sustain growth, maximize performance of your business and teams, attract the best talent, and ensure that your organization remains relevant in today's and especially tomorrow's workplace, resources must be committed to the continual development and quantification of managerial effectiveness. The goal of this commitment is to get managers to behave and drive results in a way that resembles a high-growth coach as opposed to a performance-limiting manager.

The best leaders are unique in their coaching, and either intentionally or unintentionally, they create or embrace an environment of discomfort as a growth mechanism. During the journey to understand how coaching affects the performance of individuals and teams, a model was discovered that shows ***why*** exponential and sustained growth only occurs in a state of discomfort. This model is called the Growth Rings.

Understanding the Growth Rings can change how you parent, coach, view adversity, and think about human behavior. The Growth Rings illustrate differing environments that exist in our world and how they either promote or hinder growth. Each ring encompasses one of four primary environments: Stagnation, Order, Complexity, and Chaos.

Stagnation: The first Growth Ring represents a low-performing, low, or negative growth environment called ***Stagnation***. Stagnation is a situation in which people may need to follow too many steps, get someone's permission, or deal with minutiae that stifle creativity, independent thought, or action. Stagnated environments don't just freeze growth, they regress it. By the time a business reaches Stagnation, drastic measures need to be taken to reverse the decline.

Chaos: The antithesis of Stagnation is an environment called ***Chaos***. Also, low-growth and low-performance, Chaos can be caused by internal or external events or conditions. Chaos may be a temporary state that occurs, for example in the early stages of a new business. Behaviors exhibited in chaotic environments typify those when fear is present; fear tends to trigger in our brains one of the three Fs: freeze, fight, or flight. Chaos is having zero predictability or control over inputs and outcomes. And although more common than Stagnation, is it not an environment to desire, frequent, or reside in.

Order: Next to Stagnation is ***Order***. Order is where people tend to want to exist because it is the most comfortable environment, but it is also the most dangerous. Order is achieved when the same repeated processes lead to a predictable result. However, predictability can lead to comfort and comfort is what can make Order catastrophic.

Processes and predictability have nothing to do with growth or advancement. Order keeps you stuck in a minimum growth cycle. Order doesn't promote evolution, and for quite some time science has shown us that absence of evolution leads to extinction. This applies not only to biology, but also to products, markets, skills, and businesses.

Complexity: To break the Order, and hence the minimum growth cycle, you need to change what you input. When inputs are altered, you eliminate Order and enter the ***Complexity*** environment. Complexity is the only

Learning to give great feedback is a lifelong learning experience for most coaches and is one of the most challenging coaching skills to master.

environment that creates exponential growth or consistently sustained growth. Complexity is driven by changed inputs, unknown outcomes, and discomfort.

Complexity's impact on the performance of individuals and teams is profound. The coach must control this high-growth environment, instigating and perpetuating it when appropriate. Executive leaders who are committed to evolution and who do not acquiesce in challenging periods caused by complexity show more growth.

A note on complexity: a person cannot live their entire life in this environment. All of us need Order, and it is healthy to have a balance, with ongoing doses of Complexity and Order.

Coaching Redefined

Executive leaders have forever been viewing incomplete or inaccurate data regarding team performance because they are not looking at the root cause of performance growth—the coach. No more resources should be committed to any frontline workers before the company understands the effectiveness of the coach.

Until that happens, the success or failure of any programs, products, or services cannot be accurately measured and understood without knowing if the coach enables or disables performance.

There are four high-growth coaching activities that have the strongest correlation to discretionary effort. Of all the tasks and duties that a coach can perform, the most important are one-to-one meetings, team meetings, performance feedback, and career-development plans.

One-to-One Meetings: Proactive, consistent one-to-one meetings are necessary to generate trust, communication, and accountability with team members. When coaches take the time to connect with team members individually, they get to know their team members better, and they are able to have strategic conversations about how to do their job more effectively.

Coaches can help their team members with any questions they may have, assess their progress toward goals, and help them make sure their plans are carried out successfully, holding team members accountable for executing their visions. A regular, effective one-to-one meeting is one of the most important tools a coach has in driving productivity.

Team Meetings: Team meetings are often used as a communication vehicle for leadership within a company, but they are rarely used in ways that could most benefit team members-to help them learn how to do their jobs more effectively. Surveys show that team members want more education. They want information, ideas, and training so they can do their jobs better.

Bringing in speakers or sharing best practices among peers are good ways to use team meetings as a vehicle to improve and develop team member skills. Define an agenda that encourages interaction and information sharing. This type of agenda proactively drives everyone to ask questions, share ideas, and engage throughout the entirety of the meeting.

Performance Feedback: Good feedback is a gift to the people receiving it. It helps them improve their skills, overcome challenges, achieve their performance goals, and avoid the embarrassment of making a mistake that everyone but they can see. Delivering effective, consistent, and documented feedback is one of the biggest factors in driving team performance.

Learning to give great feedback is a lifelong learning experience for most coaches and is one of the most challenging coaching skills to master. You have to be able to clearly articulate the points you want to make but also ensure that you create an effective back-and-forth with the person to whom you are giving feedback. Regularity, rather than only in response to something going wrong, is key to help team members accept it and view it in a positive light

Career Development: Having a coach who helps team members progress toward their long-term career development goals strongly increases that person's achievement of their current daily work goals. The best coaches are often

the ones pushing their team members to keep growing. Career development can't really be about setting up your team member for a promotion to management.

Instead, you, your team, and your organization must think of career development as a way to help people grow and develop their skills and experiences for whatever their current and future goals may be. In this way, effective career development is all about a person's unique goals, talents, and interests.

The Four-Step Coaching Process

The Four-Step Coaching Process can be implemented and executed in an organization to achieve growth above and beyond what is currently being achieved. The steps within the process, though independent, are inextricably linked.

Step 1: Measure

Surveying team members about the effectiveness of the coaching they receive provides clarity of what can be improved and allows for potential recommendations to better meet their needs. This measurement establishes a baseline from which to assess progress and performance over time.

Step 2: Educate and Train

Continual development—giving up old skills and learning new ones—is absolutely critical to individual and organizational growth. Unfortunately, many companies view education and training as stand-alone events. The key is to follow up and make sure what's learned in the training is actually implemented.

Step 3: Implement

Even after education and training on how to be a better coach, venturing into Complexity is too uncomfortable. By default, most coaches return to old habits and behaviors.

The best way to combat this tendency is to create a collaborative implementation environment that is driven by bringing people together who are trying to improve their coaching. Conference-call gatherings called implementation huddles focus on the continued sharing of best coaching practices and open discussions of challenges to overcome.

Step 4: Track and Analyze

Because the vast majority of coaches in the business world don't have the data and information they need, they have been underperforming for decades. Tracking and analyzing data on coaches can be used to make targeted improvements to their coaching efforts, create more accountability for coaching across the entire company, gain insights into how coaches are spending their time, and to better understand the impact of good coaching.

Becoming a great coach is a journey, and the best coaches never stop learning or growing. Maximizing growth by creating a high-growth team of coaches is hard. It's not for leadership teams who are unwilling to dive into the challenges that Complexity presents. When coaches embrace discomfort and make changes, growth is the outcome.

Bill Eckstrom is an executive, entrepreneur, mentor, student, husband, and father. His primary passion is growth; especially how coaches and leaders influence the growth and performance of individuals and teams.

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The Contrarian's Guide to Leadership

Steven B. Sample

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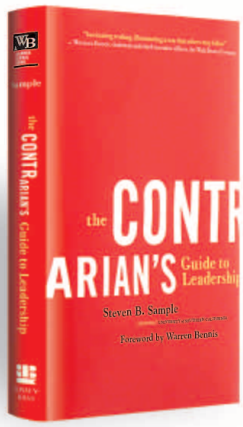

By Steven B. Sample

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Break Free from Conventional Leadership Wisdom

THE CONTRARIAN'S GUIDE TO LEADERSHIP

THE SUMMARY IN BRIEF

Are you the type of leader who finds it difficult to make quick assessments of people and ideas? Do you fail to read all the things that come across your desk? Do you find yourself wondering if conventional wisdom is a bit too simplistic for the realities of our time?

Then you may be a contrarian leader. If so, this summary is for you.

In The Contrarian's Guide to Leadership, *Steven B. Sample, the president of the University of Southern California (USC) offers his no-holds-barred, unconventional wisdom on what it takes to be a great leader.*

What You'll Learn In This Summary

✓ **The ability to think gray:** Learn why snap decisions aren't always good ones and why putting off decisions until you have considered many points of view is the best decision-making method.

✓ **The ability to select expert advisers.** Contrarian leaders understand that not every expert is helpful, but know when they need assistance, when they don't, and how to choose.

✓ **The willingness to read what's important.** Contrarian leaders return again and again to classic works for inspiration and to understand human nature.

✓ **The ability to make decisions.** After thinking gray, reflecting on great works, listening carefully, and listening to advice, contrarian leaders make considered decisions or delegate them.

✓ **The ability to know which hill you're willing to die on.** Contrarian leaders know how to make tough moral decisions.

✓ **The ability to pick and manage those who work for you.** Contrarian leaders pick, manage and rely on quality lieutenants.

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Thinking Gray, and Free

Contrarian leaders think differently from other people. They maintain their intellectual independence by thinking gray, and enhance their intellectual creativity by thinking free. Contrarian wisdom holds that judgments should be arrived at slowly or not at all. Most people immediately categorize things as good or bad, true or false, friend or foe. But truly effective leaders see shades of gray.

The essence of thinking gray is this: Don't form an opinion about an important matter until you've heard all the relevant facts and arguments or until the circumstances force you to form an opinion. Resist the temptation to immediately classify everything you read or hear as either true or false, good or bad, right or wrong, useless or useful. Binary thinking can lead to disaster.

Three Dangers

There are three very real dangers associated with binary thinking. The first is that the leader forms opinions before it's necessary to do so, and in the process closes his or her mind to other facts and arguments.

The second danger is flip-flopping. A leader hears something in favor of a proposition and decides on the spot that the proposition must be true. Later the same day he or she hears an argument against the proposition and decides that the proposition must be false. Many failed leaders believe the last thing they heard from the last person they talked to.

Finally, the third danger is that people tend to believe what they sense is believed by others. A leader who can't think gray and therefore can't protect his or her intellectual independence won't succeed.

Thinking Free

A close cousin of thinking gray is thinking free — free, that is, from all prior restraints. It's popular these days to talk about "thinking out of the box" or "brainstorming," but thinking free takes the process to the next level.

Imagine you are coming out of a heated swimming pool on a cool, brisk day. When you think outside the box, you stay in the cold long enough to feel slightly uncomfortable, then dive back into the warm water. But when you are truly thinking free, you stay out of the water until you shiver and your teeth chatter. It is the ability to tolerate the cold long after it becomes uncomfortable — to forcibly sustain thinking free for more than a fleeting moment — that leads to the greatest innovations.

The key to thinking free is to first allow your mind to contemplate really outrageous ideas, and only later apply constraints of practicality, practicability, legality, cost, time and ethics. As with thinking gray, thinking free is an unnatural act; not one person in a thousand can do it without enormous effort.

Congenital naysayers are among the greatest stumbling blocks to thinking free. Rather than imagining how a new idea might possibly work, they instinctively think of all the reasons it won't work. They sincerely believe that they are doing everyone a favor, by eliminating foolish or bad ideas. But what they really do is undermine the creativity that comes with thinking free.

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Juries Think Gray

The best example of thinking gray may be the American jury system. Jurors are instructed by the presiding judge to suspend judgment until they have all the facts. The attorneys representing the different parties present facts from multiple points of view. Once the evidence has been presented, the attorneys give closing arguments, doing their best to persuade the jurors what the facts are and what they mean. Then, and only then are jurors supposed to begin deliberating and working toward a consensus. They are, in effect, asked to suspend judgment until they have the complete picture. This assures that their judgment is reasoned and well considered.

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Experiment Illustrates Danger of Herd Mentality

A half-century ago, psychologist Solomon Asch designed an experiment that illustrates the danger of the herd mentality. Eight subjects, supposedly chosen at random, were brought together in a room and shown a series of cards on which were printed four vertical lines. Each subject was asked in turn to identify which one of the three lines on the right side of the card was the same length as the line on the left side of the card. The experiment was rigged so that seven of the eight subjects were plants who, with conviction and sincerity, would identify the same one of the right-hand sides as being equal to the left-hand one, when in fact it was not. The one real subject of the experiment was then faced with the prospect of going along with the group and declaring as true something that he knew was false, or taking a position that was at odds with the consensus opinion of his peers. About three-quarters of the subjects went along with their peers against their better judgment.

Thinking Gray, and Free

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Leaders whose thinking are constrained within well-worn ruts, who are governed by their passions and prejudices, who can't think either free or gray, who can't even appreciate the creative imagination and fresh ideas of those around them, are as anachronistic and ineffective as the dinosaur. ■

For an example of how the author thinks free, go to: http://my.summary.com

Artful Listening

Most people are terrible listeners because they think talking is more important than listening. But contrarian leaders know it is better to listen first and talk later. And when they listen, they do so artfully. A contrarian leader is an artful listener because artful listening is an excellent means of acquiring new ideas and gathering and assessing information.

If leaders can listen attentively without rushing to judgment, they will often get a fresh perspective that will help them think independently. This kind of leader listens carefully to his or her inner circle and even the most obnoxious self-appointed advisers. Artful listening is important for maintaining the contrarian leader's intellectual independence. It enables them to see things through the eyes of their followers while at the same time seeing things from their own perspective — a process called "seeing double."

To Whom Should You Listen

Who belongs in your inner circle? These important adviser relationships must be founded on mutual understanding and trust. Include those who are committed to your organization and whose filters, prejudices and attitudes are understood. Keep the inner circle small — to no more than eight.

What about all the others who want to offer advice and be heard? Unsolicited advice gives leaders the opportunity to learn something they will never learn from their official advisers. But a true leader needs to be able to distinguish between unsolicited advice that is good and unsolicited advice that is grossly misleading. Be wary when someone tells you "our customers want this" or "our employees want that." The contrarian leader never takes such counsel at face value. Ask, "Who is saying what to whom?"

Listening Gray

Just as thinking gray is important, so is listening gray. You must absorb stories, reports, complaints, accusations, extravagant claims and prejudices without immediately offering a definitive response. The contrarian leader acknowledges the communication without rendering judgment, but promises that the matter will be looked into. Refer the matter to the most senior officer who reports directly to you, and suggest that the matter be investigated and dealt with.

Another important part of artful listening is to know when to stop listening. At some point, a leader must either make a decision or delegate it to someone else and move on. Listening carefully and intensively at the beginning can save the leader a lot of time in the end. Artful listening is a key element in stretching a leader's time and effectiveness.

Maintaining the Hierarchy

Listening gray requires open communication at all levels of the organization. It requires that leaders avoid categorizing people into an "A" list and a "B" list, and means they should not dismiss ideas strictly because of who they come from.

On the other hand, open communication can destroy the hierarchy in place and diminish the effectiveness of managers. For example, if the CEO speaks directly with a line manager, and acts on that contact, he or she makes it seem as if the higher level manager is unimportant. His or her credibility is undermined.

The way to avoid this trap is to make clear that everyone in the organization can communicate directly

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Assuming Power Requires Artful Listening

Contrarian leaders understand that when they assume a powerful position in a new organization, the best thing they can do is to begin by being artful listeners. Unless your job is to solve an immediate crisis, you're better off waiting and listening to many voices in the organization. During an interim period, you should ask questions, listen, and ask more questions without feeling compelled to provide any answers or solutions. Too many new CEOs make truly egregious mistakes during the first few months. It's not that they're stupid; rather, they are ignorant. A few months of artful listening before assuming the mantle of office almost guarantees getting off to a good start. If you can negotiate an interim period to explore and listen before officially taking office, do so.

Artful Listening

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with everyone else in the organization, but all commitments, allocations and decisions will be made strictly thorough the hierarchy. This is **structured decision-making**. ■

To understand why a supportive spouse belongs in your inner circle, go to: http://my.summary.com

Experts: Saviors And Charlatans

No one can lead a complex organization today without lawyers, scientists, architects, accountants, engineers and consultants. Unfortunately, many leaders have been brought low by experts. How can a modern leader use experts to his or her advantage without being used by them? A leader should pay close attention to experts but never take them too seriously, and never trust them completely.

Many experts are more interested in serving their own egos than serving their clients. They get around this ethical dilemma by convincing themselves that they know what's good for their clients better than the clients themselves. Sometimes they're right. But sometimes they achieve a Rasputin-like presence among their clientele, who were afraid to question the advice.

Clarify Roles

It helps to clarify the roles experts and leaders should play. Experts are deep specialists whose role is to offer leaders greater insight than they have in one small area; the leader's role should be to integrate the advice of several experts into a coherent course of action. In dealing with experts, it's very important for leaders to know precisely what their goals are and how they think a particular expert can help them achieve those goals. ■

You Are What You Read

We are what we read. Reading is a way to gain perspective and stimulate original thinking. A leader must choose carefully.

Suppose a leader was forced to choose between reading *the New York Times* or reading Machiavelli's masterwork *The Prince.* Conventional wisdom would favor the fresh and new *Times*, while the little handbook is stale and old. Contrarian wisdom argues the opposite. A leader can miss a day, week or even months of daily newspapers, but missing an opportunity to reread Machiavelli or other classic leadership works could be a major loss.

Supertexts

Some works are so important they can fairly be called supertexts. These, like *The Prince*, continue to wield enormous influence in every part of our culture. In fact, even those who haven't read them unwittingly incorporate them into new writings, movies and speeches because they have become part of the culture itself. The supertexts have been so widely read for the last few centuries that they are part of the very foundation of our culture. Contrast their longevity with the average book published today — less than one in a hundred are still in print and being purchased ten years after they first appeared. To write something that is still read by even a small audience fifty years later is a major achievement.

In these tempestuous times, it often seems that everything is changing at a rapid pace. In this environment, a leader can gain tremendous competitive advantages by being able to discern the few things that are not changing. And nothing will let him or her do that better than developing a close relationship with the supertexts.

How Contrarian Leaders Take Their News

Reading or viewing the news isn't necessarily the best way for a contrarian leader to stay informed. There is a herd mentality in the media, and a tendency to cater to what the public wants to read. Thus, contrarian leaders keep the following principles in mind when reading newspapers or news magazines, and watching the news on television:

- **Read the papers primarily for entertainment.**
- **When papers attack someone, keep in mind that**

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You Are What You Read

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there may be compelling facts and arguments the paper is ignoring or downplaying.

- **Be aware of the herd mentality that permeates the media.**
- **Understand that news is often seen as black and white, with no shades of gray.**
- **Remember that the stories that don't make the paper may be as important as those that do.**
- **Even the best newspapers can get the facts wrong.**
- **If the story is important to your institution, rely on your inner circle of advisers rather than the media.**

Finally, you don't have to read the news every day to stay informed. In fact, if you feel you are getting addicted to the daily news, take a two-week break.

How Contrarians Find Time for Other Reading

Contrarian leaders should read and reread the supertexts and limit their daily intake of newspapers. But what about all the other publications — books, magazines, journals, trade publications — that compete for attention?

Think of all published reading material as a continuum or spectrum, moving from the left to the right. On the left are newspapers and other ephemeral works, and on the right are the supertexts. Moving along the spectrum from left to right are newly published books and magazines and journals, and moving further are the novels, biographies, histories, poems and essays that are still being read fifty years after they were first published.

Next, determine how much total time you have available to devote daily to reading, and how you want to allocate that along the spectrum.

Great Stories from Supertexts

The supertexts contain stories that teach us about human nature. Some of the most valuable stories are:

- ✓ The story of Moses in the book of Exodus;
- ✓ The story of David in 1 and 2 Samuel;
- ✓ The story of Jesus in Matthew;
- ✓ The story of Paul in Acts;
- ✓ Plato's *Republic*;
- ✓ *Hamlet;*
- ✓ *Othello;*
- ✓ *Antigone;*
- ✓ Dante's *Divine Comedy*

Avoid the trade journals. Let your lieutenants read those and report on important developments in your industry.

But what about the thousands of recently published books that friends and colleagues are constantly urging you to read? There is no way to know for sure which will be durable classics and which will disappear. One way is to ask your trusted inner circle to tell you something about the books they recommend. If you have them provide a short synopsis and point out the best passages, that may be all you need. ■

For a list of supertexts, go to: http://my.summary.com

Give the Devil His Due

Consider this scenario: A contrarian leader is at a cocktail party attended by famous figures from throughout history. Plato, Mother Theresa, and Niccolo Machiavelli all discretely slip the leader copies of their resumes, each one greatly interested in serving as the leader's chief adviser. What would the contrarian leader do? He or she would think gray for as long possible, read a supertext or two for inspiration, and then pick up the phone and say "Mr. Machiavelli, I want **you** on my team."

For better or for worse, Machiavelli is the father of modern political science. Of the supertexts, *The Prince* is the only work considered to be primarily a leadership manual. And the work is probably the most misunderstood supertext. To understand *The Prince,* you must understand Machiavelli.

Machiavelli: A Noble and Loyal Patriot

Machiavelli lived in the middle of the Italian Renaissance, a period that witnessed great changes in politics, religion, technology, exploration and war. He came from a prominent Florentine family. Although not university educated, he held several important political positions until 1512, when the pope's army reinstated the Medici family as rulers of Florence. He was thrown in jail and beaten when suspicion fell on him that he might have attempted to overthrow the new regime. He maintained his innocence and was released to return to his family farm. It was there he wrote *The Prince.* He presented the work to the man whose minions had tortured him.

Not long after his death, Machiavelli's name became synonymous with deceit, cynicism, and evil machinations. In reality, he was an honorable man and a loyal patriot. The disconnect exists because Machiavelli was presenting advice to a particular kind of leader — a principe — which we have translated into "prince," but which means something entirely different.

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Give the Devil His Due

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A "principe" is a leader of a sovereign state who must compete with others like him in a world in which there are no laws or rules that govern them all. Depending on whether the principe is a monarch or an elected head of state, he may be governed by internal rules, but there are no external ones.

Thus, some of Machiavelli's more barbaric advice (such as kill the ruler whose area you took over as well as his family) won't work today when the rule of law prevails. On the other hand, his advice that, if a ruler is forced to choose between being loved or being feared, should choose to be feared (but not hated), is reasonable advice, even today.

Be Willing to Do Bad

Machiavelli advised a principe that to do the greatest good he must occasionally be willing to do bad. Modern leaders are sometimes forced to recognize what Machiavelli understood — that sometimes the ends do justify the means, and that it really is better for a leader to be feared than loved if that is the choice. But it is even better to be both feared and loved. And never humiliate an opponent unless you are able to eliminate him. Otherwise, you simply create an enemy for life.

To be an effective leader, you must be able to lay down rules and evenhandedly punish those who violate them. Evenhanded but tough justice inspires a sense of security among followers.

Douglas MacArthur followed this and other Machiavellian advice when, after the Japanese surrendered at the end of World War II, he was appointed the de facto dictator of conquered Japan. He decreed that no American soldier was allowed to rape Japanese women on threat of death. When some American soldiers defied his orders, they were court-martialed. MacArthur then invited a group of senior Japanese officials to witness the executions. Partly as a result, MacArthur received the full cooperation of the Japanese during the occupation. ■

Machiavellian Principles For Today's Leader

Machiavelli put forth the following principles for effective leadership:

✓ A talented leader realizes no policy is without peril. He examines the options and selects the best while realizing no policy is perfect.

✓ The preservation of civil unity and prevention of foreign invasion justify almost any action a leader can take.

✓ Men must either be cajoled or crushed; injure slightly and he will avenge himself.

✓ Don't submit to evil to avoid war.

✓ Luck plays the greatest role in leadership success, and luck favors the bold.

✓ In a conquered nation, it is acceptable to kill the male leaders, but leave the women and citizens' property alone.

✓ In newly conquered territory, implement harsh policies immediately, but slowly introduce benefits and mercies.

✓ The major responsibilities of a leader include: being a lover of virtue, encouraging the talents of the citizenship, letting citizens keep their property, maintaining incorruptible and ethical ministers and judges, and defending the country against foreign domination.

Decisions, Decisions

Decision-making is a major element of leadership. It can be fun, exhilarating, an ego trip, a tremendous burden, agonizing and scary. A leader's legacy is determined by the long-term effects of his or her decisions.

The contrarian's approach to decision-making can be summarized in two general rules:

- **Never make a decision yourself that can reasonably be delegated to a lieutenant.**
- **Never make a decision today that can reasonably be put off until tomorrow.**

Most decisions can be delegated to a lieutenant, provided you have surrounded yourself with good people and you choose the lieutenant best suited to the particular decision. Don't assume that because you are ultimately responsible for decisions you have to make them all. The sign of major league leaders is their willingness to let others make decisions for which they will be responsible.

Why Delegate?

Even in small organizations, there are compelling reasons for a leader to delegate much decision-making. First, the organizations may collapse if the leader who refuses to delegate becomes ill or leaves. Second, when the organization grows, the leader won't be able to keep up the decision-making pace. In addition, delegating also gives others leadership experience.

A leader who delegates is forced to select a team that is coherent and has shared values and goals. If he or she is successful, the organization can survive the loss of the leader. Succession is built in.

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Decisions, Decisions

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When Not to Delegate

No matter how talented the team, some decisions are best left to the leader. These include hiring, compensating, motivating, molding, assessing and firing chief lieutenants.

The leader should also make those decisions which have the greatest impact on the organization or movement he or she is leading. Should we sell the company? Should we risk half our net worth in the development of a single new product? Should we close down our medical school? These are decisions that belong to the leader, not his or her lieutenants. Identifying the really important decisions requires the ability to distinguish between the urgent and the merely important.

Also, too much delegation can be a bad thing. Those in the inner circle should from time to time find that decisions are taken from them. This helps clarify that authority flows from the top down and exists by the grace of the leader. Sometimes even the best lieutenants need a lesson in humility.

A leader should also be willing to make a decision to resolve disputes among his or her top lieutenants. Don't let fights fester: Listen carefully to both sides and resolve the issue promptly. But if two of your lieutenants are consistently taking up too much of your time with their quarrels, fire one or both of them.

The Power of Procrastination

The second rule of decision-making — never make a decision today that can reasonably be put off until tomorrow — is closely related to thinking gray. The rule is so counterintuitive to the average person that it appears ridiculous, but it isn't: For effective leadership over the long term, artful procrastination is an absolute necessity.

One of the greatest benefits of artful procrastination is that it can open up more options than originally appeared available to the leader. The danger, of course, is in waiting too long to make the decision. Rather than options opening, they may be closed. Not making a decision can also become a decision by default. A talented leader needs to determine when a decision will be made, and then make it.

But what about the actual decision? How do leaders arrive at them?

Many find that consulting with top advisors and lieutenants yields a deeply divided group. This is an opportunity for a leader to practice consensus-building skills. A lieutenant who too often is on the losing side of the decision-making process will lose peer respect, so it's important to work on building consensus. On the other hand, it is perfectly all right for a leader to sometimes listen to advice, but reject it all in favor of his or her own conclusion. ■

Jack Welch and Delegation

Jack Welch, the legendary CEO of General Electric, understood the need to delegate decision-making and grow his lieutenants very well. At GE, business decisions involving $25 million or less were made by operating officers. Jack would listen to a subordinate's reasoning, perhaps make suggestions, but would never make the decision himself. Doing so would undermine the lieutenant's authority and his or her ability to learn how to make good decisions.

Know Which Hill You're Willing to Die On

Most people confuse good leadership with effective leadership, but the contrarian leader knows that there is an enormous difference between the two. Hitler was an extraordinarily effective leader, but few would call him a good one. Most would think of him as monstrously evil.

Most people understand what it means to be an effective leader, but deciding whether someone is a good leader requires resorting to moral assessments, based on the moral values of the assessor. Thus the "goodness" of a leader is very much in the eye of the beholder.

Being a leader requires that you sometimes make tough moral decisions. For some people, these choices are so painful that they avoid them altogether. But a leader can't. Moral choosing requires that you "decide which hill you're willing to die on."

Sir Thomas More's Hill

Consider the case of Sir Thomas More, who was beheaded by Henry VIII when he refused to give public approval under oath to the King's marriage to Anne Boleyn. More was at odds with Henry's efforts to divorce his wife and break with the Catholic Church, but didn't take the stand that led to his execution until he found the hill he was willing to die on. He didn't immediately step down when Henry announced his intention to divorce his first wife, or when Henry established the Church of England. Nor did he openly protest the break with Rome when it came: He simply quietly resigned. But when it came time to publicly support Anne Boleyn, he refused.

Keep Your Hill to Yourself

The question raised by More is really how much

(continued on page 8)

Know Which Hill You're Willing to Die On

(continued from page 6)

ground can a leader yield and still be true to his or her moral code. A bit of advice is in order: Once you decide which hill you're willing to die on, keep it to yourself.

When you find yourself making moral decisions, remember that there is a distinction between what is legal and what is ethical. While some acts may be legal, they aren't necessarily ethical. Conversely, some acts may be illegal but may be ethical (usually because the law is wrong). Good leaders need to perform a delicate balancing act. As a contrarian leader, you must develop and hold your own moral convictions, but remain as open as possible to the strongly-held moral beliefs of others. ■

To read about an Army exercise in moral decision-making, go to: http://my.summary.com

Work for Those Who Work for You

Contrarian leaders support those who work for them. Spend 90 percent of your time supporting your employees, and 10 percent hiring, evaluating and firing them, and you will be on your way to being an effective leader. Accept them as your equals and "work for those who work for you."

Hire Those Stronger Than You

This tactic requires that you hire the best possible people. Beware of the common tactic of hiring those who are weaker than yourself. It is crucial to avoid this trap. In fact, in an ideal world, leaders would only hire those who are stronger than themselves. One of the primary challenges of any leader is to surround himself or herself with people whose skills make up for his or her own shortcomings. This isn't easy, since people feel most comfortable being surrounded by others like themselves. But doing so guarantees that your lieutenants always agree with you, even when they shouldn't.

Strive for Diversity

Achieving real diversity among your top staff is a very difficult task, but the advantages are well worth the effort. A highly homogenous organization is susceptible to disease. In the long run, the most difficult part of building a diverse team is to integrate people whose intellectual and moral perspectives cover a wide spectrum and don't just mimic the leader's.

There will come a time when you will have to fire a lieutenant. You have to do it yourself. The world is full of squeamish leaders who delegate the unpleasant task. Firing goes hand in hand with evaluation. Leaders have to be up to that task, too. And sometimes, the process can be enough to suggest that the lieutenant leave of his or her own accord.

Contrarian leaders don't fall into the trap of playing people within the organization against each other. Instead, encourage them to work out differences on their own, but to bring those differences they can't resolve to you. Then it's your responsibility to resolve the matter. ■

Follow the Leader

Before one can lead, one must acquire followers, the *sine qua non* of leadership. To gather followers, leaders must sell themselves first, and their visions and policies second. Contrarian leaders also understand that if they seek out leadership positions with a well established podium, the task of getting followers will be easier. In this case, it is the followers who give credence to the leader, even before he or she has demonstrated any ability to lead.

Once in a leadership position, leaders must begin connecting with their followers. One way to do so is to begin speeches with a good joke or anecdote. Doing so makes them appear warm and approachable even if they are not. Telling stories is one of the most powerful tools there is for establishing a bond and transmitting a vision to followers. It helps for a leader to have a credible myth or creation story about the organization. Examples include Hewlett and Packard in their garage and Washington at Valley Forge. These stories convey instantly what the organization stands for. A great leader must be comfortable as a wordsmith because communication is essential to the task of finding and keeping followers, whether they are disciples or employees.

Being President Vs. Doing President

Many people aspire to leadership for the wrong reasons. They want to be president but they don't want to do president. Make sure you don't fall into the first category. Leadership is a peculiar calling. Major leadership positions aren't necessarily appropriate for people just because they successfully climbed the corporate ladder. The best doctor won't necessarily make the best hospital administrator.

Once you reach a top leadership position, you should use the rule of 70/30. Up to 30 percent of your time should be spent on substantive matters and the remaining 70 percent on matters that are trivial or routine. This is the reality of leadership. Thirty percent may not seem like a lot, but it really is. If you're not ready for the reality of doing president rather than being president, let someone else have the job. ■

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The Courage to Act

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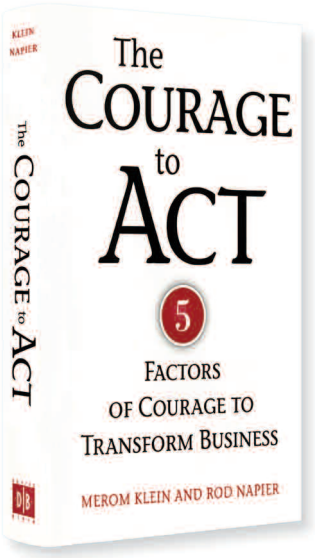
The Courage to Act

Five Factors of Courage to Transform Business



by Merom Klein and Rod Napier

THE SUMMARY IN BRIEF

Courage is not just the extraordinary acts of adventurers and visionaries. In workplaces where jobs can change with the stroke of a pen, having the courage to speak and hear the truth, inspire hope, take a stand and trust in relationships is what defines high performers. With powerful examples of courage in action, *The Courage to Act* explores the skills you need to embrace change and capitalize on opportunities, inspire courage in your teammates, and respond to your own personal moments of truth with the courage to push ahead and make the right things happen.

In a time when we all have more discretion and mobility, and our judgment has far-reaching consequences for the success of our enterprises, we all need more courage. We need to find it within ourselves and inspire it in those around us, whether they are below us or above us in the organizational hierarchy. What we say and what we intend is less important, in this environment, than what we do and how we act.

IN THIS SUMMARY, YOU WILL LEARN:

- Why courage is necessary in a time of uncertainty, challenge and conflict.
- The five factors of courage and how to assess them within your team or organization.
- How to build individual courage in your teammates and a climate of courage within your team.
- How to imbue others with the courage to act.
- A five-part formula for dealing with conflict.

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THE COMPLETE SUMMARY: **THE COURAGE TO ACT**

by Merom Klein and Rod Napier

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PART ONE: WHY COURAGE NOW?

Virtually everyone has been part of a team at some point in his or her organizational life. But the teams of today can't be compared to the teams of 10 or 20 years ago, any more than raising a family today can be compared to the lifestyles of Ozzie and Harriet. The pressures, responsibilities, diversity, pace, mobility and outside influences are dramatically different. Semi-autonomous cells, virtual partnerships and loosely connected networks nest within organizational hierarchies. The bar is always being raised; there is always more to learn, no matter how close you feel to the top of your game.

Despite the fact that we still draw our charts with boxes, silos and pyramids, we're supposed to solve problems and seize opportunities as though the hierarchy didn't really matter. We're supposed to solicit and listen to know-how, wherever it resides. We're expected to coordinate our work with that of colleagues in other departments and other divisions so that the ultimate enterprise-wide objective takes precedence over narrow parochial orders or policies. You can't order someone to do something when he or she doesn't reside in your pyramid or silo on the formal hierarchy; so you have to explain your logic, build relationships, and rely on trust and influence rather than command and control.

Influence, not authority and power, is the way business is done in the new economy. No one has as much control or autonomy as they'd like anymore, including those at the very top of the organization.

Resource Competition

Project teams (and project team leaders) have to compete for scarce resources, for visibility, for time, and for executive support. It's easy to get tunnel vision and expect decisions to be made on a first come, first served basis or a "but you promised" standard of fairness, rather than constantly reassessing priorities according to triage criteria.

Knowledge Gaps

In a speech to business leaders after his retirement, General Norman Schwartzkopf described the daily agony he felt being responsible for thousands of lives in the Gulf War. What was the most frightening aspect of command for this war hero? It was the fact that he knew less about the technology and field conditions than many of the young men and women under his command. Nobody likes to feel inadequate or uneducated, especially when she or he is supposed to be in control. It takes courage to seek help and admit that you don't know what you don't know.

New team-based structures test the mettle of managers and workers like nothing else in the history of modern management. Bureaucracies were slow and expensive, but they also gave people a measure of security. If their needs weren't met or directions weren't clear, they simply looked higher up in the organization chart. However, teams reward people for darting in and out and changing lanes quickly on an information highway that's fast and crowded. This is the reality we now face on our organizational highways. ●

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The Dilemma

Our own studies, plus previous years of research reviewed in this book, have resulted in the isolation of five factors that, together, help to imbue team members with the courage to act in situations of stress, conflict or ambiguity. We have termed these factors candor, purpose, will, rigor and risk.

Candor: The Courage to Speak and Hear the Truth. You can't mandate or require candor, yet it stands as the first quality for building courage. It is the one upon which everything else is built. If individuals on a team are inhibited from speaking the truth, or if they fail to take feedback about their current reality to heart, they might fail to act quickly enough or skillfully enough.

People desperately want to speak their minds and their hearts, but they are unwilling to be humiliated, publicly criticized, put on the defensive or to have their futures jeopardized. However, when we witness individuals putting their ideas and feelings on the table and see that they are accepted without repercussion in the moment or later reprisal, then people are emboldened and courage is imbued in other team members.

Purpose: The Courage to Pursue Lofty Goals. Most organizations live and die by the numbers. One aspect of leadership is the ability to tie the numbers to a loftier mission, sense of purpose and achievement. We work hardest, research shows, when we feel personally connected to the outcomes we are achieving — when the work is personally meaningful, gratifying and interesting and when we see a benefit to our daily work.

Will: The Courage to Inspire Optimism, Spirit and Promise. The ability to inspire, to create a sense of hope and opportunity, can infuse a team and have a multiplier effect on the group. In difficult or trying circumstances, most reasonable people do experience fear, anguish, pain and worry. According to research with decorated war heroes conducted by Reuven Gal (1986), former chief psychologist of the Israeli Defense Force, even the bravest soldiers often admit that they were scared, frustrated and hurt. Their course doesn't hinge on whether they experience these emotions; what matters is whether they let these emotions hold them back from doing what needs to be done.

Rigor: The Courage to Invent Disciplines and Make Them Stick. With rigor, a team establishes protocols, rules and agreements that bring consistency and predictability to the way that the team operates. Rigor helps the team commit to new ways of doing business and re-contract to alter old norms, expectations and interdependencies.

Teams and organizations with courage empower people and give them discretion and autonomy and, at the same time, expect them to operate within a strict code of ethics and honor, in which the spirit of the protocol is even more important than the letter of the regulation.

Risk: The Courage to Empower, Trust and Invest in Relationships. Risk is a vital factor in the process and maintenance of team life. Without taking the risk of doing what's right rather than what's expedient or in one's own narrow self-interest, the remaining four factors — candor, purpose, will and rigor — will all be undermined. Thus, a primary focus must be how to build and maintain a sense of community and relationships of trust within the team; building community is a business consideration, not just something that's nice to do when you have spare time or resources.

Courage is Not a Halfway Proposition

The five courage factors are not independent. Imagine slipping in behind the wheel of a sleek, new convertible sports coupe. You start the engine, turn on the stereo and make your way down an open country road. Suddenly, a red light appears on your dashboard, and the car starts to buck and sputter. You pull into a service station. "Not bad," the mechanic says. "You're doing fine on three out of four cylinders, the fourth is working at 75 percent of what it should and the fifth really isn't that important, is it?" The analogy applies to the five courage factors. Four out of five isn't enough. ●

Let Teammates Gather Their Thoughts

- Form duos or trios; groups of four are too large. Ask a question that requires some thought and allow 15 to 30 minutes for the small group to work on it before reporting their ideas to the entire forum.
- Send background material out ahead of time, with specific questions that you'd like to discuss or specific feedback and input you'd like to receive.
- Take a short break in a meeting and ask individual participants to jot notes in a journal or on a worksheet. When you start the meeting again, go around the room and ask for a report from each participant.

PART TWO: HOW TO BUILD COURAGE

Candor: The Courage to Speak and Hear the Truth

Supposedly, we value people who tell the truth, who deal with us straight. Yet, candor is a rare commodity. It's absence, whether on our teams or in our boardrooms, adds untold millions to our bottom lines and kills our best efforts to improve morale. A lack of candor is a cancer that has eaten away at courage. Unless candor can be restored, there is little hope that any other aspect of courage can become part of the fabric of the team.

Timing

Several months before the collapse of Enron, Sherron Watkins, one of the vice presidents, tried to get her concerns about the firm's accounting practices on the CEO's radar screen. In a memo she wrote detailing her observations, Watkins told the CEO that she had grave concerns about the company's future. By the time her warnings were taken seriously, the damage was already done.

There's no guarantee that your voice will be heard, even if you bring mission-critical information to those who need to hear it. And there are risks. But it isn't impossible to be heard if you have the facts, the right people assembled, and a process to define shared goals and common ground.

Watch the climate and tone that you create when you present data and take part in deliberations. Heavy, judgmental, grave tones can cast a pall over a group and can stifle participation. A lighter and more easygoing touch can bring out the best thinking that everyone can offer. ●

Purpose: The Courage to Pursue Lofty and Audacious Goals

Like key players in a competitive sport, people with purpose are keenly aware of what the score is, how much time is left and what has to be done to win, even when their mood is lighthearted. People with a sense of purpose are ambitious. Place a mountain in front of them and they'll find a way to climb it. Given a choice, they prefer to do things that stretch them professionally and are artistically rewarding, and they eschew tasks that are tedious or routine. They want to feel that they are making progress and they take pride in being at the top of their game.

When there is a sense of purpose, people feel connected to the organization's vision and understand how they, personally, contribute to bringing that vision to life.

Talk Up the Vision

On one level, banners, flags, T-shirts and "feel-good" public interest articles do little to change the realities on the ground. A catchy and clever slogan isn't enough to persuade an embittered cynic. But banners can get people talking and talking can be persuasive.

In corporate lunchrooms and meeting rooms, it's easy to see when people have lost sight of the vision and are going through the motions. You can say nothing or you can reaffirm your commitment, restate your purpose and rekindle the light in the tower.

Andy is a junior executive in a biotech company who's uncertain about whether he should stay the course or move on. His gruff manner and glib sense of humor have offended some of his co-workers and, as a result, he's being denied a much-coveted promotion. Unless Andy can see the prospects of a future promotion, he will be a flight risk. Management values his scientific contributions and needs him to keep performing at the top of his game. The leading cause of defections in scientific companies is uncertain future prospects. When people don't see a promising future, they start to look elsewhere for opportunities that beckon.

Taking Personal Responsibility

If anything positive has come out of the Enron collapse, it is that we are redefining professional responsibility and personal accountability; what's right isn't always what's politically expedient.

The Hippocratic oath gives physicians a clear definition of what their job is about and what choices they are expected to make. Most of us don't have a canon of professional ethics that's as sacrosanct as the Hippocratic oath, which makes it tougher for us to decide what to do when our judgment and ethics contradict the group consensus or the company's policy. In an era when very few people can count on employment for life, it's easy to accept the group consensus, follow the path of least resistance and not put our jobs in jeopardy. It's easy to rationalize costly mistakes when we are just following orders. "If you don't stand for something," a popular anti-drug slogan says, "you'll fall for anything." So, you may have to decide what you really stand for and trust that another employer will respect you for that, even if your current one doesn't.

Accept Personal Accountability

Most managers have to choose how far they'll go to hit their own numbers and maximize their bonuses, when doing so can jeopardize the long-term health of the enterprise. Just because you're told that you're empowered to make particular choices doesn't mean that you won't have to defend your judgment — or ask for special dispensation if you sacrifice your own performance statistics to help the enterprise achieve a bigger win. ●

Will: The Courage to Inspire Optimism, Spirit and Promise

Most people approach performance improvement by looking for the factors that inhibit or slow the progress of the team so that they can focus on and fix the problems. They set out to improve employee morale by finding out what makes workers unhappy or frustrated so they know where to focus their attention. Or they look for the people who are causing problems and single them out for remedial attention.

But the logic of this approach has a flaw. Watch a group articulate the things that bother or frustrate them and see what happens to their energy and optimism, their enthusiasm and their will to persevere. Invariably it wanes. In contrast, watch what happens to the energy of a team that talks about their hopes and aspirations, their accomplishments and successes, their strengths and passions. Their passion and enthusiasm rise.

See the Glass as Half Full

You may be painfully aware of what your team could do better. You may need to remind yourself why you wanted certain individuals on your team in the first place and get beyond your own frustration and panic to identify the things they do well.

Make it personal. If you don't know the individual members of the team well enough to articulate their personal strengths and contributions — as individuals, rather than en masse — find a way to get to know them better.

Make it relevant. Praising people for things that they don't value or that they take for granted in themselves doesn't have as much impact as recognizing the strengths that give them pride and a sense of professional accomplishment. What, specifically, do you see in each of your team members that makes you believe they are up to the challenge that lies ahead?

Make it explicit. Openly comment on the successes, virtues and skills that give you confidence that teammates can succeed in achieving the lofty and audacious goals that are expected of the team. Let them know why you have confidence in them.

Make it for real. Most teammates are perceptive enough to know when praise isn't sincere. If you truly can't see an individual from a glass-half-full perspective, it's time to counsel him or her off the team.

Keep score. We suggest using a five-for-one rule; we sometimes insist that executives give five pieces of praise and thank-yous for every one piece of criticism. We also suggest "no criticism" afternoons. ●

Rigor: The Courage to Invent Disciplines and Make Them Stick

We want take-charge, get-it-done team members to be empowered and to take initiative. We don't want them to let a promising opportunity slip away while they wait for permission to act. We want them to use common sense without worrying about whether they'll be reprimanded or have to justify themselves. We want them to think creatively about ways to improve efficiency.

At the same time, there are some lines that we don't want people to cross, some regulations and protocols that have to be respected, even if doing so slows things down. Rigor is a matter of judgment and discretion, consideration and self-discipline.

Get it Done, Whatever it Takes

In a large government agency, Jackie was a bit of an anomaly. She ran her operation like a businessperson, not a bureaucrat or a politician. She was a pragmatic, resourceful field manager. She didn't have a lot of time or patience for fiefdoms, mindless obedience, "not-my-job" small-mindedness or filling out in triplicate forms that no one would look at. When she was promoted to head of enforcement in the state capital, Jackie was grateful that she'd inherited a team of people who shared her spunk and ingenuity.

At first, Jackie rolled her eyes when she heard complaints about the shortcuts that her lieutenants took. But Jackie couldn't dismiss the audit results by rolling her eyes and reassuring her staff. The audit showed that Jackie's lieutenants had crossed some uncrossable lines, albeit with the best of intentions.

The choice was Jackie's. On the surface, it looked like facing off and preparing for a bitter fight against the auditors was the tack that required the most courage. But that wasn't true. It actually took more courage for Jackie to admit that the auditors might have some wis-

dom to share and that their scrutiny, while embarrassing, might help her team members improve the way they ran field investigations and avoid the appearance of impropriety or favoritism. She expected her staff to listen to the rationale, run an objective cost/benefit analysis, and assess the severity of safety risks, ethical breaches or the appearance of impropriety.

Determine Whether Rigor is the Issue

If frontline workers don't have the will to do more than follow the rules and go through the motions, they won't muster creative energy when the path of least resistance doesn't work. If frontline people don't feel free to ask candid questions, offer ideas and let someone coach them when they make clumsy attempts to try something new, they'll seek the comfort of what they know and what the rule book tells them. Ask open-ended questions and wait for someone to answer, even if that means enduring uncomfortable silence.

Whether you are training new hires or retraining experienced teammates to meet new business requirements, you can't avoid the fact that training is an expensive investment. Not everyone will "get it" quickly enough to make that investment worthwhile. Carrying teammates who simply aren't capable of learning to perform with rigor, without more attention and supervision than you can afford to provide, is an expensive indulgence. A system of training isn't a cure-all. It needs to include a system of assessment — and consequences if learners aren't making the grade.

Create a Learning Organization

Today, what teammates already know is less important than how quickly they learn. Today's systems will be obsolete tomorrow. Ingenuity, improvisation and resourcefulness don't just "happen." They are carefully cultivated, with lots of short practice drills, direct feedback, good-natured ridicule and exhortations to keep trying.

In a hierarchy, the rules of decision-making are simple and clear. The boss gets the final say, unless he or she delegates that authority to someone else and chooses not to exercise veto power after the fact. But in a molecular team, it's hard to tell where the buck stops unless you explicitly define who has the following powers.

- **Input power.** Good decisions cannot be made without adequate information. Stakeholders who can provide relevant data, therefore, should have input, which should be taken seriously by others.
- **Deliberation power.** Good decisions cannot be made without an adequate understanding of how others will be affected. If there is not impact on anyone else, one person might be able to make the decision alone. But when there are interdependencies, what's good on one continent may create difficulties somewhere else.
- **Veto power.** Good decisions are effective only if they stick. If they aren't executed, they're only a fantasy. Some sponsors, experts and executors have the power to block decisions that they don't buy into. And some make threats and blow loud and hard but, like it or not, have to bow to those who have a mandate to decide. It isn't always easy to tell the difference between these two, and it isn't always pleasant to remind others that you have veto power.

Risk: The Courage to Empower, Trust and Invest in Relationships

In a hospital emergency room (ER), it takes a special brand of courage to trust the system and empower others. The ER staff take stock of the cases that present for treatment and make ongoing triage assessments. Those that are most serious and life threatening receive care first. Other patients are expected to trust the system, empower the caregivers, and have the strength and compassion to wait and endure their discomfort.

More and more organizations are facing similar resource constraints. There aren't enough designers, programmers and office support staff to do everything. Constant triage assessments are required. The projects that are most mission-critical get care and resources first. People with less urgent requests are told to wait.

What does it take for patients in a busy, stretched-to-capacity ER to wait their turn while others are given a higher priority?

Empathy. Being attuned to someone else's needs and emotions is a special kind of intelligence. Some have more of it than others. Fortunately, research on emotional intelligence has shown that people who lack empathy can develop more compassion. In our complex organizations, we need the capacity to understand the needs of other departments, professional disciplines and markets, and we need a shorthand that evokes empathy when our group is asked to give ground and endure discomfort so others can get the care and attention they need.

Belief that others are doing their best. When others say, "I need your support," it's going to be hard to keep saying yes if you believe their needs were caused by carelessness, lack of planning or ineptitude. Benefit of the doubt has to be granted for a triage system to work.

Objective criteria. Without explanations, people may feel "the cards are stacked against us" or "no one appreciates how hard we are working and how much we really produce." Even when people are given explanations, they may challenge the criteria or try to negotiate. So be prepared to offer an explanation and be ready to justify it if it is challenged.

Someone to talk to if triage conditions change. What was not so urgent yesterday may be more critical tomorrow. If people know that they can ask for the same support and indulgence that they are willing to give as conditions change, it's going to be easier to inspire trust and dedication. ●

PART THREE: THE FIVE FACTORS IN ACTION

A Five-Part Formula: Dealing With Conflict

Step One: Candor. The answer lies in what you do with your own fear. If it were easy to talk candidly, it wouldn't take courage to speak the truth — or to acknowledge the fact that your own silence might be contributing to the problem.

Step Two: Purpose. Whose purpose should be served when conflicts are raised? If conflicts are moments of truth that you approach with a win-lose belief system, you will try to advance your agenda at the expense of others or allow them to advance their agenda at your expense.

In today's environment, however, win-win solutions often are not enough. The real test isn't just whether we've each found a way to satisfy our competing interests and achieve our individual or parochial objectives. It's also whether we've done what's right.

Step Three: Will. Whether you are trying to energize individual teammates to make personal or professional improvements or are trying to infuse an entire team or organization with the will to persevere when encountering frustrations, you'll see little forward motion without a solid sense of purpose. Lofty and audacious goals will create some motivation for achievement-oriented teammates who buy into the purpose. But a sense of purpose alone doesn't restore hope or make people optimistic when they run into setbacks, frustrations and conflicts that aren't resolved quickly and easily. Unless people have the will to stay in the game, conflicts can shut down the candor in a group and make its members wonder whether mission critical goals are achievable. A strong will keeps your stakeholders engaged and keeps them from settling for shortcuts that can damage your reputation when the straight and narrow seems too difficult.

Step Four: Rigor. What's needed is a clear plan that maps out the following:

- Who will be the sponsors to sign off on, approve, and fund the solutions that are agreed on?
- Who will be the expert advisors enlisted to share best practices, evaluate new technologies, and adapt tools and techniques to the situation at hand?
- Who will be the recipients of the solutions — those who have to execute it and achieve the expected results?
- What is the know-how that teammates already have that will enable them to execute the plan and what is the know-how they need to acquire?

Step Five: Risk. Why are you being asked to take a risk and go out on a limb to support and trust someone else in your team? Perhaps:

- Someone is claiming leadership in a domain that was supposed to be your area of authority and control.
- Someone is counting on you to do something that really isn't your job or that will require more sacrifices than you believe is fair.
- Someone expects to be empowered to handle an assignment independently and you aren't sure that he or she is up to the challenge.

These risks and others represent moments of truth that will test your courage. You may not be able to put the fear aside. But you can decide whether to let the fear stop you from doing what needs to be done. ●

The Coach: Imbuing Others With The Courage to Act

If you've ever been on a truly great team, you will never forget the experience. It doesn't matter if it was a basketball team, a scientific research group or an account team that was at the top of its game when you presented your proposal. When everything clicks on such a team, it looks and feels like magic. But as any magician will tell you, magic is an art that requires know-how and practice, as well as a few masters who can show you how the tricks are performed. Temple University basketball coach John Chaney is such a master.

Business is not sports, you might say. And you'd be right. In the world of business, there's a thin veneer of civility but the competition is fierce and the killer instinct is vicious. And in business, unlike sports, the game isn't over after 30, 40 or 60 minutes of play.

If there are lessons that your teammates have already learned and mastered — aspects of candor, purpose, will, rigor and risk that are already part of their character — there are parts of the Chaney formula that you may be able to ignore, like any coach who tailors the practice regimen to the strengths and learning needs of the players. But just because your players start in a different class doesn't mean you don't have to pay as much attention to the five courage factors as Chaney does.

After all, a hotshot engineer who powers down the court to rush for the best projects and pushes colleagues out of the way to slam-dunk her solution isn't very different from the hotshots that Chaney might bench, even when they score the winning points. And in an era when the next merger is being planned even before you've integrated the operations of the last merger, risk doesn't come naturally.

Winning is about attitude — and courage. Without the right attitude, winning is an accident of fate. It's easy to rest on your laurels and get beaten by tougher competition or unexpected adversity tomorrow. The right attitude is what makes winning happen consistently and what makes it look like magic. ●

Moments of Truth: The Challenge of Courage

Courage isn't reflected in what you know or what you can recognize when you see it in others. Courage is reflected in what you do when you are put to the test and face real moments of truth.

Action Learning Principle 1: Know What You're Preparing For. Before training starts, you should know what the moments of truth are that will test the team's courage. You should know the conflict-prone realities that the team will have to face. You should know where the pressure points are in the system, and who will have to withstand more of the strain and take up more of the slack than others.

Action Learning Principle 2: Apply It. So before you invite people to the training session and before you design the training, think about the applications that you want to see. Form task forces to engineer the rigors that have to be implemented. Convene project teams to execute change. Raise the bar on performance standards. If there isn't an application, training will be an event or a motivational speech rather than the creation of a lasting upgrade in skills.

Action Learning Principle 3: Provide Feedback. Courage is personal, so the feedback has to be personal as well. Individuals need to know what they already do well and where they need to improve. They need personal development plans with goals, time-lines and benchmarks. And they need to be acutely aware of how they affect the courage of others around them. For this reason, 360-degree feedback is an indispensable part of any training program that purports to build courage.

Action Learning Principle 4: Make it Active and Interactive. Courage isn't learned from a textbook. It's learned through action. Simulations, structured problems, and practice drills get people up and involved, and they hold the attention of impatient participants with low boredom thresholds. If the simulations or drills are properly selected and customized, they can replicate and dramatize the types of difficult situations that the team will actually have to face.

Action Learning Principle 5: Value, Honor, and Bridge Diversity. Like life, training isn't a level playing field in which everyone brings the same skills and strengths to the problem at hand. People don't play the same roles in a simulation or find the answers at the same time. The test of courage often comes when those with more insight or more strength have to work with those who don't see the solutions as quickly or who are lacking in the strengths or the knowledge that's mission-critical to solve a particular problem.

Action Learning Principle 6: Build a Code of Honor. Psychologist Martin Seligman (1998) wrote, "Optimists have a healthy defense against reality which enables them to see possibilities that don't yet exist." A code of honor shares that healthy defense against reality with others. To stay the course and work toward a vision of success that doesn't yet exist requires a shared delusion; a code of honor is part of what makes it possible to sustain that delusion despite overwhelming evidence to the contrary.

Action Learning Principle 7: Make Learning Fun. It's easier to raise tough issues and stick with the discussion when you're able to laugh at the dilemma and see the humor in the situation. It's easier to persevere when you're having fun. And it's easier to get people to drop their defenses and act naturally when they lighten up. ●

RECOMMENDED READING LIST

If you liked *The Courage to Act*, you'll also like:

1. ***One Piece of Paper* by Mike Figliuolo.** Learn the "Leadership Maxims" approach to a simple, defining way to lead yourself and others.
2. ***The Invisible Spotlight* by Craig Wasserman and Doug Katz.** Based on four decades of experience as management consultants, the authors offer advice for how to survive the unblinking eye of the invisible spotlight.
3. ***Full Engagement!* by Brian Tracy.** Packed with powerful, practical ideas, this summary teaches you how to unlock the potential of each employee.

· Book 289 of 388 ·

The Critical Few

Jon Katzenback

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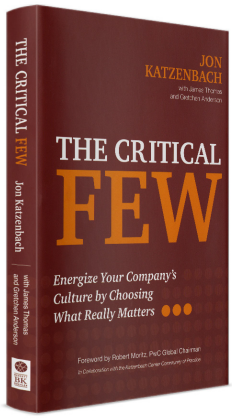
The Critical Few

Energize Your Company's Culture by Choosing What Really Matters



by **Jon Katzenbach**
With James Thomas and Gretchen Anderson

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THE SUMMARY IN BRIEF

The fate of any change effort depends on whether and how leaders engage their culture. Culture is implicit rather than explicit, emotional rather than rational—that's what makes it so hard to work with, but that's also what makes it so powerful.

In ***The Critical Few***, best-selling author Jon Katzenbach and his co-authors identify the three most critical cultural elements leaders need to focus on: traits, characteristics that are at the heart of people's emotional connection to what they do; keystone behaviors, actions that would lead your company to succeed if they were replicated at a greater scale; and authentic informal leaders, people who have a high degree of "emotional intuition" or social connectedness.

By leveraging these critical few elements, you can tap into a source of catalytic change within your organization. People will make an emotional, not just a rational, commitment to new initiatives. You will elicit enthusiasm and creativity and build the kind of powerful company that people recognize for its innate value and effectiveness. Let ***The Critical Few*** show you how.

IN THIS SUMMARY, YOU WILL LEARN:

- Why changing organizational culture is so much harder than changing strategy and operating models.
- To find the traits, keystone behaviors, and authentic informal leaders in your organization that will help you mobilize lasting change.
- To effectively implement and measure culture-change interventions.

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Why Aligning Culture Matters

Every industry (and indeed, every company or global institution) has its own unique cultural situation, but all organizations have one thing in common. Whenever they summon the collective will to commit to meaningful change, the success or failure of this effort depends on whether and how they choose to engage their organizational culture.

And increasingly, "committing to change" is not a one-time occasion or event but a constant challenge of 21st-century management. Eighty percent of respondents to the Katzenbach Center global survey on culture believe that their organization must evolve to succeed, grow, and retain the best people.

If you are a leader at any level and you see an opportunity to move your business in a new direction, you will be far more successful if you engage your culture in your effort. Conversely, if you ignore your culture or presume that it will resist you, you will be far less likely to achieve your goals.

Cultures are important and powerful because they determine what your company is capable of doing. An organizational culture is a collection of deeply held attitudes, entrenched habits, repeated behaviors, latent emotions, and collective perceptions of the world. Culture is the shared set of assumptions we all bring when we work together—our unspoken expectations of one another.

Why Cultural Alignment Is Tricky

It's also true—and this sounds like a bit of a paradox—that every company has both an overarching, consistent culture and competing, divergent subcultures.

Within a company, business strategy is our driving direction, the grounds on which we all have decided that we are best positioned to compete. And our operating model is how we plan to get there—the way we structure our reporting relationships and governance such that it will best support the kinds of activity that will help us achieve that strategy.

Culture is the third component: the motivation that drives and supports both other elements. It's the emotional commitment people feel (or don't feel) when the leaders describe the strategy. It's the commitment and passion that people bring to their roles, to the daily actions that will support any direction.

Just as no complex company has one singular strategy or operating model, no company has a single monolithic culture. A company's subcultures exist and bounce up against each other like branches of a family tree at a reunion. Is this a problem? Not unless serious friction or misalignment exists.

Leaders of large companies are trained to recognize and address any signs of misalignment between operating model and strategy. The cultural forces are much more difficult to recognize and far harder to address. The driving forces of any cultural situation are emotional rather than rational. This is why culture feels so unfamiliar and mysterious to most leaders.

If you are truly interested in having your company transform, then you need to become conversant with the emotions, behaviors, and deep-seated attitudes that exist in your company. You need to know what employees feel strongly about, both positively and negatively. This knowledge is "cultural insight"—the clarity that allows you to truly see what motivates your people.

Then, with this knowledge fully in your grasp, you can move to "cultural action," targeted interventions that influence how people behave from day to day.

The Three Critical Cultural Elements

Once you find basic cultural elements that motivate your workforce, you can cultivate them and align them with your goals. These elements tap the emotions that bring a culture to life. They are broad enough to resonate across the whole organization but focused and simple enough to encourage real actions in people's daily lives. They fall into three basic categories:

- **Traits:** A set of shared characteristics that represent the "family resemblance" of your entire enterprise—the qualities that transcend subcultures and are at the heart of the shared assumptions people bring to work and their emotional connection to what they do.
- **Keystone behaviors:** A few carefully identified things that some people do, day after day, that would lead your company to succeed if they were replicated at greater scale.
- **Authentic informal leaders (AILs):** A few people, or at least a reasonably small percentage of your company's people, who stand out because they have a high degree of "emotional intuition" or social connectedness.

A sharp focus on these critical few elements reduces complexity and begets a positive, informal, and lasting cultural impact on performance. Most importantly, this approach

When people you trust and admire model and enable a few key behaviors and help others do the same...those behaviors spread quickly, and they stick.

takes the emotional dimension of human behavior into account and exploits the power of simplicity. It amplifies community connections because it encourages the workforce to look to peers and colleagues for insight, support, and encouragement.

When people you trust and admire model and enable a few key behaviors and help others do the same (and feel good about it!), those behaviors spread quickly, and they stick.

A Critical Few Traits

Traits are at the heart of any organization. They are the essential characteristics that form the scaffolding for how any group of people thinks, feels, and behaves. They are the stable, prominent qualities that are shared across a company.

For any leader who seeks to understand a business's cultural challenges and how it operates, it's important to start by surfacing and articulating these critical few traits. The process of doing so—the diagnosis, the self-reflection, and the narrowing down—is a crucial first step to both evolving and aligning an organization's cultural influence on how people behave to get things done emotionally as well as rationally in any organization—gaining cultural insight.

Organizations can change (or, rather, evolve)—but only if that change is grounded in a solid sense of the steady state of that organization. In the Katzenbach Center global survey on culture, one-quarter of respondents reported that an effort had been made to change their company's culture and that they had seen no difference whatsoever as a result.

This "failure to budge" on the part of culture is due to leaders' skipping the "traits" step—that is, refusing to surface, articulate, and commit to working with their organization's core differentiating qualities. It is a result of jumping to solutions without pausing for self-reflection and diagnosis.

Leaders must begin with a solid understanding of where they are today, what "family resemblance" exists across the company. Then and only then is it possible to focus on behaviors that bring out the best, most useful aspects of these core qualities—and to encourage more of them, every day.

Arriving at Your Traits

You won't be able to arrive at an accurate, emotionally resonant group of traits by asking only a few people. You'll want to engage groups of people at different levels across the organization in structured interviews and focus groups designed to surface their feelings about your organization's culture.

Twelve common traits include consensus-driven, caring, hierarchical, individualistic, relationship focused, paternalistic, cautious, "above and beyond," process focused, opportunistic, optimistic, and egalitarian.

At a high level in the organization, the best approach to surfacing good data is to avoid direct questions, such as, "What traits are important in our culture?" That kind of direct approach is likely to yield only platitudes.

Instead, get people to tell stories about what's important to them. Ask what they love about coming to work, what they are proud of regarding the way that they work together, decide, and motivate. Stage some of these conversations as one-on-one interviews and others as small, informal peer groupings. You'll be surprised and delighted to hear what emerges from eight or 10 people who are encouraged to share their thoughts in an appropriate, safe environment.

Also ask people what frustrates them at work. Focus on qualities and patterns of behavior that are unique to the organization. Inevitably, subculture traits will appear. This is natural and logical. But do not let the presence of strong, differentiated subcultures distract you from the task of surfacing and identifying overarching traits.

Whatever method you use to gather insights about your company's traits, compare the results with your own observations. Watch people in meetings, in casual conversations, and in their daily operations.

The goal of this detective work is to generate a list of culture traits that is unique to the organization and to understand the positives and negatives associated with these traits. You can think of a company's traits as a list of

neutral descriptors, with positive manifestations (or sources of strength) on one side and negative manifestations (or challenges and barriers) on the other.

For example, you may have a company that is consensus driven, in which the entire team feels ownership of decisions. This may be a valuable trait for your company because it can ensure that once a decision has been made, many people will come on board to help execute it. On the flip side, if decisions can't be made without consensus, it's very hard for an organization to act.

After you develop a "long list" of traits, select three to five key traits that best articulate your company's current cultural situation. Choose carefully, because the traits will be a touchstone in the process of evolving your culture. To be most useful, these traits need to meet several criteria:

- Reflect your company's essential nature;
- Resonate across the enterprise;
- Trigger a positive emotional response;
- Support your company's cause.

From Traits to Emotional Commitment

Emotional energy is released as traits are defined because traits, when well-articulated, reinforce and remind people within an organization of their sense of belonging to something larger than themselves. People want to feel rewarded and recognized. They want to feel the pleasure of being part of a team. They want to learn. They want to work with others who are capable and committed. They want to be part of a culture that fosters all these qualities.

When they find such a culture, they choose to be part of the enterprise. Work is no longer just transactional. They are reminded of the passion and curiosity that led them to their chosen field. They feel they can excel at their job, and they are ready to experience feelings of pride, belonging, adventure, achievement, and other personal benefits of accomplishment.

A Critical Few Behaviors

Any leader who is struggling to understand how to harness emotional energy to drive priorities faces a basic challenge: How do you go from diagnosing to directing? How do you go from just talking about how things should happen to actually getting people in key places to take actions that yield better results?

The idea that changing behaviors, rather than mindsets, is the most practical way to intervene in an organization's culture is at the heart of the critical few approach. Charles Duhigg, author of ***The Power of Habit: Why We Do What We Do in Life and Business***, writes persuasively about the transformative power of keystone habits.

For Duhigg, a keystone habit is "a pattern that has the power to start a chain reaction, changing other habits as it moves through an organization." In other words, if you want to change the way people think, you don't start with or rely primarily on rational argument. You change what they do, even if it doesn't come naturally to them at first. Over time, as the new behavior becomes a pattern, they will likely change how they feel about doing it.

Finding a Slimmer Margin

A few years ago, James Thomas led work with a major oil company on a behaviors program designed to shift elements of its global culture to better align with its strategic objectives. One of these objectives involved an organization-wide need to operate at a slimmer margin. As a way of surfacing potential ideas to accomplish cost savings, platform managers were encouraged to conduct weekly meetings focused specifically on cost-saving ideas.

In these conversations, managers pointed out the monumental operational expense of repairing or even replacing equipment that had been mishandled. As it turned out, many of the front-line people who used these machines on a daily basis simply weren't aware of their costs. They had not connected their individual behavior (how they handled equipment) to their organization's larger goal (managing costs for competitive advantage).

Once this connection had been clarified, the people themselves came up with ideas to better economize. At one site, a front-line employee proposed labeling all the machines with price tags. A discernible drop in repair costs was the immediate result.

One employee then pointed out that the general practice of running cooling fans at all times was superfluous when the temperatures dropped. Thus began a new practice of turning off fans when they weren't necessary, leading to further cost savings. Idea by idea, more cost-conscious ways of behaving came into being, spreading organically across the organization. The behaviors moved from one-time acts to ingrained ways of getting things done. Thus, a new way of behaving became more prominent in the overall culture.

From Keystone to Organization-Wide Behaviors

What is required to apply this simple concept of keystone behaviors to the transformation of a complex global organization? Time, patience, and the willingness to be selective.

First, let's make clear what is meant by behaviors. Behaviors should be general enough to apply to all groups and levels; simple enough for the newest person to be able to understand; stringent enough to be related to the organization's strategy; and specific enough to be based on the organization's existing cultural strengths and challenges.

> Changing everything at once is impossible. Focusing on just a few behaviors allows for consistency and coherence.

Some effective organization-wide behaviors include the following:

- Use business goals and the mission to guide day-to-day project work and decisions;
- Enable others to make decisions;
- Foster explicit conversations about trade-offs between quality, speed, and budget;
- Get to know others in social settings;
- Look proactively for upstream and downstream implications before making system changes.

Note the primary characteristics they have in common: To begin, they are concise and coherent. They are also directive. Each begins with a verb, and this is deliberate. This syntax choice reflects the ultimate goal for any critical behavior: It can be acted on. It isn't an emotion, an attitude, or a perception.

Note that there are no perfect behaviors. A behavior that is effective at one company may not be effective at another. An effective behavior for your company should

- Harness existing sources of pride or emotional energy to drive intrinsic motivation toward your aspirations;
- Address barriers that get in the way of realizing your aspirations;
- Encourage the replication of actions that enable your goals.

Although not every behavior will accomplish all three of the goals listed above, each behavior should accomplish at least one.

The best way to identify the behaviors that work for your organization is to do this exercise in parallel with the process of agreeing on your culture traits. You will use many of the same sources of information: interviews and focus groups, existing assessments, existing employee engagement surveys, and your own observations. During your detective work, you can compile a comprehensive list of behaviors that you believe have the potential to help the company achieve its aspirations.

Behavior Selection: The Critical Few

Now comes the fun (and the extremely challenging) part: selecting from your long list to attain the critical few. Why the emphasis on just "a few"? You need somewhere to begin. Changing everything at once is impossible. Focusing on just a few behaviors allows for consistency and coherence.

Some of the potential prioritization criteria include leadership support (will senior leadership adopt and role-model the behavior?); impact and relevance (will the behavior impact the most critical areas/business objectives?); impact on motivation (does the behavior change create motivation and momentum for follow-up efforts?); ease of implementation; measurability; and other elements.

To select their critical few behaviors, some organizations engage in conversations about trade-offs. Others use a voting process, which can vary from the public and very low tech, like a simple show of hands, to the private and electronic, like a voting tool.

And how will you know that you've chosen the right behaviors? There are no perfect few behaviors. Likely, if you have been thorough and thoughtful in developing the long list, any of the behaviors would be useful and effective in moving your culture forward. The process of deciding which ones to prioritize is, in and of itself, a form of intervention.

A Few Authentic Informal Leaders

In Jon Katzenbach's (aka Katz) decades of work in this field, one of his formative client experiences was his opportunity to advise General Motors as it climbed out of severe financial distress following its declaration of Chapter 11 in June 2009.

For CEO Fritz Henderson, harnessing emotional energy to drive GM's change priorities was not an option—it was an imperative.

Katz's recollection of early conversations with Henderson is vivid. "Everyone is telling us to change our culture," Henderson lamented. "And people are going to expect to see it happen right away. In fact, they want it to have happened yesterday. Here's the trouble: I know that simply isn't possible. A culture takes shape over decades. This is true anywhere; it is especially true at GM. Our culture is global, complex. It is a challenge just to understand it, let alone to replace it or guide it toward change."

Henderson; GM's head of leadership and culture, Chris Oster; and Katz all agreed on a core premise: General Motors' leaders must work "with and within," rather than against, the strong prevailing culture.

Henderson believed that steering GM through turbulent waters required a deep, intuitive understanding of culture. His culture council formed a strategy council of very well-respected informal leaders from the front line and middle management to serve as a sounding board and voice of the people: "Fritz's 50." Members of this group were not the high potentials on a clear path to senior leadership; rather, they were solid citizens, many of long tenure, most at the front line or lower middle management.

Throughout GM's storied turnaround, Fritz's 50 played a crucial role. They expanded to include other configurations. These groups gave the CEO and other senior leaders a ground-level, authentic view of the day-to-day challenges that stood in the way of achieving their cultural and behavioral priorities.

They were also able to translate the leaders' core messages about GM's need to transform into plain language and emotionally appealing stories that were crystal clear to their peers. This helped generate the kind of emotional support that Henderson and subsequent senior leaders across GM needed to be successful.

Defining an Authentic Informal Leader

Let's start with what they are not: Authentic informal lead-ers are not on your executive team or in any other highly placed position on your organization chart. Formal leaders play a role in any effort to evolve a culture, but their influence and position mean that they are already empowered to do so.

AILs also aren't your high potentials, the superstar performers who are next in line for formal leadership roles. Most of them do not harbor those aspirations; their basic motivations go well beyond money and position. This is precisely the reason they can add a dimension of influence that complements formal programmatic efforts.

AILs are individuals whose social capital and emotional intuition set them apart from their peers. They are able to interpret and harness the emotional tides present in any organization. They are able to sense not just the feelings of other specific individuals but the collective feelings of the organization as a whole.

This gives AILs the power to anticipate and understand how and why a "rational" leadership decision, like eliminating a flextime arrangement that few employees had taken advantage of, might trigger a negative and unexpected emotional response. (People like to believe that their work is flexible, even if they personally find it more effective to work side by side with their colleagues in the office.)

Finding Your AILs

You can find the most effective subpopulations of authentic informal leaders using a variety of methods, ranging from informal conversations to more digitally enabled methods of surfacing patterns of relationships and affiliations such as social network analysis. All these methods have a crucial factor in common: They differ from the formal HR mechanisms used to identify the top candidates for strategic moves or promotions.

Any process or method should help you organize, synthesize, and pressure-test the collective intuition of a range of people from across your organization. Below are some pointers to help you begin:

- **Use your networks to seek recommendations—and encourage others to do the same**. Send emails to colleagues, describing the kind of person you're looking for, and ask for suggestions. Ask your team to do the same.
- **Consider your critical few behaviors as a**

Interventions, when well designed, aim for the front line, where work gets done. They rewire how people work together day to day.

starting point. Keep your desired behaviors in mind. You're looking for the informal leaders who "see it" (recognize the value of change), "get it" (understand the reasons), "want it" (are committed to change), and, in most cases, already "breathe it."

- **Seek and explore the pockets where expectations are being exceeded**. Seek your company's pockets of excellence—especially those where success defies logic. It's likely that AILs are driving this performance.
- **Start with "ideal" candidates**. To establish an effective initial group, you must carefully select, develop, and test your informal leaders. Begin with the best of the best. Even if initial efforts turn up only a dozen people who meet the criteria you've defined, that's enough to start.
- **Start subtle and then celebrate**. Keep the selection process under the radar, but announce the selection with appropriate fanfare and acknowledgment.
- **Encourage viral spread**. After several meetings, the first group can expand. They should enlist the next informal leaders.

Work with AILs should be ongoing throughout your culture evolution process, taking the form of a series of discussions. You will ask for AILs' feedback on leaders' ideas. You will also ask them how they achieve their goals. Working with the energy of AILs is the best place to dig into cultural obstacles and to determine how you can align strategy, operating model, and culture.

Measuring Cultural Action

As leaders digest and respond to the theory of the critical few, they ask two questions. The first is, "How do I actually get people to act differently?" And the second is, "How will I know if my culture is improving?"

The answers to these questions are deeply intertwined. Cultural situations evolve slowly over time. You can't point your finger and mandate behavior change. But you can intervene to create the conditions that make the right behaviors emerge. That's why the word "intervention" is used here as a broad term for any deliberate act that an organization undertakes to explain, encourage, reinforce, or reward critical behaviors.

The Key to Effective Interventions

The most effective interventions have three characteristics. First, they evolve out of the critical few-behaviors discussions, and therefore they are, innately and by design, coherent with the overall message about how the desired behaviors will support the business.

Second, they track and measure the tangible impact of putting the new behaviors into action—and, ideally, even attach these new ways of behaving to "hard" business results. Third, they appeal to the minds and hearts of those impacted.

Just as AILs are distinct from cultural ambassadors and change champions, behavior interventions are distinct from the top-down communications programs that accompany traditional transformation programs—the type that tend to result in colorful posters and wallet cards. Interventions, when well designed, aim for the front line, where work gets done. They rewire how people work together day to day.

As in the area of selecting traits, behaviors, and informal leaders, the key to interventions and measurement is to focus on a critical few. You select a few targeted areas of your organization where a shift toward the identified behaviors is most likely to have a tangible impact that can be seen and felt in a manner that helps people rally behind your cause.

Choosing the business issue or aspirational metric on which you will focus your interventions is important. It's also crucial to choose the area in your business—be it a department, facility, or function—that would be most opportune for the first pilots.

Start by looking for those executive and department leaders who support you, who are clearly energized by the topic of behavior-led transformation. Then, from this

group, filter down to those who lead a manageable, mid-range area of the business.

Measurement as an Approach, Not Just an Outcome

Ultimately, your goal should always be to find a way to attach new behaviors to improved business results, even if that link can seem tenuous or indirect. The continuous effort to find that link, to make it real and tangible for others, should be your north star.

There are always opportunities to capture valuable data on effectiveness along the way. You can—and should—trace practical, tangible, simple information, like the number of people involved, responses received to email communications that are sent out related to the overall culture effort, and traffic to intranet sites that promote critical behaviors.

This will help provide a baseline reference data set, allowing you to trace how momentum builds over time. Also look for data your organization is already capturing, such as employee engagement scores, and track whether any of these scores rise.

This is especially effective if you preselect, early on, specific questions that relate to behavior areas where you are trying to make a difference—for example, if you have a critical behavior related to empowering employees at all levels, you might narrow in on a specific engagement survey question, such as the response rate to "I feel encouraged to come up with new and better ways of doing things." You could even break out this data by level and investigate how the rate changes over time or by area of the business and assess whether any pilots improved those scores.

Finally, pay attention to stories that emerge along the way. Often, when an organization is successfully evolving its culture, stories about new ways of behaving that demonstrate "it's not just business as usual around here" pop up and go viral. An incident becomes a story that others repeat because it contains some powerful truth—an implicit lesson that resonates with other experiences and conversations.

You want to choose metrics just like you choose behaviors—not according to some abstract set of ideals but by paying close attention to the way real work gets done and what matters emotionally to people.

Culture is never all good or all bad. Focus not on an abstract idea of what the "best" culture is but on what is strongest, most reliable, and most effective within your current culture. As long as we keep culture a part of our focus, it will enable us to sustain our distinctiveness over time—whatever the future holds.

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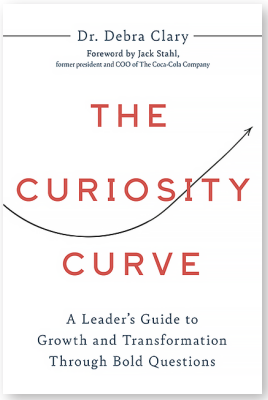
The Curiosity Curve

Dr. Debra Clary

Executive Book Summaries®

The Curiosity Curve

A Leader's Guide to Growth and Transformation Through Bold Questions



by **Dr. Debra Clary**

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THE SUMMARY IN BRIEF

The Curiosity Curve: A Leader's Guide to Growth and Transformation Through Bold Questions examines curiosity as a practical leadership capability and an organizational asset rather than an innate personal trait. Drawing on professional experience and research, Dr. Debra Clary frames a central problem facing modern organizations: despite curiosity's role in innovation, learning, and adaptability, many workplace cultures suppress it through norms that favor compliance, efficiency, and certainty.

The core argument is that curiosity can be intentionally cultivated and calibrated to support performance, engagement, and resilience—provided leaders understand how it operates across individuals, teams, and organizations. The concept of an optimal curiosity setpoint highlights the risks of both too little and too much curiosity, underscoring the need for balance.

Building on this foundation, ***The Curiosity Curve*** offers a practical framework for diagnosing cultural barriers and guiding leadership behavior, treating curiosity as a learnable discipline embedded in daily practices, decision-making, and organizational systems that shape how people question, collaborate, and respond to change.

IN THIS EXECUTIVE BOOK SUMMARY

- Understand how curiosity functions as a leadership capability that drives performance, engagement, and organizational resilience
- Learn how to calibrate curiosity to avoid stagnation on one end and distraction on the other
- Explore a practical framework for diagnosing and strengthening curiosity across individuals, teams, and organizations
- Discover concrete practices leaders can use to embed curiosity into daily decisions, behaviors, and systems

INTRODUCTION

Are You Curious?

It was the late 1980s, and I had just been promoted to regional sales manager at Frito-Lay. I was determined to prove that real leadership isn't just about strategy—it's about understanding the business from every angle. Our global marketing team wanted to expand beyond their signature salty snacks and venture into a new category: sweet treats.

My biggest challenge was winning over the route drivers—a critical group. They were already stretched thin, and I had to convince them that adding a new line of cookies to their deliveries wouldn't just mean extra work; it could mean extra income in the form of commissions.

Determined to avoid a standoff, I decided that instead of simply telling them how things would go, I'd ask questions. I would listen to what they had to say. Immediately, the objections poured in, but I didn't argue. I wrote down all they said, and what began as a wall of resistance turned into a collaborative brainstorming session.

The result? We achieved one of the biggest route sales averages across the country.

That's the transformative power of curiosity. It's not just about solving problems; it's about empowering others to think differently, to collaborate, and to discover solutions together. It uncovers hidden potential and reframes challenges as opportunities.

Leadership has evolved beyond simply making decisions and issuing directives; it now demands fostering a culture where questioning, innovation, and collaboration are not just encouraged but embedded into the fabric of the organization. Without the capacity for employees to embrace and act on their curiosity, an organization risks losing its competitive edge. Yet, while the importance of curiosity is acknowledged, sustaining it presents significant challenges.

Many, particularly those under forty years old, refuse to commit to workplaces where curiosity is stifled. They seek environments that encourage their creative input and exploration, signaling that the future of work will favor organizations that make room for curiosity, engagement, and active participation.

While this may be the case, sustaining curiosity within a company culture presents significant challenges. Too often, employees suppress their curiosity, feeling constrained by a lack of time and support or by a culture that values compliance over innovation.

Curiosity is one of the most powerful yet underestimated forces in the world. It is the spark that has driven every major breakthrough, the instinct that compels us to seek out new experiences, and the unseen force shaping how we navigate challenges. Despite this, we often suppress this urge in people—especially in professional settings, where efficiency, predictability, and expertise are prized over exploration, questioning, and discovery.

CHAPTER 1

The Nature of Curiosity

Curiosity is more than just asking obvious questions; it means probing deeper and seeking out what isn't immediately visible. Yet surprisingly, we often lose this instinct in both our personal and professional lives. The result? We become less engaged and more prone to boredom and frustration.

Too often, we're led to believe that curiosity is an innate talent reserved for scientists, artists, or entrepreneurs. The rest of us might see ourselves as less curious and, by extension, less creative or innovative. But this perception overlooks a critical point: curiosity is deeply intertwined with creativity.

When curiosity is curtailed, so is the creative process, leading to stagnation and a lack of meaningful progress. This affects not just individuals but entire teams and organizations, where innovation and problem-solving are essential for success.

By reframing curiosity as a skill, we can recognize its potential to drive progress and foster meaningful change. When we acknowledge that curiosity compels us to take risks—switch roles, change companies, move to new places, seek out new challenges, or even embark on new personal journeys—we start to see it as an essential part of our growth.

The good news is that levels of curiosity can be measured. It's possible to discern an individual's level of curious behavior, as well as an organization's context for curiosity. There are seven tell-tale signs of curiosity that you can spot in yourself and others. To notice these clues, focus on:

- the words people use
- the questions they ask
- the empathy they feel
- the irritation they tolerate
- the disruption they cause
- the jokes they tell
- the ways they reflect on their own thoughts and assumptions

> Without the capacity for employees to embrace and act on their curiosity, an organization risks losing its competitive edge.

The bad news is that, in most parts of the world, and certainly in business, there is a growing gap between the curiosity we need and the curiosity we have. The impact is profound as people have fewer innovative ideas, more rigid thinking, and missed opportunities for meaningful change. While curiosity is a natural human impulse, social conditioning and educational systems often discourage persistent questioning, gradually eroding this instinct over time.

What is the takeaway? Curiosity is contagious. By modeling curiosity, whether as a leader, teammate, or friend, we inspire others to do the same.

It's never too late to reverse direction if you find yourself exercising less curiosity than you would hope to. Curiosity isn't like a fine wine that disappears if you didn't bottle it early—it's more like a random houseplant you forgot to water for years. A little attention, some sunlight, and it'll start sprouting again.

Start small by carving out moments in your day to ask *what if* instead of assuming *it is what it is*. Seek out experiences that challenge your comfort zone. Celebrate the discoveries you make, big or small. Every step you take to rekindle curiosity is an investment in your own potential and the future of those around you.

CHAPTER 2

The Neuroscience of Curiosity

Five years ago, I set out to explore the link between curiosity and business performance. I believed then—and still do—that curiosity is a superpower. It ignites creativity, offers a new lens for problem-solving, and serves as inner fuel for personal and professional growth.

For hundreds of years, great minds like Plato, Socrates, and Descartes have searched for the secret of achievement. What makes one person achieve success and another not? The answer may involve optimal curiosity.

Curiosity exists on a delicate continuum: too much, and we're overwhelmed; too little, and innovation grinds to a halt. Striking the right balance is what drives progress and keeps teams thriving.

In business context, decision-makers must calibrate their curiosity carefully. Too little leads to stagnation, while too much results in distraction and frustration. The right balance varies from one company to the next and may also differ by individual or across the course of a career.

CHAPTER 3

Curiosity Is Good Business

I wasn't surprised to find that curiosity is good for business. Every person in a company is a link in a chain of intrigue. At least, that's the way it's supposed to be. In real life, even the most innovative companies, like Frito-Lay, don't fully know how to cultivate the curiosity they need all the way through the hierarchy.

Something I've seen time and again in my career is that questions shape the course of conversations, decisions, and even reputations. They can reveal hidden truths, build bridges, and open doors to unexpected insights. But they also hold the power to unravel carefully constructed moments when they're not asked.

In leadership, the power of a question is invaluable. The best leaders I've known use questions as their most powerful tool—not because they lack answers, but because they value others' perspectives. They know that one good question can unlock an idea that transforms a project, sparks a connection that strengthens a team, or prevents a misstep that could cost time, resources, or credibility.

In contrast, not asking the right question or jumping to conclusions often builds walls instead of bridges. For anyone who wants to influence, inspire, or connect, questions remain one of the most effective tools available.

Innovation is the ability to put forth new ideas and turn them into successful products, services, and practices that drive growth and profitability. Organizations with curious cultures tend to attract and retain curious individuals, creating a virtuous cycle in which ideas build on one another and experimentation is encouraged. When employees feel empowered to ask questions, challenge assumptions, and propose new ideas, they are more likely to uncover novel solutions and develop new offerings. This dynamic is especially effective

when teams bring together divergent thinkers who are curious about one another's backgrounds and knowledge.

Curious cultures foster collaboration and knowledge-sharing among employees. When individuals are curious about each other's experiences and expertise, they are more likely to reach out, connect, and work together toward common goals. Over time, this mutual engagement reinforces participation and commitment, as employees feel valued for their contributions and are inspired to give their best work.

Curiosity also strengthens resilience. Individuals and teams who remain genuinely curious about changing circumstances and market conditions are more likely to find ways to manage them.

The message is clear: If companies want to unlock the full potential of their workforce, it's not enough to hire curious individuals. They must also create a culture that values and rewards exploration, learning, and innovation. Doing so requires commitment. Employees need room to ask questions, explore new ideas, and challenge conventional wisdom, and organizations must promote leaders who embody and champion those behaviors.

CHAPTER 4

The Four Factors of Curious Companies

Curiosity is a matter of strategic choice. The decisions we make as leaders, team members, and visionaries don't just shape our own behavior—they create ripples that affect the culture of curiosity throughout an organization.

In our research, we found that a company's curiosity level can be understood through four specific dimensions that reflect its cultural attitude toward curiosity. We call these *curiosity growth factors* because of the ways they influence both individual performance and collective success.

To better understand and measure an organization's level of curiosity, four core factors provide a practical framework for assessing the broader culture of curiosity within a company. Each factor influences curiosity in a distinct way, revealing how it can be nurtured to support growth and achievement. Those four factors are:

1. Exploration
2. Focused engagement
3. Inspirational creativity
4. Openness to new ideas

The first two factors, exploration and focused engagement, are often driven by individual actions and affect the ways people seek out, process, and implement new information.

Exploration refers to the drive to look beyond the familiar, to discover what lies beyond the conventional, and to investigate new areas that might unlock opportunities for growth and innovation. Individuals with high levels of exploration are energized by novelty and demonstrate a willingness to take calculated risks. They're the ones digging into new technologies, challenging assumptions, or identifying emerging trends that might benefit the organization in the long term.

Focused engagement, on the other hand, is about channeling curiosity into purposeful action. It's not enough to merely explore possibilities; this approach requires that people bring their insights back to the core mission and goals of the organization. This factor ensures that curiosity doesn't dissipate into distraction but instead becomes a catalyst for problem-solving, enhanced productivity, and strategic advancement.

The remaining two factors—inspirational creativity and openness to new ideas—operate on a broader, more collective level. These elements shape the organization's cultural backbone and influence the ways teams collaborate, share insights, and spark innovation together.

Inspirational creativity is about fostering an environment where imaginative thinking is encouraged and where creative problem-solving is not only accepted but celebrated. Organizations that embrace this factor give their people the space to experiment, ideate, and connect the dots in novel ways. Inspirational creativity is often driven by leaders who encourage unconventional approaches, which can energize teams and bring diverse perspectives to the table.

Openness to new ideas is the final, vital component of a culture of curiosity. It reflects an organization's collective willingness to receive, consider, and integrate new perspectives. When an organization prioritizes openness, it signals to employees that their voices and ideas matter, and it nurtures an environment where everyone feels empowered to contribute. This factor is especially important for fostering inclusivity, as it allows organizations to embrace a range of viewpoints and adapt swiftly to shifting markets, technologies, and customer expectations.

These four factors become visible in leadership behavior—particularly at the executive level. The following questions help illustrate how each factor shows up in practice:

1. **Exploration**: When new opportunities or challenges are raised that seem promising, does the CEO pay attention? Is there a potential budget allocated to learn-

> The best leaders I've known rely on questions—not because they lack answers, but because they value others' perspectives.

ing about the implications? Does the CEO express interest in the results of that initial exploration?

2. **Focused engagement**: Does the CEO lose interest in projects before they are completed? Are there clear priorities set for the company, with curiosity channeled down those paths? Does the CEO build strong working relationships with key people throughout the enterprise, particularly in the innovation and production domains?
3. **Inspirational creativity**: Does the CEO take pleasure in product launches and new offerings? Is it easy to raise questions and collaborate at the top levels of the company? Do people recognize the CEO's priorities and feel interested in taking part?
4. **Openness to new ideas**: Does the CEO express interest in concepts from outside the strict domains of the company? Are there diverse teams, with people who have different backgrounds and ways of thinking, at the top of the organizational hierarchy? Is there always a sense that the CEO will pull an amazing new offering or idea seemingly out of thin air?

In curious cultures, managers, team leads, and even frontline supervisors play pivotal roles in fostering an environment where curiosity can flourish. These leaders often have a direct influence on their teams' daily experiences, guiding how curiosity is applied to specific projects, customer interactions, and problem-solving initiatives. When leaders at all levels ask questions, encourage exploration, and remain open to new ideas, they actively create the conditions for innovative thinking and continuous learning.

The good news is that just as curiosity can be cultivated as a personal skill, it can also be developed as a leadership approach. Anyone in a position of influence—whether leading a small team or a major division—can grow their ability to lead with curiosity.

Cultivating curiosity, however, requires intentional practice. There are several concrete ways leaders can begin embedding curiosity into their daily interactions and decision-making:

1. Ask open-ended questions

Asking open-ended questions requires genuine curiosity and a real desire to learn. It also means recognizing that others may see things you do not and demonstrating compassion and kindness. At times, this may require setting aside your ego and showing a willingness to learn rather than prove a point.

2. Practice active listening

Active listening helps lay the groundwork for a culture of curiosity and helps employees feel valued. It enhances problem-solving, decision-making, and conflict-resolution by fostering a deeper understanding of the issues at hand. Practicing active listening requires being fully present—listening not only to words but also to nonverbal cues—and following up with clarifying questions or thoughtful paraphrasing to confirm understanding.

3. Embrace feedback

A positive relationship to feedback is a clear indicator of genuine curiosity and a hallmark of effective leadership. The ability to receive feedback without defensiveness is one of the strongest predictors of career trajectory, as it helps you understand how you're perceived, how your actions impact others, and where you may need to adjust your approach to lead more effectively.

4. Form and test hypothesis

In organizations with little regard for curiosity, problems are experienced as tension that must be resolved quickly. In curious companies, instead of jumping to a solution, groups form and test hypotheses on a small scale. If a solution works, it can be refined or expanded; if it does not, curiosity guides the group toward a new hypothesis.

5. Engage in unlearning

Self-curiosity begins with unlearning—letting go of limited beliefs, perceptions, and habits that no longer serve you. Through this process, you can reframe your perspective and absorb new skills and a new mindset. Reflective meditation can support unlearning by helping you examine the origins of your thoughts, attitudes, behaviors, feelings, and biases.

CHAPTER 5

Exploration

Exploration, the ability to actively seek out new ideas and challenges, is essential for personal growth and for organi-

zations that want to succeed. In an organizational context, exploration is active. Teams and companies deliberately seek out new experiences, ideas, and challenges. They pursue agility, adaptability, and robust leadership, understanding that these attributes strengthen with exposure to fresh perspectives and innovative ideas.

In companies that value exploration, when challenges arise, people welcome the chance to learn and solve problems creatively. Leaders cultivate environments where employees feel free to try new approaches without fear of blame. Failures are seen as learning opportunities, and rather than micromanaging, leaders trust their teams to find their own paths to success.

Exploration also extends to potential future opportunities. Employees are encouraged to network beyond their immediate teams and collaborate on joint projects, fostering connections that spark new ideas. Their voices matter, and their development is actively supported by leaders who recognize that diverse perspectives lead to stronger solutions. By creating an environment where differences are valued, the organization builds a foundation for innovation and resilience.

At the individual level, supporting exploration means creating space for employees to pursue ideas they are passionate about, even if these ideas seem outside their usual scope. This could include supporting side projects or encouraging attendance at cross-departmental meetings or external events.

When employees feel empowered to explore, they develop stronger problem-solving skills, adapt more readily to change, and bring fresh ideas back to their roles. Encouraging personal exploration also enhances engagement; employees who feel their curiosity is valued tend to be more invested and committed to their organization.

At the team level, you can encourage exploration by promoting collaboration and cross-functional projects. Consider creating opportunities for team members to shadow colleagues in different roles or to participate in idea exchanges, where employees from various teams come together to brainstorm. Team exploration not only broadens perspectives but also strengthens trust and cohesion, as individuals feel free to share insights without fear of judgment.

At the organizational level, fostering exploration involves embedding curiosity into your company's core values. This might mean formalizing initiations like innovation days, where employees dedicate time to pursuing their ideas, or implementing learning stipends that allow employees to attend conferences, courses, or training sessions. Building a culture that values exploration means providing both the time and resources for employees to engage in continuous learning.

CHAPTER 6

Focused Engagement

Focused engagement goes beyond simply being busy or productive; it involves channeling curiosity into meaningful work with sustained attention. For individuals, this means developing habits that allow you to immerse yourself in tasks, explore challenges deeply, and maintain focus over time. This kind of engagement enhances personal performance and lays the groundwork for curiosity-driven innovation.

When people work with sustained focus, they experience greater purpose and satisfaction. It's the difference between going through the motions and being fully present in what you do. In a world filled with distractions, the ability to concentrate with intention, creativity, and clarity becomes increasingly valuable.

At its core, this approach amplifies curiosity by directing it toward problem-solving, skill development, and opportunities for growth. Research shows that people who are highly engaged in their work report higher job satisfaction and are more likely to achieve their goals.

Focused engagement leads to deeper understanding, stronger problem-solving, greater resilience, and personal growth. It does not occur by chance; it requires intentional effort and habits that support sustained attention. By developing those habits, you can channel curiosity into greater productivity and innovation.

The following strategies offer practical ways to strengthen your ability to engage fully in your work.

- Start with curiosity – approach every task with a sense of curiosity.
- Eliminate distractions – identify and remove common distractions that pull your attention away.
- Use time-blocking – schedule blocks of uninterrupted time for your most important tasks. During these periods, commit to deep work, resisting the urge to multitask or shift focus.
- Set clear intentions – begin every task with a clear understanding of your goal.
- Practice mindfulness – incorporate mindfulness techniques to stay present in the moment.

> Curiosity isn't a luxury; it's a leadership necessity.

- Embrace flow state – aim to enter the flow state where you're fully immersed and energized by your work.
- Celebrate small wins – acknowledge and celebrate progress, even on small milestones.

CHAPTER 7

Inspirational Creativity

Inspirational creativity is the practice of fostering an environment where imagination, fresh perspectives, and resourcefulness are encouraged and actively supported. Unlike creativity that focuses solely on solving immediate problems, inspirational creativity invites people to think beyond the usual constraints, sparking innovative ideas, and energizing teams toward new possibilities. It involves creating a culture where employees feel empowered to ask *what if* questions, reimagine traditional approaches, and pursue ideas that may initially seem unconventional.

In a workplace with inspirational creativity, employees at all levels feel motivated to think expansively, knowing their ideas are valued and their contributions make a difference. Leaders play a key role in setting this tone by encouraging risk-taking, celebrating diverse perspectives, and creating space for exploration.

The result is a more engaged and dynamic team, capable of approaching challenges in inventive ways that fuel long-term organizational growth and adaptability. Inspirational creativity can transform ordinary tasks into powerful moments of insight and innovation, making work more meaningful and positioning an organization to thrive.

As a leader, supporting inspirational creativity in individuals means giving employees the space and encouragement to pursue their ideas. This builds confidence, resourcefulness, and capacity for innovative thinking.

At the team level, encouraging creativity requires creating anenvironment where collaboration, experimentation, and open-mindedness are valued. Team-based creativity strengthens problem-solving abilities and improves project outcomes.

At the organizational level, a culture of inspirational creativity supports long-term innovation, adaptability, and resilience. When creativity is embedded as a core value, organizations are better positioned to adapt to change and seize new opportunities.

Inspirational creativity is the driving force behind organizational resilience and adaptability. By creating an environment where employees feel encouraged to think outside the box, leaders cultivate a culture where imagination and resourcefulness flourish. From individual exploration to team brainstorming sessions and organization-wide recognition programs, fostering creativity at every level also instills a sense of purpose and excitement in the workplace.

As a leader, encouraging inspirational creativity allows you to unlock your team's potential and steer your organization toward long-term success. In a culture that values creativity, employees are more motivated, engaged, and likely to bring innovative solutions to complex challenges. Inspirational creativity builds a legacy of growth and adaptability, positioning your organization to thrive well into the future.

There are numerous techniques leaders can use to cultivate inspirational creativity at the individual, team, and organizational levels. These practices help translate creative intent into everyday behaviors, including the following:

- Encourage creative skill development such as creative writing and storytelling
- Set up a curiosity corner for exploration of resources
- Celebrate individual achievements in innovation
- Encourage diverse learning experiences
- Conduct regular innovation workshops
- Use design thinking techniques
- Organize hackathons or innovation challenges
- Facilitate storytelling sessions
- Embrace a prototyping mindset
- Reward creative problem-solving
- Design flexible, inspiring workspaces
- Promote diversity and inclusion initiatives
- Support learning from failures with after-action reviews
- Launch an ideas portal
- Develop recognition programs for innovation

CHAPTER 8

Openness to New Ideas

The factors discussed so far can only succeed if an organization is genuinely open to new ideas and willing to act on them. Curiosity cannot be performative; it must be reflected in decisions, behaviors, and outcomes. Openness to new ideas may be the most high-leverage of the four factors because it determines whether curiosity translates into meaningful change.

Curiosity naturally drives people to seek out new experiences, ideas, and challenges. This willingness to expand knowledge and adapt to changing conditions is a defining trait of curious, agile individuals—and of organizations that remain competitive over time. In cultures that prioritize openness, people actively listen to perspectives that differ from their own, and ideas are evaluated on their merit rather than their conformity to existing norms.

When openness is embedded into the culture, curiosity fuels creative problem-solving and innovation. The most innovative organizations make room for disagreement, experimentation, and discovery, recognizing that progress often emerges from questioning assumptions rather than reinforcing them.

CONCLUSION

The Future of Curiosity

Each of the four curiosity factors—exploration, focused engagement, inspirational creativity, and openness to new ideas—supports growth, resilience, and adaptability. Together, these qualities are essential in today's workplace. A culture of curiosity enables organizations to respond to rapid change with agility rather than cling to outdated practices.

Curiosity isn't a luxury; it's a leadership necessity. With deliberate conscious effort, leaders can nurture and develop curiosity, building a workplace culture where it thrives regardless of individual starting points.

The impact of fostering curiosity in the workplace, however, extends beyond individual jobs and daily tasks. It influences leadership styles, business strategies, and even the structural foundations of organizations. Leaders who embrace curiosity inspire their teams to seek knowledge, adapt to change, and approach problems with an open mind. This leads to a shift in leadership from directive to supportive, where leaders act as facilitators who nurture growth and innovation.

Curiosity-driven organizations also redefine their missions and values, embedding openness, adaptability, and continuous learning as pillars of their identity. This reshaping of organizational structure encourages collaboration across teams and departments, breaking down silos, and promoting a culture of inclusivity.

In conclusion, as you consider the role of curiosity in your life and work, think of this: each of us has the potential to be a catalyst for curiosity. In a world of 7.9 billion people, we are here because of the curiosity of those who came before us.

They dared to question, to try, to learn. They pushed boundaries, took risks, and persevered through challenges so that we might live in a world where exploration, innovation, and human connection are possible. Now it's our turn to honor that legacy by nurturing curiosity in ourselves and others.

Dr. Debra Clary is a narrative scientist and transformational leader with more than three decades of executive experience at Fortune 50 companies. She is the founder and CEO of The Clary Group, where she helps organizations cultivate curiosity-driven mindsets that accelerate growth, performance, and innovation. Clary has held senior leadership roles at globally recognized brands including Frito-Lay, Coca-Cola, Jack Daniel's, and Humana. A viral TEDx speaker, international keynote presenter, author, and award-winning film producer, she is known for compelling storytelling grounded in strategy. She earned her doctorate from The George Washington University and received the Ralph Stone Leadership Award there.

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The Disruption Mindset

Charlene Li

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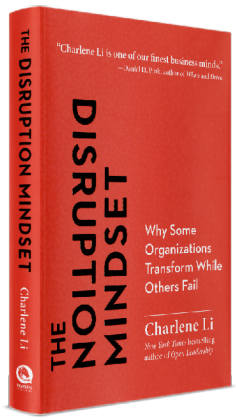
Executive Book Summaries®

The Disruption Mindset

Why Some Organizations Transform While Others Fail



by **Charlene Li**

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THE SUMMARY IN BRIEF

Many companies believe that if they develop the right innovation, they will disrupt their markets forever and drive growth worthy of a magazine cover story. But in ***The Disruption Mindset,*** best-selling author Charlene Li explains that's not how disruption works. Disruption doesn't create growth; growth creates disruption.

Disruptive growth requires companies to make tough decisions in the face of daunting uncertainties: Should we bet our company's future on next-generation customers or today's reliable ones? Should we abandon our current business model for an entirely new one? Making bold changes demands bold leadership and, often, massive cultural transformation.

Li shows that organizations don't have to be tech startups or have the latest innovations to transform. They need to develop a disruptive mindset that permeates every aspect of the organization. ***The Disruption Mindset*** will inspire leaders at all levels to answer the call to lead disruptive transformation in their organizations, communities, and society.

IN THIS SUMMARY, YOU WILL LEARN:

- Why strategy, leadership, and culture are the three key elements for developing the disruption mindset.
- To focus your strategy on future customers.
- The importance of building movements for successful disruption.
- To hardwire disruptive beliefs into your organization's operating system.

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Introduction

Most innovation efforts fail because they focus on developing innovations without thinking through whether and how these will create growth and change.

Disruption is not only innovation. Many companies want innovation to be a carefully managed process with minimal disruption to the status quo. Innovation is the snooze button of corporate strategy, pushing tough decisions into the future. Don't settle for innovation alone.

Disruption is not about technology. Instead, it's the application of existing technologies in new ways that enables it. Uber was a simple app that matched available drivers with riders, transforming the customer experience using GPS tracking and seamless account payment. While each of these technologies had existed for years, it was bundling them together that was unique and disruptive. Disruption is not always fast and unpredictable. And it isn't only for startups.

So what *is* disruptive transformation? Transformation is the process of changing from one state to another. You can go through that change process in a gradual, incremental way that causes as little discomfort as possible. Or you can tackle it head-on and bear the stress and strain of the change to capture the opportunities created faster and sooner. Here, the focus is on the latter because there is too much at stake, and too many problems and issues to address, to settle for the slow path.

Research has uncovered three elements common to the organizations that have thrived with disruption.

Element #1: A strategy inspired by future customers to make big-gulp decisions. To create disruptive transformation, you need a strategy—a plan of what you will do and won't do to achieve your objective because you can do anything, but you can't do everything. A disruptive transformation strategy requires that you turn your back on your current customers, their attractive size and profitability, and anticipate where they are going to be in the future, where the growth and value potential will be. Customers will always move faster than the organizations chasing after them.

Element #2: Leadership that creates a movement of disruptors. Disruptive change requires a special kind of leadership. It requires that leaders actively and systematically create a movement to achieve the future desired state. There will be times when the road ahead is strewn with boulders. Being part of a movement sustains and energizes people to find a way to climb over those obstacles. When you are part of something bigger than yourself, you set aside your personal pain and discomfort to achieve that shared goal.

Element #3: A culture that thrives with disruption. To execute your disruptive growth strategy, you need a culture that thrives at the edge of disruption—one where everyone is focused and acts in concert every day to make that transformation happen. The problem for most incumbents is that culture takes years to set in, and it's incredibly difficult to change.

Let's learn how to move from talking wistfully and vaguely about "disruption" to making disruptive transformation and exponential growth a part of your agenda every day.

The Simple Secret of Successful Disruptive Strategies

A new technology rarely results in breakthrough growth. Google and Facebook didn't introduce the search engine or the social network, respectively; their products were third-generation iterations of technology that already existed. Breakthrough growth is born from an uncanny ability to see the future and direct all the resources of your organization to chase after it.

For most incumbent organizations, there's just one problem: your familiar, profitable, existing customers. The customers of today look pretty good. Why on earth would you drop them to go after another group of customers, especially if it's not clear if those new customers actually exist? No, no, executives say. It's much safer and better to stay with what you know.

But disruptive, exponential growth comes only from your customers of tomorrow. Future growth lies elsewhere—and you need to plan accordingly.

It is extremely difficult to accurately predict and define the future. But you don't need to predict the future. Instead, make an educated guess about one thing and one thing only: what you think your future customers are going to need. The more confidence you have in your understanding of those future customers, the more likely you will be to choose to chase after them, even at the expense of today's profitable customers.

Best Practices to Focus on Future Customer Needs

To orient a disruptive growth strategy around future customers, you need to systematically and intentionally build an ob-

A customer advisory board can provide you with insight and feedback on what you are doing well and what you could be doing better.

session about customers, and especially future customers, into the DNA of your organization. Here are a few best practices:

Put customers in your dashboards. Take a look at your personal dashboard, and see where and how customers are represented. Are they even there? If customers are in your dashboard already, how are they represented? Do you have mainly "vanity metrics"—things like counting revenues, products sold, and number of customers? Or do you include meaningful "relationship metrics"—things like lifetime value, customer satisfaction, and loyalty? Finally, is your future customer represented on your dashboard?

Spark curiosity about customers. Your employees, and especially those who interact with customers every day, have firsthand knowledge of what's really going on with customers. Digital collaboration platforms can quickly spread that knowledge to the top echelons of the organization. Ask your team to gather examples of what customers say, do, think, and feel for different types of customers. You can collect these examples from formal interviews, focus group sessions, or informal observations from listening in on call center calls.

Create a customer advisory board. A customer advisory board (CAB) can provide you with insight and feedback on what you are doing well and what you could be doing better. Don't stack the CAB with your biggest and best current customers. Instead, find the customers who push you to do things in a different way. Ask your sales and customer service teams who the most insightful customers are, the ones who challenge the way your company works.

Preparing for the Big-Gulp Moment

If you want to create meaningful transformative change, it is guaranteed that you will not have all the answers and that not everyone will be in 100 percent agreement when it is time to make a final decision. In that moment, you will need to make the best bet that you can given what you know at that time.

So how do you prepare yourself and your organization for that inevitable big-gulp moment? Successful organizations all followed some variation of the following three-step strategy blueprint that you, too, can follow to prepare for your big-gulp moment:

Build the Case with Rigorous Research

If you want to make a solid case for your disruption strategy, here are a few things to keep in mind:

Invest the resources and time needed. Depending on how disruptive your ambitions are, you will need to set your timeline and investment horizon in terms of months, if not years. Plan and set expectations accordingly.

Secure the right data about your future customers. You will need a reference point of customer needs for your deliberations—a centering truth that everyone can look to for inspiration as well as a reality check.

Find champions within your organization. Your case will be more robust and battle-tested the more you can get other people and departments to help you build the case.

Get Buy-In with Transparency and Dialogue

The major reason people do not buy into a coming change is that they feel uncertain and unsure of what this will mean to them. If they can't understand the change, why it's happening, and how it might affect them, you can't have a discussion with them. But if they understand it, even if they don't like it, you can at least have a discussion and try to come to an agreement.

Here are some ways you can foster transparency throughout your disruptive transformation:

Invest in relationships, culture, and values long before the change. Look at the values of your organization. How can they be of service in the journey ahead? It will be a long, tough road, and being able to link the changes you are making back to the core values of the organization will be a significant asset you can draw on.

Create structure for the uncertain future. Redundancies and layoffs are almost always an inevitable and un-

fortunate part of disruptive transformation. Rather than try to avoid talking about this reality, you are better off being open about the fact that people will have to be let go so as to minimize uncertainty.

Burn the Boats

In 334 B.C., at the tender age of 21, Alexander the Great set out to conquer the formidable Persian Empire, ruled by Darius III. Alexander sailed a fleet of 120 ships across the narrow Hellespont Strait into enemy territory. He knew that his men were outnumbered five to one, but he could sense victory.

His first order to his captains: "Burn the boats." Confused, his men asked why they should destroy the one thing that could take them safely home. Alexander answered, "We will go home in Persian ships, or we will die here." They went on to conquer Persia.

When you aim for disruptive transformation, the road ahead is so difficult that you must commit yourself and your organization completely. There can be no turning back. There must be total and utter conviction that the path forward is the only one to take. The following best practices eliminate distractions and help you become wholly committed to the success of your disruptive strategy.

Set a deadline. Set a deadline, ideally one that instills a bit of a panic in you and forces you to hit it. One person bought a first-class nonrefundable ticket to Japan for a product launch.

Experience what it feels like to be all in. Give yourself and your team a taste of what it feels like to be all in with a short sprint project. Do it right, and you will all be looking forward to more.

Remove dabblers and right timers. Dabblers are people who like to dip their toe in the water, unable to commit to one direction or the other; they like to keep their options open. Right-timers find a way to say, "It's not the perfect time to move. We need XYZ." Stay away from them or, better yet, move them out of your team or even the organization. You need people who are ready to be fully committed and all in with the strategy.

Leading a Disruptive Movement

A movement is simply a group of people working together to achieve a particular set of goals. In movements, the vision and purpose develop a life of their own, moving beyond the influence of a single leader to be taken up by those who want to be a part of the change.

To drive disruptive growth, everyone affected by the growth strategy must understand it and how they play a part in it. They must also be inspired to believe that together, they will achieve things they once thought were impossible.

Disruptive leaders recognize that movements aren't controlled; they are inspired. When people are inspired, they make the movement their personal mission, going the extra mile, moving a lot faster, and driving growth exponentially.

Research reveals three ways to build a movement: identify followers and define your relationship with them, write a manifesto that inspires action, and sustain a consistent leadership presence.

Identify Followers and Define Your Relationship with Them

Imagine that a year from now, you are holding a meeting with those most involved in your movement. Who is in the room? Who's running the meeting? How are decisions made? How much are you talking during that meeting? Consider these two best practices:

Identify your first followers. You need only one or two people to get started, but don't jump at the first person who raises a hand! Take a moment to define who your ideal first follower would be—not so much in terms of a specific person but the capabilities and resources that person or persons would bring to kick-start the movement.

Define the relationship from the follower's point of view. What's in it for them? How will followers feel about their relationship with you a year from now? Trust and relationships don't develop in a vacuum; they are built with each successful interaction between people.

Write a Manifesto That Inspires Action

A vision statement is a single sentence (usually) that serves as a shorthand way to capture where you want to be in the future. The problem is that a single sentence leaves much to interpretation.

Manifestos paint a picture of the future in bold, vivid detail. A manifesto is a public declaration of the objective and intentions of the organization. It is written with future customers in mind, telling them why you exist and documenting what your organization believes in. The manifesto also attracts people—employees and customers—who want

to be part of your movement.

To write a manifesto, start with a rant. Business writer Shannon Tanton recommends identifying what's wrong with the world. How would things be so much better if only people did something differently? Then, flip the rant into a belief. Turn each negative rant into a positive statement. Then, add what you are going to do to act on that belief. A manifesto is a playbook that lays out how those beliefs will "manifest" in the real world. Follow this simple template: "We believe [that something is true] and that's why we will [do something]."

Sustain a Consistent Leadership Presence

As leaders, we've been told to be humble, to be servant leaders, to put our organizations ahead of ourselves. The problem is that we've confused being humble and prioritizing the company with not being visible—that is, not being out there reminding people of our shared purpose and vision. That's why it's important to remind them over and over again the *why* of what you are all doing.

From the start of his tenure at T-Mobile, John Legere championed listening to customers. He visited call centers to talk with employees and sit in on their calls with customers. He had a line installed in his office so he could easily listen in on customer service calls at any time. But more important, he quickly learned to harness social media platforms to drive the movement internally and externally.

It was shortly after T-Mobile's Un-carrier strategy was launched that Legere tried out Twitter (at the suggestion of his daughter) as a way to have direct contact with customers. Legere uses his Twitter presence to constantly promote T-Mobile, bash competitors, and listen to and respond to customers. He replies constantly to people who mention him on Twitter.

Why does he do this? Because he's leading by example: showing what it means to be customer obsessed and on a mission to convert everyone into a T-Mobile subscriber because he believes the organization is better for them. Legere's ability to single-handedly drive engagement with customers and prospects is a key part of the T-Mobile Un-carrier strategy.

There are two steps to leading and sustaining a movement. The first is getting comfortable with being visible and leveraging the many digital and social technologies at your disposal. The second is to be constant and consistent in feeding your movement. Listen to customers and employees. Share your hopes and fears, and engage with your followers directly.

Also, be constant and consistent in your support of the movement. Keep it simple. Create a tagline or use an acronym that serves as a simple reminder of the "why" behind the strategy. Make repetition a habit, but mix it up by sharing new stories that show the impact of the strategy. Try out new channels (take a photo, do a Facebook Live interview) to reach new audiences.

> There's no place for managers here. Everyone needs to be a leader.

Developing Disruptive Leaders

If you want to create disruptive growth, you not only need to be a strong disruptive leader yourself, but you also need disruptors sprinkled throughout your organization to make it happen. Out of necessity, you must hone your disruptor skills while also identifying other potential disruptors and nurturing them out of their comfort zones. There's no place for managers here. Everyone needs to be a leader.

Disruptive leaders share a few characteristics. At a high level, they exhibit the characteristics of "psychological hardiness" originally proposed by psychologists Salvatore Maddi and Suzanne Kobasa. They are more likely to put stressful events into perspective. They perceive them as less of a threat and more as challenges and opportunities for personal development.

Hardiness is made up of three attitudes: Commitment refers to belief in a higher purpose or truth, which results in disruptive leaders' ability to find meaning in their work and give it their best effort. Control refers to leaders' beliefs that they can influence the events taking place around them with their efforts. Challenge is the disposition to see problems as opportunities rather than threats.

Here's how to develop disruptive leadership in yourself and others.

Commitment: Developing a Shared Vision and Purpose

Here are two ways to sharpen the mindsets and behaviors that will help you and the leaders you are developing craft a shared vision and purpose for your disruptive transformation:

Encourage dreaming. You won't try new things if you don't believe that things can be better, so dreaming is the first step to identifying possibilities.

Mirror back their deepest desires. For most of us, what we desire the most is meaning, not money. We want to know that in the time we spend on this earth, we have made a difference. The best disruptive leaders tap into this longing by explaining the purpose so people understand their role in achieving it.

Control: Creating Stability and Ownership

One of the biggest problems created by disruptive transformation is that the tremendous uncertainty makes you feel as if you are not in control of the situation. There are so many unknowns, things are changing quickly, and simply staying on top of what is happening is all you can do. To increase your and your organization's ability to step into power and control a situation, consider these best practices:

Iterate and prepare for worst-case scenarios. The beauty of worst-case scenarios is that they give a name to the unspeakable. By anticipating and preparing for what could go wrong, you're visualizing you and your team in these stressful situations. This allows you to understand and interpret the data and situations and focus on weighing which risks are worth taking.

Create support networks. Change is hard work, and disruptive transformation is exhausting and lonely. Find the key people in your organization who will help you carry the torch of change, because you will need a break to recover.

Challenge: Recasting Failure

It's only when you make mistakes and fail that you learn. Recast failure as an opportunity to learn.

Plan little experiments to foster curiosity. When you identify an area where you or your organization is being resistant to change, plan an experiment where the outcome is uncertain but the perceived risk is low. The goal here is to create a sense of curiosity about the unknown and the freedom to experiment to figure it out.

Practice optimism. People who survive ask, "What is the next step I need to take to get out of this situation?" For those of you who are not wired to see the glass as half-full, partner with a compatible optimist so you can share your different perspectives of the same situation. Exposure to a different mindset is the first step to changing your own perceptions.

Disrupting Your Culture

Culture determines how much disruptive transformation your organization can create. It is either the limiting factor or the growth engine. As your strategy shifts to address new growth opportunities, the way you work will most likely have to change as well, along with your culture.

Cultures that seem to live in a state of perpetual flux and thrive can be called flux cultures. Three beliefs that appear in flux cultures and organizations, regardless of their size or industry, are openness, agency, and action. These three beliefs are the secret sauce that enables disruptive organizations to live in a perpetual state of flux and see challenges as opportunities rather than obstacles.

The Openness Belief: Create a Foundation of Trust

When you are pursuing disruptive transformation, openness is especially important because it creates accountability, it forces difficult conversations, it removes fear of failure, and it creates opportunities for diverse perspectives to filter up. Here are some best practices.

Create a safe and inclusive environment. Regular communications like all-hands meetings, email updates, weekly conference calls, and so on are great, but unless they show a commitment to including people's ideas in a safe space, they won't be effective.

Identify crucial places where trust is low, and address them with openness. If malaise hangs over a stuck organization, go right to the core of the problem: Where would trust make the biggest impact? Work with the affected teams to deepen a belief in openness and develop better ways of sharing.

Put vital data and information where they can be best used. Make sure the data that will most sway a decision are readily available to the people who need it.

The Agency Belief: Giving Permission to Act Like Owners

Organizations that believe in giving all their employees agency—that is, the capacity to act independently and make their own choices—help them see themselves as owners and leaders of their transformation strategy. When they identify a need for change, they make it happen—and do so regardless of their actual title or role.

Amazon has 14 "Leadership Principles" that serve as the

Disruptive organizations . . . build flexibility into the structure to support chasing after new opportunities to serve future customers.

foundation for the company's strategy and culture. Two of those leadership principles get at the heart of what it means to give your people a sense of agency over decisions.

The first principle is "Ownership," which Amazon defines in this way: "Leaders are owners. They think long term and don't sacrifice long-term value for short-term results. They act on behalf of the entire company, beyond just their own team. They never say, 'that's not my job.'"

The second principle is "Have Backbone; Disagree and Commit." This is how Amazon defines that principle: "Leaders are obligated to respectfully challenge decisions when they disagree, even when doing so is uncomfortable or exhausting. Leaders have conviction and are tenacious. They do not compromise for the sake of social cohesion. Once a decision is determined, they commit wholly."

The Action Belief: Working at the Speed of Opportunities

The action belief is the sustained ability of an organization to recognize change opportunities and move quickly while executing at the highest levels. If your organization needs to increase its belief in action, consider adopting some of these best practices:

Increase and measure change capacity. Organizations with the action belief embrace the need to constantly change and evolve. Measure your organization's comfort level with change. Survey employees on how comfortable they are with change and whether the prospect of change on the horizon makes them feel energized or weary. Conducting this audit will identify places where you need to focus your transformation efforts.

Define the decision field. If you want people to feel comfortable taking risks, you have to clearly define which mistakes and failures are tolerable and which aren't. Define the boundaries of the field they are playing on, explaining that as long as they stay on their field, they are free to go anywhere the customer and market may take them.

The Flux Culture Operating System

Just adopting disruptive beliefs isn't enough to create and sustain disruptive transformation in your culture. You need to also hardwire those new beliefs into the organization's operating system so the desired disruptive behaviors become the norm rather than the exception.

Most people think that "disruptive culture" means that a lot of highly creative people do their own thing with little coordination or alignment. Disruptive organizations show just the opposite: highly creative and accomplished people working together within clear structures and processes. By not having to worry about how to get work done, they just focus on doing great work with each other.

Disruptive organizations take the time to define their flux culture by systematically developing the three cultural elements that comprise an organization's operating system: structure, processes, and lore.

Structure: The Backbone of Your Operating System

What disruptive organizations do exceedingly well is build flexibility into the structure to support chasing after new opportunities to serve future customers.

Understand and accept the truth about your organization. Conduct a close audit of your organization. Dig down to find where the disconnects are between your organizational structure and how work really gets done. Uncomfortable truths will surface quickly. Accept them and plan how the future organizational structure will take that reality into account while supporting the future desired state.

Organize around future customers, not products or functions. For example, Intermountain Healthcare, the largest healthcare provider and insurer in Utah, moved from a geographically-defined structure into a system-wide structure with two main groups, a Community Care group focused on making sure people stay healthy and a Specialty Care group to serve patients who require hospitalization or specialist procedures.

Processes: The Lifeblood of the Organization

Processes are the blood that flows throughout your organization. If they flow well, you feel strong, capable of running long and hard. If processes don't work, it's like having a knot in your muscle—you can still move but at a limping pace.

Demonstrate the benefits of the processes early on. Simply telling people that order is needed won't work; you'll have to explain why processes will support your disruptive transformation. There are two key benefits of processes: your organization will build better products and services for your customers, and it will attract high-performing people.

Create accountability for consistently high standards. By being clear about "what good looks like," you are defining the parameters of great performance. But standards alone aren't enough; you also need the grit to follow through with consequences if they are not met.

Lore: The Soul of the Organization

If organizational structure is the spine and process is the lifeblood of culture, then lore is its soul. Rituals, symbols, and stories remind and connect everyone—from executives and employees to partners and customers—about what is important and valued in the organization.

Lore builds connection and trust among employees through repeated experiences that have a shared meaning. It's the telling and retelling of the lore—its repetition and consistency—that creates culture. Aligning your company's lore with the objectives and values of its disruptive growth strategy can help create and sustain a flux culture. Here are two best practices:

Be disciplined about creating lore. If you start a new ritual, commit to doing it every time it's expected. Don't be shy about repeating the same story over and over again. Be predictable, and continually connect the lore with a specific business need.

Schedule story time. Create space, no matter how small, for people to share their stories. Story time can be built into ceremonies of recognition and departures, staff meetings, and weekly communications.

If you want your organization to sustain breakthrough growth for decades, then settle in and get comfortable with disruptive transformation. It's your fate to want to change things for the better, to heed the call to step forward, and be crazy enough to believe that change is possible. May you have success in creating the exponential change that our organizations, society, and world so desperately need.

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- ***Open Leadership: How Social Technology Can Transform the Way You Lead*** by Charlene Li
- ***The Road to Reinvention: How to Drive Disruption and Accelerate Transformation*** by Josh Linkner

For the past two decades, Charlene Li has had the fortune to be an author and analyst, exploring and explaining the new world and society being created right before our eyes by new technologies. In 2008, she founded Altimeter Group, which disrupted the industry analyst world dominated by players like Gartner, Forrester, and IDC, and which was acquired by Prophet in 2015. Charlene has authored five books, including the *New York Times* best-seller ***Open Leadership*** and co-authored the critically acclaimed ***Groundswell***. She appears regularly in media outlets such as 60 Minutes and the *New York Times*, and speaks all over the world.

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The Double Bottom Line

Donato Tramuto

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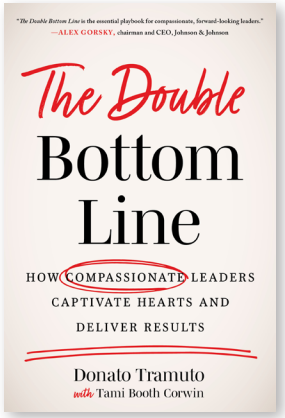
The Double Bottom Line

How Compassionate Leaders Captivate Hearts and Deliver Results



by **Donato Tramuto**

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THE SUMMARY IN BRIEF

Combining the collective wisdom gleaned from over 40 interviews with successful leaders who practice compassionate leadership, ***The Double Bottom Line: How Compassionate Leaders Captivate Hearts and Deliver Results*** shows how to add true compassionate leadership to your playbook.

You'll discover that most leaders have an innate desire to be compassionate, but many don't know how to put it into practice. This summary shares actionable methods used by proven leaders for being compassionate and tough, empathetic and action-oriented in equal measure. After all, taking care of your people is proven to lead to better results.

Written by CEO, business leader, innovator, and philanthropist Donato Tramuto, *The Double Bottom Line* is an effective guide to becoming a leader that is both more compassionate and more effective at getting the job done.

IN THIS SUMMARY, YOU WILL LEARN:

- How to become a leader that drives trust, success, and innovation.
- How to raise morale, build stronger teams, and improve overall performance at your organization.
- How to create sustainable commitment to your organization's mission and values.

Introduction

Now more than ever, leaders need to upgrade skills such as communication, transparency, adaptability, and understanding and support of employees' needs. They need to embrace diversity and inclusion, create stronger teams, and take responsibility for the impact they have on the communities in which they work and on the world. And, most importantly— as we are seeing how these shifts affect our neighbors, families, employees, and coworkers— we need to raise empathy and compassion to the top of the list.

During the pandemic, many companies struggled to stay open or simply had to shut their doors. Still others rose to the challenge, not only weathering the storm but also finding breakthrough ideas and moving from strength to strength to drive their businesses. They've seen that this test has solidified their organizations and unified their teams. There are many variables that separate those who have survived and thrived from those who have suffered, but it's clear that the most effective leaders are putting people at the top of their priority list and embracing compassion and humanity to a greater degree than ever before in their workplace. They are finding that putting people first and delivering results are not two separate goals. Rather, a strong focus on people drives strong results. That is The Double Bottom Line.

Part I: Defining a New Model of Leadership

It's Time to Flip Traditional Leadership on Its Head

Compassionate leadership means listening to others' challenges, needs, or problems; having empathy for them; and then actually doing something about it. Empathy— the ability to think about and feel for another person's problems, suffering, or experience— is a critical component. Compassion, on the other hand, usually starts with or coexists with empathy, but it adds the desire and action to relieve that person's suffering, help them overcome a challenge, or otherwise better their situation.

In an organization, where it is only people who get results, it means that you invest your time in individuals, and that is how the organization prospers. In other words, people are your true focus.

Empathy Isn't Enough

Empathy on its own has important applications in business, education, politics, and relationships. Anyone developing products, services, or solutions needs to understand the experience of the customer or constituency they serve. To deliver a solution to a problem, you have to understand what it feels like to face that problem. Cultivating empathy is essential. Many business leaders know this, and it leads to their success. In an interview, Satya Nadella of Microsoft, one of the business world's most passionate proponents of compassionate leadership, said, "Our core business is connected with the customers' needs, and we will not be able to satisfy them if we don't have a deep sense of empathy."

Action is the fuel that brings empathy to life. To bridge this gap between how CEOs see the role of empathy and how employees expect to see empathy show up in their organizations, we must first effectively listen and communicate, then combine empathy with actions that address employees' specific challenges, hardships, and needs.

Lead from the Heart

Compassionate leadership is driven by a desire and a commitment to better your people, your customers, your stakeholders, and your community. It's about understanding what touches the hearts of others in order to bring out the best in them and allow them to feel connected to their work and see it as part of something bigger than themselves.

Having a sense of mission and communicating that to employees or team members gives them a sense of meaning in their work. Communicating how each individual's role connects with and contributes to a broader purpose allows everyone to feel part of the bigger opportunity to help people or make the world better. When employees feel they are contributing in meaningful ways—whether big or small—they increase their engagement, commitment, and job satisfaction.

Compassion is Strength

Some people think that a compassionate leader is a weak leader, or that compassionate leadership is not strong, powerful, and results-oriented leadership. That could not be further from the truth. Once you understand compassionate leadership and understand how it's applied (and how it's not), you'll see it in its true light. You'll have a new vision of compassion that is strong, courageous, and kind. You'll understand that by the very definition of the term, compassionate leaders are necessarily strong and tough leaders. Compassion isn't weak; it's the power skill for the next generation.

Interestingly, though sixty-seven percent of the most senior respondents (CEO, president, owner, etc.) in a workplace

survey said that compassionate leadership is often viewed as weak, they also said that it's important. And, on the flip side, when asked if this type of leadership is weak, the majority of the group of compassionate leaders interviewed for this book said the opposite: Only twenty-three percent strongly or somewhat agreed. That is an important difference. It tells us that once practiced, its power and effectiveness is clear.

Part II: Secrets of Successful Leaders Who Win Hearts and Deliver Results

Earn Trust First

Many management theorists and leaders believe that culture comes first when building a successful organization. Many say that "culture eats strategy for lunch." But trust eats strategy for lunch every day of the week. Trust is a precondition to building a positive culture. Trust has to be established first to lay the groundwork for effective leadership. Everything else follows.

Trust is essential in all relationships. Positive, trusting relationships drive productivity, creativity, change, and growth. As a leader, you can put any program out there, you can communicate your vision, mission, and values. But unless you have your people's trust, these critical things won't be universally embraced or put into action at the highest level possible. Trust is the glue that makes it all work.

Build Compassionate Culture

Healthy and productive culture is built on trust and powered by compassion. These elements are interlinked. A compassionate and trust-based culture is the strongest foundation from which an organization can grow and thrive over time.

Strong leaders from successful organizations know this. But some leaders and corporate boards view culture as a lower priority, something that you might devote time to after focusing on hiring the best people you can afford or find, delivering your best product or service, or (especially from the old model's perspective) hitting your numbers. Others see it as a separate entity, distinct from the main activities of the organization. Many address it once in a while or sporadically during the life of the organization when perhaps external changes arise to challenge its survival. While the notion of hitting numbers first may sound appealing, it is a short-term focus. You may deliver on your numbers for a year or two, but sustaining them without a culture built on trust is like someone saying, "Let me develop the space shuttle to take you to the moon, but you need to find me the instructions to craft the engines." The person might wing it to get the engines working, but sustaining the engines will be a miracle at best.

Work Better Together

In a workplace survey, communication, commitment, and collaboration ranked as the top three keys to compassionate culture and collaborative teams. These keys of compassionate leadership combine to help the people involved form a strong sense of community, which is the essence of successful teams.

Employees or members of a community want to know that their leaders have their backs during difficult times. Teams want to know that their leaders are doing their best to provide all available resources when they are collaborating to achieve a challenging goal or make an unfamiliar shift in direction together. When leaders do demonstrate their commitment to their people, what will happen? People will go the extra mile to reach a goal. They will feel safe enough to share ideas that just might move the team, the organization, or that important project forward. They trust enough to ask for help.

Harness the Power of Differences

Great leaders know something that gives them a strategic advantage and increases employee morale, retention, productivity, and innovation: Great leaders know how to harness the power of differences in their organizations.

In part, this practice includes building, respecting, and celebrating the diversity and differences among team members. However, great leaders go a step further. They intentionally cultivate diverse teams and optimize their performance. It is not just their internal teams that are built to be diverse. It is the whole organization, including the board.

Diverse companies have proven to be stronger across many key measures, profitability included. Cultivating workplaces that are rich with different types of talented people is not only the right thing to do and the compassionate thing to do, but also a beneficial thing to do to support your people and boost your top-line revenues and bottom-line profits.

Part III: Cultivating More Compassionate People

Cultivating Compassion within Yourself

The Dalai Lama said, "If you want others to be happy, practice compassion. If you want to be happy, practice compas-

sion." These words sum up this virtuous loop of compassion and provide a compelling reason to adopt this as a practice.

As much as compassion helps your organization, as I have already discussed at some length, it helps you just as much or more! Practicing self-compassion first makes the compassion you express to others more powerful and meaningful. Those are compelling reasons to take steps to become a more compassionate leader.

Can You Teach Others to Be Compassionate?

From the standpoint of the leader, just talking about it will not be effective if it isn't also acted on throughout each workday. In the workplace or in an organization, helping people learn and grow has to be integrated into day-to-day relationships, communications, processes, and operations. It needs to be applied in the situations and settings where it's seen and felt by others. The most impactful way leaders can teach compassion is by modeling it themselves— in other words, leading by example.

Ongoing implementation and reinforcement from leaders and managers throughout the organization is the key driver that allows this to take hold. When leaders talk the talk and walk the walk, every day, it sets a visible example of compassion in practice.

Conclusion: What Every Leader Needs to Know About the Future

Change calls for sharp awareness from leaders. Two major shifts stand out to me that are fundamentally changing what the workforce needs from its leaders.

The first is the generational shift in the workforce, from one that is baby boomer-centric to one that is predominantly made up of millennials and Gen Zers. With that shift, there is a need for leaders to become attuned to a whole new set of understandings, perceptions, and skills.

Technology is the second major driver. Technological change continues to accelerate. It's changing the nature of the skills we need in our workforce-and not necessarily in all the ways you might think. We don't just need more technically savvy workers, we need people with more finely tuned human skills, and we need leaders who understand how to bring these competencies out in proper proportions across their workforce.

We all have the power to have a positive impact on others and the world. The best way to start is by taking small actions that accumulate to create bigger collective changes and a more compassionate world.

Donato Tramuto is a global health activist, former CEO of Tivity Health, and founder of the Tramuto Foundation and Health eVillages. He was the recipient of the prestigious Robert F. Kennedy Ripple of Hope Award in 2014, alongside Hillary Clinton, Robert De Niro, and Tony Bennett, and the 2017 Robert F. Kennedy Embracing His Legacy Award.

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The E Suite

Tina Kuhn, Neil Frick

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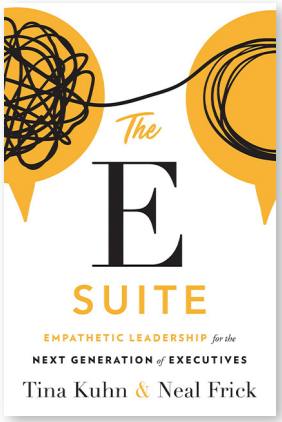
The E Suite

Empathetic Leadership for the Next Generation of Executives



by **Tina Kuhn and Neal Frick**

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THE SUMMARY IN BRIEF

Leading with empathy is more important than ever in the current executive climate. Taking an empathetic approach to leadership will help to establish and nurture relationships with clients, employees, and the public. This makes empathy a powerful leadership tool in the workplace. By focusing on interpersonal relationships, you can create and engaged, productive, employee-driven team.

In ***The E Suite: Empathetic Leadership for the Next Generation of Executives,*** Tina Kuhn and Neal Frick focus on how to use empathy to build high-performance teams. They explore how to use empathy in your management style and integrate it into daily business practice. You'll find everything you would expect in a management handbook, including employee development, attracting new talent, communication, and conflict resolution, and marketing and sales. What's different about this book is that each of these chapters is filled with practical guidance to help you embrace diversity, eliminate bias, and improve your workplace relationships.

IN THIS SUMMARY, YOU WILL LEARN:

- How to use empathy to build high-performance teams.
- Ways to develop an empathetic leadership style.
- Practical methods for using empathy in your day-to-day business practices.
- The value of using empathetic leadership to grow your business.

Introduction

Many leaders view empathy as something intangible. Because they can't assign value to empathy, they adopt a fast-paced, high-stress form of leadership. This may bring productivity in the short term, but it's not sustainable long term. Empathy directly impacts productivity by making employees emotionally invested in their work. Workers whose needs are met and who feel they are treated well will naturally engage in their job. A willingness to work to capacity is directly tied to a feeling of engagement with the organization. 74% of employees in 2020 indicated that they would work longer hours for an empathetic employer. In 2017, this number was only 64%, indicating that business has changed during this time. When employee mindset changes, management must change too.

Part I: Organizational Strength Through Empathy

Since people are the cornerstone of business, business success is dependent on individual motivation and engagement. Leaders set the tone of the business. For the organization to run successfully, the leaders within it must be engaged, positive, and empathetic. High-performance teams have empathetic leadership. Their leaders have the ability to see the strengths and weaknesses of individuals and put them in positions that allow them to succeed based on their abilities. Diversity and inclusion are the foundation on which a healthy organization must be built. This creates space for creative and unique solutions to everyday workplace problems.

Chapter 1: Building Strong Organizations

Employees are most engaged and motivated when they feel they are part of an organization's success when they can grow and learn, and they feel supported by their leaders. By focusing on the people within an organization, leaders can build it into something strong and successful. There is a trickle-down effect within the workplace. A leader's attitudes and emotions directly impact that of the employees.

Leaders can create an empathetic, people-centric organization by displaying positive and genuine leadership. It's important to ensure that each person understands the goals and vision of the organization. Leaders can show people they matter by listening without bias, showing respect, implementing the ideas of others, and keeping open communication among personnel and management.

Chapter 2: High-Performance Teams

Empathy can be used to help create and maintain a high-performance team. There are specific exercises you can employ to help increase empathy within your team. These include engaged listening, formalized debate, and emotional self-evaluation. Regularly requesting input from team members and sharing in victories not only builds high-performing teams, but it helps maintain them over time.

Chapter 3: Empathy is the Key to Diversity and Inclusion

Typically, the more diversity there is within an organization, the more empathy there is. This is because when people learn to work with others who are different from themselves, they also learn to understand different points of view. Diversity doesn't just mean avoiding discrimination and ensuring ethnic diversity, it means having a diversity of thought.

Diversity of thought ensures that the workplace doesn't stagnate and it can lead to great innovation. Creating it requires a shift from a hierarchical workplace model to a flexible leadership model and a bottom-up exchange of ideas. Unconscious biases can limit thought diversity and lower empathy levels. Leaders must challenge their own biases and eliminate them in the workplace. They should also implement training to help others embrace diversity within the organization.

Part II: Managing and Leading with Empathy

Learning to lead with empathy requires self-awareness and understanding your own emotions. This awareness allows leaders to capitalize on their own strengths and those of their team members. Empathetic communication will allow you to manage confrontation and navigate transitions within your organization.

Chapter 4: Management Styles and Empathy

A leader's attitude and approach towards their employees determine the general tone of the workplace. When leaders are positive and upbeat, others generally follow suit. Leaders who are negative and resigned with their demeanor will find the attitude is contagious. If leaders have empathy, their team is likely to do the same. Different management styles bring about different workplace conditions. Good leaders alternate between different styles of management, depending on the situation.

There are four management styles that can be used, each of which can be effective when used in the right situations.

- Autocratic style – Most effective for fast decision-making or when rapid change is needed. This style is appropriate when team members don't understand tasks or priorities.
- Democratic style – This style is effective for highly experienced teams, resolving group conflicts, or when input is required from multiple sources.
- Nurturing style – Employing this style of management is necessary to keep loyal, happy employees with low attrition rates. It provides a sense of belonging and community within an organization.
- Laissez-faire style – Team members who are independent, skilled, and willing to make decisions for the benefit of the organization as a whole will benefit from this style of management.

Chapter 5: Empathetic Leadership Starts with You

The greatest leaders are tough and demanding, but also empathetic and fair. Throughout history, leaders who have found the greatest success apply principles of empathy and love without compromising their vision. Dr. Martin Luther King, Jr. is a perfect example of an empathetic leader. He embodies determination, persistence, and empathy. He spent time listening and understanding the people he was fighting for, but he never gave in when facing confrontation. He was tough but still empathetic.

There are five things that empathetic leaders do:

- Know themselves
- Work on increasing empathy
- Align people are positions that maximize individual strengths
- Consistently motivate and inspire others

Being self-aware is the first step to increasing your empathy. You can't avoid your emotions, but you must be able to control what you do with them. Recognizing different perspectives with genuine interest comes with self-awareness. Engage with people and look for ways to help and understand them. Allow others within your team to make decisions and delegate responsibilities in order to create an environment of trust. Leaders should have a clear understanding of individual strengths and maximize those strengths to reach their full potential. Finally, motivate and inspire the team by exhibiting passion, excitement, and ethical behavior.

Chapter 6: Developing Empathetic Communication Techniques

There are many different types of communication methods and each has its own set of advantages and disadvantages. It's estimated that 93% of our communication is non-verbal. Our non-verbal cues provide context for what we are thinking and feeling, which is why empathy is best shown through communication methods that allow for body language cues to be read.

Face-to-face meetings are the most effective type of communication for building empathy as they allow the ability to use both verbal and non-verbal communication. Confrontation and conflict resolution are also best conducted face-to-face. Video meetings follow close behind as an effective communication strategy when a face-to-face conversation isn't possible. Because non-verbal information is still available to the participants, it still builds empathy and trust between the people involved. Group meetings are an effective communication technique for building rapport between team members and increasing collaboration. This can occur in-person or via video conference.

For remote teams, telephone communication is necessary, but it can be more challenging to convey empathy due to the inability to receive non-verbal cues. When used with discernment, email can be a powerful communication tool. It's a very efficient way to send quick pieces of data and information, but it is also very easy to misinterpret email messages because non-verbal communication is missing. Like email, texting is also efficient but devoid of non-verbal cues.

Chapter 7: Effective Confrontation through Empathy

Confrontation often brings up negative emotions, but it doesn't have to be difficult. There are seven simple steps for handling confrontation in a meaningful way:

- Determine a common goal
- Don't play on others' emotions
- Understand your own reactions
- Help others save face
- Tackle underlying issues and not behavior
- Don't presume to know what others are thinking
- Present constructive options for resolution

Chapter 8: Managing Empathetically during Transformation or Change

People often resist change because it takes them out of their comfort zone. It evokes feelings of fear and uncertainty and people move toward the unknown. Leadership must implement change carefully by engaging employees in the process of continuous improvement. The five steps to implement a change or transformation are:

- Create a vision and goals for the organization
- Create detailed plans with actionable steps
- Create a team of champions for the change
- Develop a plan for communication
- Have a retrospective each week to determine if adjustments are needed

Be mindful of the pitfalls of transformation. These include:

- Leadership not buying into the change
- A lack of planning and vision
- Lack of flexibility during the process
- Poor communication about changes
- Resistance to change

Part III: Growing A Business Through Empathetic Leadership

Every organization has its own set of priorities and challenges that require a customized approach to success. Understanding how to use an empathy-based approach to hiring will allow you to place the right people in the right positions. It will help you engage with potential customers by creating targeted content that meets their needs. Sales will increase when you learn to understand a customer's fears and challenges.

Chapter 9: Empathy and Hiring

Hiring employees is a challenge. By applying an empathetic approach to hiring, you can have a better understanding of the organization's needs, as well as the ability to identify the people who fill those needs. This means identifying what skills you require in your organization that cannot be taught on the job. This includes skills like critical thinking, the ability to work independently, and quick learning abilities. Look at your existing team and hire individuals who fit into it by offering more diverse thought.

The key elements of empathy in hiring are creating job descriptions that appeal to a diverse candidate pool, articulating how the role impacts your organization's goals, maintaining awareness of biases during interviews, and developing a rapport with candidates.

Chapter 10: Empathetic Marketing Campaigns

The most effective marketing campaigns employ empathy. In order for most businesses to succeed, they must engage in marketing to some degree. Successful advertising knows its brand and remains sensitive to the values of potential customers. To use empathy at the forefront of your marketing campaigns, it's essential that leaders understand their customers and strive to meet their needs. Create marketing content by showing potential customers how their lives are improved by using your product or service. Continuously review the results of your campaigns to determine the level of success and make changes accordingly.

Chapter 11: Selling with Empathy

Much like marketing, sales strategies should also employ empathy. Empathetic sales increase close rates, build better client relationships, and gain more repeat business. Refine your sales pitches based on getting to know your customers. When you know what your customers want and need, you can use targeted, individualized communication to gain potential and returning customers.

Conclusion

Empathy is a must for leaders to have a positive impact on their team members and clients. By showing empathy, you can alleviate discontent in your workforce at no cost to yourself or your organization. Empathy is about building relationships that drive productivity within a business. Applying the practical solutions in this book will start you on your way to becoming an empathetic leader. Making significant change starts with you.

Tina Kuhn is an accomplished CEO with expertise in organizational transformation. Tina has held a number of leadership positions and is the author of The Manager's Communication Toolkit.

Neal Frick is a CEO with more than twenty years of experience spanning talent acquisition leadership, operations management, human resources leadership, and growing start-ups.

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The Earned Life

Marshall Goldsmith, Mark Reiter

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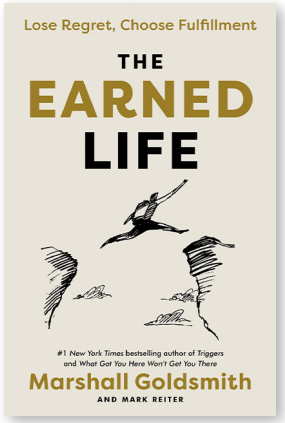
The Earned Life

Lose Regret, Choose Fulfillment



by **Marshall Goldsmith and Mark Reiter**

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THE SUMMARY IN BRIEF

Regret is the polar opposite of fulfillment. Our regrets are ours to create, they're not foisted upon us by others. To have them, we have to visualize making a different choice in our past that delivers a more appealing outcome. Regret is a devilish cocktail of *agency* and *imagination*. It is totally within our control, at least in terms of how often we invite it into our lives and how long we let it stick around. Do we choose to be tortured or bewildered by it forever, or can we move on, knowing that regret is not finished with us, that we will surely live to regret again someday?

Any decent advice book aims to help readers overcome a perennial challenge. The challenge Marshall Goldsmith and Mark Reiter are tackling in ***The Earned Life: Lose Regret, Choose Fulfillment*** is regret. Not just any regret…the supersized existential regret that reroutes destinies and persecutes our memories for decades. Readers will learn to accept that regret is inevitable but its frequency can be reduced. The primary theme presented is how to achieve a life of fulfillment–what the authors call an *earned life*–when the choices, risks, and effort we make in each moment align with an overarching purpose in our lives, regardless of the eventual outcome.

IN THIS SUMMARY, YOU WILL LEARN:

- What's stopping you from choosing your own life.
- The earning checklist.
- The five building blocks of discipline.
- When earning becomes a habit.

Part I: Choosing Your Life

Something truly earned makes three simple requirements of us:

- We make our best *choice* supported by the facts and the clarity of our goals. In other words, we know what we want and how far we need to go.
- We accept the *risk* involved.
- We put out maximum *effort*.

The deliverable from this magical brew of choice, risk, and maximal effort is the glorious notion of "an earned reward." The long menus of human striving: from a corner office to the affection of our children to a good night's sleep to our reputation and character, all must be earned. This is why we valorize the merited success; there's something heroic about applying maximum energy, wit, and will to get what we think we want.

But we cannot place too much faith in the concept of an earned reward. It's too impermanent and fragile a vessel to contain our wishes and desires to an earned life. The emotional lift we get from an earned reward is fleeting. Whatever prize we have earned–a big raise, a partnership, an ecstatic review–our victory dance is brief. Our sense of fulfillment and happiness simply doesn't last.

Setting goals and earning the desired outcomes are essential first steps for success at anything. But they lack utility in achieving an earned life when they are estranged from a greater purpose in our lives. An earned reward not connected to a higher purpose is a hollow achievement. The reward of living an earned life is being engaged in the process of constantly earning such a life.

What's Stopping You From Creating Your Own Life?

It is easier to create your own life today than it has ever been in human history. Freedom and mobility create what Barry Schwartz famously described as "the paradox of choice." We do better with fewer choices, not more. Faced with thirty-nine flavors of ice cream, we often make a disappointing choice.

It's the same with creating your own life in a complex, rapidly advancing world. Not only is it hard to sift through the myriad choices, but even when we know what we want, we don't always know how to follow our dreams. The barriers holding us back in our choices and actions, frustrating our will to live our own life, are formidable and numerous, beginning with these:

1. Our first option, unfortunately, is inertia.

Inertia is an active event in which we are *persisting* in the state we're already in rather than switching to something else. Being inertia's victim or escaping its gravitational pull is a choice that is solely ours to make. When people discover that they have a choice, they are usually empowered to change.

2. Our programming locks us in place.

All of us are programmed in some way by our parents. They shape our beliefs, our social values, how we treat people, how we behave in a relationship, even which sports teams we cheer for. More than anything else, they program our self image.

We become the smart one, the pretty one, strong one, nice one, responsible one. If we're not careful, we not only accept the programming but adapt our behavior to it. The good news is that we have the right to deprogram ourselves whenever we want. Our programming's biggest impact is how proficiently it blinds us to our need to reject it.

3. We are undone by obligation.

The beauty of obligation is that it directs us to keep our promises to others, implied or explicit. The misery of obligation is how often those promises conflict with the ones we've made to ourselves. In those moments, we tend to overcorrect, choosing between the extremes of selfless and selfish–and end up disappointing either ourselves or those who depend on us.

4. We suffer from a failure of imagination.

Curiosity is how we prepare to fire up our imagination and picture something new. If you're among the 30% of Americans who have a college degree, you already know from your teenage years what it feels like to seek an identity reboot, a new presentation of self that will improve your odds of earning your place in the world. College was your opportunity to delete your adolescence and write a new script. You did it once; you can do it again.

5. We are winded by the pace of change.

You're deluding yourself in pointless nostalgia if you think that, no matter the situation, at some point in the near future–when you finish the "rush" project or when the kids get older and your domestic life calms down–you can revert

We want to live a life that will increase fulfillment and minimize regret.

to a slower time when the pace of life and the speed at which it changed was more relaxed and gentle. It's not going to happen. Our failure to adapt to the quickening pace of change blocks us. If we cannot keep up, we get winded and fall behind.

6. We are narcotized by vicarious living.

Because of social media and a smorgasbord of technological distractions, we have an abundance of opportunities to live through other people's lives rather than live our own. The damage from this trend toward vicarious living is one of heightened distraction. Anyone or anything can pull our focus from doing what we should be doing and coax us into doing what others want us to do. That's one definition of not living your own life.

7. We have run out of runway.

"Runway" is the time we've meted out to ourselves to achieve our destiny. When we're young, we tend to overestimate our runway. Money may be scarce, but time seems infinite, dampening our sense of urgency. The other extreme–when we're old–is more invidious: We foolishly believe there's not enough time to achieve our next dream.

These are the perennial barriers that freeze us in place and leave us yearning for a new path yet unable to take the first step on that path. But these barriers are not permanent. We possess offsetting attributes that enable us to find our way. They are latent powers such as motivation, ability, understanding, and confidence that reside within all of us. They are building blocks of our potential. And we need to be reminded on occasion how to deploy them for our own benefit.

The Earning Checklist

When considering making a major career decision, there are six must-have considerations. Without good answers for each of them, there is no next step.

1. Motivation

Motivation is the reason you try to succeed at a chosen task. It's "why" you do anything. Motivation may be the high-octane fuel that drives our achievement, but it cannot be divorced from the actual doing of the specific tasks required to achieve each of our goals. It's not merely a supercharged emotional state induced by having a goal. It is that heightened emotional state coupled with a supercharged impulse to do each of the specific tasks required to achieve that goal.

There is at least one universal baseline motivation guaranteed to clarify our desire to live an earned life, and it is this: We want to live a life that will increase fulfillment and minimize regret.

2. Ability

Your ability is the level of skill you need to succeed at your chosen task. Ideally, you know what you're good at and what you're bad at, and you take on tasks beyond your abilities only because you want to stretch. Otherwise, you stay within your wheelhouse of superior skills. Staying motivated to do something you excel at should not be a problem. And yet it is. If we can't embrace that which comes easily to us, what's the alternative?

Creating a career in areas where our abilities are less than optimal, where we're in the middle of the pack and not so special is not recommended either. Our ability is not one isolated talent; it's a portfolio of skills and personality traits that have to match up with the life we want to lead.

3. Understanding

Understanding is your knowledge of what to do and how to do it. Roles matter, but so do so-called "softer" attributes, such as timing, gratitude, kindness, listening, and most valuable of all, trusting the Golden Rule. These are the values that guide us in any situation, including the pursuit of an earned life. Part of understanding is knowing the difference between good and not good enough–and accepting that in any situation, we can be one or the other.

4. Confidence

Confidence is your belief that you can succeed. You acquire confidence through an imprecise alchemy of training, repetition, steady improvement, and a strong of successful results,

each one feeding the other. The beauty of confidence is that it is the product of all your other positive virtues and choices, and then it returns the favor by making you even stronger in those areas. As a general rule, if you have motivation, ability, and understanding, lacking confidence is unfortunate, almost inexcusable. You have earned the right to be confident.

5. Support

Support is the external help you need to succeed. It comes to your rescue, like the calvary, via three sources. Support can come from an *organization* in the form of money, equipment, office space, or anything you consider a valuable resource. Support can come from an *individual* in the form of direction, or coaching, or instruction, or empowerment, or confidence building. Support can also be a defined *group*. Your support group can include anyone, even a family member or two.

6. Marketplace

It's romantic to think that we can pursue our most ardent dreams without regard to earning a living. The fact is, not only do the vast majority of us *need* to earn a living, if only to pay our bills and provide for our families, but through rearing or inclination, most of us can't help linking our sense of fulfillment and self-esteem to our material compensation.

Every day thousands of Americans start up a business, or go back to school, or quit their cushy job to strike out on their own–all hoping to improve their prospects for a fulfilling life–without asking the hard-nosed question: Is there a market? If there is no market for what you're offering, all your skill, confidence, and support will not overcome that hurdle.

These are the four internal and two external factors you have to consider and check off to gauge your chances of success at any challenging task or goal. Consider this earning checklist before taking on any new challenge that matters to you. Each of these six factors must be aligned, each one enhancing the other.

Part II: Earning Your Life

How We Earn: The Five Building Blocks of Discipline

We tend to think of discipline and willpower as the essential skills that deliver success but they are not. Rather, they are the *evidence* of our success, qualities only recognized after the fact. In a gross oversimplification, we label them as discipline and willpower but the building blocks are concepts that are much more concrete and comprehensible:

- Compliance
- Accountability
- Follow-up
- Measurement

We call on one or the other at different moments in the earning process. Together they become your template for structuring your pursuit of any goal. If you want to live an earned life, they work. Without them, you don't stand a chance.

1. *Compliance* reflects your adherence to an external policy or rule. Compliance is easy to understand but hard to do. Humans are woefully bad at compliance, whether we're flouting our doctors' recommendations, our teachers' summer reading lists, or our editors' deadlines. Here's a simple truth: You can't count on the people issuing the orders to hold your hand to ensure compliance. Nor can you count on every situation to compel compliance. You're on your own.

2. *Accountability* is our response to expectations we impose upon ourselves. The to-do list is a common example of private accountability. If we get through half the list, we carry over undone items to the next day. If some of them remain undone a week later, the frustration or shame is ours alone. No one else needs to know. When your intentions are public and out in the open, the stakes are automatically higher (people are watching) and so, hopefully, is your performance. Disclosure makes the effort to change visible; visibility elevates accountability.

3. *Follow-up* introduces the coercive force of the outside world to the mix. Suddenly, other people are checking up on us. We have been conscripted into a group for the purpose of being observed and tested and judged. And that conscription alters us. Like it or not, follow-up is a valuable process that heightens our self-awareness. It forces us to assess our progress honestly. Without follow-up we may never take the time to ask how we're doing.

4. *Measurement* is the truest indicator of our priorities–because what we measure drives out what we don't. If financial security is your top priority, you check your net worth every day. If you're serious about losing weight, you step on a scale each morning. But not every measurement that matters to us has to be a hard, objective number. Soft, subjective numbers can be just as meaningful.

If you are left with one piece of advice to increase your probability of creating an earned life, it is this: Ask for help. You need it more than you know.

As you start implementing the strategies for living a no-regrets life, these four components of the earning template will become second nature to you. Compliance and accountability will cease to be daily tests of your shaky commitment. They will evolve into autonomic responses, like your heartbeat or your breathing.

Follow-up and measurement will be the feedback loops that give meaning and purpose to your day. You will insist on data rather than cover your eyes and ears. This is how discipline and willpower gradually settle into your life. They're not bequeathed to you at birth. You earn them every day.

The Lost Art of Asking for Help

One of the biggest obstacles to living an earned life is not asking for help. The myth of the self-made individual is one of the more sacred fictions of modern life. It endures because it promises us a just and happy reward that is equal to our persistence, resourcefulness, and hard work. Like more irresistible promises, it deserves some skepticism.

It's not impossible to achieve success on your own point where it could be accurately described as self-made. The more salient question is: Why would you want to when you could surely achieve a better result by enlisting people's help along the way? An earned life is not more "earned" or glorious or gratifying–or even more likely–because you tried to achieve it all by yourself.

Too many of us try to go it alone. Our near-clinical reluctance to ask for help is not a genetic defect, like color blindness or tone deafness. It is an acquired defect, a behavioral failing we are conditioned to accept from an early age and one that continues being solidified on the job.

You would not hesitate to call a doctor if you were in extreme physical pain, or a plumber if your kitchen sink were clogged, or a lawyer if you were in legal trouble. You know how to ask for help. And yet there are moments in each day when asking for help is clearly the better choice and you decline to do so. Beware two situations in particular.

The first is when you are ashamed to seek help because doing so will expose your ignorance or incompetence. The second situation begins when you tell yourself, "I should be able to do this on my own." You fall into this trap when the task you're facing is adjacent to knowledge or a skill you think you already possess. If you are left with one piece of advice to increase your probability of creating an earned life, it is this: *Ask for help. You need it more than you know.*

When Earning Becomes Your Habit

Achieving an earned life is hard work, often all-consuming. But we're all human. Our resources–energy, motivation, concentration–deplete. Earning your life is a long game. Check that: It's *the* long game. You need a strategy anchored in both self-awareness and situational awareness to sustain our urgency and avoid burnout–until earning has become your habit.

1. Earn your beginnings

In the course of a lifetime, you will experience episodes when one phase ends and another begins. We all experience these intervals between the old and the new. But we make a grave error if we treat a transition as a lull in the action that allows us to take a time out and passively wait for our next phase. Our transitions are not voids that we aimlessly roam until we find an escape route. They are opportunities to earn your next beginning.

2. Disengage from the past

Before you can effectively earn the next phase of your life, you have to disengage from the old phase you claim to have left behind. You not only have to let go of past achievements (you are no longer the person who earned those achievements), you also have to relinquish your old identity and way of doing things. It's okay to learn from the past, but it's not recommended to go back and visit it every day.

3. Master the "earning response"

If we respond poorly every time to the same stimulus, we shouldn't be surprised that we get the same disappointing outcome each time. Eventually our poor response becomes predictable; we've acquired another poor habit. The only way to eliminate the new habit is to consciously change our response to the unchanging stimulus with better behavior.

Change the response, then change the habit.

We can turn earning into a habit as long as we add a thoughtful pause between the stimulus and the outcome before we make our official response. The pause gives us time to respond rationally, in our best interest, rather than emotionally or impulsively.

4. Play the shot in front of you

Pro golfers go through a time-consuming assessment ritual on every shot. Every set of facts we see is situational–and there's something noble in dealing as best we can with what's in front of us. When golfers play the shot in front of them, they are being supremely rational and disinterested actors, divorced from past or future concerns that may cloud their judgment. They accept that golf, like most of life, is situational, never involving the moment before or after, only now.

When we fail to play the shot in front of us, we are failing at transition. We are failing to see that something in our world, big or small, has changed irrevocably and we have to deal with the new reality.

Earning ends when we accomplish what we set out to do, or when changing circumstances in the world or in ourselves make it unnecessary to continue what we've been doing. Earning begins when we decide we need to re-create our life, making it our own even if it's someone else's idea, in order to redefine who we are.

In between the beginning and end, we must let go of many things–our role, our identity, our allegiance to the past, our expectations–then scratch and claw to find our next new thing. This is how we earn each new beginning in our life. We must close the door on one part of our life to open a new door.

Five Recurring Themes to an Earned Life

Of the various exhortations and exercises contained in ***The Earned Life,*** there are five recurring themes that hover over each page like guardian angels of the idea of an earned life. Each of these is readily within our own control.

The first is *purpose*. Anything we do is more elevated, more exciting, and more connected to who we want to become if we do it with a clearly expressed purpose. (The expressed part makes a huge difference.)

The second is *presence*. This is the impossible ask–to be present with the people in our lives rather than missing in action. Although we can never achieve the summit of being present at all times, it's still the mountain we should never stop climbing.

The third is *community*. Accomplishing something with help of a chosen community resonates more resoundingly, affects more people, and is often an improvement on the solo act because of the contribution of many.

The fourth is *impermanence*. In the grand scheme, we are here on earth for a brief moment. Nothing lasts, neither our happiness nor a day nor anything else. It is all impermanent. That inspires us to be present and find purpose in each moment.

The fifth is *results*. This is a negative theme that reveals a positive concept–because the aim here has not been to help you become better at achieving a result. It has been to help you try your best to reach a goal. If you try your best, you have not failed, regardless of the result.

In the end, an earned life doesn't include a trophy ceremony or permit an extended victory lap. The reward of living an earned life is being engaged in the process of constantly earning such a life.

Dr. Marshall Goldsmith has been recognized as one of the Top Ten Business Thinkers in the World and the top-rated executive coach at the Thinkers50 ceremony in London since 2011. Published in 2015, his book Triggers is a Wall Street Journal and New York Times #1 Bestseller! He's also the author of New York Times best seller and #1 Wall Street Journal Business Book *What Got You Here Won't Get You There*, winner of the Harold Longman Award as Best Business Book of the Year.

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The Eight Paradoxes of Great Leadership

Tim Elmore

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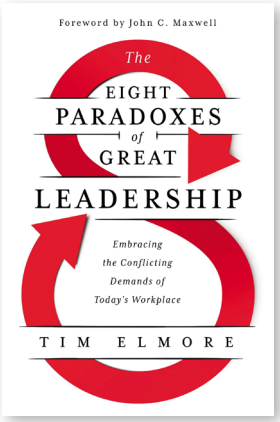
The Eight Paradoxes of Great Leadership

Embracing the Conflicting Demands of Today's Workplace

by **Tim Elmore**



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THE SUMMARY IN BRIEF

The Eight Paradoxes of Great Leadership unpacks the fresh strategies and new mindset required of a next-generation leader today. Author Dr. Tim Elmore helps leaders of all kinds navigate increasingly complex, rapidly changing environments, as well as manage teams that bring a range of new demands and expectations to the workplace that haven't been seen even one generation prior.

After working alongside John C. Maxwell for 20 years, Elmore offers counterintuitive paradoxes that, when practiced, enable today's leader to differentiate themselves and better connect with their team and customers. Having trained hundreds of thousands of young professionals to develop into leaders, Elmore shares the secrets of next generation leaders who have practiced the paradoxes.

The Eight Paradoxes of Great Leadership can equip leaders to inspire team members in a way a paycheck never could. Become a next-generation leader—rich in emotional and social intelligence and orchestrating outstanding collaborative results—by mastering the eight status quo-shattering paradoxes.

IN THIS SUMMARY, YOU WILL LEARN:

- Why today's team members require different qualities than they did even in the recent past.
- The eight key paradoxes and strategies for how to practice them.
- Inspiring stories of historic and modern-day leaders who lived the eight paradoxes.

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Paradoxical Leadership in a Complex Age

At 22 years old, young Isaac Newton was sent home from Cambridge University during the Great Plague of London in 1665. It was their own version of social distancing.

And that's when the magic happened. Without his teachers to guide him, Newton flourished. The period he spent away was later referred to as his *annus mirabilis*, the "year of wonders."

First, he continued working on math problems that he'd begun at Cambridge University. Believe it or not, the papers he wrote became the genesis of calculus.

Second, he acquired some prisms and began experimenting with them in his room, even boring a hole in his shutters so only a small beam of light could shine through. From his explorations emerged his theories on optics.

Third, outside his window was an apple tree. Yes, the apple tree we've all heard about. While parts of the narrative are legend, his assistant confirmed much of it is true. While Newton sat under that tree, an apple fell, which launched his thinking. From this apple, Newton developed his theory of the law of gravity and the laws of motion.

Isn't it amazing that during a great interruption, Newton transformed it into a great introduction to an entirely new world of math and science? It was when life was on hold that he made his best progress. Our world was morphed by his time alone during a pandemic. What a paradox.

Another Pandemic

Today, we live in the shadow of another pandemic. Our world was already complicated before, but the aftershocks of COVID-19 have only increased the challenges. Over the first 20 years of this century, our world became on-demand and instant access, driven by a gig economy, with a 24/7 news cycle on broadcast and social media. The most accurate description for our times is the acronym VUCA: volatile, uncertain, complex, and ambiguous.

More than 1,000 CEOs stepped down during the first three quarters of 2019. Furthermore, while Americans were distracted by the coronavirus pandemic, many CEOs stepped down in the first quarter of 2020, including the CEOs of Disney, Hulu, IBM, LinkedIn, Uber Eats, MGM, Lockheed Martin, and others.

Too often, organizations settle for leaders who do nothing, ensuring that at least they do nothing wrong. We play defense too often. And for that matter, we fail to play offense often enough. We tell ourselves that ours is a complicated day to be living in and become satisfied with avoiding losses. Or we settle for some form of leadership style or protocol that worked in the past.

Leading in the 21st century is, indeed, more complex than it was in past centuries. Leadership is seldom easy, but today it affords us the challenge of collaborating with a more educated, more entitled, more savvy population that has greater expectations of satisfaction and rewards than in past generations.

Eight Paradoxes

To guide leaders in addressing these heightened expectations, let's explore eight surprising paradoxes that effective leaders must practice as they lead. Uncommon leaders stand out because they are able to juggle seemingly contradictory traits to lead such people. Most of these paradoxes are about our emotional intelligence, not our cognitive intelligence.

Isaac Newton didn't see the plague as an interruption. When nothing and no one consumed his time—he had time to reflect, imagine, and change the world. Neuroscientists tell us that it's during times of boredom that our brains develop empathy and creativity. Today, that's our best option in this complex world.

Paradox 1: Uncommon Leaders Balance Both Confidence and Humility

Uncommon leaders possess inspiring confidence yet express it with palpable humility. Leading today requires combining these two attributes. Reality changes so quickly; leaders cannot become arrogant but must remain in a learning posture. At the same time, team members long for their leader to inspire them with confidence.

In today's complex world, people look for anyone with a clear sense of confidence. Teams seldom move forward without seeing it in their leader. At the same time, people demand that a leader's confidence doesn't blind them to their own humanity. Leaders believe in themselves, but they don't believe they can do it alone.

Confidence plus humility furnishes the *energy of certainty* and the *flexibility of teachability* to create synergy in partnerships.

As our world experiences uncertainty, the human longing for confidence grows proportionately.

Because 21st century culture is increasingly uncertain and because our global economy is increasingly complicated and unpredictable, team members long for a sense of confidence. One of the leader's tasks is to instill this in their team.

This doesn't mean leaders have all the answers up front, nor does it mean they're absolutely certain everything will pan out according to plan. It simply means that, as our world experiences uncertainty, the human longing for confidence grows proportionately. Uncommon leaders understand this need and leverage it to increase their influence.

Humility makes your confidence believable. When team members only see confidence, they begin to suspect you're not being honest; some piece of the puzzle is missing. They know all leaders eventually make mistakes, and followers begin wondering, "When can I trust you?" Confidence alone feels disingenuous.

When you demonstrate humility, you communicate credibility. Humility signals self-awareness and authenticity. Humility also signals transparency and invites reciprocation. When you are humble, you display your humanity and acknowledge your imperfections. When team members see this, they're likely to volley it right back.

How to Be a Confident Yet Humble Leader

Here are some ideas on how you can begin practicing this paradox:

- When in decision-making meetings, argue as if you believe you're right, but listen as if you believe you're wrong.
- When in conflict with team members, be willing to lose a few battles to win the war.
- Remain teachable in new contexts, even from those under your care. Don't let your confidence prevent you from improving your own ideas.
- Don't let humility become sheepishness. When we're sheepish, we are self-conscious, preoccupied with our own weaknesses. This keeps us from progress.

Paradox 2: Uncommon Leaders Leverage Both Their Vision and Their Blind Spots

While vision and blind spots seem like an oxymoron, they are generally both at work when great leaders grow or start something.

Vision gives leaders (and teams) a direction, but blind spots are often the very motivator that enables them to approach an idea in an unconventional way—and believe they can pull it off. Most new ventures require a leader to possess a clear target they want to hit. At the same time, their inability to see all the obstacles or challenges ahead of time helps them to maintain their energy as they try to hit their target. In short, leaders usually have to see something and fail to see something to reach their goal.

Blind spots prevent us from letting obstacles stop us. Almost every entrepreneurial endeavor includes a story of how a founder or an original team had no idea what they were up against or had no clue what was ahead of them as they launched. Had they known what was coming, their ideas might never have gotten off the ground.

Blind spots also spare us from the curse of knowledge. Often, blind spots can speed up the project. Because the leader doesn't know everything about the endeavor, he or she can bypass hangups that slow others down.

Capitalizing on Rookie Smarts

Vision and blind spots combine to create "rookie smarts." "Rookie smarts" is a term tossed around in business circles today describing the effective ideas that new or young people come up with and attempt that seasoned veterans would never try. Why not? Because of their experience.

Vision enables rookies to see what others may not yet see. Blind Spots prevent rookies from seeing what the experienced do see.

So, what are the actionable steps old or young rookies can take to ensure they are smart?

- Look at industries that are stuck and need a revolution.
- Listen well to people who are or could be customers.
- Interact with people outside the industry for ideas.
- Combine various industry ideas to create a new one.
- Lead the way, by risking a prototype before it's perfect.

Balancing Your Vision and Blind Spots

Both are obviously important, but imagine an entrepreneur who dreams of inventing a product. He or she likely got the idea because they faced a dilemma or discomfort and knew there had to be a better way to address it.

There are two issues leaders must recognize when engaging in this process. First, the key to leveraging vision and blind spots is an often-neglected insight: We must not fall in love with an idea but fall in love with a problem. If we fall in love with an idea, we may be blinded to the better idea that comes along later.

A second issue leaders face evolves subtly over time. Their obsession shifts from solving problems to generating revenue. While problems frequently lead to people creating solutions, once the process has begun, leaders often shift their focus too much toward money.

Obviously, cash is needed to complete the new idea. When money is the chief focus, however, it's easy for leaders to wane in their passion for solving the original problem. Their passion drifts to an obsession to finding funding. The switch is natural but sometimes deadly.

Paradox 3: Uncommon Leaders Embrace Both Visibility and Invisibility

In the beginning of any mission, most people need a visible leader, demonstrating what to do and clarifying the goal. Over time, however, those people need the leader to step aside to let them realize their potential. Ownership must be transferred. Leaders must be necessary—yet eventually work themselves out of a job. In short, they embrace the paradox of being both visible and invisible, at the right moments.

The Need for Visible Leadership From You

In the early stages of your leadership, people need you to be visible. Most human beings are "settlers" who need "pioneers" to go first. They need someone who "knows the way, goes the way and shows the way for others," to quote John C. Maxwell. This has little to do with IQ. Most followers can figure out how to apply words of instruction. It's simply that human example is so much more powerful than human explanation in transforming behavior.

Uncommon leaders empower initially by modeling the way:

- They embody the vision that their team is attempting to achieve.
- They pick up trash in the parking lot to model servant leadership.
- They tend to the details, so people see that every little action matters.
- They demonstrate what they'll soon delegate to others to ensure quality control.
- They make the tough call (hard decisions) to show they're willing to pay the price.

The Need for Invisible Leadership

Over time, uncommon leaders recognize they must trust that their example has taken hold and step out of the way for others to step up. At this point, our leadership is a tender balance of support and letting go.

Teams will eventually require leaders to take a risk and let them do what only the leaders once did. Let's talk about some fundamental signals that the time is right.

When it's time to move from empower by example to empower by experience, people have watched you do it numerous times. They know the routine and can articulate it to others. They've had the chance to try it themselves. They display that they're convinced of the legitimacy of the mission. Finally, people have built muscle memory from the task.

Leaders practicing this paradox in a holistic way include four elements in the process: the Big IDEA.

I—Instruction. Leaders must provide verbal insights and explanations through discussion. People need conversations.

D—Demonstration. Leaders must find ways to model what the insight looks like in real life. People need observation.

E—Experience. Leaders must turn teams loose to practice the insight on their own to apply the knowledge. People need application.

A—Assessment. Leaders must take time to debrief and evaluate the learning outcomes with teams. People need evaluation.

Our wins can come at too great a cost. We can win a debate with a customer over why a shipment was late and end up losing that customer for life.

Paradox 4: Uncommon Leaders Are Both Stubborn and Open-Minded

This one may be the toughest paradox of all. Leaders will never reach a goal without being strong-willed. Without a stubborn will, obstacles will stop them. At the same time, they'd be naïve to think they have all the answers at the beginning of a venture. They must be open to voices of counsel; to flex and to adapt to changing realities.

Duke basketball coach Mike Krzyzewski said it best: "The most incredibly interesting thing about being a leader is what adjustments you make and how you make them while keeping your core principles alive and well."

So, how do we embrace both a strong will and an open mind? The fact is—strong leaders earn their right to be followed by how responsive they are to the input of team members. It's not so much that they don't know what direction to take, but they believe the best idea should win, wherever it comes from. They know where they need to go, but also believe that by listening, people feel heard and take the journey together. The team owns the mission, along with the leader.

Strategies to Practice This Paradox

This balancing act is not easy. When leaders do practice it, however, they become uncommon and extremely attractive to other strong leaders. You will attract the best people when you master it. Here are five strategies:

The first strategy is to lead by principle. When leaders lead by principles, those principles guide big decisions; if there is no principle at stake or none violated, the leader can be open-minded to input on new ideas or changes. In the end, uncommon leaders decide what they'll be stubborn about, and they're flexible on almost everything else.

The second strategy is to make sure one of your principles is, always make it better. This is one of the core values at Growing Leaders. It has driven them to expand their *Habitudes*® from the printed page to e-books on Kindle, then to an online platform, and later to an app on a portable device.

The third strategy is to apply "the Bit Market" principle. We fall in love with our current product so much, we forget why people buy our product. The only reason people buy a metal piece called a drill bit is because they have a problem they need to solve: They need to make a hole in a piece of wood. If another company developed an affordable laser that made a hole in a piece of wood easier, wouldn't we stop buying drill bits? Uncommon leaders never confuse methods with mission. They separate programs and products from purpose.

The fourth strategy is to avoid winning Pyrrhic victories. Our wins can come at too great a cost. We can win a debate with a customer over why a shipment was late and end up losing that customer for life. Let's face it. One reason for our stubborn spirit is often ego. A strong will can work for us and against us. If our ego drives our will, trouble is sure to follow.

The fifth strategy is to remember the future belongs to the young. Because we're moving into a world where the young will be comfortable with new realities faster than the old are, listen to the natives and stay open-minded. Just remember, however, that if we're going to be open-minded leaders, we must possess both emotional security and a strong will. We must be emotionally secure enough to digest contrary ideas and strong willed enough to not merely swallow every novel idea just because it's new.

Paradox 5: Uncommon Leaders Are Both Deeply Personal and Inherently Collective

People need big-picture vision from their leader, someone who grasps the gravity of what's happened and the steps required to respond to it. At the same time, people need a leader who empathizes with their personal journey; someone who understands how the struggle feels to individuals, and who articulates the vision with a personal touch.

Uncommon leaders find a way to tailor roles and tasks for individuals, while at the same time keeping the larger

picture in mind and ensuring each person's talent is leveraged for the whole.

Here are some examples: This leader offers both professional training and personal development. Everyone wins. This leader stewards the mission of the organization (or team), and at the same time, stewards each individual team member's time and talent.

Paradoxical Leadership in a Pandemic

Dr Anthony Fauci, director of the National Institute of Allergy and Infectious Diseases, has practiced this paradox in front of our entire country. In 1990, when AIDS activists flooded the NIH to protest apparent government indifference, Fauci brought them to the table and met with them personally.

During the 2014 Ebola outbreak, many Americans panicked when they heard a nurse was infected by a traveler from West Africa. Dr. Fauci responded to those fears by setting a personal example. After the hospital released that nurse, not only did he say she wasn't contagious, he gave her a hug on television to prove he wasn't concerned.

During the COVID-19 pandemic in 2020 and 2021, he spoke to the American public as a whole, offering updates on the COVID infections, how to best respond to them, the research on vaccinations, and what to expect in the months ahead.

In the midst of that corporate communication, however, Dr. Fauci will often smile and speak to his listeners very personally, as if he's speaking to you as an individual. Collective then personal.

Practicing the Paradox of an Inherently Collective Yet Deeply Personal Leader

- **Do for one what you wish you could do for everyone.** Do this often enough, and you may just get around to everyone one day.
- **Practice active listening before you say anything**. Social intelligence is developed when we actively listen without interrupting.
- **Be intentional to pay close attention to what's around you**. Note the subtle social cues you receive from others and the cues people send to others.
- **Seek to add value to each person with whom you interact**. When we interact with this mindset, our curiosity enables us to find personal connections.
- **Pursue a new relationship connection every week**. Cultivating new relationships is like a workout for your emotional intelligence.
- **For each collective message you must offer, add a personal one that's relevant**. Watch what it does to people, how it fills their cognitive and emotional tanks.

Paradox 6: Uncommon Leaders Are Both Teachers and Learners

When Angela Ahrendts accepted the offer to become the chief executive officer of Burberry in 2006, the luxury coat company's sales were in decline. They had been for years. Burberry had been around for 150 years, and while the British brand retained an elite reputation, it was a company known for its plaids, and for selling coats to rich, older women.

After meeting her direct reports, she scheduled a series of meetings with her youngest team members at Burberry. Beyond that, she began recruiting sharp, young professionals, even interns, that she could meet with and listen to for insights into reaching millennials (a population Burberry was failing to reach at the time).

Probably the wisest move Angela made was to establish an in-house digital team led by a young Christopher Bailey (now Burberry's CEO), who served as chief creative officer, and John Douglas, who served as the chief technology officer. One of the team's most successful moves was to launch "a new website and innovative social media campaigns, including the Art of the Trench, a photo platform that allows visitors to upload photos of themselves in iconic Burberry trench coats."

In the end, it paid off big-time. In her seven years at Burberry, Angela raised the company's value from 2 billion pounds annually to more than 7 billion.

Angela entered as both a teacher and a learner. She was an instructor to her executive team, insisting they make moves to go digital, update their marketing approach, and hire young team members. Yet, among her wisest decisions was to become a student as well. One of her ongoing steps during her years at Burberry was to listen to young staff who intuitively knew how to reach their peers.

Practicing the Paradox of Being a Teacher and a Learner

The fact is, innovative products and services are launched every year by people who see an opportunity that others miss. The better we can leverage this "rookie advantage," the more we'll succeed in today's competitive world, just

Because this uncommon leader is focused on a better future, they make a habit of getting beyond past failures by learning from them.

like Angela Ahrendts.

- **Practice reverse mentoring across your leadership team**. Why not match your seasoned veterans with your newest team members and have them swap stories? Then, allow them to spot where they could add value to the other and mutually coach each other.
- **Make it a weekly (or monthly) goal to learn something new**. What if you identified a team of specialist mentors who can coach you in your goals?
- **Establish regular times for personal and professional growth in your team's calendar**. The key is to be intentional.
- **Each time you gain an insight, find someone with whom you can share it**. Author T. D. Jakes put it this way: "The world is a university and everyone in it is a teacher. Make sure when you wake up in the morning you go to class."

Paradox 7: Uncommon Leaders Model Both High Standards and Gracious Forgiveness

Steve Jobs said, "Be a yardstick of quality. Some people aren't used to an environment where excellence is expected." One strength of this type of leader is that they care little about winning people over. They're in a productivity contest, not a popularity contest. Only their cause can hold them hostage. They're not swayed by money, bribes, blackmail, or public opinion.

This kind of leader is passionate because the stakes are high. Their high standards separate their organization from others who can only emulate their great products or services. They have over-the-top benchmarks that put them in a league of their own—like Apple, Amazon, Zappos, and Google.

The paradox of this uncommon leader is their propensity to forgive people. It's not that they lower their standards. It's simply that they're able to absolve a team member who acknowledges they failed to meet the standard and chooses to improve. Forgiveness isn't approving what happened. It's choosing to rise above it. Forgiveness does not remove the past, but it does expand the future.

Because this uncommon leader is focused on a better future, they make a habit of getting beyond past failures by learning from them. These leaders know the most valuable team members will likely make mistakes en route to success. They know it's the cost of doing business.

When team members know their leader holds high standards yet is willing to forgive mistakes, it frees them to push themselves, take appropriate risks, and initiate when they might normally hold back and play it safe.

Steps to Take to Practice This Paradox

To create this kind of environment, try this leadership path:

Offer the gift of clarity. Make sure the people you lead understand what a "win" looks like.

Shoot for perfection and settle for excellence. Shoot for the sun, and you may hit the moon. Excellence is okay.

Communicate your high expectations but model your forgiveness. You cannot practice this paradox in word alone. Find occasions to communicate huge goals and model generous forgiveness.

Extend the safety net principle. Give people the freedom to try and make mistakes, while "owning" the project they are working on.

Practice "try it out and talk it over." Team members feel safer to make mistakes and even fail if they know they are free to try out something new, record the results, and then meet with a leader to discuss the outcomes.

Paradox 8: Uncommon Leaders Are Both Timely and Timeless

Uncommon leaders in the 21st century must embrace and advance timeless principles that make for lasting success; values that have stood the test of time and worked in all

generations and in every context.

At the same time, these leaders must leverage culturally relevant methods and futuristic resources. They use what is cultural to say what is evergreen. Their core identity is ageless, but their mode of operation is cutting edge and sets the pace for others. They're passionate to pursue future opportunity, but in their appetite for progress, they never leave behind core virtues, values, and disciplines.

Swing Sets

Think about a swing set. Did you or a neighbor have one growing up? A swing set is a helpful image of what we must do to lead well in our day. Just like a good swing, you must swing backward as far as possible, to swing forward as high as possible.

Wise leaders utilize vision that can see both *backward* and *forward*. They look back and learn from the past. They glean from past mistakes to avoid repeating them. They seek what was helpful and timeless so they can carry those elements forward. They do this so they can swing forward well. That's the engaging part of the ride, the swing forward.

To implement this kind of leadership, you must push "pause" and reflect on both the past and the future. Take time each year, if not each quarter, and use this exercise to stay on top of life and leadership. Grab a pen and respond to the following questions.

Swinging backward. Swinging back means we get in touch with our heritage—our roots, who we are and how we got here today. As we do, it is helpful to ask ourselves questions like,

- What is our foundation and heritage?
- Why did we decide to pursue our mission?
- What value did we seek to add to our community?
- What were the destructive elements we tried to discard?
- Were there principles we felt are essential to sustain us?

Swinging forward. Swinging forward means we haven't forgotten why we exist and won't lose our sense of mission as we progress. We identify our new realities and translate our mission for today's culture. Helpful questions might be

- Where do we want to go today?
- What are the greatest needs we see in front of us?
- How is the landscape different than it was in the past?
- What new methods or strategies do we need in the future?
- How do we stay relevant by renewing our pledge to our mission?

The eight leadership paradoxes that make leaders outstanding are essential today because leadership approaches have evolved over the last 70 years.

As we proceed into the third decade of the 21st century, a new kind of leader is on the horizon. This new generation of leaders doesn't enter their position assuming they have all the answers. They surround themselves with a leadership team. This inner circle is optimally diverse in their strengths and perspectives—but not in their values and vision.

The times have demanded this change, as people have recalibrated with the culture. Those who flourish today will embrace the eight paradoxes.

Dr. Tim Elmore is founder and CEO of Growing Leaders, an Atlanta-based nonprofit organization created to develop emerging leaders. His work grew out of 20 years serving alongside Dr. John C. Maxwell, where he focused on leadership for emerging generations. Elmore has appeared in the *Wall Street Journal*, the *Washington Post*, *USA Today*, and *Psychology Today*, and he's been featured on CNN's Headline News and Fox and Friends to talk about leading multiple generations in the marketplace. He has written more than 35 books.

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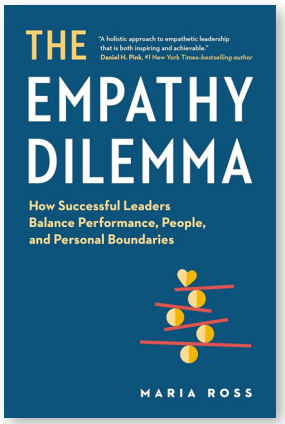
The Empathy Dilemma

Maria Ross

Executive Book Summaries®

The Empathy Dilemma

How Successful Leaders Balance Performance, People, and Personal Boundaries



by **Maria Ross**

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THE SUMMARY IN BRIEF

In today's post-pandemic workplace, leaders face a paradox: employees expect understanding and flexibility, yet organizations still demand results. Many well-intentioned executives are discovering that unchecked empathy can lead to blurred boundaries, burnout, and declining productivity. So how can you lead with compassion without compromising high performance or financial success?

The Empathy Dilemma: How Successful Leaders Balance Performance, People, and Personal Boundaries answers that question with a compact, practical framework for leaders. The book explains that unchecked empathy can blur boundaries, dilute accountability, and erode productivity—and reframes empathy as a practical, actionable skill grounded in five core pillars.

Drawing on extensive research and interviews, Maria Ross shows how to translate compassionate intent into repeatable outcomes: measure and manage emotional labor, set clear expectations, protect leader resilience, and sustain organizational performance. She stresses that empathy must be reciprocal, built on mutual respect and trust, and that leaders who master the five pillars can preserve both well-being and results.

IN THIS EXECUTIVE BOOK SUMMARY:

- Balance empathy and performance by converting compassionate policies into measurable practices
- Use reflection and data to identify bias, fatigue, and leadership blind spots
- Institutionalize leader resilience to prevent burnout and model healthy behavior
- Create a trust-based relationship with employees and a safe and reliable environment where everyone can thrive

Introduction

All across the globe, organizations are becoming more human-centric. They've jettisoned old paradigms of success that center on endless overtime and constant employee sacrifice. They've tied success to purpose and workforce morale, and they've helped people balance personal and professional needs as their priorities change.

With those shifts have come changes in workplace culture, benefits offerings, even job duties. And when those social shifts collide with accelerants like the COVID-19 pandemic, employee expectations begin to morph. Compassionate policies that were once actively appreciated become taken for granted. Leniency is expected instead of requested. Workers feel entitled to special treatment at all times and under all circumstances.

And because of this, business leaders are starting to see the dark side of empathy.

In some cases, people-focused work policies have skewed employee expectations. Workers across industries now resist workplace citizenship behaviors: they refuse to stay late, show up early, or attend non-mandatory meetings. In response, leaders and fully engaged workers must do more, work more, and facilitate more just to keep their companies moving forward.

Empathy has been weaponized. Employers who commit to building compassionate workplaces feel like they must say yes to every employee request or risk watching helplessly as more people embrace "quiet quitting." How can leaders hold people accountable and set high expectations without being treated like villains? Is the answer to turn back the clock and reinstate iron-fist bossism?

In a word: *no*.

Empathy is not about caving in to unrealistic demands, letting workers do whatever they want to do, or accepting slipping performance. It's about listening, getting curious, sitting with someone's struggle or perspective, and finding a way forward.

Empathy is more about mutual understanding and support than it is about acquiescence.

Leaders who adopt healthy empathetic habits with their teams can still expect high performance, set boundaries, and avoid burnout. They can do so if they have the right foundation to embrace empathy in a healthy way.

Part I: Why Workplace Empathy Feels Hard

Chapter 1: What Is Empathy in a Work Context?

Empathy is a critically important concept in modern life, but it's also a nuanced and complex one. And one that, unfortunately, many leaders get wrong.

If you look at the definition of empathy over time, it has changed dramatically from the 1700s to today. I believe the wide variety of conflicting and convoluted ideas about the concept are contributing to the escalating tensions between leaders and their teams.

After hundreds of interviews, talks, and hours of research, the definition I want to propose to you and invite you to embrace in an organizational context is this: empathy is being willing and able to see, understand, and (where appropriate) feel another person's perspective and to use that information to act compassionately.

This definition also reflects the two types of empathy that people commonly experience:

- Cognitive empathy – uses your brain first, before your heart gets involved.
- Emotional empathy – feeling, echoing, or mirroring the emotions that someone else is feeling. It's empathy using your heart.

Examining Empathy Myths

Empathy Myth 1: Empathy means "being nice"

Not so! There are lots of nice people in our workplaces. That doesn't mean they see things from our point of view or connect with us emotionally. Creating an empathetic culture means more than just hiring a bunch of really nice people.

Empathy Myth 2: Empathy means caving in to any and all demands

Thankfully, no. Caving in to unreasonable demands is often the opposite of empathy. We need to remember that you can see someone's point of view and understand their context and still make a tough business decision that might negatively affect them, like a layoff or reorg.

Empathy Myth 3: Empathy runs in a single direction from leaders to workers

Are leaders the only ones who need to learn and express empathy for their staff? Absolutely not. Strengthening empathy is everyone's job, and it must be modeled and supported.

Empathy is being willing and able to see, understand, and—where appropriate—feel another person's perspective and to use that information to act compassionately.

Empathy Myth 4: Empathy means agreement

Especially in work situations, this isn't always the case. You can have empathy for someone and also have a productive dialogue about the points on which you disagree.

Chapter 2: Where We Go Wrong with Workplace Empathy

Power hierarchies are inherent to corporate culture, but many leaders have become increasingly uncomfortable with them. They know that team members may resent or disdain these rankings of influence, so leaders attempt to downplay their standing. This often manifests as attempts at camaraderie.

This can be dangerous territory and often leads to "empathy hijacking." In a well-intentioned effort to connect, we listen to someone else's plight and then share our own related story. It's our attempt at active listening, and our intention is to make others not feel so alone. But in doing so, we've hijacked the thread. We've made it about us, not them.

There's a time and place to share learnings from our experiences, but even when that time comes, we must do so only with explicit consent. I recommend saying something like, "Would it help if I shared something similar from my own experience?" The person you're speaking with may say yes or no, and you must respect their response.

When Empathy Gets in the Way

There are times when leaders need to dial back their emotional empathy so they can steward the health of the overall business. Obviously, we want to show compassion for our employees as often as we can and across many scenarios—but not always at the expense of the company.

Weaponized Empathy

Weaponized empathy can cause agony for truly empathetic business leaders. They understand their team members' logic and want to ensure everyone feels heard and valued, but they also know that business needs must be met. They have their own higher-ups to answer to, and if those higher-ups insist that everyone needs to get back to their cubicles, they are expected to make that happen.

Unfortunately, weaponized empathy will continue to show up if leaders lack the strength or resolve to create and communicate new boundaries.

Many leaders who aim for empathy end up missing the mark because we misunderstand when and how to express it, because we conflate empathy with people-pleasing or doing more work ourselves, or because our compassion gets turned against us by our team members.

Chapter 3: Generational Clashes and Other Complicating Factors

According to the Bureau of Labor Statistics, as of 2023, there are five generations in the workplace: Traditionalists, Baby Boomers, Generation X, Millennials, and Generation Z. These categories cover everyone from teenagers to octogenarians.

All these generations in the workplace think a certain way, and sometimes expect their teams to see the world—and the work—in the same way they do. And when that is not intentionally understood, therein lies the rub.

In addition to generational differences and clashes, there are some issues specific to certain populations that can surface and stretch empathy-related challenges.

Group-Specific Factors

There are two key concepts to keep in mind here:

1. Our differences are challenging but also enriching. The people who work with us have a wide range of life experiences, views, biases, and perspectives. Although these differences can sometimes cause friction, they should never be targeted for eradication. Diversity is a strength that brings innovation, insight, and creativity to every company.
2. Understanding leads to empathy. Acknowledging that people come from diverse backgrounds and

bring different things to the table allows us to access even more empathy. Learning about how our unique life experiences lead to different perspectives enables us to understand each other, uncover new solutions, and collaborate more effectively.

Let's examine a few examples of groups who face empathy challenges.

First-Generation Professionals (FGPs)

FGPs are among the first in their immediate families to obtain a college degree or be hired for a higher-level professional position than either parent held. They may be trailblazers in their own families, but at work they sometimes lack insider knowledge and context for office politics and social mores, which can cause interpersonal friction and misunderstandings.

Underrepresented and Marginalized Ethnic Identities

Black and Brown people, immigrants, Indigenous people, members of religious minorities, and other groups who share common cultural backgrounds or descent often face resistance, misunderstanding, microaggressions, unconscious bias, and even outright discrimination in their workplaces. It's the responsibility of leaders to cultivate understanding of these challenges and develop empathetic strategies that respect people's differences.

Underrepresented and Marginalized Gender or Sexual Identities

Empathy tensions may affect queer, gay, lesbian, transgender, gender fluid, asexual, or bisexual people in the workplace, especially with coworkers from older generations. It's also important to note that there are many subcultures and differences within this catch-all category; it is not just one homogenous group. Again, leadership must take the helm to facilitate understanding, acceptance, and empathy.

People with Differing Abilities

People who have physical differences, neurodiverse people, and people who struggle with mental health challenges may have long-standing workplace regulations in their favor, but they still come up against coworker bias and misunderstanding. This is especially true if these workers need extra accommodations, resources, and time to complete certain tasks; if they communicate or process information differently; or if they have a disability that is invisible to observers.

Part II: The Five Pillars of Effective Empathetic Leadership

Even with a solid definition in place, it can be hard to envision modeling empathetic leadership when you're operating in a high-pressure workplace on a daily basis. I believe modern leaders need high-level, broadly applicable guidelines to help them shape their policies and guide their choices.

Through years of study and hundreds of interviews, I've determined that empathetically healthy business leaders share five key behaviors and mindsets. These are the Five Pillars of Effective Empathetic Leadership:

- Pillar 1: Self-Awareness
- Pillar 2: Self-Care
- Pillar 3: Clarity
- Pillar 4: Decisiveness
- Pillar 5: Joy

Chapter 4: Self-Awareness

Self-awareness is understanding your own strengths, blind spots, emotions, leadership style, and triggers. And helping your team members understand theirs.

Why Is Self-Awareness Important? Self-awareness helps you understand complaints and constructive feedback, know when you might need help navigating a situation, and take accountability for your actions. It helps you know where you shine and where you can best contribute and complement your team.

How Does Self-Awareness Benefit Empathetic Leaders?

- Shapes how you interact with team members
- Builds trust in you as a leader
- Keeps you open to change
- Helps you champion learning and development

How to Become More Self-Aware

1. Request input from team members and colleagues

Since you won't be able to surface all of your blind spots—traits or beliefs that impact how you behave, what you believe, and how effective you can be—you'll need help. The best way to see these blind spots clearly is to ask for feedback from the people around you.

Clarity doesn't come from having the right answer; it comes from asking the right questions.

Here are some tactics to try:

- Create an anonymous suggestion box
- Ask for input at regular intervals
- Institute 360 reviews
- Assemble a personal advisory board

2. Leverage self-assessment tools

There are hundreds of tests, diagnostics, and self-assessment tools out there that can help leaders get clarity on their leadership style, strengths, challenges, and triggers. None is foolproof, but all will help you fine-tune your understanding of yourself as a leader.

Here are some tactics to try:

- Myers-Briggs® Type Indicator (MBTI)
- CliftonStrengths
- Enneagram
- HEARTI
- Self-reflect and self-evaluate

3. Learn to listen deeply

Self-aware leaders seek out new perspectives, pursue new ways of looking at the challenges, and make space for other points of view. To cultivate these skills, leaders must first learn to put their egos aside and listen deeply, a practice that involves both remaining open to outside input and tapping into self-awareness. Challenge yourself to listen to *understand* instead of just listening to *reply*.

Here are some tactics to try:

- Practice emotional regulation
- Listen to understand
- Focus on service as a leader

What You Risk If You Lack Self-Awareness

Lack of self-awareness can be dangerous, causing leaders to exist in an optimism bubble, which is not rooted in the reality of what is going on with their people.

Self-aware leaders are better able to set healthy boundaries and avoid burnout than leaders who plow through life with little self-reflection. Understanding your own emotions, leadership style, and triggers helps you see when you need to pull back, be firmer, manage your time more carefully, take time off, and create other constraints that protect your well-being.

Chapter 5: Self-Care

Self-care is enforcing strong boundaries, taking time to recharge, delegating, resting, and stewarding one's own mental health as a leader.

Why Is Self-Care Important? Depleted leaders are ineffective leaders. It can be tempting to shoulder additional burdens in the name of empathy, but in the end, you are doing yourself and your team a disservice. True empathy means treating yourself as empathetically as you should your employees. It means getting your own house in order so you have the capacity to meet other perspectives with curiosity, not defensiveness or fear.

Burnout is the result of deprioritizing self-care. It happens when you drive yourself to exhaustion while coping with an unmanageable workload or lack of boundaries, and it is exacerbated by feeling you lack control of your work or need more support from your colleagues. It's a lack of empathy for yourself—plain and simple. Reclaiming self-care enables you to manage these factors somewhat by conserving your energy and protecting your mental health.

How Does Self-Care Benefit Empathetic Leaders?

- Enables leaders to set stricter boundaries
- Helps keep burnout at bay
- Makes leaders more effective when they feel healthy and recharged
- Keeps priorities in focus
- Models healthy behavior for others to follow

How to Incorporate More Self-Care

1. Honor who you are

When leaders stay in touch with who they are and what they represent, that goes a long way toward taking care of themselves. Those who try to be someone they're not end up negatively impacting their mental health; those who show up as themselves and understand how they operate are better able to enforce their preferences and limitations.

Here are some tactics to try:

- Work with a coach
- Know your triggers

2. Seek support and advice

Along with boundaries, exercise, and other individual self-care practices, leaders can benefit tremendously from seeking peer support. Feeling understood by those in similar situations goes a long way toward alleviating work stress and cultivating self-compassion. Peer support groups, trusted advisors/mentors, and people who can serve as objective sounding boards are priceless to leaders grappling with complex challenges and issues.

Here are some tactics to try:

- Find a mentor
- Assemble a personal advisory board
- Consider connecting with a personal therapist

3. Recharge and renew

Taking time off, moving your body, making space for your personal life, and finding ways to truly rest are all practices with proven health benefits. But for years, leaders felt like they were indulgences instead of necessities.

Here are some tactics to try:

- Use your paid time off
- Set hard boundaries around time at home
- Embrace your non-work interests

What You Risk If You Don't Take Care of Yourself

If, as a leader, you ignore self-care as a regular, personal practice, you won't just get burned out; you'll get worn down. You'll become so depleted that when something minor goes wrong or some piece of criticism hits the wrong way, you'll struggle to recover. When you've got nothing left to give and no energy left to spare, everything feels like an insurmountable crisis. And that makes you turn inward in self-preservation, rather than outward in empathy.

Chapter 6: Clarity

Clarity is ensuring everyone is on the exact same page through clear communication, expectations, feedback, and understanding of job roles—all of which roll up to an actionable mission statement and meaningful company values.

Why Is Clarity Important? Resentments build where misunderstandings thrive. One of the biggest reasons leaders and workers butt heads is lack of communication on mission, roles, and responsibilities. When people know what's expected of them, including in emergencies and on an as-needed basis, they are less likely to become disgruntled or even feel entitled. Clarity helps people feel seen, heard, and valued; reduces the likelihood of conflict; and enables everyone to work together more effectively.

In short, clarity is a form of kindness.

How Does Clarity Benefit Empathetic Leaders?

- Builds trust and loyalty
- Reduces conflict
- Helps maintain healthy boundaries through clear communication
- Encourages others to communicate with the same clarity

How to Incorporate More Clarity

1. Revisit purpose and values

Clarity on minutiae won't mean bupkis if your teams don't have foundational clarity on the company's purpose and values. And neither leaders nor employees will be able to act compassionately if the shared purpose and values are confusing or vague.

Here are some tactics to try:

- Externalize, organize, and focus
- Write or revamp your vision and mission statements
- Work with a consultant

2. Clarify roles and expectations

How many people review their job descriptions after they've been hired? The number probably approaches zero, except during annual review periods. Given that, consider what you can do to ensure your team members understand and agree

Empathetic leadership is about doing what will best support people's growth, balancing their needs with business priorities, or being extremely candid instead of prolonging an unhealthy situation.

to their roles and responsibilities; doing this is incredibly empathetic since it shows you're thinking about the best uses of their time and considering how to balance their duties.

Here are some tactics to try:

- Create rules of engagement
- Destigmatize ownership discussions

3. Link clarity to accountability

You can't hold people accountable if they're not clear on their expectations and goals. Start by making sure every person you work with understands that accountability means taking ownership of mistakes and working to make things right rather than avoiding conflict or blaming others—and also encompasses taking ownership of the purpose and the mission.

Here are some tactics to try:

- Create career progression maps
- Publicly celebrate and reward milestones

4. Tell people why

Leaders are busy and overwhelmed, which means they often convey what needs to be done and when but omit the reason *why*. Without that context, people can feel disrespected or kept in the dark. This amounts to an empathy gap, and one that can be closed quickly and easily with clear explanations for any changes in duties or expectations.

Here are some tactics to try:

- Build why into your documentation
- Build a culture of why

5. Ask better questions

Little-known fact: clarity doesn't come from having the right answer; it comes from asking the right questions. How can you assess what your next step is with this person and get them to be clear? By asking, "What do you need from me in this moment? Do you want me to see it, solve it, or support you?"

Here are other tactics to try:

- Use "I like, I wish, I wonder" to guide conversations
- Frame your questions carefully
- Ask questions that invite collaboration

6. Create (and embrace) a feedback loop

Being clear isn't just about how you communicate; it's about how your communication is received. In order to know how people are reacting to your efforts at clarity, you need to both ask them and be prepared to adjust your communication strategies accordingly.

Here's a tactic to try:

- Cultivate a culture of honesty

What You Risk If You Don't Embrace Clarity

The business risks of unclear communication are well known. Research by Crucial Learning found that 43% of workers estimate they waste two weeks or more thinking about (but not acting on) an unresolved problem at work. Additionally, one-third of employees believe their inability to speak up in tough situations has cost their organizations at least $25,000.

But the costs in trust, social capital, company culture, and interpersonal relationships are potentially even greater. For instance, lack of clarity from leaders makes it difficult for team members to stay motivated. If they don't understand what they should be doing or why it matters to the company, they become disconnected from their work.

Chapter 7: Decisiveness

Decisiveness is taking thoughtful but swift action that doesn't leave people hanging, addressing issues before they fester, synthesizing input and perspectives to make timely choices, and practicing radical and kind honesty.

Why Is Decisiveness Important? Keeping people in limbo is one of the least empathetic things a leader can do. It can feel risky to commit to decisions quickly, but

dragging your feet to avoid hurting feelings will only erode trust. Addressing choices, performance issues, action plans, and pending questions as soon as possible is the most compassionate way to operate. Doing this shows your team members that you are paying attention and want them to know what to expect.

How Does Decisiveness Benefit Empathetic Leaders?

- Shows respect
- Relieves stress
- Leads to prioritization
- Fosters confidence

How to Incorporate More Decisiveness

1. Revisit your goal and purpose—often

Much of the time, leaders can get caught up in the drama surrounding important decisions and lose sight of the goal. Create a way to clearly kick yourself in the pants as you make a decision: make your goal physically visible using a sticky note or by including it at the top of every discussion agenda. Read the mission out loud when you kick off meetings to reorient everyone to true north.

Here are some tactics to try:

- Bake in goal-review processes
- Make goal-centricity a group endeavor

2. Practice transparency

There's no need to make all decisions in a secretive way and unveil them only when they are fully baked. Learn to be clear more quickly, and if possible, talk openly about the choices you're making and have made. Say what you mean and mean what you say.

Here are some tactics to try:

- Share your failures
- Talk through decisions with trusted colleagues

3. Solicit and synthesize input quickly and fairly

Become skilled at gathering facts and opinions, giving others a voice so they can point out opportunities or risks you may have missed, sorting through all the input, and coming to a conclusion. Practice soliciting input from others, but be clear that once a decision is made, naysayers will be asked to disagree and commit.

Here are some tactics to try:

- Focus on impact
- Express enthusiasm for feedback aloud
- Start small

4. Put a deadline on your thoughts

Decisiveness isn't only about making good choices; it's about making good choices *in a timely manner*. If you tend to ruminate endlessly, you need a mechanism to get yourself unstuck, such as setting aside a block of time to make a decision, which is itself a task.

Here are some tactics to try:

- Leverage tech
- Schedule a decision review block each day

5. Build trust

In an environment where trust has been cultivated and built, people are more willing to trust a leader's decisions, even if it's a tough decision for them to swallow. If your people don't trust you, they're less likely to think your decisions have been reached fairly, with everyone's input and overall best interests in mind.

Here are some tactics to try:

- Follow through on your promises
- Be honest
- Avoid micromanagement

6. Adopt a design-thinking approach

Design thinking asks us to experiment and try things out to see if they will fly in the real world. If you force yourself to consider every option until you're sure you've selected the "perfect" one, you may never make a decision for fear of being wrong. Don't succumb to analysis paralysis. Instead, gather input, decide, and move forward with a sense of curiosity and experimentation.

Here are some tactics to try:

- Trust yourself to adapt
- Create CO-STORMING™ sessions

What You Risk If You Don't Embrace Decisiveness

Leaders who lack decisiveness risk eroding trust, skewing priorities, and prioritizing their own comfort over taking

Depleted leaders are ineffective leaders.

tough but compassionate action. Empathetic leadership isn't always about making people feel warm and fuzzy inside; often, it's about doing what will best support their growth, balancing their needs with business priorities, or being extremely candid instead of prolonging an unhealthy situation.

Chapter 8: Joy

Joy is ensuring people enjoy their work, encouraging work friendships, and creating a thriving culture even when the work itself is challenging.

Why Is Joy Important? Multiple studies have shown that when people enjoy their work, it leads to lower rates of turnover, higher productivity and engagement, increased company profits, and loyalty to the employer. But beyond these pragmatic reasons, empathetic business leaders generally want their teams to be happy, successful, and fulfilled to buoy the overall culture. A joyful work culture breeds trust to collaborate, innovate, and take risks. It empowers people to have each other's backs.

How Does Joy Benefit Empathetic Leaders?

- Reduces stress
- Makes team members easier to lead
- Fosters trust and collaboration

How to Incorporate More Joy

1. Find and encourage humor

The ability to laugh at ourselves and to find humor in tough situations is a sure sign of resilience, which is just what healthy teams need. Things can and will go wrong, but when we stop taking ourselves so seriously, we can engage our prefrontal cortex to problem-solve more effectively.

Here are some tactics to try:

- Use the rule of three
- Incorporate challenges and contests
- Don't try too hard

2. Learn improv skills to nurture creativity and trust

Improv best practices could be helpful to collaborative teams in virtually any environment and has since been teaching workplace teams how to use comedy and improv as tools to unleash trust and collaboration that leads to innovation.

Here are some tactics to try:

- Practice "yes, and"
- Listen intently

3. Encourage workplace friendships

The average person spends 81,396 hours—the equivalent of more than nine years—at work. And mountains of research indicate that having friends in the workplace doesn't only boost job satisfaction and performance but also improves wellness.

Here are some tactics to try:

- Create a safe environment
- Be curious
- Try the buddy system

4. Make meaningful team-building a priority

Team-building has gotten a bad rap over the years as a cheesy, forced way to forge bonds, but when it's done thoughtfully, it can totally transform interpersonal dynamics for the better. It can lead to the formation of work friendships and bolster trust among teammates, and help everyone build important interpersonal skills, which ultimately creates a more connected team.

Here are some tactics to try:

- Tie team-building to purpose
- Give back to the community
- Consider diverse needs

5. Celebrate together

Joy at work is directly tied to feelings of purpose, accomplishment, and connection. That domino effect boosts en-

gagement and, ultimately, performance. Which means that actively celebrating wins as a team will up the joy quotient faster than just about anything else.

Here are some tactics to try:

- Encourage frequent praise from leaders and peers
- Ask about celebration preferences
- Celebrate internal work

What You Risk If You Don't Embrace Joy

Leaders who ignore this pillar will have less joy themselves, which is bad enough, but they also risk driving their teams to exhaustion and detachment.

Since recent Gallup data shows that work friendships are strongly correlated to a long string of positive business outcomes, including improvements in profitability, safety, inventory control, and employee retention, it's likely that lonely, isolated employees will lag behind in these areas.

What's Next: The Future of Empathetic Leadership

Past, Present, and Future

Setting up new leaders for success won't be easy, though, especially given the legacy of leadership that still lingers and the emerging challenges we all face.

When you leverage and fortify the Five Pillars of Effective Empathetic Leadership—self-awareness, self-care, clarity, decisiveness, and joy—you're making yourself irreplaceable. Your ability to effectively balance empathy with all the other demands will see you through these shifts, and it will even give you an advantage over others as the working world continues to evolve.

Organizational leaders of today must continue to champion empathy in balance with boundaries and compassion alongside self-care.

Empathetic Leadership Can Start Early

The way forward can be made even easier if today's leaders start modeling and teaching empathy to younger and younger generations. We need to use the Five Pillars of Effective Empathetic Leadership so we can practice healthy empathy, support our teams, and achieve performance goals while still taking care of ourselves. Because if we burn out and quit, who will take up the mantle?

Successful Leaders Embrace Both/And Thinking

Far too many people believe empathetic leadership is an either/or proposition when it's really both/and. As business leaders, we absolutely can embrace empathy and ambition, compassion and competition, kindness and high performance.

But only if we have the right foundation to embrace empathy in a healthy way.

We must always remember that empathy is more about mutual understanding and support than it is about flexibility, acquiescence, or niceness. With that understanding, we can strike that vital balance between empathetic policies and outstanding performance. We can build engaged, effective, and innovative teams who do excellent work—happily and sustainably.

And with that balance in mind, we as leaders can also thrive and flourish in the process.

Maria Ross is a speaker, facilitator, author, strategist, and empathy advocate who champions the balance of cash flow, creativity, and compassion in leadership. Through her consulting and as host of *The Empathy Edge* podcast, she helps leaders and teams worldwide use empathy to drive growth and impact. A brain aneurysm in 2008 inspired her memoir *Rebooting My Brain*, deepening her commitment to empathy in both life and work. Her insights have been featured in major outlets including MSNBC, NPR, Forbes, and *Entrepreneur*, and she has spoken for organizations such as Salesforce, TBWA\Worldwide, and the New York Times. Maria lives in the San Francisco Bay Area with her husband, son, and rescue dog.

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The Engagement Ring

Lee Ann Pond

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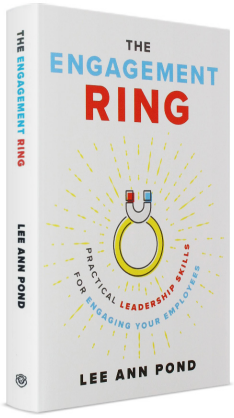
The Engagement Ring

Practical Leadership Skills for Engaging Your Employees



by **Lee Ann Pond**

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THE SUMMARY IN BRIEF

Employee engagement affects everything from the overall experience in your workplace to your organization's bottom line. Helping employees become happier and more fulfilled at their jobs is absolutely critical, and it starts with leaders. You have a major role to play in your employees' engagement, but how can you increase that engagement in a powerful way?

That's where ***The Engagement Ring*** comes in. RING stands for Relationships, Included, Needed, and Growing— and it's the foundation for Lee Ann Pond's transformative approach to leadership and increased employee engagement.

This book helps leaders help their employees, by providing them opportunities to develop stronger relationships in the workplace, feel more included within the company and within their teams, feel needed by the organization and valued for the unique skills and accomplishments they bring to the table, and find opportunities to grow and develop within their role both personally and professionally.

IN THIS SUMMARY, YOU WILL LEARN:

- How to build strong relationships between employees and their teammates and leaders.
- How to help employees feel they belong and are always in the loop.
- How to help employees feel they can grow personally and professionally in their role.

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Introduction

Having spent the last fifteen years in the corporate "C" suite, with authority over several departments including human resources, Lee Ann Pond was ultimately responsible to make sure the entire workforce had good bosses in place. Developing programs to train those leaders led her to the concept of employee engagement.

In these roles, she discovered that the end game of leadership is engaging your followers. ***The Engagement Ring*** details actionable skills and techniques needed to engage your employees.

Employee Engagement

One-third of all employees would forgo their annual raise if it meant their current boss would be fired. Half are looking for another job at any given moment. Unengaged employees cost $550 billion a year in extra sick days and lost productivity to U.S. corporations.

Employee engagement is important to an organization's success because it positively affects productivity, turnover, and profitability. It's about employees wanting to go above and beyond what is required, and most of an employee's individual engagement is due to their relationship with their direct supervisor. There are specific steps that supervisors can take, which will enhance their employees' engagement. The first is learning how to 'act' professionally.

The Engagement Ring

The elements of engaging your employees or members of your team form what's called the Engagement RING.

Relationships—with their direct leader and their teammates

Included—the feeling of belonging and being 'in the loop'

Needed—with a sense of purpose to their job and pride in the mission

Growing—opportunities to grow personally and professionally

Within this ring lies a group of values such as communication, feedback, delegation, coaching, measurement, and goals. When teams feel trusted, heard, valued, and connected, they're more engaged— and more likely to produce excellent work as a result.

R is for Developing Relationships

The most important relationship at work is between each employee and their supervisor. You should be meeting with each employee on a regular basis to get to know them and their work more closely.

You should also be encouraging friendships between members, which helps build camaraderie and higher engagement. That said, remember that employee engagement is the responsibility of the supervisor, not the employee. If your teams aren't getting along, your employees don't feel comfortable approaching superiors with ideas, or there are other signs of poor relationship building, your first question should be how you can improve as a leader.

Do I Know You?

Author Patrick Lencioni says, "In order to be the kind of leader who demonstrates genuine interest in employees and who can help people discover the relevance of their work, a person must have a level of personal confidence and emotional vulnerability. Without it, managers will often feel uncomfortable, even embarrassed, about having such simple, behavioral conversations with their employees."

When you first take the steps to have more close relationships with your employees, it may feel awkward at first. But you should have the conversations until they begin to feel comfortable—"fake it until you make it."

Have a prescheduled one-on-one meeting with your staff weekly to connect. Take notes at the meeting and follow up. Find out what each employee does in their job, what their goals are, and what their dreams are. Have a spreadsheet and track your staff's progress in the Engagement Ring.

Your BFF At Work

To be a successful leader, you need to create an environment that fosters camaraderie among your staff. You need to create opportunities to develop friendships, and sometimes that requires a certain level of creativity on your part. Icebreakers at the start of a staff meeting are a great way to encourage employees to get to know each other and interact.

That said, you need to beware of pitfalls of developing or maintaining personal friendships with employees. Always ensure that your relationship remains professional— connecting over personal social media like Facebook can sometimes distort the line between boss and employee.

I is for Being Included

Employees want to feel included in the important and ambitious work your company is doing. To do that, you can't adopt the 'gated community' approach to the company's work. While your instinct might be to withhold information from low-level employees, this can make them feel left out or disconnected from your company's mission.

Find ways to foster belonging, and seek opportunities to keep your employees in the loop whenever appropriate—as long as you're not compromising your company's security. Be as transparent as you safely can, and be sure to 'manage the grapevine.' That means being aware of what's being said from employee to employee.

Longing for Belonging

Humans have an innate need to belong to a group. They also need to be seen and appreciated for their individual strengths. When people don't feel appreciated or included, they can experience significant emotional pain. It can affect all aspects of their lives and work, and has been shown to dramatically decrease productivity and work engagement.

The ability for employees to feel like they belong begins with their leaders. A leader should set the tone to make employees feel they belong to the team. That can look different for different leaders, but it needs to be a conscious and strategic effort rather than an afterthought.

There is No 'I' in Team

Team building isn't something that will just happen on its own. A great team dynamic must be created purposefully. You can use the three Cs to create great teams— communication, collaboration, and community.

Stories about the team's successes (and failures) can become part of the history and culture of the team, and should be documented and shared as appropriate. You can also set up special activities to help create a history and stories and to motivate your team to become more engaged with each other than ever.

We Need to Talk

It's important that you carefully manage communications within your teams. If you don't, your employees will make up their own version of how things transpired.

This can be a careful balance to strike. You must be as transparent as you can while also ensuring that you keep confidentiality ranges as appropriate. It's easy to stray too far onto one side of the spectrum.

Meanwhile, you need to make sure you're "in the know." When word is travelling around your team or organization, you should know about it. If you've put in the work to establish transparent communication early, you'll be rewarded with a good view of what's being said.

The best approach is to be authentic and empathetic, and listen by being silent when appropriate.

Hey Coach

While teams need autonomy to thrive, they also need to be taught and guided. Coach your team to develop skills so that they can ultimately solve their own problems. This level of coaching requires patience, practice, and effective listening skills. Counterintuitively, the best leaders use listening and silence to coach effectively.

N is for Being Needed

How do you make your employees feel truly needed? Too many employees feel like they could disappear from the company tomorrow and hardly anyone would notice or care. So how can you make employees feel as essential as they truly are?

The key is to connect them to the mission. They need to feel powerfully tied to what your team or organization is trying to accomplish. This starts with a strong onboarding process, and also includes conducting semiannual stay interviews where you encourage employees with feedback about how important their work has been.

If a staff member does decide to leave, you should always allow them to leave on good terms.

Job GPS

You should bring the mission of your company to life in your employees' eyes with stories, acronyms, or shortened versions, so that they can easily remember and connect to that mission. Use the mission and each employee's position description in order to work out their direct connection to the mission. From there you can create goals with the employees that connect their daily tasks to their role in the mission. You can also work with the employees to create daily goals they can in turn use to measure themselves and their performance relative to the company's mission and goals.

I've Got You, Coming and Going

Integrate each new employee into the organization with an onboarding process within your department. Make stay inter-

views part of your process to obtain positive and negative feedback about the employees' experience at your company and within your department. Be open to honest feedback obtained at these stay interviews, and be prepared to actually act on it. When employees do leave, keep a connection with them and encourage a positive lasting relationship so that these former employees will remain a champion of your organization.

G is for Growing Personally and Professionally

How can you help your employees grow both personally and professionally as a member of your team? It starts by not shying away from direct conversations you know need to happen, even if they're uncomfortable. You should give consistent feedback, both positive and negative, as needed. Find stretch assignments to help delegate to staff and allow them to grow. All along the way, provide and encourage developmental activities on a regular basis.

Say What?!

Sometimes you'll need to have difficult conversations with employees. Use the SAS method— See the situation from the employee's point of view, Assume the employee had positive intent, and Script and practice the discussion.

Describe the behavior, the effect on the organization or department, and the expected behavior in the future. Remember that there is no place for anger in the workplace. Be ready with phrases to remove yourself from the situation when anger flares up.

To give bad news, use a short phrase to let them know bad news is coming, give them the news, and then allow them some space for grief or disappointment.

How Am I Doing?

Feedback is one of the most effective skills for engaging employees, but it must be handled properly and tactfully. The purpose of feedback is to mold future behavior, not simply to express frustration or let an employee know they did something wrong. Both positive and negative feedback should be given based on a somewhat scripted way to avoid going outside the scope of your feedback or saying things you don't mean. When possible, look for opportunities to give more positive than negative feedback to employees.

Delegation is an Education

You should delegate if you want to grow your employees, stretch their skills, take work off your plate, and leverage the output power of your department. When delegating, match your employees' strengths, skills, and interests to the tasks. Find something to delegate to staff at every level, and move to more complex tasks as employees' skills develop.

Delegation shouldn't be mandatory— always ask the recipient. Then, avoid micromanaging the task and let go of control. Your staff may just surprise you with their success.

Bloom Where You Are Planted

Opportunities for personal and professional growth at work benefit both the employee and the organization. You should consistently meet with employees to find out how and where they want to grow, and then formalize those plans. Find ways to track and monitor progress for each staff member.

Lee Ann Pond is the founder and CEO of Engaging Leadership, a firm dedicated to helping organizations engage their leaders, teams, and employees for peak performance. She is also the creator of the Engagement Ring, a framework for helping leaders understand the core tenets of engagement. With an MBA, executive coaching certification, and fifteen years of C-suite experience, Lee Ann is an expert at merging leadership development with employee engagement.

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The Evolved Executive

Heather Hanson Wickman, Ph.D.

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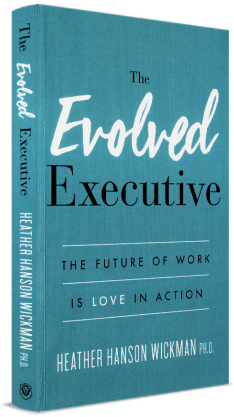
The Evolved Executive

The Future of Work Is Love in Action



by **Heather Hanson Wickman, Ph.D.**

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THE SUMMARY IN BRIEF

We spend the majority of our lives at work, and what we give is infinitely greater than just our time and energy. Heather Hanson Wickman, author of ***The Evolved Executive***, mines her experience to show us a better way to work. Her journey includes earning a Ph.D. and working as a senior level executive. It also includes a failed marriage and dropping out of the corporate world. To find success again, she evolved from fear to love and stepped up as a changed leader.

Organizations need evolved leaders who have developed beyond the needs of command and control management, who can take an honest look in the mirror and recognize that they first must be the change, and who can genuinely foster love, care, and humanness in the workplace.

The Evolved Executive is about embracing the evolution of our leadership beliefs, practices, and organizations. Evolved Executives and organizations not only thrive in the new world, often showing significant performance improvement compared to traditional organizations, but they do so while bringing purpose, meaning, and human connection to their employees and communities.

IN THIS SUMMARY, YOU WILL LEARN:

- How love trumps fear in organizational leadership.
- That service benefits employees, not just customers.
- To identify practices to bring healing to your workplace.
- To recognize personal values for whole-self development.

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Sarah T. Dayton, Editor-in-Chief • Meghan Kozak, Director of Content • Kylie O'Connor, Graphic Designer

Introduction

Organizations are on the cusp of massive change as the world moves in more volatile and unpredictable ways. For organizations to survive, we need more adaptable leaders capable of moving us forward. We need a greater awareness and consciousness beyond simple black-and-white, quarterly report, profit-and-loss thinking.

Responsive organizations and conscious leadership hold a basic truth: people and purpose matter just as much as profit. The emphasis on profit alone, the high rate of failing companies, and the tremendous suffering that exists at work are all clear signs of the struggle that is seen in organizations.

The hard lines between leaders and workers, thinkers and doers, are becoming an active hindrance to success. We need a new way to work. Organizations don't change without leaders being willing to change, and we can't change without the courage to challenge long-held beliefs and practices. Fear is what holds us back. The only way to push fear out is to bring love in.

Evolution: A Way Forward

Leading with Love

The space between love and fear is vast but also simply a matter of intentional choice. The individual choice to operate from fear or love is one we get to make every day. When we choose fear as leaders, we create isolation and closed channels of communication, as well as a lack of transparency and alignment, which results in people who do not bring their full potential to their role or organization.

In a love-based organization, people feel safe to share information widely, provide open and honest feedback, stretch and grow themselves personally and pull together for the benefit of the entire organization.

Decurion is an organization that has built a deliberately developmental culture. In essence, they hold a core belief that investing in the development of people means investing in the future of the business. Where some organizations believe that money spent on people takes away from the bottom line, Decurion believes that the two run in concert with one another. Their successful results, they believe, are because they invest in their people.

Leading to Serve

The evolved executive, instead of focusing on power and control, focuses on the growth and potential of the team in pursuit of the shared vision. The traits that are most essential to the evolved executive and closely align to that of a servant leader include:

- Authenticity: the ability and desire to show one's true identity
- Humility: an honest understanding of one's strengths and weaknesses
- Compassion: the internal orientation to be other-centered, kind, forgiving and accepting
- Courage: being open to risk and assertively standing up for what one believes is right for the greater good

In traditional organizations, we've lost the ability to take time and simply "be" with people. Building a love-based culture means caring about people. That means watching for opportunities for clear communication, authenticity, and shared decision-making. It also means providing people with what they need to find work motivating and fulfilling.

Leadership Beliefs and Consciousness

As we become changemakers in our own lives, teams, and organizations, we must ensure that the beliefs we hold, the values that underpin our mental operating system, are aligned with the future we want to create. Belief drives behavior.

Horizontal and Vertical Learning

There are two distinct types of learning and growth for leaders in progressive organizations.

Horizontal learning focuses on the information, skills, and competencies we need to succeed as leaders. It is what you know: technical expertise, functional skills and behaviors.

Vertical learning adds the ability to interpret a complex situation in meaningful ways based on your beliefs. It focuses on developing your emotional intelligence, as well as upgrading your leadership operating system to be more wise, intelligent, intuitive, and caring.

Vertical learning first begins without understanding of consciousness. By expanding our awareness, we increase our consciousness—an essential component to vertical learning.

Consciousness is like an apartment building with many floors. People have different views of the world, depending on which floor they occupy. Every time we move up a floor, the world around us changes. We see the landscape differently. Those who climb the stairs have the drive to face the fear, embrace the unknown, and experience the new levels.

As a leader moves from the lower levels to the higher ones, he or she moves from leading from fear (self-protection and power) to leading from love (greater good and self-awareness).

Mindset

Most leaders are skilled in the analytical thinking required to be good managers and the day-to-day skills of business, but they need to gain insight into the heart and the will. The heart accesses emotional intelligence, knowledge of people, and sensing the surrounding environments. The will can heighten your ability to connect with your authentic purpose and fulfil that purpose through action. Four critical leadership beliefs help you to connect with both the heart and the will: the connection mindset, the growth mindset, the trust mindset, and the purpose mindset.

Connection is a basic human need in all of us. How can we let go of the fear and instead begin to find human connection? When we model wholeness and imperfection, we create a sense of connection with others.

With a growth mindset, you believe "that your basic qualities are things you can cultivate through your efforts, your strategies, and help from others," according to mindset expert Dr. Carol Dweck. This creates a love of learning and a resilience essential for great accomplishments. Why do we waste time proving over and over again how great we are rather than focusing on getting better?

The trust mindset means letting go of the need for certainty and the need to control. Trust gives you the ability to adapt and change even when you don't have all the answers.

The last critical belief system for evolved leaders revolves around purpose. Purpose, or a mission larger than ourselves, is a key motivator for all of us. The purpose mindset creates loyalty and commitment among employees and customers. It creates lasting organizations.

Leadership Practices

Leadership growth is about lifelong learning and action. When you experiment with new practices, pay attention to the reaction of those around you. Watch for signs to help you determine if your current environment is a good place for you to continue your growth.

Cultivating Values

Understanding values is essential for leadership success. Decision-making becomes easy when values guide the way. A values discovery tool can help you identify the values most important to your leadership context. Once you identify what's most important to you, expand out from the specific words. If one of your core values is health, you might describe health as "living with vitality and energy every day." Begin to test your values to see if they make sense for you. Ask yourself if this value truly feels consistent with how you want to lead and the leader you want to be.

People who don't have a clear idea of their values tend to be on autopilot in their career. In today's uncertain and ambiguous environment, values provide a guiding light with which to lead.

Defining Purpose

Finding your purpose is a powerful leadership exercise. Discovery is an active process. You need to experiment to understand what brings you joy and energy and what drains the life out of you. Think about who you are and what's important to you. Tell your story. Common themes and patterns emerge in these stories. Ask others what they would say is your purpose. What are you uniquely skilled and positioned to do in the world? Objective perspectives can be more powerful than your own, even though feedback can be difficult to hear.

Based on everything you've uncovered from your life stories and feedback from others, find the elements most critical to your success and fulfillment. Being able to create a simple and concise statement is powerful; it allows you to get excited about what you're doing in the world. A purpose statement guides your decisions and clarifies your priorities. If it doesn't powerfully resonate with you, try again. Keep in mind that the most powerful purpose statements are those that are in service of others.

Healing the Organization

Look around your organization. When was the last time you paid attention to the health and dynamics of the living, breathing system you call your company? Your employees do the work, but what do you really know about them?

Servant Leadership and Healing

One of the great strengths of servant leadership is the potential for healing yourself and your relationships to others, leading to a powerful force of transformation. An approach of compassion and care fosters healing, well-being, and engagement.

How leaders reward people and make decisions are great indicators of culture. Is there intense competition with one winner and one loser? Are people rewarded at the expense of others? Are there incentives that lead to perverse behavior—unintended consequences that may harm another colleague or a different part of the organization? In better situations, are teams rewarded as a unit? Team rewards and recognition versus individual rewards and recognition are often indicators of overall health.

New Roles, New Conversations

Evolving as an organization may require re-design of policies, processes, and roles. And evolving requires new and different types of conversations—some which may be awkward to manage initially. Let's take an example.

A team is faced with a specific role or a set of roles that need to get done, but no one has interest in doing them. What happens now? This creates an incredible opportunity for a conversation about priorities and needs. Why is there no interest in taking on this role? Is the role even needed? Does it provide the team and organization value? The result of this conversation may require change. The point here is that it becomes a team conversation about what needs to be done to achieve the shared purpose.

Practices initiated in service to others highlight love in action at work. They also outline the shift in the role of a leader from that as an authoritarian to a servant and coach in pursuit of a shared purpose. Organizations of the future will rely on these structures and practices to fuel their success by tapping into the depths of talent, motivation, and passion that traditional organizations squelch.

Dare to Be Different

The future of work will depend on organizations' and leaders' willingness to boldly pave a new path for others to follow. As the saying goes, with risk comes reward. Scribe Media is an organization that is practicing love in action from a very evolved and practical perspective. The Scribe mission is to unlock the world's wisdom. The organization believes human culture advances through people sharing their ideas, knowledge, and wisdom with each other. Scribe has thrown the book writing process on its head. They have created a seamless system for the book creation process that allows a writer to quickly move from idea to published work.

Beyond the obvious innovative approach to the process of book creation, they have evolved internal practices for a human-centered workplace. The company is guided by ten principles reflecting their core values. These principles drive both operations and culture.

Many organizations struggle with values that are words without actions. Evolved organizations find ways to breathe life into their values and ensure they guide the organization through purposeful business growth.

As we embark on a journey of evolution, one thing is certain: we will change. We are only beginning to realize that it will require a much different leader to get us to the next stage of business. Leading an evolved organization means living in a much more conscious way—being awake to the implications for the human, social, and economic issues we are facing at work and in the world. Creating a new future will require new beliefs, new practices, and new organizational structures that allow for humanness and wholeness to come alive at work.

Heather Hanson Wickman, Ph.D., successfully climbed the corporate ladder in healthcare before charting a new path to support senior leaders in evolving their leadership and building soulful organizations.

She specializes in organizational change and executive coaching, through which she has coached leaders on evolved business practices, deep self-awareness, and leadership development. Find out more at UntetheredConsulting.com.

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The Extraordinary Leader

December 2008

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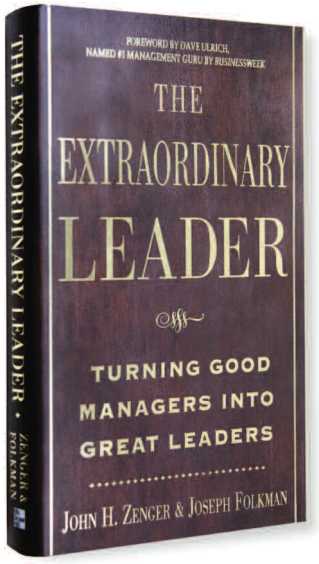
Leadership: Strategies

The Extraordinary Leader

Turning Good Managers Into Great Leaders



by John H. Zenger and Joseph Folkman

THE SUMMARY IN BRIEF

For too long, the subject of effective leadership has been shrouded in fog and ambiguity. This summary removes the shroud to reveal leadership as a skill, one that can be consciously learned and developed by anyone. It identifies the competencies necessary for effective leadership by analyzing the responses of tens of thousands of work force members as they describe, in effect, "What makes a great leader?"

Two of today's pre-eminent leadership experts analyze the answers and provide a broad and universal model for achieving exceptional results.

A major weakness in most leadership development programs has been the tendency to aim low and strive for incremental improvements in individual areas of weakness. When the results inevitably fail to impact the bottom line, organizations abandon programs as unsuccessful — and again resume their misguided focus on uncovering and eliminating leadership weaknesses instead of identifying and developing leadership strengths.

This summary instead focuses on the ability — in fact the necessity — for individuals to hone their leadership competencies in multiple areas, and organizations to develop great leaders in as many areas as possible. It provides research-based strategies for strengthening leadership both in individuals and in organizations.

IN THIS SUMMARY, YOU WILL LEARN:

- Methods that top organizations use to develop leaders from within their own ranks.
- Key competencies that leaders must have — and techniques for mastering them.
- Practical steps for developing your own leadership skills.
- A solid yet flexible leadership development program that will provide long-term value to virtually any organization.

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THE COMPLETE SUMMARY: **THE EXTRAORDINARY LEADER**

by John H. Zenger and Joseph Folkman

The authors: John H. Zenger, D.B.A., is the CEO and co-founder of Zenger/Folkman, a firm that employs evidence-based, positive methods to strengthen organizations and those who lead them. He is the author or co-author of seven books on leadership and teams and is considered one of the most authoritative voices on improving organizational performance and developing leadership.

Joseph Folkman, Ph.D., is the president and co-founder of Zenger/Folkman. He is a renowned expert in the field of survey design and data analysis. He is the author of four other books: *Turning Feedback Into Change, Making Feedback Work, Employee Surveys That Make a Difference* and *The Power of Feedback.*

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Demystifying Leadership

Analysis of huge amounts of data collected on leaders' competencies reveals that all vital and differentiating leadership competencies can be grouped into five clusters that can be compared to the poles in a tent:

- **Character.** Personal character is the core of all leadership effectiveness. The ethical standards, integrity and authenticity of the leader are extremely important. With a strong personal character the leader is never afraid to be open and transparent. In fact, the more people can see inside, the more highly regarded the leader will be. Without that personal character, on the other hand, leaders are forever in danger of being discovered.
- **Personal Capability.** This is the intellectual, emotional and skill makeup of the individual. It includes analytical and problem-solving capabilities, along with the technical competence the person possesses.
- **Focus on Results.** This describes the ability to have an impact on the organization. It means being capable of getting things accomplished.
- **Interpersonal Skills.** There is an enormous body of evidence that says leadership is expressed through the communication process and is the impact that one person (the leader) has on a group of other people.
- **Leading Organizational Change.** Another expression of leadership comes in the ability to produce change within an organization. The highest expression of leadership involves change. Caretaker managers can keep things going on a steady path, but leaders are demanded if the organization is to pursue a new path or rise to a significantly higher level of performance.

A key point here is that for many leadership roles, the first four elements may be all that is needed. It is not until a person gets into leading broad, strategic change that the final tent pole is required. ●

Great Leaders Make a Great Difference

An effective leader produces high productivity, low turnover, high customer satisfaction, high profitability, innovation and positive relationships with suppliers. Effective leadership is best defined and measured by the results produced.

The Organization's Objective

The more "great" leaders an organization can develop, the stronger it will be. This is true for multiple reasons, among them are the following:

- The contribution these leaders make to the units they manage.
- The example they set or role model they provide for the entire organization.
- The cumulative impact their performance has in creating an entirely new culture for the organization.
- The elevated standard of performance that is set within the organization.

Individuals must focus on their strengths. By doing that, they greatly increase the likelihood of being perceived as great leaders. That same principle applies to the organization. It is always tempting to attempt to fix the low-performing leaders, but the greatest gain appears to come by helping more leaders become truly excellent.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Christine Wright**, Senior Graphic Designer; **Chris Lauer**, Contributing Editor

The only downside of any organization doing that is the target they become for headhunters. Just as GE has become the spawning ground for corporate CEOs, so will any company that produces great leaders. However, that is a relatively small price to pay for the enormous gains to be achieved by successfully developing great leaders for the firm.

Good Versus Bad Thinking

It is helpful to expand your thinking from "Leaders are either good or bad" to "Leaders are bad, good and great." This is a small change from what many currently believe, but this small philosophical difference can have a huge impact on the success of both individuals and organizations.

For individuals this philosophy should help good leaders understand that good is not great. It never was and never will be. Good is good, but the ultimate target is extraordinary leadership. Don't be satisfied with good performance. ●

Simplifying Leadership

Much of past thinking about leadership has involved the quest to find out, "Is the key to leadership having high integrity, or is it ambition? Is it developing trust in people, or is it being a good problem solver?" It is important to disabuse yourself of this thinking and cease to view leadership in "or" terms, but instead think about it in "and" terms. The elements of leadership logically go together, and development efforts in one area are like flooding the pond and lifting all boats at the same time.

Character

Everything radiates out from Character. Character ties strongly to Interpersonal Skills. A person whose character is perceived to be questionable will be less effective interpersonally. We recoil from phonies. We do not enjoy being with toadies who butter up people in authority and abuse everyone else. Most people avoid those who are arrogant or condescending. Relationships with such people are distant and strained.

Personal Capability and Interpersonal Skills

Personal Capability links to Interpersonal Skills. The respect and esteem with which anyone in the organization is viewed begins with his or her Personal Capability. It is at the stage of "contributing independently" that people develop a wide range of personal relationships. The time when people are developing their professional and technical skills is the time when they should also be developing skills that will enable them to work effectively with others. Technical and professional expertise is tightly linked to developing others and building relationships.

Personal Capability links to Focus on Results. One of the key roles any leader plays is that of role model. When the leader is personally effective and highly productive, that example is viewed by everyone involved. Leaders cannot ask others to do what they are not doing.

Four Stages of Career Growth

The four stages of career growth are:

Stage I: depending on others

Stage II: contributing independently

Stage III: contributing through others

Stage IV: leading through vision

In many cases people become locked into one stage because they do not possess the necessary skills and behavior to move forward. In other cases people stay at a particular stage because it fits their needs and aptitudes.

Focus on Results and Leading Organizational Change

Focus on Results is linked to Interpersonal Skills. Many leaders think that the linkage between Focus on Results and Interpersonal Skills is an *or* rather than an *and*. They believe they can be one or the other but not both. While each is highly desirable by itself, they are like a voice being amplified by a great sound system when they are combined. The combination of the two ignites a power that catapults a person into the highest realms of effective leadership.

Character links to Leading Organizational Change. Organizations follow a leader who is perceived as being of high character. The greater the "connection" that is felt with the leader, the more likely the organization is to support the change being proposed. That support is tied to perceptions of the genuineness, caring and integrity of the leader.

Focus on Results links to Leading Organizational Change. Leading Organizational Change is most often a long-term objective, and effective leaders are always balancing short-term and long-term objectives. A focus on results is a necessary balance to the longer-term emphasis on strategic change.

Interpersonal Skills links to Leading Organizational Change. Nowhere is there a greater requirement for consummate interpersonal skills than in

the introduction of strategic change within the organization. Whether it is an attempt to change the culture or to implement a major new initiative, trust from others and the communication skills of the leader are absolute requirements for success. ●

The Competency Quest

The most prevalent approach to leadership development in recent years has been the competency movement. The fundamental premise is simple. Identify and define the competencies of effective leaders in a specific organization. (Competencies are the combination of knowledge, skills, traits and attributes that collectively enable someone to perform a given job.) Then, when selecting leaders, choose people who possess those competencies because they will have a much higher likelihood of success. If you want to develop leaders in the organization, design activities that directly expand or strengthen those competencies for the leaders in the organization.

For the past two decades, companies have focused their people-development efforts around these defined competencies. In sum, the approach has impeccable logic to it.

Why Hasn't It Worked?

The competency movement had several major flaws:

1. It was too complex.
2. It was based on some faulty assumptions.
3. It produced several unintended consequences.
4. It suffered from poor execution.

Correcting the Assumptions

Unfortunately, it now appears that most common assumptions underlying the focus on competencies do not coincide with the current reality, nor are they reinforced by current research. For example:

Assumption 1. Competencies are unique to each organization.

Fact: Despite the efforts to create distinctive lists of competencies, there is a remarkable sameness about them from one company to another. It is probable that there are a handful of factors that will always account for overall leadership effectiveness.

Assumption 2. Competencies are unique and distinctive traits or qualities possessed by an individual.

Fact: One of the most dramatic discoveries of research is the massive linkage between competencies. The linkage does not consist of a handful of competencies that are slightly linked to each other. Instead, nearly every competency studied was highly correlated with many others.

Assumption 3. The more congruence there is between the organization's defined competencies and the individual's, the greater is the likelihood of success.

Fact: This is the only one of the assumptions that the study's data does not challenge. However, the validity of the assumption hinges on whether the organization has empirically derived its own list of competencies and whether there are good ways to measure an individual's competencies.

Assumption 4. All competencies have roughly the same importance.

Fact: There are huge differences between competencies' importance. If you want to work on improving your leadership capabilities, focus on behaviors that truly make a difference.

Assumption 5. Competencies are best developed by a direct focus on that specific competency.

Fact: Research suggests that one competency is developed in the process of developing another. They appear to be, in many cases, byproducts of one another. That means that the direct linear method is not the only way to develop or strengthen a competency. ●

Leaders Must Fit Their Organization

After analyzing the results from 22 different organizations, there are some common organizational profiles. These profiles highlight the things that organizations emphasize as strengths. Frequently, an organization might have several of the strengths listed below bundled together.

Organizational Profiles of Prized Competencies

To help you assess what your organization values, here are four of the more pronounced organizational characteristics. The opportunity here is to judge the "goodness of fit" between what your organization truly values and your own pattern of competencies.

• **Technology Emphasis.** In the technology organization, leaders need to be highly knowledgeable and viewed as having technical expertise in the core activity of the firm.

Advantages. This organization runs on cutting-edge technology.

Disadvantages. In this organization the inherent belief is that you can solve any problem with technology. Here linear thinking can be carried to an extreme.

• **Excellent Execution.** In this organization there is a substantial need to drive forward and achieve results, to get things done on time, to stay in budget and to always make your numbers.

Advantages. This organization moves fast, and change happens quickly. If people enjoy challenges and like to stretch themselves, this organization will fit them well.

Disadvantages. As with any great conquest, there are typically many dead and wounded. The reality is that if you don't keep up, you're out.

• **Avoiding Mistakes.** In this organization there is a critical need to do things right. Excellence, quality and conformance to standards are the organizational bylines. However, the reward for taking on a new project or taking some initiative is not as great as the punishment for making a mistake.

Advantages. Leaders take pride in order, deeply analyze every aspect of a project and do high-quality work.

Disadvantages. Frequently the organization is slowed down by bureaucracy and excessive details, and is often risk-averse.

• **Customer Emphasis.** Leaders are totally focused on satisfying customer needs and responding to their requests.

Advantages. This company enjoys absolute clarity about what customers currently want and need.

Disadvantages. Leaders are so focused on pleasing the customer that they lose sight of internal operational issues and long-term direction.

Implications

It is critical for leaders to understand their individual areas of competency, the things that bring them passion and the needs of their organization. The "leadership sweet spot" that is the intersection of these three elements holds great promise for both individual and organizational success. It is rare to find a perfect match between individual competence and passion and organizational needs. Individuals can develop new competencies to fit the needs of an organization. Organizations can change their culture, which requires leaders with different leadership competencies.

A key to success for leaders is to find their own personal "sweet spot." For each person there is something that he or she can do extremely well. There is a competency with which he or she can make an enormous contribution.

When an individual can provide an extraordinary competency that an organization needs, the only other component that is required is passion. This is the element that is most underrated and yet potentially the most critical part of the model. Love, desire, motivation, inspiration and passion are, in the final analysis, the greatest differences between good leaders and great leaders. ●

Great Leaders Possess Multiple Strengths

Building some strengths requires balancing some competencies against others. It is not strengths that hurt a person's effectiveness, but strengths standing alone without counterbalance.

The secret to building success as a leader is to be excellent at powerful combinations. The more differentiated the combination, the more potentially powerful the combination.

Powerful Combinations

The first powerful combination is giving others performance feedback and building trust. Having the ability to give straightforward and candid feedback is a wonderful skill. Feedback, however is not always accepted. A powerful combination is having the ability to provide feedback and also being trusted by others. If others have trust, then their assumption is typically that the feedback is given to help them. Without trust, feedback is often perceived as self-serving on the part of the giver of the feedback.

A second example is a combination of the competencies of interpersonal skills and listening. Research on behaviors that differentiated high- and low-performing leaders found that listening was not a behavior that was an effective differentiator. High performers were not much better at listening than poor performers. Listening, however, can be a very beneficial skill when combined with other interpersonal skills. Studies found a powerful combination between a person's listening behavior and the perception by others that the leader had good interpersonal skills.

The Halo Effect

A halo effect occurs when our perceptions of others are distorted either positively or negatively. After studying results from thousands of leaders, it became evident that strong positive and negative halo effects occur. When leaders perform extraordinarily well on a few behaviors, they begin to be viewed in a very positive light, and others' impressions of them on other competencies tend to be distorted in a positive direction. The opposite effect seems to occur for those with a few profound weaknesses.

The halo effect is very real, and everyone has experienced its impact. The important issue for leaders is to get this effect to work for you rather than against you. The key to getting the halo effect to work for you is to build up a few profound strengths. ●

Fatal Flaws Must Be Fixed

Five patterns of behavior consistently lead to failure in leadership. Possessing one or more of these makes it virtually impossible for a person to be perceived as an effective leader.

Here are five fatal flaws that consistently lead to failure in leadership:

1. Inability to learn from mistakes.
2. Lack of core interpersonal skills and competencies.
3. Lack of openness to new or different ideas.
4. Lack of accountability.
5. Lack of initiative.

Everyone close to these leadership behaviors feels their impact (or in this case, their lack of impact). No one is immune. They have a huge influence on the organization, because the leader has an enormous "ripple" effect in the organization.

If a leader possesses one or more of these characteristics, action should obviously be taken to remedy that deficiency, make that weakness irrelevant or move that person back into a role of being an individual contributor where that behavior is less necessary.

People can overcome these characteristics. The organization can ensure that the person knows he possesses one of these "fatal flaws" and the serious consequences this will have on his career. If the person is willing to change, he can often make significant contributions to the organization.

First, examine the nature of the individual and whether positive or negative feedback will be of most value. Second, whatever the person is like, keep feedback focused on the behavior or process the person is using, and not on him or her as a person. These two powerful ideas greatly enhance our understanding of the feedback process and how it can help leaders overcome fatal flaws.

Those whose careers continued to soar did exactly the opposite. They readily acknowledged what happened to those about them, alerted colleagues to the potential consequences, did their best to fix it and then proceeded to forget about it and move on in their careers. ●

Derailed Executives

Researchers Morgan McCall, Jr. and Michael Lombardo compared executives who were derailed to those whose careers took them to senior positions in their firms. Derailed executives made about the same number of mistakes as those whose careers continued onward and upward, but derailed executives did not use setbacks or failure in an assignment as a learning experience. They hid their mistakes from others, not alerting colleagues to the consequences of how their mistakes would affect the colleagues' activities. They did not take immediate steps to rectify what they had done. Finally, they tended to brood about their mistakes, constantly reliving them for years afterward.

New Insights Into Leadership Development

Since almost all development plans are linear, researchers looked for a technique to help people understand alternative development paths. In their approach, they took 16 differentiating behaviors and analyzed the relationship between that specific behavior and the other 15, plus a number of other behaviors. When an individual showed a high level of competence on a specific behavior, researchers looked at other behaviors that were also highly rated. Then they analyzed leaders who were rated poorly on that differentiating behavior and observed that the same companion behaviors were also rated poorly.

The researchers call these related behaviors "competency companions." They are companions because they seem to be permanently glued together. These competency companions provide excellent clues about an alternative way to develop important leadership skills — and to improve the likelihood that you will be perceived by those around you as possessing an important, differentiating competency.

For example, leaders perceived as having the best technical expertise were also perceived as having high competence in interpersonal skills and standards of excellence. Also, those perceived as having the worst technical expertise typically had poor interpersonal skills and low standards of excellence.

The Link Between Interpersonal Relationships and Technical Competence

Research by Robert Kelley at Bell Labs looked at the productivity of scientists. The researchers found that the engineers who were most successful were not those with the highest IQs or those who were the most knowledgeable. What they found was that these stars per-

formed their work differently. They developed strong networks within the organization and worked with others in a totally different manner than the "non-stars."

To be perceived as being highly technically competent demands a person who can communicate effectively about their discipline to many groups.

Mechanisms of Competency Companions

There are a variety of reasons for the impact that is evident when both the competency and the competency companion are rated positively. There are different mechanisms creating the impact. The following is a list of six mechanisms that best explain the competency companion phenomena:

1. The competency and the competency companion fit together in people's perceptional systems.
2. Competency companions facilitate the expression of another competency.
3. Achieving a high level of skill in one behavior helps develop a related behavior.
4. One competency is a building block or a core element of the other competency.
5. Competency companions change the context in which we operate.
6. Developing a competency companion changes the person.

A New Approach to Development

Competency companion research provides leaders with a new map on how to reach their ultimate destination. This map provides alternate routes, which, for the most part, are unintuitive.

Typically, leaders will find one or two of the companion behaviors in which their effectiveness is inadequate. One leader commented: "The companion behaviors I needed to work on stood out like a sore thumb. It was so obvious what was holding me back." Leaders can usually arrive at their own rationale for why performing poorly on the companion behavior impacts the competency on which they are working to develop exceptional strength. The added insight provided by the competency companions is very powerful.

Leaders who have experienced this approach have found it to be a valuable tool in their efforts to make the transition from good managers to great leaders. ●

A Case Study in Leadership Development

The U.S. Marine Corps has come to utilize some extremely powerful leadership development practices. They arrived at this through their long experience and seeing what worked, rather than coming at it primarily from any scientific research study.

Here are four lessons from the Marines' approach:

• **Development begins with understanding the unique leadership tasks required.** Leadership is a team effort rather than a solo performance. The Marines' emphasis on teams cascades through their leadership development. They pair a highly seasoned noncommissioned officer with a newly appointed lieutenant and allow the two of them to work together for several months. This eliminates many mistakes. The new officer has a sounding board with whom to think about strategies and tactics.

• **Everyone is on the team.** Daniel Freedman described the Marines' culture in these terms, as he told of a complex mission planned by a Col. Moore: "Moore will make the final decision among the three [alternatives being proposed], though he not only allows disagreement but practically demands it. This is standard Marine thinking; enlisted men and women and officers alike are expected to express concern about questionable decisions and orders, and one of the biggest mistakes an officer can make is to ignore or squelch such questioning."

• **Leaders must be able to cope with rapidly changing leadership patterns.** The Marines understand the difference between a situation that calls for a highly collaborative, team-based approach and one that calls for a strong, single leader. Effective leaders must be able to recognize the difference and to function comfortably in either situation.

• **Leadership requires the use of peer discipline and pressure.** The high level of commitment and loyalty in the Marines comes from not wanting to let your peers down, as much as or more than from the pressure of not disappointing an officer. In private-sector corporations the emphasis is more often on pleasing the boss. The Marines, in contrast, emphasize group discipline. It has long been recognized that their primary motivation is to protect their comrades. Discipline ensures a deep commitment to the organization, to the unit and to comrades. Thus, the strongest motivational forces come from within each person, and from colleagues.

While it may be premature to advise anyone to adopt their ways "lock, stock and barrel," it appears that any organization that is serious about developing people can learn a great deal from the U.S. Marines. They prove that leaders can be developed. ●

What Individuals Do to Become Great Leaders

Following are five suggestions for ways in which leaders can improve the attributes or behavior that are vital to producing extraordinary results.

1. **Decide to become a great leader.** To become a highly effective leader requires a real dedication to that task and a willingness to act with the intensity and focus that characterizes great athletes.
2. **Develop and display high personal character.** First, the leader must be willing to take the role of leader. That means calling the meeting to order, pushing the agenda along, drawing some people out and toning others down. It means saying "no" to a budget request that can't be funded. It also means having to terminate a longtime friend who is not performing effectively.
3. **Develop new skills.** Enroll in developmental experiences. Attend any development program your organization provides or those offered by local universities and private organizations.
4. **Find a coach.** Many organizations hire professional coaches to work with their key executives. They find the investment in someone who is capable of providing objective, constructive feedback to be well worth the expense.
5. **Identify your strengths.** Management guru Peter Drucker argues, "Self-development is making oneself better at what one is already good at. It also means not worrying about the things one cannot be good at."

It is clear that leaders can make huge strides by taking responsibility for their own development. They should not count on the organization to do that for them.

The Organization's Role in Developing Leaders

Research reveals that the leadership skills possessed by the most senior people in an organization become the leadership ceiling. That is, it is extremely rare to find anyone whose leadership skills exceed those of the people at the top.

Create a Culture of Feedback

Leadership development is significantly enhanced in a culture in which continual feedback is common. A variety of mechanisms exists to help make this happen. Some of those are 360-degree feedback procedures, frequent performance discussions between bosses and subordinates, team-building sessions, coaching relationships and skip-level meetings.

Success hinges on the bone-deep beliefs of the senior leaders of the organization. Do they really believe that their people can become great leaders? Are they willing to invest their time in providing leadership to this leadership development effort?

Are the senior leaders willing to set the expectations at a very high level and insist that everyone strive to be an excellent leader? For the organizations that make this commitment, the rewards are extremely high. For those who choose not to, the future is highly questionable.

Greater Success

Why does this approach promise greater success in developing leaders?

First, a focus on developing great leaders rather than merely on "leadership development" gives a new perspective to what we do. It raises our sights and creates a somewhat different mindset for measuring success.

Second, an emphasis on strengths is more palatable than looking for blemishes and weaknesses. Most of us enjoy doing things we are good at. It is much easier for a leader to find ways to magnify strengths than it is to overcome weaknesses. It comes more naturally.

Third, people are more willing to practice skills they are good at. Recent research on "expert performers" attributes extraordinary performance to diligent practice, not to some unique quality bestowed by deity. To get really good at anything requires practice. Leadership is no exception.

Fourth, by measuring the perceptions of subordinates and peers, we have a tool for the immediate and objective measurement of leadership. Frequent and precise measurements are possible and relatively economical.

Fifth, change need not take forever. Leadership is all about change, so if the leadership development process is not producing change, then it probably is not working.

RECOMMENDED READING LIST

If you liked *The Extraordinary Leader*, you'll also like:

1. ***Leaders at All Levels* by Ram Charan.** Charan offers a solution that outlines a new model for succession and leadership development.
2. ***A Leader's Legacy* by James M. Kouzes and Barry Z. Posner.** This book compiles powerful essays that explore the question of leadership and legacy.
3. ***Leadership Gold* by John C. Maxwell.** Noted leadership expert Maxwell shares a lifetime of truths that can guide anyone who currently leads or aspires to lead.

· Book 300 of 388 ·

The FUD Factor

Brendan P. Keegan

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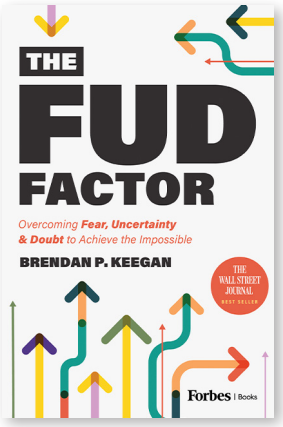
Executive Book Summaries®

The FUD Factor

Overcoming Fear, Uncertainty & Doubt to Achieve the Impossible



by **Brendan P. Keegan**

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THE SUMMARY IN BRIEF

Every leader has the opportunity to become fearless. It all starts with overcoming your ingrained FUD or fear, uncertainty, and doubt. FUD is the fear the world puts on our shoulders throughout our life. Being told to be careful, to not take risks, or to try something but be prepared for the fact that you may not succeed: these are all stops along the way on the FUD train. We have heard these types of statements since early life, often from our loved ones. They were actually trying to protect us, but in reality, that narrative instills fear, uncertainty, and doubt and actually hurts our chances. And it impacts your ability to become an effective leader today.

The difference between *good* teams and *great* teams, between *average* performance and *high* performance, and between *winning* and *losing* can be summed up in one single word: leadership. In ***The FUD Factor: Overcoming Fear, Uncertainty & Doubt to Achieve the Impossible*** author Brendan P. Keegan helps people see the Fearless Leader within themselves and accelerate their leadership journey by removing fear, uncertainty, and doubt.

IN THIS SUMMARY, YOU WILL LEARN:

- Why you should choose leadership
- How to become truly fearless
- Three aspects of leadership that increase impact
- Five key tools to create collaboration

Why Be?

Leadership is the willingness to accept responsibility to organize a group of people to achieve a common goal. With the definition of FUD and leadership in mind, let's talk about six reasons why leadership should matter to you.

Reason 1: The Leadership Void

In the United States alone, four million workers will retire in a given year, removing nearly fifteen million years of experience from the workforce. This mass exodus is creating the greatest leadership *void* in history.

Reason 2: The Greatest Opportunity

To run a successful business of any size, strong leaders are required. The leadership void has created the greatest *opportunity* of the past fifty years for individuals to accelerate their careers.

Reason 3: Leaders are Made

Leaders are *made*, not born. Don't believe anyone who tells you otherwise. Leadership is not a birthright; it's a daily decision. If you decide you want to be a leader, then you can become one.

Reason 4: Leadership is the Differentiator

Everyone is looking for something that makes them special and unique. Leadership is the *differentiator* you've been looking for. Once you have embraced the leader in you, many doors will open, and opportunities will come forward.

Reason 5: Leadership is a Gift

Leadership is hard work but being a leader is the greatest *gift* you could ever give yourself. Leadership is a gift that will allow you to pursue your dreams and to create dreams for others as well.

Reason 6: The Multiplier Effect

We cannot multiply time but we can *multiply* our impact every day by being a leader. When you instill and inspire leadership in others, you are creating multiple waves of success that ripple out and impact the greater world.

Welcome to your Fearless Leadership journey and overcoming the FUD factor.

Be Fearless

You were born *fearless*. We all were. But as time marched on, fear marched in, eventually followed by uncertainty and doubt. No one is immune to doubt. The world's greatest leaders, artists, and athletes talk about early and ongoing doubts, even when they have reached the height of success.

By employing thoughts of failure, we are effectively insulating ourselves from being hurt, disappointed, or rejected. This is normal and ordinary. The key is to not allow it to rule our lives.

You can conquer fear, thrive in uncertainty, and shut the door on doubt. You can truly be fearless. Let's find out how.

Fear

Once we recognize our own fear, we become better able to stop letting our fears become the fears of others. We can begin to learn how to manage them. Our fears are learned throughout our lives primarily through conditioning or negative experience.

The good news is that if we can learn what to fear, we can unlearn it too. We can confront our fears and push ourselves a little more each time we face them, building up our courage. Fear will only build momentum if you let it. Fight it inch by inch, day by day, and instance by instance, and you will strengthen your own power to shut it down.

Uncertainty

Uncertainty breeds uncomfortableness. When we know an outcome is certain, we feel comfortable and even confident. But as the percentages slip from certain to uncertain, we become anxious, restless, and irritable.

Leaders can harness an unwavering confidence and, perhaps, more importantly, transfer that confidence to every member of their team, steadily easing their fear, uncertainty, and doubt. When you remove employees' fears and feelings of uncertainty they can better focus on serving clients. When confronted with uncertainty, follow these three steps:

- First, focus on the outcome you want. Research has proved you are 50 percent more likely to achieve a focused outcome.
- Next, determine how you will achieve that outcome and begin to build the individual action that will get you that result.
- Third, commit to do what it takes to win.

Doubt

Those little thoughts of "How can this go wrong? What if it doesn't work?" that pop in our head can sow the seeds

Making the decision to be a leader is the greatest gift you could ever give yourself in life.

of doubt that keep us from moving forward. These fleeting thoughts of doubt in uncertain situations are normal, and they even happen in situations in which we have already experienced success. Doubt is a part of life; it's how we manage it that matters.

Managing doubt requires resilience and mental strength. Doubt doesn't send us a calendar notice of when it is going to pop up, so we need to be ready for it by building mental strength and resilience every day. Some ideas that work well include exercise, reading, prayer or meditation, good nutrition, spending time with family, practicing gratitude, and getting adequate sleep.

Be a Leader

Making the decision to be a leader is the *greatest gift* you could ever give yourself in life. Leadership not only provides you the opportunity to own any fear, uncertainty, and doubt you may have but it also gives you the responsibility to remove fear, uncertainty, and doubt from others.

Leadership is inspiring, exhilarating, and challenging. Managing tasks is straightforward: see the task, do the task, done. Leading people is not so easy. As a leader, you must develop skills to set a vision people can follow, develop relationships so people will want to follow, and set goals so they know how to follow.

As a Fearless Leader, you will have fulfilling days, confusing days, and downright tough days, and the scary part can be that you don't know what each day will bring. But that's what makes true leaders special; they overcome the fear and make the *daily decision* to lead.

You can make the daily decision to be the best version of yourself you can be and share that energy and best version of yourself with everyone around you. That is the magic that propels people in their career and in their personal life because people like that are the kind of people others want to be around.

No matter where you are on your leadership journey, remember that there is no final destination. There is no arrival location or mountaintop.

There are simply more places to visit, more people to understand, more lessons to learn, and more problems to solve. But despite all the challenges, you have to keep showing up, be willing to lead, to learn, to work hard, and to become the fearless and incredibly successful leader you are capable of being.

When you believe you've arrived, that you've reached your final leadership destination, and that you no longer need to maintain the energy level, the passion, and the stamina that got you to where you are, you don't just sit in the status quo but you also fall behind. The world, people, business, and technology continue to evolve around you. You may retain your title for a while, but it is guaranteed that someone else has taken the reins.

A shiny brass CEO nameplate on the office door doesn't make you a Fearless Leader. It might make you a formal leader, one who tells people what to do and checks the boxes on a management to-do list, but that's not Fearless Leadership.

For a Fearless Leader and their followers, the title is not the motivating factor. People listen to a Fearless Leader because they want to hear what the leader has to say. People follow a Fearless Leader because they believe in them. It's not the title. It's how you show up.

Be Good

Being good is all about our core values as a person. Every one of us has a set of core values that has been built from a young age into adulthood. From day one the people who have raised us have been imprinting values of respect, strength, and hard work on us. Being a Fearless Leader requires many traits like intellect, compassion, and perseverance. But if you dig down and look at what's really serving as the foundation for everything else, it's *strength* in all its aspects–physical, mental, emotional, and spiritual.

Without strength a leader cannot act with courage. *Courage* is a value that is acquired over time: the courage to lean

into your fears and confront them, the courage to believe in a positive outcome amid uncertainty, and the courage to channel your mind, body and soul to overcome doubts.

Fearless Leaders have *faith* in themselves and in others and instill faith in those around them. Fearless Leaders have the faith to succeed. They believe in positive outcomes, even when the facts and data suggest otherwise.

Fearless Leaders are willing and enthusiastic servants. They understand the sacrifice of *service* and the rewards for being the person who makes it happen in the background. The intrinsic internal and eternal flame of serving a greater good burns bright inside every Fearless Leader.

Humility is a value that shapes our legacy. As a Fearless Leader, you will have the courage to seize opportunities and overcome challenges, and your faith will lead you to exhilarating victories. Fearless Leaders serve for the purpose of their vision in life, to accomplish something bigger than themselves, and do so to benefit the greater good.

Leadership is a value that stands the test of time and is a summation of your life's work. The Fearless Leader accepts the responsibility of the goal, builds a team with skills and experience to achieve the goal, and lights the path toward the goal on a daily basis.

It all sounds so simple, but that's what makes it so impactful. Just be a good person and by doing so, you will have a great career and an even better life.

Be Impactful

Making an impact in the world, in your community, in a business, and on an individual is one of the most exhilarating feelings you will ever have. And once you've felt it, you don't want it to stop. Fearless Leaders institute three principles–*vision, goals, and productivity*–to be impactful and achieve consistent performance.

Without a vision, you won't know where you want to go, and neither will your team. The best way to articulate a vision is through simplicity, connectedness, and storytelling. First, make the vision simple enough for everyone to understand. Second, demonstrate how every role in the company is connected to the vision. If you are challenged to do this as a leader, your teammates will be challenged, too. Lastly, create a narrative and bring your vision to life with examples and analogies.

When we think of vision, we often think of visionaries who have changed the world–Elon Musk, Bill and Melinda Gates, Mother Teresa, and Steve Jobs to name a few. But every vision doesn't have to save the world. Just like leading, everyone can choose to have a clear vision whether it's for personal development, a community park, or rallying your coworkers to go beyond with every customer. We all have the power to set a vision, share it, and best of all achieve it.

Do you have a vision, and are you holding yourself accountable to it every day? Or maybe you're struggling to define your vision? Here are some tips to get started.

Define Your Values to Set Your Ground Rules

People can pressure you into compromising your values and philosophies and to act based on what *they* believe instead of what *you* believe. This is why you must solidly connect to your ideals and be willing to stand your ground with kindness. That connection will help you set boundaries and remain true to your vision.

Stop Focusing So Hard on the Trends

Business people are taught they must pay attention to trends, or they will fail. They must be *agile, adaptable, and flexible*. While there is truth to those teachings, innovation is arguably the willingness to intentionally toss trends out the window. The motivation of a Fearless Leader must have staying power. Your why must be something that can drive *you* regardless of the circumstances around you.

Pay Attention to Your Emotions

When you truly connect to a dream, the feeling of joy will be so strong that it blocks out fear and erases the word "can't." If you talk about the vision you're trying to build and you don't feel real energy, then you need a new vision. Listen to your gut and use your head to find logical ways to stay oriented toward what makes you happy.

By sharing a clear vision and setting goals to achieve it, you will empower others to follow your vision and you will make an *exponential* impact on the world.

Be Collaborative

Now that you know what you want to achieve as a leader, the question becomes how you are going to achieve your vision. A Fearless Leader doesn't go it alone. They build strong teams and leverage the collective power of those teams. How? Through collaboration.

As a Fearless Leader, you have the opportunity to leave an exponential imprint on the world.

Collaboration requires a continuous and conscious effort to reach beyond yourself and connect with others. Collaboration is reciprocal. It doesn't work if a leader only directs and pushes information, ideas, lessons, and experiences out.

A Fearless Leader must also accept direction, information, ideas, lessons, and experiences *in* from those around them. In fact, they must go a step further and actively seek out the advice, ideas, and lessons of others.

There are five key tools that a leader must employ if they are to create a collaborative environment that will make their vision a reality: *brand, relationships, communication, emotional quotient, and influence*.

Your reputation is your *brand*. Fearless Leaders build a brand that is rock solid because that is the foundation others come to depend on. Your brand is who you are. When others know who you are and when they believe in your brand, positive connections and interactions will develop, building the base for solid relationships.

Leadership is about organizing a group of people. People require time, energy, focus, and investment. Fearless Leaders develop *relationships* and take the required time to invest in those relationships. They are also willing to put themselves out there and network, meet new people, and connect more often.

In order to convey their brand and build relationships, Fearless Leaders must *communicate* with clarity, transparency, and authenticity. Developing your communication attributes is vital to instilling confidence in your audience and removing their fear, uncertainty, and doubt. Communication is all encompassing: it's how you speak, write, listen, and interact.

How well you communicate with those you lead will be directly impacted by your *emotional quotient* (EQ). High achievers and performers have the intelligence quotient (IQ) to achieve their goals and be leaders.

But Fearless Leaders develop the far more important aspect of intelligence known as EQ, the ability to identify and manage one's own emotions, as well as the emotions of others. This is perhaps the toughest attribute to develop, but it is also one that will get you the farthest in life.

Each of these attributes play a role in establishing your influence across your family, friends, colleagues, and community. If you develop all of them your influence will grow exponentially. Wield it responsibly.

Be Legendary

As a Fearless Leader, you have the opportunity to leave an exponential imprint on the world. Your imprint will be your legacy. And your legacy has the power to be *legendary*. There are four pathways to building an exponential legacy of leadership.

First, *lead* others through a clear vision and the resources to achieve that vision–together.

Second, *coach* others to be the best version of themselves. Take time every week to invest a little extra time to show someone how to improve a specific skill or attribute. Daily coaching is one of the easiest and best ways you can leave a lasting impact on the most amount of people.

Third, be a *mentor*. Slow down and take quality time to invest in those around you. Look around your circle of friends, family members, and colleagues and pick a person to take under your wind and send down the path of leadership. Chances are you owe a great deal of your success to the mentors in your life, both personally and professionally.

Fourth, *cultivate*. When you lead fearlessly by encouraging others to do good, to serve, and to be leaders, they, in turn, are motivated to encourage others to do good, to serve, and to be leaders. You exponentially remove fear, uncertainty, and doubt that hold so many of us back from reaching our potential.

Finally, find ways to *give* with no expectation of receiving. Leading means giving time, direction, support, encouragement, and wisdom so that common goals and visions can be achieved. Not only is giving so easy and incredibly rewarding, it is also beneficial to our bodies and mind through increased self esteem, decreased stress levels, and improved moods and relationships.

When you make the decision to lead, you build an exponential legacy of leadership. If you lead ten people and then they lead another ten people who then lead another ten people to achieve a common goal, you will have impacted over one thousand lives on this planet. And simply by leading ten people, you can remove instances of fear, uncertainty, and doubt half a million times over the next ten years.

Begin

We've looked at a wide range of attributes and practices that support and nurture Fearless Leaders. Now it's time to start bundling those attributes and practices together and see how they can work in harmony to transform our leadership intentions and our lives.

Doing so leads us on a discovery of how emerging leaders make plans and *launch* careers, how practicing leaders and individual contributors who feel stuck can make the *leap* into a new paradigm, how Fearless Leaders *overcome* and triumph in the face of crisis, and how each of us can build our lives and leadership approaches around a practice that consistently pushes us to *grow*.

A leader can best prepare to *launch, leap, overcome, and grow* by first hitting the pause button and taking the time to recognize the skills they have developed, the growth they have already achieved, and the leadership opportunities that are already present. Pausing to recognize also helps you identify the leadership skills and attributes that you will need to develop to get you where your vision is leading you.

Maybe you don't see yourself as a leader yet or are just not ready for the next leadership level, but if you take the time to sit back and review where you were a year ago versus where you are now, you'll have the opportunity to see your personal growth and how that has impacted your professional skills, attributes, and opportunities.

You may realize that what you are accomplishing today may not have been possible a year ago because you lacked the abilities, and now through your own personal and professional growth, you're able to achieve. Don't forget to pay attention to how you're leading, too. Recognize what skills you are using to lead better and how you can leverage those skills to lead better.

Launch

Launching your career or any significant life change doesn't succeed by crossing your fingers and hoping for the best. Recognizing what you want and where you want to go, identifying the steps to get you there, and taking action on those steps do.

Leap

No one is immune to being stuck at varying points along their leadership journey. We stick with what we know and with what's familiar and wait for external forces to change things for us. It simply doesn't work that way. Sometimes we just have to leap.

Overcome

Just as stuckness is an inevitable, recurring aspect of the leadership journey, the same is true for challenges. Sometimes as a leader you are called to help others overcome their barriers to success, and other times as a leader, you must find your own inspiration and strength to overcome the challenges you face. Choosing a mindset that aligns with your goals as a leader will help you overcome any challenge put in front of you.

Grow

Look ahead to the future and ask what it takes to create a practice of constant and continuous growth. If you don't have a growth mindset, your best days are probably behind you. Reach for positions above your current competencies and lean into the opportunity to grow. We all have a chance to grow as long as we remain open minded.

Fearless Leadership is not linear or a "one approach fits all" thing. It is an intentional development of the required attributes and an ongoing engagement of those attributes. We all have what it takes inside us. We just have to harness the power within ourselves with good intentions and learn each day how to channel our fearlessness.

The approach laid out in ***The FUD Factor*** has cultivated, empowered, and inspired thousands of people to grow as a leader and it can do it for you, too. Just be yourself. Be authentic. And stretch yourself in the directions that instill your values and fuel your passions. Fearless Leadership is a daily decision and a journey that doesn't stop here.

Brendan P. Keegan is the Chairman, CEO & President of Merchants Fleet, the fastest growing fleet technology company in North America and creator of the bFEARLESS movement. Keegan is an award-winning 6-time president and chief executive officer, having raised nearly $10.0B in capital with experience leading business transformations and corporate turnarounds focused on exponential enterprise value creation with strong liquidity exits. Brendan is a highly sought after speaker, award-winning author, entertaining podcaster, and pragmatic capitalist always willing to share his insights and passions with others.

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The First 90 Days

Michael Watkins

Executive Book Summaries®

The First 90 Days

Critical Success Strategies for New Leaders At All Levels

by **Michael Watkins**

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THE SUMMARY IN BRIEF

In ***The First 90 Days***, Harvard Business School professor Michael Watkins presents a road map for taking charge in your first 90 days in a management job. The first days in a new position are critical because small differences in your actions can have a huge impact on long-term results.

Leaders at all levels are very vulnerable in their first few months in a new job because they lack in-depth knowledge of the challenges they'll face and what it will take to succeed with their new company. Failure to create momentum in the first 90 days virtually guarantees an uphill battle for the rest of an executive's tenure.

The First 90 Days will equip you with strategies and tools to get up to speed faster and achieve more sooner. This summary will show you how to diagnose your situation and understand its challenges and opportunities. You'll also learn how to assess your own strengths and weaknesses, how to quickly establish priorities, and how to manage key relationships that will help you succeed.

IN THIS SUMMARY, YOU WILL LEARN:

- How to promote yourself.
- How to learn your new role faster.
- How to choose the right strategy.
- How to make good things happen right away.
- How to build a winning team.

Promote Yourself

"Promoting yourself" doesn't mean self-serving behavior, grandstanding or hiring a PR firm to tell the world about you. It means mentally preparing yourself to move into your new role by putting the past behind you and getting a running start by working hard to learn all you can about your new position.

This takes a lot of effort, but it's essential that you do it. Many promising managers get promoted but don't do enough to change their perspective and successfully promote themselves.

A similar mistake is to believe that you'll succeed in your new job by doing the same things you did in your previous job, only at a higher level of authority. "They put me in this new job because of my skills and accomplishments," the reasoning goes, "so that must be what they expect me to do here." Doing what you know and avoiding what you don't know can seem to work, but there's a chance you'll keep on believing this until the walls come crashing down around you.

Establish a Clear Breakpoint

The move from one position to another usually happens so quickly it's all a blur. A worker rarely gets much notice before being thrust into a new job. The lucky new leader sometimes gets a couple of weeks to make the change, but more often the move happens in only a few days.

Because you might not get a smooth transition from one set of job responsibilities to another, it's essential to discipline yourself to make a smooth transition mentally. Pick a specific time, maybe a weekend, and use it to picture yourself being promoted. Consciously create mental images of letting go of the old job and embracing the new one. Think hard about the differences between the two positions and how you'll have to think and act differently in the new job. Take time to celebrate the move, even informally with family and friends. Touch base with your advisers to ask for some quick advice. The bottom line: *Do whatever it takes to get into a transition state of mind.*

Hit the Ground Running

Your transition begins the moment you learn you're being considered for a new position, and it ends about 90 days after you begin the job. At the 90-day mark, key people in the organization — your bosses, peers and direct reports — expect you to be making an impact.

The three-month time frame isn't written in stone — the time depends on the type of situation you're in. But for planning purposes, you should use the 90-day mark as an important milestone. It will help you realize that you've got to get things done in that short time frame. If you're fortunate, you may get a month or more between the time you learn you're being considered and your first day on the new job. Use that time to educate yourself about your organization.

Assess Your Vulnerabilities

You've been offered your new position because the people who hired you think you've got what it takes to succeed. You probably do. But it can be disastrous to rely too much on the skills and knowledge that made you successful in the past.

One way to focus on your vulnerabilities is to evaluate your *problem preferences* — the types of problems that you prefer to work on. Everyone likes doing some things more than others, but doing so is like exercising your right arm and ignoring your left — the strong arm gets stronger and the weak one atrophies. Creating this type of imbalance leaves

A New Job Requires A New Approach

Douglas Ivester was promoted to CEO at CocaCola in 1997 after working as Chief Financial Officer and Chief Operating Officer at the company. In 1999, after a series of blunders that eroded the confidence of Coke's Board of Directors, Ivester resigned.

To outside observers, Ivester appeared to be the perfect candidate for the job. An accountant by training, Ivester was unable to make the leap from COO to CEO because his extraordinary attention to detail, which had been a virtue in his previous jobs in finance and operations, proved to be a hindrance in his new position. Ivester could not free himself from day-to-day operations enough to take on the strategic, visionary roles of an effective CEO.

The cause of Ivester's failure wasn't what he couldn't do, but what he couldn't let go of. An impressive career came to a deeply disappointing conclusion because he persisted in focusing on what he felt most competent doing instead of focusing on what the CEO position required.

you vulnerable in situations that call on you to be "ambidextrous."

You can do a lot to overcome your vulnerabilities, including developing *self-discipline, team building* and *getting advice and counsel*. You'll have to force yourself to devote time to important activities that you don't enjoy and that might not come naturally. In addition, you must find people in your organization who are skillful in these areas and learn from them.

As you advance in your career, there will be changes in the advice and counsel you require. With promotions comes the need to get good "political" counsel — experienced corporate advisers can help you understand the politics of the organization, which is especially important when you plan to implement change.

Accelerate Your Learning

Usually when a new leader swerves off course, failure to learn is a factor. There is so much new information to absorb that it's difficult to know where to focus and important signals can be missed. Or when a new boss focuses too heavily on the technological side of the business — products, customers, technologies and strategies — critical learning about culture and politics is shortchanged.

The fact that few managers have received training in systematically diagnosing an organization compounds the problem. Those who have had such training are usually human resource professionals or former management consultants.

Even in situations in which a leader has been brought in solely to impart new ways of doing things — such as corporate turnarounds — the leader still has to customize his or her approach by learning about the organization's culture and politics.

Defining Your Learning Agenda

The starting point is to define your learning agenda, ideally before you even formally enter the organization. A learning agenda establishes your learning priorities and consists of a focused set of questions that will guide your inquiry. As you learn more, you'll make conclusions about what is going on and why. Your learning will begin to shift toward fleshing out and testing those conclusions.

During your transition, you'll learn from various types of hard data (e.g., financial and operating reports, strategic and functional plans, employee surveys, press accounts, and industry reports). But to make effective decisions, you'll also need "soft" information about the organization's strategy, technical capabilities, culture and politics. The only way to obtain this intelligence is to talk to people who know about your situation.

Identifying promising sources will make your learning more complete and more efficient.

Adopting Structured Learning Methods

Once you have an idea of what you need to learn and where to seek it, the next step is to understand the best way to learn.

When diagnosing a new organization, start by meeting with your direct reports one-on-one and ask them these five questions:

1. **What are the biggest challenges the organization is facing (or will face) in the near future?**
2. **Why is the organization facing (or going to face) these challenges?**
3. **What are the most promising unexploited opportunities for growth?**
4. **What would need to happen for the organization to exploit the potential of these opportunities?**
5. **If you were me, what would you focus on?**

Match Strategy to Situation

Far too many new leaders don't effectively diagnose their situations and tailor their strategies accordingly. Then, because they don't understand the situation, they make unnecessary mistakes. This painful cycle happens because people usually model their transitions on a limited set of experiences.

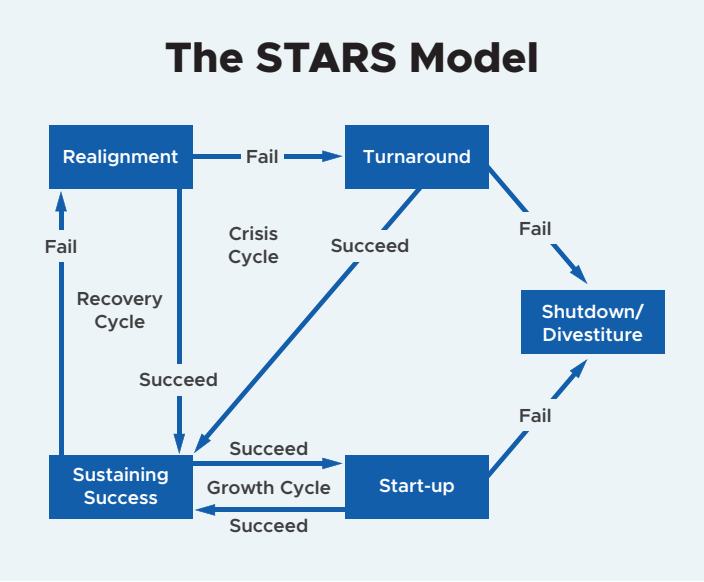
Matching your strategy to your situation requires diagnosing the business situation carefully. Only after you've diagnosed the situation can you act wisely about the challenges of your new job and the opportunities and resources available to you.

Diagnosing the Business Situation

The four broad types of business situations that new leaders must contend with are start-up, turnaround, realignment, and sustaining success (STARS). These are the defining

features of each of the STARS situations:

1. **Start-up.** In a start-up, you've got to assemble the capabilities (people, funding and technology) needed to get a new business, product or project off the ground.
2. **Turnaround.** In a turnaround, you take on a unit or group that is in trouble and work to get it back on track. Both start-ups and turnarounds involve a lot of resourceintensive construction work — there isn't much existing infrastructure and capacity for you to build on. To a significant degree, you get to start fresh, but both require that you start making tough calls early.
3. **Realignments.** Your challenge is to revitalize a unit, product, process or project that is drifting into trouble. This requires that you reinvent the business.
4. **Sustaining success.** In a sustaining-success situation, you're responsible for preserving the vitality of a successful organization and taking it to the next level. Keep people motivated by inventing a new challenge.



Understanding the History

An important point is that businesses (as well as projects, processes, products and plants) tend to move predictably from one type of situation to another. Understanding the history of your new organization will help you manage challenges and opportunities.

If start-ups grow, they eventually become sustaining success situations. Those who managed the start-up may move on to guide new start-ups while managers who are more experienced at running larger businesses take over. This is how healthy companies enter a *growth cycle.*

Realigning an organization usually means redirecting its resources by abandoning aging product lines and developing new technologies. It can also mean changing the organization's strategy, structure, skills and even its basic corporate culture.

Participants in a start-up are usually more excited and hopeful than workers in a troubled company in need of a turnaround. But the employees in a start-up are typically much less focused on key issues than those in a troubled organization simply because the start-up still lacks vision, strategy and structures.

Therefore, a large part of successful transitioning depends on your ability to transform the prevailing organizational psychology. In start-ups, where the prevailing mood is often one of excited confusion, your job is to channel that energy into productivity. In turn-arounds, you may be dealing with a group of people who are close to despair — it is your job to provide a light at the end of the tunnel.

Focusing Your Energy

Clearly understanding the type of situation you're in helps you decide what you must do in your first 90 days. Such clarity helps you make three early choices:

1. **How much emphasis will you place on learning as opposed to doing?**
2. **How much emphasis will you place on offense as opposed to defense?**
3. **What should you do to get some early wins?**

Secure Early Wins

By the end of your transition, you want your boss, your peers and your subordinates to feel that something new and good is happening. Early wins excite and energize people, build your credibility, and quickly create value for your organization.

It's crucial to get early wins, but it is also important to get them the right way. These are the most common traps that afflict new leaders:

- **Failing to focus.** It's very easy to take on too much during a transition, and the results can be disastrous.

You can't hope to achieve results in more than a few areas. It's essential to identify promising opportunities and then focus on translating them into wins.

- **Not taking the business situation into account.** What constitutes an early win will differ drastically from one business situation to another. Simply getting people to talk about the organization and its challenges can be an important accomplishment in a realignment.
- **Not adjusting to the corporate culture.** Leaders who come into an organization from the outside can fall into this trap. After absorbing a different organization's culture, they bring with them its view of what a win is and how it is achieved. Be sure you understand what your new organization does and does not view as a win.
- **Failing to get wins that matter to your boss.** It's essential to get early wins that energize your employees, but your boss's opinion about your accomplishments is very important, too. Even if you don't fully endorse his or her priorities, you must keep them in mind as you decide what early wins to pursue.
- **Letting your means undermine your ends.** Process matters. If you achieve impressive results in a way that colleagues think is manipulative, underhanded or inconsistent with the corporate culture, you're asking for trouble. An early win accomplished in a way that illustrates the behavior you hope to instill in your new organization is a double win.

Establishing Long-Term Goals

In the first 90 days, a key goal is to build personal credibility and create organizational momentum. Secure some early wins to leverage your energy and expand the potential scope of your subsequent actions.

As you look for ways to create momentum, keep in mind that the actions you take to get early wins should do double duty. Your efforts should:

1. **Be consistent with A-item business priorities.**
2. **Introduce the new patterns of behavior you want to instill in your organization.**

Armed with an understanding of your A-item priorities and objectives for behavior change, you can now create detailed plans for how you'll secure early wins during your first 90 days and beyond. You should think about what you must do in two phases: building credibility in the first 30 days and deciding where you'll focus your efforts to achieve improvements in performance in the following 60 days.

Building Credibility

You can't hope to have a measurable impact on performance in the first few weeks in your new job, but you can score small victories and show colleagues that things are changing. Your objective at this stage is to build personal credibility. Since your earliest actions will have a huge influence on how you're perceived, think about how you'll get "connected" to your new organization. What messages do you want to get across about who you are and what you represent? What are the best ways to convey those messages?

Negotiate Success

Negotiating success means engaging with your new boss to shape the game so you have a good chance of achieving your goals. Too many new leaders just play the game, reacting to the situation that exists and failing as a result. Negotiate with your boss to establish realistic expectations, reach agreement on the situation, and secure sufficient resources to get things done.

Focusing on the Fundamentals

When experienced managers are asked about building a productive relationship with a new boss, their observations usually consist of do's and don'ts. Here are six don'ts:

- **Don't trash the past.** There is nothing to be gained and much to be lost by criticizing the people who led the organization before you arrived. You must understand the past but concentrate on assessing current behavior and results.
- **Don't stay away.** If you have a boss who doesn't reach out to you, or if your relationship with your boss is uncomfortable, you'll have to reach out yourself. Otherwise, the quality of communications could be permanently damaged.
- **Don't surprise your boss.** It's no fun bringing bad news to your boss. The danger that the messenger (you) will be shot is real, but most bosses consider it a greater sin not to report emerging problems early enough.
- **Don't approach your boss only with problems.** You don't want to be perceived as bringing nothing but problems for your boss to solve. Give just a few minutes' thought to how to address the problem, your role in solving it, and the help you'll need.

- **Don't run down your checklist.** Even senior managers tend to use meetings with the boss as opportunities to run through their checklist of things they've been doing. There are times when this is appropriate, but it's rarely what your boss needs or wants to hear.
- **Don't try to change the boss.** Assume that you're not going to change your boss, and adapt to his or her style and idiosyncrasies.

Better Ways to Negotiate

There are fundamental do's on this topic as well. If you follow them, life with your new boss will be easier.

- **Take 100 percent responsibility for making the relationship work.** Don't expect your boss to reach out or offer the time and support you need. Assume that it's your responsibility to make the relationship work.
- **Clarify mutual expectations early and often.** Begin managing expectations right away. It's smart to talk openly about bad news in the beginning and to lower unrealistic expectations.
- **Negotiate time lines for diagnosis and action planning.** Don't let yourself get caught up immediately in putting out fires or trying to make decisions before you're ready. Buy yourself some time to diagnose the new organization and come up with an action plan.
- **Aim for early wins in areas that are important to the boss.** Figure out what the boss cares about most. Once you know, aim for early results in those areas. In part, your job is to shape your boss's perceptions of what can and should be achieved.
- **Try to get good grades from those whose opinions your boss respects.** Your new boss's opinion of you will be based partly on your direct interactions and partly on what he or she hears about you from trusted colleagues. Your boss may have relationships with people who are now your subordinates. Be aware of the many channels through which information about you and your performance will reach your boss.

Achieve Alignment

The higher you climb in an organization, the more you assume the role of organizational architect, creating an environment in which others can perform well. No matter how charismatic you are, you can't hope to do much if key elements in your unit are out of alignment.

Negotiating for Resources

As you look for commitments for resources, keep these principles of effective negotiation in mind:

- **Focus on underlying interests.** Probe as deeply as possible to learn the agendas of your boss and any others you're trying to get resources from and consider what's in it for them.
- **Look for mutually beneficial exchanges.** Seek resources that support your boss's agenda and advance your own. Look for ways to help peers advance their agendas in return for help with yours.
- **Link resources to results.** Emphasize the ways your team's performance will improve if more resources are dedicated to your group. Create a "menu" that lays out what you can achieve with current resources and why you

If strategy, structure, systems and skills are within your purview in your new position, you need to begin to analyze the architecture of your organization and assess alignment among these key elements. You can't hope to do much more than conduct a solid diagnosis and perhaps get started on addressing alignment issues in the first few months. But plans to assess the architecture of your group and to begin identifying areas for improvement should be included in your 90-day plan.

Designing Organizational Architecture

Begin by thinking of yourself as an architect of your unit or group. This may be a familiar role for you, but it probably isn't. Few managers get systematic training in organizational design. Because managers typically have limited control over organizational design early in their careers, they learn little about it. It is common for less senior people to complain about misalignments and to wonder aloud why "those idiots" higher up let obviously dysfunctional arrangements continue. By the time you reach the mid-senior levels of most organizations, however, you are well on your way to becoming one of those idiots. You are well advised to learn something about how to assess and design organizations.

To equip your group to achieve its goals, these five elements of organizational architecture must work together:

1. **Strategy**: The core approach the organization will use to accomplish its goals.
2. **Structure**: How people are grouped in units and how their work is coordinated.
3. **Systems**: The processes used to add value.
4. **Skills**: The capabilities of the various groups of people in the organization.
5. **Culture**: The values, norms and assumptions that shape behavior.

Identifying Misalignments

Organizations can become misaligned in many ways. One important goal during your first 90 days should be to identify possible misalignments and design a plan to correct them. Common types of misalignment include:

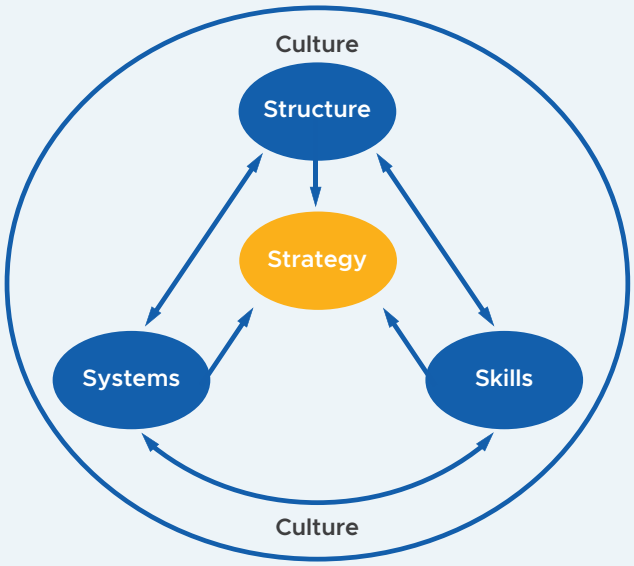
- **Skills and strategy misalignment.** Let's say you head an R&D group and your goal is to increase the number of new product ideas your team generates. If your group doesn't understand the latest techniques and support tools that would help you perform experiments faster, your group's skills don't support its strategy.
- **Systems and strategy misalignment.** Imagine you're the leader of a marketing group whose strategy is to focus on a new segment of customers. If the group hasn't established an effective way to compile and analyze information about those customers, your group's systems fail to support its strategy.
- **Structure and systems misalignment.** Suppose you manage a product-development group whose members are organized by product line. This structure lets employees with specialized expertise focus on specific products, but in this case, it has a downside — the group doesn't have systems that compensate for the overlapping expertise of different product teams.

Avoiding Some Common Traps

Too many managers rely on simple fixes to address complicated alignment problems. Be alert to these all too-common pitfalls:

- **Trying to restructure your way out of deeper problems.** Resist changing structure until you understand whether restructuring will address the root causes of the problems.
- **Creating structures that are too complex.** This is a related trap. Although it may look good on paper to create a structure, such as a matrix in which people in different units share accountability, too often the result is bureaucratic paralysis.
- **Automating problem processes.** Automating your group's core processes may yield significant gains in productivity, quality and reliability, but it's a mistake to simply speed up an existing process through technology if the process has serious underlying problems.
- **Making changes for change's sake.** Resist the temptation to tear down the fences before you know why they were put up. New leaders who feel self imposed pressure to put their stamp on the organization often make changes in strategy or structure before they really understand the business.
- **Overestimating your group's capacity to absorb strategic shifts.** It's difficult for a group to change because of large-scale changes in strategy. Focus on a few vital priorities and make changes gradually if time allows.

Elements of Organizational Architecture



Build Your Team

If you create a high-performance team, you can exert tremendous leverage to create value. If not, you'll face severe difficulties because no leader can hope to achieve ambitious goals on his or her own. Poor personnel choices will usually come back to haunt you.

Finding the right people is essential, but it's not enough. Begin by evaluating current team members to decide who will stay and who will have to go. Then create a plan for obtaining new people and moving the people you keep into the right positions without doing too much damage to short-term performance. But even this is not enough. You still must establish goals, incentives and performance measures that will propel your team in the desired directions.

Avoiding Common Traps

When it comes to building a winning team, many new leaders stumble. The result may be a delay in reaching the break-even point, or it may be outright derailment. These are some of the traps new leaders fall into:

- **Keeping the existing team too long.** Some leaders clean house too quickly, but it's more common to keep people on board too long. Whether because of pride or because they shy away from tough personnel calls, many leaders end up with less-than-outstanding teams. This means they will have to either shoulder more of the load themselves or fall short of their goals.
- **Not repairing the airplane.** Unless you're in a start-up, you don't get to build a team from scratch: You inherit a team and have to mold it into what you need to achieve your A-team priorities. Molding a team is like repairing an airplane in midflight. You will not reach your destination if you ignore the necessary repairs.
- **Not working organizational alignment and team restructuring issues in parallel.** You can't build your team before reaching clarity about changes in strategy, structure, systems and skills. Building your team prematurely could put the right people in the wrong jobs.
- **Not holding onto the good people.** Uncertainty about who will and will not be on the team can lead your best people to look for opportunities elsewhere.
- **Starting team-building before the core team is in place.** It's tempting to launch team-building activities right away. New leaders with a consensus-building style often are eager to begin collaborating with their direct reports, but some group members may be leaving.
- **Making implementation-dependent decisions too early.** When implementing your plans requires buy-in from your team, you should postpone making decisions until the core members are in place. It can be very difficult to implement decisions that commit new people to courses of action they had no part in defining.
- **Trying to do it all yourself.** Keep in mind that the process of restructuring a team is fraught with emotional, legal and company policy complications. Find out who can best advise you and help you chart a strategy. The support of a good HR person is indispensable to any effort to restructure a team.

Test Their Judgment

Some very bright people have terrible judgment, and some people of average competence have extraordinary judgment. You must have a clear idea of the combination of knowledge and judgment you need from key people.

One way to assess judgment is to work with a person for an extended period of time and observe whether he or she is able to:

1. **Make sound predictions.**
2. **Develop good strategies for avoiding problems.**

Both abilities draw on an individual's mental models, or ways of identifying the essential dynamics of situations and translating them into effective action. That's what expert judgment is all about.

Assessing Your Existing Team

You're likely to inherit some good performers, some average ones and some who simply aren't up to the job. You'll also inherit a group with its own internal dynamics and politics — some members may even have hoped for your job. During your first 30 to 60 days, you must sort out who's who, what roles each individual plays, and how the group has worked together in the past.

Inevitably, you'll form impressions of team members as you meet them. Don't suppress these early impressions, but step back from them and take the time to make a more rigorous evaluation.

Create Coalitions

If your success depends on the support of people outside

your direct line of command, it's important to create coalitions to get things done. Direct authority is never enough to win the day. "Influence networks" — informal bonds among colleagues — can help you generate support for your ideas and goals.

It's up to you to build coalitions that will help you achieve your goals. To do so, you'll need an influence strategy. Figure out whom you must influence, select those likely to support and resist your key initiatives, and persuade "swing voters" to join your side.

Mapping the Influence Landscape

One common mistake made by new leaders is to devote too much time to the vertical aspect of influence

— reaching upward to bosses and downward to direct reports — and not enough to the horizontal dimension that involves peers and external constituencies. This error is understandable — you naturally gravitate toward the people you report to and those who report to you. After all, they're the primary channels through whom you'll have an impact in your organization.

Sooner or later, you'll need the support of people over whom you have no direct authority. You may have little or no relationships with these people, so you'll need to invest time and effort in building a new base.

Identify the Key Players

How can you figure out who will be important for your success? It should become obvious as you get to know the organization better. Identify the key relationships between your group and others. Customers and suppliers, within the company and outside of it, are natural focal points for relationship building.

Get your boss to connect you. Ask for a list of 10 key people outside your group whom he or she thinks you should get to know, then set up meetings with them.

Consider doing the same when you have new direct reports coming on board: Create priority relationship lists for them and help them make contacts.

Also, try to identify the sources of power that give people influence in the organization. The usual sources of power in an organization are: expertise; access to information; status; control of resources, such as budgets and rewards; and personal loyalty.

Eventually you'll be able to pick out the people who exert heavy influence through formal authority, special expertise, or sheer force of personality. If you can convince these individuals that your goals have merit, broader acceptance of your ideas is likely to follow.

Identify your supporters and your opponents.

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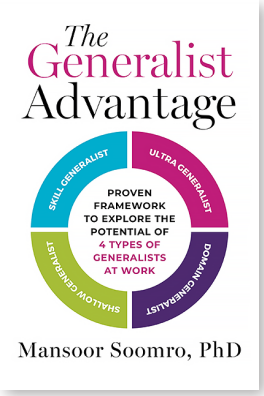
The Generalist Advantage

Mansoor Soomro

Executive Book Summaries®

The Generalist Advantage

Proven Framework to Explore the Potential of 4 Types of Generalists at Work



by **Mansoor Soomro, PhD**

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THE SUMMARY IN BRIEF

In an era defined by specialization, and now accelerated by artificial intelligence, the modern workplace increasingly needs people who can connect ideas across disciplines, adapt quickly, and solve problems that don't fit neatly into one domain. Yet many professionals struggle to break out of narrow roles, lacking a clear roadmap for developing the broad, integrative mindset of today's economy demands.

The Generalist Advantage: Proven Framework to Explore the Potential of 4 Types of Generalists at Work argues that generalists are not just useful but essential. It presents a structured, research-backed path for anyone seeking to broaden their capabilities and become more versatile, creative and future-ready.

Through practical tools such as The Generalist Advantage Framework—which outlines four distinct types of generalists—and The Generalist Quotient Self-Assessment, Mansoor Soomro provides a clear way for readers to identify their current generalist profile and take deliberate steps toward developing the one best suited to their goals.

IN THIS EXECUTIVE BOOK SUMMARY

- Find out how to use the TGA™ framework to identify themes across your skills, interests and experiences, and turn them into a compelling narrative
- Learn how to understand the LOSS™ model and counter the stagnation that often affects deep specialists
- Get useful tips on how to apply SDSU™ workplace strategies to navigate perceptions, communicate your value and thrive as a generalist
- Understand how to develop future-ready skills, including creative problem solving, multidisciplinary learning and complex decision-making

Introduction

Expertise is often equated with success, so the generalist concept may seem out of place. Yet, in the tapestry of human endeavor, a thread exists that weaves through the fabric of history, connecting individuals who defy the confines of narrow expertise. This thread speaks to the power and resilience of the generalist, those who embrace the breadth of interests, knowledge, skills, and experiences that transcend the boundaries of any single discipline or expertise.

When we are told to *narrow our focus* or to *stay in our lane*, we miss out on something profoundly special. Our greatest strengths often lie in that willingness to dance on the borders of multiple fields, finding unique synergies that drive real-world impact.

In the modern world, with its dizzying speed of artificial intelligence (AI), this generalist perspective is not merely quirky; it's very much necessary. More than ever, we need adaptable problem solvers, unorthodox thinkers who connect the seemingly unconnected, and lifelong learners who can thrive in a world of constantly shifting knowledge and skill sets.

CHAPTER 1

Embracing the Generalist Mindset

A *generalist* is someone who possesses a wide range of interests, knowledge, abilities, or experiences (as opposed to a specialist, who carries a deep focus on a specific interest, knowledge, ability, or experience).

Whether it's embracing diverse skills or understanding different industries, generalists play a crucial role in our ever-evolving world. Generalists tend to have a diverse set of interests and abilities, allowing them to adapt and excel in various situations or roles. They often thrive in environments that require flexibility, creativity, and the ability to connect ideas from different fields.

Moreover, they are masters of mash-ups. Instead of seeing knowledge in neat little boxes, they see it all jumbled together. They make crazy connections that other people miss, such as seeing how fixing a car has something in common with treating a patient or solving an accounting problem. And here is the best part: when faced with a new challenge, they're less likely to get stuck with the same old approach. They pull from different things they've learned, experiment way more, and often end up surprising themselves with unexpected solutions leading to multiple possibilities.

Who Is Not a Generalist?

Someone who is not a generalist is typically referred to as a specialist. Specialists focus on a narrow area of interest, knowledge, ability, or experience to develop proficiency in a specific field or subject. Specialists are also known as experts and niche leaders.

Unlike generalists, specialists may have limited exposure to or interest in areas outside their specialized field or domain. They excel in roles requiring highly specialized knowledge (like an aircraft pilot) or technical expertise (like a nuclear power plant engineer) and may find it challenging to adapt to tasks or responsibilities outside their narrow focus.

Debunking 10 Myths of Generalists

Let's debunk some of the most persistent myths about generalists:

Myth 1: Generalists are less productive than specialists.

Reality: With rapidly changing fields, technology disruptions, and global issues demanding cross-domain solutions, generalists have the potential to be more productive as they can pivot easily and join seemingly unrelated trends.

Myth 2: Generalists lack focus and direction.

Reality: Interest in many things doesn't equal scatterbrained. Good generalists make connections, transferring knowledge between fields.

Myth 3: Generalists are not good decision-makers.

Reality: While some struggle to decide which interest to explore first, a mature generalist has greater self-knowledge. Knowing diverse skills gives them the power to make more informed decisions.

Myth 4: Generalists are not effective team players.

Reality: Generalists flourish as empathetic listeners, facilitating dialogues between those with divergent views. They're excellent collaborators, recognizing diverse talents and bridging divides within teams.

Myth 5: Generalists cannot be good mentors at work.

Reality: Generalists excel as "exploration guides." They help mentees identify connections between areas of interest, develop effective learning strategies, and embrace challenges with resilience.

Myth 6: Generalists are largely extroverts.

Reality: Absolutely not true! There are introverted generalists, just like extroverted generalists, thriving in different senior and junior roles in organizations.

> Our greatest strengths often lie in a willingness to dance on the borders of multiple fields. ”

Myth 7: Generalists are mostly mediocre in performance.
Reality: This boils down to how we define success and excellence. If it's based solely on traditional markers of niche mastery, then sure. However, it ignores the inherent strengths generalists develop: innovative problem-solving, pattern recognition, and sense-making.

Myth 8: Generalists are only good at entry-level positions.
Reality: While early in their careers, generalists may take on unrelated roles for experience, their ability to adapt and learn propels them into unique senior positions. Companies are recognizing the value in leadership who understand the big picture and bridge teams with disparate expertise.

Myth 9: Generalists only fit into start-up environments.
Reality: Certainly, a start-up environment is often a generalist's playground. Yet, established companies increasingly leverage innovation for that generalist ability of their executives to disrupt routines and generate solutions that would go unnoticed within siloed departments.

Myth 10: Generalists are easily replaceable.
Reality: Highly skilled generalists with proven value-add within companies or projects are the opposite of replaceable. Their unique lens, coupled with the ability to collaborate effectively across different silos, makes them irreplaceable as connectors and knowledge integrators.

Six Superpowers of Generalists

In modern work environments emphasizing complexity and innovation, the generalist's mindset and skill set offer immense value. They foster collaboration, excel in rapidly changing conditions, and act as catalysts for fresh ideas and solutions, just to mention a few arguments advocating the power of generalists in the workplace. These six "superpowers" show how generalists translate that value into real workplace impact:

- They spur innovation.
- They are bridge builders.
- They value foresight.
- They are brilliant adapters.
- They champion resilience.
- They foster learning culture.

CHAPTER 2

Redefining Expertise in a Shifting Landscape

Generalists and specialists represent two distinct lines to acquiring knowledge and leveraging experience. Specialists see generalists' leaps as recklessness and are often baffled by how generalists arrive at conclusions seemingly out of thin air. Generalists, on the other hand, see specialists' caution as an obstacle to progress and think their obsession with details is pure madness.

Both are different in terms of their individual strengths and limitations. Here are some key differences between them in terms of the impact they have on the workplace:

- **Breadth vs depth**. Generalists possess a broad range of knowledge and skills across multiple disciplines or domains. Specialists, on the other hand, focus on acquiring deep expertise in a narrow field or subject area.
- **Versatility vs specialization**. Generalists are versatile and adaptable, able to apply their skills and knowledge in a variety of contexts and situations. Specialists are highly specialized in a specific area, often possessing in-depth knowledge and expertise that may have limited applicability outside of their domain.
- **Problem-solving approach**. Generalists tend to approach problems with a broad perspective, considering multiple factors, perspectives, and solutions. Specialists approach problems with a narrow focus, leveraging their deep expertise to analyze issues within their specialized domain.
- **Learning approach**. Generalists prioritize learning across a wide range of subjects and disciplines, often seeking out diverse experiences and opportunities for personal and professional growth. Specialists focus their learning efforts on acquiring in-depth knowledge and expertise within their specialized area.
- **Career opportunities**. Generalists may pursue diverse career paths and opportunities, as their broad skill set and adaptable mindset allow them to transition between different roles, industries, and functions. Specialists often pursue careers within their specialized field, leveraging their deep expertise to advance their careers and make significant contributions within their narrow domain.

Generalists and Near Future Readiness

The world of work is changing too much and too fast. A lot of jobs are being displaced due to AI's influence. With these shifting landscapes and changes, it is difficult to rely on experts as their expertise might not be needed the same way moving forward. Now is the time when generalists will rise.

Near Future Readiness refers to the ability of individuals and organizations to anticipate, adapt to, and thrive in an increasingly uncertain and rapidly changing but predictable time frame. Some of the aspects of near future readiness include:

- **Strategic foresight** – anticipating near future trends, opportunities, and challenges and developing strategies to address them proactively.
- **Tactical adaptability** – the ability to change plans and strategies quickly in response to shifting circumstances on the ground.
- **Ecosystem thinking** – viewing the business as part of a larger ecosystem.

Near future readiness is about planning as well as experimentation. In terms of planning, businesses scream for better research to make investments in talent upskilling and upgrading organizational infrastructure.

Generalist leaders, due to their wide interests, have better insights, which helps in planning. In terms of bold experimentation, businesses are demanding a greater tolerance for failure and a willingness to pivot if their early bets go wrong. Generalists here again, due to their exploratory mindset, can help steer course corrections quickly.

Overall, generalists excel at near future readiness for three main reasons:

1. They are pattern seekers.
2. They are above-average idea adapters.
3. They enjoy being comfortable with the unknown.

Near Future Readiness Index (NFRI)™

Recognizing the distinction between the future and the near future, as well as the importance of being prepared for the latter, it is time to introduce the Near Future Readiness Index (NFRI).

This index identifies crucial indicators essential for navigating the near future. Its purpose is to assist leaders in preparing for both negative and positive events or situations within a predictable time frame.

The NFRI is built around eight core indicators:

- critical thinking
- cognitive flexibility (thinking)
- contextual intelligence (application)
- grit personality
- agile learner
- intrepid change maker
- big-picture strategist
- team synergist

In constructing the Near Future Readiness Index, the objective is not to devise a single metric but rather to gauge a *composite score* that is built on key parameters of leadership.

For instance, adaptability as a parameter is about the capacity to learn new skills, shift directions, and embrace change swiftly with less resistance than those clinging to the status quo. Similar to that, innovation as a parameter focuses on the ability to generate, develop, and implement novel solutions. This goes beyond mere ideas, incorporating a bias for action.

Defining The Generalist Advantage (TGA)™

Returning to the debate on generalists versus specialists, a pertinent question arises: *which group is better equipped for the near future?*

In terms of near future readiness, generalists score higher than specialists overall in navigating in times of uncertainty, identifying nascent trends, leading potential disruptions, and highlighting emerging opportunities for product and market developments.

Generalists are more ready for the near future based on all eight NFRI indicators, whereas specialists are largely ready for the near future in terms of two NFRI indicators (critical thinking and grit personality).

There are a number of research studies investigating the link between generalist-led businesses and disruptive innovation. These studies show that the following four business situations can be a good start to magnify *The Generalist Advantage:*

- **Leadership roles.** Generalist leaders equipped with a multiperspective understanding can be a leadership compass in guiding strategy, innovation, and cross-functional collaboration within organizations.
- **Unstructured problems**. Facing ill-defined, ambiguous challenges with undefined best practices requires the out-of-the box thinking of a generalist.

> Generalist leaders bring better insights to planning and greater tolerance for bold experimentation.

- **New product development**. Generating fresh product or service concepts through drawing on diverse inspiration sources becomes a key generalist strength.
- **Change management**. Generalists excel in anticipating the ripples of change across teams and adapting processes to foster resilience during periods of transition.

Overall, *The Generalist Advantage* empowers individuals to thrive in today's multifaceted and interconnected world by leveraging their diverse skills, adaptable mindset, and interdisciplinary approach to problem-solving.

CHAPTER 3

The Age of AI and the Rise of Generalists

Whether you're an artist, a problem solver, or a communicator, embracing both complementary and especially contrasting skills enhances your journey through life. Put simply, a *skill* is the ability to perform a task with proficiency. In today's age of AI, success relies on empowering individuals to collaborate effectively with intelligent systems, demanding a new, collaborative skill set.

Complementary skills (also known as related skills) are those abilities that complement or enhance each other when combined. Complementary skills work best for specialists and experts as they solidify their specific domain and develop more skills by enriching their radius around their desk and team.

On the other hand, *contrasting skills* (also known as unrelated skills) are those abilities that contrast or differ from each other in nature or approach. These skills provide diversity and balance within a team or individual, offering cognitive diversity and different perspectives and approaches to problem-solving and decision-making. Contrasting skills work best for *generalist-type profiles*.

Both types of skills are valuable in their own right and can contribute to individual and team success when leveraged appropriately. In the age of AI, where technology can take care of basic tasks and humans can work on superior tasks, recognizing and understanding the complementary and contrasting skills between humans and various AI tools, technologies, and platforms can lead to more effective collaboration, decision-making, and problem-solving.

For both specialists and generalists, a balance between these two skill types is beneficial, as both complementary and contrasting skills play a pivotal role in various aspects of life, both personally and professionally.

Portable Skills as the Key to Professional Resilience

Portable skills (also known as transferable skills or universal skills) are abilities that aren't confined to a single job, role, or industry. They help you thrive in varied tasks and make you adaptable across different career paths. Think of them as the foundation you take with you from experience to experience, rather than hyper-niche skills tied to one specific task. The concern of whether AI will replace or displace jobs can be best countered by investing in portable skills.

Employers across industries are looking for transferable strengths to thrive in the unprecedented age of human–computer interaction. For example, your ability to communicate, work in teams, or think critically makes you a valuable addition regardless of your technical experience.

By developing portable skills, you can enhance your employability, adaptability, and effectiveness in a variety of roles and contexts, setting yourself up for success in your career and beyond. The eight NFRI indicators mentioned before are all portable skills, and, as shared earlier, generalists performbetter than specialists against most of those near future readiness indicators.

CHAPTER 4

Four Types of Generalists at Work

Shallow, Domain, Skill, Ultra (SDSU)™ Generalist Framework

After studying the various flavors of generalists in my eight years of research on the topic, I was drawn to the point that there could be three ways to understand the classification of different types of generalists:

1. portable skills and cross-industry adaptability
2. expertise and perspectives
3. skills and domains

Let's look into each of the four types of generalists individually:

Type 1: Shallow Generalist (S)

A shallow generalist (also known as a hyper-specialist) is someone who has one major skill predominately in one domain/industry.

Shallow generalists are specialists who are *master of one* in the jack-of-all-trades, master of none proverb. They dive deep and contribute substantially to any single field. However, this is often a case of unreliable expertise.

Shallow generalists share a set of defining characteristics:

- **Deep expertise**. Shallow generalists possess in-depth knowledge and honed skills in their specific field. Their niche area allows them to solve complex problems, recognize subtle patterns, and provide unique insights not found in generalists on that topic.
- **Attention to detail**. Shallow generalists understand that every detail matters. Their meticulous approach ensures accuracy, thoroughness, and quality output.
- **Focus**. Shallow generalists are passionate about their chosen focus and are highly dedicated, able to persevere through challenges and complex projects.

To avoid becoming a shallow generalist, it's important to focus on a few core practices:

- explore diverse topics
- develop versatility
- network and collaborate
- stay informed

Type 2: Domain Generalist (D)

A domain generalist (also known as an industry generalist) is someone who has one major skill but exposure to a few different domains/industries. Domain generalists' adaptability is impressive as it offers distinct advantages in today's fast-paced business landscapes. Typically, a domain generalist has a comprehensive understanding of various industries and their sectors, including their operations, trends, challenges, and opportunities.

Domain generalists play a crucial role in driving innovation, growth, and competitiveness within their respective industries by leveraging their deep cross-industry expertise to seize opportunities for business progression.

Domain generalists share several defining characteristics that reflect how they operate across industries:

- **Industry knowledge and exposure**. Domain generalists have a good understanding of the inner workings, trends, and dynamics of selected industries, acquired through their rotation in different industry sectors.
- **Identifying external opportunities**. Domain generalists excel at industry-specific challenges and capitalize on emerging opportunities, proving to be highly informed problem solvers and outside-in innovation catalysts.
- **Networking and relationship-building**. Domain generalists have a strong network of contacts and relationships across sectors between different industries, allowing them to collaborate, share insights, and stay informed about industry best practices.

Becoming a domain generalist requires intentionally expanding your view across industries while continuing to deepen expertise in related sectors. The following steps outline how to do both in parallel:

1. **Map your landscape**. Understand how subsectors, processes, and roles connect within and across industries. Actively learn from people at different levels to uncover blind spots and operational realities.
2. **Build a strategic learning plan**. Expand your information sources beyond your core domain to spot patterns, gaps, and emerging opportunities. Engage with adjacent disciplines to challenge assumptions, surface blind spots, and refresh perspective.
3. **Diversify your projects and activities**. Take on cross-functional work to broaden how you apply your expertise. Complement internal projects with external experiences to accelerate learning across industries.

Type 3: Skill Generalist (S)

A skill generalist is someone who has a few different skills predominately in one domain/industry. Skill generalists often excel at adapting to new roles, projects, and challenges by leveraging their broad skill set. They are catalysts for problem-solving. Their skills can be soft skills (leadership skills) as well as hard skills (technical skills).

The strengths of skill generalists are reflected in several defining characteristics:

> The ability to work outside one's domain is increasingly valuable in today's interconnected and rapidly changing business environment.

- **Diverse skill set**. Skill generalists possess a range of skills across different areas, including technical, creative, analytical, interpersonal, and leadership skills.
- **Problem-solving abilities**. Skill generalists excel at analyzing complex problems, identifying root causes, and developing innovative solutions by drawing on their diverse skill sets and multiskilled perspectives.
- **Communication and collaboration**. Skill generalists possess strong communication and collaboration skills, enabling them to work effectively with differently skilled and talented individuals.

Becoming a skill generalist means intentionally building a broad set of abilities while focusing on how those skills combine and transfer over time. This approach unfolds through a few deliberate practices:

- **Embrace the learning mindset**. Pursue curiosity beyond your job description and experiment with new skills deliberately and broadly without aiming for immediate mastery. Early focus on foundations helps you recognize how skills transfer across domains.
- **Practice strategic skill development**. Build on your natural strengths and prioritize skills that complement one another. Emphasize transferable meta-skills—such as problem-solving, communication, and iteration—that compound across roles.
- **Apply skills through practice**. Treat learning as project-based and look for low-risk opportunities to apply new skills. Documenting your process reinforces learning and makes progress visible to yourself and others.

Type IV: Ultra Generalist (U)

An ultra generalist is someone who has multiple skills in multiple domains/industries. An ultra generalist with a broad range of skills across multiple disciplines is the supreme level of a generalist, implying a level of proficiency in various fields.

Ultra generalists are by definition polymaths and Renaissance thinkers. These individuals may work independently or within organizations, pursuing intellectual exploration across fields. They often contribute as authors, speakers, consultants, and futurists, sharing insights from their cross-disciplinary perspectives.

Characteristics:

- **Cross-functional breadth**. Ultra generalists have a vast and comprehensive breadth of skills that can be applied to multiple business functions, including HR, finance, marketing, IT, and general management.
- **Multidisciplinary expertise**. Ultra generalists excel at integrating insights from different fields of study to solve complex problems, generate innovative ideas, and drive collaboration in various industries.
- **Versatility**. Ultra generalists are highly adaptable and flexible in acquiring and applying skills to a wide range of roles, projects, scenarios, and environments.

How to Become an Ultra Generalist

Becoming an ultra generalist means pursuing breadth with intention—connecting ideas across disciplines while continuously refining how you learn and explore.

1. **Embrace the pursuit of knowledge**. Cultivate insatiable curiosity and treat learning as intellectual play rather than outcome-driven work. Deliberately explore across paradigms to challenge assumptions and break linear thinking.
2. **Master meta-learning skills**. Develop systems for rapid knowledge acquisition, pattern recognition, and idea synthesis. These meta-learning abilities allow ultra generalists to absorb, connect, and apply insights from widely different domains.
3. **Follow an intentional but nonlinear path**. Balance focused exploration with a clear sense of purpose while remaining open to unexpected discoveries. Embracing serendipity helps transform curiosity into original insight rather than unfocused accumulation.

Pragmatically speaking, this discussion about the four types of generalists is more about a spectrum than it is about rigid boxes. It is important to understand that the maturity curve applies here. A shallow generalist can evolve over time toward becoming a domain generalist or a skill generalist, or perhaps both.

In the grand scheme of things, a mix of generalists at various levels, paired strategically with deep specialists (shallow generalists), is the way for innovative organizations to unlock their true potential.

CHAPTER 5

Domain and Skill Variation of Different Generalists

The Law of Specialist Saturation (LOSS) states that while the initial introduction of specialists yields significant improvements in specific areas, beyond a certain point the marginal benefits of additional specialization decrease.

To sustain and enhance overall organizational performance, generalists are essential in optimizing business results. In other words, the Law of Specialist Saturation highlights the danger of overreliance on specialists and elevates the critical role of generalists in optimizing organizational performance.

For specialists, the productivity curve initially rises steeply as they gain deep expertise in a narrow field, reaching a peak at the expert saturation point. At this stage, their productivity levels off, indicating that additional experience or knowledge gains offer diminishing returns.

In contrast, generalists show a more gradual but sustained increase in productivity. Instead of plateauing, the generalist curve continues to rise beyond the expert saturation point, illustrating how their broader skill sets and adaptability allow them to maintain and even enhance productivity over a longer career lifespan.

Why Is It a "Loss"?

My research over the years has led me to believe that professionals largely work on intentional specialization first and then they look out for planned exploration. They mostly prioritize a path of deliberate specialization as a foundation but incorporate structured periods of cross-field exploration later.

It is a loss as planned exploration is often late, and it results in specialists becoming complacent. Moreover, it does not allow generalists to flourish in good times in their careers to gain wider roots and ventures.

So working outside the domain—your industry base—means possessing the adaptability to contribute effectively in fields beyond your primary expertise. The ability to work outside one's domain is increasingly valuable in today's interconnected and rapidly changing business environment.

This capability allows individuals to leverage their expertise and adaptability to tackle challenges and contribute to projects beyond their primary area of specialization.

Ability to Acquire New Skills

Acquiring new skills can take the form of either upskilling or re-skilling.

Enhancing existing skills and acquiring new skills to improve performance in a current role is called *upskilling*. The focus here is to stay current with industry advancements and evolving job requirements related to your existing role, mostly through complementary skills.

Re-skilling, on the other hand, is about learning entirely new skills to transition into a different role, either within the company or in a new field. The focus here is on adapting to major workplace changes and opening new career pathways, mostly through contrasting skills.

Extending the discussion on upskilling and re-skilling, it is worth understanding the distinction between hard skills and soft skills, especially in the context of generalists: hard skills (also known as technical skills) represent specific know-how or training acquired through education, work experience, or specialized courses, whereas soft skills (also known as leadership skills) are traits that shape how we work with others and navigate workplace dynamics. Generalists excel in a variety of roles by balancing their hard skills with soft skills.

CHAPTER 6

The Generalist's Role in Innovation and Problem-Solving

Generalists thrive in uncertain environments by combining adaptability, critical thinking, and collaboration. Their practical insights empower them to make informed decisions and positively affect the team (and the organization) they serve.

To do better in uncertain times, leaders need better *sight*. There are four types of sights that leaders can center on:

- **Hindsight** – the ability to understand the nature of a situation clearly only after it has happened.
- **Oversight** – the act of closely supervising or managing teams, processes, or operations.
- **Insight** – a deep and accurate understanding of something, often a complex situation or concept.
- **Foresight** – the ability to anticipate or predict future events or developments and plan accordingly.

> When we are told to narrow our focus or stay on our lane, we miss out on something profoundly special. ”

Each type of generalist approaches unknown or unpredictable situation differently:

- Shallow generalists are known for their hindsight.
- Domain generalists are known for their oversight.
- Skill generalists are known for their insight.
- Ultra generalists are known for their foresight.

Generalists Tackling with Complexity

Generalists are often better equipped to deal with complexity due to their broad skill set and interdisciplinary work exposure. Dealing with complexity is about the thought process, and there are four thinking styles that we often see in today's workplaces:

- **Silo thinking** – focusing only on your own department, team, or area of expertise, without considering the bigger picture.
- **Divergent thinking** – generating as many ideas as possible, exploring all sorts of possibilities, and thinking outside the box.
- **Convergent thinking** – narrowing down ideas, evaluating options, and making logical decisions.
- **Holistic thinking** – seeing the big picture, understanding interconnectedness, and considering the long-term impacts of decisions.

Generalists use different types of thinking patterns, categorized by their approach to tackling with complexity:

- Shallow generalists are known for their silo thinking.
- Domain generalists are known for their divergent thinking.
- Skill generalists are known for their convergent thinking.
- Ultra generalists are known for their holistic thinking.

Innovation Ins and Outs of Generalists

Innovation is about creating value, as much as it is about uniqueness. Moreover, it is about introducing new ideas, methods, processes, products, or services that can enhance the productivity of an organization. It is not a surprise that generalists fuel innovation.

There are two main approaches to innovation:

- **Inside-out innovation** begins with the company's internal strengths, expertise, and existing technologies.
- **Outside-in innovation** begins by deeply understanding customers' needs, pain points, and desires.

Similar to this, there are two other aspects of innovation:

- **Explorative innovation** focuses on creating entirely new products, services, or business models.
- **Exploitative innovation** focuses on refining and improving existing products, services, or processes.

Here's how to apply the SDSU framework to innovation results in different generalists:

- Shallow generalists are best for inside-out innovation.
- Domain generalists are best for outside-in innovation.
- Skill generalists are best for inside-out innovation.
- Ultra generalists are best for outside-in innovation.

Problem-Solving Modes of Generalists

Generalists employ various problem-solving modes to tackle challenges and drive solutions across different domains, including experimental, pragmatic, ethical, and iterative problem-solving modes. They are generally better at lateral thinking, a problem-solving approach that involves looking at issues from unconventional angles.

In talking about generalists and the problem-solving conundrum, we need to discuss the approach of zooming in (focusing on the nitty-gritty of a problem) and zooming out (taking a big-picture view of the problem).

Taking the zoom perspective further, let's talk about focus. There are four types of focus:

- **Deep focus** – intense, sustained concentration on a single task for an extended period, minimizing distractions.
- **Micro focus** – focus on the smallest, most immediate actions within a task or project.
- **Macro focus** – the big-picture view of your goals, projects, and priorities.

- **Meta focus** – built on the "why" behind what you're doing.

Different generalists use different focus approaches to problem-solving:

- Shallow generalists are known for deep focus.
- Domain generalists are known for macro focus.
- Skill generalists are known for micro focus.
- Ultra generalists are known for meta focus.

CHAPTER 7

The Generalist Advantage in Action

Four case studies involving the four types of generalists reveal important lessons about The Generalist Advantage and how each type deals with unique and challenging situations. Here are the key takeaways:

- **Learn from the shallow generalist**. Avoid analysis paralysis and take decisive action, when necessary, even with limited information.
- **Emulate the domain generalist**. Leverage your domain expertise to adapt to new industries and roles.
- **Apply the skill generalist approach**. Utilize your core skills to tackle diverse challenges and opportunities.
- **Embrace the ultra generalist mindset**. Thrive in uncertainty by embracing change and continuous learning.

CHAPTER 8

The Generalist Quotient (GQ)™

The Generalist Quotient (GQ) is the measure of an individual's ability to apply a wide range of skills across various domains. It highlights their versatility, adaptability, and capacity to integrate diverse perspectives.

You can use a free online GQ self-assessment to ascertain your generalist type based on the SDSU framework and develop a road map for self-development to capitalize on The Generalist Advantage.

Conclusion

The Generalist Advantage empowers us to approach problems from multiple angles, drawing upon insights from diverse domains to arrive at creative and innovative solutions. It fosters a spirit of collaboration and empathy, recognizing the value of diverse perspectives in addressing complex issues and driving positive change.

But embracing the generalist mindset is not without its challenges. It requires us to confront our own limitations, to step outside of our areas of expertise, and to embrace the discomfort of the unknown. It demands patience, perseverance, and a willingness to embrace failure as an essential part of the learning process.

Yet, for those who dare to embrace the generalist mindset, the rewards are abundant. It empowers us to make meaningful contributions to the world around us, whether through our work, relationships, or creative endeavors.

In today's era of rapid change where AI influence and impact is fundamentally rewriting the why and how we work, a generalist is bound to thrive. They adapt when paradigms shift, for their toolbox is not rigid—it expands. When art merges with science, when education blends with gamification, when innovation challenges tradition, when creativity meets constraints, and when passion collides with practicality, the generalist steps forward, unafraid.

Dr. Mansoor Soomro is a futurist, thought leader, and author whose work appears in major international media, including the *Daily Mail*, *Yahoo*, *Raconteur*, and *HRD America*. He has been invited to speak by organizations such as the United Nations, World Bank, and Cambridge University. Championing a human-centric approach to work, he advises organizations through keynotes, executive education, leadership development, and consulting. He is the author of *The Generalist Advantage* and host of the *In Conversation podcast*. Dr. Mansoor serves on the *Harvard Business Review* Advisory Council and holds multiple international professional certifications focused on strategy, talent, and organizational transformation worldwide.

The Generalist Advantage: Proven Framework to Explore the Potential of 4 Types of Generalists at Work by Mansoor Soomro, PhD. Copyright© 2025 by John Wiley & Sons, Inc. Summarized by permission of the Publisher, John Wiley & Sons, Inc. ISBN 9781394276424. Summary published by Soundview Executive Book Summaries®. Copyright 2026 Soundview, Inc. All rights reserved. Reproduction in whole or in part is prohibited. For permissions and reprints, please contact service@summary.com. 4808

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The Hidden Leader

Soundview Executive Book Summaries

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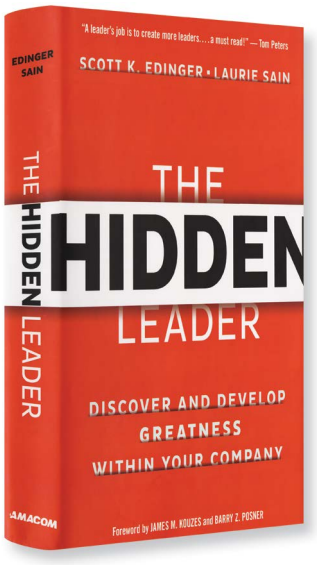
Leadership

The Hidden Leader

Discover and Develop Greatness Within Your Company



by Scott K. Edinger and Laurie Sain

THE SUMMARY IN BRIEF

Think you can spot the leaders in your company? Don't assume that you can identify them by their positions. What about those employees who consistently step up: the field agent who solves a previously intractable problem; the service rep who thinks outside the box and creates unshakeable customer loyalty.

These are more than "good employees." These are "hidden leaders," and they are critical to an organization's long-term success. Managers today need to make the most of all their resources, and *The Hidden Leader* shows them how to recognize and cultivate these talented but under-utilized employees, who demonstrate integrity, lead through authentic relationships, focus on results, work from clear customer purpose and fulfill the value promise of the company.

Supported by real-world examples of hidden leaders in action, *The Hidden Leader* helps managers discover these secret saviors and enable them to deliver even greater value to customers.

IN THIS SUMMARY, YOU WILL LEARN:

- To recognize and nurture hidden leaders in your organization.
- The four facets of hidden leadership.
- Why integrity is non-negotiable in hidden leadership.
- The difference between customer service and customer purpose.
- How to engage hidden leaders at the individual and organizational levels.

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THE COMPLETE SUMMARY: **THE HIDDEN LEADER**

by Scott K. Edinger and Laurie Sain

The authors: Scott Edinger is recognized as an expert in helping organizations achieve measurable business results. Companies like AT&T, Lenovo, and *The Los Angeles Times* hire Scott Edinger to work with their senior leaders. A professional writer and instructional designer, Laurie Sain has defined content and created learning models for nearly 500,000 professionals, frontline supervisors and workers. Her clients have included Apple, the Union Pacific, Fidelity Investments and Charles Schwab. *The Hidden Leader: Discover and Develop Greatness Within Your Company* by Scott K. Edinger and Laurie Sain. Copyright © 2015 by Scott K. Edinger and Laurie Sain. Summarized by permission of the publisher, AMACOM. 240 pages, $24.95, ISBN 978-0-814-43399-7. Summary copyright ©2015 by Soundview Executive Book Summaries www.summary.com, 1-800-SUMMARY. For more information on the authors, go to www.summary.com.

What Is a Hidden Leader?

Hidden leaders are all around you within your organization. You have worked with them, encouraged them, and seen them rise within organizations to positions of power and influence.

You and others have called these workers smart, crucial, effective or an important part of the company. You have seen them work effectively with people at many levels within the organization, from front lines to executive suites, regardless of their formal positions. But if you thought at all about these employees' abilities, you probably categorized them as having natural talent that couldn't be replicated. You didn't see them as leaders.

What makes them "hidden" is not that their coworkers and supervisors do not value them as important players within the company. It is that management does not think of them as leaders with the potential to drive excellence throughout the organization.

These hidden leaders are a source of great strategic advantage in your company. They can be defined, identified, nurtured and encouraged to help an organization develop a competitive edge. They are the powerhouses within organizations who help galvanize people toward excellence.

The power of hidden leaders is obvious to those around them. These top individual contributors are known as the ones to approach for tough problems, the people new hires are directed to meet to understand the company's inner workings, and the anchors of productivity, creativity and innovation.

Hidden leaders affect the bottom line of an organization in several ways. They strive to fulfill the company's value promise; they enable effective shortcuts to be devised without sacrificing quality; they inspire others around them to do their best work. Managers who identify and treat them as leaders gain an important strategic and competitive advantage over the competition.

The Dynamics of Hidden Leadership

Before you can identify and develop hidden leaders, it's important to know what hidden leadership is. The dynamics of hidden leadership are more than effectiveness, friendliness and productivity. They encompass specific facets of behavior and attitude that result in these leaders fulfilling the value promise of your organization.

The Four Facets of Hidden Leadership

As a manager, you must understand each of these four facets in depth, including what drives them in hidden leaders and what undermines them in terms of systems or support. You will then be able to discover hidden leaders in your organization and develop them appropriately to strengthen your company's competitive opportunities.

Demonstrates Integrity: Integrity, by its definition, means adhering consistently to a strong, reliable code of ethics, whatever that code is.

Demonstrating integrity is the absolute bottom-line requirement of hidden leadership. Hidden leaders are known for their integrity and for acting on it in difficult situations where some might forgo commitments and lean on moral flexibility. But hidden leaders do not. Their integrity shows consistently along the way. An observer can identify it in actions, words and attitudes. To demonstrate integrity, a person must have the courage to consistently adhere to a strong ethical code, even in difficult situations.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Amanda Langen**, Graphic Designer; **A. Imus,** Contributing Editor

By "a strong ethical code," we mean more than simply not lying, cheating or stealing. Those characteristics are the minimum expectations for any employee — the absence of outright dishonest behavior. A strong ethical code is built on positive, action-oriented, baseline beliefs that guide behavior. Hidden leaders may not be able to describe those beliefs, but others will see them consistently in action.

Leads Through Relationships: Demonstrating integrity is a sine qua non for hidden leaders. But they also lead through relationships, because those relationships are important to them personally. Essentially, leading through relationships requires an authentic, honest interest in others at many levels of an organization. This is evidenced and created by certain skills, attitudes and characteristics.

Hidden leaders, whether in a position of authority or not, display this ability to lead through relationships, or relational leadership. Essentially, those who lead through relationships

- Use interpersonal skills effectively.
- Exercise a sense of curiosity.
- Value others.
- Believe in their own personal value to others, whether as a co-worker or as a friend.

Focuses on Results: By focusing on results related to paying customers' needs, a hidden leader makes things happen for customers, co-workers and the company. When does a hidden leader focus on results? When the hidden leader maintains a wide perspective and acts with independent initiative. The result is individual engagement at a level that achieves more than knowledge, experience or positive thinking alone. It entails using the end to define the means.

When the end defines the means, hidden leaders don't just do a job. They aim for the end they are supposed to produce — the goal. This goal usually benefits both the customer and the company. It doesn't depend on the established process, the status quo or the personal needs of the leader.

Remains Customer Purposed: Being customer purposed is different from providing customer service or being customer driven. Being customer purposed means seeing the big picture of the company's value promise and acting in ways that enable that promise. This is more than a sense of "customer service," which implies that the one serving the customer will do anything to make the customer happy (possibly to the company's detriment).

The primary distinction of customer-purposed hidden leaders is that they focus on delivering their company's value promise during every aspect of the customer experience.

Identify Hidden Leaders

The perfect and fully developed hidden leader displays all these behaviors. You may notice people you think are leaders, who are strong in only two aspects or perhaps one. But how can a manager know if a particular person has the potential for hidden leadership in spite of skill deficits?

When two of the three characteristics are present, you will see distinctive roles and reputations in potential hidden leaders. We have identified them as the short-term visionary, the busywork-er and the lone wolf. Each of these types lacks one of the key characteristics of the true hidden leader.

The Short-Term Visionary

The short-term visionary combines results and relationships to produce action. Generally, these workers are effective in getting things done — at least things relevant to the short-term success of the company. They are continually in achievement mode, clicking off tasks, completing assignments and accomplishing goals, all while keeping relationships intact.

However, the short-term visionary is missing the customer-purposed characteristics of a true hidden leader. This frequently leads to actions that produce short-term gains at the expense of long-term results. Because they are not customer purposed, these potential hidden leaders lack the voice of the customer in their actions. As a result, they are in danger of making decisions that address localized, internal issues at the expense of customers.

When you as a manager see short-term visionaries, remember that a customer-purposed attitude can be developed. Do not discount the importance of people with strong relationships throughout the organization and an ability to focus on results.

The Busywork-er

Have you ever noticed an employee who is incredibly busy but seems to contribute very little to the company's long-term success? These well-intended professionals frequently have good relationships and exhibit a strong customer purpose. They certainly display a good work ethic, and they do get things done, especially routine assignments or marginally important projects. But without a focus on results, odds are that these workers will accomplish very little that contributes much to the value desired by customers or the long-term health of the organization.

The busywork-er lacks the characteristic of a focus on results. Without that focus, the person has no yardstick by which to measure the importance of specific tasks. Many

busywork-ers have tremendous planning and execution skills as well as excellent relationships. They do maintain the centrality of the customer, which helps them make tactical decisions.

But without the end game in mind, they may expend energy on projects and ideas that are good but not as valuable as they might be to the organization or the customer. They get results, but the results may not be in line with the company's strategic objectives.

The Lone Wolf

We call a potential hidden leader who lacks the ability to lead through relationships a lone wolf. In some situations, a lone wolf can be an asset. Especially where technical requirements are key, a lone wolf can accept an assignment, understand its importance and do it well. Many people with specialized or concentrated knowledge in a variety of fields, from software development to finance to law to medicine, fall into this category and produce great work for a company.

But lone wolves are unlikely to develop into hidden leaders. Without support from others in an organization, it is difficult for anyone to provide effective leadership. Project work generally occurs horizontally in companies. To lead effectively, a hidden leader must garner support across silos and work with multiple constituencies among different functions in the organization. Lacking that ability, the hidden leader is reduced to a lone wolf: an effective and productive person but not someone considered to be a leader.

Enable Integrity

While hidden leaders display integrity in all their activities, sometimes much of their work is done in solitude or within a small group. This can make it difficult for those uninvolved in the team to see the leader's integrity in action. The challenge for managers is observing visible evidence of integrity when the hidden leader is not in the immediate vicinity. In many cases, the manager must watch and listen for this evidence in the comments, responses and actions of others — those who depend on hidden leaders in the organization and know the leaders' integrity can be depended on in the toughest situations. When a manager hears employees suggest solutions that consistently include asking for help from a specific individual, that individual may be a hidden leader known to everyone on the front line.

How Can You Support Integrity?

Hopefully, your organization looks for and hires people who are moral and ethical in general. You begin with people whose values are consistent with the stated ones of the company.

However, courage and consistency in behaving with integrity can be encouraged or discouraged by co-workers, supervisors and managers. Company structures and organizational responses can discourage people's ability to show integrity. They can make it difficult for employees to maintain moral positions contrary to demands of the organization. Such company structures and responses are especially influential when they organically conflict with the company's stated values.

It is especially important that positional leaders show strong support when hidden leaders demonstrate integrity. We believe that this support takes three important forms:

- Responding positively to integrity
- Incorporating integrity into the culture
- Showing integrity yourself when it counts most: facing ethical dilemmas.

Does Your Culture Support Integrity?

It is one thing for an organization to employ people who demonstrate integrity. It is another thing for an organization's culture to support that integrity.

You can determine if your culture supports integrity by paying attention to everyday efforts and results. Does your company regularly deliver on its promises to customers? Are commitments met? Do people consistently act in the best interests of the enterprise, the customer, company stakeholders and employees? Do workers get honest feedback about how they might improve performance? Are conversations genuine and productive in the face of conflicts? Do people believe they have contributed significantly to the organization? A company culture that can answer "yes" to all of these questions has aligned its actions with its integrity.

Build Essential Relational Skills

Hidden leaders with strong relational leadership develop and use critical interpersonal skills whether or not they have been officially trained in them. The hidden leader's life experiences, combined with an interest in others, make these leaders more self-aware than nonleaders. This self-awareness emerges as compassion and empathy for other people. Given a baseline of interest in others, a hid-

den leader can learn these skills and integrate them into everyday performance easily.

Relational leaders do three critical things that help build emotional connections beyond basic relational skills:

- They pay attention to others.
- They make an effort to connect.
- They time conversations to coincide with their own positive moods.

Developing Essential Relational Skills

Hidden leaders consistently use a specific set of observable skills.

Face-to-Face Communication Skills: Authentic relationships entail communicating one-on-one with people. For our purposes, "face to face" means the fundamental methods two people use to communicate verbally and initiate, build and maintain strong interpersonal relationships. These skills are verbal ones. Specific features include sharing information, clarifying and confirming, and acknowledging others.

Transparent Critical Thinking: Transparent critical thinking is the ability to make verbal connections for people between the facts or assumptions that support an argument and the conclusions or solutions. Transparent critical thinkers verbalize their thought process so others can see how they came to a conclusion or the rationale behind a solution. Hidden leaders who make their critical thinking transparent trust the listeners, and the listeners are confident that there are not hidden agendas at work in the situation.

Crediting Others: Hidden leaders know that it is rare for a great accomplishment to be achieved by one person in a vacuum. Multiple contributors at many levels are involved in a success. Hidden leaders not only pay attention to the potentially unsung contributors to success, they make sure they give them public credit for their contributions. This willingness to credit others' contributions strengthens relationships deeply.

Honest and Complete Critiques: Hidden leaders believe that most people do their best, but they also know that people make mistakes. Because they truly value relationships, hidden leaders want to help others improve their performance however possible. One of the tools hidden leaders use to help others is to provide honest and complete critiques of actions, behaviors or work products. Hidden leaders' honest and complete critiques use a simple structure that is designed to help the other person, not harm. Honest and complete critiques focus on the content, maintain the person's value and build with information.

Effective Conflict Resolution: Good conflicts — those of ideas, priorities, goals and opinions — respond well to transparent critical thinking and logical, systematic approaches to solutions. Hidden leaders handle these situations well because they are confident in the power of methodical processes and rational conclusions. They also succeed at managing these conflicts because they trust that those involved have the good of the customer and the company at heart. We call these creative conflicts, because often the results or solutions that emerge are better than the two initial options combined.

In creative conflicts, hidden leaders use their communication skills to identify facts, assumptions, goals and priorities among the parties involved. Then they search for ways to combine all the stated goals into one systematic solution. This ability to synthesize solutions from conflicting ideas makes hidden leaders the relational anchor points for people involved in the conflict.

Create a Focus on Results

Few things make a difference in a company like hidden leaders who are focused on results. So what is it that allows a hidden leader to sustain a powerful focus on results? We maintain it is the presence of two characteristics: taking initiative and maintaining a wide perspective.

However, these aspects must be combined in the right amounts in the hidden leader. An imbalance of either trait leads to a very different type of person on the job. Consider these roles that emerge from combinations of initiative and perspective:

Plodder (Low Initiative, Narrow Perspective). Each of us has seen these ineffective people at work. They equate process with productivity and control with competence. Not only do these employees rank low in both initiative and innovation, they squelch those properties in the people around them. If they happen to be in formal leadership positions, their teams face demands for constant reports documenting progress. A frontline employee with low initiative and a narrow perspective can stop progress by insisting on sticking to the rules of the company or slowing team progress until not much is accomplished.

Dreamer (Wide Perspective, Low Initiative). These employees — and sometimes leaders — are at least headed in the right direction. They know the importance of keeping the end goal in sight. But they are unlikely to take decisive action without approval from above. The result is someone who can talk the talk but rarely walks the walk.

Hyper-Actor (Narrow Perspective, High Initiative). These frenetic employees take initiative for action but keep no output or broader perspective in mind. They change their stated goals regularly and may profess conflicting priorities. When they are unsure of what to do, they become more frenzied and achieve less.

Hidden Leader (Wide Perspective, High Initiative). These leaders — and they are leaders, although their titles may reflect otherwise — couple a clear line of sight toward the goal with the energy and initiative to take action, with or without approval from above. Because they let the end define the means, their actions connect to critical goals for the company and customers.

Building Individual Engagement

When they focus on results, hidden leaders maintain a broad perspective and take independent initiative to act. As hidden leaders maintain this focus over time, they become more engaged in their jobs.

Engagement happens when anyone, hidden leaders included, makes progress toward meaningful results. This progress and engagement result in people feeling happy and rewarded. The positive energy that results makes them much more likely to innovate.

By maintaining a broad perspective, hidden leaders more easily attribute meaning to everyday actions because their actions — the means — are defined by the desired results — the end. These leaders' personal initiative enables them to clearly see how their individual actions contribute to the desired goal.

Instill Customer Purpose

Customer purpose drives hidden leaders to see their work in light of the value it provides to the paying customer. It reaches beyond customer service to include the big picture facing an organization at any given point.

You can enable customer purpose in your employees by ensuring that they all understand the same definition of "customer" and can link the company's value promise to their specific tasks.

Customer Purpose Isn't Customer Service

By its nature, customer service responds to customer needs. It isn't completely passive, but a customer must be identified and a need declared before service can be offered. It is a critical aspect of a company's performance.

In contrast, being customer purposed means proactively envisioning how any task affects the value provided to the customer by the company. It means being a visionary in the context of a specific job and with the company's value promise in mind, as well as stated or potential needs of customers.

Customer purpose creates value. Inside the organization, it translates into customer-focused processes, products and services. From the outside, customer purpose builds a better customer experience. It strengthens a company's business relationships with its customers, which is a distinct competitive advantage. Your competitors may be able to replicate products, services and processes, but they cannot replicate a strong business relationship — especially if hidden leaders are the foundation of that relationship.

The Source of Customer Purpose

The source of being customer purposed is a deep understanding of the value promise of an organization. In organizations where the executive suite believes in communicating the true value promise organization-wide, hidden leaders can easily link their everyday actions to the company's purpose.

In those organizations that make no effort to help employees understand the value promise, customer-purposed hidden leaders make the effort to think through what the company is truly delivering to its customers — including future ones. It's helpful when an organization educates its employees on its value promise to customers.

But when that is not the case, hidden leaders are able to be customer purposed because they engage five distinctive characteristics:

Enthusiasm for the work: Enthusiasm born of a belief in the value to the customers drives hidden leaders to make the customers' needs their purpose. This enthusiasm influences those around them, both colleagues and customers.

Balanced skill/communications proficiency: Customer-purposed hidden leaders ask great questions, not just to uncover needs but to understand the issues from a customer's point of view. They evaluate the customer's or stakeholder's level of knowledge about the problem and product or service and talk in language that makes sense and provides value.

A Sense of Urgency: Customer purpose requires a sense of urgency on the part of the hidden leader. But urgency is not speed. It is a commitment to act, to not stop until the customer's needs are met. This sense of urgency — of believing that the customer's needs are too important to ignore in the short or long term — is a driving force behind the hidden leader's sense of being customer

purposed. A sense of urgency provides the "why" behind the "what" of being customer purposed.

An Owner's Mindset: Hidden leaders bring the commitment of a company owner to their jobs. Daily, they come to work ready to make a difference and help the organization and its customers achieve their goals. This customer purpose exists because hidden leaders see themselves as responsible owners of the organization, not just employees. They take ownership of their jobs and their companies' success. When a hidden leader acts like an owner, managers will see the leader reference company strategies in the process of making decisions in the workplace.

Behaving like an owner is not a subtle shift. It is a transformation that hidden leaders, with their self-ownership of actions, embody daily.

Being Champions of Change: Because they are customer purposed, hidden leaders look for ways to keep up with customer needs and market challenges. They are often the ones advocating improvements and responses to better meet customer needs. These champions of change will challenge the status quo, no matter their positions in the existing hierarchy. They are determined to serve the customer well, even if that means working against existing systems and assumptions. Hidden leaders use their strong communication and persuasion skills to challenge the status quo collaboratively.

Through their skills as champions of change, hidden leaders can be management's secret weapon to help others in the organization accept, commit to and implement change initiatives. Engaging hidden leaders in change implementation helps clarify the change process for others because the leaders focus on what is best for the customer.

Measure Performance

When it comes to measuring performance, how do you use the characteristics and skills we have identified as belonging to hidden leaders? People can be measured as if they might be hidden leaders. Core characteristics and skills of hidden leaders can be helpful to anyone in your organization. By exposing employees to the characteristics and skills of hidden leaders over time, achieving high performance in these skills becomes the norm.

Bestselling author Neil Rackham talks about measuring performance as a way to improve, not to prove. Rather than using measurement to verify a result, use it as evidence of growth or movement so you can make changes and adjustments.

Effective Performance-Measurement Systems

Hidden leadership characteristics offer guidance to ensure that your organization's performance-measurement system is useful.

Focus on Results: Ensure that individuals' goals link directly to the company's strategy and tactics. If necessary, alter processes and procedures so they focus on attaining results for the customer. Make sure the end — your value promise — defines the means of getting there.

Centralize the Customer: Create measurement criteria that are customer purposed to strengthen the link between goals and your company's value promise. Question a measurement or goal that cannot be directly linked to value for the paying customer. Reinforce and support those that clearly put the customer at the center.

Communicate Clearly: Visions and strategies are important. Just as critical, however, is management's communication of and commitment to the what, how and why of these high-level concepts. When it comes to communication, once is not enough. Management must continually link ongoing tactics to strategic goals and the overall vision. Regular, consistent communication at all levels must reinforce the link.

Reward Initiative, Not Just Results: Rewarding a well-planned and well-conceived initiative is the pathway to innovation, even if the result is a failure or mediocre success. True innovations rarely work the first time. The classic story to illustrate this is that of Thomas Edison's search for a suitable filament for the electric light bulb. According to various sources, Edison tested thousands of different elements before he succeeded in his quest. When he did succeed, his discovery enabled him to transform commercial lighting and electrical systems.

Customize Rewards: Remembering that different people value different reward mechanisms is important if hidden leaders are to be supported effectively. The most effective rewards are customized ones that individual people value personally. For that, managers must interact with workers and find out what is most important to them. Some prefer a quiet commendation or a word to upper management. Some like the pomp and circumstance of formal award ceremonies in front of their peers. For others, a sincere "thank you" and a special reward — for example, a flexible day off or an acknowledgment to a small team — is most important.

Engaging Hidden Leaders

The purpose of understanding hidden leaders is to engage one of the most powerful strategic energy sources in your company. When these leaders are effectively engaged, a company creates fertile ground for existing hidden leaders and produces an environment that actively cultivates the development of many other employees as hidden leaders. A business able to engage and encourage hidden leadership has a competitive advantage that is invisible to competitors. It also helps the organization develop its productivity, innovation and performance potential.

Enabling Hidden Leadership

There are ways to structure cultures and companies so hidden leaders emerge and are engaged more easily. Here are 10 dimensions of performance that, when developed, create cultures of high performance and environments where hidden leaders thrive:

Communication: One of the many advantages of hidden leaders is that they act out the value promise of your business and bring your strategy to life. But they can do so only in an environment where the value promise is clearly understood and colleagues share information effectively.

Strategy and Goals: With clear strategy and goals, hidden leaders are freed up to focus on outcomes and results, with an understanding of what the company is trying to achieve.

Teamwork and Collaboration: An environment that encourages cooperation and collaboration, through conscious management and specific reward systems, provides hidden leaders many opportunities to use their influencing skills to the benefit of the organization.

Alignment: Cultures that align strategies and goals with tactics allow people to see the relationship between what they do and the contributions of others.

Organization and Learning: Hidden leaders look for ways to improve so that they are able to contribute more value to the business and to grow as individuals. One of the best rewards for hidden leaders is an investment in their development.

Capacity for Change: To improve your culture's capacity for change, ask hidden leaders about their observations, descriptions of a problem, and expectations of how a new approach will resolve the problem or create an innovation.

Customer Focus: When a company's culture reinforces delivering value for customers in its policies, procedures and overall business attitudes, a hidden leader's capability to be customer purposed emerges readily.

Innovation: While recognizing that the people who are officially in charge according to the organization's structure guide and make final decisions, all company employees can offer critical thinking and innovative approaches to common, daily challenges.

Values: Hidden leaders are frequently great role models of an organization's values, especially when they align with the leader's personal ethical code.

Engagement and Commitment: The levels at which people in the organization participate and commit their best work sets a culture's tone. High levels of engagement nurture hidden leaders in all corners of the organization.

An organizational culture strong in these dimensions supports the achievement of a company's goals. It also enables hidden leaders to make their maximum contributions.

Hidden leaders exist. They are at work in your organization now. Based on their demonstrated integrity, they are questioning conclusions and driving issues to the fore. They are harnessing people's energy and power to get good work done, using relational skills, a focus on results and customer purpose. They make the work experience better for those in contact with them.

They may or may not meld with your company's culture perfectly, but they are there. Ignoring their influence may help maintain the status quo. It will also limit the value of your organization. By discovering and developing hidden leaders and acknowledging their contributions, you can expand both culture and value to fulfill your company's potential.

RECOMMENDED READING LIST

If you liked *The Hidden Leader*, you'll also like:

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· Book 304 of 388 ·

The Illusion of Invincibility

Andreas Krebs and Paul Williams

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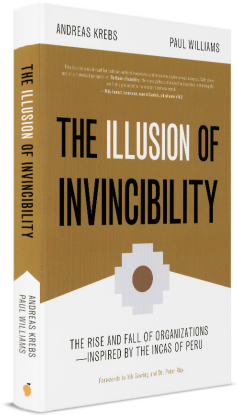
The Illusion of Invincibility

The Rise and Fall of Organizations Inspired by the Incas of Peru

by **Andreas Krebs and Paul Williams**



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THE SUMMARY IN BRIEF

Must everything that goes up eventually come down? If global empires can collapse and advanced civilizations like the Incas can become irrelevant in a matter of a few years, how on earth can our current business leaders and managers have any confidence that today's success can be sustained into the future? One of the maxims of the business world is "the only thing that is certain is uncertainty," with past performance being no guarantee of future performance. Unfortunately, this almost always seems to be forgotten during prosperous times, leading to some reckless decision making. How can you stay on the right side of the fine dividing line between ambition and egomania, or between visionary drive and megalomania?

In ***The Illusion of Invincibility,*** authors Paul Williams and Andreas Krebs take a close look at the factors that impact business success. Using the Incan Empire as an example, they reveal how businesses today can avoid the kinds of power struggles that bring about destruction and make objective decisions when faced with challenges.

IN THIS SUMMARY, YOU WILL LEARN:

- How to create and live by an inspiring and compelling company vision.
- What key considerations should be made when hiring and promoting people.
- How to get the best out of the team and drive the organization forward.
- Three "best of" practices to help a company avoid failure in mergers and acquisitions.
- Common challenges to exercising good judgement and how to overcome

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A Compelling Vision

In the real world, is a vision statement always useful for motivation? For many decades, this certainly was the case for the Incas. That is, until the point when their ambition led to a dramatic downturn in fortune. For an extended period of time, the bold core vision of the Incas to bring order to the world held a magnetic appeal. Many large organizations are launched with such a vision, which guides and inspires strategic decision-making and everyday actions. This sort of vision can inspire, cajole, and motivate. It is no surprise, then, that visions are sometimes hailed as the ideal route to business success. As the demise of the Incan Empire shows, however, this is dangerous thinking.

A proper company vision is the setting of an ambitious but nevertheless realistic goal, which serves to inspire both existing and future employees and other stakeholders. For visions to really inspire and motivate, they must provoke a positive emotional response from all involved and be plausible. They have to be "lived" everyday by all levels of the company. They have to be intuitive, be consistent, and reflect the firm's DNA; otherwise they will just provoke cynicism and ridicule.

A Stress Test for Your Vision:

A vision statement can only be effective if the leadership team is fully on board and everyone in the business buys into it. Regular reflection on the question "Where are we actually going?" generally leads to greater success and satisfaction, provided that the vision properly embodies the concept of a motivating and meaningful way forward.

Human Resources Policy

The success of a business depends on the skills of its people. An incompetent employee can harm their employer and a dishonest one can ruin them. Considering the risk, it is remarkable how carefree some businesses are when hiring new people. A successful business that wants to stay that way is well advised to take great care in the way it goes about recruitment and selection. Those who recruit carelessly and surround themselves with the mediocre, only then to complain about their lack of inspiration and good ideas, are to blame. Talent should be valued over seniority.

Company loyalty and good performance over an extended period of time in a specific position is often rewarded, rather than what a person can do best and whether this is what is actually needed in the future role. The Incas chose to elevate people who proved themselves in a relevant setting and had a positive prognosis for future success, without nepotism or favors. When it comes to choosing new employees, don't compromise! When you consider how much negative impact and collateral damage can be caused by hiring or promoting the wrong person for a key position, then such laxity in personnel decisions is extremely short-sighted.

A Stress Test for Your Human Resources Policy

The prerequisite for good people selection and development is that you give it the attention and time it deserves and invest the necessary care and financial resources. Top management, not outsiders, should be closely involved with the selection and recruitment of managers. When it comes to promotions, what matters is who is best qualified for the job, not who has been there the longest.

Leadership

Not every business can be rescued by good leaders, but poor leadership can take any company under if given the chance. How can a leader get the best out of the team and drive the organization forward? The Inca elite was highly successful in managing this over several decades with sophisticated divisions of power that were very well organized. Inca leadership drew its legitimacy from providing structure and prosperity across the empire. This is directly transferable to leadership in the modern age. How do you provide value to your colleagues and company? How does your team benefit from having you as their boss?

The level of motivation in a team is directly linked to the personality of the manager and how they view their people. Anyone who wants engaged and enthusiastic employees has to allow them to experience success, take a genuine interest in what they do, and reward them with real, personalized recognition. That's it! Easily said, but unfortunately, not quite so easily done. People crave recognition. Appreciation is something that is expressed on equal footing, is credible, and is concrete. Make it clear to your team that you trust them, give them the freedom to organize things the way it suits them best, give them responsibility, and actively support and encourage them. Most people feel motivated by such an environment.

A Stress Test for Leadership

Management ensures there are clear targets and good working conditions for people at all levels. The company encourages a culture of personal responsibility and employ-

Those who are suited to leadership rise to the top, not those who have the right contacts. Creativity, initiative, and commitment are rewarded.

ee development. Those who are suited to leadership rise to the top, not those who have the right contacts. Creativity, initiative, and commitment are rewarded.

Company Values

The Incan Empire was built on strong values. The question of whether something was right or wrong in Incan society was rarely asked, as a more significant code of values was the major factor holding the widespread empire together. Tragically, a civil war undermined these values and accelerated the decline of the empire. The business world jumped into the topic of "values" decades ago. There is an enormous amount of activity from companies regarding their corporate values and yet, at the same time, we hear of one new corporate scandal after another. What is going on here?

Where values such as personal responsibility, integrity, or mutual respect are not found and not lived by management, then moral standards run wild. Why should employees play by the rules if top management doesn't do likewise? Values help you make decisions when faced with a dilemma, and shared values help a large group of individuals find orientation and commit to a common goal. There is nothing wrong with a written statement of values, and, if it is the result of a cooperative effort by a cross-section of employees, all the better. It is vital that it is clearly communicated by senior executives, and it is also helpful if the information is handed out to every new recruit. Most important of all is that actions and not words are allowed to communicate and demonstrate what the values really mean in terms of behavior, both inside the organization and in interactions with external stakeholders.

A Stress Test for Company Values

You know what your company stands for and the values of your company are in tune with your own values. These values are lived out to the full every day, including by top management. Apparent or perceived disregard of values or value conflicts are openly addressed in the course of everyday work. Serious breaches of values bring serious consequences for those concerned, at all levels of the organization.

Mergers and Acquisitions Strategy

Company takeovers and mergers have become routine in the continuous quest for corporate growth. And yet, experts say that between half to two-thirds of them fail. If we think of the Incan Empire as a multinational business, it acquired the knowledge and skills of a large number of regions and people, integrated them successfully, and consolidated into an ever more powerful entity. Their success provides plenty of food for thought for the leaders of today.

The majority of the M&A transactions which were completed globally in 2018 involved small and midsize businesses. Some were initiated because there was no successor from within the family, some to help grow and/or internationalize the business and to avoid becoming a takeover target, others to broaden their product portfolio or to take advantage of real or assumed synergies. But size does matter. Large companies can usually weather the fallout if a merger goes badly wrong, but for smaller companies, it can be a question of life or death. A "best of" merger positions the acquiring company as a partner, not a colonist.

1. The merger offers the opportunity to select the best brains, the best concepts, the most successful products, and the most efficient processes from a bigger pool, and so increase the profitability of the new business.
2. The merger reduces emotional resistance from smaller or weaker partners and speeds up the integration process. You can buy a business, but this does not automatically mean that its employees will cooperate willingly, and you can't buy their commitment or trust. All this must be earned or won over, and this has a direct impact on productivity.
3. The merger meets the needs of the many employees who are looking for the familiar, something to cling to early on, something in the new setup that still feels a bit like home. When employees see that some of their old managers, existing working methods, and/or products have been carried over, on merit, into the new business, then it is much easier for them to identify with the new organization.

The prerequisite for a "best of" strategy is to be able to, early in the process, clearly identify people, departments, processes, and products with a positive prognosis. The key point is to demonstrate, very quickly, that the promised cooperation among equals is more than just a short-term sedative.

Your Judgment

In early Incan chronicles, they justify their subjugation of other indigenous peoples with the claim that they brought the blessings of their culture to the neighbors who, up to then, had been living "like wild animals." We human beings are extremely adept at presenting facts in a way that suits our standpoint, attitude, and intentions. How often do you think you hear the "whole truth" from your employees, direct reports, peers, bosses, or the organization itself?

There are three aspects to the challenge of ensuring you are receiving sound information upon which you can exercise balanced judgment. First, leaders rarely receive unfiltered information. Instead, they receive carefully crafted packets of flattery being fed in by the people around them.

Secondly, if the senior manager also has a domineering or authoritative leadership style, with the tendency to shoot the bearer of bad news, then any information will be cleansed still further before it reaches them.

The third danger involves a self-centeredness and overly self-confident attitude in the manager that results in them distancing themselves even further from reality. If things don't work out as they thought they should, the manager is at a complete loss to understand why.

The advantage goes to those executives who maintain some direct contact with customers and the competitive environment. Leave the management circle and go listen to the views and experiences of employees, customers, and other stakeholders. Regularly carry out reality checks on issues that normally land on your desk in the significantly more abstract form of a status report, presentation, or spreadsheet. This only works when you do this on an ongoing basis, you show that you are genuinely interested in the concerns and issues people raise, and you speak with people directly, openly, and honestly.

A Stress Test for Your Judgment

Do you really have a full 360-degree view of do you have, at best, only partial knowledge of the true facts? You can never know exactly, but there are always things you can do to sharpen up your powers of judgment.

The Incas succeeded in uniting "the best of all worlds." In looking at the story of the Incas we see that in their know-how and social and economic system they were, in many ways, smarter than we are today. Even their dramatic decline shows striking parallels with some of the crash landings of today's leaders. The lessons in this book are designed to encourage you to reflect on your own strengths and weaknesses and to reconsider positively some of the key elements of leadership that impact an organization.

Andreas Krebs is an entrepreneur, internationally experienced manager and speaker on leadership, globalization, and entrepreneurship. He also owns the venture capital firm Longfield Invest, which focuses on young start-ups and growth companies in various industries.

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The Intelligent Leader

John Mattone

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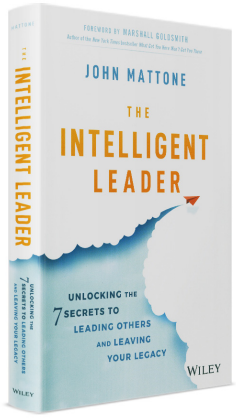
The Intelligent Leader

Unlocking the 7 Secrets to Leading Others and Leaving Your Legacy



by **John Mattone**

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THE SUMMARY IN BRIEF

What is great leadership? What separates the merely competent leaders from those rare individuals who leave a lasting impression on everyone around them? One of the world's most in-demand CEO coaches and top leadership gurus, John Mattone has identified the key qualities that, together, make up the mindset of great leadership.

In ***The Intelligent Leader***, Mattone lays out an accessible, practical, and compelling path that anyone can take to become the kind of leader that brings enrichment to the lives of others, enjoys a more fulfilling life, and leaves a lasting legacy. The book presents Mattone's seven dimensions of intelligent leadership and offers proven strategies to help leaders put them into action.

The world today needs leaders who understand the subtle dynamics of the human heart, mind, and soul, starting with their own. For those willing to do the work to unleash their inner light and let it shine in every dimension in their lives, ***The Intelligent Leader*** is an indispensable guide.

IN THIS SUMMARY, YOU WILL LEARN:

- Why you must focus on your inner core to become an intelligent leader.
- To develop your core purpose statement.
- To cultivate a mindset of duty, leverage your gifts, and address your gaps.
- Skills to help you stay present and, when necessary, to correct your course.

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Introduction: Do You Have What It Takes to Inspire Others to Follow?

True leaders are those who view leadership not as a benefit to themselves but as an obligation to others. That's why a great definition of leadership is one you can read right in the dictionary: "an example for others to follow."

These leaders are aware that people around them are depending on them and modeling their lives after them. Accordingly, these leaders strive to become better people.

The best leaders aren't necessarily those who are born with some special "gift." They've made a decision to take on the enormous responsibility of becoming an example for others—and you can too. Anyone can. Assuming the mantle of leadership is a choice anyone can make. Great leadership is a skill you can develop. That's what Intelligent Leadership is all about.

Your Inner Core

If you visualize an iceberg, you can see the white or blue ice towering above the water line. But below the surface, what you can't see is a giant mass that makes up the vast majority of the iceberg and that accounts for its movements through the ocean. So, like that iceberg, your inner core is everything in you that lies below the surface, all the "invisible" qualities that anchor your personality and that result in the skills and actions that people see.

The greatest leaders are those who are not only deeply aware of their inner terrain but also skilled at accessing it, changing it, and using it to guide and shape their actions in the world. Their connection to their inner core is the "glow" of great leadership. It's the indefinable quality that makes great people tick.

Intelligent Leadership, which is made up of seven dimensions, is the key to unlocking this powerful connection between the inner and the outer, the subjective and the objective, the invisible world below the surface and the visible qualities and capacities that make us great leaders.

Getting to Know Thyself

If you want to develop as a leader, which means developing as a human being, it's crucial that you examine yourself as deeply as you can. You need to understand what drives you, what tends to get in the way of your success, and what latent gifts you might possess.

What exactly is the inner core? The inner core is fundamental to who we are, and yet it is completely invisible to us most of the time. It is the "why" of everything we do. It's a kind of blueprint, constructed by our upbringing, life choices, and experience, that shapes our lives and determines the kind of person we are.

The inner core is broken down into four primary components: your character, your values, your self-concept, and your beliefs.

How strong is your character? Consider who you are when no one else is watching. In what ways do you exhibit strong character? Are there ways in which you are lacking character? Character has six elements: courage, loyalty, diligence, modesty, honesty, and gratitude.

Values: your criteria for life. Dr. Aldo Civico, an executive leadership coach and conflict negotiator, describes values as our "criteria for life." Our values, especially our deep-seated ones, are the lens through which we see the world. They are at play in every major decision we make.

Some of our values may be principles that we've cultivated ourselves. Others were instilled in us by our parents or by society. Whether we're aware of our values or not, they are informing our every move and to a significant degree determine our destiny.

We'll be exploring how each of the seven dimensions are rooted in and influenced by your character and values. They are the foundation of who we are, and if we want to develop into a powerful expression of great leadership, getting deeply familiar with our character and values is essential.

Who do you think you are? The final components of our inner core are our self-concept and beliefs. These are how our deeper character and values are translated into our outer core behaviors and capabilities. Self-concept is, quite simply, how you think of yourself. Do you consider yourself to be a successful person or a failure? A leader or a follower? Your self-concept will, to a significant degree, shape the kind of person and leader that the world experiences.

Beliefs are closely tied to your self-concept. Here, beliefs are the principles that we know to be true through repeated experience. For instance, we might believe that human beings are inherently good, because we've repeatedly experienced acts of goodness and kindness by others in our lives. This deeply held belief, then, shapes how we act in the world.

Think of each of the following seven dimensions as being

Thinking differently and thinking big require that you work at a deeper level than your outer core behaviors and dive into your inner core.

equal parts inner and outer core—a kind of connective tissue that binds them together. These are the unique qualities that collectively make up the true essence of great leadership.

These seven dimensions are the gateway that simultaneously gives us access to better understanding our inner core and the amplifiers that help our light to shine more beautifully, vibrantly, and powerfully through our actions.

Thinking Differently, Thinking Big

If you really want to become something more, to change, to become something different, it's inevitable that you're also going to have to change the way you think. You've got to be willing to think differently than you have before, bigger than you have before. This insight is the primary step on the journey of Intelligent Leadership.

Consider the following qualities and behaviors that are often associated with thinking differently and thinking big. These are "leading indicators" of how much you embody this dimension of leadership, and are meant to help you measure yourself so you can determine what areas need improvement:

- Setting aside time just to think.
- Remaining open to all potential ideas and opportunities.
- Zeroing in on what is real and actionable.
- Bouncing your ideas off others.

Thinking differently and thinking big require that you work at a deeper level than your outer core behaviors and dive into your inner core. Understanding your core purpose is the ultimate form of big thinking. It starts with asking yourself the really big questions: Why am I here? What was I put on this earth to do? What is the unique gift that I offer to the world? Grappling with your core purpose is meant to throw your life and personal pursuits into the biggest and brightest possible light.

From here, you can see your tremendous potential—and also the many ways in which you may be unconsciously holding that potential back.

Developing Your Core Purpose Statement

The core purpose statement (CPS) is a simple description of the biggest and most fundamental vision you can articulate for yourself. Your CPS should capture the essence of the person you want to become, what qualities you want to develop, what you want to accomplish, and what contributions you want to make.

For example, here is the CPS of Denise Morrison, CEO of Campbell Soup Company: "To serve as a leader, live a balanced life, and apply ethical principles to make a significant difference." Amanda Steinberg, founder of DailyWorth.com, writes, "To use my gifts of intelligence, charisma, and serial optimism to cultivate the self-worth and net-worth of women around the world."

Ask yourself the following questions: "What would I really like to be and do in my life? What are my greatest strengths? How do I want to be remembered? Who is the one person who has made the greatest positive impact in my life?"

"If I were to do one thing in my professional life that would have the most positive impact, what would it be? If I were to do one thing in my personal life that would have the most positive impact, what would it be? How can I best contribute to the world?"

Now, visualize the end of life. You are surrounded by your loved ones, friends, and the colleagues you have touched along your life's journey. One by one they lean over to whisper their final words to you. What would each person whisper to you? What difference have you made in their life? What qualities or characteristics will you be remembered for?

Write a draft, and then let it sit for some time. Return to it in a couple of days or a week, and look at it with fresh eyes. Adjust as necessary, and keep returning to it as often as you need.

The Vulnerability Decision

The willingness to be vulnerable is the key to unlocking truly great leadership. This dimension of Intelligent Lead-

ership presents a kind of paradox that many leaders don't understand but that the greatest leaders are intimately familiar with: Vulnerability doesn't make you weak.

Vulnerability will actually make you stronger. It will open you up to new possibilities for yourself and your team that you would never have thought possible. It will build trust among your team members. And perhaps counterintuitively, it can make you *invulnerable* to so many of the slings and arrows of running a team, company, or organization.

Opening up intentionally is the vulnerability decision. It's a conscious choice that you, as a leader, make to humble yourself, invite feedback from others, and search for answers that you don't already have.

It's with the vulnerability decision that the rubber really meets the road. "Without vulnerability, change isn't possible." It's a bold statement but true, made by Curtis Smith, a former Navy man who now runs a corporate consulting firm in Ohio.

One of the key components of vulnerability is humility, or the acknowledgment that you don't have all the answers yourself. This can be a tough one for leaders, who often have pretty big egos. But if you want to change yourself or your company, you need to muster enough humility to see and acknowledge that you aren't perfect and that there are elements of your personality, behavior, management style, or company culture that need improvement. That takes vulnerability.

Practicing Vulnerability

Vulnerability takes practice. It's not something you can just "get" and then be done. Below are a series of "igniter behaviors" that you can use to cultivate vulnerability. They are behaviors that you can put into practice right away to help expand the way you think.

Taking the time to reflect. There's no set way to do this—you can use any variety of methods for self-reflection. The key is to do something regularly to put yourself in a reflective mindset. The power to change for the better is always ignited paradoxically from connecting deeply and quietly with the depths of our inner being.

Being open to feedback. You don't have to do this every day, but it's important to take time, occasionally, to make sure that you're connecting to the impact that you're having on those around you. In what ways is your inner world spilling over onto others? Are your actions—which are reflections of your inner core—having a negative or positive effect on your family, friends, and co-workers?

As you reach out, it's very important to cultivate a degree of being open to this feedback from others.

Being proactive. When you are trying to cultivate any new quality, it's crucial that you are proactive. This is especially true with vulnerability because the idea of being vulnerable can bring up tremendous fear, so actually making yourself vulnerable requires a lot of courage. You can't wait for vulnerability to come to you.

Don't wait for feedback, either internally or externally, to force you into becoming open. It's better to take the offensive. Become an expert in yourself, through reflection and feedback.

Having a Mindset of Entitlement Versus a Mindset of Duty

Being out of touch with what it takes to succeed, and expecting that the privileges that you have are, in fact, not privileges but your God-given right, creates a mindset that can inhibit your ability to work hard through unexpected challenges. And this entitlement mentality is having negative effects everywhere, from the classroom to the boardroom.

The duty mindset is a perspective in which you see yourself as a key cog in a much larger wheel. This wheel is defined by the intricate matrix of relationships that make up who you are: with your co-workers, your family, your friends, your superiors, as well as your mentors and peers.

In this larger context a lot is depending on you. You are not just an independent actor or solo operator. Your choices, your behavior, and your actions all really matter—they have consequences on all of the many relationships that make up your life.

The best leaders understand this, and they take action based on it. It doesn't mean that they don't act out of self-interest or on their own behalf. It's just that they see their own self-interest as part of something bigger. It's a kind of "enlightened self-interest" in which you are focused on your "self," but that self represents something much bigger.

In that light, the duty mindset inherently reorients all of the personal work you're doing. Your own improvement—your striving to become a better leader—becomes much more about the influence you can have on this complex matrix of relationships than it does on your own personal gain.

Cultivating a Duty Mindset

Below are a series of "igniter behaviors" for the duty mindset. These are actions that you can take to help expand your own perspective. The idea is that the more you are able to manually apply these behaviors, the more they will become second nature to you—an inherent part of the way you see yourself and the world.

> Signature strengths are the innate abilities that each of us possess that have made us who we are today.

Working backward exercise. At least once per month take stock of all your successes—all the good things that have happened to you and all those situations that led to your feeling proud, happy, and fulfilled. Now create four columns, and list your successes, one by one, on the left. In the next column, write down the positive result that you experienced from each success.

In the next column, write down what you, personally, did that led to your success. In the next column, write down the names of everyone who made some kind of contribution that led to your success. These could be individuals with whom you work, as well as others, like family, friends, or past colleagues.

In the last column, write down your reaction to seeing that your success was the result of more than just your own effort (if that was the case). Once you see that you are actually a small part of a much bigger whole, it keeps you humble, which allows you to better appreciate all the value that others bring to your own success.

Taking pride in others. As you start to see yourself in a bigger and bigger context, the more you start to identify with that bigger whole. Consequently, you'll start to take pride in it.

Take some time to consider the "greater wholes" that make you proud. Are there specific accomplishments that have been achieved by others who are part of your group or by the group itself that have made you proud? How does that feeling of pride compare to your own personal pride? Just taking the time to reflect on this greater sense of pride starts to build the muscles of your duty mindset.

Leveraging Your Gifts and Addressing Your Gaps

As we move into the fourth dimension, we begin to make the shift into applying the perspective we've been cultivating to the concrete, nuts-and-bolts mechanics of great leadership.

This starts with leveraging your gifts and addressing your gaps, which is, in many ways, the crux of human development. It's where we identify the ways we need to improve, embrace the areas in which we already shine, and then put those all together to unlock our leadership potential.

Signature strengths are the innate abilities that each of us possess that have made us who we are today. They are usually responsible for the majority of the successes we've experienced in our lives, and yet they are so "us" that we often don't even acknowledge their existence or value. The key is to identify these signature strengths and then lean into them and see how far they can take us. The best leaders, the truly great ones, are able to do this, and you can, too.

Your gaps are simply the areas where you could really use some improvement. They could be skills that are underdeveloped, like strategic thinking, communication, or attention to detail. Or they might be character flaws, like having a hot temper or being too self-obsessed.

The key to identifying your gaps is seeking out the limiting factors to growth. We're not looking to identify issues just for the sake of understanding yourself better. We want to find the areas that would have a significantly positive effect on everything else in our lives if we were to improve in them.

Below are a series of exercises and behaviors that you can use to put this dimension into practice.

A 360-degree view. This step involves assessing both your strengths and your weaknesses. It also includes seeing both gross and subtle aspects of your behavior or character—a combination of obvious characteristics, like your communication habits, and harder-to-see elements, like how you perceive yourself as a leader.

Use a combination of self-assessments and outreach to your

peer network. This provides a full-spectrum view of each person, using subjective and objective feedback.

Ask for go-forward suggestions. One way to help keep your mindset more future-oriented is to reframe the way you go about seeking feedback. Instead of asking others to simply tell you about things they think you do or don't do well, consider asking them for "go-forward suggestions" (GFS).

For example, "Mary Lou, what are some go-forward suggestions you have for me to consider in order to improve how I communicate?" The GFS approach is powerful because it will implicitly address your past mistakes and flaws but do so in a way that doesn't make you defensive or regretful.

Make a plan; keep it simple. Once you've gotten a clear sense of your gifts and gaps, it's time to make a plan for how to address them. For your gifts, you want to focus on how each one could be given greater focus in your life. For your gaps, you should look for ways to improve upon weaknesses and curtail the negative consequences of behaviors that aren't serving you.

As you develop your action plan, make sure to keep it simple. You want one or two strategies for each quality you're tackling. Keep those strategies concise. For example, "I will improve my ability to lead constructive team meetings by a) spending at least an hour preparing for each meeting and b) getting more input from stakeholders beforehand."

Make sure that you include target dates for each, and share your plan with someone you trust who can hold you accountable.

Having the Courage to Execute with Pride, Passion, and Precision

Much of the work in the first four dimensions primarily developed self-awareness. Now, the fifth dimension starts to translate this perspective into action.

Just because we plan to do something doesn't mean that we will. Executing requires courage. You need steel nerves to take a vision and actualize it, whether that vision is a project plan, a New Year's resolution, or a book.

Truly great leaders are those who are willing to lean into the often uncomfortable position of executing a plan. They are the ones who have the courage to step into the unknown on behalf of everyone involved. Cultivating this courage is something anyone can do.

Following are a series of igniter behaviors that you can take to develop, or accentuate, your own capacity for courageous action.

(Re)connect with your core purpose. The deepest possible source of courage comes from having a strong and well-considered vision for yourself—one that is big enough to keep you afloat in the rough seas of life. By tapping into the depths of your soul—perhaps for the first time—and creating the vision of the essence of the person and leader you must become, you start to see that your own journey is actually less about you and much more about others.

As you get in contact with the big vision that your CPS is based on, notice how it makes you feel. Do you feel you have more confidence to take action, regardless of what you're up against? The answer, for most people, is a resounding yes.

Assessing and taking pride. Having a healthy sense of pride in your work is a crucial part of courageous action. Think about the major actions you've taken over the past week, month, and year. Make a list of two or three actions for each timescale (week/month/year). Now go through your actions and reflect on how proud you are of the work you did for each. Did you feel that what you did reflected your best effort? Or did you cut corners just to get it done?

Rate each action on a scale of one to 10, with 10 being the highest degree of pride. Once you've gone through your list, review your scores and reflect. Are these the measurements of someone who takes great pride in their work? Or do you have room to grow?

Finding and unleashing your passion. Passion is giving maximum effort toward something, not because you have to do it but because you want to do it. Passion is the engine that drives courageous action. Reaching out to others—your peer network—is a great way to get a sense of just how passionate you are and where your passions lie. You can talk to your loved ones, peers, or trusted friends.

Ask them how "passionate" they consider you to be. Ask for specifics as well, such as, in what areas of life are you most passionate? What are some examples where they've witnessed your passion?

Once you've gotten a good set of answers, review them. Do the responses surprise you? Do your peers see passion that you are not aware of? Are there things you are passionate about that no one mentioned? Most people find that this exercise gives them a new window into themselves.

You can't change what has happened in the past. All you have is now and what you are going to do from now on to create your compelling future.

Staying Present and Being Vigilant

In today's atmosphere of increased time pressure and information overload, there is a significant premium on leaders who are able to tune out the distractions and stay focused. This capacity is staying present and being vigilant. It is the sixth and perhaps most relevant dimension of Intelligent Leadership.

Staying present allows you to be awake to the multidimensional complexity of the situations you're involved in. Being present in your interactions and relationships with others builds trust and improves communications. The more vigilant you are, the fewer mistakes you'll make, and the more effective and efficient you'll become.

In his 2011 best-selling book ***Thinking Fast and Slow***, behavioral psychologist and Nobel Prize-winning economist Daniel Kahneman identifies two different "systems" of thinking that we employ in any given situation. System 1 is intuitive—gut-thinking—based on our initial impressions.

System 2 thinking is analytical, based on careful reflection and problem solving. To be more effective thinkers, we need to prioritize our analytical System 2 thinking and deemphasize our intuitive System 1 thinking.

When we are moving fast, our natural tendency is to go with our guts (System 1 thinking). Mix into that what Kahneman says about our brains: They are wired to find patterns and create stories out of the information we are given, which helps us make sense of reality.

But this pattern-finding capacity can backfire, especially when we are moving too fast, because we often find connections and narratives that are inaccurate and based on incomplete information.

So in order to avoid making the mistake of going with our guts, or acting on incomplete information, we need to slow down and take the time to use the right kind of thinking. This is where being present comes in. When we are able to keep our attention focused and in the moment, we can start to understand the dynamics of our mind and be less susceptible to drawing premature conclusions.

Below are a few principles and practices for being more aware.

Less is more. None of us have infinite time and attention, so it's important for us to learn to get clear about what we should focus on and what we can cut out. As a leader, you have to do this not only for yourself, but you also must set and maintain priorities for the groups you lead. You must be the one to keep things focused, right the ship when it gets off track, and keep everyone focused on the few simple things that will make the most impact.

Remember, the past is over. As cliché as it sounds, you can't change what has happened in the past. All you have is now and what you are going to do from now on to create your compelling future.

Take the time to listen. Coach Avra Lyraki encourages managers to spend at least a short amount of time each week checking in with each member of your team. In these sessions, it's crucial that you don't talk much, and give the other person the floor, paying close attention to what they tell you, whether it's personal or work-related. This simple listening practice builds trust in your teammates. Most importantly, taking the time to listen establishes your credibility as a leader.

Course Correction

When things aren't working, you have to change course. And as a leader, you need to help others do the same. This gets to the heart of the final dimension of Intelligent Leadership: course correction.

The biggest obstacle to mastering the art of course correction is our own psychology. Our brains are literally wired to create habits and norms, both in ourselves and in our groups, to make life easier.

If you want to master the art of course correction, you must find a way to soften "the chains of habit" within yourself by cultivating a mindset that embraces change,

rather than resists it. This mindset is called "the psychology of adjustment," and all great leaders possess this quality, at least to a certain degree.

The psychology of adjustment has four components: a hunger for constant improvement, seeing clearly, a willingness to pivot, and living outside your comfort zone.

Below are a series of igniter behaviors that will help you cultivate your own psychology of adjustment.

Refocus on the present. One of the keys to effective course correction is being able to see yourself and any situation as clearly as possible so you can make an accurate assessment of what steps may or may not need to be taken. Apply the sixth dimension of Intelligent Leadership, staying present and being vigilant, so you can be fully aware of what's going on around you. As you begin to develop your own "psychology of adjustment," make sure you are staying as present as possible.

Do what's right, not what you think is right. Whenever you're in a challenging situation where you perceive a change might need to be made, take a moment to question your own judgment. Don't undermine yourself in an overly self-critical way. Simply ask yourself, "Are my thoughts on this situation based on what I think is right or what is actually right?" Sometimes, if appropriate, you can also do a quick poll of those you're working with, to help further clarify the situation.

Just taking a moment to reflect honestly on the course you've chosen opens you up to the possibility of change.

Surround yourself with honest, courageous people. Surrounding yourself with honest, courageous people will give you access to a strong group intelligence, which is almost always greater, richer, and more complex than the mind of even the most brilliant individual. Tapping into that collective mind will always give you a fuller picture of any given situation, reveal new and creative solutions, and position you to make the best possible choice about how to move forward.

Once you have your team on board, it's crucial that you, as a leader, create an atmosphere in which honest feedback is not only accepted, it's encouraged.

Each dimension of Intelligent Leadership is both inside of and in front of you. It is something to be unearthed and something to be strived for. Both perspectives are true and both are important. So as you move forward in your efforts to become an Intelligent Leader, understand that you can't become a better leader—or human being—without changing.

At the same time, don't overlook the fact that your own potential greatness isn't somewhere outside of yourself. It's deep inside you.

IF YOU LIKED THIS SUMMARY, YOU MIGHT ALSO LIKE:

- ***What Got You Here Won't Get You There: How Successful People Become Even More Successful*** by Marshall Goldsmith
- ***Lifestorming: Creating Meaning and Achievement in Your Career and Life*** by Marshall Goldsmith

John Mattone is widely considered the world's top executive coach and is globally respected for his ability to ignite and strengthen a leader's inner self and talents. Since 2017, he has been ranked by Global Gurus as one of the top three coaching authorities in the world. He is the creator of the unique, powerful, and game-changing Intelligent Leadership (IL) Executive Coaching philosophy and process. Since 2012, he has used his proprietary coaching methodology with more than 50 global CEOs, top government leaders, and professional athletes to help them become stronger, more effective, and vibrant leaders and people.

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· Book 306 of 388 ·

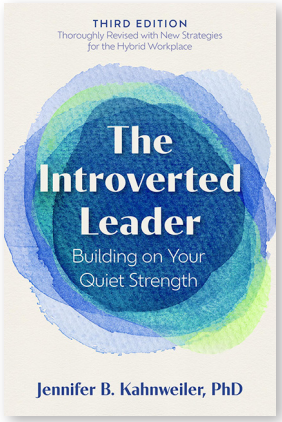
The Introverted Leader

Jennifer Kahnweiler

Executive Book Summaries®

The Introverted Leader

Building on Your Quiet Strength



by **Jennifer B. Kahnweiler, PhD**

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THE SUMMARY IN BRIEF

Introverts rock. People often think that a big, vibrant personality is needed to succeed in the workplace. That simply is not true. Often it is the quietest people who have the loudest minds. Unfortunately, many introverts feel excluded, overlooked, or misunderstood, and the workplace cultures are still skewed toward extroverts. The hopeful news, however, is that introverts are finding their voice, and the world is starting to awaken to the power of introverted leaders.

In ***The Introverted Leader: Building on Your Quiet Strength***, Jennifer B. Kahnweiler is able to define introvertism and explain the challenges those individuals face. Furthermore, she is able to examine these workers and emphasize what makes them valuable in the workplace. Over time, many companies have mistaken introverts as shy and quiet and having nothing to contribute to their businesses. However, by learning more about how they work, companies are able to tap into a demographic that often gets overlooked, which leads to a boom in their business.

IN THIS EXECUTIVE BOOK SUMMARY:

- Learn the definition and benefits of introverted leadership.
- Explore the six main challenges introverts face in the workplace.
- Discover the 4 Ps: Prepare, Presence, Push, and Practice
- Learn the many benefits of focusing on an introvert's strengths.

Six Key Challenges for Introverts

The Challenges

For much of the past century, organizations have privileged the outspoken and gregarious to the exclusion of the quiet and introspective. Many organizations have not rewarded leadership as much as "loudership." And they have paid a price. By overlooking and undermining introverts in the workplace, companies have wasted untold potential.

Naming the Challenges

In this book's studies, six key themes emerge as significant barriers for introverted leaders:

People exhaustion- The "people time" threshold is different for everyone, but being outgoing, conversational, and highly engaged can be stressful for introverts. Part of a leader's role is to connect with people, and without awareness and tools to manage their energy, introverts can become exhausted.

A Fast Pace- You might feel pressure from your manager, team, or organization to do fast turnarounds when you don't feel you have collected all the necessary data. Meetings are often scheduled back-to-back. As an introvert, you probably prefer to reflect on issues and ideas and to take more time to consider decisions, despite pressure to make them quickly.

Getting Interrupted- Introverts say that when they do speak up, their ideas often get passed over or hijacked by more aggressive people around them. Some also complain about their ideas not sticking. As an introvert, you also are likely to appreciate the power of the pause, which provides you with a chance to catch your breath and think.

Pressure to Self-Promote- Discomfort with networking and a tendency toward humility can make self-promotion a challenge for many introverts. In addition, they value privacy, so blasting their accomplishments on social media feels uncomfortable.

An Overemphasis on Teams- While teams can bring diverse perspectives and skills to a project, structuring team processes to bring out the best ideas from introverts could be a much better way to accomplish goals.

Negative Impressions- Introverts often tend to show less emotion in their facial expressions than extroverts. Introverts are often asked, "What's wrong?" even when nothing is the matter. They're usually just thinking. A concept called the perception gap offers one way to view how these impressions are formed.

Unlocking Success: The 4 Ps Process

For introverts who want to strengthen their role as a leader, myriad steps and strategies are available to choose from. How do you get a handle on what to do without getting overwhelmed?

Consider a framework called the 4 Ps Process: prepare, presence, push, and practice.

Prepare- Preparation gives you confidence to handle situations as they emerge. Examples include writing thoughtful questions prior to a meeting, reading the résumé of a job candidate before interviewing them, or researching a client prior to a sales meeting.

Presence- Refers to being present in a way that allows you to be with people. Examples of presence include glancing up from your laptop when a team member asks you a question, calling out a keen observation at a meeting, or switching gears during a presentation when the audience is not responsive.

Push- This likely puts you outside your comfort zone. Examples of push include attending a professional event when you'd rather stay home, initiating a conversation with a coworker, or approaching your boss for a raise.

Practice- Seize opportunities to practice new behaviors. Engaging in conversational icebreakers, facilitating meetings, and telling stories all take a great deal of practice to master.

Leading People and Projects

Can Introverts Really Be Leaders?

Many of the leaders who have presided over astonishing gains in the performance of their companies would hardly be described as "extroverts." Such leaders mostly combine the introvert's tenacity and focus on the business with humility and a willingness to share leadership.

Reframing the Traits of Strong Leaders

Introverts are no more likely to be good or bad bosses than extroverts. For example, introverts might be more likely to exhibit traits such as listening, while a trait like friendliness might be more overt in extroverts. But all traits are typically mixed and matched.

Prepare: Getting training, coaching, and mentoring will increase your chances of leading and managing others successfully. Several other steps can help prepare you for lead-

Now there's an opportunity to take advantage of these options that have tremendous potential benefits for introverts.

ership responsibilities as they morph and change. Consider these suggestions as you prepare for your leadership role:

- Know yourself.
- Build your team.
- Create an introvert-friendly hiring process.
- Allow for breaks.

Presence: Being present with people and projects is an essential part of being an introverted leader. As you practice leadership presence, here are some key strategies to build on your quiet strength:

- Walk around.
- Write it down.
- Listen like a leader.
- Have spontaneous conversations.
- Flex your approach.
- Observe to make decisions.

Push: In amplifying your leadership strengths, you can address one change at a time. Ask yourself which skill can help you achieve the most important challenges you face. Here are three leadership strategies that can push you toward both discomfort and growth:

- Be assertive.
- Delegate.
- Manage conflict.

Practice: People tend to think that it's the extroverts who engage effortlessly in conversations and give eloquent speeches. But introverts can do this just as well. Here are two ways to ensure that you practice these strengths:

- Lead from your natural strengths.
- Surround yourself with a support system.

Introverted Leaders in the New Workplace

The Pros of Remote and Hybrid Work

Experiments with working from home, even one day a week, were having a positive impact. Even before the pandemic, back in 2018, a survey of 240 introverts reported that remote work was viewed very favorably. In 2020, the first year of the pandemic, over 85 percent of the respondents in our survey of almost two hundred introverts indicated they were very satisfied or satisfied with the arrangement. Some critical reasons for this were no commute, being more productive, and having a flexible schedule. In the most recent research conducted in 2024, they asked introverts in a remote or hybrid work situation to respond. The high satisfaction rates remained, with approximately 90 percent of the fully remote respondents either very satisfied or satisfied with their arrangement. Eighty-five percent of those who work remotely five days a week still cited "no commute" as a top benefit.

Challenges

Lack of Communication and Connection- zoom fatigue, superficial relationships, virtual overload, and loneliness.

Other Risks of Being Alone Too Much- losing sight of the larger mission, creative paralysis, loss of perspective

As discussed, during the global pandemic, the world changed and offices changed along with it. Now there's an opportunity to take advantage of these options that have tremendous potential benefits for introverts.

Prepare: Some strategies to help you prepare are to:

- Prepare for connection.
- Implement Employee Resource Groups.
- Plan for days in the office.

Presence: Some ways to drive presence in the office are to:

- Manage performance.
- Consider office spaces.
- Think creatively about other spaces.

Push: Following are some ways to push yourself to address the challenges you may face in the new workplace:

- Make intentional connections.
- Announce your accomplishments.

Practice: As you move forward in this new remote and hybrid workplace, take these two steps to keep practicing:

- Listen to introverts.
- Become a voice for the quiet.

Delivering Powerful Presentations

As with any leadership skill, strong presentation skills are not correlated with extroversion. Many introverts have developed high-profile careers that require presence and presentation skills, including introverts like entrepreneur Oprah Winfrey, the late chief justice of the Supreme Court Ruth Bader Ginsberg, and Apple CEO Tim Cook, all of whom have mastered the skill of public speaking.

Prepare: Successful introverted leaders discover that they must prepare the material and themselves. If you are prepared, you can be more aware and grounded when in the actual presentation. Here are the major elements of preparing for your presentation:

- Know your audience.
- Prepare your content.
- Prepare yourself.

Presence: You're prepared and you know your material cold. Now it's time to speak. Consider how to make all that preparation time pay off so that you can stay present. Here are three ways to be fully present:

- Connect with your audience.
- Take pauses.
- Attend to your body language.

Push: The push step in delivering presentations raises your game. Here are three steps to consider:

- Use technology.
- Say it aloud.
- Get creative.

Practice: If you take the time to notice them, opportunities to speak are all around you. Here are some tips to practice:

- Deliver a recap of a recent training class at your next staff meeting.
- After you attend a conference, report back to your team what you learned about competitive trends.
- Offer to present a project status report to another team.
- Volunteer to encourage people to attend a fundraiser.

Leading and Participating in Meetings

Look at what techniques can help you, as an introverted leader, build on your quiet strengths in meetings where extroverts tend to dominate.

Prepare: Whether you are running the meeting or are a participant, know the key elements to help you prepare:

- Know the purpose.
- Prepare to contribute, and help others do the same.
- Ease into the meeting.
- Sit strategically (in person).

Presence: Ways to develop presence in meetings:

- Establish and enforce ground rules.
- Use brainwriting.
- Get your voice in the room.
- Build in breaks.

Push: You can strengthen your push muscle at meetings when you:

- Use technology wisely.
- Have assertive tools to handle extroverts.

Practice: You most likely will have many opportunities to practice your meeting management approaches. Here are some ideas on how you can practice getting the maximum results from your meetings:

- Become a meeting SME. (Subject Matter Expert)
- Use meetings as learning labs.
- Practice new approaches.

Networking, Your Way

Networking concerns are among the top issues that introverted clients bring to sessions. There is misunderstanding about what it means to network. Networking is about building relationships for mutual, beneficial exchange. We accomplish our goals, receive support, and learn from the people we know

Introverted leaders take the time they need to think about their goals for interactions, whether it is in face-to-face conversations, phone calls, or meetings.

and trust. Research has revealed that introverts, with their focused attention, willingness to prepare for social situations, and listening acumen, can be tremendously impactful connectors who build strong, lasting relationships.

Prepare: To become a strong networker, follow these five guidelines:

- Know your purpose.
- Decide what you can offer.
- Decide what you need.
- Prepare questions.
- Create a social media strategy.

Presence: Here are ways to develop your networking presence:

- Listen actively.
- Move to substance talk.
- Pique interest.

Push: Introverted leaders take several actions to move out of their networking comfort zone. Here are nine practical networking push steps you can choose from:

- Resist looking at your phone.
- Introduce people.
- Try the Fast Friends Procedure.
- Look for "open 2s and 3s."
- Lead an icebreaker.
- Learn and teach names.
- Step up to volunteer.
- Ask for an introvert-friendly meeting location.
- Honor your need to recharge.

Practice: Not only will you become better at networking, but you can practice once you've established momentum. Here are two ways to do that:

- Feed your network.
- Follow up.

Communicating and Coaching for Results

Have you ever had a productive work conversation in an informal setting? Maybe it wasn't in a pickup, but you probably found the unstructured setting made it easier to converse. Informal environments set the stage for building rapport and leading the kind of low-key, low-stress conversations that introverts relish. Work can then flow more naturally.

Prepare: Preparation contributes greatly to communication success. Introverted leaders take the time they need to think about their goals for interactions, whether it is in face-to-face conversations, phone calls, or meetings. Here are a few key steps that they take to prepare to communicate and coach for results:

- Be curious.
- Prepare a script of talking points.
- Prenumber comments.
- Allow time between appointments.
- Prepare great questions.
- Plan productive coaching sessions.

Presence: After they have prepared, introverted leaders are clear in their ongoing communication. Here are three important ways to do that:

- Communicate expectations.
- Solicit input.
- Match the medium to the message.

Push: Introverted leaders who possess strong communication skills may make it look easy; but like actors who have focused on the discipline of learning their lines, they have likely pushed themselves out of their natural comfort zone. Here are four key ways you can push yourself to excel in communication while staying true to who you are:

- Flex your style.
- Raise the bar on your presentations.

- Communicate with grounded energy.
- Show power through your voice.

Practice: Opportunities to experiment with communication and coaching approaches are everywhere. The next time you are sitting in an airport, waiting in a grocery store line, or at a school function, try striking up a conversation with a stranger. It will offer you a chance to practice your conversational skills, raise your endorphins, and make new connections. Here are some specific ways to practice:

- Use the eyebrow test.
- Record yourself.

Managing Up

Renowned management expert Peter Drucker famously said, "You don't have to like or admire your boss." But he also emphasized the importance of managing relationships with supervisors because they can be key resources for "achievement, accomplishment and personal success." Managing your boss means being savvy enough to realize that you need each other to accomplish your mutual goals.

Prepare: Here are four steps you can take when preparing to manage up:

- Meet regularly.
- Consider the big picture.
- Know what support you need.
- Observe your manager's style.

Presence: During these meetings, you will inevitably learn a great deal about your boss, your team, and your organization. This will help you accomplish your job and keep your career moving forward. Here are suggestions to make the most of these conversations:

- Be yourself.
- Demonstrate results.
- Act on feedback.
- Seek out mentors and sponsors.

Push: It is not always easy to manage up, but it is necessary if you are to accomplish your goals. You are in a partnership that is not unlike a marriage, where open communication is necessary. You and your boss can achieve better results together than either of you could alone. Look at push approaches that can help make this happen:

- Be honest.
- Give upward feedback.
- Try the SAR method.
- Know when to step back.

Practice: As an introverted leader, you can make managing up a key part of your leadership portfolio. One of the main ways to do that is to stay on top of change.

Results of Using the 4 Ps Process

The Wins for You

Prepare Example: Raj's consulting firm had imposed a sales quota. He felt pressure to call Michelle, a former client, to touch base and uncover her current business needs. As he prepared to press the numbers on his handset, Raj reviewed his prepared questions and visualized a successful call by closing his eyes for two minutes. He pictured a calm, focused exchange between them. Raj felt energized and optimistic about future business opportunities with Michelle and her company.

Presence: When you convey presence, as Raj did, you are perceived as a good listener and people will share valuable information with you.

Push: Testing your limits helps you discover your capabilities and increases your confidence. It can open opportunities you never thought possible. That is the key payoff of push.

Practice: When you practice, you can figure out which behaviors work for your authentic self.

The Wins for Your Organization

Prepare: Introverted leaders who prepare for conversations and research their stakeholders' needs build trust and commitment with employees, customers, and managers.

Presence: Leaders with presence create a climate in which people are appreciated for their contributions. Companies that are populated with managers who have presence attract and retain employees.

Push: Companies benefit when all leaders—not just extroverts—are able to contribute ideas.

Practice: Introverted leaders who practice their strengths garner respect from others. Their leadership impacts the organizational culture in a positive way.

Overuse of the 4 Ps

Prepare: You can overprepare. Preparation reaches a point of no return, and you can feel anxious and start to second-guess yourself when you overprepare.

Presence: It is also possible to go overboard on presence. When under pressure to connect, it is very common for introverts to act the role of being more sociable than they feel. This can work to a point, but you can put so much energy into pretending that it exhausts you or comes off as inauthentic.

Push: You can push yourself too hard.

Practice: You can overpractice a strength. That can lead to you ignoring important tasks you need to accomplish as a leader.

With planning and conscious attention, you can build on your natural introverted leadership strengths to get results. These accomplishments will impact your own personal development and your organization's performance. With the great problems the organizations face today, they are surely losing out by not tapping into more than half of the population and acknowledging the many gifts they contribute. Introverts bring tremendous strengths to the challenges of leading a team. When they harness these quiet strengths, they can be powerful leaders. Introverts also have unique qualities that make them particularly suited to leading people toward great results. We face tremendous challenges and great opportunities in our workplaces and in the world at large. Our organizations, teams, individuals, and ultimately our planet benefit when we highlight and harness these introvert strengths, reaping the broad range of introvert talent available to us.

Jennifer B. Kahnweiler, PhD, helps build strong leaders through her highly engaging speaking, training, and executive coaching programs. Called the "down-to-earth Ph.D." she specializes in translating leadership theory into practice. Her clients include Capital One, Turner, AT&T, the Coca-Cola Company, and GE. She is an author and speaker hailed as a pioneer of the introvert revolution of the past decade. Her practical books have focused on how introverts can lead and inspire others at work by tapping into their natural quiet strengths.

The Introverted Leader, 3rd Edition: Building on Your Quiet Strength by Jennifer B. Kahnweiler, PhD.
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The Journey fo Leadershpi

Dana Maor, Hans-Wener Kaas, Kurt Strovink, Ramesh Srinivash

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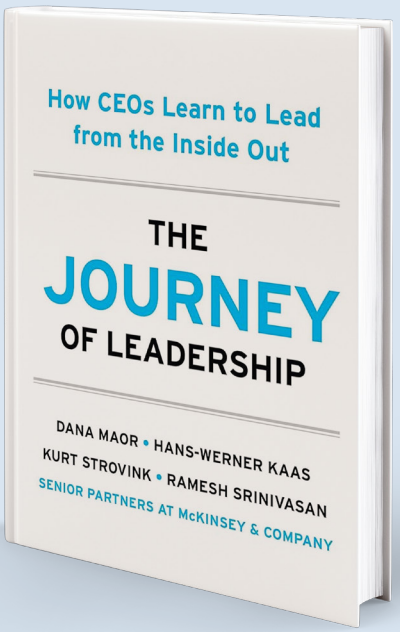

The Journey of Leadership

How CEOs Learn to Lead from the Inside Out

By Dana Maor, Hans-Wener Kaas, Kurt Strovink, and Ramesh Srinivash

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A Book Review by Soundview

Reinvent Yourself and Your Organization

Being in a top leadership role is a goal for many, particularly those who work in the corporate world. They may hustle and acquire knowledge so they are adequately prepared for the role, or they may be stepping into the position because that is what those at their family-run company expect of them. However, what happens when leaders in those positions find themselves on shaky ground because things aren't running as they thought they should be? Or a change needs to happen, but they aren't sure how to implement it? Or they struggle with imposter syndrome?

When struggling with these difficulties, the question of "Can I do this?" or thoughts of "I don't think I'm capable of this" might arise. They may dig in their heels and cling to the ideals that CEOs have been holding onto for decades, but CEOs and leaders need to know there is encouragement to be had and a way to transform themselves into the leaders they want to be. In ***The Journey of Leadership: How CEOs Learn to Lead from the Inside Out***, McKinsey & Company Senior Partners Dana Maor, Hans-Wener Kaas, Kurt Strovink, and Ramesh Srinivash share stories, ideas and tactics for CEOs to step out of a place of struggle and doubt to one where they are able to lead with their whole selves and confidently model a positive change for the organizations they are apart of.

The authors wish to share that the best leaders are self-aware, self-reflective, and constantly working to reframe their mindset from what they previously taught. While previous teachings may have gotten them to where they are, leaders who desire to grow understand they are stuck and need to change. The Journey is composed of twelve points to help leaders grow internally and then share what they've learned to encourage their executive teams and organization. The book is divided into two sections, and each chapter is headed by a word or short phrase reflecting what is discussed for quick reference. Additionally, an appendix compiles one hundred micro-practices to become a great leader while understanding that while one micro-practice might not work for them, others will.

Throughout The Journey, the authors reference McKinsey & Company's Bower Forum. It is a program for CEO leadership development where they will come and discuss strategy, opera-

tions, and more. They want to share what each co-author has learned over the years and propose that the best leaders learn to become self-reflective and aware. The authors also want to offer the step-by-step processes laid out in this book to help struggling leaders get there. By connecting with themselves on an intimate level, leaders will be able to connect with themselves and those they work with.

Part One: It Starts with You

Many would readily acknowledge that change must begin internally before it can affect the exterior. The authors begin by directing the reader to begin with humility, understanding that others have different knowledge, skills, and gifts. This will allow for better listening and the potential for finding common ground. Those who had previously opposed others can work together more harmoniously. They can do this by realizing they don't have all the answers, humbling themselves, and working closely with others with different skill sets and opinions.

This will also require leaders to teach themselves how to listen to what is being said, not only listen so they can respond accordingly. While this may sound easy, they will soon find it is not. It is essential to set aside the need for control and be encouraged to create circles of advisors who help them see issues from all sides and adopt new perspectives.

It is important to listen well and learn to notice the nuances, such as body language, to truly understand what is or isn't being said and to understand the underlying motivation. It will also encourage those around the leader to feel the freedom to engage and share with them. No one ever wants to be the bearer of bad news, but when it comes, the leader will be in a place to receive it and hear it well.

Acknowledging Your Strengths

Leaders must also have confidence in themselves, realizing they belong in this position. They can do this by examining themselves closely, identifying their weaknesses, and attempting to change. Many people, particularly women, struggle with imposter syndrome, which is feeling like they don't belong despite evidence to the contrary. The authors propose that this can be combatted by discovering their authentic selves and taking agency—showing up fully and assuming they have a seat at the table. If those placed in a leadership role were not fully qualified, they would likely not have been offered the position in the first place. With that in mind, the reader is encouraged to believe in themselves and take a hard, internal look to discover their weaknesses and how they can overcome them.

By showing up as their authentic self, leaders can confidently open doors and have conversations with those around them. They know they have worked hard to be where they deserve a seat at the table and will be able to engage well with those around them.

However, it is still wise to be mindful of oneself to avoid offending, particularly when working with people from different backgrounds or cultures. By finding the courage to overcome their lack of confidence and being open to feedback, they can lead and contribute to their work culture in ways that make others feel seen and heard.

This can be the first step towards having the right sense of ego - knowing they can fulfill their role. They should be cautious, though, because It is easy to fall into the trap of wanting to have all the answers because of one's position. In other words, they are acting from an over-inflated ego rather than with the organization's good at the forefront. Being humble enough to surround oneself with people who question and agree with oneself is a sign of a good leader because they are willing to listen and decide what is best for all.

Excellent leaders remember to think with their organization's values first, rather than their own, for the good of all. They have the confidence to hear what others say and know that it doesn't put their credibility in question. Instead, they know that having input from those around them will help them make the best decision and move forward.

A method for making decisions can be helpful, particularly when the way forward is unclear, and changing course becomes necessary. This method will consider the organization's values, strengthen the bottom line, and create opportunities while giving the leader time to consider the basis of their decision.

While vulnerability might feel scary and counter-intuitive to the long-standing tradition of keeping a stiff upper lip at all times, it can make those who do this seem distant to those around them. Being vulnerable means sharing strengths, hopes, and convictions. It does not push others away; rather, it can be magnetic and cause trust where there was previous hesitation or doubts. The book states, however, that it is essential to keep one's triggers in mind to know how best to react to situations they face. This is where vulnerability is important because the reader can adjust their behavior accordingly and reach out for support or apologize when necessary.

Another strength for leaders to utilize on their journey is resilience. When things go awry or the unexpected happens, it is vital for the leader not to waste time asking why it happened to them and wallow in self-doubt and pity. Instead, they focus their energy on understanding the cause of what happened and how they can move forward. It also allows the reader to utilize their previously learned humility by apologizing when they make a mistake and surrounding themselves with people who can help them achieve their goals.

Failure isn't always the result of a mistake or because proper preparations didn't happen. Sometimes, it comes because of external changes that haven't been prepared for. When this happens, one should have a strategy to quiet the negative thoughts that may arise. By taking ownership of what happened, one can discover something new about oneself that will propel them forward to reach their goals.

Moving forward should come with versatility and flexibility so as to gain a wide variety of experience and exposure to

> *By pursuing different experiences, leaders find new opportunities and skills they can apply to their companies."*

those with different skills and knowledge sets. Today's climate is constantly growing and shifting, and leaders face numerous disruptions, all while still having to run their companies and please their constituents. There are three ways that a leader can and should be versatile. First, by pursuing diverse experiences throughout their careers. By being constantly curious and thinking deeply about their organization and the different things involved. Finally, they master interacting with the different groups of stakeholders they come in contact with.

By pursuing different experiences, leaders find new opportunities and skills they can apply to their companies. Everyone has gaps in their skillsets, and it is up to them to find ways to fill them, particularly if they want to seek a promotion or level up their careers. They must put in the work to fill their toolbox of skills and experiences as they embark on their leadership journey.

Taking the time to think deeply does not mean that leaders know every single thing about the inner workings of their organizations. Rather, it means that they have a broad understanding of what makes it tick and what the different capabilities are. At the same time, they continue to learn new things. Ultimately, they know the hows and whys intimately, remain insatiably curious, and use that drive to have the most significant impact possible.

Knowing how to interact with peers and constituents doesn't always mean talking and driving the conversation, although there is an emphasis on wise and effective communication. Sometimes, interacting well means staying quiet and listening and then responding. As a leader journeys on, they should create a list of procedures so they know how and when to or not to speak out on controversial issues. Ultimately, taking a public stance should only happen when it is authentic and relevant to the company. This will help leaders keep their statements' short- and long-term effects in mind and provide an opportunity to allocate funds towards supporting the issue if needed.

As the reader reflects on the knowledge they have gained to be a more human-centric leader, they can do this with the foundation of knowing they are not the most intelligent person in the room. As they learn how to be versatile in an ever-changing world, they will have what they need to courageously pick the most critical areas for them and their organization and purpose to champion them well.

Part Two: Moving Beyond Yourself

The next part of this leadership journey involves taking the knowledge gained from the internal perspective and sharing it externally with the rest of the organization. This will help leaders apply what they have learned to bring about effective change, beginning with embedding a strong sense of why their employees come to work.

Embedding a purpose in an organization can sometimes feel tricky or overwhelming, so it is essential to begin by defining the end goal, so everyone knows where to go and then create a plan to achieve it successfully. This should be done by considering the organization's needs, being willing to set outrageous goals, and having a purpose for achieving them. Understanding and investing in one's employees will help leaders achieve the level of empathy they are working towards so that everyone can grow in every aspect of their lives.

Being a successful leader does not only mean making decisions but also making bold, courageous moves when the circumstances require it. This will give them the tools to inspire their teams as they move forward together. They must inspire confidence in their teams as they make large and small changes, ensuring they are aligned with the companies. This will allow team members, particularly at the executive level, to be innovative and get the tools to keep moving forward.

The authors emphasize that fostering an organization-wide mindset shift is essential for cultural transformation. This approach will empower leaders to motivate their teams to execute plans effectively. Leaders must balance giving clear guidance and allowing their teams the freedom to innovate. Leaders can step back once every layer is aligned, enabling their teams to excel.

Taking these necessary steps on their leadership journey will also remind and encourage leaders to realize that they shouldn't worry about the things they cannot control. Realizing that control is an illusion will give them the freedom to formulate a new strategy, oversee a technological transformation, or clarify the organization's mandate—perhaps even the freedom to do all three. However, once they have set their priorities, they must move forward and ensure their employees have the proper resources to succeed.

This means trusting one's team to understand the organization's policies and goals, think deeply about the questions being asked, and allow the agency to grow, make, and learn from mistakes. The team should focus on listening well and encouraging their constituents to share their views and ideas on the tasks at hand.

Growing Together

In many organizations, there seems to be an unspoken rule about keeping certain things from those in charge, especially if it is negative. This is usually done from a place of hesitation or fear of being chastised or punished. However, the best leaders know that

it is imperative to hear the truth, even if it is uncomfortable. The book encourages readers to build relationships and connect with those in their circle so they can be spoken to truthfully.

It is the leader's job to recognize and remember that they are not the smartest people in the room and that disagreements can further the organization's goals and result in a positive outcome. They are reminded to reflect on whether they are reacting based on personal triggers and encourage their teams to do the same to mitigate the chance of negative behaviors and reactions.

It is essential to recognize the patterns that executive teams face when triggers abound, such as interrupting each other, pushing for control, withdrawing, and more. The best leaders recognize that these reactions primarily come from a place of fear and work to create a space that welcomes discussions and teaches each member how to recognize and respect the triggers. They should become closely tuned into their people's needs and passionate about creating an optimal company culture.

Leaders must allow room for mistakes and learn from them as they work towards creating this new culture. Rather than asking who was responsible, leaders are encouraged to ask questions that reflect on potentially vulnerable areas. Failure is bound to happen at some point, and leaders should see it as an opportunity to put their fear aside and engage in fearless learning. If the result is different than expected, leaders should see it as an opportunity for growth for their team.

They also know mistakes may be made, even with the best-laid plans, and should create contingency plans that allow team leaders to react and recover quickly when they see them go awry. They need to plan for the best and yet be prepared for the worst because the world, especially the business world, is constantly changing. Flexibility and willingness to find new ways to move forward is imperative.

Finally, the book reminds its readers to be genuinely empathetic. While many leaders say that people come first, implementing this principle can be challenging. It takes courage and skill. Learning to instill empathy in their organizations and discover what is essential to their employees is essential. This goes beyond perks such as gym memberships or on-site childcare. They must do whatever is within reason to get to know their employees, their needs, and their quirks.

The authors share a story of one CEO who gathered their top executive team to create a set of leadership principles that would allow them to create more dignity in their workplace. Their list included, "I inspire passion, optimism, and purpose" and "My personal communication cultivates fulfilling relationships." This list allowed them to share their organization guidelines and ask others to hold them accountable to them. When they find ways to invest in and engage with their organizations and show them how much they care, leaders will soon discover that there will be nothing they won't strive to achieve.

The Journey of Leadership: How CEOs Learn to Lead from the Inside Out, McKinsey & Company Senior Partners Dana Maor, Hans-Wener Kaas, Kurt Strovink, and Ramesh Srinivash is an enjoyable, engaging read. It invites their readers to think deeply about what they have read and ways to apply it to their work. The end of each chapter offers a list of questions and a summary for easy reference as the reader moves forward on their leadership journey. They have worked to expound on each idea shared by using shared stories from those they have come in contact with over the years. Finally, they close by emphasizing the element that runs through each stage of learning - reinvention and learning. They are working to challenge themselves and the organization but refuse to fall victim to the frenzy of being a CEO. Instead, they understand that the journey of being a leader never ends, and they purpose to reflect on their journey and work to be the best version of themselves.

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The Journey to CEO Success

Patrick Thean, Michael Praeger

Executive Book Summaries®

The Journey to CEO Success

7 Practices for High Growth Leadership

by **Patrick Thean and Michael Praeger**

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THE SUMMARY IN BRIEF

The intricacies of leading a fast-growing organization are numerous. From negotiating to turning corporate culture into the organization's biggest asset, leadership requires good intuition, expertise, and a strategic approach.

The Journey to CEO Success: 7 Practices for High Growth Leadership is designed to help CEOs identify emerging problems and nip them in the bud. The book has been called "a masterclass in leadership and growth," as well as "a must-read for leaders wishing to enhance their journey with proven methods that have already paved the way to success for numerous C-level executives."

Authors Patrick Thean and Michael Praeger have distilled more than 20 years of experience coaching visionary leaders and transforming corporate organizations. The book brings together compelling real-world stories with tested tactics to equip entrepreneurs and CEOs with the tools needed to thrive.

IN THIS EXECUTIVE BOOK SUMMARY:

- Everything you should know about the seven practices of effective leadership
- Sustainable ways to level up your business game
- How to identify issues early on and resolve them effectively
- The secret of building a strong people ecosystem to support and develop your business

Chapter 1: Introduction

Every CEO faces challenges and career-defining moments that will result either in a major success or a complete fiasco. In those instances, a CEO needs coaching and some guidance to uncover the tools and skills essential for coming up with a resolution. I went on this journey with Richard Giordanella, my first coach.

The best coaches are capable of accomplishing the following:

- Encouraging CEOs to move forward when they feel hopeless
- Inspiring them by opening their eyes to the positive things already achieved and the possibilities of the future
- Teaching leaders how to calm down and solve critical problems instead of doing it for them
- Holding them accountable to do what they promised
- Assessing the team and showing CEOs how to lead with empathy and demand performance at the same time

When I recalled my time with Richard, it filled me with gratitude and respect. CEOs have a tough job, one of the toughest in the world. It's not always fun, and it can be lonely at times. I was in a desperate and vulnerable place. He could have taken advantage of me, but he did not. Instead, he gave me empathy, coached me, and helped me to get back up to recapture the joy and excitement of running my company. I realized that this is my true calling, my purpose: To help CEOs not fail but instead succeed, build great companies, and achieve their dreams.

My True Calling, My Purpose: To help CEOs not fail but instead succeed, build great companies, and achieve their dreams.

Chapter 2: Michael Praeger

"I need help," my friend Michael Praeger told me. "I know the smartest person in technology, but he's too busy and too far away to help me. So, I'm asking you, the second smartest person I know in technology. How about it?"

Who could predict that twenty years later, I would introduce Michael to people as "the smartest and most successful financial technology (FinTech) entrepreneur and public company CEO whom I know personally"?

Michael was the first entrepreneur and CEO whom I helped. Thanks to him, without realizing it, I had started my journey as a coach to CEOs and leaders of companies.

Early in our relationship, I could already see that Michael had the makings of a great leader. He had an insatiable appetite to learn and a humility that disguised his successful track record. He had already grown and sold three companies, yet he continues to seek personal growth and development. The best leaders do not allow their success to turn them into someone who is proud and unapproachable. Instead, they maintain their humility and their hunger to learn.

In a relationship as long and fruitful as ours, we have walked through numerous high points and low points together. AvidXchange has gone through many pivotal moments during its successful journey from startup to Unicorn (privately held company valued at more than US$1 billion) to public company on the Nasdaq stock exchange.

Chapter 3: Why You Need This Book

The journey of a CEO or any senior leader is tough. I have had the privilege of walking with and coaching CEOs for over twenty years. During this journey, I have learned that leading and making the right decisions are hard. I have witnessed many leaders make poor decisions without realizing it or considering the opportunity costs.

Your journey as a leader will be filled with challenging yet exhilarating twists and turns. I am not suggesting that mistakes are all bad. In fact, I applaud the speed and courage necessary to make decisions that might end up being mistakes. However, we all need the right practices to identify these wrong decisions and correct them quickly.

This book is meant to help you make smarter decisions, be a better leader, and make corrections faster. You are on a special path. Michael and I want to help you have a more fulfilled and successful journey.

This book is for leaders and aspiring leaders. Yes, the title of the book specifically calls out CEOs. Yet, these seven practices apply to the journeys of all leaders. More specifically:

- You are the CEO of a growth company, and you need to lead your various stakeholders (employees, customers, board members, investors) and inspire them with hope and vision. You need to drive execution and achieve breakthroughs to achieve results and be successful.
- You are a senior executive experiencing change that might feel unsettling, and you need to lead your team

We need humility to learn and improve ourselves continuously.

by making the right decisions to give them confidence in the future of the company.

- You are a manager who needs to understand how decisions are made by the senior executives in your company and equip yourself to support these decisions.
- You are an aspiring leader who wants to learn more by understanding how decisions are made to level up for future leadership opportunities.
- You are a consultant who coaches CEOs or senior executives, and you want to gain more insight and expertise to help your clients achieve success.

Chapter 4: The Seven Practices

These practices encompass elements of leadership, personal development, strategic thinking, and execution abilities. In the chapters that follow, we will delve into each practice and learn from the real-life experiences of CEOs who have used these practices to achieve success.

The first two practices help us lay a strong foundation for success by working on ourselves as leaders:

1. Be Curious: We start with the circle of curiosity. Curiosity should encompass everything we do. We will explore the difference between BEING curious and DOING curious.
2. Level Up: We need humility to learn and improve ourselves continuously. Whenever we find ourselves blaming someone else or unfortunate circumstances, we are missing an opportunity to learn and grow.

Then we need to improve how we get the work done:

3. Establish Your Early Warning System: If we can't see it, we can't avoid it. We need an early warning system to alert us before we get smacked on the side of the head.
4. Achieve Full Alignment: Work gets done and delivered in teams. If we are still operating in silos, we are in for a world of hurt! We need to get the most out of our teams in a joyful way.

Next, we need to make sure we have created the right environment for our teams to be successful:

5. Make Culture Your Competitive Advantage: This is the practical side of culture. Our working culture sets the right environment for us and our teams to succeed. When we do culture right, we significantly improve our Return on Payroll (ROP). When we do culture wrong, we are helping our competition beat us every day.
6. Build a Strong People Ecosystem: This is one of the toughest practices—to continually grow and renew our teams' skills. Handled right, our people are our greatest assets. Ignored, our people become our heaviest anchors.

Finally, we need to fine-tune our strategy to focus on our core customer:

7. Focus on Serving Your Core Customer: Not all customers are equal. Some are more important than others—our core customers. We need to figure out who our core customers are and build our businesses to serve them and care a little less about the other customers.

Chapter 5: Be Curious

All of us are born curious, but the world extinguishes our curiosity. This starts with most of our teachers and parents, who encourage us to conform to societal norms. Our parents did the best they could with what they knew. They didn't realize that by quieting a curious child, they were discouraging us from being curious.

It gets worse when we start working in the corporate world. Now our world is filled with people on a tight schedule, with little patience for reflection and downtime. Those who are more ambitious have even less time to ask questions, be curious, and play.

Knowledge and experience also play a part in dampening our curiosity. When we do not understand something, we seek to learn. We ask questions. We explore. This is being curious.

As we become knowledgeable and more experienced in our fields of study and work, we gradually become experts. We begin to naturally ask less questions and dispense more advice. As we become more knowledgeable, unless we choose to be curious with intention, we lose curiosity over time.

I stated earlier that all of us are born curious. Let's talk about how to activate your curiosity gene and be a better leader:

- Become a good listener and accelerate learning
- Go from unintentional to intentional curiosity
- Start with one question: "What is it about this topic that I don't know yet?"
- Be curious and be interested in others (and your relationships will improve)
- Be a better boss by owning your mistakes and growing from them
- Identify and solve the right problems
- Replace fear with curiosity

Chapter 6: Level Up

Michael derives true delight from improving himself. He loves to find ways to level up! Over the last twenty-four years, Michael has taken all feedback, no matter how tough, as part of the reward of being on his company-building journey.

Michael realizes that he needs to solve the problems of today and simultaneously prepare himself for the challenges of tomorrow. "Patrick, if my company is growing at 30 percent, then I must grow at the same rate or faster, or my company will outgrow me."

If you are a leader, your company or team will be limited by your leadership capabilities. If you get stuck on Mount Startup, your whole team will be stuck at the same spot.

Therefore, leveling up is not a onetime exercise. It needs to happen repeatedly, even continuously. To do that, you need the right habits. This chapter will share five habits you need to intentionally and consistently develop to level up:

- Habit 1: Delegate to Level Up
- Habit 2: Reflect Regularly to Build Self-Awareness
- Habit 3: Seek and Diffuse Blind Spots
- Habit 4: Learn to Ask for and Receive Feedback
- Habit 5: Work with a Coach

You'll also need to understand the things that keep you from leveling up:

- Not prioritizing tomorrow
- A failure to invest in your own growth and learning
- Ego and lack of self-awareness

Chapter 7: Establish Your Early Warning System

An early warning system saved my first company. Most of us do not think about having one until something goes wrong. Then we wake up and "close the barn door after the horse ran out," finally building our early warning system long after it should have been up and running. We should all build an early warning system as soon as we can in order to avoid the train wrecks and failures that are waiting for us along our journeys.

Most of us have multiple excuses for the failure to build an early warning system. The main ones are:

- We don't have time for it
- The business has seen predominantly successful results up to that point
- You start believing your own hype

To establish a successful early warning system, you need to protect your blind side. Avoid potential issues by using leading indicators that can predict and alert you to a possible train wreck. Keep the future focused and predictive.

Begin with clear success criteria. Avoid rework and wasted resources. Don't start any project until you can describe what success looks like.

Be transparent and engage all available brains. Share candidly what the real problems are while allowing teammates to engage their abilities to solve the problems.

Finally, remember to tackle problems, not people. Keep your team out of the foxhole of self-preservation with a focus on the problem, not whose fault it is. Get in the habit of always rewarding results, not effort. Avoid the common mistake of rewarding long hours and superhuman effort. Reward team members for achieving agreed-upon success criteria, and celebrate accomplishing stretch goals.

Reward team members for achieving agreed-upon success criteria, and celebrate accomplishing stretch goals.

Chapter 8: Achieve Full Alignment

A common mistake is getting aligned only on the final outcome while believing that how the team executes toward that final outcome is not important. You may also believe that the different tasks and projects leading to execution can be easily delegated without much discussion.

Aligning only on the desired results or final outcomes often leads to misunderstandings along the way.

I've seen this happen often with senior leaders. They agree on the result or destination and therefore believe that they are aligned and can move on to something else, expecting their teams from different departments to work in alignment. A month or two later, they realize that different teams were not in synchronization in their work.

Full alignment is about how we get things done, not just what we want to get done. And needless to say, we make mistakes along the way. Some of the common issues that cause misalignment include:

- Mistaking abdication for delegation
- Not agreeing on process
- Failing to communicate your vision frequently
- To become aligned and stay aligned, you'll need to:
- Make sure everyone understands the work and the purpose behind the work
- Visualize the journey together
- Commit to a rhythm of communication
- Use weekly meetings to sync up and adjust
- Run towards conflicts instead of avoiding them
- Engage in active realignment for high-challenge situations
- Plan with other departments and teams to align horizontally

Chapter 9: Make Culture Your Competitive Advantage

Your employees' behavior and how they relate and work with one another is the practical working culture of your company. Core values are part of it, but limiting the discussion to only core values does not give you the full picture of your company's culture.

Core values are the unchanging, fundamental principles that define the heart of your organization. Mindsets are the ways you think about and approach a situation or problem.

Think about how the values (core values) that you hold combined with how you approach situations (mindsets) determine how you react to situations at work (behavior). The practical side of culture comes down to how a company's employees behave and work with one another. Core values and mindsets collectively shape behavior.

Virtually every CEO now understands that culture is important, but many don't yet understand it from a competitive standpoint. Times have changed. Culture is finally truly a competitive advantage. Leaders who do not understand this will make terribly expensive mistakes.

For over twenty years, Michael and I have collaborated to make AvidXchange a great place to work. We've noticed some huge changes in that time, especially in how employees choose where to spend their careers. We have observed some emerging trends.

- Passion and interests: The younger generation of workers are courageous enough to follow their passions and interests instead of being funneled into jobs they're "expected" to do. Focusing on the joy of the work itself, rather than maximizing their compensation package, means they're less willing to work in unpleasant environments.
- Flexibility to work from home: The COVID-19 pandemic caused many people to rethink why they go to work and to gain a new appreciation for working from home.

- Prioritizing life over work: A new prioritization seems to be taking hold. People are seeing work as just one element of their lives, and they are thinking very intentionally about the work they want to do. It's less common for employees to consider sacrificing their personal preferences—family, hobbies, travel—to secure the job they want.
- Empowered decision-making: Employees are becoming more empowered, better informed, and motivated to make good moral choices, which also enhance their communities. They want to be part of something bigger than themselves. They do not want to choose between a good job and an impactful life. They are beginning to realize that they can have both.
- Making a difference: Employees have become increasingly interested in finding the company that fits them best. They want to connect to the mission and purpose of the company and contribute to the firm's success using their skill set. It's not just about a paycheck but about making a difference.
- Compensation beyond salary: While still important, salary is only one part of the compensation system. We need to view compensation more holistically. Time off, flexibility, and contributing to social causes can also be viewed as compensation.

Chapter 10: Build a Strong People Ecosystem

Great execution comes from having great focus, alignment, and accountability to achieve your commitments. The work is done by people. If your team is not well led or equipped with the right skills, then you are already failing right out of the gate! When your team is well led and well equipped, commitments get achieved with less stress and drama. Life is good!

On the flip side, when your people are not up to the task, there is much drama and emotional pain. The work just seems harder. Life sucks!

The difference is people. This chapter will explore why it is important to prioritize having the right team in place. Most companies make the mistake of prioritizing team improvements after important work. That's like choosing to chop wood with a blunt ax. It is going to take more energy and time, and you will end up chopping less wood. Instead, you should stop chopping wood and take the time to sharpen your ax. You might be slower to start, but you will have more output and end up with more chopped wood.

Solving people problems is challenging and may be emotionally draining. Your ability to reach a resolution depends heavily on the relationship that you have built with the employee. Michael, for example, likes to spend focused one-on-one time with all of his key leaders outside of the office environment over breakfasts, lunches, and dinners in order to be both fully present and to be able to connect with his team on a more personal level. Michael finds that having these deeper connections pays dividends when trying to navigate future roles and organizational changes. He is depositing into their emotional bank accounts.

It takes intentional work to recruit and develop A-Players. C-Players may actually be sucking your energy and dragging your company down. To develop a strong people ecosystem, you'll have to:

- Build an organization of A-players
- Invest in your A-players first
- Develop your future organization
- Continue investing in your great team and removing obstacles

Chapter 11: Focus on Serving Your Core Customer

To play off George Orwell: All customers are created equal, but some customers are more equal than others. Your core customer is the most important customer you have. This final chapter is about designing and fine-tuning your strategy to serve your core customer.

Your core customer will fit the following descriptions:

- They are a good fit for your products and services today.
- They also provide a road map for you to build a successful business for the future.
- Because of the good product fit, they are easy to serve without much friction.
- Because of the good product fit, your team typically enjoys providing for these customers. Your team feels fulfilled as they are also living their purpose when servicing these customers.
- They need you. Your offerings fall into the category of "must have" and not "nice to have." They would miss you if you did not exist.

Your core customer definition should be short, no more than twenty-five words. Avoid corporate jargon. Make it simple, easy to read, and understandable, and then communicate it to everyone in your company. If you have to read it off a sheet in order to remember it, then you've already messed up.

The core customer definition should describe a real person with real needs. Here's how to create that definition:

1. Make a short list of the customers you love to serve (not necessarily your largest customers) and discuss:
   - Who is the primary user of your product or service?
   - What do they value about your product or service?
   - What are their dreams and desires?
   - What do they truly need?
   - How might you uniquely offer what they truly need?
2. Make a short list of the customers that are the most challenging to serve and discuss:
   - Why is it challenging to give them what they need?
   - Learn about the characteristics of customers that you do not serve well, and consider avoiding these characteristics in your core customer definition.
3. Discuss, debate, and decide on the following:
   - Who is our primary user?
   - What do they really need?
   - What do we provide that is unique to us that solves this need?
4. Develop your core customer definition, and limit it to twenty-five words or less:
   - Avoid corporate jargon. Use simple words.
   - Remove any "fluff" (marketing words).
   - Use language that conveys feelings and experiences.

Chapter 12: Our Journey Continues

Many founders dream of taking their company from start-up to IPO as a step toward building a great business that endures as a legacy beyond themselves. These seven practices have helped Michael and many other CEOs and senior leaders achieve success in leading their companies and teams.

On October 13, 2021, AvidXchange successfully completed their IPO. They currently trade on NASDAQ under the symbol AVDX. This is an incredible accomplishment as less than one percent of all startups go on to achieve an IPO. Only a fraction of those that make it remain led by founder CEOs.

Patrick Thean is an international speaker, CEO coach, and serial entrepreneur. He is a USA Today and Wall Street Journal bestselling author. His work has been seen on NBC, CBS, and Fox. He is focused on helping CEOs and their teams experience breakthroughs to achieve their dreams and goals.

Michael Praeger is AvidXchange's Co-Founder and Chief Executive Officer. Since starting AvidXchange more than 20 years ago, he has led AvidXchange's growth to more than 1,600 employees, 8,800+ customers and over 965,000 suppliers nationwide.

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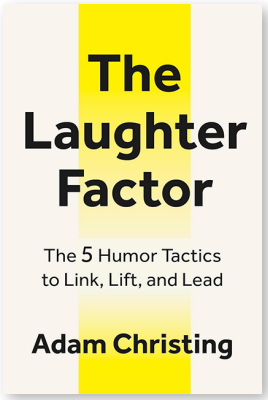
The Laughter Factor

Adam Christing

Executive Book Summaries®

The Laughter Factor

The 5 Humor Tactics to Link, Lift, and Lead



by **Adam Christing**

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THE SUMMARY IN BRIEF

Do you struggle to form meaningful connections in today's high-pressure workplace? Meetings feel flat, communication is guarded, and leaders often find it hard to inspire genuine engagement. Whether you're managing a team, selling an idea, or trying to build stronger relationships, a lack of connection can quietly limit influence, creativity, and trust—leaving people feeling unseen, unheard, and disengaged.

The Laughter Factor: The 5 Humor Tactics to Link, Lift, and Lead offers a practical way forward by showing how humor can function as a strategic communication tool. It introduces five research-backed tactics that help readers create authentic connections, energize conversations, and lead with warmth. Readers also learn to identify their personal "laugh language," overcome the fear of not being funny, and use positive humor to boost morale, deepen influence, and make everyday interactions more meaningful and memorable.

Drawing on his background working with Fortune 500 companies and organizations of all sizes, Adam Christing blends real-world humor with leadership insights. An accomplished comedian, keynote speaker, and entertainer with more than 25 years of experience, he offers a practical guide to using laughter to link people together, lift performance, and lead with confidence.

IN THIS EXECUTIVE BOOK SUMMARY

- Find out how to use humor to build trust and strengthen professional relationships
- Discover practical tactics to communicate with more confidence and authenticity in any setting
- Gain tools to increase engagement, creativity, and team morale
- Identify your personal "laugh language" to connect more naturally with others

Introduction

An involuntary reaction that starts just after birth and stays with us until we enjoy our last laugh, laughter is the universal sound of bliss. It ripples through comedy clubs, board meetings, sales gatherings, and video meetings. Funny fuels our social media and sparks viral videos.

We hunger for humor. We pay for it, seek it out, and judge others by how well they can make us laugh. "He has a great sense of humor," or "She brings so much fun to our team." You get it. Laughter is lit. But what if you don't think you're funny at all?

Truth is, the issue is this: *You* don't think you're funny. But you are. You *do* have a sense of humor. But maybe up until now your sense of your own humor style has just gone unrecognized or underdeveloped.

Laughter may seem random, but now you'll discover how to trigger it on demand—whenever, wherever, and with anyone. You'll learn five ways of being funny, and one or more of them will fit you. Get ready to increase your self-mirth.

Do you manage people? Laughter can bring them together. Are you in sales? Funny is money. If you're a leader in your company or field, you know that leaders bring people together. And many people are discovering that laughter is a powerful way of creating and forging those links.

What Is the Laughter Factor?

Laughter is magic. But don't worry, you don't have to be a professional comedian to find your way of being funny. After all, humor is human. These ideas will help you harness your sense of humor and leverage the laughter factor in your life.

So, what exactly is the laughter factor? It's the ability to:

- walk into a room and know you can lift the mood
- give a presentation and feel confident people will enjoy it
- take painful situations and make them feel playful
- make a point that sticks because you've made it memorable

In short, it's the ability to use funny as fuel to take you much further in your personal and professional relationships.

This won't turn you into a comedian, but it will give you the strategies that make people smile, laugh, and lighten up. To experience the laughter factor, you simply need to:

- commit to using your unique "laugh language"
- choose from the humor tactics outlined here
- find your favorite ways to be funny and start using them immediately

Embracing the laughter factor transforms both you and the situations you encounter. Humor boosts creativity and resilience, strengthens relationships, and becomes your go-to ally in navigating life's challenges.

While you can't control everything life throws your way, you can choose to respond with a smile, and that makes all the difference. Humor unlocks possibilities and deepens connections wherever you go.

Raise Your RIZZ with Humor

Comedy isn't just for stand-ups; it's your secret charisma booster. Here's an acronym to raise your RIZZ with the laughter factor:

- **Relatable**. Humor helps people see you as human, not just part of a to-do list. In-person meeting? Laughter breaks the ice.
- **Interactive**. Smiles are contagious, but you have to go first. Laughing with—not at—people makes you feel more connected. It's hard not to like someone who makes you laugh. And it's even harder not to love someone who laughs with you.
- **Zany**. A dash of unexpected humor boosts positive energy online and offline. Making a presentation? Toss in a surprising one-liner, like "This graph is so colorful, it doubles as my vision board."
- **Zest**. Come ready to play. You don't have to be an entertainer to crank up your enthusiasm. It's infectious.

Humor makes you more magnetic. When people link you with laughter, it catapults your charisma.

Tactic 1: Surprise

Almost as much as they love to laugh, people love to be surprised. Surprise is a fantastic tactic for bringing the laughter factor to any setting. The best comedians have surprising "hooks." Often, these hooks come from their point of view that surprises people.

Surprise in humor works just like a sudden, unexpected move in chess. It changes the game and sets you up for a big win. And the other person doesn't feel defeated; you've actually made them feel happy.

> Laughter is the universal sound of bliss.

A joke is a logical sentence taken to its illogical conclusion. Laughs come when we make a pattern and then break that pattern. The great thing about this tactic of surprise? You can use it even if you are not a natural joke-teller.

Bringing Joy by Surprise

I tell our team to make our clients SAD, which is our term for "surprise and delight." If you like to send unexpected gifts to friends, family, and colleagues, surprise may be your humor tactic, even if you are an introvert. The secret to surprise laughter is how you *make people feel about themselves* and what they receive from you.

Surprising people in a way that's all about them isn't just thoughtful; it's like pulling the rug out from under their expectations (in the best way). You'll leave them smiling, laughing, and maybe even wondering if you hacked their algorithm. That's why this tactic is the first one you should try when applying the laughter factor. Catching someone off guard with a thoughtful gift, joke, or note creates a moment they'll remember long after the wrapping paper's gone.

Dos for surprising gifts:

- Make it quirky, fun, or instantly smile-worthy.
- Do it for them. A great gift makes their day, not yours.
- Send it when they can enjoy it, not when they're juggling chaos.
- Make it special. Even Amazon gifts feel amazing when you purchase the optional gift wrap and personal note.

Don'ts for surprising gifts:

- No self-promotion.
- No confusion.
- No clichés.

In the end, it's not just about the item; it's about creating joy. So, surprise someone today and watch the smile spread across their face.

Smiling isn't just a nice gesture. It's a surprising leadership advantage. Most smiles are triggered by another smile, so the more you share them, the more likely they are to be reciprocated. They're like little boomerangs of bliss, except they never fly back and smack you on the forehead.

What Are You Doing to SAD Your People?

Whether the unexpected is something you send, do, or say, cultivating the humor tactic of surprise works best when it's intentional. We are wired to laugh when we have unexpected experiences. But springing surprises takes planning.

If you enjoy the humor tactic of surprise, you can learn to use it on purpose. Here are some ways to spring surprises at work:

- throw a tax-relief party
- change your voicemail
- plan an office potluck party
- make Mondays mysterious
- do a desk decor swap

Use good judgment, of course. One surprise you don't want to hear is, "HR would like to speak with you now." But do unleash the power of positive humor where you work and live.

Use surprise as your tactic to imprint your brand of fun on people's hearts and minds. After all, it sparks an immediate link to laughter. Look for opportunities to weave it into what you are already doing.

Tactic 2: Poke

Poking is a powerful humor technique. You'll discover how to make fun of yourself and kid people in a way that makes them laugh and like you more. The approach focuses on delivering jabs and jokes that land as playful rather than risky. It also explores how to poke fun without jeopardizing your friendships, your job, or your sanity.

Here's something you must know, right off the bat: Humor always has a clear target. Nearly every joke lands on somebody, but the best laughs nearly always come from taking aim at yourself.

Here's another secret: Humor is criticism cloaked in fun.

Dorothy Parker was one of the towering wits of the 20th century. She was known for writing critical jabs that were sharp and funny. Parker put the punch in punch lines. She shows us the key to poke power. Choose your target, then knock it down with a quick jab.

But as a leader, it's even better to criticize yourself in an endearing way.

Poke Positive

Poking isn't just about making fun; it's about creating laughs that resonate with those around you. Humor works best when it comes from a place of affection, not at someone's expense. When you truly like people, your jokes land softer, funnier, and without the sting that turns humor into hurt.

It's my golden rule of positive humor: Don't laugh *at* others. Laugh *with* them. Build people up with your humor, and you'll see that the biggest laughs come from authentic, genuine connections.

Whether you are lightly roasting those around you or making fun of yourself, here's a tool you can use: you can poke with provocative questions.

Do you realize how powerful questions are? Humor is a hook, and questions reel people right in. Master humorists and storytellers ask lots of questions. Your questions can be funny, and they can help you make a point.

Work humor thrives on the shared experience of "employment annoyment." Whether it's the boss who thinks 24/7 availability is part of the job description or the office printer that jams right when the report is due, there are plenty of things to poke fun at.

Here's what to avoid: making fun of the value people create, their work ethic, or their pay. When it comes to sensitive topics, forget about it. Unless you're an insider (see tactic 3), it's best to keep your comments in the safe zone. No one wants to be the person who turned a special event into a big bummer.

So the next time work gets on your nerves, come up with a little poke joke. Then share it with your colleagues; it just might help everybody get through the day.

Connect Before You Crack

Positive humor isn't just about making people laugh; it's also about making them feel connected. When you tap into shared experiences, people feel more than entertained; they feel drawn closer together.

It's the difference between teasing someone from a distance and gently ribbing a friend who knows it's all in good fun. The latter is where the real connection happens.

So the next time you're about to poke fun at someone, remember to bond with them first.

Humor Me

Humor thrives on defeat; that is, the acceptance of defeat. Some of the funniest things you will ever hear are in places like recovery groups. People overcoming addictions and other hard times learn to laugh at themselves and share their humorous perspective with others.

Authenticity is more than a trend on social media; it's here to stay. Make light of your struggles and how hard you are trying to get over them. It makes you more approachable, vulnerable, and relatable.

Take Yourself Down a Peg

I like the term "self-effacing humor." Some call it self-deprecating, but that sounds like a digestive problem. Whatever you choose to call it, you can take yourself down a peg on purpose. The most winsome humor happens when you poke fun at your own failures and foibles. And yes, you *can* laugh at yourself.

When you make fun of yourself, you actually enhance the way others see, hear, and experience you. It can dissolve tension and make you instantly more likable. It shows others that you don't take yourself too seriously, and that's a quality people admire; plus, it gives them permission to loosen up around you.

How to do it right:

- Know your audience.
- Keep it light.
- Aim for sweetness, not sting.

What to avoid:

- Don't hit below the belt.
- Don't gang up.
- Don't confuse the setting.

Tactic 3: In-Jokes

With this humor tactic, it's all about being *in* on the joke. Too often, life can feel like a never-ending group project with people you didn't choose. That's where humor steps in. Laughter isn't just a reaction; it's a connection hack. A shared laugh says, "We're in this together." It's the ultimate team-builder and way cheaper than a ropes course.

Humans are naturally tribal. Inside jokes signal who is a member. Being on the outside of a group's inside humor

> Humor makes you more magnetic. When people link you with laughter, it catapults your charisma.

makes you feel invisible, like you are missing the key to a secret world. But once you are inside, co-creating and cracking those in-jokes, it's like having a "fast pass" to feeling connected and vital to your family, friends, team, and clients.

The Four-Step Sequence of In-Jokes

1. Relationships

In-jokes bloom from relationships. Whether your group meets virtually or in person, it's all about knowing—and surviving—each other. Common experiences are the fertilizer for funny.

Humor based on shared language and memories unites us. Inside jokes wire and then rewire our hearts . . . together. Feel what others are feeling, and the funny follows. When you indulge in shared humor, you rediscover the connections that bind you to other people; those moments of delight that whisper in your ear: *You're part of the family*.

That's when the real magic begins. This type of humor then becomes contagious within your group. Relationships are what make in-jokes irresistible because the people we enjoy the most are the ones we laugh the hardest with.

2. Remember

Inside jokes thrive on shared memories and unique experiences. Remember those moments that brought laughter and camaraderie. These memories become fuel for in-jokes, whether it's a workplace mishap, a hilarious incident during a presentation, or a memorable group outing. The ability to recall these moments bonds you together and makes the humor authentic and relatable.

3. Relive

Funny feels good. The essence of inside jokes lies in reliving the merry moments. Share these anecdotes during group gatherings, business meetings, or casual conversations. By reliving these experiences, you get some great laughs, and you strengthen the emotional connection within your group.

4. Repeat

Repetition is key to embedding in-jokes into your friend and work groups. When you continually recall these remarkable stories and memories, something special happens. The nostalgia somehow feels brand-new. It's weird, but it works. With each retelling, those jokes become the "fun fabric" of your group's identity.

The essence of in-jokes is that we bond over things we have in common. Creating this "club" vibe makes us feel close and creates comedy moments too.

In-jokes thrive on connection, turning *me* into *we*, and sparking laughter that sticks people together. A shared laugh at work turns coworkers into co-conspirators.

Microfamous

Branding expert Matt Johnson coined a term about the power of becoming a trusted voice inside a very small group: microfamous. Johnson wrote an entire book about the opportunities within these niche networks.

Within a small, devoted circle, we feel like rock stars. The outside world might not know what we are singing or laughing about, but within our group, we are the insiders. That's what makes being in a small, connected group so special: you're part of something unique.

This sense of exclusivity and shared experience strengthens the bonds within the group, making every inside joke and shared laugh even more meaningful. It feels good to be in the know, to share those winks and nods that make you feel like you're part of something special.

Your Presence Is Requested

We hear it all the time: Be present. But you can double that: Be present, and feel their presence, too.

This is at the heart of the laughter factor. So how do you stir up this fun, even if you're not cracking jokes nonstop? The answer is one word: participation.

Use humor like a welcome mat. Mention names, give people something to do, and make them feel part of the action.

Laughter feels amazing when we're not just spectators but participants. Humor is about drawing people in, making them feel like they're part of what's happening, not just watching it.

Remember, the goal is not to be the funniest person in the room; it's to make others feel part of something special.

Tactic 4: Wordplay

If you enjoy wordplay and don't mind some people wanting to throw things at you, you'll love this humor tactic.

Use your sense of humor to make people laugh, not cry. They say talk is cheap, but it's really not if it costs you your job or a meaningful relationship.

Words pack a punch, but you can serve them up like punch and cookies. The right words can light up—or at least lighten up—a room.

Clever words can even turn a dull conversation around. And here's the best part: playing with words can make you more winsome, if you don't overdo it. The goal isn't to monopolize with wordplay.

So, what are words worth? More than you may think. Playful language sparks laughter, strengthens connections, and brings people together. Whether you're turning routines into mini-adventures, building friendships, or making work communications pop, wordplay is a tool worth using.

Be Remark-able

What makes a line memorable?

- **It's short and to the point**. A great remark is brief. The best ones are sparked by what's happening in the room.
- **It's stressed for emphasis**. A great line should be delivered with crisp conviction—even if it sounds like you're saying it off the top of your head.
- **It's startling**. The reaction you want is, "How did she come up with that?" A great line should feel spontaneous and well-timed (even if you've used it before in another setting).
- **It's repeatable**. The best remarks are the ones people can't help but repeat. They resonate so well that they spread like bad news at a church social.

Create a cheat sheet of your favorite laugh lines. Drop these lines into conversations at work and at home. Spice up your emails, texts, and social media posts. You'll start to see (and hear) what resonates. Don't guess; test.

Look for the right situations to sprinkle in these smile-makers. When the moment is right, let your funny fly. But when is the right moment? One of the key comedy rules of the laughter factor is: *Timing is everything*. Don't force humor into moments that don't call for it.

Zingers

Zingers add impact to whatever you are saying. Imagine you are hosting a group meeting and saying hello to new members: "Welcome to our team. We put the fun in dysfunctional." These short attention-grabbers make you sound witty.

Zingers are powerful because they pop. You'll want to limit using them to moments when you want to emphasize something. Think of them like exclamation marks; use them sparingly. When overused, zingers can derail a conversation or trivialize what others are saying.

Here's how to successfully land verbal zingers:

- keep them short
- find the moment
- make it pop
- match the vibe
- refine your go-tos
- abbreviate

Rhyme Time

Remember when short, catchy rhymes used to delight you and your friends? They still can. We are all kids at heart. In today's world of information overload, rhyming phrases equal smiling faces.

Insert short rhymes into your presentations or conversations. Make your messages more memorable by adding this touch of fun to the mix.

Dad Jokes Are Apparent

In today's world, dad jokes have become the fast food of funny: they are quick and easy to tell, and they're guaranteed to get a reaction. They make us feel at ease.

These little gems are loved for their simple, clever wordplay, and the nostalgic feeling they evoke. Dad jokes make family gatherings (and corporate meetings) a lot more fun. These jokes bridge generation gaps and get everyone chuckling, or at least rolling their eyes, together.

Sarcasm Can Be a Superpower

If you're anything like me, sarcasm is one of your most tempting wordplay tactics. It's that sharp, witty way of saying the opposite of what you mean. And it *can* get lots of laughs from those around you.

> Laughter isn't just a reaction; it's a connection hack.

Sarcasm can be hilarious, but it needs to come with a warning label. It can make you come across as superior-sounding rather than approachable. It often feels like a put-down. And honestly, it's just not everyone's cup of tea. You might end up alienating people when you want to bond with them.

Tactic 5: Amplify

People get a big kick out of exaggerated stories, giant jokes, and ridiculous rants. Even if the characters are small, the laughs turn big when you use this humor tactic.

Here's why this humor device devastates and delights us: Our brains think in pictures. When you paint big, crazy, outrageous images in people's minds, they crack up. They can't help it.

We love tall tales. In her book *Wired for Story*, UCLA professor and Showtime story consultant Lisa Cron explains how our brains are neurowired for narratives. She reveals that stories allow us to simulate intense experiences and relish them in a safe environment.

Humans swim in stories. Larger-than-life tales have a magical effect on us.

Wanna be great? Exaggerate. You will get big laughs when you make your jokes, stories, and personal situations way more outrageous.

Here are five ways to amp up the details of your story:

1. Be super specific.
2. Add more drama.
3. Relive your story—don't just tell it.
4. Repeat certain elements of your story.
5. Tie the end of your story back to the beginning.

Of course, you don't need to tell a long story to enjoy the amplifying effect. You can stress one dramatic detail, like this: My email inbox is so full, I got nominated for an episode of *Hoarders*.

Amplifying your humor means more than tossing out jokes or hitting the punch line. It may require *faction*: blending fact with fiction to make your stories larger than life, and way funnier. With faction, you take everyday situations and blow them up like a balloon at a kid's birthday party: you overinflate the fact and make it "pop."

You don't have to be a professional writer to wield faction like a samurai sword. It's a wonderful weapon for anyone who wants to generate bigger laughs by mixing fact with funny. Begin with something real, then pump it up until it goes off the charts.

I Feel Your Pain

Don't believe for a second that most comedians are always happy. Many of us are "wounded healers." Some of the funniest materials come from the darkest places. The sadness, frustration, and challenges we face become fuel for humor. It's about not hiding our pain but amplifying it to make the laughter (and links) even stronger.

The more you lean into your pain, and exaggerate it, the more impactful your jokes and stories become.

Making Big Impressions

Going *big* gets big laughs. It's one thing to hear a story told straight; it's another thing to hear an embellished version. Extremes work because they heighten contrast. Overstatement can amplify the humor—and, in the opposite direction, understatement can be just as effective.

To bring your humor to life, become larger than life. Expand your ability to entertain with bold expressions, movements, and more.

- **Big faces**. Making funny faces is a gift to others. Roll your eyes, raise your eyebrows, or pretend to cry. Your face is a projector screen. Exaggerated expressions often get bigger laughs than the joke itself.
- **Big moves**. Physical comedy speaks volumes. Bold movements amplify laughs. When you think your moves feel like too much, that probably means you are just getting started.
- **Big characters**. Do you have a larger-than-life relative who steals the show at family gatherings? Channel them. Big, outrageous characters stick in people's minds long after the moment passes.

- **Big accessories**. Forget clown costumes. A funny hat or oversized jacket can deliver large laughs before you even speak. Props aren't just gags; they transform the way you feel, move, and interact.

Amplifying your humor plays big to an entire group. But even as you pump up punch lines, keep this in mind: You want to connect your pain and your punch lines with what's real for you. That begins when you are honest (in a heightened and humorous way) about your own feelings. Heartfelt humor comes from genuine feelings.

Go for a Three-Peat

Good things come in threes, and so do great jokes. Why? Because three is the magic number that keeps your audience hooked and then hits them hard.

A joke builds to a funny finale when you let it unfold in a three-part sequence:

1. Set the stage.
2. Build anticipation.
3. Deliver a knockout punch.

It's a structure that maximizes rhythm and impact in your humor, making each laugh linger longer.

Leading with Laughter

As a leader, the first words out of your mouth, along with your attitude, reveal who you are. You must decide: Do I want to harness my sense of humor?

Once you commit, immediately begin to engage with your go-to humor style. Figure out which humor tactics suit you best and use them. What's *your* laugh language?

In case you missed the memo, let me remind you. Humor helps—big-time. Laughter plays a powerful role at work:

- releases endorphins, instantly lifting spirits
- builds community, making teams more cohesive
- reduces stress and de-escalates drama
- sparks creativity and fresh perspectives

And yes, it even boosts productivity—funny really *is* money.

Maybe adding the laughter factor to your group won't save you from an audit, but it *will* make you the kind of leader people actually want to follow. Bring the laughter—it's the only leadership tool that doesn't require a budget line, an MBA, or a three-hour meeting to implement. By bringing the laughter factor to your group, you empower everybody to feel better.

Discover Your Team's Laugh Languages

Here's another vital strategy to take to heart: Laugh at other people's jokes and stories. Get to know and enjoy their humor tactics. Remember, your teammates, clients, and students are absorbed in a never-ending struggle to think well of themselves. When you laugh at their humor, they feel better about who they are.

Lead your team, staff, employees, and audience into the wonderful experience of shared delight. It pays to amuse and to be amused. A culture of fun is good for everyone.

As a leader, you can maximize the uplift factor. Here are five ways you can speak into a meeting or event program:

1. Maximize the run of show (agenda).
2. Reinforce the meeting's mission.
3. Shine light on key players.
4. Add energy.
5. Spring surprises.

Speaking into an event isn't about delivering words; it's about creating lots of liftoff—moments that elevate the experience.

More Windows, Less Lumber

Great leaders don't just offer a plan; they lift hearts. Laughter lightens the load, making your message more engaging and your audience more receptive.

So, sprinkle in lighthearted jokes or personal anecdotes that connect with your audience. You want them thinking, "Hey, this is actually enjoyable!" Tell stories to illustrate your core message in compelling ways. A funny story makes your points vivid and memorable. Remember: *Facts tell. Stories sell.* As a friend of mine, the fantastic speaker Bill Butterworth, says, "Constructing a speech is like building a house. You want more windows, less lumber."

Conclusion

When you think about your organization, team, nonprofit, classroom, church, or business, what do you want it to be? What counts most in your organization? If you believe people matter, remember that laughing matters.

Foster more fun, and you build emotional bridges. To connect with people, you've got to feel what they feel. And we all want to feel good.

Using humor strategically is a catalyst: it kickstarts ideas, builds instant camaraderie, and helps your people finish strong. It sparks engagement, turning strangers into newfound friends, and works like rubber cement for leaders—gluing groups together.

You are more persuasive when you are more playful.

So lead with laughter—because your people are silently begging to have more fun.

Adam Christing is a keynote speaker, event emcee, and comedian known for using humor to connect and inspire audiences. He began performing at fourteen, sparking a lifelong passion for laughter as a leadership tool. President of Clean Comedians, Christing has spent three decades helping organizations build community through humor. He has entertained more than a million people across forty-nine states and abroad. A Biola University graduate, he is a member of its Alumni Hall of Fame. His work has appeared in *The New York Times*, *The Wall Street Journal*, and *Success*. Christing lives in North Carolina with his wife, Barb.

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The Leader's Greatest Return

John C. Mazwell

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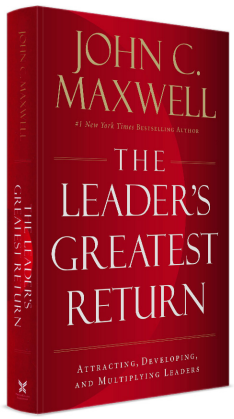
The Leader's Greatest Return

Attracting, Developing, and Multiplying Leaders

by **John C. Maxwell**



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THE SUMMARY IN BRIEF

What is the greatest return on a leader's time? After leaders have invested in their own leadership growth, what is the best way to accomplish their vision and grow their organizations? Develop leaders! The more leaders an organization has and the better equipped they are to lead, the more successful the organization and all of its leaders.

In ***The Leader's Greatest Return***, John Maxwell shares his most important lessons about the leadership development process over the last quarter century. He instructs readers in how to recognize potential leaders, attract leaders by creating a leadership "table," position leaders to build a winning team, and more. Following Maxwell's guiding principles, leaders will experience the compounding value of developing leaders and achieve the highest levels of leadership themselves.

Anyone who wants to take the next step in their leadership, start building their organization or team today, and create their legacy for tomorrow needs to read ***The Leader's Greatest Return***.

IN THIS SUMMARY, YOU WILL LEARN:

- To find, attract, and connect with potential leaders.
- To motivate, train, and empower leaders to be and do their best.
- To teach leaders to work in teams.
- To mentor, reproduce, and compound leaders to receive the highest possible return.

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Introduction: Everyone Wins When You Develop Leaders

There is nothing in this world that gives a greater ROI to a leader than attracting, developing, and multiplying leaders. It's the key to success for any country, family, organization, or institution. As you take the leadership journey, there are some things you need to prepare yourself for.

Developing leaders is going to be difficult but worthwhile. Many people who lead let themselves become comfortable attracting and leading followers instead of seeking out and developing leaders. Followers usually follow. Leaders, not so much. However, the work of investing your life in developing other leaders has a high return.

Developing leaders is a job that never comes to an end. If you desire to fulfill a bold vision or do something great, you have to let go of a microwave mindset for leadership. The process can't be done instantly. It's slow, like a Crock-Pot. Anything worthwhile takes time. You must give up looking to cross a finish line and instead find your own internal fulfillment line. That's something you can cross each and every day when you embrace the process of developing leaders.

Developing leaders is the best way to grow any organization. Grow a leader, grow the organization. A company cannot grow throughout until its leaders grow within.

Developing leaders is the only way to create a leadership culture. Culture impacts every aspect of how organizations function. If you're a leader in an organization, only you can create a positive leadership culture, and you can do it only by developing more leaders.

If you desire to improve your team and achieve your dream, you will need to learn how to take each of the following 10 steps.

1. Identifying Leaders: Find Them So You Can Develop Them

For a leader who develops leaders, there is something scarcer and much more important than ability. It is the ability to recognize ability. Take a look at these six areas of identification and answer each of the corresponding questions, and you'll know what you're looking for.

Assessment of needs: What is needed? Who are you looking for? What is your organization trying to do? Do you possess a clear target? Do you know what you're going after? That will tell you what kind of leaders you need to find to improve your organization.

Assets on hand: Who has leadership potential within the organization? Where is the best place to begin looking for potential leaders to develop? In your own organization or on your team. It just makes sense for so many reasons: They are a known quantity. They already fit the culture. They have already established influence.

Assets not on hand: Who has leadership potential outside of the organization? Sometimes you can't find who you're looking for in your own organization or on your team. But bringing in outsiders can create challenges because of the unknowns. The greatest challenge is cultural compatibility. David Walker, CEO and co-founder of Triplemint real estate brokerage in New York City, recommends asking four questions:

1. How did the culture at your last company empower or disempower you?
2. What were the characteristics of the best boss you've ever had?
3. Describe how you handled a conflict with one of your co-workers.
4. What kind of feedback do you expect to receive in this role, and how often do you expect to receive it?

Attitude of the potential leaders: Are they willing? Attitude is a choice, and at the heart of a good attitude is willingness to learn, to improve, to serve, to think of others, to add value, to do the right thing, and to make sacrifices for the team. Leadership skill may come from the head, but leadership attitude comes from the heart.

Ability of the potential leaders: Are they able? How do you know potential leaders are gifted in a particular area? They will be good at it—that displays excellence. They will have opportunities to use it—that creates expansion. They will draw other people to them—that shows attraction. They will enjoy doing it—that brings fulfillment.

Accomplishments of the potential leaders: Have they produced results? What have they achieved? When given a task, do they complete it with excellence? Do they meet and exceed goals? Do they deliver? If they can produce results for themselves, they have the potential to help other people succeed.

People don't automatically commit to you and follow you when they understand you. They commit to you and follow when they feel understood.

2. Attracting Leaders: Invite Them to the Leadership Table

Having a leadership table means creating a place in your organization or on your team where people have a place to learn, an opportunity to practice leadership with its successes and failures, and a chance to shine. Having a leadership table with open seats is perhaps the best way to attract leaders, not only within an organization but also from outside. Why? Because nothing is more attractive to a potential leader than to be asked to sit at the leadership table.

To make your leadership and your organization attractive to potential leaders, here's what you need to make sure happens at your leadership table:

People at the table can experience a leadership culture. A company's culture is the expression of the values of the people within the organization. It is the sum of the behavior of the people, not a reflection of what you want it to be. People do what people see—and they keep doing it.

People at the table participate in the dynamics of the table. Creating a leadership roundtable allows you to provide a good environment for your team members to grow, learn, and begin embracing the dynamics of leadership. It can be a fantastic tool for shaping leaders.

People at the table benefit from the power of proximity. Leadership is more caught than taught. That's why one of the best ways for potential leaders to learn how leaders think, problem-solve, and act is to spend time with them at the table. Getting the opportunity to be present in a strategy meeting is eye-opening. Listening to leaders wrestle through issues, seeing how they make choices, and watching how they interact with one another are some of the best gifts a potential leader can receive from you.

The power of proximity creates "who luck," a term coined by author Jim Collins. Simply stated, it's who you know. It's valuable to you as a leader, and it can become an incredible asset to the leaders you invite to the table. Show them the value of who luck. When you possess who luck, in any challenging situation, instead of asking yourself, "What should I do?" you ask yourself, "Who do I know who can help me?" You don't need to know everything. You just need to know enough people who between them know everything.

People at the table get to practice leadership. In the end, the only way for any person to learn leadership is to lead. Leading isn't a theoretical exercise. Lead is a verb, and to get better at leadership, people have to lead, whether they're leading as a businessperson, a volunteer, an employee, a parent, or a coach. Everybody has to start somewhere. Why not let your potential leaders start practicing at the table with you and other leaders who can help them?

3. Understanding Leaders: Connect With Them Before You Lead Them

Before you lead and develop people, you need to connect with them. You need to find common ground with potential leaders, which is less about ability and more a function of attitude. Why is it so important to touch a heart before you ask for a hand? Because people don't automatically commit to you and follow you when they understand you. They commit to you and follow when they feel understood. The best way to do that is to try to see the world from their perspective, always ask questions, and become a better listener.

Try to see the world from their perspective. Good leadership requires a perspective shift from "it's all about me" to "it's all about others." That means we need to try to see things from others' points of view. Learn perspective thinking. While people's hopes and dreams may be unique, they share many characteristics, and as a leader, you can connect with them when you know those things.

- Most people are insecure. Give them confidence.
- Most people want to feel special. Compliment them.
- Most people need to be understood. Listen to them.
- Most people want direction. Walk with them.
- Most people are selfish. Speak to their needs first.
- Most people want to be included. Ask their opinion.

- Most people want success. Help them win.
- Most people want to be appreciated. Give them credit.

Always ask questions. When you give direction to your team, you often confine them. When you ask questions, you create discovery room for them—room for articulation, communication, innovation, and problem-solving. As a leader who develops leaders, you need to be looking ahead.

Front-end questions set the direction of the conversation, draw out what they see and compare it to your perspective, help you discover their intuitive potential, learn how much they rely on assumptions, and find out if you are both on the same page.

Back-end questions prompt leaders to evaluate and reflect on their experiences. They help gauge their level of awareness and clarify what they observed, how they felt, what they learned, and how they will apply it.

Front-end questions set the agenda, while back-end questions maximize the agenda. Front-end questions encourage preparation, while back-end questions encourage reflection.

Become a better listener. How many times have you heard people complain that their bosses don't listen? People in authority usually prefer to talk. However, there is perhaps no better way to connect with people than to become a better listener.

Listening leads to understanding people, is the best way to learn, and engenders trust and connection. Listening draws people to you, which works much better than trying to push your leadership on them. Empathy builds trust.

4. Motivating Leaders: Encourage Them to Give Their Best

Every leader's organization or team possesses people who seem to lack motivation. It's difficult to get them moving, and if you do succeed, it's only a matter of time until they slow back down again. If getting them to move isn't a big enough challenge, keeping them moving is. It can be exhausting.

Author Zig Ziglar was right when he said, "People often say that motivation doesn't last. Well, neither does bathing—that's why we recommend it daily."

Good leaders inspire others only to the extent that they inspire themselves. After they've discovered their own internal motivations, they can fan that spark into a roaring fire. We also want to coach them to a place where tapping into their own internal motivations is a habit.

This process depends on knowing your team members individually. You must connect with them, understand them, and know what makes them tick. Consider the seven motivations of leaders:

- **Purpose**—leaders want to do what they were created to do.
- **Autonomy**—leaders want the freedom to control their lives.
- **Relationships**—leaders want to do things with other people.
- **Progress**—leaders want to experience personal and professional growth.
- **Mastery**—leaders want to excel at their work.
- **Recognition**—leaders want others to appreciate their accomplishments.
- **Money**—leaders want to be financially secure.

How well does each of these motivate you? Give yourself a score from 1 to 5 for each. Highly motivated people tend to score themselves highly in all seven areas. In fact, the more of them that inspire a person, the higher the odds that person will stay motivated.

As you develop leaders, you need to learn what motivates them and tap into that motivation. Focus first on what motivates them the most, but also inspire them in every area you can.

5. Equipping Leaders: Train Them to Be Great at Their Job

It's at the equipping stage that multiplication happens. When you start equipping leaders and helping them become great at their jobs, you begin experiencing the compounding of influence, time, energy, resources, ideas, money, and effectiveness.

It's one thing to ask people to join your team and take the journey with you. It's another to equip them with a road map for the trip. Good leaders provide a means for people on the team to get where they need to go.

Not only that, good leaders also help them rise up to who they can be. You can be successful in the process if you focus on six essential practices.

Be an example others want to follow. Developing yourself comes first because you cannot give what you do not have. Telling others to do what you haven't done yourself isn't equipping. It's bossing. When you learn, experience, apply, and then develop others, that's not bossing; it's leading.

Ask yourself, "What am I learning"? "What am I experiencing?" "What am I applying?" "Who am I developing?'

> Like racehorses, good leaders want to do what they were made for. They want to be empowered to lead.

Gather your potential leaders around you. No matter how busy you are or how demanding your leadership situation, you will only be able to equip potential leaders effectively if you take the time to gather them close to you and invest time in them. There is no substitute for intentional proximity.

Ask the right questions. Effective equipping begins with asking the potential leader you intend to equip the right questions. How else will you know what direction your equipping efforts need to take with people? If you don't ask questions, you may find yourself teaching the wrong people the wrong things at the wrong time for the wrong reason.

Encourage potential leaders to learn by doing. Few things cement learning like actually doing the work yourself, hands on. Theory and instruction alone produce limited results. The moment people get involved, their abilities rise quickly.

If you want to develop people, stay close to them and coach them while allowing them to gain hands-on experience doing things that will expand them and prompt them to grow.

Set equipping goals with them. At some point in the equipping process, you need to set goals for potential leaders. Make sure the goals are tailored to each person. Make sure the goals are attainable. Make sure the goals require them to stretch. Make sure the goals are measurable. Make sure the goals are clear and in writing.

Remove barriers to growth. Sometimes that means giving them tools or providing the resources they need. Other times it means introducing them to people who can help them—inside and outside the organization. And it always means creating an environment that allows people to flourish.

6. Empowering Leaders: Release Them to Reach Their Potential

If you make the effort to identify and attract leaders and then understand, motivate, and equip them but then fail to take the next step of empowering them, it would be like searching for a Thoroughbred racehorse, purchasing him, training and preparing him to race, and then never letting him out of the stable and onto the track. It would be such a waste of talent! Racehorses love to race. They want to run. That's what they are born to do. Like racehorses, good leaders want to do what they were made for. They want to be empowered to lead.

Where does the ability to empower others come from? It is based primarily on earning respect, building relationships, and providing an environment of empowerment.

Respect: Earn the power of credibility by achieving success. When you empower your leaders, you increase their power to plan, think, grow, problem-solve, and act. You give them the power to be more successful.

You must *have* power to *give* power away. That power comes from credibility. Only after you have achieved success and earned influence do you have credibility. Credibility develops as outward success and inward success. Outward success, which is what you achieve in your career, catches the attention of others. You have influence with them because of your professional credibility.

Inner success grows when you lead yourself well. It comes from the development of good character, from making the right decisions instead of the easy decisions, from putting in the work of intentional growing instead of taking life as it comes. While the outward career success gives you credibility based on what you can do, the personal growth that fuels inward success fills you up so that you have something to give from who you are.

Relationships: Be secure enough to give your power away. You cannot empower people if you allow your insecurities to control you. Why? Insecure leaders want to be the center of everything. They love the incredible emotional return of feeling indispensable. They make everything all

about themselves, and what they do is motivated by preserving their power, not giving it away. The greatest leaders aren't necessarily the ones who do the greatest things. They are the ones who empower others to do great things. To do that, leaders need to be willing to give up center stage.

Environment: Create a place where empowered leaders can rise up. Take a look at the seven characteristics of an empowering environment, make note of how many of them describe your organization or team, and think about ways you could promote them where you lead. Empowering environments

- Embrace people's potential;
- Give people freedom;
- Encourage collaboration;
- Welcome accountability;
- Give people ownership;
- Value people serving one another;
- Reward production.

7. Positioning Leaders: Team Them Up to Multiply Their Impact

When good leaders are gathered together, motivated by a leader, focused on a vision, and working together as a team, there's almost nothing they can't do. Leadership teams have the potential for great impact and a high return. To set your team of leaders on the right course, do these five things.

Make sure your leaders are in alignment with the vision. On great teams, players' individual purposes, goals, and values align with those of the organization and the other players. This kind of alignment doesn't happen by accident. It has to be facilitated by a leader on the team. You must communicate to help your leaders make the connections between the vision, the team, and their own strengths and desires.

Help your leaders bond and care for one another. Examine any successful team, and you will find people who care about each other and possess relational and emotional bondedness. The bottom line in caring for others on the team is that it's crucial to give more than you take. If you care about teammates and you have an emotional connection, a bond, with one another, you focus on being generous. You find ways to add value to the team and your teammates. You're not just in it for yourself, only after what you can get, even at the expense of other team members.

Ensure that your leaders are growing together. Here's an acronym to design growth plans for members of a leadership team:

- **G**ive them a growth environment.
- **R**ecognize each person's growth needs.
- **O**pen up opportunities for them to grow.
- **W**alk with them in challenging times.
- **T**each them to learn from every experience.
- **H**elp them add value to their teammates.

Position your leaders to complement and complete one another. Coach John Wooden was asked how he was able to get so many great players to play so well together. He said, "Each player must have a place for himself and a purpose beyond himself." What a perfect description of team players! As the team leader, you need to facilitate this process. Know what the job requires. Know whose strengths fit the job. Know when to make adjustments.

Communicate to your leaders how they are making a difference. Most people don't really see the purpose in their work. They see themselves as employees with a job description who need to fulfill a work assignment. Give them a "job lift." They need to see where the work they do lifts others and makes a difference in this world. That requires a mental shift, not a job change. You can help them position their minds to think differently about their work. You can encourage them to think more about others and less about themselves, to start their day sowing into others without focusing on reaping a harvest for themselves. Challenge them to intentionally add value to their teammates every day.

8. Mentoring Leaders: Coach Them to the Next Level

We cannot reach our potential without the help of others. Self-evaluation is valuable, but the perspective and assistance of mentors are essential. We all have blind spots where we lack self-awareness, and only another person can help us by providing another perspective. Mentoring helps us go farther, faster, and more successfully than we could ever travel on our own.

Consider this road map for mentoring leaders. The map is simple, but the journey you take won't be. As a mentor, you need to be teacher, guide, coach, and cheerleader, and you

A leadership development culture is modeled from the top, but it's grown from the bottom up.

must learn which to be at the appropriate time.

Choose who you mentor—don't let them choose you. Letting others pick who you mentor would be like selecting your investments by agreeing to buy any fund from any salesperson who called to pitch it to you. There's no telling what you would end up with or what the outcome would be. Instead, you need to selectively pick the people in whom you see the most leadership potential. When you pick the right ones, you win, they win—everybody wins.

Set expectations up front for both of you. You need to lay the groundwork on everyone's part—the we, you, and me of the relationship. "We" expectations include, "We will maintain an ROI agreement" and "We will make each other better." "You" expectations include "You must come ready," "You must keep earning my time," "You must improve, not just learn," and "You must mentor other leaders." "Me" expectations include "I will be a safe person for you to share with," "I will make myself available," "I will give you my best," and "I will look out for your best interest."

Personalize your mentoring to help leaders succeed. As you mentor leaders, pay attention to each person's personality type, learning style, language, strengths, weaknesses, internal motivation, background and history, family relationships, aspirations, inspirations, and more. Leverage every bit of knowledge you have for every leader's benefit.

Care enough to have crucial conversations. Good mentors don't hesitate to have difficult conversations with the people they mentor. They deal with the elephants in the room even when others won't. More often than not, the best time to have a crucial conversation is now. The longer you put off having a difficult conversation, the more difficult it becomes because the timing feels increasingly awkward.

9. Reproducing Leaders: Show Them How to Develop Leaders

To develop a reproducing culture, you need to have these five expectations in place and ensure that they are met by the people in your organization:

The leader of the team is the primary culture carrier. The culture of the team or organization you lead starts with you. You must model it, nurture it, monitor it, and incentivize it. In the midst of all your other responsibilities, you must make the creation of a reproducing culture your highest priority, with you setting the model for growing and developing others.

Everyone is expected to mentor someone. A leadership development culture is modeled from the top, but it's grown from the bottom up. What does that mean? It looks like this: Everyone has someone mentoring him or her. Everyone has someone to share mentoring experiences with. Everyone has someone to mentor.

Leaders focus on developing leaders, not recruiting followers. It's often easy for a talented leader to attract and recruit followers, especially if that leader has high charisma or possesses a compelling vision. But the future of an organization depends on the development of more and better leaders, not the recruitment of more and better followers. When leaders focus on developing others to their highest capability, it enlarges the leadership size and potential of the organization.

People are continually growing themselves out of their jobs. Ask the following questions about each of your leaders: Are there more followers than leaders on this person's team? Is this leader doing the exact same job year after year? Is this leader working long hours? Is this leader carrying the load by himself? If the answer is "yes" to these questions, then your leaders are not growing themselves out of their jobs. And they're not helping the organization develop leaders for the future. You need to meet with them and help them figure out why they're stuck.

Leaders become more than mentors—they become sponsors. Equipping someone to do a job is fantastic, but don't just equip people. Mentoring someone to become a better person and leader is tremendous, but don't just mentor people. Open doors for them. Advocate for them. Put yourself on the line to help them become successful leaders. Pave the way for their success, and if they surpass you, become their biggest cheerleader.

10. Compounding Leaders: Receive the Highest Return of Developing Leaders

The Pareto principle, commonly called the 80/20 rule, indicates that 20 percent of any group is responsible for 80 percent of its success in any given category. This means that doing a few important things could give a much greater return than doing many less important things. If you focus your efforts on the top 20 percent of your priorities, it would give you an 80 percent return.

A similar return comes from continually developing leaders. It compounds! And the longer you keep doing it, the greater your advantage becomes. You will increase your leadership return if you will embrace the power of the Pareto principle in your leadership. Here's why:

Small advantages in the beginning become big advantages in the end—be strategic. When coaching leaders, ask them to look at four possible areas to find and develop their individual advantage: gifting, timing, relationships, and intentionality. For example, if you see that your leaders have any kind of advantage in gifting, encourage them to be grateful, but get to work on developing those gifts. If they continually do small things to gain even a 1 percent advantage, they can keep that edge and use it to help the organization, other leaders, and themselves.

It takes time for little things to add up to big things—be consistent. You don't have to be the hare to win the race. You don't have to have a major head start in life to win. You can be the tortoise, and as long as you keep doing the little things day after day, week after week, year after year, decade after decade, it adds up.

Right Choices + Consistency + Time = Ridiculously Significant Returns.

A few leaders will give a greater return than many followers—be intentional. The Pareto principle could be applied to people. Compounding results from developing the top 20 percent. Let's say you have 10 people on your team. Not everyone has the same production potential. The top two probably produce the majority of results for the team. Who do you think has the greatest possibility of producing the greatest return for your investment in them? The top two leaders. Why? Because they can help others become more productive.

You can develop leaders and experience your own greatest return. Will it be challenging? Yes. Will it take a long time to achieve? You know it. Will you make mistakes? Undoubtedly. But will it be worth it? Absolutely! No matter what it costs you, the return you receive will eclipse the price.

Developing leaders is the most impacting and rewarding thing you can do as a leader. If you haven't already gotten started, what are you waiting for? There's no time to lose. Start today.

IF YOU LIKED THIS SUMMARY, YOU MIGHT ALSO LIKE:

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The Leader's Guide to Unconscious Bias

Pamela Fuller & Mark Murphy

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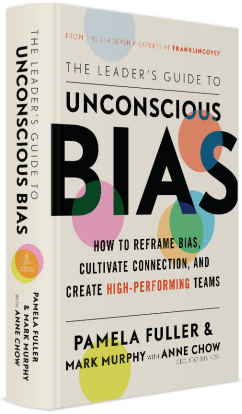
The Leader's Guide to Unconscious Bias

How to Reframe Bias, Cultivate Connection, and Create High-Performing Teams

by **Pamela Fuller & Mark Murphy with Anne Chow**



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THE SUMMARY IN BRIEF

Unconscious bias affects everyone. It can look like the disappointment of an HR professional when a candidate for a new position asks about maternity leave. Or it can look like preferring the application of an Ivy League graduate over one from a state school.

Ideal for every leader who wants to understand and move past their own preconceived ideas, ***The Leader's Guide to Unconscious Bias*** explains that bias is the result of mental shortcuts, our likes and dislikes, and is a natural part of the human condition. And what we assume about each other and how we interact with one another has vast effects on our organizational success.

The experts at FranklinCovey show how your workplace can achieve its highest performance once you start to overcome your biases and allow your employees to be whole people. By recognizing bias, emphasizing empathy and curiosity, and making true understanding a priority in the workplace, you can unlock the potential of every person you encounter. Let ***The Leader's Guide to Unconscious Bias*** show you how.

IN THIS SUMMARY, YOU WILL LEARN:

- Types of unconscious bias and how to start overcoming them.
- To use the Bias Progress Model.
- To find the courage to cope with bias and be an ally to others.
- To apply self-awareness, openness, and growth to the Talent Lifecycle.

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Introduction

To be human is to have bias. If you were to say, "I don't have bias," you'd be saying your brain isn't functioning properly!

Essentially, unconscious bias arises from our brain's capacity problem. We take in an astonishing 11 million pieces of information each second, but we can consciously process only about 40 of those bits. To handle the gap, our brains build shortcuts to make sense of this information. We pay special attention to data that proves our strategy is working and gloss over data that casts doubt (confirmation bias). We unconsciously prefer the first job candidate we meet (primacy bias). And we simply like people who are like us (affinity bias).

These shortcuts can be a boon for time-strapped professionals, letting us make quick decisions without having to deliberate on every detail. They can also distort the facts, cause inaccurate judgments, and inhibit our professional performance and possibilities.

What Leaders Need to Know About Unconscious Bias

Bias is a preference for or against a thing, person, or group, compared with another. Biases may be held by an individual, a group, or an institution. We're sometimes conscious of these biases and can state them directly.

Here, the focus is on unconscious bias, also called implicit or cognitive bias. Research shows that we have unconscious biases around gender, race, job function, personality, age/generation, socioeconomic status, sexual orientation, gender identity, family status, nationality, language ability, veteran status, culture, weight, height, physical ability, attractiveness, political affiliation, virtual/remote working, hair color—even the messiness of someone's desk or their posture.

These unconscious biases can have a positive, a benign, or a negative impact. A team leader might have a bias for collaborating or a preference for working with or without music.

But many biases have a significant negative impact. For example, workers with strong regional accents are paid 20 percent less than those with a mainstream accent, according to research by the University of Chicago and the University of Munich. As a result, these unconscious biases can limit professional opportunities for ourselves and others, across the entire Talent Lifecycle. The Talent Lifecycle is the process of your career, all of the decision points that occur, like getting hired, promoted, or selected for stretch opportunities. It also includes what kind of benefits you receive.

The good news is that our brains are wired not just for biases and preferences but also for change and growth. It takes time and, more important, a conscious effort to create new neural pathways, ways of thinking, and habits. It's not easy, but it can happen.

The Bias Progress Model, which moves beyond awareness of unconscious bias to specific action, is comprised of four parts: Identify Bias, Cultivate Connection, Choose Courage, and Apply Across the Talent Lifecycle.

Part I: Identify Bias

Each component of this four-part framework is also associated with a principle. The principle of Identify Bias is self-awareness. Self-awareness is the intellectual pursuit of introspection. Increased self-awareness can enable us to identify our biases. When we build self-awareness, we stop acting automatically and start making better decisions.

Explore Identity

The first step in identifying bias is to know ourselves and examine how personal identity influences and is influenced by bias. In FranklinCovey's Identity Model, the sources that comprise our identities include

Information. What we listen to, what we read, what we hear, what we watch—all of that information shapes our world views, perspectives, and biases.

Education. Our level of education, our field of study, and the specific educational institutions we attended contribute to our sense of self—and our preferences and biases.

Context. Identity can change as our situation changes: where we live, our religious practice, our situational contexts at work—for example, moving to a new organization or team.

Culture. This could be race, religion, ethnicity, or geography.

Innate traits. We have innate preferences that also can contribute to bias and to the way we see circumstances and situations.

Our experiences. Our experiences stay with us, leaving a lasting impression and influencing how we see future experiences and the choices we make.

In FranklinCovey's Identity Model, these elements and our identity go two ways. These elements influence our identity, and our identity influences them back, both creating biases.

Mindfulness is one of the most critical skills required to identify bias in ourselves and others.

A primary goal of exploring bias is to bring the unconscious to consciousness so that we can improve the quality of our decisions and relationships. Once we bring the unconscious forward and can name it, we can also do some analysis of it.

Dig into your identity. Complete 10 "I am" statements about who you are, representing traits such as age, race, gender, culture, physical abilities but also education, religion/spirituality, skills, family relationships, personality, and defining experiences.

Think carefully about the identifiers that may fuel an unconscious bias toward others. Place an X next to those identifiers. Put an O next to the identifiers that you feel could or have made others biased toward you. There might be identifiers where you have both an X and an O.

Consider the correlation between your identity and potential or uncovered biases. Do they limit possibilities or expand them? Are they serving you well or getting in the way of what you're trying to achieve? Do they influence you to put off decisions or lure you to rush into actions you often regret?

Recognize the Bias Traps

The bias traps are circumstances in which we are more susceptible to lean into biased thinking. Understanding them ensures we can recognize and avoid them when necessary.

Let's talk about three bias traps that represent common circumstances when our brain is most susceptible to bias in the workplace:

Information overload. When we face an overwhelming amount of data or inputs, we're at risk of information overload. For example, if we have hundreds of résumés to plow through, we might be more likely to lean into bias to help us make fast assessments. Two examples of cognitive shortcuts that occur in information overload are confirmation bias, the idea that we tend to seek information that supports our existing beliefs, and anchoring bias, the idea that we rely on the first piece of information we see to make decisions.

Feelings over facts. Many of us would say that our beliefs are factual, but of course our perceptions are not always accurate. For example, most people drastically underestimate the geographical size of Africa, because how we feel about a continent's prominence in the world overweighs the facts.

Two common biases are in-group bias and negativity bias. In-group bias is our tendency to favor people we like or those who are like us, while excluding those who are different. Negativity bias is when we are more powerfully affected by negative experiences than positive ones.

The need for speed. The need for speed occurs when we cut corners to act quickly. It can result in snap judgments, bias, and misperceptions. We need to fill a position immediately, so we hire a colleague's niece instead of completing a competitive hiring process. Our article is due this afternoon, so we make some critical assumptions instead of running down sources and completing interviews based on fact.

Two common biases under the need for speed are attribution bias, when we judge others on their actions but judge ourselves on our intent, and sunk-cost bias, our tendency to continue our current course of action because we've invested time, money, or energy into it. It's the idea that we have reached a point of no return.

Select a bias trap that you might be prone to fall into. Increase your self-awareness by listing how, where, when, and what triggers this bias trap for you. What are actions you can take to create space and hit pause between what triggers your bias trap and how you react?

Embrace Mindfulness

Mindfulness is one of the most critical skills required to identify bias in ourselves and others. Our minds are incredibly prone to wandering away from what's happening in the present moment; we spend almost half of our day thinking about something other than what we're actually doing. Without mindfulness, decisions become automatic.

Mindfulness is a state of mind achieved by concentrating our awareness on the present moment, focusing on our feelings, thoughts, and senses to better understand how we engage with others and react to stimuli. Ultimately, we're trying to create the pause between information coming in

and our emotional reactions to that information.

It can be hard to know where to start, so consider these best practices:

Build a regular meditation practice. Meditation can include relaxing, focusing, pondering, thinking, etc. Meditation can be done in just a few moments or last much longer. Apps and podcasts can walk you through a guided meditation from beginner to advanced, in many different styles. Just keep experimenting until you find one that appeals to you.

Pause and describe. When you're in a meeting or situation, take a moment to get out of your head and pay attention to the details around you. Are people engaged? What are their facial expressions? What tone of voice are they speaking in? You might even focus on concrete details like the color of the shirt they are wearing or what they're using to write, just to practice focusing.

Set intention. To deal with bias, the solution can be as simple as priming the pump. Bring the unconscious to consciousness by setting an intention around mitigating bias. Consider, before your next call, interview, or negotiation, thinking about how you're feeling, and resolve to remain in the thinking part of your brain. For example, before you review résumés, you might say, "I'm not going to make assumptions based on people's names." To a certain extent, you can clear away unconscious interferences with intention.

Part II: Cultivate Connection

By intentionally building connection with others, we are essentially filling in the gaps in our supercomputer brains, leaving less room for assumptions and more room for human complexity and nuance.

You may have heard the expression "The fish is the last to discover water." We can't see our own biases when we're surrounded by them. When we demonstrate empathy toward others, we're suspending our own beliefs, agendas, and interests in an effort to understand those of others. We make space for real breakthroughs to occur.

Focus on Belonging

Our brain is constantly trying to figure out whether we belong. Most researchers believe the need to belong is a critical psychological need. And yet in so many ways our workplace structures don't cultivate belonging or promote connection.

How often have you heard people use the word "fit" at work? We interview candidates and say they don't "fit," or someone quits and we say, "It's for the best; they didn't fit anyway." Many organizations have mastered building talent in their own likeness instead of allowing their people to utilize their unique talents and perspectives.

Researchers R.F. Baumeister and M.R. Leary define belonging as "the feeling of security and support when there is a sense of acceptance, inclusion, and identity for a member of a certain group or place, and as the basic fundamental drive to form and maintain lasting, positive, and significant relationships with others."

Being your authentic self at work is the first step to belonging. It is the open part where you are transparent and honest about your identity: who you are, what fuels you, and how you communicate. It means you let your colleagues in; they know your partner's name, your love of ski vacations, and your excitement about that new car.

And they know how you're feeling about the work that you're doing and what ideas and projects you're most excited about. The opposite of authenticity is an environment where you have to apologize for your existence. Apologizing for your body, your identifiers, your background, or your personality is inherently limiting, if not damaging.

Indicators of belonging include language. Identity is as personal to us as our names, so just as you would call everyone by the name they asked to be referred to by, you should also employ the identifiers that they ask you to use as well. If you're unsure what pronoun or identifier to use, follow the other person's lead. When in doubt, using their name will never fail you.

An organization's policies and procedures also have real and disparate impact on the people in the organization. To increase the inclusiveness of your policies and procedures, circulate drafts to team members of various identifiers and life circumstances, and ask for their feedback. A caveat, though: Getting honest feedback requires a culture of trust, one in which people feel it's safe to tell the truth. Have you created that environment?

Finally, representation matters. If an organization is not diverse, can it truly be inclusive? A sense of belonging is key to our overall sense of wellness as human beings. When people find themselves in the "only" category—when they don't see themselves reflected in the organization, in its customers, or in its leadership—this absence can impact how they define their possibilities.

Representation demonstrates that an organization is upholding at least the infrastructure of connection—and that includes seeing yourself reflected across the organization and across its clients in a meaningful way.

As you prepare for your next team meeting, find a few tangible examples of language, policies and procedures, and representation in your team and organization that include or exclude elements of belonging.

Tap into the Power of Networks

A lot of successful people say, "No one ever gave me anything" and "I got where I am through hard work." But that's simply a fallacy. At some point, someone gave each of us an opportunity, hired us, or listened to our ideas. A colleague gave us feedback. A special teacher encouraged us.

Our lives and careers are filled with moments like these, where someone said or did something that at a minimum influenced us and at a maximum set us on a path. This is the power of networks and the power of connection.

Networks give us an advantage in work and in life. They're a powerful tool in pushing against the systemic impacts of bias. Networks help us cope with being on the receiving end of bias, find a sense of belonging, and build our cultural competence so we can make decisions based on fact and not instinct or feeling.

To evaluate the power of your network, let's clarify the different network categories. Each of these network components serves a different purpose, and curiosity and empathy are deployed differently within each category.

Mentorship. Mentorship is focused on skill-building. A mentor is usually a person from whom you have something to learn, whether it be a more seasoned professional in your line of work, an expert in another line of the business, or someone with a specific skill you'd like to develop, like social media or project management.

Coaching. Coaching is about learning the playbook: strategizing about your career and learning more intangible skills like developing executive presence, expanding influence, and building your brand.

Sponsorship. Sponsorship is different from mentoring and coaching in that you are rarely present when you are sponsored. Sponsorship comes from someone with formal authority and influence above your own. Being sponsored means you are recommended. Sponsorship is when an executive ties your reputation to theirs. It's an endorsement.

> Representation matters. If an organization is not diverse, can it be truly inclusive?

Confidant. Mentorship is about skill-building, coaching is about strategy, and sponsorship is about reputation. Making progress requires a safe space. The confidant is someone you trust implicitly and with whom you can share your thoughts around being on the receiving end of bias or having biases yourself. Sometimes the confidant is a trusted colleague and sometimes, a friend. Ideally, it's not one person but a few people.

Consider the network categories outlined above. List one or two people in each. Who holds that title for you? For whom do you hold that title? Do you have any gaps or blank spaces? Could you list two or more in all of these categories?

Now think about your identifiers. Count the people who are the same as or different from you in various dimensions, such as age, ethnicity, etc. What do you notice about who you choose to connect with or who chooses to connect with you? How does who you connect with impact or affect your influence? What commitments will you make to fill in the gaps?

Part III: Choose Courage

When we bring unconscious biases to the surface, we find they're often not in alignment with our values. But we don't necessarily know what to do about that imbalance. In the FranklinCovey framework, choosing courage helps us make progress on bias at all levels, particularly in our teams and organizations.

What Is Courage?

Courage in this context is the mental or moral strength to strive and persevere in the face of uncertainty, fear, and difficulty. Courage is framed in four different ways to allow for the reality of circumstances—there is no one way to

respond to difficulty or negativity.

Courage to identify. A manager leads a successful engineering division working on complex projects for clients. One of his division's more capable engineers has been going through a gender transition to female over the last year. This engineer has been open about her transition, and the manager is respectful when the topic comes up. However, he realizes he hasn't been considering her for the more visible, client-facing projects in the past few months, even though she has successfully led similar projects in the past. It takes courage to identify when we might be making decisions based on bias.

Courage to cope. Worried about repercussions to his job, a team member doesn't display any photos of his husband in his office or even on the home screen of his phone. Some of his co-workers make homophobic jokes, and a few of the senior leaders laugh along with them. He tries to ignore it, but it's starting to get to him, and if he avoids those colleagues, it will have an impact on his work. He notices a team member who also doesn't find the jokes funny and decides to confide in her over a coffee break one day. It takes courage to cope with being on the receiving end of bias.

Courage to be an ally. A group of high-ranking women working in the Obama White House noticed they were being talked over and disregarded in important meetings. They decided to team up and amplify one another's voices. For example, when one contributed a good idea that was ignored in a meeting, another woman would bring the idea up again and point out whose idea it was. This practice came to be known as amplification and became a widespread strategy for allyship. It takes courage to be an ally.

Courage to be an advocate. In 2006, activist Tarana Burke began using the phrase "Me Too" to raise awareness of the pervasiveness of sexual abuse and assault. In October 2017, tens of thousands of people began posting their stories of surviving sexual harassment and assault on social media. It created a movement across the globe to protect victims, educate the workplace on appropriate behavior, and teach people what to do if they experience or witness problematic behavior. It takes courage to be an advocate. Let's focus on two of these categories.

Courage to Cope

It is no small thing to be on the receiving end of bias. If you feel like your possibilities are being inhibited, research shows that those experiences are detrimental to your overall well-being and have an impact on your ability to contribute, personally and professionally.

It takes courage to acknowledge how limiting and ultimately damaging it is to be on the receiving end of bias and to work through that negativity to recenter yourself. Consider these strategies to support recentering yourself.

Prioritize self-care. Make sure you're okay. Step away and effectively deal with any associated stress or emotional distress. Self-care can include removing yourself from a situation, meditation, physical activity, journaling, a conversation with a trusted friend, and self-reflection. Self-care can also mean setting appropriate boundaries with colleagues and leaders in discussing sensitive issues by pushing them to outside resources to answer their questions and refocusing conversations on work deliverables.

Organizations can support policies and workplace wellness programs that allow employees to step away and distance themselves from the situation. For example, a federal contracting firm has allocated what they call "focus rooms," small conference rooms for individuals to move into when they need time alone.

Write about your experience. We each have our own stories about our identities and biases. Noting our experiences in writing can help us understand ourselves and be its own form of self-care. The purpose of writing to cope with bias is not about perfection or even about the skill of writing itself. Give yourself permission to be informal. Writing and journaling can come in whatever format is most comfortable to you—prose, verse, bulleted list, or even doodle. What you write doesn't need to be perfectly phrased or punctuated, just captured on the page.

Courage to Be an Ally

Being an ally, lending our voices in defense of others, is a courageous act. Understanding others' experiences and offering support can make a world of difference.

An ally is not "I feel so bad about this that I'm going to help you." It's not about anger, resentment, guilt, shame, or pity. Allies understand that addressing unconscious bias is critical to morale and business imperatives, especially when they are in positions of relative power compared to those on the receiving end of bias.

Just as coping with bias is focused on recentering yourself in your narrative, there is some nuance to being an effective ally. Effective allies do not overtake the voices and experiences of those they are working to support. Instead, they

The baseline for good recruitment is being aware of the feelings stirred up as you interact with different candidates.

work to de-center themselves, ensuring the focus is not on their fear, guilt, or pain but on making progress for those they are allied with.

Be proactive, not passive. A true ally does not wait to be asked but simply takes on the challenge of inequity, standing up to make a positive change. Use your access to invite more people of diverse perspectives to the table. For example, the next time you attend a conference, panel, or event, invite one of your mentees or someone who might not have otherwise had the opportunity to benefit from that learning.

Team up with others. Making progress on bias doesn't have to be labor or work that you do by yourself. If this is something you have strong feelings about, chances are others do as well. Teaming up with others can mean building a coalition of other allies or amplifying the work of marginalized groups by lending your privilege and voice to their cause. Team up with others to learn more about your own bias and theirs, explore bias in your organization or community, and align your voices with those who are disproportionately impacted by bias.

Part IV: Apply Across the Talent Lifecycle

Let's discuss how we can genuinely and sincerely apply the principles of self-awareness, openness, and growth to the Talent Lifecycle—not because we're obligated to do so but because we recognize that diversity and inclusion are critical to sustain a high-performing organization. The decisions of the Talent Lifecycle fall under three categories: getting hired, contributing and engaging, and moving up. Let's discuss two of these.

Getting Hired

Getting hired consists of the decisions that determine whether someone has a seat at the table: recruitment, interviewing, employee benefits, and hiring. It includes questions like how a position is advertised, what information is included in the job description, how interviews are conducted and by whom, what the interviewing process consists of, and how the final hiring decision is made. Compensation is also a part of getting hired.

Recruitment. One of the most common pushbacks around hiring is when leaders argue their hands are tied because they simply don't receive applications from many qualified diverse candidates. Partnerships are a relatively easy and accessible way to broaden your applicant pool without asking invasive questions during the hiring process.

Partnering with historically Black colleges and universities is a common best practice, but it's less commonly used to recruit people from other underrepresented groups. You can reach out to academic institutions to market to their first-generation and veteran students, their LGBTQ+ organizations, or their office of disability services. Consider instituting internships and co-op programs, where people work and go to school, to further diversify your applicant pool.

Hiring and interviewing. The baseline for good recruitment is being aware of the feelings stirred up as you interact with different candidates. If you encounter negative feelings, be sure to check them against possible biases. Here are some strategies for mitigating negative bias in the hiring and selection process.

Create trained hiring panels. Move away from one-on-one interviews. Build a process whereby hiring officials are required to complete training on bias, effective interviewing skills, and determining competency and skill. Require that *multiple* hiring officials participate in and collaborate during interviews.

Allow complements to the résumé. While the résumé provides a factual baseline concerning a person's prior experience and education, there are alternatives or supplemental application components that can better highlight a person's talent, capabilities, and possibilities. For technical positions like coding, more and more organizations are asking applicants to complete sample projects instead of simply submitting a résumé. We can extend that practice to many nontechnical job functions as well.

Moving Up

Decisions in the moving up stage of the Talent Lifecycle are concerned with performance management, the full spectrum of development opportunities available at an organization, promotions, sponsorship, and succession planning.

Most leaders know that performance management is more than an annual performance review. Employees thrive on feedback, and bias or even the perception of bias thrives on silence. Meaning, if there is not ongoing performance management—feedback, coaching, and clear expectations—and then the annual performance review is bad, the employee can assume that negative review is based on bias. We can implement best practices to avoid this eventuality.

Connect early and often. If we're communicating early and often, we're intentionally building connection and moving past whatever the bias might be to focus on the work. Providing frequent feedback can take many forms from the formal to the informal. It might be as simple as texting a subordinate after a meeting that they did a nice job describing the problem or proposing solutions. For critical feedback, it might be asking the employee to coffee and brainstorming ways to be more effective or organized in the deployment of a project.

Set goals together. Given the role of bias in moving up and all of the data that points to how difficult moving up can be for people of color, women, introverts, people without advanced degrees, or those transitioning from the military to civilian life, for example, setting goals together can ensure bias doesn't creep in. There are many ways to do this. You could set some parameters for a goal and then ask the employee to weigh in on how they can influence that goal or what they think the best way to accomplish that goal is. It could also be incredibly valuable to help that employee set future goals.

Reflect on your experiences around performance management and promotions. Have you personally experienced (or seen other examples of) a situation in which an individual's advancement was made through the lens of bias? If so, what was the impact to you and others involved?

Leadership cannot be effective without inclusion. This has always been the case and will continue to be.

You have now hopefully uncovered some sparks of insight or resonance. Think more about those. Build out the story of why this subject matters to you.

And with that point of connection, take action and implement positive change.

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- ***Everyone Deserves a Great Manager: The 6 Critical Practices for Leading a Team*** by Scott Miller, Todd Davis, Victoria Roos Olsson
- ***Get Better: 15 Proven Practices to Build Effective Relationships at Work*** by Todd Davis

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The Leader's Mind

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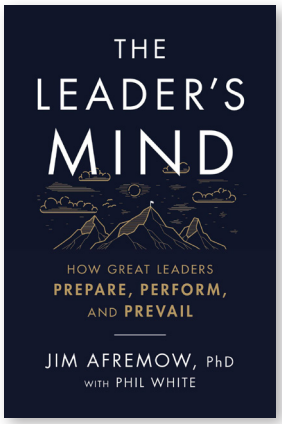
The Leader's Mind

How Great Leaders Prepare, Perform, and Prevail



by **Jim Afremow, PhD**

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THE SUMMARY IN BRIEF

Almost by definition, notable leaders inspire a great number of people. It is easy to think that there is a secret sauce that will motivate and inspire others by the thousands. In actuality, each inspiration sparks one person at a time.

In ***The Leaders Mind: How Great Leaders Prepare, Perform, and Prevail***, author Jim Afremow presents a contemporary collection of interviews and accounts of outstanding leaders that reflect a common thread: The leaders have a clear awareness of how their actions and words impact others, one person at a time. And they each use potent mental skills that help them navigate highs and lows, push through setbacks, and squeeze every last ounce of potential from themselves and the people they serve. In short, they have developed a Leader's Mind. And so can you.

A unique panel of leaders from many walks of life and from various professions is presented, all of whom offer their own style, at least one of which is sure to speak to your background and aspirations. There are also a bevy of mindset tips, tools, and techniques that you can apply to your own leadership skills.

IN THIS SUMMARY, YOU WILL LEARN:

- How leaders nurture their teams, one person at a time.
- How to make your mindset the most potent tool at your disposal.
- The significance of mentorship and modeling in leadership.
- Why all leaders need to develop a style that is true to themselves.

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Leadership Under Fire

Nick Peters is a District Fire Management Officer for the United States Forest Service. His example has much to offer in terms of its application to leadership. Peter shares several key concepts and techniques to apply to teams, colleagues, and your own leadership.

The Observe, Orient, Decide, and Act (OODA) Loop

Peter sees stress as a human construction and recognizes there are some things you can change or control and some things you can't. Many see leadership as a decision-making role, whereas the flip side of decision making is a situation in which one has very little control.

A lot of that boils down to stress management and knowing what you have control of and what you don't. Peter uses the OODA loop to structure and facilitate his decision making.

Developed by military aviator John Boyd, the OODA loop asks that you: Make an observation of your overall surroundings, orient yourself to that, make a decision based on your situational awareness, what you've obtained, and act upon it.

The great thing about the OODA loop is that it breaks out the bias of split-second decisions. It allows you to be in the moment on a specific task, and, at the same time, to focus on the big picture. It can be used at the organizational level as a decision-making tool, too. It works very well to cut through the BS and ascertain what is really happening, what the objectives are, and how to get to the desired result.

Trigger Points

Once we have enough experience in a particular field, we arrive at a point where much of what we do comes as second nature. However, it is often important to provide "checks" on our more emotional selves. In fighting fires, as Peter does, it may be a cold front coming in or the humidity dropping or the wind changing direction.

That moment when the potential for drastic change arrives is called a trigger point. Once that trigger point is hit, you need to stop, take a time out, and reevaluate to make sure objectives are still being met and that everyone is safe.

In your daily life or maybe even in your personal life, have you identified some key triggers that can help you notice, adapt to, and engage a change in circumstances? Without such built-in triggers, you may be susceptible to shifts in the wind rather than being able to pivot and apply a more efficient strategy.

After Action Reviews (AAR)

AAR is a technique that is used in many fields. It may be known as a debrief, a postmortem, or an audit. Whatever the name, progress often involves looking at what worked, what didn't, and trying to learn a bit from history. Peters uses AAR regularly in a very simple way, using four questions:

- What was planned?
- What actually happened?
- Why did it happen?
- And what can we do next time?

The underlying objective is to increase the odds of success. It's all about self-evaluating the operation and critiquing in a constructive way to see if there is anything that could have been done differently to get better results.

The Sharpshooter

Steve Kerr is a legendary head coach who earned five NBA championship rings as a sharpshooting player and then claimed three more as a head coach. Both as a collegiate and professional athlete, Kerr began his career underestimated by the public and the press. He wouldn't have it any other way. When you aren't anywhere close to a first-round draft pick, nobody sees you coming. He was able to fly under the radar for his first few years in the league.

Playing on the Chicago Bulls team with the NBA championship on the line in game 6 against the Utah Jazz, all eyes were on teammate Michael Jordan. Everyone expected the GOAT to take and make the winning shot.

But when Jordan got double teamed, he passed to a wide-open Kerr, who did what he's done his entire career: he nonchalantly knocked down a three-pointer.

Game over. Legacy secured.

Many players would have used this moment for self-aggrandizing, but in typical fashion, Kerr turned the spotlight back on Jordan, stating that Jordan's excellence drew the attention away from him, giving him the chance to hit the game-winning shot in the NBA Finals.

He said, "What a thrill. I owe him everything."

As a leader, you need to know your audience and your team.

As a leader, will you be ready to seize the moment when a career-changing opportunity comes along? Can you apply the example of Jordan and Kerr to better use your team's talent? You can and should.

Later when Kerr was acquired by the San Antonio Spurs, he was eager to make the transition because of the coach, Gregg Popovich. Though prickly in interviews, Popovich would prove to be one of the game's greats and was far more compassionate with his players than his gruff demeanor suggested.

The organization was a family first and a team second. The coach wanted to know about the players' lives off the court. He cared about their existence beyond how they played. Once the team got on the practice court, though, it was all business.

Kerr was surprised by the way that Popovich yelled at some of his star players, though he noted that those singled out for a dressing down responded positively and played harder and smarter afterward. But Popovich didn't do that to Kerr. Kerr wasn't very confident at the time and being yelled at would have been devastating. Popovich knew how to pick and choose his teachable moments and he could adapt his style to players' different personalities.

As a leader, you need to know your audience and your team. How can you show them that you care about them? Who is an up-and-coming leader you identify with, and what can you learn from that person? What can you do better to tailor your communication style to each person you lead?

Every stage of Kerr's journey as a player, coach, and leader could be viewed as unlikely. Yet with each step, he soaked up his mentors' knowledge like a sponge, viewed adverse situations as learning opportunities, and squeezed every ounce of potential out of himself.

His story was unconventional, yet highly successful, as your leadership story can be, too.

Grace Under Pressure

Flight 1380 was a regularly scheduled passenger flight from New York's LaGuardia Airport to Dallas Love Field. Tammie Jo Shults, a former US Navy pilot, was the flight captain. She took control of the plane after an uncontained engine failure caused debris to damage the fuselage, depressurizing the cabin. Tragically, one passenger died.

How many leaders experience such a moment, when the fates of dozens are in their hands? How would most react? What does one draw upon to do what must be done?

There are three formative arcs that gave this captain nerves of steel.

- The first was upbringing. Shults had a lifetime of challenges and opportunities to learn how to respond to a situation.
- Second, mentors are vital. They build up your capacity, influence your leadership approach, and ultimately provide insight into how to lead a team.
- Third, dealing with a situation in terms of when to engage and when to take a break.

There is little in Shults's childhood that indicates a future-pilot-in-the-making. She grew up on a farm in a family that had nothing whatsoever to do with aviation. She attributes a drive to be involved in something that was both economically favorable and in line with her dream of becoming a pilot. The military was the best choice to accomplish that.

Ownership

Coupled with these initial aspirations, her parents gave her responsibility and the authority that goes with that to get a job done. She didn't feel like a servant appointed with a particular task to complete. She owned it.

This sense of ownership and getting things done is vital to successful leadership. These same patterns, habits, and attitudes were conveyed to Shults's crew and flight staff on that fateful flight.

Mentorship

Having role models is key to the trajectory of any leader. While many concentrate on the individual qualities of a leader, how often do we actually hear the leaders themselves say that it was mostly luck, or the good fortune to bump into someone, or owing it all to a few decisive moments where a trusted mentor nudged things along?

As a groundbreaking female pilot, Shults was not spared from discrimination and disrespect from peers and superiors. How she dealt with this situation reflects on what made her a great leader.

To gain this maturity, however, she had some good mentors. From them she learned to stay in the game, even when facing adversity. She gained insight into how to navigate the field as well as how to deflect and deal with criticism.

Taking Breaks

Leaders often want to do everything; they are always on the go. But sometimes it's necessary to take a break, step back, and realize that absorbing and evaluating the situation requires time.

Shults's parents taught her the importance of this when she would grow anxious about something, such as a test coming up at school. When they would notice her anxiety building up, they would redirect her energy into a different task. That was a great lesson for her that she has used her whole life.

If something doesn't seem to have an answer to it or you can't progress there, get your mind and your body on something else. It doesn't make the problem go away, but sometimes distance can give you perspective. Sometimes you have to take a break to know what your next action needs to be.

Back in the air in the flight that went horribly wrong, Shults maintained a calm composure and safely brought a crippled plane back to the ground after a catastrophic engine failure. Through her accounts of being raised on a farm, the mentorship that she received, and her approach to leading a flight crew, we gain insight into how leaders develop.

The Man in Black

Walking the Walk

For most of the last two decades, Nic Gill has served as head strength and conditioning coach for the most celebrated team in rugby–The New Zealand All Blacks.

In describing his style of leadership, he believes you have to lead by example. First and foremost, you have to be able to lead yourself to do the right thing at the right time, under pressure and fatigue.

Only then will others follow you.

He knew that his head coach and boss, Steve Hanson, had his back, that he could trust him, and that he was always going to do what was best for the whole group.

A leader has to display all those attributes they want to see in others and be willing to walk the walk. It's easy to say things, but words are meaningless if they're not lived. Whatever a leader says, they must also do.

In your own leadership, how are you empowering people to make their best possible contribution? Would people say that you're "walking the walk" of a principled leader? In what situation could you include your team to make a better decision? Reflecting on questions like this will help you lead by example with those you serve.

From Prescriptive to Inclusive

Commonly, events that unfold over the course of years shape a leader's character, personality, and modus operandi. Consequently, that leader learns how to lead more effectively and progress in communicating to and guiding others.

Gill is a big collaborator, for example, and he likes working with people so his leadership style reflects that. He used to be more prescriptive in style, with an attitude more like, "You have to do this because it will make you better." But experience taught him that unless the people you're leading are paddling in the same direction as you, you won't get any traction.

Gill now leads with a more inclusive style. He learned that collaboration is the best way to achieve success for the people he works with. He's got his own ideas, methods, and ways he wants things done, but he doesn't discount what the person and athlete feels and experiences.

He has to engage the athlete and leverage off how they're feeling and what they're thinking. This is a crucial part of taking people where you want them to go.

From Gill's leadership, you can learn that culture can't be created overnight by doing this or saying that, otherwise there would be a lot more organizations with a record of sustained excellence.

It is a living and breathing thing, and it needs to be con-

Professionals take a brief moment to prepare mentally for the intense focus they need in the task ahead.

stantly fed by the people within it. You need to be careful because it takes a long time to build up a winning culture, but it can break down very easily.

Has your own leadership style progressed over time? In what ways? Where are you on the continuum between prescriptive and inclusive leadership? How do you want to continue to evolve your leadership to take the needs of others into account? These are useful contemplations to consider as your leadership style evolves over time.

On the Cutting Edge

Katrina Firlik founded HealthPrize Technologies, where today she is the chief medical officer. From her, we learn what it means to hold life and death in your hand, and how even for the most superbly skilled professional, there is a thrill to being on a team. We also see how lifelong learning is important and leadership comes ultimately from knowing yourself.

Mentally Preparing

To rise to the challenge, whether it is sports, crisis management, or surgery, there is the moment of quiet before one steps in. Again and again, we see how elite athletes, winning coaches, and tested professionals take a brief moment to prepare mentally for the intense focus they need in the task ahead.

Firlik describes the process of scrubbing and gowning immediately before stepping into the operating room to perform surgery as a time when the mind is being quieted. The hand washing at the sink is immediate and meditative and a point of mental preparation.

Finding Your Own Best Set

In high pressure situations, the communication style becomes very important. In the operating room, Firlik encountered many different leadership styles. Some surgeons do the yelling and screaming while others exhibit the calm yet forceful listing of immediate needs from other team members. She obviously appreciated the latter more and tried to emulate it as a leader herself.

That being said, the leader of today may not be the same person as when he or she began the leadership journey. Initially many leaders emulate their mentors and teachers. Then, with experience, confidence, training, they found their own best set of leadership traits.

The Flow State

When we talk about being "in the zone," it's often in reference to athletics. However, the complex interactions between elite team members on a surgical crew can also bring about this euphoria.

The countless hours of practice and repetition with teammates bring about an almost mystical level of intuitive mental and physical collaboration.

In a flow state, it's not only doing a procedure that's so familiar with you, but also working with someone that's been there with you before. It's almost calming to be in a scenario where everybody's working together, everybody knows what they're doing, and it's a seamless flow state.

Preparing the Next Leaders

A significant part of leadership, and especially of senior leadership, is the responsibility of having a succession plan and a way to mentor and educate the next generation. Strong confident leaders are often the most willing to share and pass on their knowledge.

She has taught countless residents how to do particular techniques, just as she was taught in her own residency. Watching others learn and become proficient was really thrilling to her, because you see their confidence building, teaching them to do it calmly, and allowing them to do it rather than doing it yourself. That does require some trust in them and fortitude on your own part to give the reins over. But seeing that proficiency develop within a trainee is really exciting.

Do you carve out time to bring others up? Are there institutional processes to build and retain knowledge capital? Firlik was given the opportunity to learn and grow, which shaped her leadership style immensely.

Being True to Yourself

Along with mentoring, training, and leading, many leaders mention the importance of finding balance and respite. Firlik found it hard to find that balance.

For positive examples, she always gravitated toward surgeons who had a sense of humor and outside hobbies. She thinks that's important because you're only a surgeon for so long, and if you end up retiring in your sixties, you need a life outside of that.

You have to kind of force yourself to continue those hobbies because they are critical during your career, but even more so afterward.

There is a recurring theme for many of the leaders featured in the book and that is: be true to yourself. To be exceptional, you must develop into the leader you want to be.

Although leaders are shaped by those around them in their formative years and by mentors, coaches, and teachers, it is important to learn and choose the best parts that fit your personality, character, and outlook.

What are your strengths? Where do you shine? The answers will inform you as you develop your own unique and personal leadership style.

Key Leadership Principles from Stoic Philosophy

In modern vernacular, being "stoic" typically means not showing any emotion in the face of adversity. The philosophy and practice of "Stoicism," with a capital S, is something different entirely.

The Stoic outlook on life includes support of passion, the pursuit of virtues, living in agreement with nature, and exercising reason. The aim is to flourish as human beings.

There are some key principles from Stoic philosophy that we can apply to modern leadership.

- One should have a goal in life. Instead of just going through the motions or tackling all of life's problems one day, one problem at a time, there should be a larger goal.
- Next, to constantly move toward this goal, there are several Stoic strategies including: reframing a negative situation into a challenge; acknowledging an insult, but choosing to ignore it; noting some anxiety, or envy, but not acting on it; focusing on the process or the task at hand; and refocusing to a broader perspective.
- Putting these strategies into practice requires use and repetition, like training for a sport. When the inevitable big challenge comes along, as a Stoic, you'll be able to flex your mental muscles and rise to the occasion.

Your Strongest Attribute is a Leadership Mindset

Leaders come to us from many walks of life and make an impact on society and others in myriad ways. Yet, though someone may have the best teammates, the latest high-tech equipment, or access to the best resources, that person may not necessarily be a leader.

Some people choose to be leaders, while others are placed into leadership roles due to circumstance. Either way, there must be leadership equity to pull from.

This equity is a mental savings account that has accumulated a broad body of experiences, a set of core driving principles, and muscle memory to draw upon when needed. Further, the ability to take in, absorb, and process information means being sociable.

Good leaders are not isolated at the top, nor are they making unilateral decisions from a lofty command post. Real leaders on the ground are very much tuned into their crew, supporters, and teams.

There are also those moments when a crisis necessitates a decision. It is in those times that a leader emerges valiantly rather than just being a figurehead who crumbles. This ability involves a very imaginative, contemplative, and reflective mindset.

Leaders are adept at bringing out the best in a group of people, whether it's at work, at home, or further afield. This is the true gift of cultivating a Leader's Mind.

Doing so won't merely help you overcome hardships, tame career transitions, and meet your own goals, it will also enable you to guide, develop, and empower others to make a positive difference in their lives, communities, and the wider world.

Last, take The Leadership Pledge to ensure you are cultivating a Leader's Mind in service of others.

The Leadership Pledge

Demonstrate leadership by:

- Talking with and listening to your team, colleagues, and clients.
- Engaging in positive communication to build trust and collaboration.
- Being there day in and day out, and being professional in all aspects
- Committing to get better every day, and empowering your team to do the same.
- Modeling core values in everything you do.
- Embracing challenges as opportunities to learn and grow.
- Finding ways to serve people selflessly and humbly.
- Identifying a higher purpose and using it as fuel to chase excellence in everything.
- Forging a leadership legacy by mentoring others.
- Creating and nurturing a balanced life.

Dr. Jim Afremow is a much sought-after mental skills coach, licensed professional counselor, co-founder of the Champion's Mind, and the author of The Champion's Mind (over 140,000 copies sold), The Champion's Comeback, and The Young Champion's Mind. For over 20 years, Dr. Afremow has assisted numerous high-school, collegiate, recreational, and professional athletes. In addition, he has mentally trained several U.S. and international Olympic competitors. Jim also served as a senior staff member with Counseling Services and Sports Medicine at Arizona State University, and as a Mental Skills Coach and the Peak Performance Coordinator with the San Francisco Giants MLB organization. In addition, Jim has helped many business executives elevate their mental game.

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The Leadership PIN Code

Dr. Nashater Deu Solheim

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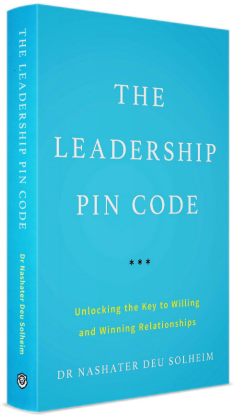
The Leadership PIN Code

Unlocking the Key to Willing and Winning Relationships



by **Dr. Nashater Deu Solheim**

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THE SUMMARY IN BRIEF

The Leadership PIN Code is about being the most engaged leader possible through examining your approach, behavior, and conversations with those you lead. This leadership book differentiates itself by focusing on your presentations both in your personal delivery and how you connect with those who are engaging. *The Leadership PIN Code* uses PIN as an acronym for the primary tasks of a leader to persuade, influence, and negotiate with those they lead and the key stakeholders who influence your work.

Using the latest psychological and strategy research on emotional intelligence and connecting with those you lead, Author Dr. Nashater Deu Solheim presents an approach to engaged leadership that focuses on relationship building. The prime role of empathy is emphasized for connecting to employees with a desire to connect and lead on a personal level.

IN THIS SUMMARY, YOU WILL LEARN:

- How to be an engaged leader.
- How to persuade, influence, and negotiate as an engaged leader.
- How to connect with those you lead on a deeper level.
- How to avoid common pitfalls that entitled leaders make.

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Meghan P. Kozak, Editor-in-Chief • Kylie Waytuck, Graphic Designer

Introduction

A leader's skill level and style tend to fall along a continuum from the least effective—the entitled leader—to the most effective—the engaged leader.

Entitled or Engaged Leader?

Entitled leaders make changes that are about the leader and their power to act, rather than mobilizing the organization. The entitled leader seizes all ownership from the team, and as a result, people quickly disengage, becoming fearful and mistrustful of leadership.

An engaged leader harnesses as much information as possible about the organization, the culture, the teams and the individuals. He seeks input and buy-in from the team and tests changes to make sure they're relevant and necessary. He explains the motives for change and is curious to find out who holds the information he needs to know and who the real influencers are. He knows how to best handle dialogues with individual team members or key stakeholders to establish rapport, build alliances and navigate the various parts of the organization.

Both the entitled leader and the engaged leader have mandate, authority and power, but they use them differently. The engaged leader garners the best possible cooperation and collaboration for the exact same changes the entitled leader imposes by force.

Persuade, Influence, Negotiate = PIN

The PIN Code is about finding the hook—the interest and motivation—of the other person for creating a willing and winning relationship that delivers the results the business needs with you in the lead. If you've ever wondered how a psychologist encourages people to open up and commit to positive change, I'm going to show you how it's done with three keys. I offer an unforgettable way of having the impact and influence you need in your daily work. It's as simple as ABC.

A = Approach: your mindset, your research into people, context, how you prepare for individual encounters or meetings by taking the time to learn about their interests, culture, or goals

B = Behavior: the physical behavior and manner you use when meeting with people, including body language, choosing the right arena for the encounter, and how you set up a room or manage virtual meetings

C = Conversation: the questions you ask, responses you give, and how you steer the conversation and dialogue, managing resistance and conflict, building trust

Eight Common Dysfunctional Beliefs of Leaders

Leaders cannot simply expect respectful regard based on their position or title. Everything they say and do happens under the microscope of employees and stakeholders, who may be quick to point out flaws and inconsistencies.

1. 'I've studied leadership, so I'm a good leader.' Some leaders falsely believe that their education automatically makes them an effective leader.

2. 'I've got the title, so I'm a leader.' The entitled leader wields her authority, power and mandate to get what she asks for. When she demands something, she expects it to be delivered. She's not concerned about asking her employees.

3. 'My team doesn't challenge or disagree with me, so I must be getting it right.' Neither compliance nor likability are measures of effective leadership.

4. 'The longer I do it, the better I get.' Leaders often quantify their experience in terms of years, as though time itself is a great teacher. Engaged leaders understand that continuous learning is at the heart of leadership.

5. 'I was a great leader at my last job; I'll be a great leader at this one.' Context is critical. Every context requires something different. A leader must be adaptable to emerging demands and challenges.

6. 'They promoted me, so I must be able to lead.' Problems arise when the assumption is 'I'm a great expert; therefore, I'm a great leader.' There is no proven relationship between your excellence as a subject matter or technical expert and being a great leader.

7. 'I'm a spontaneous leader.' Engaged leaders know that great performance comes from being well prepared and rehearsed and leaves little to chance. They will be concerned about the audience's needs and be sure to meet them where they are.

8. 'I'm a man/woman, so I am a better leader.' Engaged leaders value and manage diversity well, and understand that it comes in many forms, including experience, culture, age, gender, expertise, qualifications, attitude and personality.

PIN and Emotional Intelligence

What separates the entitled from the engaged leader is emotional intelligence. For the engaged leader, relationships are win-win situations. The engaged leader learns the interests of the team members or stakeholders and is able to communicate the relevance of a task both in terms of the individual's motivation or gain in supporting the task or appeals to their aspiration while linking to common business priorities.

Empathy Is the Antidote to Dysfunction

Empathy is the ability to take another's perspective even if you have not had the same experience where you can offer support and guidance to resolve a challenge. Empathy is asking, 'How can I help you, and what do you need?'

Close the Gap

PIN is the power of using psychology in business in order to have the positive impact and influence you need to motivate your team and peers, and continuously negotiate with managers, stakeholders or adversaries to make real progress.

Persuasion is the process by which one person achieves their goal to change another person's viewpoint or position on a matter.

Influence is the power or capacity of causing an effect in indirect or intangible ways.

Negotiation is 'back-and-forth communication designed to reach an agreement when you and the other side have some interests that are shared and others that are opposed'.

Persuasion Occurs Every Day

Persuasion is about closing the gap between you and your position and the other person and his position. You may need to combine persuasion and negotiation to have the influence you want.

Negotiation

Negotiation is far more relevant to leadership than you might believe and not just in relation to contract, financial or commercial negotiations where there are rules to follow and margins to maintain. In today's world, negotiations between countries and political parties have huge business negotiations behind them with multiple aspects often related to defense, trade or access.

Building Influential Relationships

Drawing on Cialdini and Harvard and the great wealth of literature on what effective influencers do, I suggest that the skills of great PIN leaders essentially fall into these three categories:

Establish trust.

They do this easily and focus on what they have in common with others early on.

Demonstrate empathy.

They use empathy — the ability to put yourself as a leader in someone else's shoes to both establish their motivation and interests or see their point of view that builds trust and allows you to explore together opportunities for influence and mutual benefit.

Remain curious.

Under pressure, pushback, resistance or conflict, they stay in curious mode, searching for information to help them understand the other person's perspective. Curiosity may lead to a shared understanding and agreement that was not obvious at the start.

A Is for Approach and Advanced Preparation

You must believe in and fully understand the agenda yourself in order to motivate and inspire others whether those dependent on you for that direction or the decision-makers for supporting your cause. By knowing your audience, you're able to involve them to see what you see. Be prepared for and invite the right stakeholders to meetings or conversations, so you have the possibility there and then to get a commitment to the matter on the table, thereby avoiding having to refer to it elsewhere or cause delays. Know your biases and filters and prepare your mindset properly for your meetings.

Diligent Planning

While it may be obvious in many cases that preparation is important ahead of meetings, presentations or negotiations, there is an art to planning.

First impressions count and influence counts longer, so be prepared to give more than just a good impression. Leave a footprint, so to speak. You want to leave an impact that makes them want to seek further connection with you.

Research and establish their interests. Find out what drives this person, and what they are interested in when it comes to supporting you in your endeavour and what priorities

they have that you can link to.

Use networking opportunities to build trusting relationships and authentic rapport. If starting a new job or task, stakeholder-mapping is your best friend. Know your stakeholders: Build alliances long before you need them.

B Is for Body Language and Behavior

Social psychology research confirms that first impressions count. You only have one chance to make a great impression. But there is a difference between first impressions and influence.

If you're in a situation such as giving feedback or offering support to someone where you need to show empathy and perhaps you've been told that you can come across as a bit cold or distant, then addressing your body language can go a long way in helping you to communicate empathy or sensitivity in a more conscious way.

C Is for Conversation

A leader conducts conversations as a conductor leads an orchestra. Conversation is not about the leader doing all the talking—in particular, extroverted leaders or those with dominant personalities as in the opening story need to remember this. Much of C is a result of planning your approach and choosing appropriate behavior. Your conversations will be most successful if you hone your skills in these five styles of questioning:

Curious: to resolve conflict, disagreements, polarised ideas, resistance or opposition

Circular: to dig deeper, for example into values, motivations, drivers

Confirming: to ensure you've understood what was said, data is correct, showing empathy

Clarifying: to determine meaning and intention, exploring ideas, rationales

Challenging/Investigative: to test a situation or hypothesis, provoke opposing or new ideas, open up for pressure-testing existing ideas or concepts.

Conclusion

Your PIN Code to success is based on building willing and winning relationships wherever they may be for now or later. It boils down to being effective in all three aspects of your leadership: leading your team, collaborating laterally with peers and building alliances with senior and external stakeholders.

The Leadership PIN Code provides a framework that gets better with practice. Each time you plan your approach, behavior and conversation, receive feedback and adapt, the further towards engaged leader you'll go. It enables you to translate what you know into your daily leadership.

Dr. Nashater Deu Solheim brings a new toolkit to leadership development that is backed by decades of integrated experience in the areas of business and psychology. As a former forensic psychologist with clinical research in the neuropsychology of criminal minds, she developed a deep interest in effective learning strategies for lasting success. Now, as an expert negotiator who studied at the Program on Negotiation at Harvard Law School, Dr Solheim has combined her experience as an executive leader in international private companies and government ministries to present ***The Leadership PIN Code***, the definitive guide for helping business leaders secure influence and impactful results.

The Leadership PIN Code: Unlocking the Key to Willing and Winning Relationships by Dr. Nashater Deu Solheim © 2020 by Dr. Nashater Deu Solheim. Summarized by permission of the publisher, Lioncrest Publishing. 236 pages, ISBN 978-1544507163. Summary copyright © 2021 by Soundview Book Summaries ®

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The Leadership of the Future

Frances Hesselbein and Marshall Goldsmith

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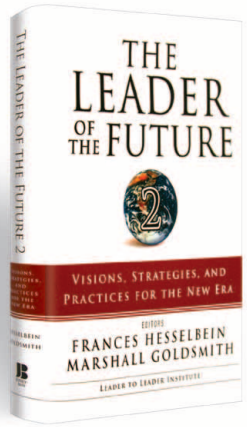
FILE: LEADERSHIP



Edited by Frances Hesselbein and Marshall Goldsmith

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Visions, Strategies and Practices for the New Era

THE LEADER OF THE FUTURE 2

THE SUMMARY IN BRIEF

This summary celebrates the wisdom of some of the most recognized thought leaders of our day who share their unique vision of leadership for the future. Our post-9/11 world presents new and unexpected challenges for the leaders of the next decade. The articles in The Leader of the Future 2 *reaffirm, reconsider and expand on the basic principles and values of leadership as they apply to emerging and unforeseen challenges, opportunities and trends.*

The Leader of the Future, *published in 1996, sold 200,000 copies and broke new ground in the world of leadership literature. Ten years later,* The Leader of the Future 2 *gives voice to the most critical issues and transformative ideas for the leaders of today and tomorrow. A number of the original thought leaders from the first* Leader of the Future *have returned to offer their insights and are joined by an exciting group of newcomers with fresh wisdom and inspiration to share.*

This summary is divided into five sections: executive leadership and effectiveness; leading in a diverse world; leading in a time of crisis and complexity; leading organizations of the future; and the quality and character of the leaders of the future.

What you will learn in this summary:

- ✓ ***What Peter F. Drucker believed about executive leadership.***
- ✓ ***The musings of Peter Senge and R. Roosevelt Thomas Jr. on leadership in a diverse world.***
- ✓ ***How John Alexander, John Edwin Mroz and General Eric K. Shinseki lead in a time of crisis and complexity.***
- ✓ ***Why Dave Ulrich and Norm Smallwood see leadership as a brand, and how Marshall Goldsmith leads a new age of professionals.***
- ✓ ***How Stephen R. Covey and Usman A. Ghani define the quality and character of leaders as a developing leadership concept in the knowledge worker age.***

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THE LEADER OF THE FUTURE 2

Edited by Frances Hesselbein and Marshall Goldsmith

— THE *COMPLETE* SUMMARY

Preface

Ten years ago it was a very simple, yet powerful idea. Call many of the greatest thinkers in the world, ask them to write a chapter sharing their vision for the future of leadership and put together an edited book titled *The Leader of the Future* with the proceeds supporting the Peter F. Drucker Foundation for Nonprofit Management to help develop leadership in the social sector.

The editors were — and still are — surprised at the positive reaction received from everyone. Even though the authors that were contacted are very busy people, over 90 percent enthusiastically replied to the call. Another surprise was that while edited books normally don't make the best-seller list, *The Leader of the Future* not only made the *BusinessWeek* Top 15 best-seller list but has also become probably the greatest selling edited book in the history of the field.

Hundreds of thousands of copies of *The Leader of the Future* — available in 28 languages — are still moving around the world amid the hands of global leaders.

Ten years later, post September 11, we live in a different world with a new context. Our times call for new thought and action, yet the basic principles, values and fundamentals of leadership have not changed. A lot has happened within the last 10 years, yet, once again, the editors are moved by the generosity of the thought leaders asked to make a contribution.

The authors in *The Leader of the Future 2* are an amazing collection of thinkers who have experience in all sectors — the private sector, the social sector, government, education and the military. In the turbulence of a world at war, how do these great thought leaders and writers find the language, the message that can inspire, guide and sustain leaders in an uncertain future? ■

PART ONE: A VISION OF LEADERSHIP

Peter Drucker on Executive Leadership and Effectiveness

By Joseph A. Maciariello

Peter Drucker's writings on management and executive leadership are extensive and varied. Yet, through all of his work, a definite vision of what executive leadership and management is and how leaders and managers should operate emerges.

These intertwined and overlapping subjects can be distinguished — at least in theory — by separating the principles of governance of organizations, which Drucker refers to as the practice of management, from the principles of the conduct of leaders in these organizations, which he refers to as the effective executive.

Executive Leadership and Effectiveness

Executive leadership is concerned with creating organizations that have a high spirit of performance. To attain a spirit of performance leaders must:

- Exhibit high levels of integrity in their moral and ethical conduct.
- Focus on results.
- Build on strengths — one's own and others'.
- Lead beyond borders to meet at least minimum requirements of all stakeholders.

(continued on page 3)

The editors: Frances Hesselbein (New York, N.Y.) is founding president and Chairman of the Board of Governors of the Leader to Leader Institute and editor in chief of its journal *Leader to Leader*. In 1998, Hesselbein was awarded the Presidential Medal of Freedom, the United States' highest civilian honor.

Marshall Goldsmith (Rancho Santa Fe, Calif.) is listed in *Forbes* magazine as one of five top executive coaches, and in *Human Resources* magazine as one of the world's leading HR consultants.

The Leader of the Future 2 edited by Frances Hesselbein and Marshall Goldsmith. Copyright © 2006 by Leader to Leader Institute. Summarized by permission of the publisher, John Wiley & Sons, Inc. 318 pages. $27.95. ISBN 0-7879-8667-4.

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Peter Drucker on Executive Leadership and Effectiveness

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The Spirit of Performance: True Test of an Organization

The true test of an organization is the presence of a spirit of performance. An organization that is high in spirit builds on and develops the strength of each person. The result is common people doing extraordinary things.

To guard against weaknesses created by an emphasis on strengths, a highly spirited organization will cover weaknesses of people by overlapping the strengths of others upon these people "like shingles on a roof."

The Theory of the Business

Drucker's ideas about leading organizations all start with the organization's "theory of the business." A theory of the business is the way an organization intends to create value for its customers and is therefore applicable to all organizations, not just business organizations. It requires answers to the following questions:

- **What is our mission?**
- **What are our core competencies?**
- **Who are our customers and non-customers?**
- **What do we consider results for the enterprise?**
- **What should our theory be?**

The theory of a business is often not obvious, nor can it be formulated without controversy. This means that formulating a theory of the business must be a forward-looking exercise — creating a mission that compels it to systematically evaluate emerging trends, future changes in its environments and current or emerging social problems that may be turned into business opportunities.

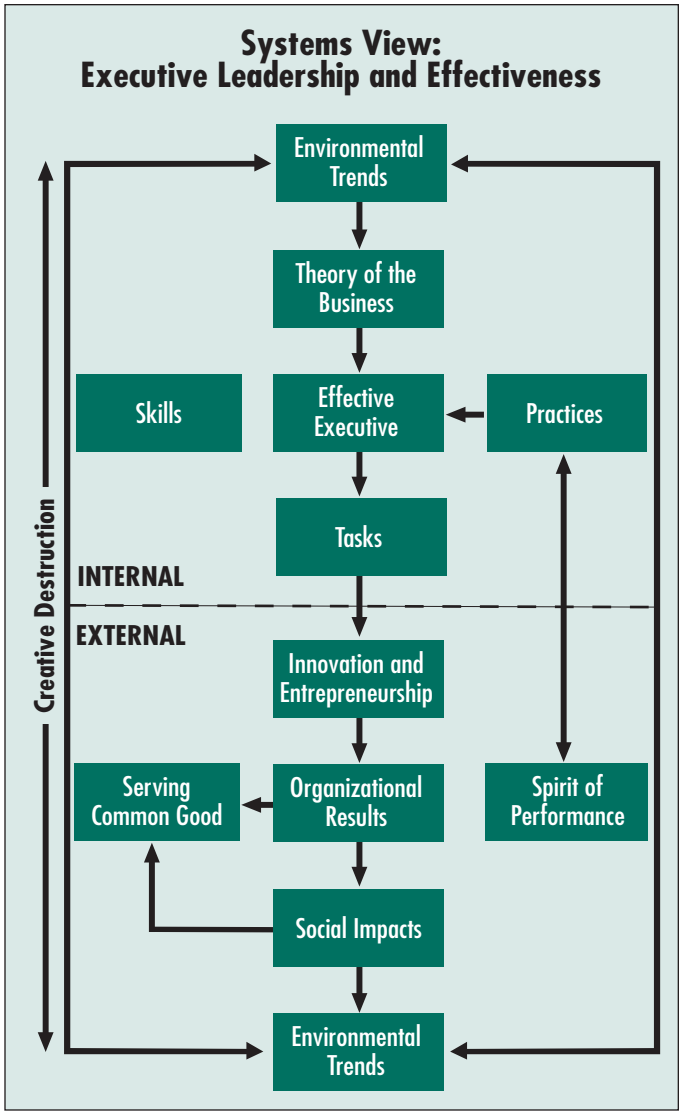
The Environment and Social Impacts

Drucker describes two different types of social impacts:

- **Negative ones an organization creates**
- **Social ills that are turned into business opportunities.**

Both impacts are important and must be managed since the first deals with what an organization does to harm society and the second with what an organization can do to help society. An organization's social impact on society is properly defined as activities, or results of activities, that are the result of an organization's pursuit of its purpose.

Detrimental impacts to society created in this process must be minimized since they are harmful to the common good and are outside the proper mission of the organization.



Executive Practices, Skills and Tasks

Executive leadership and effectiveness consists of three interconnected areas:

- Personal attributes and practices that make an executive effective
- Specific skills executives must acquire to be effective as individuals
- Specific tasks that executives must perform to make their organization effective.

Identifying the Future that Has Already Happened

Executives will have to focus much more on making knowledge work productive and the knowledge workers achieving members of their organizations, given the growing importance of both in the developed and the developing economies. This requires building on strengths and increasing the productivity of knowledge workers, and integrating these specialists into a performance whole. ■

PART TWO: LEADING IN A DIVERSE WORLD

Systems Citizenship: The Leadership Mandate for This Millennium

By Peter Senge

"The only enduring source of competitive advantage is an organization's relative ability to learn faster than its competition," wrote Arie de Geus in *Harvard Business Review* in 1988. With these words, the organizational learning movement was born. By De Geus' definition, today's organizations face unprecedented learning challenges, which we are only starting to perceive. These challenges go beyond adapting to the Internet and other new technologies or dealing with global competition. They go to the very DNA of the Industrial Age business model, a model that shapes modern societies as well.

For all of human history, societies that endured appreciated that their economies could be no healthier than the larger natural and societal systems upon which they depended. Historian Jared Diamond has shown how many one-time flourishing cultures that forgot this truism passed into oblivion, often with surprising speed. But there is one big difference today. The society in question is increasingly a global society.

As individuals and organizations, we have never had to be concerned about how our daily decisions — like the products we buy and the energy we use — affect people and larger living systems who live thousands of miles away. While De Geus' learning imperative was initially directed to individual organizations and especially businesses, the challenge of evolving to remain in harmony with our environment today applies also to larger supply networks, entire industries and whole societies. This is the message of globalization and it is indeed an alien one for all of us. We've never been here before — and the future is watching.

Societies Waking Up

Societies and their governments around the world are waking up to the fact that industrial growth as we have known it is now encountering severe and environmental limits, whose costs are getting harder and harder to ignore. For example, carbon dioxide (CO_2) in the atmosphere is 30 percent higher than at any time in the past 400,000 years, and the rate of CO_2 emissions — which itself is rapidly rising — is between two and five times the rate of which CO_2 is being removed from the atmosphere through carbon sequestration.

While environmentalists have been warning about possible CO_2 effects on global climate for a long time, the human and economic costs are starting to become hard to ignore for governments and insurance companies faced with the consequences of weather instability and spreading tropical diseases.

As these costs become recognized and their sources understood, they are starting to be allocated back to the businesses and industries where they originate.

In short, formerly "externalized" costs for businesses are starting to show up on the profit statements of insurers, health care providers and producers of diverse products and services. The era of "privatizing" profit and "socializing" many social and environmental costs is passing. These costs are growing and they can no longer be regarded as somebody else's problems at some indefinite time in the future. For more and more, the future is now. ■

For additional information on Peter Senge, go to: http://my.summary.com

Diversity Management: An Essential Craft for the Leader of the Future

By R. Roosevelt Thomas Jr.

The idea of diversity in business has undergone rapid change over the past several decades. While in the early 60s, the business use of the term was virtually nonexistent. Diversity has rapidly transitioned from necessary evil to competitive advantage for businesses that manage it effectively — an advantage that no successful leader today can ignore.

Rethinking Diversity

Putting diversity to work requires a complete rethinking of the complex concepts behind this simple word. But why now? Aren't current definitions of diversity doing the job?

Actually, they aren't. Business leaders and diversity professionals alike are increasingly concerned that the field is stuck around ideas of "representation" and "relationships"— constructs that have been with us since the mid-1960s. All are asking "Isn't there more to diversity than 'counting' and 'getting along'?"

The evidence is that there must be. But truth be told, the current reality shows that there is room for improvement. Cynicism has crept into many organizational diversity efforts and, as a result, some observers place little faith in the true motivation driving their implemen-

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Diversity Management: An Essential Craft for the Leader of the Future

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tation. They often believe that such efforts are being made only to protect their organizations from legal or public relations embarrassments, not to bring about needed change.

Ten Expectations for the Future

Specifically, there are 10 expectations for what diversity practices might look like in the future. Though the rate of evolution cannot be precisely predicted, these expectations will become a reality for tomorrow's organizations — and for their leaders.

1. Future leaders will differentiate between representation and diversity.

2. Future leaders will not think in terms of "diversity" nor will they see it as an extension of the Civil Rights Movement. Instead, they will think in terms of diversity management and view it as a craft.

3. Future leaders will define diversity management as, "making quality decisions in the midst of differences, similarities and related tensions."

4. Future leaders will not automatically assume that all racially inappropriate behavior is caused by racism.

5. In contrast to today, future leaders will be more willing to admit to having difficulty making decisions in highly diverse organizations.

6. As the trends noted above fully emerge, future leaders will be motivated to master the craft of diversity management and its key components through practice.

7. Future leaders — experienced in the diversity management craft — will become more comfortable with tension and complexity.

8. As leaders around the world begin to face their own diversity issues, future leaders will make diversity management a global craft as opposed to one confined just to the United States.

9. Future leaders will be more strategic in their approach to diversity and diversity management.

10. As future leaders master the application of the craft of diversity management in their workplaces, they will inevitably turn their attention to diversity issues within their communities and within their countries. ■

For additional information on R. Roosevelt Thomas Jr., go to: http://my.summary.com

PART THREE: LEADING IN A TIME OF CRISIS AND COMPLEXITY

The Challenge of Complexity

By John Alexander

At the Center for Creative Leadership (CCL), clients are continually reminded that leadership development is never an event — it's an ongoing and arduous process. The art of leadership itself is exceedingly difficult to master.

A team headed by CCL researcher Andre Martin asked practicing managers if the definition of effective leadership has changed in the past five years. An astounding 84 percent agreed that it has. This same group, surveyed by Martin and his team for the CCL research report on "The Changing Nature of Leadership," said that the nature of outstanding leadership will shift even further over the next five years, with the "soft skills" of building relationships, collaboration and change management becoming more crucial.

Why is the very definition of leadership changing? At CCL it is believed this phenomenon is connected to the rise of complex challenges, those for which no pre-existing solutions or expertise exists. Such challenges test the limits of an organization's current strategies. They reveal the shortcomings of leadership as it is currently practiced. They create the demand for a new kind of leadership, whether one is working in the private, public or social sectors.

The Complexity of Crises

When existing strategies and tools fail — as occurred with 9/11, the 2005 hurricanes and the South Asian tsunami — something new is needed. Today's leaders are being called upon by necessity to develop responses to complex challenges brought on by unexpected or unimagined events or situations. We don't know exactly what their answers will look like, but we do know this: The best leaders of the future will embrace complexity and the skills needed to harness it.

The Rise of Complex Challenges

Beyond the extraordinary challenges posted by crises — including natural disasters and terrorist — change and uncertainty in the business, political and social environments of the United States and the rest of the world are a fact of life now. Globalization, technology and the relentless pace of change challenge the strategic and tactical skills of executives and managers each day.

The Changing Nature of Leadership

As the complex nature of challenges becomes clearer, leaders are thinking more about how to address them through collaborative and interdependent work. The CCL has found in particular that individual leaders are becoming more aware of the necessity of developing the

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The Challenge of Complexity

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soft skills needed to thrive interpersonally in the workplace. The new leadership skill set emphasizes participative management, building and mending relationships and change management. ■

Leadership Over Fear

By John Edwin Mroz

President Franklin D. Roosevelt's response to the national despair of the Great Depression was simple and direct: "The only thing we have to fear is fear itself." Today, much of the world lives in fear. Increasing numbers of people fear the destruction of their way of life due to global warming or the powerful and unwelcome influences of globalization.

Others fear that the so-called "clash of civilizations" between the Muslim and non-Muslim worlds will become an inevitability. Ever increasing terrorism around the globe, the spread of weapons of mass destruction and a renewed fear of global pandemics have added new uncertainties about our safety.

Fear breeds a search for simple truths, which in turn contributes to intolerance, alienation and extremism. This problem is a global phenomenon.

Peter Drucker reminded us a decade ago that the world had entered a prolonged period of profound change every bit as dramatic and turbulent as that ushering in the Industrial Revolution. Our world is an extremely unpredictable place where asymmetric threats make it difficult for governments to guarantee the safety of their citizens and the well being of their economies.

There are four things we must do. First, natural leaders in a world of fear and change must step up and lead themselves. Second, such men and women must imagine the possibility of change. Third, they must seek out other natural leaders who, like themselves, have had enough of watching and are willing to assert themselves. Fourth, they must set a pace that fits the context.

Leaders willing to take risks to overcome fear are all around us. Therein lies our hope for dealing with the seemingly overwhelming challenges to our planet in this 21st century. A key leadership challenge today is how to mobilize sufficient numbers of these naturally embedded leaders across the divides that breed fear and extremism and threaten our future.

It all starts with our willingness to face up to our own fears, stare them down, and find the emerging natural leader within each of us. ■

For additional information on John Edwin Mroz, go to: http://my.summary.com

Leaders of the Future: Growing One-Eyed Kings

By General Eric K. Shinseki

Leaders of the future — 2015? 2025? 2030? Do you know who will lead your business 10 years from now, or 20 or 25 years in the future? How about next week?

The U.S. Army knows who its leaders will be decades from today, they just don't know their names yet. Because the Army promotes entirely from within, it knows that it must be a premier learning organization where leadership development is a daily commitment made by leaders at every echelon throughout a high performing institution.

The Certainty of Uncertainty

The quotation, "In the Kingdom of the blind, the one-eyed man is king," and the reference to One-Eyed Kings encouraged young officers — who must grow into strategic leaders — to embrace uncertainty and to learn to be decisive.

Accept uncertainty as a given, balance risk and opportunity, find ways to generate momentum, master the transitions which always threaten to steal momentum, and retain the freedom to act whenever opportunities present themselves. These are the hallmarks of dominant decisive operations, and they are the same attributes critical to leaders of the future, whether in the military, in business or in the social sector.

The Certainty of Change

One consistent lesson that comes out of 20th century history is that the assumptions of one decade rarely carried over into the next. If you are big and the best of what you do, change — especially fundamental and comprehensive change — is nearly beyond reach.

It will not be any different in the 21st century, even with all of its promising technologies, because change is about people. Institutions don't change, people do. Change is a fact of life. You can either lead change or have it thrust upon you. That is the history of the 20th century.

Visioning is the most demanding task for any institution's senior leadership. Looking into the future is an uncertain task at best, and it requires experienced, creative and determined risk takers to deliver visions of merit.

Being more agile than one's competition is powerful in business. In the military profession, there is no alternative to being more agile, more visionary, and bolder than your competition. Simply, it is the difference between victory and defeat.

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Leaders of the Future: Growing One-Eyed Kings

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In the midst of its ongoing operations the Army continues to develop its leaders for the unseen and unknown crises that will confront the nation in the future. Sept. 11, 2001 — like Dec. 7, 1941 — is a reminder that Americans will never see risks clearly enough. That's true both in business and in the military.

Organizational competence is about growing leaders who have the skills, knowledge and attributes to make good, bold decisions in the face of uncertainty that all organizations face. The Army sought to grow One-Eyed Kings for its future, and there is a tremendously good crop in place. ■

PART FOUR: LEADING ORGANIZATIONS OF THE FUTURE

Leadership as a Brand

By Dave Ulrich and Norm Smallwood

Research shows — and experience confirms — that organizations with strong and effective leadership at all levels achieve superior business results, while organizations with inconsistent leadership achieve inconsistent business results. Effective executives can turn fledgling companies into viable competitors; ineffective executives turn once-competitive companies into takeover targets. Because leadership matters, and almost every leader wants to learn how to become more effective, the last 20 years have brought a profusion of creative metaphors and images to describe what it takes to be a successful leader.

Leadership as a Brand

The concept of brand is known to all — everywhere we go, product brands are pervasive. We buy clothes with the Nike swoosh or the Polo horse and rider. A leadership brand represents the identity and reputation of leaders throughout a company. Thinking about leadership as a brand instead of simply something leaders do offers a number of insights into leadership effectiveness and into creating sustained and consistent leadership that enhances firm value.

Branded Leadership Matters

When firms have a leadership brand they win on multiple dimensions. They win with investors. Investors will grant higher market value for similar earnings, often called intangibles. Quality of management or leadership gives investors confidence in the future, leading to a higher share price. General Electric, for example, has a reputation for great leaders. Those who leave GE to lead other firms carry that leadership brand with them and often create intangible market value. ■

For additional information on building leadership brand, go to: http://my.summary.com

Thinking About Leadership as a Brand

Thinking about leadership as a brand instead of simply something leaders do offers a number of insights into leadership effectiveness.

- ✓ **Brand** has both core and differential elements.
- ✓ **Brand** focuses on the outside/in.
- ✓ **Brand** evolves over time to meet the changing needs of the marketplace.
- ✓ **Brand** puts leadership into business terms.
- ✓ **Brand** is unique and not generic.
- ✓ **Brand** turns leadership into specific decisions.
- ✓ **Effective leadership brand** must be reflected by leaders at all levels of an organization.
- ✓ **Brand** is sustainable, not tied to any individual person.
- ✓ **Brand** must have efficacy or it will not last.

Leading New Age Professionals

By Marshall Goldsmith

Over the last 25 years, the role of leadership in large organizations, particularly in the United States, has been transforming. Several trends were beginning to be discussed when *The Leader of the Future* (1996) was published — and now they have accelerated. Several trends are causing managers to revisit their assumptions about what leadership means in a rapidly changing high-pressure, insecure professional work.

In the early 1980s, one could get the impression that corporate managers and professionals were lazy. In most corporate headquarters, you could have shot a cannonball down the hall at 5:00 p.m. and not hit anyone. Professionals and managers were working 35 to 40 hours per week. They were taking four- to five-week vacations. They enjoyed incredible security, great benefits, lifetime healthcare and guaranteed pensions.

Those days are gone! What happened?

Five factors have converged to create a new world of professional work:

- **Increased differentiation in compensation**
- **Decreased job security**

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Leading New Age Professionals

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- **Decreased healthcare and pension security**
- **Global competition**
- **New technology.**

What New Age Professionals Want from Leaders

As corporations' expectations of their professionals have increased, the professionals' expectations of their leaders have also increased. Peter Drucker often talked about the importance of leading knowledge workers — professionals who know more about what they are doing than their boss. It is important to "reverse the pyramid" and look at leadership from the perspective of the wants and needs of the professional, as opposed to the perspective of the skills of the leader.

- **Encourage their passion.**
- **Enhance their ability.**
- **Value their time.**
- **Build their network.**
- **Support their dreams.**
- **Expand their contribution.**

Leaders will need to go beyond looking at the work to be done and consider the human doing the work. ■

PART FIVE: THE QUALITY AND CHARACTER OF THE LEADERS OF THE FUTURE

Leading in the Knowledge Worker Age

By Stephen R. Covey

We live in a Knowledge Worker Age but operate our organizations in a controlling Industrial Age Model that absolutely suppresses the release of human potential. The mindset of the Industrial Age that still dominates today's workplace will simply not work in the Knowledge Worker Age and new economy.

The main assets and primary drivers of economic prosperity in the Industrial Age were machines and capital — *things*. People were necessary, but replaceable. You could control and churn through manual workers with little consequence — supply exceeded demand. You just got more able bodies that would comply with strict procedures. People were like things — you could be efficient with them. So many of our modern management practices come from the Industrial Age.

The problem is managers today are still applying the Industrial Age control model to knowledge workers. Treating people like things creates low trust, contention and rebellion. Can you imagine the personal and organizational cost of failing to fully engage the passion, talent and intelligence of the workforce in this new reality? It is far greater than all taxes, interest charges and labor costs put together!

Leadership in the Knowledge Worker Age will be characterized by those who find their own voice and who, regardless of formal positions, inspire others to find their voice.

It is leadership where people communicate to others their worth and potential so clearly they will come to see it in themselves. Therein lies a bright and limitless future. ■

The Leader Integrator: An Emerging Role

By Usman A. Ghani

The leader of the future is the Leader Integrator — an individual who breeds multiple perspectives, consciously connecting these perspectives and applying a variety of skills to establish new directions, options and solutions for the organization. Leader integrators adapt multiple roles for themselves and seek new talents and new teams to create new directions for their organizations.

As a rule, Leader Integrators move away from the traditional accolades such as, *"He is a great visionary,"* or *"She is an excellent mentor,"* or *"He is a smart implementer,"* to *"He brings myriad talents to the table and can effectively bring into play a particular role at an appropriate time."*

The Leader of the Future

By disposition, the Leader Integrator works with an inclusive attitude, incorporating individual viewpoints as well as commonalities across different personality types and thoughts.

It is the idea and the thought process that is most important to the Leader Integrator, who actually seeks out diversity to enrich every process. ■

Recommended Reading List

If you liked *The Leader of the Future 2,* you'll also like:

1. ***The Leader of the Future*** **edited by Frances Hesselbein, Marshall Goldsmith and Richard Beckhard.** Thirty-seven notables, such as Peter Senge, Charles Handy, Rosabeth Moss Kanter and Stephen R. Covey, offer their views on leadership.
2. ***What Got You Here Won't Get You There*** **by Marshall Goldsmith.** The corporate world is filled with executives, but only a handful of them will ever reach the pinnacle.
3. ***The Five Dysfunctions of a Team*** **by Patrick Lencioni.** This fictional tale unambiguously but painlessly delivers some hard truths about critical business procedures.
4. ***Silos, Politics and Turf Wars*** **by Patrick Lencioni.** So-called "turf wars" turn outwardly unified companies into groupings of uncommunicative "silos," the stuff of management lore.
5. ***Coaching for Leadership*** **edited by Marshall Goldsmith and Laurence S. Lyons.** The best executive coaches offer a basic understanding of how coaching works, why it works and how leaders can make the best use of the coaching process.

· Book 315 of 388 ·

The Lean CEO

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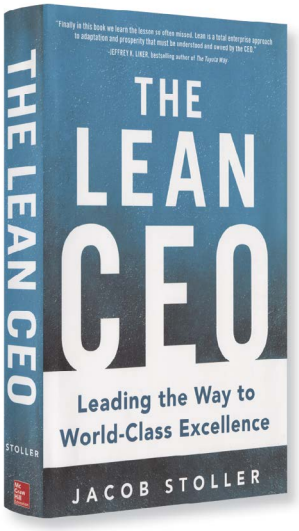
Leading the Way to World-Class Excellence



by Jacob Stoller

THE SUMMARY IN BRIEF

As organizations strive to do more with less, many are turning to Lean methodology, which is based on the same techniques that propelled the legendary turnaround of Japan's industrial sector after World War II.

The Lean CEO reveals the true power of Lean through in-depth interviews with CEOs who have gone beyond tool adoption and established Lean as a corporate-wide management system.

The CEOs tell in their own words how they applied Lean management to deliver sustainable financial results, empower and motivate employees, break down internal silos and build solid partnerships with customers and suppliers. Their testimony provides a goldmine of practical advice for managers in Lean and non-Lean organizations alike, as they share their personal insights on topics such as leading and empowering people, building transparency and trust, tuning into the customer experience and creating a learning organization.

Thoughtful, sometimes brutally frank, these leaders challenge many of the sacred cows of traditional business, such as standard cost accounting, hierarchical management, emphasis on large batches and our obsession with data and computers. Citing numerous examples from their experiences, they provide a fresh view of today's business challenges and a positive roadmap for any organization that is striving for excellence.

IN THIS SUMMARY, YOU WILL LEARN:

- How to apply Lean management to empower and motivate people.
- How to build transparency and trust.
- How to align strategic direction with day-to-day operations.
- How to instill a corporate-wide culture that promotes quality.

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THE COMPLETE SUMMARY: **THE LEAN CEO**

by Jacob Stoller

The author: Jacob Stoller is a journalist and facilitator specializing in communication between experts and outsiders in fields such as Lean management, information technology, accounting and engineering.

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Introduction

One of the most promising developments in modern business history has been the emergence of the global Lean movement, which was founded on the practices that vaulted Japan to manufacturing stardom in the late 1970s. Today, the Lean approach has a track record for helping organizations do more with less, and it is rapidly gaining ground in nonindustrial sectors such as healthcare, government and financial services.

Lean's true potential to build world-class performance depends on a commitment to continuous improvement that involves every worker in the organization and requires uncommon discipline and persistence. The basic tenets of Lean, moreover, challenge many aspects of traditional management theory and call for a mindset that is foreign to most executives. Lean is therefore a rough sell in the boardroom, and CEOs who actively lead Lean transformations are the exception rather than the rule.

How Waste Became Business As Usual

Take a look at the following three scenarios:

- A recreational trailer manufacturer was forced into bankruptcy after revenues dropped 60 percent during the 2009 recession.
- A medium-sized hospital closed its doors amid rising costs, quality concerns and growing competition from larger providers.
- A manufacturer of diesel engine components, dogged by chronic delivery problems, poor labor relations and the loss of a key patent, shut down its plant and sold its assets to a large automotive manufacturer.

Scenarios like these are, sadly, not unusual. However, these three scenarios never happened. In each case, the CEO defied the odds after discovering and adopting Lean. The results were astonishing. The organizations excelled not only in terms of financial performance but also in areas such as employee engagement, customer satisfaction and influence in the business community.

To see the waste, the Lean CEOs turned much of their attention to an aspect of the organization that is neglected in modern business theory, so much so that we don't have a name for it. The Japanese, however, do have a word: *gemba*, which means "the real place." In the Lean context, this means *the place where people create a product or service that customers pay for.*

In an automotive factory, for example, gemba is the shop floor where people make cars. In a school, gemba is the classroom where teachers help students learn. Through the Lean lens, everything else — administration, finance, human resources, sales and even senior management — is there to support gemba.

Respect for the people who spend their days in gemba is one of the cornerstones of Lean. It is through their initiative that the breakthrough gains that characterize successful Lean transformations are achieved.

To empower this kind of participation, managers need to quickly rid themselves of the illusion that they know all the answers. On the contrary, Lean CEOs must be constantly inquiring and must do so openly.

Neglect of gemba and the people who work in it is behind many of the failures we hear about. To understand how managers became blind to the widespread waste in modern organizations, we have to look back in history.

The Miracle of Mass Production

The American industrial golden age began when Henry Ford opened his first factory in 1908. It took several

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Rebecca Clement, Publisher; **Sarah Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Amanda Langen**, Graphic Designer; **Beth Van Woert**, Contributing Editor

years to perfect the production system, but by the time it was fully operational, the Ford Motor Company was producing cars 10 times as fast as its competitors, and costs were declining rapidly.

A leading figure in industrial management at the time was Frederick Taylor, and his work defined the field for much of the 20th century.

Taylor's main preoccupation was cost reduction, and his reputation as a cost cutter became legendary. Taylor believed that for every task, there was "one best way" and promised that managers who applied his theories could determine this and "scientifically" supply all the intelligence needed to run an organization.

The key tool for cutting costs was a concept called *division of labor*. The idea is to subdivide work into simple repetitive tasks, each of which can be performed by a worker with minimal education. Thus, an organization can assign work to the lowest-paid workers.

Taylor was a strong proponent of the idea that all the thinking should be done by managers. "You are not supposed to think," he is alleged to have told workers. "There are people paid for thinking around here." Workers were treated like interchangeable cogs in a machine whose only interest was their paychecks.

In this way of thinking, the machine was the ideal worker. As machinery took over more and more of the workload, the correlation between direct labor and real product costs diminished.

By 1970, America was on a roll. Factories were buying bigger and better machines and expanding their operations. However, all this had occurred under ideal conditions during the post-World War II period.

Things started to change in the 1970s. National debt soared, the OPEC oil embargo resulted in long lines at gas stations, unemployment jumped and inflation was rising. "There is one domestic problem that all 1980 presidential contenders, including the incumbent, preach against: the disturbing decline in U.S. productivity," wrote Clare Crawford-Mason, an NBC TV producer.

Crawford-Mason contacted W. Edwards Deming to discuss the issue, and this turned into one of the most successful news documentaries in the history of television, titled "If Japan Can, Why Can't We?" At the time, Deming was an 80-year-old statistics professor who was virtually unknown in the United States.

The buzz following the show's airing kick-started a flurry of activity in the West that became known as the *quality movement*. Organizations established or grew their quality departments, consultants began to package and teach statistical quality control methods and production techniques from Japan became the latest fashion.

Deming had warned however, that the road to industrial leadership would demand a lot more than add-ons to existing management practices. His definition of total quality, in fact, called for no less than a fundamental overhaul of the way companies managed people.

Lean: A Radical New Approach to Production

By the end of World War II, Allied bombing had systematically destroyed much of Japan's industrial capability, forcing many manufacturers, including the Toyota Motor Corporation, to suspend operations. It was under these dire circumstances that Kiichiro Toyoda, Toyota's founding CEO, issued his most famous directive. "Catch up with America in three years," he said, "or the automobile industry in Japan will not survive."

Kiichiro started the Toyota Motor Company in 1933 holding a set of values, central to which was the duty to serve the people of Japan. There was also a sense of obligation to employees, which included a philosophy of lifetime employment. Toyoda admired Ford's determination to reduce waste and was greatly inspired by the continuous flow established in Ford's assembly lines, whereby all materials, labor and production equipment converged on the workplace exactly when they were needed. Toyoda coined the term "Just-in-Time" (JIT) to describe this ideal state, and this became one of the pillars of his company and the Lean movement that followed.

One employee who took Toyoda's mandate to heart was a young engineer named Taiichi Ohno. Following Kiichiro Toyoda's directive, Ohno began to reflect on what it would actually take to catch up with the United States.

Just-in-Time means that, in a flow process, the right parts needed in assembly reach the assembly line at the time they are needed and only in the amount needed. Pursuing this ideal state, Ohno realized, could serve as a powerful guiding principle for reducing waste. Each time a barrier to continuous flow was removed, waste would be automatically eliminated along with it, and efficiency would therefore be improved.

The Seven Wastes

In the Toyota Production System, Ohno put waste in the spotlight with the following formula:

Present capacity = work + waste

He went on to list seven categories of waste, which became known in the Lean world as the Seven Wastes:

1. **Overproduction:** producing more than required by the next downstream process or the customer. Ohno saw this as the cardinal sin of waste because essentially it forces all the other wastes.
2. **Time on hand (waiting)**: Workers standing idle awaiting what is required for their next work.
3. **Transportation:** Excessive movement of the workpiece or parts.
4. **Overprocessing**: more than the necessary amount of work being done on the workpiece, perhaps because of poor process design or defective tools.
5. **Inventory:** More finished goods, works in process, parts or raw materials than required by customer demand.
6. **Movement**: Unnecessary movements by workers, including bending, straining and walking to procure tools or parts.
7. **Defects:** Fabrication of a defective workpiece that will later require correction.

Ohno sensed that there was an enormous amount of waste in any manufacturing system — as much as 50 percent. He also suspected that this might be the key to catching up with American automakers.

Just-in-Time called for an uncommon level of teamwork and discipline. Supervisors became coaches who removed barriers and helped workers understand and improve their work processes. Toyota encouraged worker suggestions through a program called the Creative Idea Suggestion System, which was launched in 1951, and the broader role of workers included maintaining their own equipment.

Ohno also incorporated the concept of *jidoka*. If circumstances prevented a worker from completing standard work within the allotted time or if there was a safety issue, it was the worker's responsibility to ensure that the problem was resolved on the spot. This was initiated by pulling the *andon* (Japanese for "lantern"), a cord or lever that activated a signal light that instantly escalated the problem to a supervisor. If the problem was not resolved immediately, the supervisor pulled the andon, directing all others on the line to cease work. Jikoda was considered so important that Ohno named it as one of the two pillars of the Toyota Production system, with Just-in-Time being the other.

To manage the environment so that everything was synchronized and regulated, Ohno used a series of visual methods that gave workers instant cues about relevant activity in their environment. At the heart of this was a communication system called *kanban*. Kanban relayed the pull signal, or the trigger, to produce sequentially to all the production stages, starting with the final process and progressing back to the first. Implementing kanban throughout the Toyota facilities was a huge undertaking that took years to complete. To support visual management, Ohno enforced measures to create an orderly, clutter-free environment where visual cues could remain clear and unobstructed. Today, Lean companies use a conceptual tool called 5S to create such an environment.

If all that has been described here sounds like an impossible high-wire act, then you have understood it correctly. Perfecting a working environment that follows the Toyota Production System takes years of hard work, much of it trial and error, and calls for extraordinary discipline from every manager, engineer, supervisor and worker. This is an all-hands-on-deck journey that never ends.

West Meets East and the Unbelievable

By the 1980s, the roles had reversed: American manufacturers were struggling, and Japan had become the shining model.

In 1991, Art Byrne assumed the role of CEO of Wiremold, an electrical components manufacturer outside Hartford, Connecticut. In one of his first conversations with the company's vice president of finance, Orest Fiume, he told him that the standard cost approach of the company was terrible and it had to go.

The problem Byrne and Fiume had with standard cost accounting is that it drives decisions on the basis of past information, the proverbial managing through the rear-view mirror approach. Furthermore, because it is driven by algorithms rather than real data, it often instills the wrong kind of thinking and, even worse, the wrong kind of action.

Art Byrne: "Standard cost accounting drives companies to make things in big batches, and they absorb the overhead based on either the hours of the machines or the man-hours. And so what you find in most of those companies is near the end of the month or near the end of the quarter, people will be running machines that they don't need to run at all. They don't have any orders for the product, but that product has the most absorbtion hours in it and they want to make the financial month, and they'll do things like that all the time. And so the fact is that by running them, all you are doing is building up inventory."

This kind of formulaic thinking has very little connection with customer value.

Art Byrne: "If you walk out on a shop floor, you can't tell if you're ahead or behind. The customer is never present in a traditional manufacturing company. Instead of the customer being present, you have a forecast for the end of the month. So people spend their time trying to make the forecast even though it is not correct most of the time."

Byrne wanted to create an environment where his managers could monitor their real costs on a weekly or even a daily basis and make timely decisions that were based on how they could best help the bottom line of the company.

Art Byrne: "You're trying to improve the business moving forward. So when you want to establish targets, I think the most important thing is to try to pick those things that are going to have the most impact on changing the results going forward. Then run the business based on those targets."

Keeping Score with Real Numbers

Working with goals and targets that were straightforward and devoid of extraneous information was the cornerstone of Byrne's management strategy. Byrne ran the Wiremold business using the following five metrics:

- **Customer service percentage:** the proportion of orders that were shipped on time.
- **Productivity:** the ratio of sales to worker hours.
- **Quality:** the total reduction in defects compared with the previous period.
- **Inventory turns:** the ratio of cost of sales to average value of inventory.
- **Visual control:** defined by the rules of 5S and judged by a quality team.

The Lean metrics Byrne was using differ from what many managers are used to in that they apply to value streams, not to internal entities within the company, and specifically target waste in those value streams. Increasing inventory turns, for example, reduces the wasteful expense of holding inventory, thus improving the efficiency achieved in a value stream.

Leading on the Front Lines

Being a hands-on CEO should, according to Byrne, come with the territory. Byrne is also adamant that the Lean transformation has to be led from the top. One reason is that the change required is so fundamental that some things simply have to be decreed.

The CEO needs to be the champion of the Lean transformation, clearly articulating the direction and removing the many barriers that inevitably come up.

Art Byrne: "If you think about Lean simplistically and say this is the strategy, you say I'm trying to deliver more value to my customer, and in order to do that I have to change from batching to an organization where things flow. So all we were ever really trying to do was go from batch to flow. You could always see what you needed to do."

A New Way Out of Financial Crisis

Companies facing fiscal challenges are typically caught in a death spiral that is all about dollars: Creditors lose confidence and cut off the cash supply, the ability to deliver to customers weakens, customers defect and the cycle continues.

In traditionally managed companies, the primary weapon is triage guided by the company's financial statements. The company divests itself of the facilities, equipment or employees who are deemed to be creating the least profit. The information that drives these decisions, of course, comes from accounting.

From a Lean perspective, a key problem here is that the accounting information used to drive the decisions is only indirectly related to the activity that satisfies customer demand and makes money. Consequently, the information can be confusing, irrelevant or misleading.

One of the first accountants to take practical steps to solve this disconnect was Jean Cunningham, co-author with Orest Fiume of the book *Real Numbers* and one of the leading voices in Lean accounting.

Cunningham cites several reasons why traditional accounting isn't much help in a crisis. First of all, accounting reports are delivered after the fact and do not provide timely information that can help managers make quick decisions. Financial information can also be dangerously misleading.

When a company is seeing a significant drop in sales, for example, traditional financial statements can understate the seriousness of the situation because of the way unsold inventory is reported. Another dangerous blind spot is that standard cost accounting obscures the line between fixed costs and variable costs, leading to poor decisions about discontinuing product lines.

Rescuing a Family Business from the Brink

When Dan Ariens took over the leadership of his family's company, orders were declining, distributors were defecting and the company was sitting on a growing mountain of debt.

Dan Ariens: "I took over the business in 1998 as the CEO, and at that point we were in need of a turnaround … I would say we were a year away from closing shop."

The Ariens Company began with rotary tillers and

other farm equipment and then moved to the consumer market with a line of lawn mowers and snow blowers.

In the period leading up to the recession of the early 1990s, the company ran into financial difficulty.

Dan Ariens: "The prior CEO had designed a bonus plan that rewarded people for absorbing more overhead, but of course this was creating income that wasn't real. I took over with a ton of inventory on hand, two shifts of labor running and orders shrinking."

Ariens had studied Lean principles and knew about the dangers of high inventories. Although his scope had been limited to plant operations, he was aware that there was more to Lean than what happens on the shop floor.

Dan Ariens: "...The lightbulb for me was understanding what waste is and where it exists in organizations. It's not the waste so much in the process of making the components — it's all the other things that go around to make them ready to make the component. From the design system, to the accounting system, to the manufacturing engineering system, and the process design and the processes themselves. There are many steps before you even drill the hole."

Ariens' insight that Lean was about more than manufacturing was pivotal and revealed the scope of change that had to be made to save the company.

Dan Ariens: "It was a very stressful time, and we needed that holistic approach to change the way we did business, not just the way we manufactured. So I brought Lean to the whole company and really drove it hard from my vantage point and never let go. I was also very impatient with people who didn't get it. I used to say we're either going to change the people or change the people."

The first efforts were in manufacturing, but the Lean journey quickly began to spread from the shop floor to the offices.

Workers, supervisors and managers had built their careers by making as many pieces as possible. However, creating flow often meant that people had to slow down. The idea of scaling down production to meet demand was counterintuitive to many in the company.

Dan Ariens: "Today we have a group, and I think it's the most innovative group in this company, that's called the Ariens Right Size Machine Group. Through them, we make a lot of our own manufacturing equipment. We design it to go very slowly and make one piece at a time that fits within the demand pull."

While the work processes continued to improve the performance of the company, Ariens had to keep the auditors and the bankers happy. Previous financial reports had many of the costs absorbed in inventory. With inventories declining and fewer labor hours, overhead appeared to be increasing.

Dan Ariens: "Our biggest challenge here was to get our auditors to understand what we were doing and to get a clean and approved audit so that we could keep banking. I think it's very difficult to bridge that gap. The hardest thing internally was being able to allocate a real expense to a real owner, for instance, having a manager who owns the cost of powdered paint so that it's not part of the overhead that flows through. As the question 'Who's going to own that?' got more and more prevalent, we figured out how to quantify things like lubricants, Locktite and powder coating into our bills of materials."

Another aspect of the financial management that was holding them back was the piece rate incentive system. Being able to change a 35-year-old incentive process required a lot of trust.

Dan Ariens: "When I give talks about our Lean journey, I tell people that the biggest thing is that we have built a culture around here where we trust each other. When we have that, we know that we can take some risks on making changes in our plant. People are going to have a little patience and see it through, or they're going to be part of the team that makes it all work out. Trust is such an important component to having a Lean culture."

Capacity Without Capital Expenditure

Manufacturing capacity represents a significant investment in facilities, equipment, support infrastructure and salaried employees, all of which show up as fixed costs in a company's financials. Capacity utilization consequently becomes a bellwether for a company's financial health.

To forestall catastrophes, companies engage in various capacity planning exercises. The idea is to do the math carefully before investing in production-related resources, weighing a variety of options, such as outsourcing, partnerships, licensing and overtime. Financial analysts use a variety of formulas to quantify the risk factors and determine precisely how much capacity it is prudent to add.

The Achilles' heel in all these calculations is dependence on the dubious art of demand forecasting. When the forecast is way off, no magic formula can save the day. It is no surprise, then, that when a company is rendered insolvent

by a crisis in the economy, management is likely to blame "factors that nobody could have predicted."

There is, of course, a very different way of approaching this, and the secret sauce in it is one of the basic tenets of Lean: Instead of buying capacity, build it over time by using existing resources and investments.

Identifying and eliminating waste is the method of choice for building capacity in a Lean environment. As results confirm again and again, Lean companies, through ongoing continuous improvement, free up significant amounts of plant space, equipment and employee hours and then grow into that freed-up capacity. The resulting "asset-light" business model leaves them far less weighed down by fixed costs and consequently far more resilient in economic downturns.

A Realistic Approach to Worker Motivation

One of the most common marching orders for new leaders is to address a situation that is being presented as a workforce motivation problem. Conventional wisdom in the early 1900s was that the manager-worker relationship was inherently adversarial and that the key weapons for ensuring a productive workforce were pay and threats. Psychological research since that time has shown that human motivation is far more complex than that.

In his famous article "One More Time: How Do You Motive Employees?" the psychologist Frederick Herzberg cited numerous studies outlining a much more comprehensive view. In his two-factor theory Herzberg separated motivating factors from demotivating factors, which he called *hygiene*. True motivation, he argued, comes from conditions that cause an employee to feel challenged, trusted, recognized, valued, and able to learn and grow.

The key here is that the motivators Herzberg cited are intrinsic to the work itself. Conversely, common HR motivators such as perks, shorter work hours, human relations training and employee counseling are extrinsic and consequently do not create true motivation.

By these definitions, Lean creates the ideal environment for motivating workers. Recognition, variety, autonomy and the opportunity to learn are all intrinsic to the employee's role in a culture of continuous improvement. Furthermore, these aspects are not the results of an artificial intervention cooked up by an HR department or consultant but are based on the real needs of the customer.

There are, however, two important caveats. Lean is hard work, and for the magic of motivation to kick in, there has to be the authenticity that can be achieved only when senior management truly believes and is directly involved. Also, motivation is not a cure-all for every production problem; management must be committed to listening to workers and providing the tools they need.

Building Collaborative Management Teams

What may be the most important pillar of Lean is respect for people. In mature Lean organizations, it is a given that managers are workers like their peers on the shop floor and need clear guidelines for their activities and the right tools and processes to be successful. Furthermore, managers in Lean organizations count on their superiors to help them improve and remove barriers that stand in their way.

This calls for a paradigm shift in the way an organization is run. First of all, it requires a significant culture change, particularly with managers who built their careers by practicing top-down autocratic management.

It also requires the removal of systemic barriers that prevent employees at all levels from succeeding. Standard cost accounting and silos, for example, prevent cross-functional teamwork and often incentivize behavior that is contrary to the interest of creating customer value. Firefighting duties and wasteful activities such as paperwork can prevent managers from spending time with and supporting their people. Lack of knowledge can be the biggest barrier.

These deficiencies are far less obvious than, say, the lack of a screwdriver on an assembly line, yet they are equally debilitating. Consequently, creating an environment where managers can succeed in a predictable way is one of the most challenging tasks for a Lean CEO.

Putting People First

Bob Chapman, the chairman and CEO of the St. Louis-based industrial machinery manufacturer Barry-Wehmiller, initially saw Lean as "another quality fad" but very quickly saw the connection between Lean and people.

Jerry Solomon, VP of finance, explains: "Bob was working with a group of people on the Guiding Principles of Leadership at the time. [The one-page document lays out the company's core values, emphasizing trust, respect for individuals, teamwork and the importance of each and every employee having a meaningful role in the company.] ... Bob came to the realization that the Guid-

ing Principles of Leadership are absolutely of paramount importance, but there really is no, for lack of a better word, delivery mechanism or no distribution system with which to deliver them throughout the company. And Lean was a wonderful delivery mechanism if done right... By integrating the two, we could have a sustainable model that really brings the respect for people element that is sorely missing in a lot of Lean transformations."

Bob Chapman: "We decided that we were going to approach Lean very differently. In fact, we decided that the word *Lean* gave the wrong message. Instead, we called it *L3,* an acronym for Living Legacy of Leadership. This reflects our principles, so we built our own process around Lean based on that idea."

The vision document, subtitled "The Merger of the Guiding Principles of Leadership and Lean Enterprise," reinforces the Living Legacy of Leadership, with emphasis on pillars of Lean culture such as respect for workers, continuous improvement, cross-functional cooperation and daily communication.

As Chapman points out, the vision bets strongly on the sincere desire of people to make a positive contribution in the workplace. In other words, if a company removes the barriers that prevent employees from realizing their potential, the employees will do the rest. Furthermore, Chapman is adamant that providing fulfilling work for employees must be the number one objective that trumps all others: Treating people well cannot be a means to some other end.

Building the Learning Organization

Transforming an organization to one that truly learns and adapts is a demanding proposition for the management team. To succeed, the CEO must provide clear direction for employees and at the same time accept an atmosphere of considerable uncertainty. Piloting a ship decisively is tough when you do not know the route.

One thought leader who has studied this role carefully is Kevin Meyer. Trained as an engineer, he became a Lean consultant. He spent eight years as president of Specialty Silicone Fabricators (SSF), a midsize medical-device fabricator. Although his prior experience in engineering and with medical devices gave him a good understanding of the company's processes, Meyer knew that the knowledge the employees had accumulated was critical to any strategy.

Kevin Meyer: "The people had much more experience with the company and the product than I did. They could come up with solutions that were better than what I could just order based on other backgrounds."

Lean thinking was new to the employees, however, and Meyer needed to have them on board to move forward.

Kevin Meyer: "I don't think it's possible for an organization that hasn't been exposed to a Lean operation to really see it. They can hear, 'Yeah, we can reduce cycle time and waste,' and all those kinds of things, but Lean is one of those things you've got to experience to truly understand the power ... Most of the time, I guided people and they learned. And I think the Lean transformation may have taken longer because of that, but I think it became more rooted in the culture then."

Conclusion

Lean sets the bar high for CEO accountability. In brief, Lean CEOs

- Are active on the front lines;
- Are stewards of a companywide transformation;
- Create a culture of trust and empowerment;
- Exercise discipline and constancy of purpose.

There are many ways of explaining why lean organizations achieve extraordinary results. The two primary reasons for Lean success stand out: Lean brings out the best in people, and Lean gets leaders in touch with reality.

As organizations face the burning platforms inherent in a global economy, the community-building aspects of Lean may prove to be even more important than Lean's utility at cutting waste.

In the end, Lean is about people. As many Lean CEOs have said, once people get behind a purpose, there is no limit to what they can do.

RECOMMENDED READING LIST

If you liked *The Lean CEO*, you'll also like:

1. ***Design to Grow*** **by Linda Tischler, David Butler.** The authors share the successes and failures of Coca-Cola as this large, global company learned to use design to create both scale and agility.

2. ***Extreme Productivity*** **by Robert C. Pozen.** Pozen reveals the secrets to workplace productivity and high performance.

3. ***The Toyota Way*** **by Jeffrey Liker.** Liker describes Toyota's radical system for speeding up business and service processes, reducing waste and improving quality.

· Book 316 of 388 ·

The Life Cycle of a CEO

Claudius Hildebrand, Robert Stark

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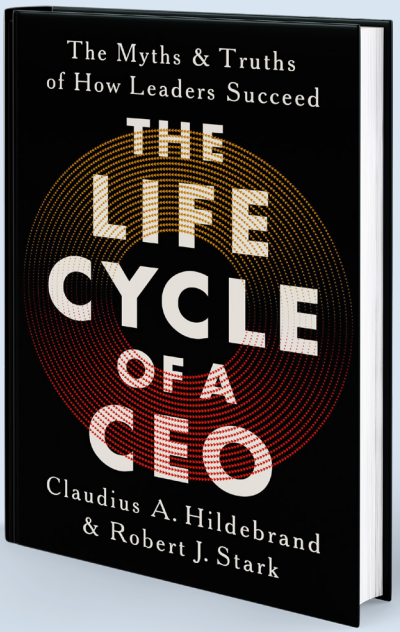

The Life Cycle of a CEO

The Myths and Truths of How Leaders Succeed

By Claudius A. Hildebrand and Robert J. Stark

Claudius A. Hildebrand, PhD, coaches and advises CEOs and future leaders to thrive and outperform in their roles. He leads Spencer Stuart's CEO Performance Analytics and is a regular contributor to Harvard Business Review. His work on mindsets and social networks was awarded "Best Article" by the Academy of Management.

Robert J. Stark is a trusted advisor and coach to CEOs and boards. He helps CEOs outperform and CEO aspirants prepare for the role, and guides boards through value-creating CEO transitions. His insights appear frequently in business publications including Harvard Business Review.

A Book Review by Soundview

Navigate the Storms of Corporate Life

In their book, ***The Life Cycle of a CEO: The Myths and Truths of How Leaders Succeed***, Claudius A. Hildebrand and Robert J. Stark set out to describe the typical life cycle of a CEO. In doing so, they detail challenges and benefits of each of the stages they set out to describe. For Hildebrand and Stark, a CEO's success starts well before they actually attain that position. Once in the CEO position, a leader must be careful to avoid pitfalls inherent in the position as they lead their company to greater growth. Finally, as a CEO's tenure nears its end, they must then begin to look towards their legacy.

Ascent and Launch

The first step on the way to becoming a successful CEO actually starts years before a person is ever named to the position. It begins in the training they seek out and receive in the sometimes years prior to the appointment. Hildebrand and Stark state that "the best preparation for success is putting yourself through a rigorous and highly intentional process of personal evolution," and part of this requires a person to seek out varied roles to help fill in knowledge and experience gaps. No new CEO will have learned all they need to by the time they win the title, but they can make considerable strides in getting there. Hildebrand and Stark claim that "the surest path to success is not a linear ladder climb but a winding route that involves bold and often risky 'investment moves' to gain breadth as well as depth of experience." This can be seen through Terry Lundgren of Macy's. At one point he was the CEO at Neiman Marcus but resigned from that position to take a position as divisional CEO at Federated Department Stores where he stayed for three years before being named chief marketing officer. After this investment of time, he was named CEO of the company that has been renamed Macy's.

Sometimes employees switch companies to gain the experience they need and desire while other employees choose to stay with the same company. There is wisdom in this move as "76 percent of CEO appointments have been of internal candidates" within the past twenty years. Just because a person stays at one company, however, does not mean they can stagnate. People

choosing to move up the ranks within one organization must be willing to move "rapidly into many different functions and [take] on particularly challenging roles."

Some of the skills people seeking leadership positions need to hone are their influencing skills. These skills are important because companies today are staying away from the "highly directive, command-and control style of leadership" that dominated the past century. Now companies seek out leaders with soft skills who can "empower and inspire people." Potential leaders must be willing to put themselves through uncomfortable growth processes in order to acquire these skills.

Once in the position of CEO, a person can often find themselves lonely. This is because many people do not share as openly with a former coworker once that coworker has taken on the position of CEO. Additionally, there is certain information that CEOs cannot share with many people. Furthermore, very few people understand what it is like to be at the helm of an organization. Because of this, Hildebrand and Stark recommend that CEOs befriend CEOs of other companies who share the struggles and challenges they, themselves, face.

When a person takes on the role of CEO, much changes. Instead of having a single boss to report to, now the CEO has to report to a board, and this requires navigating politics and relationships with numerous different people. In addition, they may find that they now spend a large portion of their time working with stakeholders rather than actually running their business. This can prove quite challenging for the new CEO. Yet another challenge new CEOs face is outside pressure which could come from political figures, regulators, or any other of a number of sources, none of which are within the control of the CEO and not all of which can be planned for.

To be successful in this new role, a new CEO must not only learn to juggle the aforementioned external demands with internal demands, but they also must learn to focus on both the long term and the urgent needs of the organization. This requires a balance between decisive action and taking the time to learn all that is necessary about the company and the situation. This commitment to learning is crucial because a successful new CEO has much to learn about all aspects of the business. Hildebrand and Stark recommend new CEOs go on a listening tour to hear from people at all levels of an organization, and they encourage asking questions and listening to the answers during these tours. Not only does this help the CEO learn the business, but it also conveys respect for other members of the organization. The early stages of a CEO's tenure are important and stressful as all of this must be done at the same time as a new CEO learns to navigate new relationships with board members and must evaluate and form the executive team. Hildebrand and Stark maintain that "Doing all of this early spadework is so important to flourishing as you move forward."

Calibration and Reinvention

While a CEO's first year is ripe with challenges and opportunities, by the time a CEO reaches their second year of tenure, the honeymoon phase has likely worn off, and they are at risk of encountering a sophomore slump similar to those writers and musical artists often encounter. Hildebrand and Stark have several recommendations for second year CEOs that can help them navigate the pitfalls particular to this career stage. The first is not the "overreact to overreaction." Oftentimes new CEOs can solve relatively easy problems during year one, but longer term or more difficult changes take time. At this stage, transparency is important as is giving off the impression that the situation is under control.

To maintain support during a difficult sophomore year, Hildebrand and Stark recommend further deepening bonds with the board. Furthermore, they recommend acting on well-informed intuition. This intuition needs to be informed by "rigorous data analytics." Also important is combining intuition with that of other people even though it will ultimately be the CEO who is responsible for making the decisions. In addition, it is important for CEOs to continue to do fieldwork and observations. Finally, it is important to pay attention to the rate of change. While sometimes it may be necessary to push employees beyond what they can comfortably manage, in general, it is important to be in tune with key stakeholders and move at a pace that works for the organization. When looking at what moves to focus on, Hildebrand and Stark quote a study that states that "the highest performers relied most on these five [early moves]: operational improvements, launching new products, improving customer relationships, increasing employee engagement, and culture change."

By the time a CEO has reached his or her third year in the position, it is likely that they have taken ownership over the role. The influence of the former CEO has likely declined, and it is at this time that the new CEO can now use "the credibility they've gained by successfully navigating the challenges of their first two to three years – [and] leverage it to push vigorously for big advantages." Hildebrand and Stark state that often the most successful CEOs initiate a new strategy around three or four. Despite the track record a CEO may have developed by this point, they still may face considerable pushback from key stakeholders. Hildebrand and Stark tell the story of Terry Lundgren, CEO of Federated Department Stores. Numerous market forces made it evident to him that the company may need to change the name of its Marshall Field's stores to Macys. This move had the potential to greatly anger certain segments of customers, particularly those in Chicago. Despite the fact that his board was only half in his favor of this move and despite the fact that it was a big risk, he believed it was a necessary one to take because he believed "the status quo is more" dangerous. This combined with other key changes including those involving omnichannel selling led the company to success. In such situations, a CEO should expect considerable pushback even if the decision is ultimately a positive one.

Hildebrand and Stark write about how important it is for a CEO to understand if they are a marathon, mid-distance, or sprint runner. In general, marathon runners and sprinters performed better than mid-distance runners. Knowing your personal style is important in determining career trajectory, as marathoners may do better staying in a role longer while sprint-

> *...it is important for CEOs to focus on both confidence and humility.*

ers may find it is in their company's best interests and their own career's best interest if they do not overstay their welcome in the role. It is also important for board members to understand who their CEO is so they can determine how long they wish an individual to stay in a position.

Complacency

As leaders move on from their first three years into later years of tenure, Hildebrand and Stark warn of the threat of complacency. Hildebrand and Stark write how "even the most talented and experienced leaders, who've successfully navigated through many challenges, may overlook or misinterpret arising threats or fail to perceive them at all." Part of the reason problems can arise even when new leaders and experienced board members can see them is that CEOs often have even more pressing concerns that they focus on over those that are burning more slowly. It is never possible to focus on all problems at one moment. In addition, some problems are harder to see by those in the C-suite who may be viewing matters from a distance.

Another problem that can arise after the first few years is over confidence. When a CEO has a trail of successes, it is easy to fall into overconfidence. This can lead to complacency because people start to take success for granted. Decision-makers tend to make decisions that reinforce the status quo, and this can be even more likely when a company is in the throes of a successful streak. Executives can also fail to break free from the status quo because they spend much of their time with the same group of executives, limiting their insight. One way to overcome this is for CEOs to sit on the boards of other organizations. While this might not be possible in the earliest stages of a CEOs career when they have little to no extra time, this sometimes becomes more feasible after a few years in the role.

To overcome some of these pitfalls, it is important for CEOs to focus on both confidence and humility. Confidence is important because it breeds confidence in others. It must be tempered by humility, however. Part of cultivating humility is being aware of factors outside of your control that have led to your success. It is also important to remember mistakes as well as successes.

Legacy

While the general consensus is that a CEO may be best to step down from the position after ten years, Hildebrand and Stark detail multiple different CEOs who stayed in the position for considerably longer and continued to be a positive influence for their organization. Indeed, there are benefits not only for the organization, but for the leader, themself, to remain in a position for longer than a decade. They write, "The Legacy years are distinctive for their reliability. Leaders in their Legacy stage more consistently deliver strong results." One of these benefits is the ability to see earlier plans come to fruition. For example, Dave Cote said that he would stay on as CEO of Honeywell for the ten to fifteen years he believed it would take for his transformation of the company to come to fruition. He did, indeed, stay on for fifteen years and was able to see the remarkable turnaround he spearheaded.

The Legacy years can be a difficult time because of two different priorities. First, a CEO knows that they must continue to innovate if they want their organization to remain strong. Second, they must be thinking about who will be succeeding them in the position. This latter priority requires them to be forming the leaders that will come after.

Still, when thoughts turn towards leaving the CEO role, there are multiple obstacles that individuals may face. One of these is ego. When an individual has been in any role for a long period of time, it can start to take up an oversized portion of their identity. To give up the identity of a CEO and to give up perks which may include such extravagances as company jets, giving up this identity can be quite jarring and even terrifying. Despite this challenge, many CEOs are able to successfully transition into rewarding ventures after they leave their organization. For some individuals, this may mean taking on a CEO role at another company. For others, it can mean focusing attention on previously neglected areas of life. Still others take the skills and talents they put to use in their careers to use in other areas of life solving other problems in society. In such a way, leaving the role of CEO may alter one's sense of identity, but it does not need to destroy it nor does the departure need to be a departure from meaningful contributions to society.

Private Equity

Hildebrand and Stark move on to discuss the differences between the role of a CEO in a public firm versus that of a CEO in a private equity firm. As they state, "Among other things, the PE firm sets a more ambitious timeline for improving results and generally partners more closely with the CEO than a public board does in setting the company's course and executing to achieve those results." In short, the board is much more involved in both strategy and operations in a private equity firm. In addition, while the CEO of a public company reports to an entire board, the CEO of a private equity company reports directly to the firm's partner. Despite the differences between public organizations and private equity, CEOs of both types of organizations can learn from each other. It is crucially

important for a public CEO considering a transition to private equity to understand the differences between roles because not all people are suited well for the position.

One difference between S&P 500 companies and private equity is where they go to search for their talent. S&P 500 companies hire from inside for the CEO position 76 percent of the time. This stands in stark contrast to how portfolio companies hire as they hire from the outside 75% of the time. Hildebrand and Stark note how this can create difficulties for organizations when people primed to take a CEO position at their own company decide instead to move to private equity. Oftentimes the prospect is moving to a lesser known company, but they see the leap as one worth making because they will not face as much scrutiny from public markets and they are not beholden to quarterly reporting. Because of these benefits, private equity is finding it easier to hire CEOs than it did in the past. Those who "thrive under pressure and welcome close collaboration" may find that "the PE Life Cyle can be an exhilarating and highly rewarding journey."

Along with these benefits, however, come some downfalls. One of these is that private equity CEOs do not have as much autonomy as their public counterparts do. In addition, they face tremendous pressure to produce results immediately. Because private equity wants to see changes quickly, "73 percent of PE CEOs are replaced at some point during the holding period, most often within the first two years." Hildebrand and Stark describe a life cycle that the CEO will go through. The first is "Proof of Permanence," and this stage is much more intense for private equity CEOs than it is for their public counterparts. The second stage is "Pivoting to Growth" which requires a CEO to grow and evolve. They then must move on to the final stage, "Executing the Exit."

Transitions

As Hildebrand and Stark previously wrote about, it can be hard for a CEO to make the decision to leave, but this does not change the fact that if a company will continue on into the future indefinitely, the CEO role must change hands. As they end their book, they discuss the importance of boards looking for successors in order to protect the future of the company. They explain how important it is for boards to seek out their biases, so they can find candidates who may otherwise be overlooked.

This transition to a new CEO brings to a close the life cycle of a CEO that Hildebrand and Stark explain started years and maybe even decades before a person ever enters that role. The Life Cycle of a CEO: The Myths and Truths of How Leaders Succeed helps explain this life cycle to those who aspire to one day enter that role. It guides readers through the challenges that a CEO can expect to face at every step of the journey. It then goes further and helps the reader understand general steps that can be taken to overcome these challenges. The book goes beyond theory by detailing specific CEOs and companies and the successes and missteps they have taken, making the book a solid resource for those aspiring to be a CEO, those currently occupying that role, or those working closely with CEOs in their own organization. Finally, it can be helpful for those serving on boards when it details steps boards ought to take to hire new professionals for the role which requires them to become intimately familiar with the candidates.

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The Long-Distance Leader

Kevin Eikenberry and Wayne Turmel

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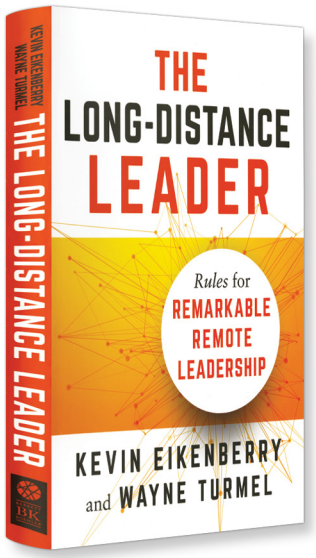
Leadership

The Long-Distance Leader

Rules for Remarkable Remote Leadership



by Kevin Eikenberry and Wayne Turmel

THE SUMMARY IN BRIEF

As more organizations adopt a remote workforce, the challenges of leading at a distance become more urgent than ever. In *The Long-Distance Leader,* the co-founders of the Remote Leadership Institute, Kevin Eikenberry and Wayne Turmel, show leaders how to guide their teams by recalling the foundational principles of leadership, whether their teams are scattered globally or just working from home a few days a week.

The authors' "Three O" Model refocuses leaders to think about outcomes, others and ourselves — elements of leadership that remain unchanged whether employees are down the hall or halfway around the world. By pairing it with the Remote Leadership Model, which emphasizes using technology as a tool and not a distraction, leaders can navigate the terrain of managing teams wherever they are.

With models and strategies that ensure projects stay on track, keep productivity and morale high, and build lasting relationships, *The Long-Distance Leader* is the go-to guide for leading effectively, no matter where people work.

IN THIS SUMMARY, YOU WILL LEARN:

- Why leading remotely requires you to lead differently.
- How the Three O Model and the Remote Leadership Model work together.
- To choose the best tool for long-distance communication.
- To practice servant leadership while also taking care of yourself.
- The three key questions for developing Long-Distance Leaders.

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THE COMPLETE SUMMARY: **THE LONG-DISTANCE LEADER**

by Kevin Eikenberry and Wayne Turmel

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Getting Started

Rule 1: Think about leadership first, location second.

Leading a team at a distance is first and foremost about leadership, and the principles of leadership haven't changed — they are principles.

What has changed is that more people are working in different places and perhaps at different times. Given those changes, how we apply the timeless principles of leadership in this new world matters a great deal — for the team members working at a distance, for you as their leader and for the organization that you all serve.

The Remote Leadership Survey, conducted in 2017, examined more than 225 managers who have at least part of their team working remotely. The results show that challenges for remote leaders very closely mirror those for managers in any situation. The survey highlights challenges that arise because of the distance between people and the use of technology to bridge those gaps.

Four common questions that remote leaders often ask themselves are,

- How do we know people are really working?
- Are people getting enough social interaction?
- Are we getting good feedback when we need to consider options?
- Can we be as effective a leader as when we're co-located?

Leaders are making things happen in this new environment because they are working longer and harder. They want to succeed in the virtual world, but they're doing it through effort and guesswork. There is a better way.

Rule 2: Accept the fact that leading remotely requires you to lead differently.

Today, according to the Project Management Institute, 90 percent of project teams have at least one member (usually more) who aren't co-located with the rest of the team. Nearly 80 percent of white-collar supervisors have at least one direct report who works in a different location — at least part time.

There are two major repercussions for leaders as a result: First, the communication methods that enabled us to succeed (if we've been around for a while) have changed. You may be terrific in a face-to-face meeting . . . but how many of those will you have today?

Second, the notion of a leader's sense of isolation is no longer simply emotional. You're not only lonely because you have the sole responsibility for decisions, or the weight of authority or feel responsible if people lose their jobs — you're often actually physically alone.

But while there have been significant changes to the way we lead, the act of leadership itself hasn't really changed all that much. This is a first-order change, meaning we need to do the same things but in a different way. We need to do something faster, smarter, using different tools, but the task at hand is fundamentally the same.

Rule 3: Know that working remotely changes the interpersonal dynamics, even if you don't want it to.

Whether we're talking actual physical presence or "virtual presence," where you are available and visible to your people, "being seen" is critical to leadership and suffers in a long-distance relationship. Virtual communication changes the interpersonal dynamic, even if you don't want it to.

When you speak to someone face-to-face, you get instantaneous feedback. The broad smile of acceptance

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or the furrowing of a brow tells us we need to adjust our message, repeat it, check for understanding or get more information before we proceed. We constantly and naturally adjust our messages on the fly based on those real-time responses. In a world where those immediate cues are missing, you must ensure your message is easily understood and that you find other ways to receive critical cues.

The basic needs of humans don't change, but the context of working locations may make some needs more important or obvious than they were in the past. If you have team members teleworking from their home, they may have interaction needs that were previously met in the workplace that now are missing. As a Long-Distance Leader, you must find ways to meet those needs, because as those needs are met, people are better able to focus on and complete their work successfully.

Models That Matter

Rule 4: Use technology as a tool, not as a barrier or an excuse.

The Remote Leadership Model depicts three interworking gears that work together to propel remote work. The largest gear is "Leadership and Management," which is the work you were hired to do. The second, smaller but critical gear is the "Tools & Technology" you must use in order to make the work happen at distance. Finally, the smallest gear is "Skill & Impact" — the ability to use those tools well.

The Leadership and Management gear reminds us that our job as leaders — the leadership and management behaviors we are expected to exhibit — are the same as they've ever been.

The Tools and Technology gear is perhaps the most important difference when leading remotely. Leaders are expected to exhibit all the traditional leadership behaviors and do it using tools and technology with which they might not be comfortable. That's a bigger deal than you might think. What tools do you have at your disposal to help get the job done? Are you using the right tool for the right job? Do you rely too much on the tools you're comfortable with?

The Skill and Impact gear is the simplest concept, the easiest one to maintain, yet often the one that can cause the biggest problems. Choosing the appropriate tool for the job is critical. But if you can't use the tool you've chosen effectively, all the hard work and good intentions in the world won't get the job done.

Rule 5: Leading requires a focus on outcomes, others and ourselves.

The Three O Model of Leadership outlines three areas of focus all leaders must recognize and use to reach their maximum success. This model is a more complete picture of the biggest gear in the Remote Leadership Model.

Outcomes — you lead people with the purpose of reaching a desired outcome. For a Long-Distance Leader, this focus on outcomes is even more important and can definitely be harder, for several reasons: isolation, lack of environmental cues and potentially less repetition of messages.

Others — you lead with and through other people to reach those outcomes. Long-Distance Leaders focus on others because you can't do it alone anyway; you win when they win; you build trust and relationships when you focus on others; you are more influential when you focus on others; and team members are more engaged when you focus on them.

Ourselves — you can't leave yourself out of this model. While leadership is about outcomes and other people, none of that happens without you, whether you like it or not. Who you are and how you lead is important wherever your people work, but when you are leading at a distance, some of this is less transparent, and your beliefs and assumptions are even more crucial.

Achieving Outcomes at a Distance

Rule 6: Leading successfully requires achieving goals of many types.

As a Long-Distance Leader, you need to be aware of, think about and help your teams reach all of the different outcomes in the organization.

Organizational outcomes must be crystal clear so you can help your team members (individually and collectively) move toward successfully achieving them. How clear are the targets? How often do you think about them? How often does your team discuss or review these targets to track progress?

Team outcomes. When your team is in the same location, you catch side conversations and parking-lot banter and have many ways to reinforce and clarify the goals. When you have team members working on their own, these clarifications don't happen easily. People must know how what they do fits into the work and success of the team.

Personal/individual outcomes. Remember that working remotely can be like living alone on an island. There is less interaction, and none of it happens serendipitously.

Without solid, clear targets, individuals can drift, losing sight of both the big picture and their role, too. That's why tools like electronic dashboards, intranets and online project management systems are so important — they provide visibility even when people are miles apart.

On a daily working basis, perhaps more important than goals are expectations. Expectations aren't just about the "big G" goals or the "what needs to happen." They are about how the work gets done: the rules for working together, the way you'll support and help each other, what tools you'll use and what good communication looks like.

When the expectations are clear and understood, the chances people will be successful are higher. Furthermore, there's a better chance the outcomes described above will be reached.

Rule 7: Focus on achieving goals, not just setting them.

Most everyone agrees that goals should be SMART (specific, measurable, actionable, realistic and time-driven). People find two of these criteria the hardest to master and the most difficult to make work from a distance: making goals measurable and determining what realistic looks like.

To make the work of others more measurable, ask how else you can quantify the effort and contributions of others. These questions might help: What are the quantity components of the work? How does time factor into the success of the work? How is the quality of the work determined? When working with team members who are remote, setting measures in smaller chunks can be even more important. When people work alone, in their own bubble, and the targets are too big, it is easy to let too much time pass before realizing the need to course correct.

A realistic goal is one that stretches your belief, yet you can create a workable real-world plan that might allow you to reach that goal. To make the goals of your remote team members more realistic, provide the needed information; expect engagement; get their thoughts first; modify with your thoughts, if needed; and gain agreement.

Rule 8: Coach your team effectively regardless of where they work.

Coaching is an area that Long-Distance Leaders routinely feel they could improve. Time seems scarce, conversations can be uncomfortable or seem more difficult at a distance, and leaders often don't feel confident that they're doing it well.

There are two big reasons coaching remotely feels more complicated and stressful: 1) Every interaction needs to be conscious and intentional; 2) Communicating through technology creates mental and social obstacles that don't exist face-to-face in person.

What follows is designed to address these two issues that are particularly troubling when you're at a distance.

Make sure it is truly a real conversation. Too many coaches do too much of the talking too much of the time. If you want to be a better coach, you must create a real two-way conversation with the other person about their behavior and results. The best way to do this is to ask them first, and create a conversation with them speaking first.

Have a process, and make coaching consistent and frequent. Use your webcam. We rely on visual and nonverbal cues to help us communicate. Our brains crave visual connection to the people we speak with. Webcams help mitigate the fact that you're not in the same room.

Finally, follow up. When people aren't seen, you can't rely on spontaneity; you must be focused and intentional about all your follow-up.

Engaging Others

Engaging others is one place where working remotely really becomes complicated and radically different than the ways we worked before. *Leading remotely requires influence more than command*. There are levels of accountability, trust and proactive communication that, while desirable in a traditional workplace, are absolutely critical when you're not in close physical proximity. How we engage others in a digitally connected but physically isolated world will largely determine whether you hit your goals and how stressful it will be along the way.

Rule 9: Communicate in the ways that work best for others rather than based on your personal preferences.

One of the most quoted adages of all time is known as the Golden Rule: "Do unto others as you'd like them to do unto you."

When everyone works in the same location, it's much easier to pick up the signals that tell us how to work with other people. You learn who's a morning person and who isn't. You can tell who the extroverted, chatty people are and who are the people sitting at their desk with their headphones on, just plowing through their work.

When working and leading at a distance, some of these cues are missing, so you might tend to work from your assumptions, personal preferences and your more limited history with the other person.

So let's modify the Golden Rule into the Golden Suggestion: Lead others in the way that works best for

them. Assessments like DISC, Myers-Briggs, Insights or Strengths-Finder can help you and your team identify the areas where you mesh together, as well as where there may be sources of challenge.

Consider people's preferences, and ask people how they want to work with you. Make sure that when you're seeking this information, you phrase it as a neutral question about their preference. For example: "How can I help you be successful? I want to support you and help you stay on track." "How often would you like for us to have a one-on-one?"

Rule 10: Leading successfully requires an understanding of what people are thinking, not just what they are doing.

Politics, although usually applied to ruling a government entity, is simply the dynamics of trying to reach decisions and move an organization toward a goal.

Being separated from those with whom we work or lead can present political challenges. In particular, leaders need to see and be seen. "See" means gathering the information needed to understand what's going on within the organization. "Be seen" refers to how others get their information about and from you as the leader.

First, you need to be aware of how you gather information. If all your information is coming from the same three sources or you're trying to understand how people work together strictly from email threads, you are giving yourself limited data on which to base decisions. Consider gathering information more widely and in a variety of ways; then process that data into a clear, accurate picture of what's going on around you. Ask more people, scan more sources, and be more alert on conference calls and virtual meetings to get a clearer picture of reality.

As a leader, be more aware of the impressions you make. If people know you mostly as a signature on an email and not a real person, you are constraining their ability to get a positive, accurate impression of you and what you're trying to accomplish — and why. As a leader, are you being seen often enough? How are you visible to your team? And what are they seeing (and how do you know)?

Rule 11: Building trust at a distance doesn't happen by accident.

When working remotely, it's foolish to say that trust is more important than when you are all working in the same location. What's different when working remotely is that trust is harder to build and more easily broken.

The Leadership Institute has identified three components necessary for high levels of trust to exist: common purpose (do you and the people you lead have the same purpose?), competence (do you believe that the people you lead are competent?) and motives (are people willing to go the extra mile?). The more alignment of these three components, the more trust will exist.

A Long-Distance Leader does some very practical things to help build trust as a team and between team members. Use meetings strategically. Build in time for people to really see how smart the team is. You could try showcasing one person per meeting, letting them talk about their work, or highlighting their strengths for them. Share praise in public, and delegate in public. When assigning tasks, the perception of fairness is as important as equality itself.

Use technology to build relationships. Synchronous tools like webcams allow people to put faces to names. Research at DePaul University shows that when we know the other person's face, there's a decrease in negative behaviors like lying, exclusion and being overly aggressive. Encourage the use of webcams, especially one-on-one. You can also use asynchronous tools like SharePoint to showcase task status and expertise.

Rule 12: Identify the leadership results you need; then select the communication tool to achieve them.

Long-distance leadership is mostly the same as traditional leadership, except for the pesky technology. That's an awfully small hinge swinging a terribly big door.

There's a simple tool to help people focus their thinking about which tool to use when (and how). In 2001, the Swiss/German researcher Bettina Büchel created a simple matrix that explains this concept: For communication to be effective and appropriate, you want to strike the right balance between richness and scope.

We all know humans communicate in multiple ways. Our tone of voice, the expression on our faces, our body language and the word choice we use all help us interpret a seemingly simple message. With Büchel's model, the best example of rich communication is a one-on-one meeting over coffee. You and the other person are in physical proximity, you can see and hear each other, and you're getting all the nonverbal, visual and social cues you need to interpret the other person's message.

Yet it's impractical to meet face-to-face every time we need to communicate with somebody. So every time we pick up the phone or fire off an email rather than get in the car, or hold a videoconference instead of hopping on a plane, we're sacrificing richness in favor of scope.

Email is the perfect example of a tool with great scope. Thousands of people receive the same message at the same time (theoretically, at least). You can't see the reactions of your reader, hear their wails of anguish or

shouts of joy, or answer their questions in real time. You don't know if you've been understood correctly or if people have bought in.

As a leader, be mindful of your messages and communication goals; then choose the right tool for the task. Web meetings are a good example. Let's say you have Skype for Business as your daily collaboration tool. Web meetings are in the middle ground — fairly rich with good scope. In fact, depending on how they are used, they can be quite high in richness (e.g., one-on-one video calls, coaching and training) or have terrific scope (the dreaded but often useful "all-hands meeting"). But generally you are sacrificing one factor for the other based on how you use the tool.

If you need to brainstorm effectively, you might want to have small groups using webcams and full participation with the online whiteboard. You may even want to record the meeting for later use or to include those who couldn't attend. That leads to surprisingly rich communication. On the other hand, if you're not using webcams and have a hundred people online, you might get your message out (high scope!) but will have little real chance to engage people, get input, answer questions in real time or gauge your participants' reactions.

This doesn't make that application wrong. The point is to be mindful of what you're trying to get across, to whom and how "richly" it needs to be done.

Rule 13: Maximize a tool's capabilities or you'll minimize your effectiveness.

When you realize you must build trust, communicate clearly and have productive meetings, you need to use the technology at your disposal. That requires choosing the right tool for the right job (by balancing richness and scope) and then using the chosen tool as effectively as possible.

Asynchronous communication allows you to get the information when you need it. In a distributed workplace, a central repository of on-demand information is needed. Asynchronous tools include the following:

Video and recorded messages. Video allows you to add a visual component to your communication. Rather than a broadcast voicemail, it is almost as easy to push "record" and use video.

Common file locations. Tools like SharePoint, Google Docs, Basecamp and other products allow a permanent, easily accessible and searchable central warehouse for information.

Email is best used you need greater scope, you need a permanent record and the message is complete.

Synchronous communication happens live — at the same time for everyone involved. Synchronous tools include the following:

Webcam and video chat. These are the ultimate remote, one-on-one, see-and-be-seen tool. Many people think that a webcam is used best to "broadcast" messages, and it's certainly useful for that, but it is probably more useful in one-on-one situations.

Text messaging. Texting is useful because it utilizes the device your people are most likely to have on them at any time of day or night: their mobile phones. Texting can work for business. It's how a good portion of your team functions in everyday life. Texting is best used when the message is time-sensitive.

Telephone and conference calls. Although the phone is the tool you "grew up with" in the business world, it isn't always the most effective way to communicate. Sometimes people can't hear you well, are taking the call where they can't speak openly or are multitasking.

Teleconferences are notoriously bad for getting equal input from people — or any input at all. It seems someone's always over-contributing, and it's not always the people you want to hear from. Conversely, it's easy for people to hide and not participate at all. This challenge can be overcome but only if you actively seek their engagement.

Understanding Ourselves

If you're a believer in servant leadership, you put yourself last, or at least behind other stakeholders. Taken to the extreme, focusing on others can lead to sublimating yourself and to not taking care of your mental, physical and social well-being.

You can't really focus on the desired outcomes or engage with your team without looking at the one constant — yourself. A leader who is physically exhausted, mentally drained and socially isolated is not going to be effective. We need to be honest about how we're doing and take care of ourselves.

Rule 14: Seek feedback to best serve outcomes, others and ourselves.

When you walk the plant floor or stand in the middle of the cubicle farm where people are working, you can sense the mood of the team. When you sit in your home office 500 miles from the nearest employee, you're drawing conclusions based on how you feel about the situation, what you've seen in a few email threads or

what you heard in one quick conversation with a team member. Soliciting feedback can help you communicate and lead far more effectively.

When soliciting feedback on yourself, especially as a leader, keep some things in mind:

Start with existing evidence. Before going to individuals, go back through relevant files, email threads and meeting notes. How are people feeling? What are they thinking about how you're doing and the decisions you're making?

Identify people you trust. Don't confuse this with people you like or who always say yes to your ideas. Trusted advisors can come from many sources.

Ask open-ended questions. For example, ask, "Based on what you've heard, what about this would work? What would be a problem? How do you think people will respond, and why?" Make them truly open and not presumptive.

Have these conversations as richly as possible. If you really want feedback and input, take the time and use the tools in the ways discussed above. Schedule the conversation, block sufficient time and use the tools at your disposal.

Have the conversations over time. If what you're considering is really important, people may do their best thinking before and after the conversation. If you want good insight, people should be able to prepare for the conversation.

Rule 15: Examine your beliefs and self-talk — they define how you lead.

Good leaders require a relatively healthy self-image. After all, if you don't think you are correct a good percentage of the time, or somewhat capable or the right woman for the job, you likely wouldn't find yourself in this position. Unless you are a complete sociopath, however, the voices in your head aren't always supportive or positive.

Here are some warning signs that your internal dialogue is going in an unhealthy direction as well as how to steer it onto a more positive path:

"You're an idiot. That's the worst idea ever." Really? Ever? At times like this, it's okay to revert to middle school and ask yourself, "Says who?" If you take that question seriously, it takes you back to the neutral facts. What evidence is there to support or deny your idea or premise? First of all, it's highly unlikely you're an idiot. And it's even more certain it's not the worst idea ever.

"I can't do this." When you get frustrated to the point of saying you can't do something, change the word. "I haven't yet figured out how to . . ." or "up until now I haven't been able to do it" are different ideas entirely. Changing the wording recognizes there are difficulties but still accepts the possibility of success, which changes your internal motivation.

"I'm a fraud and I will be exposed." This feeling, known as "impostor syndrome," is estimated to affect over 70 percent of leaders. Here are some simple techniques to help address this monster:

- Check your assumptions. Recognize your "I can'ts" for what they are. When in doubt, ask, "Says who?"
- Accept positive feedback as valid. When people tell you how smart or capable you are, believe them and don't dismiss or downplay it.
- Get help. Remember that even the best and brightest go to others for help, feedback and answers.

Rule 16: Accept that you can't do it all — you shouldn't try anyway.

One of the greatest challenges you face is finding the balance between being responsible to your organization and its people and taking care of yourself so that you can be both highly effective in your leadership role and fully functional as a human being, spouse, partner, neighbor or productive member of society.

Put your ego aside for a moment and ask this simple question: "If I got hit by a bus tomorrow, how would my team function?" There is a lot of power in that question, because it forces you to look at the things that encroach on your boundaries:

- Do your people know what they should be doing?
- Are you the only source for answers?
- Do you have the right people in the right roles?
- Do you guard your time?
- Are you answering email and phone calls on vacation?

Look at your organization's processes and workflow. Where are you being drawn in unnecessarily? Are there times when you are not critical to the process? If there aren't, could there be? Who else in your organization could take on some of those responsibilities? When you delegate successfully, you set your team up to succeed and give yourself the freedom to set healthy personal boundaries, too.

Rule 17: Balance your priorities to be a remarkable Long-Distance Leader.

Outcomes and others do come before ourselves. That doesn't mean we surrender our humanity, our health or

our sanity. There is a difference between self-preservation and selfishness.

Let's start with values. Your values determine how you decide what is truly important to you.

So, what is important to you? When you ask questions about what is important to you and answer honestly, you will begin to see that the barriers to managing your time are mostly of your own construction. Everyone has the same amount of time — the question is how you will use it.

As Kevin Eikenberry says in *Remarkable Leadership*, time management is really choice management. If you aren't clear on your values, you can't make clear choices on how you are using your time. Knowing your values allows you to prioritize your activities. For example, if you need spiritual balance, working on the finance reports on Sunday might be a bad call. If you need physical exercise to be happy and productive, get to the gym — that time to yourself won't undo all your good work for the week.

If you haven't yet, make a list of things that are important to you, and ask yourself, "Am I satisfied with the time I'm giving them?" If the answer is no, try to identify small blocks of time you can dedicate to them.

Developing Long-Distance Leaders

Rule 18: Ensure your leadership development prepares Long-Distance Leaders.

Whether you are an individual manager trying to grow the leadership capabilities of your team or you're in charge of learning and development for a huge corporation, here are some strategies and approaches to create a plan for growing great leaders in the dispersed workplace. When considering leadership development, there are three pairs of questions to be considered:

1. What kind of organization do you want to be? Does your current culture match this vision? Every company has a culture, which is defined as "the way we do things here." It doesn't take much insight to realize that when people work apart from each other, the way things are really done can vary greatly.

Without guidance, people working remotely and left to their own devices tend to get very task-focused and independent. If that is what you are looking for from your people, you might be fine with that — if you have a team of individual customer-service reps or salespeople focused on their quotas, for example. If you want people to collaborate and build strong relationships, it can be done virtually, but it needs to be done intentionally — whether at an individual, team or organizational level.

2. What behaviors do you expect from your Long-Distance Leaders? What skill gaps must you address? Use your existing competencies as your starting point, then use all three gears in the Remote Leadership Model to frame the discussion about additions or changes driven by leading remotely. For example, does your existing competency model accurately reflect the expectations you have of your remote leaders? Which tools do you want them to use, and when should they be used? This is the richness vs. scope discussion. Do your leaders use the tools in an impactful way?

3. What is your plan for developing and supporting your Long-Distance Leaders? How will the organization support the remote team members? The focus of "developing and supporting" should be learning and not simply training. When you change your perspective to learning, you will do three things: connect learning to the work, make learning available in different ways and make it a process.

Rule 19: When all else fails, remember Rule 1: Think about leadership first, location second.

Remember, the act of leadership itself hasn't really changed all that much. We need to do the same things but in a different way. While there are adjustments we need to make to lead in a world with more distance between team members, there is far more that won't change.

With that in mind, now let's get to work leading at a distance more effectively.

MORE SV CONTENT ON LEADERSHIP

Summary: *Global Vision* by Robert Salomon. *Global Vision* offers a lens through which to view globalization in a new and compelling way, helping managers understand the risks associated with globalization while equipping them with the necessary tools to overcome those risks.

Webinar: *Building a World-Class Organization* by Linda D. Sharkey, Robert A. Cooke, Nazneen Razi. This *Soundview Live* webinar delivers an easily implemented process for accessing your organization's global capability and developing the leaders who will drive success.

· Book 318 of 388 ·

The Lovable Leader

Jeff Gibbard

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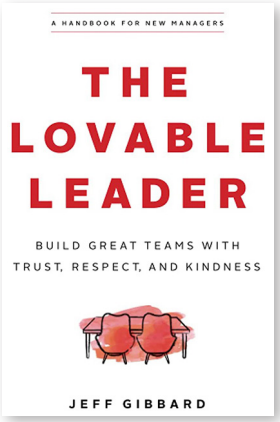
The Lovable Leader

Build Great Teams with Trust, Respect, and Kindness



by **Jeff Gibbard**

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THE SUMMARY IN BRIEF

Become the leader people love to follow.

Have you noticed how broken our culture of work is? For too long, leadership has been defined by the bottom line, at the outrageous expense of the humans leading and being led. Obviously, results matter. But, now more than ever, leaders need to be so much more than a boss wielding the authority of a title to produce results.

In ***The Lovable Leader: Build Great Teams with Trust, Respect, and Kindness,*** author, speaker, and strategist Jeff Gibbard offers an invaluable set of practical skills that will inspire people to follow you, make your organization a better place to work, and might just change the broken culture of work. *The Lovable Leader* was written to show how all people are capable of extraordinary things, that obstacles can empower you instead of limit you, and that your abilities, combined with your choices, give everyone you lead the opportunity to become a superhero.

IN THIS SUMMARY, YOU WILL LEARN:

- How to inspire your team to greatness while managing different personality types.
- How to set goals and hold people accountable for realizing them.
- How to create a safe work environment where loyalty, happiness, and productivity prevail.
- How to be respected and taken seriously by your team members and supervisors.
- Many fundamental skills for excellence in your role.

Introduction

Our culture of work is broken, and we can only fix it together. This book is a call to action for you—and people really need you.

Leadership is not an achievement, nor a destination, but rather a practice that you will adopt for life. This is what lovable leadership is about: the aspects of leadership that require emotional intelligence, empathy, humility, compassion, and trust. Amid all other externalities, these are the things we can control—how we relate to one another.

The principles outlined in the following chapters are intended to guide you as a leader and provide a framework you can operate from. You should be reading this book if:

- You have just moved into a leadership role and need to understand where to devote your time and attention.
- You need to understand how to manage different personality types.
- You need to be able to set goals and hold people accountable for realizing those goals.
- You want to be respected and taken seriously by both your team members and your supervisors.

This handbook has simple, easy-to-follow frameworks for succeeding and thriving in a leadership role. This advice is ethical and scalable. This framework is designed to foster loyalty and grow cohesive and collaborative teams. For those who embrace these concepts, work will never look the same again. No obstacle will seem insurmountable, no conflict too difficult to resolve. No interaction will lack respect. Even when things don't work out, everyone will walk away better off than if you had not read this book in the first place.

You will become the kind of leader people follow from company to company, for whom they may even quit their current job. You will inspire people to dream bigger, and you will have the skills to ensure those dreams become a reality. This is for those who are ready to go from uncertain to empowered and from overlooked to revered.

Mindset

Lovable leadership begins when you adopt a particular mindset. This style of leadership is grounded, real, and profoundly simple. Once you understand this, all that remains is a choice and the practice. Mindset is the start of your journey.

To adopt the lovable leader's mindset, you must remember that leadership is a choice, not a title. Leadership is a practice, not a destination. Leadership is a responsibility, burden, and privilege. Leadership responsibilities include goal setting, strategy development, communication, team management, and navigating change. "Leader" is just another role on the team. You must stay humble, so you're not seen as a "boss."

Care

We're conditioned by society to dislike work or see it as a necessary evil rather than as an inspirational part of our lives. setup. It's about time we start really caring about things—taking things personally, not professionally. Distancing ourselves emotionally from outcomes is only seeking to protect ourselves from embarrassment and shame.

You need to care deeply about your people. Care is an essential element of love. Loving anything would be difficult if you simultaneously didn't care about it. If you want people to feel safe under your leadership – if you want them to trust you, if you want them to be loyal and hardworking for a shared cause, you have to care.

To show your team that you care, you should make your leadership about them. Acknowledge and validate them. Be mindful of small gestures like saying thank you. Stand for your team members against outsiders, each other, and themselves. Serve their growth and success. Be their biggest cheerleader.

Trust

Trust is a feeling. You sense it deep in your gut. When you trust, you allow yourself to be vulnerable. When you trust, you feel safer taking risks. When you trust, you can build the deep connections needed to harmonize and align with your people.

To build trust, you can sit on the same side of the table by setting the table (conversation context, stating and aligning goals), listening, practicing curiosity, validating (instead of judging), aligning, and getting consent. Remember the Three A's: Acknowledge, Apologize, and Act. Plus, Announce and Ask. Be honest and transparent. Be consistent. Take full ownership (but not credit or blame) for your team's success or failure.

Safe Travels

Whenever you plan a vacation, you automatically assume

you'll arrive at your destination safely. You put faith in the pilot's readiness to do their job and in their ability to fly the plane. You expect the floatation devices and oxygen masks will work in the event of an emergency. In business, you've got to create conditions in which your team members, too, feel safe in your hands as you lead them.

"Safe travels" means you will: Make sure the way toward your goals is safe. Guide the team to make commitments that ensure safety because a team is defined by what we commit to. Ensure that everyone embraces productive conflict to resolve uncertainty or inaction. Be vigilant about making repairs to the team. Always choose to lead with love over fear.

Your Most Important Tool

When it comes down to it, the only tools a leader has are words, ideas, and actions. Therefore, communication is your single most important tool as a leader. Mastering the skill of communication is a lifelong endeavor for the lovable leader to continually pursue.

Your communication determines your team's capacity for success. To master the art of communication as a leader, you must remember the three functions of communication: inform, influence, and inspire. Your capacity with these three functions exists on a spectrum that begin with misinformation, incapacitation, and demotivation respectively. When you master the art of communication to inform, influence, and inspire, you will be more effective, create environments for collaboration, and readily move everyone in the same direction. Set an example for how the team communicates. Be cognizant of the signals your communication sends.

The Destination

Author Deb Gabor likes to say, "If you aim at nothing, you'll hit it with 100 percent accuracy every time." As a leader, start with the target—in other words, know the destination of your work. Understanding where you want to go is critical because if you don't, you are not leading... you are simply wandering.

Great leaders are almost never in it (solely or primarily) for the money. Money is actually a weak motivator. Studies have shown that employees are more likely to be moved by intrinsic motivators such as job satisfaction, feelings of belonging, and autonomy in their role than they are by extrinsic rewards such as bonuses. Although there are bound to be exceptions to the rule, most leaders are committed to something bigger than themselves, and to something more meaningful than money.

To lead with purpose, you must remember that purpose is not the same thing as "the reason." Lead the team to connect with a deeper purpose. Create a tangible destination by using SMART goals. Set big goals. Hold high aspirations and set clear expectations for your team.

The Map

Having identified your destination, you now need to figure out the route to get you there—and you're not going to rely on your GPS here. Strategy traces the route from your destination back to your starting point, creating a map from where you are to where you want to be.

To develop excellent strategies, you must remember that the best-executed strategies begin with aligned goals. Start with the end and work backward. Involve your team in the creation of strategies to deepen their ownership. Document your plans to provide clarity to the team and increase accountability. Help the team understand and manage priorities. Increase accountability across the entire team by locking in commitments because commitments drive action, and genuine buy-in allows for genuine accountability.

The Journey

Once you have determined where you're going (your destination) and how you're getting there (your strategy), you embark upon the journey. This is where ideas and words manifest in action. This is the daily practice of leadership.

To excel at the daily practice of leadership, you can maintain strong team bonds by reinforcing the commitments of the team. Appreciate each individual by judging them on their strengths, not their weaknesses. Manage with the intent to motivate. Maintain an unwavering belief in your team. Step up and carry the additional weight whenever you're needed. Practice balanced oversight. Stay flexible to navigate change. Embrace the power of negative thinking to stay grounded.

The Detours

Leadership will not always go according to plan. You will make mistakes. Your patience and resilience will be tested. You will want to ignore the problems or avoid them,

but you already know that won't help. So, you've got to plan for detours.

When things go wrong with your team, you can try to fix problems rather than get rid of them. Raise intensity instead of your voice by using silence strategically, asking questions, and being clear and reasonable. Be ready for a productive conversation built on the foundation of your moral high ground. Ensure you stay on topic so the issue can be resolved. Leverage intermediaries to open the door for a productive conversation. Care for people even when you have to remove them from my team.

The Balance

Maintaining balance as you lead is critical. Avoid extremes on the journey—too controlling and you'll quash creativity and innovation, too lax and your team will feel directionless—but the moment you think you've got it figured out, you'll find an exception. Stay open, stay humble, experiment, and find what works for you.

To maintain balance in all aspects of leadership, you must avoid going to extremes. Sometimes you can make unilateral decisions instead of collaborative ones. Sometimes you need to assert control, and sometimes need to let go. Ensure your optimism is not naive. Cater your strictness and leniency to individuals. Balance your praise and criticism. Seek to understand what you need to do to bring out the best in each individual.

The Mirror

You've now learned how to be in service of others. You've assumed responsibility, you carry the burden, and you acknowledge your privilege as a leader. Now, it's time to look in the mirror and take care of yourself.

In the fast-paced world of business, the competitive world of sports, or the perilous world of the military, there can be so many other more urgent matters to attend to than your own health. At least, that's how it feels. But physically, mentally, or emotionally weakened leadership can be a liability to your team's success.

To take care of yourself as a leader, you must give yourself space to be imperfect. Take your mental and emotional health seriously. Continually invest in your own growth. Seek out mentors who will challenge you and keep you grounded. Take time off and vacations to avoid burnout.

Conclusion

Leadership is always a responsibility, a burden, and a privilege. This applies to leading not only downward but also upward to your manager. Leading upward shares many of the same principles as effective top-down leadership. The biggest difference is obviously a shift in the power dynamic. While leaders higher in the org chart can appeal to their organizational status, leading upward cannot rest on that fallback position.

The lovable leadership framework is valuable for companies, for people coming out of college looking to grow their network, for people getting into politics, or really any human being on this planet who interacts with other human beings.

You can learn these principles and let them permeate your behavior in all areas of your life. Think about everything you've read and ask yourself: What if we all behaved as lovable leaders and we did it everywhere? What would a world with more care, trust, and safety look like?

Let's build a better world together. Go forth and be lovable.

Jeff Gibbard is an entrepreneur, keynote speaker, strategy consultant, and founder of The Superhero Institute, a certification program for coaches. Jeff is a long-time blogger, and podcaster who hosts the podcasts Becoming Superhuman, Shareable, and Rogue. He has an MBA from Drexel University and a BA from Temple University. Jeff is committed to living a life of impact and purpose. He is a board member of Pathways to Housing PA, a housing-first non-profit that believes housing is a basic human right and the best path to solving the homelessness crisis.

The Lovable Leader: Build Great Teams with Trust, Respect, and Kindness by Jeff Gibbard
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The Millennial Whisperer

Chris Tuff

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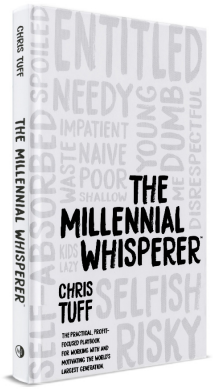
The Millennial Whisperer

The Practical, Profit-Focused Playbook for Working with and Motivating the World's Largest Generation



by **Chris Tuff**

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The Summary In Brief

In ***The Millennial Whisperer***, author Chris Tuff squashes the myths and stereotypes regarding the Millennial generation and shows us how, by simply empowering, trusting and motivating one of the greatest generations of all time, the future of our business communities can flourish and succeed in ways never thought possible.

Regardless of your professional or personal background, it is within all of us to be an inspiration and motivation for this generation. Many of us often wonder just how we can give back.

The Millennial Whisperer outlines, in fantastic detail, methods and ways that will empower, inspire, and motivate Millennials. The results will shape not only our business success, but the success of the communities in which we live.

In This Summary, You Will Learn:

- How to attract, keep, manage, and reward Millennials.
- How to communicate effectively with Millennial employees.
- Ways to encourage, motivate, and incentivize your employees.
- Why it's important to make others feel like heroes!

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Truth in Numbers

The Millennial Generation – 1981-1996. According to the Pew Research Center, in 2016 Millennials became the largest generation in the workforce, accounting for 35% of working Americans as of 2017. By 2030, they will make up 75% of Americans in the workforce. Yet, they have been and remain stereotyped by many employers in the workplace today. Why?

Each successive generation has disrupted the workforce and our psyches. Baby Boomers, the Me Generation, Generation X, Generation Y…and now, the Millennial Generation. But it would appear that the Millennial generation has it worse than the others. There are the misconceptions that they are entitled and lazy and poor workers.

These misconceptions are just that…misconceptions; yet they have tarnished their reputation. Millennials grew up during the advent of the Internet, Smartphones and Artificial Intelligence during the years their personalities and proclivities were still being shaped. Their parents signed them up for anything and everything they could to help position them to be accepted into the best college possible. This completely backfired and left many Millennials totally unprepared for the "real world" and the demands of the workplace. These misconceptions are hurting workplaces more than they are hurting Millennials.

Debunking the Millennial Myths

Contrary to popular belief, the Millennial generation is not the generation of "beer drinking, video game playing, living-in-their-parents' basement" slackers. This generation is the future. They are smart. They are daring. They are eager to work, to be inspired, and they have so much to offer to employers. You can be the catalyst to help light that spark.

The reality is that Millennials are hardworking, optimistic workers, with many working 45 plus hours per week in addition to a side job. Many fully expect to be working until past 65 years of age, with some never envisioning retirement.

Everyone has the potential to succeed if given the right environment, supportive culture, and key opportunities. Small changes in how we relate to Millennials can reverse the negative damage done by misconceptions, over-protective parents, and misunderstandings.

If our generation does nothing to embrace Millennials, but instead gets annoyed each time one of them speaks up during a meeting, or continues to view them as spoiled, entitled brats, companies will be full of employees who hate being there. Employees will show up to work, do the least amount of work possible and collect a paycheck. When the chance comes to jump ship, they will be gone. And then begins the cycle of rehiring and retraining Millennials.

Money and resources will be wasted on training and benefits and things that do not matter nor work for the people we want to motivate. Companies will try to hang on to the ways of the past and ignore the amazing opportunities standing right before them. Those companies will go bankrupt or fold.

The key is to change our way of thinking. Getting the most out of Millennials does not require a budget. We simply have to change how we do business and recruit better, motivate better, and lead Millennials to success.

Recognizing the Changing Seasons of Life

There are younger Millennials and there are older Millennials. Some Millennials are still trying to find out their passion and niche. This is where your talents, passions and profits intersect. Many don't have the capacity to take long, expensive vacations. Many often take several mini vacations. The older generation folks might tend to view both the older and younger Millennials as lazy or unmotivated.

Do they really have toddlers keeping them up at night, or are they lazy? Do they just not want to make partner or are they stretched time-wise, planning weddings for their kids? Older Millennials did everything their parents expected. They accepted entry-level jobs and stressed themselves out trying to climb that corporate ladder.

Then the "Great Recession" hit. The newer Millennials had the rug pulled out underneath them. They were downsized and laid off. They had done everything right and everything they were told to do. This came when student loans were due. This is the thanks they got. Older Millennials were also impacted, but they had put in decades of solid employment at their company. Many saw their parents impacted firsthand by this and saw the stress, worry and financial security dwindle. Savings were depleted. The Millennials saw this as a fight to survive situation and forged their way in the workplace.

Do we view this as too easily distracted? Do they not re-

When we harness the ingenuity of the Millennials, we create a loyal workplace that will go above and beyond for our companies.

spect authority? When we step back and realize their backstory, it is absolutely understandable as to WHY they would not trust "authority." Once we acknowledge we helped create what we complain about, we can start to change our way of thinking. We helped create the technology they are accustomed to. We were the ones who terminated their parents. We modeled no loyalty in the corporate world. We scared them into buying a house. We shadowed them as parents. We made everything so easy for them.

The Message is Clear

We caused it and we can most definitely fix it. We can restore it. The first step is acknowledging that the old way of thinking about Millennials is totally incorrect. Their values are different. They will question authority. When we harness the ingenuity of the Millennials, we create a loyal workplace that will go above and beyond for our companies.

Millennials want to feel they are contributing directly to a goal and not just being able to pay their bills. They want their business to improve things in the world. They have a very far reaching vision and want to be a direct part in making good things happen.

When we empower Millennials and employ them in jobs that focus on goals and incentives far beyond just making money, you get your best work from Millennial team members.

When Millennials Work Best

Many Millennial employees do not believe that excessive work demands are worth the potential sacrifice to their personal lives. Most crave a strong, stable team-oriented environment at work. They want to do interesting work - even work around the world. These factors are important to their happiness in the workplace, even more so than their non-Millennial coworkers.

Millennials are looking for personal growth and development. It is crucial that business leaders "get the 'deal' right" when attracting top Millennial talent. They want to be a part of an organization that lets them move forward in a professional and personal capacity. Use Millennials to assist in the recruiting process of other Millennials. Allowing the current Millennial team members who may work for you to be part of the interviewing process gives an added benefit of solidifying the company culture and improving retention rates.

A long period of recruitment and a deep understanding of what Millennials want is needed to attract top-quality Millennials for the next level of success.

Create a Culture for Millennials to Thrive

Millennials need us to create a culture and provide the structure for them to succeed. Investing in your employees is a wonderful way to build their loyalty to you. They will be more willing to go the extra mile for you. You can transform their job performance if you put a little money into the tools and training that will help your Millennial team members/employees do their job. Do not try to stifle the Millennial's drive and entrepreneurial spirit. Give them room – consider letting them use a small chunk of their time during the workday to explore projects they are passionate about.

It is critical that your employees are recognized. Everyone is happier when they are recognized for doing something good. When employees are recognized, it increases their productivity and their loyalty. If you have an employee who can't be trusted, then they should not be on your team.

- Don't wait a full year to give them a review and feedback. Do so more frequently and with a purpose.
- Give feedback compassionately along with compliments.
- Discipline in the moment. Do not let issues linger.
- Negativity is extremely damaging in the workplace (and ALL aspects of life). Foster an open and transparent environment. Encourage open communication in the moment.

- Empower Millennial employees in the interview process. Peer to peer. Also have leaders involved in this process. Get involved!
- Consider personality and adaptability over pedigree and accomplishments.
- Sometimes you will have to fire a Millennial. Do so quickly and gracefully. Move on. Keep in mind, things will go wrong in business. People quit or they just need to be let go. We all make bad hires, so do not beat yourself up over this process.
- Reward your Millennials! If they want to work from home for a change of scenery, trust them to do so from time to time.
- Recognizing your Millennial employees is crucial. You don't have to break the bank for this. Foster a team environment – celebrate rewards together. Come up with ideas your company can do together to celebrate the accomplishment of a team member. Swag, stickers, good quality T-shirts, or movie tickets – the possibilities are endless and inexpensive. The less expensive, the better. Just don't forget to make it fun.

Make It Happen

There are several areas to be on the lookout for to know you are implementing your strategies effectively. You will see success in things that are measurable, such as productivity, turnover, costs and profits. You will see and hear things – energy and excitement in the workplace become palpable. You will notice people working great together, going to lunch together, hanging out at events outside of the workplace, and even participating in charity events together.

You will know when YOU have become a Millennial Whisperer. Millennial employees will wear the company shirt with pride or put company bumper stickers on their cars. You may even come across a hashtag with your company name beside it one day when you are scrolling through Instagram, looking at animal pictures and sunsets on the beach.

Start today and recognize the potential of Millennials. Start to take steps to blend generations and create an amazingly productive workplace, and world. Kindness and compassion matter…not just in the workplace, but in everyday life. When the Millennials succeed, we succeed. We must set ourselves up to succeed in leading the biggest, most resourceful, and most passionate generation in history. To do that, we must implement the strategies we know in order to move forward.

Chris Tuff is a partner at 22squared, a full-service advertising agency based out of Atlanta, GA where he oversees content marketing and partnerships. Chris has held many different roles over the 10 years he's been there and specializes in building new offerings and motivating the millennial generation.

Chris was one of the first marketers to work directly with Facebook in 2005, and is now one of the foremost thought leaders in the digital space. Always on top of emerging trends, he oversees all content marketing and helps push to get existing clients access to first-to-market ad products and offerings. He's responsible for partnership development with technology and media companies like Twitter, Google, Facebook, and beyond.

The Millennial Whisperer: The Practical, Profit-Focused Playbook for Working with and Motivating the World's Largest Generation by Chris Tuff © 2019 by Chris Tuff. Summarized by permission of the publisher, Morgan James Publishing. 206 pages, ISBN 978-1642792799. Summary copyright © 2019 by Soundview Book Summaries®

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The Motive

Patrick Lencioni

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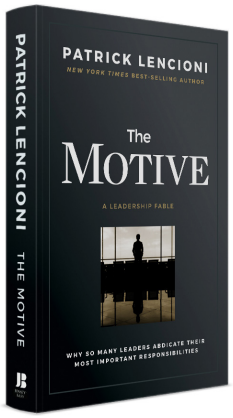
The Motive

A Leadership Fable: Why So Many Leaders Abdicate Their Most Important Responsibilities

by **Patrick Lencioni**



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THE SUMMARY IN BRIEF

New York Times best-selling author Patrick Lencioni has written a dozen books on how leaders can build teams and lead organizations. In ***The Motive***, he helps leaders understand the importance of why they're leading in the first place.

In this fable, Shay Davis is the CEO of Golden Gate Security, who, after just a year in his role, is beginning to worry about his job and is desperate to turn things around. With nowhere else to turn, Shay receives some hard-to-swallow advice from the most unlikely and unwanted source—Liam Alcott, CEO of a more successful security company and his most hated opponent.

The Motive also summarizes the theory underlying the fable and offers practical advice to help executives examine their true motivation for leading. Lencioni provokes readers to honestly assess themselves and presents steps for changing their approach in five key areas. In this way, ***The Motive*** helps leaders avoid the pitfalls that stifle their organizations and even hurt the people they are meant to serve.

IN THIS SUMMARY, YOU WILL LEARN:

- The two primary motives driving leaders' behavior.
- Why leading and managing are the most important jobs for leaders.
- To overcome denial and resistance in order to adopt the right motive for leading.
- The five omissions of reward-centered leaders.

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The Fable

Shay Davis knew that it was too soon for him to get fired. Six months was not enough time for even the most aggressive private equity firm to axe a recently promoted CEO. But it wasn't too soon for them to start thinking about it.

Golden Gate Security wasn't exactly failing under Shay's brief period of leadership. Profit margins were solid, but they looked anemic compared to those of All-American Alarm, the massive and most aggressive national company in the home and small business security market.

Shay figured that the private equity guys would give him another nine months to jump-start Golden Gate, but he wasn't going to wait that long. After climbing the ladder for more than two decades and finally making it to the top, he wasn't about to let all those years of hard work go to waste. So he decided to throw his pride out the window and make a painful phone call.

Research

Lighthouse Partners was a small consulting firm located in Half Moon Bay, California, that had a reputation for working with interesting and successful clients. One of those clients was Del Mar Alarm, a San Diego–based company that was the shining star of the regional security arena in California and a small thorn in Shay Davis' side.

Normally, Shay would never have considered hiring a competitor's consulting firm, but he was beginning to feel desperate enough to try something new. When he contacted the consultant at Lighthouse who worked with Del Mar, she explained that she'd have to check with her client to see if it would be okay for her to work with another company in the same industry. Shay decided he probably wouldn't hear back from her. He was right. But he could never have predicted what would happen next.

Nemesis

It's hard to hate someone you don't know, but Shay figured he was getting pretty good at it in regard to Liam Alcott. Though he had never really met Alcott, aside from a handshake or a perfunctory greeting at an industry event, Shay had heard him speak a few times and read more print interviews than he cared to remember. He had grown to resent the phony affability of the man who seemed to have such an easy time doing what Shay hadn't yet figured out.

So when Shay's assistant, Rita, came into his office to announce that someone named Liam was calling for him on line one, Shay figured it was one of his own executives pulling a prank on him. But it wasn't a prank.

"Hello, Shay. This is Liam Alcott. I'm calling because Amy over at Lighthouse told me that you contacted her about working with them." Shay felt a rush of shame wash over him, expecting Liam to chastise him for trying to poach his consultants, not to mention his intellectual property.

"You should let me tell you what we've learned from Lighthouse and see if that might be enough for you." Shay didn't know how to respond. *Did I hear that correctly?* Before he could think of something to say, Liam continued. "In fact, I'm coming up there next Thursday for a meeting, and then I'm staying the weekend at my sister-in-law's in Walnut Creek. Why don't we get together on Friday?"

"Don't take this wrong, Liam," Shay paused, "but don't you have some reservations about sharing your secrets with a competitor?"

Liam laughed. "Competitor? I don't think we're competitors. I mean, I certainly wouldn't have wanted Lighthouse to work with you if we were. And it's not like we're trying to steal one another's customers, unless you have plans to get into the security business in San Diego. So I don't see us having any conflict here."

Shay tried desperately to think of an excuse. Though he didn't like the idea of admitting any weakness, he also didn't want to lose out on any advice that Liam might have for him. Deciding that he could think of no good reason to refuse Liam's offer, he relented. "All right then. What time should we meet on Friday?"

Invasion

When Shay walked into his office, Liam was already sitting in the lobby of the building waiting for him. Arriving at the CEO's well-appointed office with a view of Alcatraz, they sat down at a couch, and Shay began. "So, where should we start?"

Liam was ready with an answer. "Well, why don't you tell me why you called Lighthouse? What were you hoping to get from them?"

"Well, I'm feeling like we're just not firing on all cylinders here."

Liam jotted a word or two in the notebook that he brought with him, and then responded. "Is it mostly about All-American?"

Shay did his best to hide his surprise at the discrepancy between the companies' results, which he hoped Liam hadn't noticed. Unfortunately, he did.

Without thinking, Shay admitted, "Well, that's certainly part of it. But I think there's something else. I just don't know what."

Surrender

"What do your numbers look like?" Liam asked. For the next half hour or so, Liam presented the high-level fundamentals of his financial operations, while Shay countered with mostly general answers and a few real numbers sprinkled in here and there for effect. In some aspects of their businesses, the two companies were quite similar. But in many others, Del Mar was light-years ahead.

Shay did his best to hide his surprise at the discrepancy between the companies' results, which he hoped Liam hadn't noticed. Unfortunately, he did. With a genuinely concerned look on his face, Liam offered, "What's going on up here, my friend?"

Liam went on carefully. "I mean, unless I'm hearing things wrong, you seem to have more employees generating less revenue. Your turnover, among both customers and employees, is considerably higher than ours. And you're actually spending more money on marketing than we are." He paused. "Am I missing something?"

"I'm not going to lie to you," Shay confessed. "This isn't easy for me to hear."

Reveal

Liam continued. "Why don't I start by telling you what I learned from Amy and the other consultants at Lighthouse?" Liam went to the whiteboard in Shay's office, picked up a black pen, and announced, "Everything that Amy and the other consultants at Lighthouse focused on started with me. So let's start with you. What is the most important part of what you do?"

Shay thought about it for a moment and came up with the following list:

- Reviewing ops and financials;
- Driving marketing and sales programs;
- Handling the board;
- Managing and leading;
- Interacting with key customers.

Shay asked, "Is this what your list looks like?"

Liam answered plainly. "No."

Shay decided to be as direct as possible. "Okay, what does your list look like?" Liam went to the board. He drew a line through all of the entries other than "managing and leading."

"So, you don't spend time managing your board?"

Liam shook his head. "Not really. I mean, I meet with them once a quarter, and I take their calls if they need to talk to me, which is pretty rare. And that's about it."

Shay said, "I have a hard time believing that."

"I'm sure you do. But it's true. I told my board when I took over that their input, outside of a major catastrophe, would be limited to our quarterly meetings. It was one of my conditions for taking the job. They didn't like it much at first, but now I think they're relieved."

Shay attempted to summarize his general sense of disbelief: "Okay. So, you're telling me that you spend almost all of your time leading and managing your team? Maybe we just have different ways of doing things."

"Maybe," Liam answered, unconvinced. "But you're going to have to convince me that your way is working for your company. Are you willing to let me challenge you about that?"

"Of course," Shay said without much enthusiasm.

Brass Tacks

"Okay," said Shay, what did you learn from Lighthouse?"

Liam took a drink of water. "I learned that I am supposed to have the most painful job in the company."

Shay was thoroughly confused. Liam continued. "I'm a technology guy at heart. That's what I grew up doing, and that's what I'm comfortable with. That's what I spent my

time doing before I got fired in England. And don't get me wrong; if I could, I'd still spend my time doing that. But I can't, and I don't.

"Why not?"

"Because I have a CIO and a CTO who focus on those things. I have to be the CEO."

Shay shook his head. "It's not that cut and dried. I mean, yeah, you have to be the CEO. But you can still keep your hand in technology stuff. I'm guessing you might be better than the people you hired in those areas anyway."

Liam shrugged. "Maybe. Maybe not. But that's not the point. The point is, I can delegate finance and marketing and sales and technology and operations and all those things. I can't delegate *my job*."

"Who said anything about delegating it? How much of your time does it take to do the CEO stuff?"

"All of it. And then some."

"You mean to tell me that managing your team and the company doesn't give you any time to get involved in other parts of the business?"

Liam nodded his head. "That's right."

Dirty Jobs

"You know that TV show with the guy who spends a day with people who have horrible jobs?" Liam asked.

"Yeah, it's called *Dirty Jobs.* My kids love it. I think because about half the episodes have something to do with poop."

Liam laughed. "Perhaps. I like it because it shows people who seem to like their jobs even though they're doing something that others wouldn't want to do.

Shay tried his hardest not to be sarcastic. "Yeah, but I don't think my job entails anything close to shoveling alligator crap or cleaning out a sewer."

"And yet you don't want to do it. You're not going to want to hear this, but I have to tell you anyway." He paused before finishing. "You might be working hard, but you're not doing it for the company."

"What the hell does that mean?" Shay wanted to know.

Knowing that his adversary might now punch him for what he was about to say, Liam responded. "You're doing it for yourself."

To Liam's great surprise, and relief, Shay didn't seem as angry as he did sad. In fact, all he said was, "Tell me more about that." And that was when Liam decided there was hope for a breakthrough.

Jugular

"Here it is in a nutshell. You are doing the things you like to do. You aren't doing the things your company needs you to do. And that is why your company's performance is so far behind ours." Liam paused. "You need to believe me here. I'm telling you the truth."

Liam asked, "What exactly do you think management is?"

"Well, it's about goal setting and progress reviews and that kind of stuff. That's what I did for 20 years. Now that I'm CEO, it's different."

"How?" Liam asked with the patience of a prosecuting attorney."

"I don't know. Listen, if a CEO has to look over his executives' shoulders, he's hiring the wrong people. I'm not going to micromanage a 52-year-old operations executive. And I think my people prefer my approach."

"Not if they fail."

"If they start to fail, I'll jump in and help them."

"You mean you'll do their job, especially if it's in marketing or sales or M&A."

"Call it what you want. I help them." Then Shay thought of something. "Hey, I thought you were telling me earlier that you don't have time to get involved in your executives' departments, and that all your time is taken up being the CEO. Now you're telling me I need to micromanage people."

Liam shook his head. "First, I didn't say I'm doing my people's jobs. I'm just coaching them, making sure they have a good plan and that I know about any big issue before it's too late to do something about it. That's not micromanagement."

"Potato, Potahto."

Liam shook his head. "No. It's management. The only people who call it micromanagement are employees who don't want to be held accountable. Just because someone is in his forties or fifties or sixties and has lots of experience doesn't mean he doesn't need to be managed. It's not a form of punishment or the sign of a lack of trust. It's the benefit of direction and guidance. I mean, the best football player in the world needs coaching."

"I'm sorry if I still seem skeptical. I guess I really thought that your management consultant gave you something a little more..." he paused searching for the right words, "concrete. This is all pretty soft."

Liam took a deep breath. "Can we take a 10-minute break? I need to make a call."

> Finally, Amy pulled her last and most dangerous arrow from her quiver.

Skype

When Shay returned, he saw Liam doing a video call on his laptop with a woman. Liam waved him in.

"Shay, this is Amy Stirling, who you spoke with briefly last week. She is one of the principals over at Lighthouse, and the lead consultant who worked with us over the past three years.

Shay sat down in front of the computer and greeted the consultant confidently. "Hi, Amy. It's nice to meet you. I certainly appreciate Liam sharing what you did for him."

"Do you?" Amy asked, without any sense of sarcasm or judgment.

"Well, yeah. I mean, it's always good to learn new things." Shay responded politely.

"I've only got 10 minutes here before I have to go back in with my client. So I'll be direct, if that's okay."

"Please."

"Well, Liam seems to think that you're not all that interested in learning new things. Perhaps he hasn't done a good job portraying what we did with him at Del Mar. Does that sound right?"

Shay didn't answer the question directly. "Amy, I'll be direct, too. I just don't see how all this stuff about meetings and managing people and having uncomfortable conversations can possibly make the difference between success and failure. It's not that I don't see any value in it. But not every CEO goes about his or her job that way. I'm a deal-maker. I'm good at putting together deals, explaining why the Golden Gate solution is right for our customers, and coming in when things get hairy and convincing them to go with us. That is a huge part of our success."

Finally, Amy pulled her last and most dangerous arrow from her quiver. "I have a question for you, Shay. And it's the most important one of all. I don't want you to answer right away but to really give it thought. And please be completely honest. Shay, why did you want to become a CEO?" She paused. "Or perhaps a better way to ask it is this: Why do you *still* want to be the CEO of Golden Gate Security?"

After about 45 seconds, Shay broke the silence. "I have an answer. I don't know," Shay said matter-of-factly.

"You don't know?" Liam asked incredulously.

Amy was smiling on the screen.

Breakthrough

Shay turned back to Liam. "Why did you want to be a CEO"?

"For the same reason you did. But that's not why I want to be the CEO of Del Mar Alarm now. I see my job as a responsibility and a sacrifice. You're the CEO of Golden Gate because you see your job as a reward. All those responsibilities and activities we've been talking about today are just a function of our motives for being a leader. We can talk all day about what we're supposed to do, but if we don't understand why we're leading in the first place, none of it will make sense."

Liam saw the look on Shay's face change just slightly, as though a lightbulb, albeit a dim one, went off in his head.

"Shay, when I have to dive into the middle of a petty political issue between the sales and engineering teams, or when I have to give someone their final warning about having to change their behavior, or when I have to call a meeting after hours to deal with an emergency issue, or when I have to give the same bloody orientation speech to another group of new employees, or when I have to go out to the installers and remind them that they're the front line of the company and everyone is relying on them, or when I have to," he paused, "do anything that no one else can do because they're not the CEO, I smile and thank God that I am making a difference. I have the worst and best, loneliest and most social, most appre-

ciated and most thankless job in the company. And I do that job with pride and without complaint. Because that was what I signed up for, even if I didn't realize it until Amy told me."

Finally, Shay nodded his head and spoke. "You're a good guy, Liam." Liam was confused. "Your coming up here was as generous as it was bizarre. And I mean that in the best way."

The Lesson

Just about every leader would like his or her organization to become healthier. Some leaders fail to achieve organizational health because they possess an almost unconscious unwillingness to do the difficult tasks and confront the challenging situations that are required to bring it about. This unwillingness flows from a flawed—and dangerous—motivation for becoming a leader.

There are only two motives that drive people to become a leader. First, they want to serve others, to do whatever is necessary to bring about something good for the people they lead. They understand that sacrifice and suffering are inevitable in this pursuit and that serving others is the only valid motivation for leadership.

The second basic reason why people choose to be a leader—the all-too-common but invalid one—is that they want to be rewarded. They see leadership as the prize for years of hard work and are drawn by its trappings: attention, status, power, money.

When leaders are motivated by personal reward, they will avoid the unpleasant situations and activities that leadership requires. They will calculate the personal economics of uncomfortable and tedious responsibilities—responsibilities that only a leader can do—and try to avoid them.

This inevitably leaves the people in their charge without direction, guidance, and protection, which eventually hurts those people and the organization as a whole. Employees will express their disbelief as to how their leader could have been so negligent and irresponsible, yet it makes perfect sense in light of his or her motive for becoming a leader.

It's time to expose reward-centered leadership for what it is and help leaders overcome it, for their own good and the good of the people and organizations they are supposed to be serving.

Exploring the Two Leadership Motives

How does a leader's motive play out in the organization? How does it impact the day-to-day activities of his or her work? The answers have everything to do with behavior.

Imagine two candidates for president of a country. One focuses on getting elected and sees that day as the crowning achievement of his or her life. The other sees the election as the beginning of his or her attempt to accomplish something great.

What behaviors is the reward-centered president going to avoid? Here are a few: taking the time to understand important legislative issues, meeting with constituents who offer little opportunity for publicity, adhering to traditions that are personally uninteresting to him or her. The other candidate is going to embrace those responsibilities. The same applies to leaders of organizations.

The Five Omissions of Reward-Centered Leaders

What follows are the five situations or responsibilities that reward-centered leaders delegate, abdicate, or avoid altogether, which cause the greatest problems for the people they lead. The omission of one or all of these areas may be an indication of an improper motive for leading. This is not a list of the primary responsibilities of a leader. These are simply the most common omissions that reward-centered leaders find to be tedious, uncomfortable, or just plain hard.

1. Developing the leadership team. This activity is often delegated, and sometimes even abdicated completely, by many organizational leaders. This does not work. If people on a leadership team don't believe that the leader sees team development as one of his or her most critical roles, they're not going to take it seriously, and it's not going to be effective. The leader simply must take personal responsibility for, and participate actively in, building his or her team.

Leaders often realize that effective team-building always involves emotional and uncomfortable conversations. Few leaders, even the good ones, look forward to those awkward moments and prefer to let others deal with them.

Do you feel that spending time developing your team members' interpersonal dynamics is superfluous or a waste of time? Do you organize "team-building" activities for your team that are fun but that largely ignore uncomfortable conversations about their collective behaviors?

If you answered yes to these questions, you may have the wrong motive for leading, and you have a serious decision to make. You can either rethink your attitude about team-building and embrace it as the practical, indispensable discipline

Do you believe that providing individual guidance and coaching to your people is somehow beneath you or not worth your time?

that it is, or you can accept that the organization you lead will never come close to reaching its full potential and that your team members will suffer unnecessarily.

2. Managing subordinates (and making them manage theirs). Many leaders have been trained to see management as a set of bureaucratic, overly structured activities related to writing detailed objectives, conducting performance reviews, and determining compensation. This is not really management, either at the executive level or the front line.

Managing individuals is about helping them set the general direction of their work, ensuring that it is aligned with and understood by their peers, and staying informed enough to identify potential obstacles and problems as early as possible. It is also about coaching leaders to improve themselves behaviorally to make it more likely that they will succeed. Managing is also ensuring that subordinates one level below are managing their people, too.

Do you believe that providing individual guidance and coaching to your people is somehow beneath you or not worth your time? Do you feel that you should be able to trust them to manage themselves? Do you justify not knowing what your direct reports are doing by claiming not to want to be a micromanager?

If you answered yes to these questions, then your motive for leading may be off. You can either rethink your role and get more involved in coaching them around their work, or accept that they will often fail to meet your expectations and become misaligned with the goals of the team.

3. Having difficult and uncomfortable conversations. One of the main responsibilities of a leader is to confront difficult, awkward issues quickly and with clarity, charity, and resolve. What kind of issues? Everything from a team member's annoying mannerisms to poisonous interpersonal dynamics and politics. There isn't a leader out there who hasn't balked at a moment when they should have "entered the danger" and had a difficult conversation about these things.

Yet, when leaders dodge these situations, they jeopardize the success of the team and the organization as a whole. Failing to confront people quickly about small issues is a guarantee that they will become big issues.

Here's the underlying reason that most people avoid difficult conversations: It is embarrassing and awkward. There is nothing comfortable about turning to a man or woman whom you know, someone who is of similar age to you, and who is talented in their own right, and telling them something that makes them feel momentarily bad.

Would you rather learn to live with a person's difficult behaviors than endure an awkward, potentially emotional discussion with them? Do you find yourself venting about your direct reports' behavioral issues rather than talking with them directly?

If you answered yes to these questions, this may be an indication that your leadership motive needs to be adjusted. You will need to reset your expectations about how "comfortable" your job is supposed to be and find the courage to start entering into dangerous conversations until it becomes natural. Or you should prepare for increasing levels of politics, morale problems, and unwanted turnover on your team and in your organization.

4. Running great team meetings. Meetings remain one of the most unpopular and underestimated activities in business. It is where leaders make decisions about whether to purchase a competitor or sell itself to one, to hire more employees or lay them off, to implement a new strategy or kill an old one. Can there be a more critical, central, or indispensable activity within an organization than a meeting?

In so many organizations the people responsible for making meetings better often complain about them the most! A leader seeing his or her meetings as drudgery would be like a doctor viewing surgery that way.

When leaders accept the less-than-amazing status of meetings, the results are two-fold. First, it leads to bad decision-making. If meetings are not engaging, it's completely logical to conclude that the quality of those decisions will be subpar. The second problem of accepting bad meetings at the executive level is that it sets the precedent for the rest of the organization.

Do you complain about your own meetings being boring or ineffective, and do you long for the end of them? Do you allow your people, and yourself, to check out during those meetings, or perhaps skip them from time to time for "more important" work?

If you answered yes to these questions, you may have a problem with your leadership motive. You can pour yourself into designing and facilitating more intense, focused meetings. Or you can resign yourself to suboptimal decision-making, reduced innovation, and a good deal of regret.

5. Communicating constantly and repetitively to employees. Most CEOs don't hate the idea of communicating to employees. But the majority of them greatly underestimate the amount of communication that is necessary. As a result, they think they've done an adequate job announcing a new strategy or initiative long before most people are close to understanding and embracing it.

Studies say that employees have to hear a message seven times before they believe executives are serious about it. Unfortunately, many CEOs refuse to repeat themselves again and again and again and again.

A CEO communicates to employees, at all levels, to ensure that people are aligned with and have bought into what is going on and where they fit into the success of the enterprise. It is an emotional and behavioral process more than a transactional and informational one. And it requires real, repetitive, sometimes tedious work from a leader.

Do you resent having to repeat yourself, complaining that your employees don't listen? Do you look for new messages and ideas to communicate because you get bored saying the same things again and again?

If you answered yes to these questions, your motive for leadership may not be quite right. You need to change your general attitude about communication and see it as a tool for helping others understand and internalize important ideas rather than an activity for your own entertainment.

Otherwise, you'll need to come to terms with the fact that your employees, even your executives, will often be confused and misaligned. And you'll need to get used to being surprised and frustrated by their inability to understand you and get on board with your plans.

It's long past time that we, as individuals and as a society, reestablished the standard that leadership can never be about the leader more than the led. If we can restore the collective attitude that leadership is meant to be a joyfully difficult and selfless responsibility, we will see companies become more successful, employees more engaged and fulfilled, and society more optimistic and hopeful. Perhaps people will stop using the term "servant leadership" altogether, because everyone will understand that it is the only valid kind.

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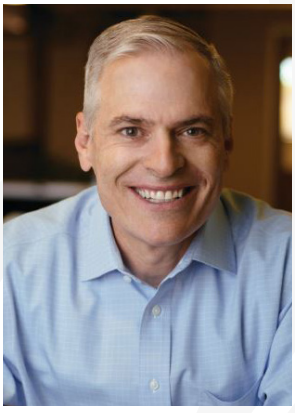

Patrick Lencioni is founder and president of The Table Group, a firm dedicated to helping leaders improve their organizations' health since 1997. His principles have been embraced by leaders around the world and adopted by organizations of virtually every kind, including multinational corporations, entrepreneurial ventures, professional sports teams, the military, nonprofits, schools, and churches. Lencioni is the author of 11 business books with nearly 7 million copies sold worldwide.

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The New CEO

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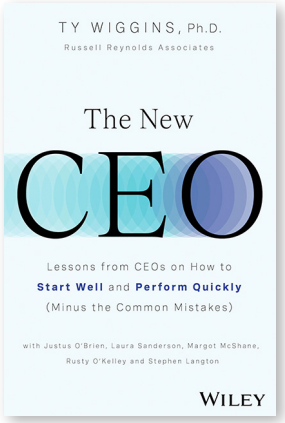
The New CEO

Lessons from CEOs on How to Start Well and Perform Quickly (Minus the Common Mistakes)



by **Ty Wiggins**

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THE SUMMARY IN BRIEF

Much of what they say about the CEO role is true: it's complex, confusing, and often exhausting. This is the most challenging and loneliest role in business. The scope, gravity, responsibility, accountability, and exposure of the CEO role are unparalleled, and the loneliness factor is often what takes CEOs by surprise. ***The New CEO: Lessons from CEOs on How to Start Well and Perform Quickly (Minus the Common Mistakes)*** is a combination of CEO experiences, observations, and research.

It is written to provide a wide and disparate view of the transition from the perspectives of the CEOs who have done it before you, and from the perspective of the author, who served as an advisor, having worked intimately with 50-plus CEOs across the world to ensure their success in real time. For all the attention given to CEOs, there is very little advice on how to actually land well in the early days and set yourself up for success. Successfully navigating your first weeks and months as CEO sets the tone for how you'll be perceived for years to come.

IN THIS EXECUTIVE BOOK SUMMARY:

- Learn why CEO transitions are uniquely difficult, including the loss of familiarity, increased isolation, and the weight of responsibility.
- Discover key approaches for navigating the transition, from building a strong leadership team to balancing listening, learning, and decisive action.
- Learn how to shape the organizational narrative, set expectations, and foster a culture that aligns with your leadership style and company vision.
- Understand the importance of continuous self-awareness, managing board relationships, and embracing the CEO role as a marathon, not a sprint.

Part I: So, You're A CEO

Why CEO Transitions Are So Hard

No CEO transition is without challenges. There's no singular reason for this. Typically, it boils down to a combination of the following factors.

Out of Your Comfort Zone: When you begin as CEO, you can quickly move from a position of strength, to a position where you can feel out of your depth. This loss of "capability" can rock your confidence and self-esteem.

Alone in a Crowd: You are rarely physically alone and yet at times you can feel like the only person on the planet. An often-cited study from 2012 found, 50% of CEOs reported feelings of loneliness, with 61% believing it hindered their performance.

A Heavy Crown: "You realize there is no one else," Marc Bitzer, CEO of Whirlpool. "I'm responsible not just for financials, but for 60,000 people and their families. The buck stops here. If you think too much about it, it can paralyze you."

Busier than You've Ever Been: The reality is that you'll need to work hard to meet the demands of the role, and even with this Herculean effort, you still won't get it all done.

Never Too Soon for a Crisis: When you encounter a crisis in your transition, it not only challenges your organization, it can also derail your momentum as well as threaten your tenure.

The New CEO Checklist

- Accept your vulnerability.
- Avoid becoming an island.
- Find trusted advisors.
- Know that more is not always more.
- Get comfortable saying "no."
- Remember you can't know the unknowns.

Prepare to Win

Plan: A solid transition plan will give you structure, task direction, prioritization, and clear deliverables in your early days.

Adjust: While having a transition plan is proven to be an effective input in CEO transition success, it needs to be flexible. The potential for leadership surprises is significant. From erupting geopolitical tensions to a global pandemic, we are facing situations that no one can predict.

Your Ghost: Your ghost is the former CEO who once sat at the same office you are now in. When the handover works perfectly, you'll have access to an outgoing CEO who is supportive. The reality is that there can be an outgoing CEO who consumes a considerable amount of your time, energy, and attention.

Following a Hero: Death by comparison is the risk here: they were so great; you will never stack up; if only they were still here. Key to this was avoiding any implication that what was done in the past wasn't working.

Following a Villain: While this is often easier than following a hero CEO, it's not without its challenges. The trap here is that you get positioned as the incoming hero and it goes to your head.

Dealing with a Former CEO Who Is Now a Board Chair or Director, and/or a Significant Shareholder: This is an essential time to get together and ask: "When, not if, I want to change something you put in place or kill something that was your creation, how will we deal with that discussion?"

The Business Context: Burning platforms can give you something to focus on and hopefully solve. It focuses your attention on what you should be doing among the many things you could be doing.

Turnaround: If you are at the helm of a business that requires immediate, significant, and substantial changes in order to survive, you'll be expected to make decisions much sooner than if you were at a company that was ticking along nicely. And you'll need to be comfortable making these decisions when you have limited context.

Continuation: Businesses that fit this category—with a solid foundation, efficient organizational structure, good levels of talent, and a stable record of growth—will often require their new CEO to broadly continue the existing strategy. The potential pitfall is that, in the spirit of "if it ain't broke, don't fix it," your organization may be more watchful for mistakes, and more sensitive to them, than in a turnaround situation.

Outsider or Insider: Your transition to CEO will be affected by the nature of whether you have been groomed and promoted internally, or found as part of a search process and joined from another organization or even industry.

The New CEO Checklist

- Set your plan.

The hardest part of a CEO transition is finding the right balance between listening and learning versus acting.

- Think back to front.
- Bake in flexibility.
- Don't have all the answers.
- Remove the blinkers.

Part II: Out of the Blocks: Making the Right Start

Burst the CEO Bubble

Bursting the bubble involves adjusting your thinking and behaviors—to create an environment in which people feel comfortable telling you what they're really thinking and to remove your biases, so you open yourself to the true realities in front of you, rather than trying to confirm what you think you already know.

See More, But Hear Less: You now have visibility over the entire business. The trade-off of that greater visibility is that you are as far from the frontline as you can get, and the number of layers between you and "them" has increased.

Be Curious, Not Right: You will be more successful if you focus on being curious instead of being right.

Two Ears, One Mouth: A clear aspect of curiosity is asking the right questions—and really listening.

Check Your Biases at the Door: Working on understanding and mitigating your biases is a key aspect of leadership development.

The New CEO Checklist

- Accept that your relationships will be different now that you're CEO.
- Burst the "CEO Bubble" as quickly and as often as possible.
- Find your espresso machine.
- Listen more than you talk.
- Beware of your unconscious incompetence.

Act Discerningly

The hardest part of a CEO transition is finding the right balance between listening and learning versus acting. How fast is too fast? How slow is too slow?

Rethink the First 100 Days' Mindset: Unless you're in a serious turnaround situation or in crisis management mode, the opportunistic focus on your first 90 or 100 days is overstated. If you need one rule of thumb, it would be: if it is on fire, fix it. If it is smoldering, leave it alone until you have more context. And remember, communication is your friend early on.

Festina Lente (Make Haste Slowly): Your learning curve in the first months of your role will be extremely steep. Ideally, you should resist making really big decisions or wide-sweeping changes early on unless it's something on fire.

Easy Wins: While you need to resist the pressure (internal or otherwise) to come in and fix or change everything straightaway, you will still want to make some moves during your transition, not least to signal your intentions as a new leader.

Common Pain Points: Addressing a constant moan or common pain point is another good approach. This is what Stephanie Tully, CEO of Jetstar, did. "Everyone was telling me that they hated the uniform. So, I said, 'Let's change it.'"

Early Moves: At a slightly larger scale than easy wins are a CEO's early moves—the more substantial decisions that are made during the transition period.

Clearing the Decks: There are some opportunistic benefits and advantages to being the new CEO. One of these is the lack of complete ownership of the current problems and financials. This affords you the unique freedom to make some financially unpleasant decisions.

The New CEO Checklist

- Adopt new metrics for your early success.
- Go slow to go fast.
- Don't boil the ocean.
- Look for easy wins.

- Fight the fires.
- Remember you don't always own it all upfront.

Get the Messaging Right

When Satya Nadella stepped into the Microsoft CEO shoes in 2014 he emailed every employee with a note that was as humble as it was galvanizing. He set out who he was, why he was there, and what the company would do next.

A key part of your initial communication needs to be about you, why you're happy to be here and what you're going to do over the coming weeks and months. This is a critical juncture for your organization. And if you don't set the narrative, someone else will.

What to Say

- "I Don't Know."
- "How Can I Help?"
- "What Didn't I Ask, But Should Have?"

Communication versus Action: The extent to which your transition is deemed successful early on will depend on your communication as much as, if not more than, your actions.

Intent versus Behavior: There is often a discrepancy between your intent and your actions.

Chicken Noodle Soup and Blue Walls: How you show up as a leader will shape the organization's set of accepted behaviors and norms. Everything you do is role-modeling—so be very deliberate and conscious here.

Taking a Public Position: There is a pressure and expectation—particularly from employees and society—that didn't exist 20 years ago—that CEOs should publicly comment on social and political events. Each situation is as different as each organization and CEO.There is no right or wrong answer here.

The New CEO Checklist

- Own your narrative.
- Move quickly on the who, the why, and the what.
- Prep like a politician.
- Don't be afraid to say, "I don't know."
- Remember communication can matter more than actions early on.
- Embrace the communication experts.

Navigating the Crash

For every leader, there comes a point when you crash, when you wonder if you are really up to the challenge. When the challenges arrive be attentive, but also kind to yourself, safe in the knowledge that others have struggled and succeeded with the same problems that you now face. Don't avoid seeking support.

Power of Reflection: A crash can be an indicator that it's time to pause, take stock, and recalibrate.

Here to Serve: A good way to center yourself during a crash is to remember why you are here in the first place.

Play Your Position: As soon as you can, start focusing on the things only you can (and should) do. This is often easier said than done.

Trust Your Gut: For some CEOs, the crash is not so much a psychological wobble, but an early challenge where you feel the heat from external stakeholders and must find a way forward. Take time to reflect, focus on what matters, and do the job that only you can do.

The New CEO Checklist

- Know this is normal.
- Take the opportunity to recalibrate.
- Look in and out.
- Don't neglect your health, family, or friends.
- Narrow your aperture.
- Find the solution within.

Part III: Up and Running: Early Priorities

Building Your Top Team

Your success as a CEO depends on your ability to build and lead a high-performing C-suite at the individual and team levels. Doing so will require vision, courage, and more than a few difficult choices.

Move Fast on Your Team: The area where speed is encouraged is in decisions about your team.

Decide How You Will Assess Your Team: The ideal situation is to utilize a psychometric assessment tool to ensure that you are countering your biases and to help you have a base assessment.

Your success as a CEO depends on your ability to build and lead a high-performing C-suite at the individual and team levels.

Would You Rehire?: Knowing what you know now about your leaders, if they applied for this role again, would you rehire them?

Make Your Decision, But Be Aware of the Prevailing View: As part of your assessment of senior leadership team members, take time to understand the prevailing view.

On the Right Tack: You need a star team and to set up your leaders in the right way so they all pull in the same direction toward your strategic vision.

The New CEO Checklist

- Move fast on your team.
- Watch out for decision delayers.
- Collect your evidence.
- Look for future-ready leaders.

Leading Your Top Team

How your top team operates comes largely down to your actions. The expectations that you set and the tone that you establish matter greatly. One of the first steps you can take is to invest in team-building.

Establish a "First-Team" Mentality Early: No team is more important than your senior leadership team. It is impossible for you to be successful without the right people around you.

Different Strokes for Different Folks: As CEO, you lead the most important team in the entire organization. These are the organization's top executives behind yourself. They are the best in their area that you have, and they are potentially all very different.

Showing Up Consistently: As CEO, you are no doubt aware that you cast a long shadow over the organization. Many CEOs overlook the importance of extending this same attitude to every senior leadership team interaction.

Discuss, Debate, But You Decide: When you were part of an executive team, before becoming CEO, you would have been regularly asked to contribute to the decision-making process. Sometimes you heavily influenced the decisions and it went your way. You felt that you made the right call, that you made the decisions—but you didn't. The CEO did. Likewise, when it didn't go your way, or another decision was made, it wasn't somebody else on the team making the decision. It was the CEO.

Speak Last: Executives with a seat at the senior leadership table are expected to provide a view on the issues affecting the business. It's great leadership to avoid leading the conversation or giving your view early, but it is also rare. So, you need to explain what you are doing and why. Otherwise, people might see it as a lack of interest or some sort of test.

The New CEO Checklist

- Think team first.
- Don't strive for absolute harmony.
- Harness the diversity of your senior leadership team.
- Make the right decisions.

Working with the Board

It is common for first-time CEOs to find that they have greatly underestimated the time it takes to manage the board interactions and demands.

Get to Know Them Individually: Like any stakeholder, there is benefit to investing time and effort in building effective relationships.

When in Doubt, Share: Being transparent with the board is good practice and enhances its ability to be a strategic asset.

Common Mistakes with the Board

- You do not manage the board.
- Don't ignore or avoid the board.
- Understand the scope and role of the board and what makes a board effective.
- Understanding risk management from a board's perspective is invaluable.
- The chair and directors are not your friends.
- Don't assume that a silent board means a job well done.

Board Conflicts: It's a good idea to use your early meetings with directors to discuss how you will deal with conflicts should they arise.

The Board's Concerns of You, Their New CEO: Make it clear that you understand the role to ease their concerns.

Can I Have That in Writing?: CEOs who have reflected on their first-time experiences now fully understand the opportunity you have before you start to contract your scope and authority with the board.

Dealing with the Street: Identify the most vocal analysts and investors who join calls. Understand "hot button" issues that may come up—and prepare for them.

The New CEO Checklist

- Engage the board early.
- Clarity counts.
- Forge deep relationships.
- Establish a relationship based on transparency.

Shaping the Culture

As CEO, you are ultimately responsible for the culture of your organization. In order to shape it, you first need to assess and understand it.

Change is difficult and there is considerable ground to cover between agreeing that change is necessary and actually making the change. And even more ground to cover before the change is embedded. Changing culture takes time.

The New CEO Checklist

- Get out of the corner office.
- Look beyond the culture survey.
- Be the change you want to see.
- Fold the seatbelts.
- Foster hope.

Part IV: Less of a Marathon, More a Series of Sprints

If I Could Do It All Over Again

There is a saying that is applicable to transitioning into the role of CEO. "Experience is what you get just after you needed it." This will, in part, be the case for your transition but with this book you've had the opportunity to learn from others who have gone before you. Here are a couple of pieces of invaluable advice and hindsight from some of your peers who have done it, and done it well.

Marc Bitzer, CEO, Whirlpool

"Never forget that you are here to serve. Serve the organization first, then your team, and then long afterward yourself."

Stephanie Tully, CEO, Jetstar

"Listen. Really listen. Exhaust yourself listening. Be seen as someone who is committed to hearing what people really think and feel across the organization."

Final Thoughts

The key is to go in with your eyes open. It's about admitting you don't have all the answers and opening yourself up to learning—from those who have gone before and from those rooting for your success. Being CEO is a privilege, not a right.

Be humble.

How you manage yourself during this time will make the difference.

How you come to terms with the loneliness.

How you keep your biases from negatively affecting your progress and others around you.

How you manage your internal pressure around action.

How you manage your poker face and communication.

How you balance your time and energy, manage your outside commitments and well-being, and show up authentically.

How you build relationships.

How you act as the new CEO.

The quicker you can ground and anchor yourself, the quicker you will anchor and ground your organization—and the quicker you will deliver success, both for your business, and for yourself.

Ty Wiggins is a leadership expert who is committed to ensuring new CEOs are set up for success. He is a trusted advisor to world-leading CEOs, helping them successfully transition into their roles to unlock business and personal success faster. Ty is the global lead of the CEO and Executive Transition Practice at Russell Reynolds Associates.

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The New Leader·s 100-Day Action Plan

George B. Bradt

April 2010

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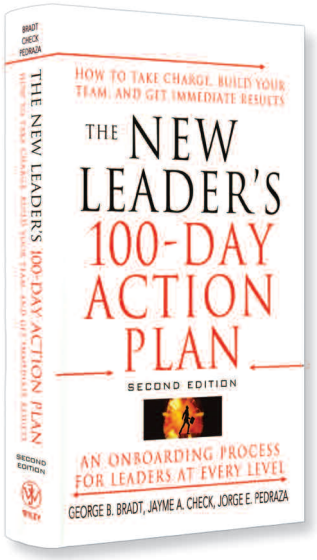
Bonus Summary

How to Take Charge, Build Your Team and Get Immediate Results (Second Edition)



by George B. Bradt, Jayme A. Check and Jorge E. Pedraza

THE SUMMARY IN BRIEF

Moving into a new leadership position is one of the toughest challenges an executive can face. Nearly half of new leaders fail in their first 18 months. Often, that failure is the result of crucial mistakes made in the first 100 days.

Whether you're a veteran leader taking over a new organization or a novice moving into your first leadership role, this practical guide will help you manage your leadership transition so you can take charge, build your team and deliver results. Executive transition experts George Bradt, Jayme Check and Jorge Pedraza present proven solutions and cutting-edge techniques for getting started successfully in your new role.

The New Leader's 100-Day Action Plan presents comprehensive, easy-to-follow career guidance that will help you master your new job — and the art of leadership — with proven tools, techniques and a step-by-step action plan.

Filled with timely guidance that applies directly to leaders in today's global business environment, *The New Leader's 100-Day Action Plan* is the ultimate guide for getting ahead — and staying there.

IN THIS SUMMARY, YOU WILL LEARN:

- How to turn key stakeholders and direct reports into your allies.
- How to build your new team with early wins.
- How to fit into a new corporate culture — and shape its evolution.
- How to create, communicate and implement a new strategic direction.
- How to avoid common mistakes and pitfalls.
- How to build loyalty, trust and commitment with new colleagues.

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THE COMPLETE SUMMARY: THE NEW LEADER'S 100-DAY ACTION PLAN

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INTRODUCTION

Forty percent of leaders going into new roles fail in their first 18 months. Why can't they deliver? In most cases, they dig their own holes by missing one of the important tasks that must be accomplished in their first 100 days. Some don't understand the impact of their early words and actions and inadvertently send their new colleagues the wrong messages. Some focus on finding a new strategy, but fail to get buy-in and build trust with their new team. Some do a lot of work and expend a lot of energy without accomplishing the one or two things that their most important stakeholders are looking for. All are unaware of some of the important steps required to achieve a successful transition. No leader wants this to happen; but it does, at an alarming rate.

Remember: *Leadership is about inspiring and enabling others to do their absolute best together, to realize a meaningful and rewarding shared purpose.*

It's not about you. It's about them — those following your lead. How you set the direction and priorities, and what you do to inspire and enable them is important. But what is most important is what they see, hear, feel, believe and accomplish together as a team. Leadership is about your ability to create an environment where your team can deliver remarkable results and love doing it.

Create Your New Leadership Role

There are two dimensions to activating your leadership potential. The first is understanding and declaring your own leadership qualities and capacities. The second is interacting effectively with others in such a way that it becomes part of an organization's or a market's perception of you. Know yourself, and then help others know you. There are concrete steps you can take to *position* yourself for leadership roles and promotions.

Begin with the first dimension — know and declare yourself a leader. The "declaring" part is important since this is what best enables you to commit to your career path. Start by declaring this to yourself. Commit yourself. Your commitments become more real, however, when you share them with others.

Next, build a career plan. Great leaders are not made in a day. Leadership is built. *The Five-Step Career Plan* can help you know yourself professionally, stake out your career path and set yourself in motion.

The Five-Step Career Plan

Here are the main steps:

1. Likes and dislikes: Go through your past activities and jobs and lay out everything you liked and didn't like. Dig underneath to pull out the values that underlie some of your likes and dislikes.

2. Ideal job criteria: With these values in mind, lay out your ideal job criteria. Make sure the criteria line up with your strengths, values and interests.

3. Long-term goals: Next, consider your long-term goals. What do you want to achieve?

4. Options: The mindset that generates a sense of possibilities and options is the mindset that creates opportunities and fosters success. Create parallel options for yourself.

5. Choice: Compare your options by weighting your

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criteria and evaluating each option's results.

Once you've made your choice, write it down and go to sleep. If you wake up in the morning feeling good, then you've probably made a good decision. If you wake up with your gut indicating that you have made a mistake, you misled yourself. Most likely, you erred in weighting your ideal job criteria.

Communicating Leadership

Now, the second part: "Help others know you." Once you've gotten a good handle on your strengths and goals, you are ready to think through positioning in a proactive and methodical way.

Start by understanding your existing strengths and talents that you can turn into strengths appropriate to meet your long-term goals. Then communicate your readiness for leadership by leading something, whether it's a major project or the team outing.

Sell Before You Buy: Answer the Only Three Interview Questions

Remember three things during the interview process:

Thing 1: You cannot turn down a job offer that you have not received.

Before you accept a job, you must first get an offer. Then, and only then, you can decide if you should accept it. Do not do these steps out of order. Your initial focus should be solely on getting the job offer.

Everything you do in the interview process should be designed to get the company to offer you the job. This includes not only your answers to their questions, but also your questions to them.

At this stage in the process, your questions are not about helping *you* decide if you want the job. They are about helping *them* decide to offer it to you. Secure the offer first. After you've got the offer, figure out if it's right for you.

Thing 2: There are only three fundamental interview questions — ever.

There are only three interview questions. Every question you've ever been asked, and every question you've ever asked in an interview is a subset of one of these three fundamental questions:

1. Can you do the job?
2. Will you love the job?
3. Can I tolerate working with you?

The questions may be asked in different words, but every question, however worded, is just a variation on one of these. As each question comes, it is your job to determine which of the three is really being asked.

Thing 3: There are only three fundamental interview answers — ever.

Since there are only three fundamental interview questions, there are only three fundamental interview answers. Every answer you give in an interview should be a subset of these three answers:

1. My *strengths* are a match for this job.
2. My *motivations* are a match for this job.
3. I am a good *fit* with this organization.

Your answers to questions will be more elaborate, but your answers should always be dressed-up versions of one of the three.

Since there are only three interview questions and three interview answers, all you have to do is prepare three answers in advance and recognize what question you are being asked. Then you are ready to ace any interview.

Map and Avoid the Most Common Land Mines

You cannot reduce the risks inherent in a new role until you identify them, understand their danger and either dance around them or purposefully deactivate them. Here are the seven most dangerous land mines:

1. Organization. Organizational land mines are encountered when an executive accepts a new role in an organization that lacks a clear, concise, differentiating and winning strategy. The best way to avoid this land mine is by making a powerful and fully informed choice, early on.

2. Role. Role land mines are encountered when expectations, resources or key stakeholders are not aligned. It is critical for new leaders to know exactly what their boss expects them to deliver and what resources can be controlled and influenced in order to deliver those expectations.

3. Personal. Personal land mines are the ones that the executive brings to the new job. They are activated when significant gaps exist in an executive's strengths, motivation or fit for the job.

4. Relationship. Relationship land mines are most likely to occur when an executive fails to identify, establish or maintain key relationships up, across or down the organization. Relationship risks are particularly severe for people who are brought in as change agents.

5. Learning. Executives trigger learning land mines when they fail to grasp key information in any of the so-called 5Cs: customers, collaborators, capabilities, competitors or conditions. Executives often miss the importance of certain Cs or diminish the importance of one or more of them.

6. Delivery. Executives stumble on this land mine when they fail to build a high-performing team or deliver results fast enough. Delivery comes in all forms, but it is only valuable if it is what was ordered.

7. Adjustment. Executives can do everything correctly to this point, but if they do not see or react to the inevitable situational changes, new land mines will certainly be created.

Do Your Due Diligence on the Organization, Role and Fit

Before you accept a job, figure out organizational, role and personal risks during due diligence.

At the core, due diligence is an exercise in collecting and analyzing information to reduce the risk inherent in a decision. Here are three steps:

1. Decide what information to collect. Before accepting a job, you must gather information in the following areas to answer three fundamental questions around organization, role and personal risks:

- *Organizational Risk:* What is the organization's sustainable competitive advantage?
- *Role Risk:* Did anyone have concerns about this role; and, if so, what was done to mitigate them?
- *Personal Risk:* What, specifically, about me, led to you offering me the job?

2. Identify potential sources of information. You'll need scouts, seconds and spies to help you. Scouts are people outside the company who can give you a view of what's going on inside the company. Seconds are people who want to help you succeed. Spies are people on the inside who can give you special insight into what's going on.

3. Gather and analyze the information. Trust is the grease that lets communication work and, conversely, communication is what builds and sustains trust.

A genuine concern about the organization's ability to succeed will start opening the doors of communication. That, coupled with a sensitivity and concern for the person you are seeking information from, will further open those doors.

Categorize Risk

Now what do you do? Categorize the risk as low, manageable, mission-crippling or insurmountable and then take appropriate action.

- *Low Level of Risk.* If the organization has a sustainable competitive advantage for now, and if key people are aligned around a common, clear definition of the role you're going to take, and if you would hire yourself for that role in this organization at this time, you should be in good shape at the start.
- *Manageable Level of Risk.* If the organization knows how to create sustainable competitive advantage, but they haven't locked it in yet; if the role is clear, but not everyone is aligned; or if you don't exactly have the strength they thought you did, but you know how to compensate for that gap, go ahead and accept the job and manage these risks as you go.
- *Mission-Crippling Risk.* This is where you've uncovered something that is going to keep you from being successful unless you can change it. Before you accept this role, you should be certain that you have the authority and can implement the necessary changes to resolve or mitigate this risk. If not, you should walk away.
- *Insurmountable Barrier.* An insurmountable barrier is a mission-crippling risk that cannot (or will not) be resolved. If it feels insurmountable, it is. Listen to your intuition.

Act Differently When You Are Promoted From Within

The fundamental difference between moving to a new company and getting promoted from within is that you are already on track. Unlike when you join an organization for the first time and have to create a new positioning for yourself, when you're promoted from within, people already know you or know people who know you. Thus, to a large degree, this is an exercise in repositioning yourself within the organization.

When you have been promoted from within, keep the following rules in mind:

- **You cannot control the context.** While you may not be able to influence the circumstances surrounding an open role, you can often influence planned promotions in advance.
- **It is hard to make a clean break.** More often than not, you will still be accountable for your old job even after you start your new job. If you falter with the transition of your old job, the results can impinge on your success in your new role.

• **There is no honeymoon.** As an insider, you're expected to be fully up to speed the moment you start your new job.

Here are actions for those promoted from within:

1. *Prepare in advance.* Work to understand the context and complexity of the new situation.

2. *Take control of your own transition.* Be proactive and control the message and communication cascade — the timing of who hears what and in what order. Clarify what has changed and what has not changed.

3. *Accelerate team progress after the start.* This is where your knowledge of the organization can really help.

Take Control of Your Own Start

Many leaders fall into the trap of thinking that leadership begins on Day One of a new job. *Like it or not, a new leader's role begins as soon as that person is an acknowledged candidate for the job.* Everything new leaders do and say and don't do and don't say will send powerful signals, starting well before they even walk in the door on Day One.

If you embrace this concept and do something about it, you increase your chances of success.

This bonus time between acceptance and start can be referred to as the *fuzzy front end.* It often comes at the worst possible time, interfering with the last days of an old job or with time earmarked for taking a vacation, catching up with household errands or generally unwinding a little before the big day.

The good news is that, more often than not, key elements of the fuzzy front end can be addressed in relatively short order. Even so, strive to stretch out the time between acceptance and your start date. Adding days before your official start is one of the best ways to get more done during your first 100 days.

Choose the Right Day to Be Day One

You can create time in a few ways; but the best way to stretch the fuzzy front end is by taking these action steps:

- Identify key stakeholders.
- Craft your message.
- Manage your office setup.
- Manage your personal/family setup.
- Conduct pre-start meetings and phone calls.
- Deploy an information-gathering and learning plan.
- Plan your first 100 days.

The pre-start meetings and phone calls are a great chance to jumpstart relationships by getting into learning, expectations and implementation.

Decide How to Engage the New Culture

You have important choices to make before Day One. One choice that you must make in advance is how best to engage with the existing culture. Cultural engagement is extremely important in a successful transition, and it is essential that executives know what their cultural engagement plan will be before walking in the door for Day One.

The executive transition experts at PrimeGenesis have developed an ACES model, which lays out three cultural engagement choices: assimilate, converge and evolve, and shock. After the decision to take the job in the first place, this may be the most important decision you make in your first 100 days.

1. Assimilate. Assimilating is the safest way to engage the culture. If they wear white shirts, you wear a white shirt.

2. Converge and Evolve. This is a relatively safe middle way that will allow you to move things in the right direction over time. Here you converge with the existing culture first, and then help it evolve over time as appropriate. Most of the time this is going to be the preferred approach.

3. Shock. Shock is the opposite of Assimilate. Trying to immediately jumpstart the culture to your way is the most threatening and risky move you can make. There will be active resistance and pushback. Shock is something you only want to use when you must.

You must pick the right approach if you are to have any hope of a successful transition.

Culture can be referred to as "the way we do things here." Culture is the combination of what people do and say with their underlying core values. A good shorthand is "Be. Do. Say." It works for people and for organizations:

• **Be:** The underpinning of culture (and integrity) is what people really are, their core assumptions, beliefs and intentions.

• **Do:** These are behavioral, attitudinal and communication norms that can be seen, felt or heard such as signs and symbols like physical layouts, the way people dress, talk to each other and interact with each other.

• **Say:** What people say about their culture can be found in things like mission statements, creeds and stories.

For a culture to be sustainable, these three must be in sync. Just as your own values, actions and words need to line up, the same is true for an organization's.

Drive Action with an Ongoing Communication Campaign

Everything great leaders say and do flows directly from their own core values, beliefs and intentions. They live their message. This is why your 100-Day Action Plan should be a subset of your overall communication plan and why you need to think through what's really important to you, to the people you're communicating with, and what and how you want to communicate, before you say or do anything.

Six Steps of a Communication Campaign

The six basic steps of a communication campaign are:

1. *Plan* the campaign and key elements: message, signs and symbols, media and touch points. Great communication campaigns pivot off a central message. Think "We're going to be No. 1 or No. 2 or we're going to get out," which was used for one of Jack Welch's early drives at General Electric. Your message is the key that unlocks personal connections.

2. *Seed* the message before you start, on Day One and throughout your early days. You generally do not want to start with a big launch that catches everyone by surprise. Instead, you'll want to seed your message with an ever-growing set of stakeholders before your launch.

3. *Launch*, leveraging work on the *Burning Imperative* as appropriate. Launches can be big, subtle or somewhere in between, and the style of the launch should match what is comfortable for you and your team. It also needs to be in keeping with the culture of the organization, unless you are trying to shock the existing culture.

4. *Roll out*, leveraging *milestones* and celebrating *early wins*. Launching is a major step. Now you have to make it real by proving that you are going to deliver those achievable next steps. This is where you will likely want to deploy some sort of public scorecard where everyone can see results against key milestones.

5. *Reinforce* when doubters inevitably raise their heads by implementing your *role sort*. There will be a crisis of confidence at some point. Make it clear that you are committed to the changes. This is a good time to shine the spotlight publicly on some people who are still in the way, perhaps implementing your role sort to move some people out.

6. *Institutionalize* by embedding key routines and processes. You'll want to put in place practices that will ensure the changes you have made so far become part of the fabric of how you do business.

Planning Day One

When planning your Day One, there are some general guidelines and principles to consider:

- *It is personal.* As a leader, you impact peoples' lives. Those people will try very hard to figure out you and your potential impact as soon as they can.
- *Order counts.* Be circumspect about the order in which you meet with people and the timing of when you do what throughout Day One and your early days.
- *Messages matter.* Have a message. Know what you are going to say and not say.
- *Location counts.* Think about where you will show up for work on Day One.
- *Signs and symbols count.* Be aware of all the ways in which you communicate, well beyond just words.
- *Timing counts.* Decide which day you want to communicate as Day One to facilitate other choices about order and location.

Take Control of Day One: Make a Powerful First Impression

According to researcher Elizabeth Hilton, our brains remember information "presented first and last, and have an inclination to forget the middle items." People will vividly remember their first impressions of and their last interaction with you. While you can update their last interaction constantly, you are going to be stuck with those first impressions.

So, be careful about the messages you send with your words, with your actions, with the order of your actions, and with the signs and symbols you deploy. This is why Day One is the pivot point for onboarding. Many people who are important to your new role will form their first, indelible impression of you on this day.

There is no one right way to do this, but there are many wrong ways to do this. It is all about the first impression *received*. Different people will have different impressions of the same thing depending on their perspective and filters. The problem is that prior to your first interactions with them, you can't understand their perspective and filters. So not only is there no one right answer, it will be difficult to figure out the best answer

for your particular situation. This is another reason it is so valuable to get a jumpstart on relationships and learning during the fuzzy front end. Not only does that let you manage your initial impressions on those people outside the noise of Day One, it will help you make better choices about your early days.

Embed a Strong Burning Imperative by Day 30

On top of everything else you have to do, and all the other demands on your schedule, make the time to implement the building blocks of tactical capacity. The starting point, and indeed the foundation, is the Burning Imperative with its components of headline, mission, vision, objectives, goals, strategies and values. Experienced, successful leaders inevitably say that getting people aligned around a vision and values is the most important thing they have to do.

The Burning Imperative is a clear, sharply defined, intensely shared and purposefully urgent understanding from each of the team members of what they are "supposed to do, *now*" and how this imperative works with the larger aspirations of the team and the organization.

The Burning Imperative must have a shorthand summary or headline most likely containing a strong, action-oriented verb. This is a brief statement, or tagline, that reminds each team member of the entire range of work from mission through strategy and the statements behind each step and, specifically, of their commitments and responsibilities in relation to that work.

For the Burning Imperative to drive everything everyone actually does every day, it must be truly embraced by all. Thus you should strive to get it in place and shared early on, within your first 30 days at the latest.

Exploit Key Milestones to Drive Team Performance by Day 45

Milestones are the building blocks of tactical capacity that turn a Burning Imperative into a manageable action plan. The power of milestones is that they let you know how you're doing along the way and give you the opportunity to make adjustments. They also give you the comfort to let your team run toward the goal without your involvement, as long as the milestones are being reached as planned.

Deploying a mutually supportive team-based follow-up system helps everyone improve performance versus goals. Follow these three steps as well as the prep and post instructions:

Prep: Circulate individual milestone updates to the team to read before each meeting so you can take update sharing and reporting off the agenda, while still deploying a disciplined process to make sure information flows where it needs to go.

1. *Use the first half of each meeting for each team member to headline wins, learning and areas in which the person needs help from other team members*, but do not work through items at this point.

2. *Pause at the halfway point of the meeting to prioritize items for discussion* so the team can discuss items in the right priority order instead of first-come, first-serve. These will be the most important items for this team to work *as a team* at this time.

3. *Use the second half of the meeting to discuss the overall team's most important issues and opportunities* with regard to milestone delivery in priority order.

Post: Defer other items to the next meeting or a separate meeting.

Over-Invest in Early Wins to Build Team Confidence by Day 60

Early wins give the leader *credibility* and provide the team *confidence* and *momentum* — three very good things.

Here is a relatively simple prescription for early wins:

1. Select one or two early wins from your milestone list. Choose early wins that will make a meaningful external impact. Select early wins that your boss will want to talk about. Pick early wins that you are sure you can deliver.

2. Establish early wins in your second month and deliver by your sixth month. Early means early. Make sure you select early wins in your first 60 days that you and the team can deliver by the end of your sixth month. Select them early. Communicate them early. Deliver them early.

3. Over-invest resources toward early wins to over-deliver. Do not skimp on your early wins. Allocate resources in a manner that will ensure timely delivery. Put more resources than you think you should need against these early opportunities so your team is certain to deliver them better and faster than anyone thought was possible. Stay alert. Adjust quickly.

4. Celebrate and communicate early wins. As your first early wins are achieved, celebrate the accomplishments with the entire team. In conjunction with your communication campaign, make sure your early

wins are communicated as appropriate.

In general, "early wins" are not synonymous with "big wins." They are the sometimes small, yet meaningful wins that start the momentum of a winning team.

Secure ADEPT People in the Right Roles with the Right Support by Day 70

Of all the tools in your toolbox, putting people in the right roles is one of the most powerful.

When it comes to sorting people and roles on your team, you need to work with a short-term and a long-term framework. Initially, you must look at your team to determine what, if any, short-term moves should be made. Then, in the longer term, you must continue to monitor your team. The executive transition experts at PrimeGenesis use a process called ADEPT to develop the team over time.

Here is the context for this and ideas you can apply over time:

Acquire: This involves scoping roles, identifying prospects, recruiting and selecting the right people for the right roles, attracting those people and onboarding them so they can deliver better results faster.

Develop: Development includes assessing performance drivers, and developing skills and knowledge for current and future roles.

Encourage: Encouragement involves providing clear direction, objectives, measures, etc., and supporting your team with the resources and time required for success. It also includes reinforcing desired behaviors with recognition and rewards.

Plan: Monitor people's performance over time and assess their situation and potential.

Transition: Migrate people to different roles to fit their needs/life stage, and the company's needs.

Evolve People, Plans and Practices to Capitalize on Changing Circumstances

The 100-day mark is a good moment to start thinking about how you are going to evolve your people, plans and practices over time to capitalize on changing circumstances. It's useful to set up a predictable rhythm. This allows people to spend less time worrying about the process and more time figuring out how to react and capitalize on the inevitable changes around them. Following are elements to consider on a regular basis:

- **People.** *Succession planning* involves aligning the longer-term organizational development plans with the longer-term (three-plus years) strategic plan. Do this on an annual basis.

  Performance management and talent review (one-year horizon, run annually) include tracking progress of the longer-term succession plan and the corresponding talent needs. Do this on an annual basis.

- **Plans.** Your *strategic review* involves conducting a detailed long-term look at the business (three-year horizon), which leads to choices around how to create and allocate resources over that longer-term horizon. Do this on an annual basis.

  Your *operational review* ensures that the right operational plans (one-year horizon) are in place that will enable you to deliver the next year's goals. Do this on an annual basis.

- **Practices.** *Business reviews and plan updates* include tracking progress in the context of the operational plan (one-year horizon) and making midcourse adjustments along the way. Do this quarterly.

  Milestone updates and adjustment require you to track the monthly milestones to keep the team focused on the most important things — as a team. Do this monthly.

Thinking about these things with these horizons allows you to have a good balance between long-term thinking and short-term execution.

Major changes that are enduring require a fundamental restart. These can be material changes in things like customer needs, competitors' strategies, or the economic, political or social environment in which you operate. They can be internal changes such as reorganizations or acquisitions. Whatever the change, hit a restart button. Go back to the beginning, do a full situation analysis, identify the key stakeholders, look at your message again, restart your communication campaign, and get your people, plans and practices realigned around the new purpose. Remember, the fittest adapt best.

RECOMMENDED READING LIST

If you liked *The New Leader's 100-Day Action Plan*, you'll also like:

1. ***Common Purpose* by Joel Kurtzman.** When a leader is able to bring about common purpose, the results are outsized, measurable and inspiring. Kurtzman offers strategic advice to implement the practice.
2. ***How the Best Leaders Lead* by Brian Tracy.** This celebrated author returns with essential knowledge that even experienced leaders need in order to improve performance.
3. ***The 21 Indispensable Qualities of a Leader* by John Maxwell.** Maxwell provides a concise, accessible leadership book that helps readers become more effective leaders from the inside out.

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The Next Normal

Greg Guiliano

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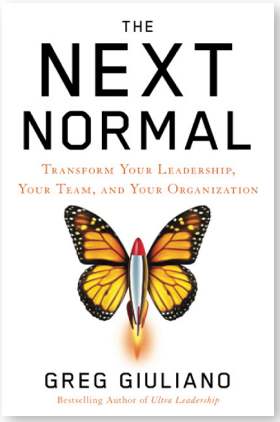
The Next Normal

Transform Your Leadership, Your Team, and Your Organization



by **Greg Guiliano**

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THE SUMMARY IN BRIEF

The journey of discovering your leadership impact and the work necessary to become a servant leader can be a struggle if you have no direction. We change our expectations of customers and employees at rapid rates, but often fail to adapt our leadership structure and organizations to these changes. Leaders have a role in the transformation process that takes place within themselves, the team, and the organization – without a clear roadmap, the transformation often never occurs.

Greg Giuliano lays out the changes that leaders need to make to embrace and provide space for discovery in his book, ***The Next Normal: Transform Your Leadership, Your Team, and Your Organization***, focusing on rethinking, resetting, and renewing leadership to facilitate the "next normal" as a step in the right direction.

IN THIS SUMMARY, YOU WILL LEARN:

- How change happens to us and sometimes because of us.
- How to go with the flow of change to maximize potential.
- How to rethink and reset your own journey as a leader.
- How to build and coach a high performing team.
- How to enable positive transformation for maximum impact in the organization.

Introduction

Sometimes change happens to us, and sometimes change happens because of us. The pandemic is a good example of change that happens to us – something we can't control. So many long for the times before COVID happened to us and focus all their energy trying to get back a world that no longer exists. This is a normal reaction to change, especially when it disrupts life. Professionals in the organizational change niche say that people don't fear change, they fear loss, which is a fair assumption – faced with change, people tend to fear their loss of control in situations. When we are comfortable in the status quo (comfort zone) any change threatens the livelihood that we create for ourselves there and we don't know what to do.

There comes a time when you have to undertake a journey of your own as a leader, rethinking and resetting how you approach your role. You have to analyze how to build and coach your high performing team while driving for change in your organization. This journey enables positive transformation within a team or organization but requires our own journey on the leadership side to create the process of personal transformation and continuous improvement – all of which result in creating a greater impact by leading intentionally.

Leading in the Next Normal

There are some basics you must define when you are creating your process – leadership, normal, next, rethink, reset, and renew. Leadership is a choice, one that takes courage; when you choose to be a leader, you step into the unknown. Leaders enable positive transformation for their organization, their team, and the individuals they lead. As a leader, you are creating the next normal for your team and organization.

"Normal" is the pattern of recurring events we view as our current state – our routine. For example, Pinky and The Brain had their routine, they were going to take over the world. It was laid out for them; they knew what they were going to do. That was their normal. When changes occur in our "normal", it disrupts our routines. The more we see change as normal, the more we, our teams, and our organizations will work to build the capability to shape and navigate continuous change.

To facilitate what comes next, leaders are required to see the current moment as the "point of no return" – which is what pre-pandemic days are to our new normal in life.

Like first responders who rush toward danger, as a leader, it is our responsibility to aim for and take on the challenges, even if they remove us from the status quo, we have become comfortable with. As a leader, the question in your mind should always be so, now what?

Driving Change

When driving change, there is right work and there is improved work – all working toward sustainable competitive advantages. To accomplish a real and sustainable competitive advantage, you have to encourage internal changes in how people and teams think, engage, and contribute. This is not an easy process and can be complicated, taking more time than leaders realize. The goal of the leader is not to enforce change but to get people to want to change.

When you begin to shape the next normal, you are making an announcement that something, or everything, will be different from that moment on. This announcement has an impact, but it can combat the situation of losing control in each situation and is necessary to help organizations change by facilitating the desire to change within its people. If you want to actively lead change, consider the best way to have a conversation about it and talk about change and transition with your team and with each person, being as clear and detailed as possible to avoid any confusion.

To drive change and empower people, remember the ABC's – align people, build bench strength, and coordinate action. Like they say, there is no "I" in team, approach everything as a "we". You are working towards driving change together, not forcing change in a way that disrupts the entire system. The organized approach provides the ability for people to adapt to change and develop a new mindset, and is an important part of the transformative leadership process.

The Gospel According to You (Your Leadership POV)

Leaders have the power to replicate and scale what they believe in order to impact the decisions and actions of hundreds or thousands of people. Your team likely knows your "gospel" and can recite it if asked. They repeat it down the chain of command, ensuring that the organizing principles you hold create a paradigm in which countless decisions are made about structure, culture, and capabilities.

To be a successful leader in the next normal, it requires some organizing principles:

- The Organization is a Living System
- Change is Normative
- Leading is a Balancing Act
- Build Bridges, Not Walls
- You're a Coach, Not a Machine Operator
- To Win is to Learn and Serve

When used together, the first three chapters provide the context for the work ahead of you as a leader seeking to change the way you approach the next normal. The next three chapters give you the framework for making a bigger impact by being more intentional about how you show up, what you focus on, and what you get done in your role.

Your Next Normal

In school, grades were given for academic work as well as "citizenship" grades. These grades were comprised of five elements – can think and act independently, follows directions, works and plays well with others, claims only their share of attention, and respects the rights and property of others. These grades came in letter form – S for satisfactory, N for needs improvement, and U for unsatisfactory. These types of grades follow us into adulthood, meaning we all have the tendency to grade one another on the "citizenship scale". Reflecting on this realization, asking questions, and discussing the answers with someone is how we continue to rethink, reset, and renew how we show up and create our next normal as leaders.

In most cases, we talk about a legacy as what we remember about people after they are gone. We talk about the legacy of our grandparents and parents, teachers and coaches, or historical figures we admired and looked up to. The truth – we are leaving a legacy all the time. The impact you make as a leader today is already leaving a legacy – but what is the impact you are making and how will it be looked back upon?

Transformative Leadership

In leadership, if you want to accelerate your career path, you must lean into developing your team leadership and human skills. There are several leaders in today's landscape who fail to grasp the lesson and approach their organization as a machine and the people as components or tools to be leveraged, rather than using them for empowerment. They direct them by telling them and see their issues as distractions versus the team that they should be building up and creating the conditions that enable working together in harmony to maximize potential.

One of the biggest mistakes seen in the realm of leadership is each person with the role working singularly – a group of leaders who report to the same person but do not work as a functioning team. They meet regularly and maneuver against one another for resources, remaining cordial with one another in the process but their sole focus is their own silo. To be a cohesive leadership team, there has to be a process of coming together and working together. There are four stages that drive team development, developed by Bruce Tuckman in the 1960s:

- Forming – the team comes together and forms in order to deliver on shared goals
- Storming – the team negotiates the principles, practices, and processes everyone will use in order to work well together
- Norming – the team arrives at an agreement on its "ways of working" – the principles, practices, and processes everyone will use to work together to deliver on shared goals
- Performing – the team operates according to its agreed principles, using agreed practices and processes to get stuff done

While most teams put almost zero thought into intention and defining high performance, the result is counterproductive processes, behaviors, and negatively impact team performance. Overcoming this lack of intention is the first step to moving forward and driving team development that enhances the organization.

Your Team's Next Normal

In your team's next normal, the goals need to be aligned so that it continues to take shape and everyone succeeds. The most successful teams always know where they are going and they are always getting better – interacting in a highly coordinated way. You want to see a team aligned around some clear guiding stars, well-provided for, and with the skill and will to cooperate and collaborate to deliver on shared goals.

As a leader, you are either making it easier for people to work together – or you are not. Set a cadence for regular

team meetings to review progress against priorities and commitments, and conduct 1:1s using their deliverables and development goals as context. Creating a team roadmap is a great way to organize and keep everyone on the same track to maximize success efforts. As a leader, it's a good idea for you to think through the sections of the roadmap on your own before addressing them with the members of the team. The roadmap lays out the mission, objectives, and key results for the business and the team as a whole. You don't want your team to buy into your roadmap, you want them to co-own the roadmap.

Be A Good Coach

As a leader, your position on the team is not as a mere teammate, but as the coach. The one who drives the plays and pushes team members to be their best selves. Project Oxygen was launched by Google in 2008 to identify what the most successful managers do to engage people and lead high-performing teams. In 2018 they revisited this, updating two behaviors and adding two more.

1. Be a good coach.
2. Empower; don't micromanage.
3. Create an inclusive team environment, showing concern for success and well-being.
4. Be productive and results-oriented.
5. Be a good communicator – listen and share information.
6. Support career development and discuss performance.
7. Have a clear vision/strategy for the team.
8. Have key technical skills to help advise the team.
9. Collaborate across the organization.
10. Be a strong decision-maker.

These ten behaviors align with the leadership practices that have been presented within these pages – align people, build bench strength, and coordinate action.

Conclusion

The leadership and team management system you're using communicates what you value and reinforces the behaviors you want to scale. By default, or by design, you are always shaping the next normal, the new "way" for your team. Using the principles, practices, and processes covered provide leaders with the way to rethink, reset, and renew your leadership, shaping the normal for your team. You can use the framework within the book to develop your plan for Ninety Days to Your Next Normal, which will help you and your team create the map necessary to drive change instead of it driving you.

Greg Giuliano is an advisor and executive coach to senior executives and teams all over the world, designing change leadership and team development strategies to lead organizational transformation. His mission is to help leaders and teams grow their capacity to enable positive disruption for markets, organizations, teams, and individuals.

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The Nokia Revolution

Dan Steinbock

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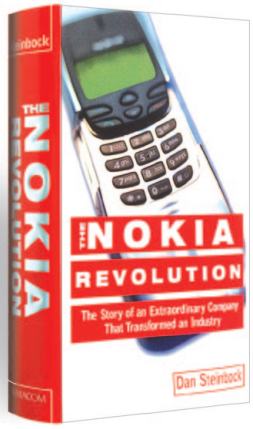
FILE: STRATEGIC MANAGEMENT



By Dan Steinbock

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Success Factors of an Extraordinary Company

THE NOKIA REVOLUTION

THE SUMMARY IN BRIEF

In its transformation from a small pulp mill in Finland to the leading worldwide force in cellular and mobile information technology, the Nokia Corp. has irrefutably redefined the term "evolution" in the context of global business.

In *The Nokia Revolution*, Dan Steinbock traces, with pinpoint detail, the steps Nokia took to gain and maintain its position at the head of such a rapidly changing technology field, as well as the occasional misstep that helped the company learn important lessons and come back stronger. Among the things that have made Nokia special are the following:

- **Strategic Intent.** As it moved into increasingly deregulated markets, Nokia faced a bevy of new challenges and competitive shifts, all of which it tackled by fearlessly addressing new opportunities outside its organization and a new process focus within its organization.
- **Global Focus.** Nokia's propensity for thriving in times of upheaval served it well in the cellular industry, where the company was forced to set global objectives or fall behind its competitors.
- **Strategic Market-Making.** By considering both unique competencies and market-based industry segments, Nokia's executive board hit upon a strategy that has served it well in a dynamic environment.
- **Focus on People.** Nokia treats human resource management issues with the same focus as it has tackled more strategic business issues. In doing so, the company has defined the key values and key challenges for its "Nokians" to address in the short- and long-term.
- **Global R&D.** At Nokia, research and development apply across the entire value chain, rather than simply in more technical sectors of the company, enabling the company to strike a necessary balance between technological factors of its business (upstream processes) and more people- or service-related factors (downstream processes).

Are you ready to learn how Nokia does it? Turn the page and get started ...

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THE NOKIA REVOLUTION

by Dan Steinbock

— THE *COMPLETE* SUMMARY

PART I: GLOBAL FOCUS STRATEGY

Strategic Intent: New Customers, New Rules

In the 1980s and 1990s, mobile communications markets were changing dramatically, and Nokia found itself having to change its structure and strategies in order to keep up. The company's leadership knew it had to transform its organization, developing new capabilities, building new strategic advantages on those capabilities, and globalizing its efforts. Nokia's customer focus — always a strong point — would need to become even stronger.

In this period, Nokia's customer base moved from the traditional, state-owned and regulated Postal, Telegraph and Telephone (PTT) customers to deregulated markets. As a result, it found lots of old rules changing.

- **Regulations.** Customers that were once driven by compliance to regulation were now free of those regulations; private sector customers replaced government-owned and -operated businesses as Nokia's chief customers and target audiences.
- **Orders.** Nokia could previously count on orders for a particular product line; as the market changed, customers demanded more integrated turnkey solutions on common platforms.
- **Work force.** In the past, the typical work force was technically driven. When the market shifted, so did the work force's specialties — away from strictly technical expertise, toward more business- and marketing-driven work.
- **Business cycles.** Prior to the change in the market, Nokia could rely on highly predictable order and delivery cycles. When the rules changed, so did those cycles, which became increasingly less predictable.
- **Competitive pressures.** Whereas Nokia's chief competition was national in nature before the mobile communications market changed, the market shift saw Nokia and its competitors forced to go global, to keep up with one another. The steady evolution of product prices and price structures eroded rapidly in this period, while delivery times grew increasingly faster. Service also became a key competitive issue; customers demanded higher levels of service than ever before, forcing Nokia and its competitors to comply or step aside.

Nokia addressed competitive shifts by fearlessly jumping into new opportunities as deregulation spread across Europe, enabling the company to establish strong footholds in the United Kingdom and Germany, among other newly open markets. By the late 1990s, Nokia was known for its ability to listen and respond to market developments in a rapid, efficient and flexible manner; the company was more agile and entrepreneurial than many of its large competitors — a trait not lost on customers looking for a flexible, responsive mobile communications vendor.

The Price of Success

Nokia's success caused its share of problems. By May 1996, the company experienced staggering drops in profit (a 70 percent decline in the first quarter) and operating profit (a 62 percent decline), which stemmed, in large part, from several years of hypergrowth and its accompanying logistics challenges:

- **Newer, larger work force.** In 1995 alone, Nokia added 7,000 employees to its work force to meet customer demand for its phones in Europe and Asia.
- **Productivity.** Problems with suppliers and delivery of components caused the company's productivity level to tail off considerably, from 15 percent to 3 percent.
- **A stagnant American market.** The market for digital handsets in the United States did not grow as expected, due to regulatory delays.
- **Cheap analog.** Analog phone manufacturers cut prices as much as 50 percent in this period, as the move to digital technology in many countries was hung up in regulations.

(continued on page 3)

The author: Dan Steinbock is an affiliate researcher at the Columbia Business School Institute for TeleInformation (CITI), and a visiting virtual professor at the Helsinki School of Economics and Business Administration. Steinbock is the author of *The Birth of Internet Marketing Communications* and *Triumph and Erosion in the American Media and Entertainment Industries.*

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Strategic Intent: New Customers, New Rules

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Despite understandable market anxiety, Nokia held firm to its focus strategy, even in the midst of its logistics problems, which the company understood, correctly, to have stemmed from its reorganization just prior to the market shift. The company's leadership knew it had to not only catch up and adapt to its external environment, it also had to upgrade and innovate its IT strategies, then align those strategies with a new strategic direction. ■

A Process-Driven Organization

The origins of Nokia's recovery and market superiority can be traced to 1992, when Mikko Kosonen, the company's vice president of corporate planning, launched an IT strategy study that helped move Nokia toward process-based management. The study identified two core business processes common to all businesses at Nokia Telecommunications: product development (R&D) and customer commitment (order fulfillment). This realization led to the institution of a new account management structure that would serve as an interface between all the company's divisions and their customers, rather than between the customer and a single product line, as had been the case in the past.

The goal of the study was to increase Nokia's customer orientation, looking at its businesses from the customer's perspective, leading to new performance measures that focused on customer value. Such a focus also benefited the company's efforts at innovation, which had always flowed through the entire value chain, rather than being strictly the responsibility of a product development or R&D arm.

Two Types of Operational Processes

By the mid-1990s, Nokia's operational processes could be divided into two broad types:

- **Business processes.** Processes associated with the physical or virtual creation of the product, its sale and transfer to the buyer, and post-sale servicing. In practice, they can be divided into upstream and downstream processes.
- **Corporate processes.** Processes that reinforce business activities by providing purchased inputs, technology development, human resources management and a variety of company-wide functions. In practice, these processes can be seen in management, performance measurement and control, HR management, and R&D activities.

Nokia put these processes into action in its process chain by firming up its commitment to partners, channels, suppliers and buyers, creating long-standing relationships through a commitment to customers. The next step was to turn the company into an industry giant. ■

Strategic Intent and Senior Management

In its attempts to move from old-style strategic planning to new management and strategic methods, Nokia's leadership recognized that simple cost-cutting measures were not enough to compensate for past excesses — the company simply had to develop future-driven strategies. Nokia needed strategic intent that would motivate every employee, not strategic memos drafted at headquarters for the investment community. Nokia's then-current capabilities and resources would not accomplish this.

In addition to restructuring efforts designed to cut costs, Nokia focused on three key themes in its strategic intent for future competition — globalization, strategy and structure, and volatile environments. These phases involved competing for intellectual leadership, shaping and shortening migration paths between current and future markets and industry structures, and competing for market power and position as new opportunities helped form new industry structures.

As part of developing a strategic intent, Nokia's leadership had to create a sense of urgency in a management environment that was, at best, skeptical. Titles were not important — teamwork was. Nokia challenged its managers to rely less on actual resources, concentrating instead on building resourcefulness, just as it had to exploit the pace at which new competitive advantages had to be built to deter rivals. Japanese companies in the 1970s and 1980s were able to create new global brand franchises in this manner; Nokia was eager to follow their example.

Global Focus: Nokia Targets Niche Markets

In global competition, short product life cycles forced companies to emphasize innovation, as well as to recognize new opportunities and exploit them with better timing. Because of high R&D costs, however, economies of scale were critical.

Nokia's leadership recognized that in this new environment, the ability to segment markets and target niche segments within those markets was a key success factor.

As Nokia saw a niche opportunity, it tailored its strategy to the narrow segment. Since the company was faster, more flexible and more responsive than its larger

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Global Focus: Nokia Targets Niche Markets

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competitors, it could use its niche to gain access to the entire market. In the course of this competitive effort, Nokia moved from low-end to high-end markets; while it kept many of its defense and government contracts, it also targeted customers around the globe as its cellular products got smaller and more popular.

How to Lead Globally

For Nokia's leadership, global growth strategies for companies in its high-technology markets encompassed several critical determinants, each of which precipitated Nokia's success in global wireless markets:

- **Set global objectives and enter lead market early.** Fast-growing challengers establish global orientation and objectives prior to the start of a high growth phase; they enter lead markets during the earliest phases of their evolution.
- **Exploit industry shifts.** Global challengers exploit first-mover advantage, optimizing industry shifts and achieving fast-paced growth.
- **Develop global products.** Global challengers must develop innovative, high-quality products and achieve rapid geographic spread for those products.
- **Build selective, functional foreign investments.** Global challengers must accumulate selective foreign assets and closely spaced investments, in order to sustain their competitive strategies.
- **Nurture global coordination and learning.** Global challengers must nurture global coordination and increase learning, distributing skills and developing global functional networks and a global mindset. ■

Strategic Market-Making

By 1999, Nokia was comprised of three core business groups — Nokia Networks, Nokia Mobile Phones and Nokia Communications Products — as well as a corporate research unit (Nokia Research Center, or NRC). While the company was well on its way to pioneering the mobile digital economy, its segment of "other operations" (most of which were contained within the Communications Products group) experienced a substantial operating loss that year. As a result, Nokia's leadership recognized that, to compete in rapidly expanding markets (such as the multimedia-enabled third-generation systems, or 3G, market), it would have to build new capabilities from scratch and prepare once again for organizational transition.

The company founded Nokia Ventures Organization (NVO), a five-part entity whose goals were to push the limits of Nokia's growth beyond the scope of its current businesses and to introduce and develop new business ideas. The NVO consisted of Internet and home communications entities, a mobile display appliances entity, and two venturing units — each reflecting the convergence of wide-area mobile communications and local-area computing, creating innovative types of high-speed mobile multimedia services.

Nokia also leveraged strategic leadership through its "collective mind" — its executive board, creating a flat yet potent organizational structure that has served the company well in the fast moving environments in which Nokia has so remarkably excelled. In the year 2000, the board consisted of chairman Jorma Ollila and eight chief executives, representing key strategic points throughout the company. Because the board members each bring something unique to the table, the entity as a collective is able to refine Nokia's corporate strategy on a continuous basis.

As Ollila and the board gained more experience in the industry and began to ponder the transition from traditional cellular businesses to the mobile Internet, Nokia's leadership aimed to create a "new management paradigm," designed to cope with developments and challenges in the dynamic markets into which the company was stretching. The paradigm combined two major schools of thought in strategic management:

The first school of thought was the resource-based view, which focused on unique competencies. Companies that bought into this view competed by maximal leverage of the competencies in current and/or future market spaces. The problems Nokia saw in focusing on this view alone were that it was too slow, too driven by past performance, and too focused on history.

The second school of thought was the market-based view, which focused on the most attractive industry seg-

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Rising Tigers, Falling Dragons

Nokia's global strategies in the mid-1990s were shaped mostly by the global business paradigm of strategist and consultant Jean-Pierre Jeannet. Jeannet noted that, in changing environmental circumstances, old-style vertical giants (or "dragons," in Jeannet's parlance) had been descending, while new-style horizontal players ("horizontal tigers") had been ascending. The horizontal tigers would dictate the future, he wrote, because companies would have to carefully pick the businesses they want to globalize — thus the shift from broad-based, unfocused businesses to niche companies focused on the global imperative.

Strategic Market-Making

(continued from page 4)

ments. Companies using this view compete by differentiation, low cost or focus.

Taken separately, neither view could meet the full range of Nokia's needs; when employed as a combination — as part of the company's market-making strategies — Nokia's leadership found a paradigm that could tackle head-on the new management challenges faced by global companies in fast-changing markets. The approach would allow the company to focus on both foresight and execution, and to compete by timing and speed — essential aspects for Nokia, which wanted to lead in rapidly evolving mobile cellular markets. ■

"Nokians" and Human Resource Management

Nokia's strategic intent would never have succeeded without its people; thus, the company has treated human resource management (HRM) issues as strategic issues, with the same focus it has used to tackle globalization and innovation. At Nokia, HRM encompasses value activities such as recruiting, hiring, training, development and compensation; it also supports business and corporate processes and the entire value chain. While the company struggled at first with inconsistencies arising from the dispersion of HRM activities throughout the company, it joined its internal forces in the effort to maintain four key values:

1. A drive to achieve customer satisfaction

2. Respect for the individual

3. Willingness to achieve and belief in continuous learning

4. Encouraging sharing (information and responsibility) and openness (to each other and to new ideas)

Nokia believes that the combined competencies of the whole organization, its operational mode, and efficient processes, serve as the foundation for future success and growth. This manifests itself in many ways: daily work is often carried out in cross-functional teams; social interaction skills are stalwart course materials in the Nokia Learning Centers; feedback is solicited from employees, and is acted upon.

Nokia also engaged its "Nokians" to identify critical challenges for companies operating in a rapid-growth environment, challenges that hold particular importance for Nokia. The challenges they identified were as follows:

- **Create organizational conditions for rapid growth.** Nokia must maintain its entrepreneurial spirit, creating an organizational structure that enables the expansion and increased number of employees that growth requires without slowing or stifling core processes.
- **Don't recruit — marinate.** Recruiting criteria should be kept clear. Employees must be aligned quickly with the processes and values of the company and must be able to deal with the kinds of unpredictability and uncertainty that accompany rapid growth. This alignment should be forged by team training at the beginning and end of orientation — a "marinating" that eliminates the boundaries between "work" and "learning."
- **Reinforce humility.** The history of the cellular industry is one of cyclical successes and failures. As companies boost their capabilities, it is easy for rigidity and, eventually, arrogance, to slip into the organization's operations, rendering it vulnerable to quicker, more innovative, less arrogant competitors. Nokians are trained to recognize external changes and respond rapidly to them; they are also trained to respect humility rather than arrogance. ■

PART II: TOWARD THE MOBILE INFORMATION SOCIETY

Nokia's Global R&D

In most companies, research and development (R&D) encompasses a range of activities, reflecting efforts to improve products and processes. At Nokia, R&D applies across the entire value chain, rather than just the traditional engineering department, influencing both the upstream (operations, logistics, new product development) and downstream (marketing, sales, service) processes in unique and strategic ways.

Nokia's R&D activities increased steadily throughout the 1990s, even as the national innovation system in the company's home country of Finland also increased (up to 3 percent of GDP by 1998); indeed, it can be said that the growth of Finnish R&D was, for all practical purposes, driven by the expansion of Nokia. Nokia's innovation strategies integrated R&D into the entire corporate structure, across business units and particularly at the NRC, where its many innovation-related activities embodied the entrepreneurial spirit of a small organization expanding to meet the needs of the global environment.

Nokia often spends less on R&D than its rivals. At the height of its focus on cellular technologies, Nokia spent between four to seven percent of its revenues on R&D, far behind the 16 percent investment made by close competitor Ericsson by the end of the 1990s. What Nokia's R&D efforts lack in comparative funding, they compensate for in efficiencies in leveraging and exploit-

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Nokia's Global R&D

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ing new knowledge. The company's R&D strategy was to develop generic platforms that could be quickly adapted to different standards. Nokia also chose to focus on software development, the primary value-added component in a handset. This allowed Nokia to concentrate its R&D on high-margin, high-quality products, while selling older models to the low-end market.

Nokia's global network of R&D outposts also distinguishes it from many of its competitors. Whereas in the past, many industry leaders have located their R&D activities in their home base, close to where strategic decisions are made, by the end of the 1990s, many established R&D networks were housed in foreign countries, to tap valuable wells of knowledge and/or address needs specific to that market. Nokia is no different although, considering the successes for which their network has been responsible, the company has not released information on the location or on its key R&D programs, due to competitive interests.

When selecting new R&D sites, contemporary global companies tend to find it helpful to carefully articulate the primary objective of each site. While Nokia's R&D expenditures have been dwarfed by competitors like Ericsson, its successes have come because each site has developed objectives based on a radical approach, one that relied on three central tenets:

- **Focus on applied science.** Throughout the 1990s, Nokia's R&D became increasingly focused, practical, and applied, and continued to be extended globally though networked research communities and intensified collaboration.
- **Diverse base of suppliers and partners.** The importance Nokia placed on platforms triggered a wide array of technology and standards coalitions, mirroring an industry-wide push toward using an increasingly diverse base of suppliers and partners to foster innovation.
- **Tightly knit teams.** Industry leaders often form tightly knit teams of experts to develop new generations of major products and processes, teams that provide a knowledge center and continuity over several generations of products. At Nokia, the significance of the executive board, as well as key product process and customer commitment teams, has been extraordinary.

The team aspect of Nokia's R&D efforts are of particular interest. The common denominator of Nokia's R&D stems from concurrent engineering efforts in which product development, sales, and production units act in cooperation, from the beginning of a project to its conclusion. For example, when product development begins, so does marketing planning; sales is also involved, explaining how features might be embedded in a product, to make it easier for customers to use.

While these different business units might approach R&D from different angles, the R&D process chain itself consists of three phases:

1. Research and technologies (the initial generic development level).

2. Technology and platforms (defining goals and looking beyond immediate product development).

3. Concurrent engineering (focusing advanced product development on creating products that fulfill customer needs. This approach is intended to cause developers, from the outset, to consider all elements of the product life cycle, from conception through disposal). ■

Upstream Innovation

With a process chain that was designed to satisfy existing and potential customer needs, Nokia has been active in both upstream and downstream innovation. Its upstream efforts have been focused not on technology innovation (which has been more prominent for competitors like Ericsson and Motorola), but in the building of new capabilities and the leveraging of strategic standards coalitions.

Building New Capabilities

Nokia's approach to creating and sustaining its vision of the mobile information society has always followed a single motto — "Look at the next challenge." For example, the company's efforts to develop a portable machine that could utilize Internet and computer technologies (first seen in the Nokia Communicator in 1996) stemmed from Nokia's ability to build new capabilities by doing three key things: managing development capabilities, moving from development to product usage, and fostering growth opportunities that emanated from those efforts.

In the turbulent cellular environment, superior management of development capabilities was Nokia's key to competitive advantage. Development projects in most companies tend to fall into one of five categories:

- **Applied research or advanced development projects.** These projects aim at inventing new science or capturing new know-how for application in specific development projects.
- **Alliance or partnered projects.** These projects find the company "buying" a newly designed product and/or process from another firm to leverage in-house development efforts. Nokia's efforts with Bluetooth, Symbian, and others are an example of a partnered approach.
- **Breakthrough development projects.** These projects create the first generation of an entirely new product and process, breaking new conceptual and/or tech-

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Upstream Innovation

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nological ground for the company, as the Communicator did for Nokia.

● **Platform or generational development projects.** These projects typically have a design life of several years and establish the basic architecture for a set of derivative projects to follow.

● **Derivative development projects.** The projects, such as Nokia's niche product lines, tend to be significantly narrower in scope and resource requirements than platform projects.

Nokia, like many other technology companies, understands that long-term success depends on the sustained ability to build on excellent products, a capabilities-to-development continuum that is fueled by great people, as well as through what it termed "transformational acquisitions." In the late 1990s, Nokia proceeded through this dual development of capabilities in five phases:

● **Assessment of acquisition needs.** These predevelopment investigations (of market, technologies, etc.) made use of information available through external channels (venture capitalists, customers, channel intermediaries, etc.).

● **Expansion of due diligence.** In this phase, Nokia identified potential targets and defined capability requirements

● **Integration and retention.** In this phase, Nokia's focus moved to the internal organization (on such issues as cooperative work efforts), in order to integrate the target company into Nokia's capabilities and to retain key employees.

● **Development projects.** Nokia's focus shifted in the fourth stage to individual projects seeking to meet goals on timing, budget, and performance.

● **New product introductions.** In this last phase, the role of the business unit diminished as focus shifted toward introducing new products into the marketplace. Conversely, other units (logistics, marketing, etc.) began to play a larger part.

It was this view of acquisition that would motivate Nokia's interest in Silicon Valley in the late 1990s, elevating their investigation of and investments in new businesses and technologies by establishing the NVO, a separate organization running parallel to the company's other three core business groups, whose purpose was to foster growth opportunities beyond the scope of the existing business groups. The NVO sought to develop areas with growth potential over a five year period, exploring new business areas facilitating future growth and boosting Nokia's product and business development in key areas, including the Internet, mobile display appliances, and multimedia terminals.

Nokia's R&D Misstep

Since the 1980s, Nokia's R&D has played a critical role in executing the company's strategic intent, especially in scenarios for the future. The company's successes, however, were not achieved without some failures.

One of those was "Nokia Future Watch," a state-of-the-art strategy and knowledge-creating project vital to the NRC. The failure of this project illustrates the fact that companies must sometimes gamble on the future in emerging markets, and that, sometimes, that gamble does not pay off.

Standards Coalitions

Nokia's other upstream strength lies in its development of and participation in standards coalitions; indeed, over time, the company has co-opted rivals into strategic alliances and identified key technologies that have led to the creation of key coalitions, including the following:

● **Symbian.** Nokia cobbled together a coalition of its closest competitors, along with palmtop software maker Psion and electronics giant Matsushita, to found Symbian, a company designed to speed up the evolution of wireless information devices. In the course of Symbian's development efforts, Nokia took a dominating role in the creation of such future-looking terminals as featurephones, smartphones and communicators.

● **Bluetooth.** Nokia also co-launched this consortium for wireless connectivity, which consists of nearly 1,200 active members, aiming to create an open standard for short-range communications between different electronic devices.

● **WAP.** The Wireless Application Protocol is the communication standard that allows mobile phones to have access to the Internet. This standard came about as a result of cooperation between Nokia, Ericsson, and Motorola, but it was Nokia's active leadership in developing the standard that enabled it to bridge the gap between second- and third-generation markets.

In technology sectors, complexity requires cooperation. Nokia obtained from external sources those complexities that had become too costly in terms of strategic flexibility and financial resources. They expected their coalitions to unlock benefits unobtainable through internal means, or by simple mergers. In particular, the company sought five kinds of benefits:

● **Access to expertise.** Strategic coalitions enable the participants to acquire, pool, or sell access to the knowledge or ability to perform activities. For Nokia, access

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Upstream Innovation

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to knowledge likely contributed to its involvement with Symbian, which allowed the company to catch up with handheld technology leaders.

● **Scale economies and learning.** Pooling volume serves to raise the scale of the activity or the rate of learning about how to perform over that of each company operating separately.

● **Shaping rivalry.** Companies employ coalitions to help others entering an industry to develop a technology that would affect its competitors' business, or to shape competition in their favor.

● **Risk reduction.** Because no single partner bears the full risk and cost of the coalition activity, such partnerships provide attractive mechanisms to reduce risk.

● **Upstream standardization.** This benefit was unique to Nokia, in that, by initiating upstream coalitions and promoting open standards built on externalization, Nokia has weakened its competitor's strengths (upstream innovation) while increasing its own (downstream innovation). ■

Downstream Innovation

In anticipation of new products and markets, Nokia does not proceed from upstream to downstream processes (technology over customers), but from downstream to upstream (customers over technology). Two key areas in which this approach is evident are in the company's strategies on market segmentation and branding.

Market Segmentation

From the beginning of the cellular era, Nokia excelled in product and market segmentation, because the company listened to its customers, anticipated needs and met them head-on. In this customer-focused approach, marketing strategy has played a critical role, in terms of the type and timing of segmentation, particularly in the following areas:

● **Lifestyle.** Nokia's market strategies have been focused on researching how their customers use their products in real life situations. Only by listening to and understanding its customers can the company obtain the specific information needed to differentiate its products from competitors on the basis of usage and needs.

● **Design.** Using its unerring focus on the needs of its customers, Nokia developed creative product designs that fulfilled those needs, enabling buyers to gain real benefits from those products.

● **Technology-Adoption Life Cycles.** In transitioning between upstream and downstream activities, Nokia found it had to deal with a chasm framework focused on the gaps between different life-cycle markets: moving from business-to-business to consumer markets, and maintaining its industry leadership by creating new product generations. Nokia bridged the chasm by developing a model of its target customers, then developing strategies to capture the lead segments in each target, enabling their products to "trickle down" to other segments as well.

Standardization and Downstream Innovation

Unlike some of its key cellular rivals, Nokia has opted not to run its own semiconductor production, choosing instead to purchase components from outside vendors. While the company has been able to avoid the heavy expenditures and risks inherent to semiconductors, it is nevertheless more vulnerable than its competitors to distribution and market fluctuations.

This decision is, however, typical of Nokia's emphasis on downstream innovation, at the expense of upstream innovation; while its rivals have developed new technologies, Nokia has been more intent on listening to its customers.

Branding

Early in the cellular age, Nokia's key branding objective was to make its mobile phones a global brand product, with the key messages being inspired technology, ease of use and durability. It — like such brand leaders as Nike, Daimler-Benz, and Phillip Morris before it — marketed its products as a single brand, considering the brand in every aspect of the value chain, from design to production to distribution. Such a holistic approach to branding dictated that Nokia would have to penetrate its entire organization with its unifying branding message.

By attempting to brand its entire company, Nokia focused on several distinct strategic endeavors, including the following:

● **Listening to the customer.** The point was not how a certain technology worked, but whether or not it contributed to customer satisfaction. Cellular standards would change and shift, but brand awareness would not.

● **Consistent look and feel.** Nokia's branding made sure the look and feel of its mobile phones would be the same worldwide. Although each market had its own unique requirements, there were sufficient similarities for a single, unified approach to branding.

● **Communicating humanity.** Rather than focus on the technical features of their products, Nokia sought to communicate in its branding the emotional benefits of purchasing a Nokia product. Their phones were "most human," "designed for you and I," etc. ■

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The Pause Principle

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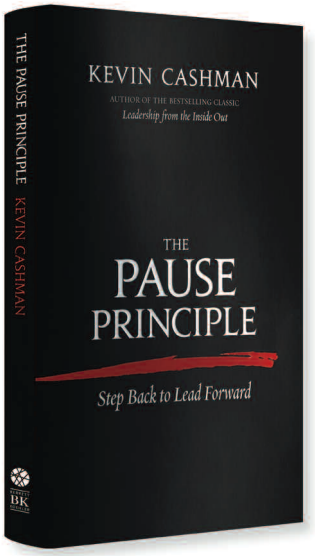
The Pause Principle

Step Back to Lead Forward



by Kevin Cashman

THE SUMMARY IN BRIEF

We live and lead in an increasingly volatile, uncertain, complex and ambiguous world. But paradoxically, Kevin Cashman contends that leaders today must not merely act more quickly, but pause more deeply. He details a catalytic process to guide you to step back in order to lead forward in three critical growth areas: strengthening personal leadership, developing others and fostering cultures of innovation. You and your organization will learn to move from management speed and transaction to leadership significance and transformation.

According to Cashman, *The Pause Principle* can be a life-changing leadership experience, but it is one that requires "an intentional, conscious stepping back to go deeply into yourself, your leadership and the world you touch in order to lead forward with deliberate purpose."

Cashman believes pause powers performance. By harnessing the Pause Principle, you give yourself and your team the ability to stop the speeding train of business before it derails. *The Pause Principle* offers support for the belief that the best way to successfully move ahead is to slow down.

With *The Pause Principle*, you can activate the latent power of pause and embody its enriching properties for your leadership, and the future of your business and its teams.

IN THIS SUMMARY, YOU WILL LEARN:

- How to use the Pause Principle to revitalize leadership and bring VUCA (Vision, Understanding, Clarity, Agility) to your team.
- The seven Pause Practices that breathe life into the workplace and grow self, others and a culture of innovation.
- How to harness the transformative force of purpose.
- The three interrelated pauses for growing others.
- How to shift focus and open up possibilities to help create a culture of innovation at your organization.

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THE COMPLETE SUMMARY: **THE PAUSE PRINCIPLE**

by Kevin Cashman

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Introducing the Pause Principle

Too often, we take for granted our simplest yet most profound and transformative human capabilities. Sleep, for instance, is, on the surface, very simple. Our superficial analysis of sleep says, "Yeah, no big deal. We rest and wake up. So what?" But take a moment to consider how profound sleep really is. Every night, we go to sleep fatigued and possibly stressed from the day. When we awaken, we feel completely rejuvenated.

What sleep is to the mind and body, pause is to leadership and innovation. Pause transforms management into leadership and the status quo into new realities. Pause, the natural capability to step back in order to move forward with greater clarity, momentum and impact, holds the creative power to reframe and refresh how we see ourselves and our relationships, our challenges, our capacities, our organizations and missions within a larger context. While losing touch with our ability to pause may be less obvious than losing our ability to rest, it can be just as devastating. In our fast-paced, achieve-more-now culture, the loss of pause potential is epidemic.

The demanding pace for global leaders has never been more challenging. Digitally connected every moment, we are increasingly tied to a 24-hour global clock. We are expected to perform continually in the face of global crises and multifaceted pressures, including downsizing and mergers, and the related stresses and expectations. The list of demands, personal and professional, never ends. This is the "new normal." Could it be that going faster and driving harder are not the answers? Could there be another way to creatively sustain high performance? Could it be that the source of our real value as leaders might come from different thinking and different choices rather than from perpetuation of the incessant pace we are straining to maintain?

Flipping the VUCA Forces

For several years, I had the privilege of being a keynote speaker at one of the Army War College's leadership programs. I was humbled by how much I learned there, particularly about character-driven leadership and a potent perspective of our world called "VUCA." Borrowing this term from the Army War College, Bob Johansen, 10-year forecaster and author of *Get There Early*, has characterized the speed- and action-oriented, fast-changing, demanding world we lead in today as a "VUCA world: Volatile; Unpredictable; Complex; Ambiguous." Our addiction to action, our busy-ness, our preoccupation with incessant distractions and pursuit of the ubiquitous "more" in our 24/7, constantly connected, globally caffeinated culture conspire to diminish rather than strengthen our leadership capacities. We challenge ourselves to keep up and even hasten the grueling pace, and, frankly, we rationalize that it comes with the territory. Paradoxically, the job of leaders is to bring clarity to all of this chaos. Warren Bennis mentors, "Leaders bring clarity and hope" — No easy task in the vortex of VUCA.

Johansen contends that we have "to flip the VUCA forces to terms that create possibilities and redefine VUCA as: Vision; Understanding; Clarity; Agility." But, how do we bring about this transformation? Pause — a step back to lead forward — a transformative, pragmatic, albeit paradoxical principle for sorting through complexity and coming into conscious connection with what is important.

For most leaders, at first glance, pausing to elevate performance is incongruous with their leadership DNA,

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor and Contributing Editor; **Amanda Langen**, Graphic Designer

especially for the most productive, highest achievers. Why would pragmatic, hard-charging, achievement-driven leaders pause in order to accelerate performance and growth? Put simply, that is exactly what is needed to sort through complexity and then drive performance to the next level. If leaders today do not step back to gain fresh perspective and to transcend the immediacies of life, we will continue to crash economically, personally and collectively. Our downside survival and upside innovation depend on transformative pause. Certainly, we need to do more to meet the demands of high-performance, complex problems, and innovation, but in today's world, the doing needs to be new and different.

Creating a New Normal

Pause is a universal principle inherent in living, creative systems. It is part of the order, value and growth that arises from slowing down and stepping back. Like any valuable resource, yet unrecognized and therefore neglected, we have to explore and discover its pragmatic uses in order to experience its value-creating impact.

The Pause Principle is the conscious, intentional process of stepping back, within ourselves and outside of ourselves, to lead forward with greater authenticity, purpose and contribution.

What Does Pragmatic Pause Look Like?

David Rothenberger, M.D., a surgeon at the University of Minnesota, has partnered with clinicians across the Fairview Health System to share a powerful pause practice recently established for all surgical procedures. "Brief" is a few moments taken before every surgical procedure to make sure that everyone on the surgical team, everyone in the room, understands why they are there, what the procedure is and what their shared goal is. "Brief" connects everyone to the value of their individual roles, as well as to their combined impact as a team. In addition to reconnecting everyone to a deeper sense of purpose and meaning in their healing mission, it shifts their mindset from a hero mentality to a collaborative one and serves the vital objective of increasing the percentages of more positive outcomes.

Karen Kimsey-House, co-founder and CEO of the Coaches Training Institute, likes to build in a structure to reflect, create and connect with vision, purpose and direction. She takes retreats, sometimes as long as 11 days, "to stop, to be and to reflect" because she returns with expanded vision and new ideas for direction. Rohinish Hooda, vice president, U.S. sales and marketing, Ethicon Biosurgery, Johnson & Johnson, incorporates a continuous practice of pausing to question and think. He has initiated BIG — Biosurgery Idea Gurus — as a way to bring together many people working in different aspects of biosurgery to pause to share ideas and gain different perspectives in hopes that this collaboration will energize and accelerate innovation.

These leaders are conscious, pragmatic practitioners of pause, and we think they are examples of what is to come. In an article on reshaping the workplace for *The New York Times*, David Allen contends that we need more space, figuratively and literally, to counter "the dizzying number of [technological] options" that overwhelm us. He says that, paradoxically, they don't necessarily make us more productive. In fact, they are paralyzing. There is an antidote, "but it's not going to come from the usual quarters. To be successful in the new world of work, we need to create a structure for capturing, clarifying, and organizing all the forces that assail us; and to ensure time and space for thinking, reflecting and decision-making." ●

Step Back to Lead Forward: Seven Pause Practices

We have isolated Seven Pause Practices that support the meta-pause principle: Step back to lead forward. These practices are the pragmatic ways to breathe life into each growth area: grow self, grow others and grow cultures of innovation. The applications are unique to each domain. The Seven Pause Practices are:

1. Be On-Purpose. Purpose is the intersection of competency and contribution that aspires to achieve something bigger, something beyond us. Purpose gives context, drive and meaning to personal growth, talent growth and growth of innovation. It may be the most important, most far-reaching transformative pause of all.

2. Question and Listen. Questions are the probing language of pause, forcing us to step back, reframe, revision and reconsider. Listening is the receptive language of pause. Listening is the incubator for growing clarity out of complexity.

3. Risk Experimentation. Managers minimize risk and experimentation to increase predictability; leaders monitor risk and accelerate experimentation to foster breakthrough. Risking experimentation is pausing at the edgy, uncomfortable intersection of current reality and future reality.

4. Reflect and Synthesize. Great leaders take the time to incubate analysis to discover higher-order, more strategic, forward-thinking solutions. Reflective synthesis is equally important for leaders to develop self-aware-

ness, talent awareness and innovation breakthroughs. Reflection and synthesis hold the keys to unlock the doors of authenticity, transformation and innovation.

5. Consider Inside-Out and Outside-In Dynamics. Pausing to more deeply consider internal and external information creates a greater likelihood for profound personal, strategic, interpersonal and organization growth.

6. Foster Generativity. A generative leader pauses to prepare the next generation more than he or she pauses for personal success. Generative pause fosters a rich atmosphere for human potential to flourish.

7. Be Authentic. Once a leader becomes what he or she wants others to aspire to, the attractive force is irresistible and people rush in to engage and contribute.

Pause to Grow Personal Leadership

Pausing for self-awareness is like unlocking the doors to a series of rooms. While reflective pause is the key to unlocking self-awareness, self-awareness in turn opens the doorways to authenticity, character and purpose. Personal leadership growth is the ongoing process of being and becoming a more authentic leader.

Self-awareness is the most crucial developmental breakthrough for accelerating personal leadership growth and authenticity. Learning to pause to build self-awareness is a lifelong, evolving process.

Why is self-awareness so tough to practice? As Bill George, former Medtronic CEO and best-selling author of *True North,* explains,

Discovering our authentic leadership requires us to test ourselves, our values and our beliefs through real world experiences. This is not an easy process as we are constantly buffeted by the demands of the external world, the model of success that others hold for us, and our search to discover the truth. Because there is no map or direct path between where you are now and where you will go on your leadership journey, you need a compass to keep you focused on your True North and get back on track when you are pulled off by external forces or are at risk of being derailed.

Expanding the Light for a Broader View

In *The Social Animal*, David Brooks brilliantly synthesizes recent research in various scientific disciplines to explore how human beings understand themselves and see their world. He relates Alison Gopnik's insight that "adults have searchlight consciousness," while young children have "lantern consciousness" that "illuminates outward in all directions — a vivid panorama of awareness of everything."

What if we extended the circumference, the reach of light, to expand our awareness? For self-awareness to be real, authentic and grounded, it must be gained from both the inside-out and outside-in. That is why it is important to pause and reflect intently on values, beliefs, patterns, characteristics and personal history for an inside-out view, and just as important to pause to gain feedback, perspective and insight from others for an outside-in view. This continuous, infinite, self-regulating loop of self-awareness from both the "I" (inside-out) and "We" (outside-in) perspectives helps us come closer to authentic self-awareness. Since we can rarely fully govern external events, as leaders we are left principally to govern ourselves; pausing for self-awareness is authentic governance.

What Is This Thing Called Character?

Competencies get us to the doorway of leadership, but character is the key to unlocking the door of leadership. So what is this thing we call "character"? It is our most authentic, unvarnished, non-spin-doctored self. Many leaders' characters would barely recognize their reputations if they met on the street!

Too often, we idealize or vilify the character of others, which distracts us from facing our own character development. Pausing to get a picture of our own character, strengths and weaknesses is a crucial aspect of self-awareness and authenticity.

While most of us wholeheartedly endorse character as critical to leadership, and most of us require it in the leaders we work for and seek out, few leaders consciously evaluate and seek to develop their own character. Character and authenticity are very slippery subjects. We tend to expect these character qualities in others and require them in leaders, but rarely do we hold ourselves to the same standard.

A CEO of a major company told us that pausing helped her to see decision-making processes from a new perspective. She learned that pausing "strengthened her muscle of intention, instead of leaving choices and their impact to happenstance." Pausing to understand where her leadership is coming from — character or coping — has been a most valuable awareness.

Character is the essence or core of the leader. Character is deeper and broader than any action or achievement; it springs from the essential nature of the person. When we are leading from our character, we exude qualities of authenticity, purpose, openness, trust, courage, congruence and compassion.

Coping, on the other hand, protects us and helps us get through challenging circumstances. In this sense, it has value and, if used sparingly and appropriately, will serve our needs. Coping works like a muscle. We need to use it at times, but if we overuse it the muscle will collapse. Qualities of coping include concern for image, safety, security, comfort or control. The coping leader may get results but may also exhibit undue defensiveness, fear, withdrawal, or a desire to win at all costs. He or she may exclude certain people and perceive mainly win/lose scenarios.

Both approaches to leadership — leading with character and leading by coping — can get results. Coping, in itself, is not bad and may be needed in certain situations. However, character is a much better master and coping is a much better servant for leadership.

Both character and coping are present in most leadership situations. However, we need to step back and ask ourselves, "Which one is my master and which one is my servant?" When we pause to consciously make character the master of our leadership and coping the servant, we lead forward with more value creation.

Purpose: The Transformative Force of Leadership

Pausing for purpose is the essential transformational force of leadership. Purpose elevates leaders to go from self to service and compels leaders to move from success to significance.

Steve Jobs is deservedly regarded as the business and cultural icon of innovation. What drove his innovation? His interviews with his biographer Walter Isaacson and reports by others who knew him reveal how much he was driven by beauty and aesthetics. Who else but an artist could create devices that were so human-centric and human-serving? His purposeful drive to "put a dent in the universe" was fueled by the "artist's ideal" for beauty, elegance and essence.

Jobs's purpose endured throughout great personal trauma. In the intensive care unit toward the end of his life, he asked for a notepad. He drew devices to hold the iPad on a hospital bed; he redesigned fluid monitors and X-ray equipment. Jobs's purpose, his drive to make a value-creating difference, was breaking through, seeking expression to the very end.

What Is This Thing Called Core Purpose?

Leaders rarely fail due to lack of talent; success or failure is mainly the domain of character, values and purpose. Core purpose is the high-performance intersection of a leader's core strengths in service of his or her core values. Core purpose is the sweet spot of leadership, where the whole person is present, self-aware and bringing his or her talents to bear by serving what is most important. Take a moment to remember the times your energy was high, your sense of contribution was clear and your value-creating impact was great.

Howard Schultz, CEO of Starbucks, says that at the core for him is his deep love for the company and a sense of responsibility to its people. "People want to be part of something larger than themselves *if they believe in it*. There has to be an emotional connection that is based on truth and authenticity, and, obviously, trust." ●

Pause to Grow Others

During the writing of this book, I was working with an executive in China who was working on pause practices to accelerate his goal of developing leadership in others. He surprised me with this perceptive insight, "Leadership is like cooking a fish. Once one begins preparing the fish, it is best not to interfere too much. It is very important not to overcontrol it or overwork it. It is best to start cooking, step back, turn it once, and let it finish. It is the Taoist principle of Wu Wei, the principle of least action. See the work. Do the work. Don't interfere too much. Success comes by doing just enough, not too much." In growing others, particularly high-potential talent, often less is more.

The Power of Synergy

Sometimes pause feels a bit magical, like we are in the "zone," when every member of the team brings forth his or her best talents and effort, and working together we create something greater, more surprising and spectacular than we could ever do on our own.

Karen Kimsey-House, CEO of Coaches Training Institute, the world's largest trainer of coaches, described that special connection or synergy this way: "When we are all connected to each other and our purpose, the whole transcends the parts." She shared a great story of how her intuition to pause energized her team and ultimately catalyzed their synergy. She and her team were seated around the table for a strategizing and curriculum planning session. "I could feel something was off. Everyone was stressed to the max. I could tell that whatever was on their minds and in their hearts was in the way."

Wisely, Kimsey-House suggested that everyone take a deep breath and step back for a little while. She asked, "What's really going on? How are you feeling? Are there some things we need to talk about here?" Around

the table they went and, one by one, each leader talked about whatever was topmost on his or her mind. Some people were feeling overwhelmed, others were grieving recent changes, and others were feeling disconnected and anxious. Kinsey-House had the courage and insight to realize that everyone needed to reconnect to themselves, to each other and to their common purpose. The process took about 30 minutes. Having taken that time to connect, their creativity, energy and resources were available again. They were able to refocus wholeheartedly on their work because they connected to the value of what they create together and its potential impact on the world.

Growing Others Begins with Self-Growth

Most change begins with self-change and most growth begins with self-growth. No amount of growing others will compensate for a leader's lack of self-growth. As enterprise leaders, our own advancing personal growth directly influences the dynamic capacity for organizational growth. Before we can grow authenticity and purpose in others, we must dedicate ourselves to our own growth of authenticity and purpose. If we do, our development of others will be powerful and our credibility will be well earned. We must become the leaders we wish to see in our organizations, and from this credible, solid platform, we can then accelerate the development of others.

The Language of Growing Others: The Language of Pause

The two most valuable pause tools for fostering the growth of others are questions and listening. Questions are the expressive, probing language for growing others; listening is the receptive, facilitating language for growing others. These two complementary approaches form a continuous growth conversation loop. The deeper the questions, the deeper the listening; the deeper the listening, the deeper the next question. As we mutually dig together with each tool, we mutually excavate new discoveries. As a result, the learning is never one-sided; it is a co-created process that engenders empathy, trust, and collaboration.

Research confirms that a startling 67 percent of new leaders in organizations fail within 18 months. Why? Lack of listening. Why do teams usually break down? Poor listening.

We have observed three common pitfalls that inhibit people from stepping back for authentic listening:

Listening Pitfall 1: Hyper Self-Confidence. When we see ourselves as the quintessential expert, the most experienced or accurate person in the room, we position ourselves to fall into a listening black hole. The kiss of death for collaboration, connection and innovation, is moving too quickly to our own perceived "right" answer. Slow down, and challenge yourself to pause and to listen a few minutes longer to move from transaction or hyperaction to transformation.

Listening Pitfall 2: Impatience and Boredom. When conversations or meetings don't reflect our point of view or are not intellectually challenging enough, we may get impatient or bored. If we are too caught up in our judgmental self-conversation, we can never really genuinely listen and hear what is going on around us. Fight your impatience and boredom by looking deeper. Pause to question: What are they seeing and understanding that I don't see? What are the beliefs underneath what is being said?

Listening Pitfall 3: Bias for Action. Sometimes listening is challenging because we want to do something, not just hear about it. Our hyperactive impulses derive from our certainty that we know the solution and reactively want to implement it. However, as a senior leader, when facing a complexity and/or a maturing team, it isn't always optimal to rush in with the answers, unintentionally creating dependency, stunting the growth of others and sacrificing transformative breakthroughs. Pause a bit longer to let groups struggle and

Three Interrelated Pauses for Growing Others

Use Questions and Listening to Build Awareness. To help people grow, stay out of the expert, mentor role and pause to help people sort out their current situations.

Use Questions and Listening to Build Commitment. Building commitment begins with helping people to consider the consequences of their actions. However, it is not enough to help others understand intellectually that if they continue on the same course, they're going to fall short of their goals.

Use Questions and Listening to Build Practice. Without practice, there is no transformation. Pausing to help others identify what to practice breathes life, vitality and momentum into their new awareness and commitment. The people we are helping to grow can be fully aware and committed to noble goals, but if we fail to consistently give them the opportunity to practice new behaviors, it is like lighting a lamp and closing our eyes.

strain more as they explore ideas, options and deeper solutions. Listen to how they are collaborating, resolving conflict and problem solving. ●

Pause to Grow Cultures of Innovation

The world belongs to the most innovative. In today's VUCA world, efficiency is the mark of management, whereas innovation is the hallmark of leadership. In fact, in today's nonstop, globally connected business climate, sustainability rests on innovation. Without incessant innovation, the wave of someone else's innovation will overtake us. Innovation is no longer merely a distinguishing difference for organizations; it is the enduring difference. But where is this innovation going to come from? From the rare genius-like inventors? Or from a culture of curious learners who are so passionate, engaged, and purposeful that they can continually redefine and reinvent?

Purpose Drives Innovative Cultures

Ray Anderson has become a legend and an inspiration. Yet, if you had heard him speak at TED in 2009, he would have told you that he is an industrial engineer, an entrepreneur, "who went from being a plunderer, a recovering plunderer, thanks to the people at Interface, to America's Greenest CEO in five years."

In 1994, at age 60, Anderson, who was then CEO and founder of Interface, Inc., changed the course of his publicly held, industry-leading, highly profitable floor-covering company. As he described it, "I wanted Interface, a company so oil-intensive you could think of it as an extension of the petrochemical industry, to be the first enterprise in history to become truly sustainable — to shut down the smokestacks, close off its effluent pipes, to do no harm to the environment and take nothing not easily renewed by the earth."

Anderson was an innovator from the get-go. He started his company in 1973 with an idea that challenged the status quo in the carpet industry. He dared to think that carpet could be made in modular squares, not only rolls, totally transforming the flooring industry.

Pausing to read a book can ignite the spark that catalyzes radical innovation. In 1994, Anderson was reading Paul Hawken's book, *The Ecology of Commerce*, in preparation for a talk to an Interface task force on the company's environmental vision. They had none and customers were questioning the company about what it was doing about the environment. When Anderson read Hawken's assertion that industry leaders are not only responsible, but the only ones who have the power to reverse the destruction of the biosphere, he experienced what he described as a "speak in the chest" epiphany, a meaningful realization of his responsibility to step forward, and a realization that one company could play a significant role in creating a model for sustainable business that others might follow.

Anderson's vision and mission was to eliminate any negative impact Interface has on the environment by 2020. He reinvented the company and his vision changed "every aspect of the business, creating a culture of associates who are highly adaptable to the pace of change it brought and highly committed to its success." The shared vision "flattened the organization" because a hierarchical structure would stand in the way of the purpose-driven collaboration and cooperation required.

A Culture of Openness

To foster creative solutions, Interface also needed to grow a culture that encouraged openness and allowed for failure. Associates at all levels felt engaged and connected to something bigger than making carpet. Their accomplishment toward their mission has changed not only Interface, but, by example, the industry. By 2011, before his death, Anderson estimated that they were more than halfway to their goal.

Anderson lived the Pause Principle. He was willing to engage the Inside-Out/Outside-In growth dynamics as he innovated self, others and his organizational culture. He had the courage to stop momentum and see a new way forward. He faced reality and then he changed it — the two required actions of authentic, purposeful, innovative leaders.

Creating a Culture of Innovation

Mike Paxton, former CEO of Haagen-Dazs and recent CEO of the rapidly expanding jewelry company Chamilia, is a great example of a collaborative leader who creates cultures of innovation. Paxton excels at engaging his people in the process of figuring out new, better ways to do things.

In thinking about what innovation could mean for Chamilia, Paxton paused to think about how he could convey to the organization how to make continuous innovation a companywide goal. "This is a fast-growing successful company with highly energized teams with tremendous creative design success," he said. "I had to step back to think about how I could inspire them to push the envelope, set innovation as the goal not just in design, but in all areas."

Paxton challenged everyone with this possibility: "Every year, starting this year, we're going to be *the* innovator in the industry." Everyone rallied around the goal. Paxton had everyone, not just the design people, but also the people in display, manufacturing and the whole supply chain, challenging themselves to think differently about how they produced things in new ways. "The whole idea of innovation has transcended itself. It's now a part of the culture, and it is permeating all areas. People feel challenged in a positive way to keep growing; it's not just routine." Paxton paused to create a culture of innovation.

Fail Your Way to Innovation

While rallying people around a common, compelling mission of innovation is crucial, it is also extremely critical to create an atmosphere in which experimentation and failure are seen as allies not threats. Most organizations aspire for innovation, but because they also do everything possible to avoid failure, they unknowingly squeeze the innovative life force out of the culture. While most organizations want innovation, they don't realize that much of what they do kills it.

Many years ago, John Rollwagen, the former CEO of Cray Research, shared with me, "I have never seen anyone fail, recover and learn so quickly. Seymour Cray was fearless in his experimentations and lightning fast in his ability to learn from failed attempts. He visibly innovated through rapid failure."

Shifting Focus and Opening Up Possibilities

Pause is the fundamental growth process by which we can move from management effectiveness to leadership innovation. Pause liberates us from the imprisonment of the reactive "stimulus/response" pattern of non-agile management and frees us to proactively cultivate the possibilities that derive from the "stimulus/pause/multiple responses" of curious, learning-agile leadership.

Robert was an extremely bright and effective CEO of a multibillion-dollar consumer products company. Always two or three steps ahead of his team, his quick mind could solve most problems. However, during a severe financial crisis, he and his team hit the wall. Tried-and-true solutions just looked old and tired. His run of uninterrupted successes in the past compelled him to keep pushing for what had always worked, yet nothing was working.

Finally, he and his team found the courage and the wisdom to step back and look at themselves and their marketplace with fresh eyes. They studied successful companies from outside of their industry. They visited Google, Apple, Salesforce.com and Procter & Gamble. They invited consultants from different industries to share expertise with them. They assessed and coached themselves to step up as more effective, innovative leaders. They recruited people who came from different industries and had radically different experiences from them, and they welcomed diversity.

Commenting on the transformation, Robert said, "It all started with stepping back. If we had just worked harder and harder with our same approaches, we may have survived, but we would never have made the innovative breakthrough." Innovation begins with an agile leader who proactively engages others in the shift to a new reality. ●

Three After Words: Pause It Forward

What if a critical mass of leaders paused not only to influence their immediate concerns, but also stepped back for a bigger transformation ... the transformation of the toughest issues we face as citizens in a global society?

You are encouraged to pause for two very important final reflections:

1. Pause It Now. First and foremost, are you doing everything possible to grow yourself, grow others, and grow innovation? Global transformation begins with leaders like you authentically serving their immediate spheres of influence.

2. Pause It Forward. Second, what more could you do to "play a bigger game" to more positively influence the broader systems and human needs in our local communities and the world?

If we each step back to consider how to do our part, we may have a chance to lead forward to foster more enriching, sustaining futures for successive generations. As Anderson said, "Unless someone leads no one will." It is up to us, the current generation of leaders, to create the future. It is up to us to pause it forward with authenticity, purpose, and generativity. ●

RECOMMENDED READING LIST

If you liked *The Pause Principle*, you'll also like:

1. ***Just Listen* by Mark Goulston.** Learn the secret of getting through to anyone, even when productive communication seems impossible.
2. ***Leadership Gold* by John C. Maxwell.** Maxwell shares a lifetime of leadership truths, which can guide anyone who currently leads or aspires to lead.
3. ***Power* by Jeffrey Pfeffer.** Pfeffer, one of the greatest minds in management theory, reveals how to succeed and wield power in the real world.

· Book 326 of 388 ·

The Phoenix Encounter Method

Ian C. Woodward

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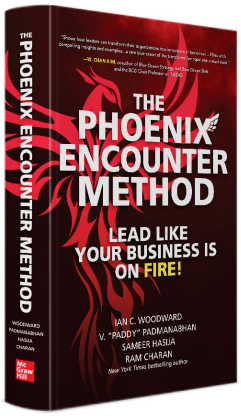
Executive Book Summaries®

The Phoenix Encounter Method

Lead Like Your Business Is On Fire!

by **Ian C. Woodward, V. Padmanabhan, Sameer Hasija, Ram Charan**



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THE SUMMARY IN BRIEF

The business landscape is littered with the wreckage of companies that crashed and burned when an apocalypse came—in the shape of new competitive technologies, upstart entrants, demographic shifts, and new world orders. Who can feel safe in firestorm change?

The authors of ***The Phoenix Encounter Method*** don't advise safety. In fact, their method of leadership thinking requires you to imagine burning your business to the ground—throwing yourself into a firestorm change—and turning the upheaval to your organization's advantage. It can then rise, phoenix-like, from the ashes, stronger and more powerful than ever.

Written with a sense of urgency and purposefully radical provocation, ***The Phoenix Encounter Method*** presents a methodology based on extensive research and field testing. Whatever your sector or industry, if you're responsible for your organization's ability to use change as a transformative opportunity, you'll appreciate the dramatic impact ***The Phoenix Encounter Method*** will have on you, your leadership, and your organization.

IN THIS SUMMARY, YOU WILL LEARN:

- Why the phoenix represents what leaders must become to survive.
- The three phases of the Phoenix Encounter method.
- To adopt the Phoenix Attitude and use Extra Strategic Perception.
- To lead as both a Dreamer and a Doer.

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Introduction

If you're smelling smoke, there's a good reason. The business landscape is going up in flames around leaders everywhere. Forces of disturbance and change that sparked small fires in the 20th century have turned into 21st-century wildfires—further inflamed by the COVID-19 pandemic.

Unstoppable trends appear unexpectedly, and unpleasant surprises materialize out of nowhere. These are things that keep business leaders awake at night.

The Phoenix Encounter method cultivates a new leadership thinking—a new attitude and a new kind of strategic debate that seeks out fire and embraces it. The method helps leaders develop their own bespoke script for renewal and transformation. In the post-COVID-19 environment, this is an absolute imperative.

The method is challenging. It involves Radical Ideation, dramatic war-gaming, confrontation, and provocation.

At its soul, the method compels leaders to imagine fully destroying their current organization themselves with unconstrained firepower. It then takes them through the steps needed to generate a wider range of options to defend the organization, fortify the core business, and build solutions for their business model with initiatives they need for renewal.

The method cultivates a bold and farsighted talent called the Phoenix Attitude, a set of mindsets, habits, and behaviors that equip a leader to grasp firestorm disruption as a path to organizational renewal. At the heart of the method is a sense of urgency and a willingness to walk through fire. That's why it's called the Phoenix Encounter method.

Regeneration or Extinction

The phoenix is a mythical, brightly colored, and long-lived creature that can regenerate itself, withstanding the flames of fire to rise from the ashes of its former self. For millennia, the phoenix has been a symbol of rebirth and new life. Ancient Egyptians saw it as the companion of the sun god. The phoenix is the kind of bird that leaders must become to survive the firestorm of disruption that marks our current century.

In contrast, the dodo is perhaps the most famous example of symbolic extinction—it took less than a century to disappear.

Let's take the first step into your Phoenix-like future.

PART I: PHOENIX SEEKING ENCOUNTER GROUNDWORK

Phoenix or Dodo?

You need to become willing to periodically set fire to your own organization so it can rise again. Research and fieldwork suggest that only after you have launched a devastating attack on your own organization can you really understand how to defend it, fortify the core business, and generate a wider set of strategic initiatives that will propel the organization forward to a Phoenix Breakthrough.

Though the experience is very challenging, leaders with the Phoenix Attitude will discover that *you are absolutely your own best enemy*. This is a virtuous cycle of renewal and transformation—an insurance policy against complacency and hubris.

Unfortunately, leaders without the Phoenix Attitude become their own worst enemy, leading to a vicious cycle of stagnation, wholesale disruption—and where the firestorm is—devastation.

The Phoenix Encounter method is powered by a new kind of strategic dialog called the Completely Opposite Viewpoints Debate. This debate is a deliberate engagement with diverse, opposing, and sometimes unwelcome viewpoints that force leaders to see differently, think differently, and act differently than they have in the past, so they can draw up a blueprint for the future.

Just as the phoenix renews itself in a cycle of immolation and rebirth, the Phoenix Encounter method unfolds in a cycle of three phases that take participants from groundwork preparation to battlefield debate and then to a breakthrough action plan.

Phase One: Phoenix Seeking—Encounter Groundwork. Phase One lays the groundwork for a future Phoenix Breakthrough by confronting old mindsets and scanning for new threats and opportunities. The goal of the groundwork phase is to help leaders break loose from legacy thinking; cultivate a constant awareness of new possibilities; and prepare for the Battlefield exercise of Phase Two.

Phase Two: Phoenix Burning—Encounter Battlefield. At the center of the Phoenix Encounter is an intense battlefield engagement that is waged over several days. Its goal is to both test the leader's thinking blind spots and generate a wider set of strategic options for the incumbent organization, including beyond out-of-the-box solutions suggested by Radical Ideation.

The Phoenix Encounter method does not offer solutions; instead, it offers a methodology for leaders and teams to find their own solutions. . .

Phase Three: Phoenix Rising—Encounter Breakthrough. Phase Three builds on the ideas from the Battlefield exercises to chart a new course for the organization. The goal of Phase Three is to transform the organization into its best future self and make the Phoenix Attitude a permanent and central talent that the organization can use to renew itself over and over again.

Participants leave their Phoenix Encounters with a remarkable new capability: They can create a future-ready organization, and, like the phoenix, they can do it again and again. This is because the Phoenix Encounter method does not offer solutions; instead, it offers a methodology for leaders and teams to find their own solutions—solutions that are relevant to their particular situation, time, and place.

As those circumstances change (as they almost certainly will), so will the solutions, but the method remains the same: ever adaptable, ever effective.

Leadership Thinking in Firestorm Disruption

The most important sources of information about the effects of firestorm disruption in the modern business environment come from women and men in the live battlefield—the participants in Encounter sessions.

Research shows 80 percent of these executives fall into one or more of the following four types of strategic leadership thinking (they are not mutually exclusive):

The Complacent. These leaders think disruption can't happen to them because they are in some sort of "exceptional" position. Perhaps they enjoy a monopoly or a favored nation status, or they have legacy government concessions.

The Arrogant. These leaders believe they have all the answers and are dismissive of ideas different from their own. Older leaders in this category often exhibit excessive pride in an iconic brand, best-selling product, or solid previous financial performance, which leads to hubris throughout the organization.

The Cautious. These leaders mistake incremental improvements for dynamic progress. They think periodic introductions of "new and improved" products, an obsession with metrics, and tinkering with the organization chart will keep them safe.

The Overwhelmed. These leaders become paralyzed in the face of uncertainty. They schedule meetings, order reports, call in consultants, urge caution—but do not move forward. They mistake dithering for prudence.

But there is a fifth category, smaller at present but growing fast in numbers:

The Dreamers and Doers. These leaders are explorers and navigators who can both envision dramatic change and execute it. They are forward-thinking, they are on the ball, they connect the imagined big picture to the tasks at hand. They are willing to envision a future where change is a constant and they don't have all the answers. In fact, they find uncertainty stimulating and outside viewpoints exciting. These are Phoenix leaders in the making.

The Phoenix Encounter Method

Let's now explore in more detail the three phases of groundwork, battlefield, and breakthrough.

Phase One

The Encounter's Phase One involves two essential tasks:

Attitude Switch. Participants identify their current mindsets, as well as those of others operating in their business environment, and consider how these might be blocking their organization's ability to deal with firestorm change. They learn about the Phoenix Attitude and make an inventory of the tools and habits of mind that will get them through the coming attack and defense. Then they link these learnings to their personal leadership development agenda.

Battlefield Preparation. In their Encounter Journal, participants prepare a baseline report describing their organization's value proposition and evaluating its current

strengths and weaknesses. This is the first of several strategic reflections they will create throughout the Encounter. Preparing for the Battlefield exercise, they scan new technologies, demographic changes, business model innovations, and other unstoppable trends of firestorm disruption.

After pre-work is done, participants break out into their Encounter teams, called Phoenix Encounter Groups (PEGs), and the Encounter overview briefings take place.

Phase Two

At the center of Phase Two is the Battlefield engagement. Each leader takes a turn in the "hot seat" as the PEG team first attacks with as much unconstrained and disruptive firepower options as possible. Throughout, team participants undertake a series of proactive scans, searching for disruptive firepower weapons.

These weapons include both contemporary firepower (like new technologies and digital business models) and conventional firepower (like mergers and acquisitions and process or asset optimization). How the participants use these weapons—alone or in combination—is entirely up to their imaginations. The more inventive the thinking, the better, for the battle is waged in a series of Completely Opposite Viewpoints Debates designed to elicit radical ideas.

Each participant leaves the exercise with a list of insights and options to think about. In the next phase, this list will be scrutinized, tested, and fine-tuned.

The **Extreme Attack** pits a team of attackers against an incumbent organization. It is a guns-blazing, no-holds-barred firefight designed to be enormously destructive. This is the exciting, stressful, and truly revelatory core of the Encounter experience.

Once all the ideas are on the table, the PEG team goes to work debating them, arguing pros and cons, brainstorming new ideas, and then combining, editing, and finally consolidating the best options into the most destructive campaign they can collectively create.

The **Horizon Defense** unfolds in a series of opposite debates, one for each team member. This time, each participant proposes one or more ways to repel the attackers, outflank them, or leapfrog over them. Three distinct missions come into view: (1) options to counter the immediate attack, (2) options to fortify the core business, and (3) options for business model changes, innovation, transformation, and dominance in the future.

After the Horizon Defense debate, participants record their best prospective strategic options—a kind of "Hot List"—and sequence these across four time horizons for action: immediate, short term, medium term, and long term.

Phase Three

Phase Three builds directly on the ideas that emerge in the Battlefield to chart a new course for the organization—to turn ideas into action. It can take a long time, often months and sometimes years, to work through the two tasks:

Soon after the Battlefield exercise, participants collect and synthesize all the most promising ideas that bubbled up into a new high-level plan for their organization, using the Encounter Journal's template for a **Future-Facing Blueprint**.

Strengths are recalibrated to those needed for the future. Participants determine actions to be taken to realize the new strategic shifts and to fortify their core—to play out over four time horizons: immediate, short term, medium term, and long term.

In **Embedding Phoenix DNA**, participants take their Future-Facing Blueprint back to their organizations to test (including deeper rigorous analysis), revise, and implement the best initiatives identified. At the same time, they work to embed the Phoenix Attitude, tools and habits, the Battlefield exercise, and other elements of the Phoenix Encounter method into each of their organizations so it can transform itself again and again.

The Phoenix Attitude

In business, as in life, everything starts with your attitude. What is a Phoenix Attitude? In essence, it is a set of personal attributes—mindsets, habits, and behaviors—that allows a leader to embrace firestorm disruption as the essential pathway to organizational renewal. It is the mental embodiment of Phoenix DNA.

Four underlying characteristics are the enablers of all the Phoenix Attitude attributes: emotional intelligence, business acumen, talent development capabilities, and effective communication. The mental attributes of leaders with a Phoenix Attitude include curiosity, foresight, imagination, Radical Ideation, and decisiveness. Their habits include embracing the opposites debate and searching, scanning, questioning, and adopting multiple perspectives as an imagineer, with focused prioritization.

A Phoenix Flies Across Distinctive Leadership Altitudes

These leaders have mental agility to operate at three leadership altitudes simultaneously: 50,000 feet, 50 feet, and 5 feet. These altitudes correspond, respectively, to strategic, operational, and personal levels of leadership engagement.

> Being stuck at any one leadership altitude is Altitude Sickness—dangerous to leaders, their teams, and their organizations.

The **50,000-foot view** lets us see what's coming across a wide horizon. In the context of the external landscape, it can reveal the sweeping changes of unstoppable trends in the outside world, from technological advances to demographic shifts. Its big-picture vantage point promotes Proactive Scanning and Radical Ideation.

Making that vision real requires an understanding of tactical and operational matters best viewed from **50 feet**. This is, after all, where things happen most of the time. It's where day-to-day and month-to-month actions are executed and where quarterly results get reported.

The **5-foot leadership altitude** is the level of self-awareness. Only when leaders understand who they are and why they do what they do can they govern themselves and engage others.

Being stuck at any one leadership altitude is Altitude Sickness—dangerous to leaders, their teams, and their organizations. Altitude Sickness at 50,000 feet is over-dreaming; at 50 feet, it's change resistance; at 5 feet, it's micro-obsession and navel-gazing.

Phoenix Tools and Habits: Extra Strategic Perception

There are three Extra Strategic Perception tools and habits of mind that should be learned and practiced to develop a leader's Phoenix Attitude:

1. Proactive Scanning that supports the "seeing" sense for the Phoenix leader. Develop the habit of continual "scanning" for insights, trends, ideas, and dangers while learning to think and inquire in new ways to better recognize future threats and opportunities. This combines scanning with perceptual acuity and strategic inquiry.

2. Debate Rituals that support the "speaking and listening" sense for the Phoenix leader. A Completely Opposite Viewpoints Debate requires a psychologically safe and collaborative environment to discuss far-reaching, different, and opposing perspectives. Two fundamental rules enable the team to create the farsighted discussion that enables discovery of a diversity of perspectives on attack and defense, namely:

- **Radical Ideation:** Embracing unconstrained thinking to generate as wide an option set as possible.
- **The Separation Imperative:** Focusing debate and discussion separately on ideation, synthesis, analysis, and decision-making and appreciating them as distinct and discrete phases of strategic dialogue.

3. Encounter Journal that supports the "writing" sense for the Phoenix leader. It documents and tracks ideas, analysis, and actions throughout the entire Phoenix Encounter to ultimately generate the Future-Facing Blueprint for the organization and its breakthrough changes.

PART II: PHOENIX BURNING ENCOUNTER BATTLEFIELD

Scanning Firepower for Extreme Attack and Horizon Defense

In Part II, in the Encounter Battlefield phase, leaders go through a range of scans, debates, and ideation. This is essential for generating a wide range of radical ideas—the firepower of Extreme Attack and Horizon Defense.

Leaders look carefully at the external environment of firestorm disruptive trends, from technology to demographics; from digital and social platforms to emerging markets; from talent, sustainability, and activism to reimagining traditional business levers.

Sources of Firepower

Proactive Scanning allows leaders to identify "firepower" for Extreme Attack and Horizon Defense. The firepower sources are the arsenals to deploy for future organizational success or change, and they shape businesses, industries, and markets.

Two different types of firepower are contemporary firepower of the new world and conventional firepower of the old world.

Options for contemporary firepower that are often less familiar to leaders in the legacy world can include technology drivers such as digitization, algorithms and analytics; new technologies such as artificial intelligence (AI) and cloud computing; business model transformation; dynamic innovation; and macro levers allowing firms to understand and take advantage of unstoppable future trends in talent diversity, demographic shifts, sustainability imperatives, activism, and so forth.

Options for conventional firepower that are very familiar to leaders in the legacy world, and sometimes overlooked by disrupters, can include competitive positioning, operational strategy, organizational culture, and macro levers, including traditional regulation and policy management; identifying important corporate social responsibility initiatives; and understanding the implications of economic and market forces.

A leadership team with the Phoenix Attitude uses both conventional and contemporary firepower to create a Future-Facing Blueprint. The challenge is choosing carefully while building creatively because the elements can be combined in different ways for different purposes.

Let's now look at an example of contemporary firepower.

All Digital Firepower, All the Time

Digitalization has set the world on fire. It is fuel for the phoenix. By early 2020, more than 4.5 billion people had access to the internet. That represents a more than 1,000 percent increase since 2000. Even with that kind of growth, just over half of the global population is online.

One of the largest changes that internet digitalization brings is unlocking the flow of information and knowledge across the world. That flow, according to a 2017 article in *McKinsey Quarterly*, is growing in a convex fashion even while the other major global flows of trade and finance remain relatively flat.

Unlocking information flows has significant consequences. One of the most profound is the quantum shift in the power balance from sellers to buyers, a phenomenon that is not limited to first-world commerce—it underpins the arsenal of customer power.

It's also important to recognize that something beyond affordability and access is driving the growth of the new breed of digital upstarts; it's called "network externality effects." We see it clearly in the evolution of WhatsApp.

In 2009, Jan Koum and Brian Acton released WhatsApp, a smartphone application that let users send text messages via the phone's data network, as distinguished from an SMS message that goes over the telecom operator's cellular network.

The economic significance of such externality can be seen in the $19 billion that Facebook paid to acquire WhatsApp in 2014, at a time when WhatsApp had all of 55 employees on its payroll. The company's small size masked its impact on the telecom world.

The growth of WhatsApp also shows the disruption a single technology can wreak on legacy companies that are unprepared for the digital, globally networked world. The London-based research and analytics firm Ovum estimated that WhatsApp and similar over-the-top voice and messaging companies (e.g., Skype, Link) would cost global telecom operators about $386 billion in revenue between 2012 and 2018.

All this should remind readers how important it is that an organization's senior leadership have a clear sense of their tasks:

- Scan technology trends in the marketplace across industries and geographies.
- Leverage the power of the digital revolution to make their firm future-ready.
- Build the capabilities essential for digital innovation.
- Cultivate the digital transformation needed in every area of the firm.

Firepower From Combinatorial Innovation

Amid all the hype about the disruptive influence of the forces of digital, social, platforms, and technology, it's easy to think that the future could be a place where legacy firms are no longer relevant. That would be a serious mistake. Legacy incumbents have assets that can help them harness the forces of disruption in their favor, such as trust, reputation, and balance sheets.

Successful companies make it a habit to think about innovation as a multidimensional construct, one that involves

> Successful companies make it a habit to think about innovation as a multidimensional construct. . .

choreographing a bespoke set of forces across conventional and contemporary firepower. This is "combinatorial innovation" in its most potent form.

IKEA is a great illustration of the combinatorial approach. As a disruptor in the furniture world starting in 1948, it changed the way consumers bought furniture. IKEA co-opted consumers to become co-producers—driving to the stores and picking and assembling in return for affordable design—and went on to become a global giant in the furniture retail business.

However, the growth of e-commerce and changes in consumer shopping habits meant that the erstwhile disruptor was in danger of getting disrupted. IKEA's response to this threat has been to create a Phoenix-like defense built on a combinatorial portfolio of business model tilts leveraging contemporary and conventional firepower.

In 2017, IKEA acquired the Silicon Valley startup TaskRabbit, a platform website that connects consumers with freelancers who perform many household tasks, such as assembling IKEA furniture. At one level, the move reflects the understanding that IKEA's traditional model, based on co-production, would need to evolve.

It also reflects IKEA's ability to combine multiple insights: (1) a growing number of younger customers are not willing to build their own furniture, and (2) the gig economy lets customers and retailers leverage a new labor force that performs assembly cheaper, faster, or more conveniently than the customer can manage.

PART III: PHOENIX RISING ENCOUNTER BREAKTHROUGH

Blueprint for Breakthrough

The final phase of the Encounter method, the Encounter Breakthrough, focuses on taking the implications of insights from the Extreme Attack and Horizon Defense and using them to set the organization on a renewed course. It is about turning the Radical Ideation of attack and defense into a Future-Facing Blueprint for realistic actions.

First, participants distill the Horizon Defense conversation into a series of action items for investigation across short-, medium-, and long-term time horizons. They also sketch their expectations of high-level outcomes, if these action items are successfully implemented.

Participants update their Encounter Journal with a Future-Facing Blueprint that incorporates insights and their implications for strategic leadership and organizational priorities that work across all the altitudes—50,000 feet, 50 feet, and 5 feet.

The Future-Facing Blueprint will include a fully revised future value proposition for stakeholders, an updated SWOT that emphasizes the strengths needed for the future (set against growth, cost, and risk criteria) and the gaps in the present, and a description of the transformed business model and the ways value will be created and captured.

Next, participants identify the actions they must take (e.g., pilots, further analysis, and resource mapping) to make the priorities realities.

Phoenix Leaders: Dreamers and Doers

Walt Disney, remembered as one of the most creative leaders of the 20th century, was also admired for his ability to make things happen. "The way to get started," he famously said, "is to quit talking and begin doing."

Creative imagination like Disney's is film producers' stock in trade. It is not quite so common in operational executives, who are generally very good at getting things done. The ideal leader, of course, possesses both imagination and the ability to execute.

For that reason, these two attributes play critical roles in the Phoenix Encounter method, which elicits a Completely Opposite Viewpoints Debate that focuses on dreaming and doing.

Dreamer and Doer capabilities are not mutually exclusive, and they co-exist to some extent in every leader.

Phoenix leaders, unburdened by Altitude Sickness, more easily find the "sweet spot" that balances both capabilities. They apply both their leadership art and management skills. They do not engage in the kind of shallow dreaming that leads companies to change their names to "Blockchain Inc."; they do not bury their heads in the existing business. They are bigger than that.

As Jim Hackett, CEO of Ford Motor Company, said, "Corporations tend to reward actions over thinking, but the truth is, you'll find the companies that didn't do the deep thinking and acted quickly have to redo things."

Dreamers and Doers Across the Altitudes

The capabilities of a Dreamer and Doer happen to map very neatly into the leadership altitudes discussed above. The 50,000-foot thinkers are the Dreamers and explorers. The 50-foot thinkers are the Doers and exploiters.

Both Dreamers and Doers need the profound self-awareness of 5-foot thinking, and they need a personal leadership development agenda to match.

Leaders with a Phoenix Attitude build organizations that encourage Doers and Dreamers to focus on what they do best while continually exchanging ideas (the opposite debate).

This is one reason why involving both Dreamers and Doers in the Encounter Battlefield exercise produces tangible results. Each type has an opportunity to practice the other's style of thinking throughout the Encounter process.

Are you role-modeling the Phoenix leader—dreaming and doing? Where are you focusing in personal leadership development to strengthen this and hone your Phoenix Attitude?

Have you consciously worked to create an environment, structure, and systems where Doers and Dreamers can co-exist and leverage one another's talents and complements?

The Phoenix Encounter method starts with a question: How might someone destroy your business? The best person to think about the firestorm is you. It ends with a clarion call to arms: The time is now! This means leading like your business is on fire.

The key is to focus on reimagining your Phoenix rebirth and surge towards the future. There is no choice. Quite simply, there has never been a more important time to be your own best (imaginary) enemy.

For leaders with the Phoenix Attitude this implies a virtuous cycle of renewal and transformation.

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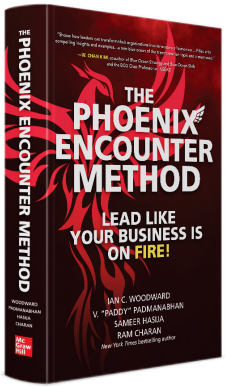

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The Power of Mandate

Scott Stawski with Jimmy Brown, Ph.D.

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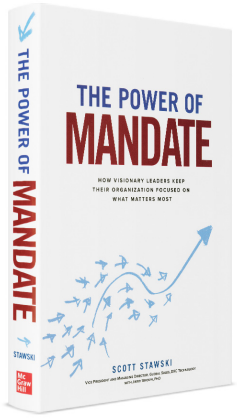
The Power of Mandate

How Visionary Leaders Keep Their Organization Focused on What Matters Most



by **Scott Stawski with Jimmy Brown, Ph.D.**

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THE SUMMARY IN BRIEF

Most organizations today are driven by a "soft" approach to leadership, using democratic methods such as consensus, negotiation, and compromise. The problem is, it doesn't work. In ***The Power of Mandate,*** authors Scott Stawski and Jimmy Brown, Ph.D. show that the most radically successful companies are the ones that defy groupthink and break the mold, whose leaders epitomize mandate driven leadership to create or redefine entire industries.

The book explains the basic principles and philosophy of mandate driven leadership, including creative disruption and sheer willpower, to implement a vision and strategy. Compelling examples of legendary leaders also show mandate driven leadership in action—how strong leaders turn a vision into reality. This is how leaders like you can learn from the greatest minds of our time, to forge your own unique path to the future.

The Power of Mandate will shatter your preconceptions about innovation and alter the way you think about leading. It's a must-read for all leaders in the age of disruption.

IN THIS SUMMARY, YOU WILL LEARN:

- The key theme for developing effective leaders.
- The many downsides of consensus leadership.
- The three essential characteristics of Mandate Driven Leaders.
- To create a Mandate Driven Culture.

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Introducing the Mandate Driven Leader

Most consultants and business schools teach consensus building and management as the core foundation of leadership. In fact, in many companies, the concept of achieving consensus has achieved a sacrosanct status. But truth be told, consensus-driven leadership is a root cause of many a failed business.

Consensus can be defined a number of different ways. MBA texts include terms like "a decision reached by a group, not through the mandate of an individual, but through agreement of all the participants." In other words, it means the decision was reached by the overall opinion of the group.

While consensus-based decision making is very popular and does tend to make people feel good, it is not necessarily the best approach. And it is rarely the right approach for C-level executives—especially during a time when technology is driving real business disruption.

Today much of our economy, the digital economy, is now driven by technology. This technological innovation is resulting in real, long-lasting business disruption. New markets and channels are being created, entire business paradigms rethought, supply and demand channels upended. Nothing is sacrosanct.

So how do we have all these amazing technological innovations that power our world and allow us to do things that only a few years ago were the stuff of science fiction? Simply put, these disruptive companies are propelled forward by Mandate Driven Leadership. These leaders are not consensus driven, and they really don't care who agrees with them when it concerns achieving their vision.

Three Themes for Effective Leaders. . . and One Missing One

The leading literature suggests that leadership traits and characteristics can be grouped into three common themes of what it takes to be an effective leader.

The first theme is that leaders expect the best from themselves and from others. If leaders want to succeed, they need everyone doing things right.

Regardless of what a leader's motive is, leaders stay motivated and motivate others. This is the second common theme. Good leaders know how to get a team to do more than they think they can do.

Leaders are also not shy about letting the world know about their accomplishments. The great ones are even less shy about letting the world know about their team's accomplishments, which is the third theme. Mandate Driven Leaders understand that recognition drives outcomes and helps teams drive toward the vision set by the leader.

Missing from the literature is the realization that no company today can afford to be led within a status quo environment. Today we need leaders who can push organizations in directions they may not want to go, in part because they don't realize they need to. These leaders have a vision, and they command the organization to take a certain course of action to achieve that vision.

These visionary leaders have a belief, idea, strategy, or tactic that is so compelling that they do not accept "no" for an answer. Through mandate, they drive the vision from concept to implementation.

Steve Jobs, Prototype of a Mandate Driven Leader

Steve Jobs will go down in history as one of the most challenging leaders to work with of all time. Shortly after his death, ***The Atlantic's*** Tom McNichol referred to Steve Jobs as "a world-class asshole." Biographer Walter Isaacson repeatedly talks about how there was Good Steve and there was Bad Steve. While Good Steve could inspire those around him to achieve groundbreaking innovations that the world didn't realize it needed, Bad Steve could just as easily tear people down and make them hate life and run them off.

Steve Jobs is the prototype of a Mandate Driven Leader, which begs the question: Could he have accomplished the same adopting a different leadership model? While there are some management gurus who will undoubtedly disagree, the answer is an absolute no.

Jobs's adoption of a Mandate Driven Leadership model was integral to his success. As he matured, it became very deliberate as Jobs recognized that Mandate Driven Leadership was essential to being "crazy enough to think they can change the world."

Susan Kalla, an investment manager, wrote in ***Forbes***, "his high aspirations spilled over onto Apple employees who believed they too could accomplish anything." The same traits that made Steve Jobs a "world-class asshole" were the traits that enabled him to achieve great things. The same passion that made him lose his temper was the obsession that drove him to relentlessly drive forward his vision. The same lack of self-awareness that made him think the rules didn't apply to him was what allowed him to find ways to fill needs we

In order to show consensus, groups may drive all the members away from the basic or original thought toward one that is acceptable to all.

didn't know we had. Those same traits that made him a tyrant to work for also made him a Mandate Driven Leader. Steve Jobs was crazy enough that he did change the world.

The History and Pitfalls of Consensus Leadership

Consensus decision making and the principles that comprise consensus management can be traced back centuries. Five Native American societies, the Cayuga, Mohawk, Oneida, Onondaga, and Seneca, established the Haudenosaunee Confederation. This confederation, which is still active today, is based on the principles of consensus. In Europe, many governing bodies and associations, like the town councils and the guilds, have operated on consensus management principles for hundreds of years.

In more recent times, social and political activists find the principles of consensus management essential to their work. According to the organization Seeds for Change, many current social and political movements believe that the methods for achieving change must match their vision and goals of a free, nonviolent, egalitarian society.

Consensus management principles first made their way into the business world via the cooperative movement. The cooperative movement began in England and France in the nineteenth century. The industrial revolution was transforming society. The increasing mechanization of the workplace was threatening the livelihood of large portions of the worker base.

This gave rise to many labor and social movements, including the cooperative movement. The cooperative movement allowed workers to unite around a common economic goal, with leadership as well as the economic output of the cooperative being equally shared.

The idea of consensus building became popular with the trend to involve or engage all stakeholders in the decision-making process, which in turn evolved with the acknowledgment that people who gave their voluntary consent were more likely to stand by the decision and be accountable as well as take responsibility in the implementation process. Thus, by the mid to late 20th century, consensus decision making was norm de rigueur within business schools and corporate management.

The Downside of Consensus

While consensus management may contribute to the positive feelings of the whole, it is also counterproductive and detrimental to the decision-making process if misapplied, which it often is. Consensus is often misconstrued to mean or portray unanimity in the context of decision making.

The fallacious interpretation of consensus as unanimity is forced upon other members who may have valid questions or doubts but can be cowed into consent by the group's desire to reach a unanimous and strong decision. Group members may resolve not to follow any action unless consensus is manifested in unanimous agreement and unless each and every member of the group has acquiesced.

Another pitfall exists when there are dissenters but they are ignored to ensure that a unanimous agreement is projected, and thus the opinion of the minority is not even heard or discussed.

In reality, many of today's organizations reward likeability. The trait might be encased in the terms collaboration, consensus building, and team-oriented, but at the end of the day many organizations reward individuals whose thought processes and actions are not at odds with the mainstream.

Also, in order to show consensus, groups may drive all the members away from the basic or the original thought toward one that is acceptable to all. This leads to the dilution of ideas, which may have had their own merit and utility if they had been pursued but were, instead, discarded or toned down to appease the majority and build a consensus in decision making.

Hewlett Packard is a classic example of where dramatic industry changes coupled with a culture of consensus can lead to disastrous results. Bill Hewlett and Dave Packard established a set of business principles—encapsulated in the "HP Way." These principles helped establish a heritage of

consensus management within the company that has often been cited as the ideal state. In the early years, Hewlett Packard's engineering acumen allowed the company to grow and thrive.

However, the well-entrenched consensus management culture proved to be disastrous for the company during times of digital disruption. The lack of the directive leadership necessary during these times resulted in a string of failed strategies and acquisitions, including Compaq, EDS, and Autonomy. What was at one time the largest technology company in the world was ultimately dismantled.

In the end, consensus leadership is an approach to management where the process is deemed more important than the outcome—where it is deemed more important to involve and engage everyone and to create an atmosphere of participation and agreement, rather than a vision of change.

Mandate Driven Leadership Defined

How is a Mandate Driven Leader defined, and more important, how can each of us develop into this type of leader? How does the Mandate Driven Leadership model differ from the transformational, transactional, servant, authentic, or any other leadership approaches that pop up from blogs to academic peer-reviewed journal articles?

Successful Mandate Driven Leaders have a vision, drive to an outcome, and are unrelenting until it is accomplished.

A well-communicated vision of the future. Mandate Driven Leaders see a future that is better than the status quo. At the core, the Mandate Driven Leader recognizes that survival starts with a vision for a better future. The vision of the future for a leader might be a new product. It might be a better business process. It might be a completely new business paradigm for an industry.

Jeff Bezos, in a presentation in 1999 when Amazon was four years young, was asked about the vision for Amazon. He stated, "It's customers helping customers make purchasing decisions. And that's what is community . . . businesses cannot create community. All businesses can do is facilitate community." Bezos's vision was not to create the largest online bookseller or retailer. He was creating a community marketplace powered entirely by the community members themselves—their reviews, their rankings, their search results, and in many ways their product mix and their prices. Bezos still ingrains that vision into everything Amazon does.

Drive to the outcome instead of the process. Once the vision of the end state is established, a Mandate Driven Leader drives to the outcome. Death by process is actively avoided. A Mandate Driven Leader assumes that the required outcomes of the team, the organization, and sometimes society take priority over getting everyone in the team to agree on the strategy at hand.

Mandate Driven Leaders are OK with individuals questioning and debating the many details that are required to implement the vision to reality. In fact, they demand it. However, this is different from questioning or obstructing the vision.

Jack Welch, another consummate Mandate Driven Leader, was the CEO of General Electric from 1981 to 2001. He quickly developed the nickname "Neutron Jack." This nickname was earned through various strategies he implemented, including exiting any business where GE could not be the market share leader and firing the bottom 10 percent of all employees each and every review period.

In a short period of time, Welch terminated more than 100,000 employees and exited businesses with revenue in the billions. The result was that he turned what at the time was a company in crisis into a global power and increased the company's market value by more than $300 billion while achieving record revenue and profits.

Unrelenting focus and determination to achieve the end state. Mandate Driven Leaders do not take "no" for an answer. They do not accept excuses. They hold individuals accountable. And they do not stop driving relentlessly forward until the end state is achieved. It is not unusual for some people to confuse Mandate Driven Leaders and their unrelenting focus and determination with leaders who are narcissistic, poor team builders, and just plain mean-spirited.

But business leaders who are tyrants and dictators are not directive leaders for the common good; they are in it for their own selfish gain. Such leaders may claim they are champions of the people, and some even start out that way, but they quickly devolve into enriching themselves. One of the clearest examples of this comes from the Enron scandal. Ken Lay and Jeff Skilling were reportedly very difficult and demanding, but their mandate had nothing to do with helping anyone other than themselves. And they ended up being prosecuted for it.

Mandate Driven Leaders, on the other hand, add value to those around them and the world in general. This makes

people want to be around them and work with them, regardless of whether they are easy to work with or challenging.

Aside from the three main themes, Mandate Driven Leaders are different from other leaders in that they are surprised when others don't see the value in their vision, and are ruthless about getting there; they won't accept failure in themselves or others; they assume they are in charge; put customers/stakeholders first and employees second; and won't allow others to be selfish.

This focus on what needs to be done without getting bogged down in what the critics say makes Bill Gates a Mandate Driven Leader.

Effective Leadership Styles and the Mandate Driven Leader

When we think about Mandate Driven Leadership, how does it fit with a servant and transformational leadership approach used by someone like Dr. Martin Luther King? How might it be integrated into a directive leader like Jack Welch?

Bill Gates, founder of Microsoft, was clearly a Mandate Driven Leader. Microsoft at its birth was singularly focused on transforming how society can use technology, specifically the desktop PC, to transform and better the world. This was not only Bill Gates's vision but also his mandate. And during these early days, Gates was unrelenting in driving this vision forward. As time has gone on and he has been able to let Microsoft run without him, Gates has transferred this Mandate Driven Leadership approach to his charitable work.

The Bill & Melinda Gates Foundation is by far the largest philanthropic organization in the world, with an endowment exceeding $45 billion. The focus is on "improving people's health and wellbeing, helping individuals lift themselves out of hunger and extreme poverty." It is their belief that education coupled with technology enablers plays a critical part in this objective. The Foundation now spends more each year on health issues than most individual countries of the world.

However, some academics have questioned the spending priorities of the foundation. Researchers from Oxford published an article in 2008 questioning whether the foundation was prioritizing spending on infectious diseases affecting highly developed countries over the chronic health problems of the poor.

While the critics have their say, as he did at Microsoft Gates continues to propel his vision for the foundation forward without being distracted by the naysayers. This focus on what needs to be done without getting bogged down in what the critics say makes Bill Gates a Mandate Driven Leader.

However, is Gates also a servant leader? Or is Gates a directive leader or an authoritarian leader? What about a transformational leader? Or does his habit of poring through lines of code even at the CEO level during his Microsoft days make him more of a transactional leader?

This leads to the question of whether you can be a Mandate Driven Leader within many of the accepted leadership styles. Mandate Driven Leadership enables and enhances most leadership styles and helps us avoid autocracy because it keeps the leader focused on the vision.

Servant leadership. Popularized by Robert Greenleaf, servant leadership grew out of his Christian worldview, to see the leader as someone who serves rather than just someone who directs. It views leaders' role as taking care of others rather than just enhancing themselves. This focus on others has created a common misconception that servant leaders are only focused on the needs of the people who work for them. While servant leaders do consider their followers' needs and wants carefully, that consideration is in the context of the organization serving a greater good for society as a whole.

Let's say someone sees herself as a servant leader and sees an opportunity for developing some new and improved widget that will help feed underprivileged people. Taking the organization in that direction, however, would make things more challenging for the people in the organization, at least in the short term. Someone with only a surface-level understanding of servant leadership might assume that a servant leader would forgo that direction because she is taking care of the people in the organization first.

A true servant leader, however, would make the hard choice to go toward the greater good, despite the complaints from

the employees, because she knows that is the best thing to do in the long run. You don't get much more mandate driven than that.

Authentic leadership. This is a relatively nascent concept that is centered around honest relationships and leading from an ethical foundation. While particular definitions may vary, the most common conceptualizations center around four key constructs:

- Self-awareness;
- Relational transparency;
- Balanced processing;
- Internalized moral perspective.

These constructs actually work well for Mandate Driven Leaders because when a leader is focused on doing what is right rather than what is popular, there is no reason to be anything but authentic. There is no time wasted trying to drag along the contrarians because you have a job to do. If the mandate is authentic, then the leader will be, too.

Authoritarian leadership. While this style has become much less popular in the modern discourse, it is still an important consideration for several reasons. Even though many sophisticated leaders preach that this style is outdated and obsolete, quite a few of them will revert back to it when things get tough. There are some industries and cultures where having a more authoritarian style is not only accepted but necessary.

When some people hear the term Mandate Driven Leadership, they will assume it is just a repackaging of the authoritarian style for leaders who lack empathy and are totally self-absorbed. Many of the most truly authoritarian leaders lack a clear vision and default to this style out of fear or self-interest. Mandate Driven Leaders always have a clear vision of where they want the company to go, and they are open and honest (authentic) about what those goals are.

Another defining characteristic typically associated with authoritarian leaders is lack of input from subordinates and team members. What little input they do allow comes from the "yes" crowd; they don't ever actively seek opposing views but enjoy their echo chambers.

Mandate Driven Leaders look for different views and listen to them. Once they make a decision, however, they do not let the naysayers second-guess the direction, and they keep the organization laser-focused on its goals. Even when the goal is some crazy idea like streaming movies over the internet.

What makes Mandate Driven Leadership unique is that it is not just another leadership style or theory. It is a new way of understanding how successful leaders decide what agendas to pursue and then how to take the agenda to reality. It is about understanding how and why leaders push their organizations to reach new heights. In truth, Mandate Driven Leaders can use almost any style of leadership, as long as they are driving toward the necessary vision.

Creating a Mandate Driven Culture

There is a saying that "culture eats strategy for breakfast." Leaders can put forth or even mandate a phenomenal vision, but a vision alone is not going to make a turtle run faster.

Leaders must truly understand all aspects of the existing culture to determine what parts of the culture are supportive of the vision and where the culture could kill the vision. Mandate Driven Leaders must look at the culture within their organization relative to things like innovation, outcome versus process, roadblocks, and tenacity.

HP had a culture rooted in engineering and process and consensus as opposed to a culture rooted in agile decision making and financial performance. When HP entered the software and technology services business where fast innovation, agility of decision making, and financial performance are key, the result was deteriorating market share, failed acquisitions, and poor financial performance. Culture ate strategy.

The *Field of Dreams* Fallacy

So why does this matter to a Mandate Driven Leader? Mandate Driven Leaders understand that they want to avoid the ***Field of Dreams*** fallacy. This is the erroneous belief that "if you build it, they will come." Mandate Driven Leaders understand that you can't just throw an idea out there and expect people to embrace it. No leader disrupts the market alone, and you have to create a compelling vision for people to follow and create an environment that enables them to do that.

And given that Mandate Driven Leaders do not micromanage processes, they have to create a culture where everyone accepts the mission and socially motivates others to do the same. All members of the organization must realize that they only have two choices: get in the boat and row or get out and swim to a different shore. The question, of course, is how do you create such a culture? How do you drive everyone to buy into these efforts?

Mandate Driven Leaders understand and accept that at least some of the people in that organization are not going to like change and may need to leave.

Mandate Driven Leaders understand and accept that at least some of the people in that organization are not going to like change and may need to leave.

Obviously, this is very different from the consensus-driven approaches often promoted that say something like, "Ask the team what they think," "Get everyone on board," and so on. Mandate Driven Leaders know they are working against time, and while no culture changes overnight, you must change behavior if you are going to change the culture. And if you want to change behavior, start by changing management systems inclusive of processes, metrics, and accountability. It is this ability to force culture change that is critical to a transformative Mandate Driven Leader.

One of the most important things Mandate Driven Leaders do is to develop a culture that opposes and prevents groupthink. Some people confuse this with group cohesion, but in fact, it is very different. The difference is that in groupthink, maintaining group cohesion becomes more important than making good decisions. The fact that the term originally came from George Orwell's novel ***1984*** should be a pretty good indication that it is something to be avoided.

So what kind of culture should Mandate Driven Leaders create? It depends on what kind of culture they want to create. The culture at Facebook is very different from the culture at Netflix or Amazon. It is also a pretty good bet that the culture at Apple is nothing like the culture at Airbnb. All of these cultures are aligned to the strategy that the organization wants to execute and the vision the leader is mandating to fruition. It may be a culture of sheer innovation or a culture of agility or a culture of competitiveness.

And if there is one thing that all Mandate Driven Leaders know, either you manage the culture or the culture manages you.

Brian Chesky, CEO of Airbnb

The President's Room inside the Airbnb headquarters of the online home-sharing platform has a model ship that sits on a coffee table, a 19th-century sailing yacht. The model is the key to the President's Room, and may be the backbone of the Chesky operation, for the sailing vessel works as a metaphor for Chesky's leadership style.

"If you think about it, Airbnb is like a giant ship," Chesky told ***Fortune*** magazine. "And as CEO I'm the captain of the ship. But I really have two jobs: The first job is that I have to worry about everything below the water line, anything that can sink the ship. Beyond that, I have to focus on two to three areas that I'm deeply passionate about—that aren't below the water line but that I focus on because I can add unique value, I'm truly passionate about them, and they can truly transform the company if they go well."

For Chesky, those three focus areas that are above the water line are the product, brand, and culture, which are the crucial components beyond the technical aspects of an internet operation. It is in these three areas that Chesky shows his Mandate Driven Leadership style.

Chesky understands that his role as captain of that ship is to establish the destination, chart the course, and propel the ship to that destination. Captains do not sail a ship by consensus. As the captain, Chesky understands that propelling an organization to achieve a vision requires directive stewardship.

Mandate Driven Leadership and the Digital Economy

Powered by digital technology and the digital economy, disruption is everywhere. Every industry. Every geography. Affecting every business. The former VP of marketing at Dell, Heather Simmons, once said, "Knowing that an asteroid is going to hit the earth is not really useful if you are not planning to launch missiles to knock it out of the sky. You have to work massively overtime on the belief that innovation or massive change is going to happen."

This thought is critical for leaders today because business disruption is going to continue. Uber is less than 10 years old and disrupted the livery business arguably in less than five years from its founding. Airbnb is now the largest

hospitality company in the world and does not own a single hotel. Instacart hit $1 billion in valuation in 795 days. And Facebook took a mere 396 days to be valued at $1 billion and now has a valuation of $513 billion.

A startup today has access to world-class technology enablers that only a few years ago were available only to the largest of US businesses. Cloud-based computing and software as a service now allow entrepreneurs and established businesses to use technology on a consumption basis without the large up-front hardware or licensing fees. This allows a startup to compete against any established business anywhere in the world if its leaders have the right vision. Technology and infrastructure are no longer a barrier to change but an accelerator to change.

These disrupters are a threat to every legacy business. And who do you think is leading that next wave of start-ups—someone who espouses consensus management as the leadership style needed for quick market entry and disruption? Or a Mandate Driven Leader who has a vision for the startup, communicates that vision clearly, and is unrelenting until the vision is achieved?

Elon Musk, Mandate Driven Leader

Elon Musk, the co-founder and CEO of Tesla, has had his share of negative press. And he would be categorized as a Mandate Driven Leader. Musk has told many an audience that friends, family, and business associates attempted to talk him out of both Tesla and SpaceX. He has told ***USA Today*** that starting SpaceX and Tesla was probably "the dumbest things to do" as far as a startup.

However, Musk has started a revolution in the car industry, proving every naysayer incorrect. Electric car sales are growing at 50+ percent a year and will increase from 3 million units in 2017 to more than 125 million units by 2030. Every automobile manufacturer is now scrambling to catch up. In typical Mandate Driven Leadership fashion, when Elon Musk was asked why he started Tesla and SpaceX if it truly was the "dumbest thing to do," he said, he "believed in the companies' abilities to change the world for the better."

The disruption of yesterday and even today is only the beginning. We are on the cusp of an even greater round of disruption. Faster than many companies think, we will see monumental shifts in the value and supply chains in healthcare, manufacturing, insurance, finance, and consumer packaged goods.

For legacy companies not just to survive but to thrive in this era of digital disruption, they need transformational leaders who have a vision for the future of the company to allow it, through directive leadership, to become the disrupter instead of the disrupted.

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- ***Start With Why: How Great Leaders Inspire Everyone To Take Action*** by Simon Sinek
- ***Anticipate: The Art of Leading by Looking Ahead*** by Rob-Jan de Jong

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The Power of a Graceful Leader

Alexsys Thompson

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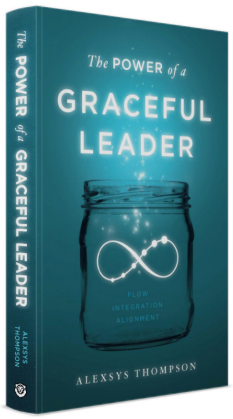
The Power of a Graceful Leader



by **Alexsys Thompson**

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THE SUMMARY IN BRIEF

This is an unprecedented time for leaders on all levels. The details and strategy being asked of leaders is intense, and graceful leadership has never been more paramount than right now in our modern world. When people hear the word grace, they often think of religion. While religion can play a role in grace for some leaders, grace, as defined here, is not about religion. Rather, grace is the practical expression of a loving, connected compassion with self and others. It is the ability to see yourself in the other.

Alexys Thompson, in ***The Power of a Graceful Leader,*** points out that every leader directly impacts at least twelve other humans through leadership. Graceful leadership is the most integrated form of leadership. It allows you to form a bridge between personal and professional, align yourself to your purpose, and adapt as required for each unique situation.

The epitome of a graceful leader is knowing where to be, when to be there, and how to be there. It's like having a playbook in football, where you know exactly where you're supposed to be on the field.

IN THIS SUMMARY, YOU WILL LEARN:

- To understand how to be graceful to yourself.
- To live your life with more alignment, integration, and flow.
- New tools for leading.
- How to create a graceful culture in your home and work environment.

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Meghan P. Kozak, Editor-in-Chief • Kylie Waytuck, Graphic Designer

What Grace Is

Grace is beauty and strength combined. It has a warrior energy to it. Grace does not equal doormat. Rather, a graceful leader has a power that is accountable. Graceful leadership offers a two-way street of connection: the graceful leader is felt and seen by the people, community, and organization they are leading, and those who experience the graceful leader are similarly left feeling seen and heard.

The Dance of a Graceful Leader

In the ballet of graceful leadership, the graceful leader pulls self back and others forward to do what is needed. When people talk about conscious leadership and servant leadership, they frequently talk about how the leader leads from behind. A leader who is always at the front, pulling their team along behind them, is not graceful. However, the humble, self-deprecating leader who is always at the back, out of the limelight, is not graceful either. A graceful leader recognizes that their role is fluid. Sometimes, yes, a leader needs to lead from behind. Other times, they need to be up front.

The graceful leader can pull to the back in one moment and then march forward to the front in the next, intuiting what the situation dictates. They swing back and forth as needed, never staying in either position for one nanosecond longer than needed. In a crisis, they move up front, taking the hits and clearing the way, and then as soon as the storm breaks, they hand command off to their lieutenants and fall back, letting their team take over.

The Tenets of Graceful Leadership

There are six tenets of graceful leadership: integrating, evolving, transparency, connecting, co-creating, and being compassionately powerful. These tenets are your guide to stepping into your grace, and working on any one of them will bring you closer to the graceful leader within you.

Grace in Action

Michael is an excellent example of what the tenets look like in practice. Michael ran the whole operations division for a Fortune 500 transportation company. It was a high-stress, high-responsibility role. He was frustrated by this inner knowing that who he said he was and how people were experiencing him weren't aligned. He felt a burning need to integrate his Christianity into his work life. He worried, though, about how he could do that without alienating his team, which was diverse, with a wide spread of religious beliefs.

Michael was on his way to being a graceful leader. How could he begin showing up as all of himself at work, while not crossing into inappropriate behavior? To reach a solution, he had to define what it meant to him to be Christian in terms of behaviors. He decided that for him it meant showing up with compassion, listening, and being more still so people could express themselves.

Then, Hurricane Harvey hit Houston hard, and Michael's new skills were put to the test in a major way. Many of the people who worked for Michael lost their homes and belongings. Since showing up with compassion was an integral part of being a Christian for Michael, he showed up with compassion in a big way. His response to the storm also epitomized the connecting and co-creating tenets of graceful leadership. He thought in terms of "we" instead of "I," and he acted according to his inner guidance system, demonstrating great empathy for his team. Together, he and his team raised money and got resources to the people who needed it. Regarding the co-creating tenet, he searched for and found innovative solutions to the hurricane's impact.

Though it put him out of his comfort zone, he reached across departments in his organization to form subcommittees to support the company's employees in the wake of the hurricane. With his example, the culture of the organization began to shift.

Fast-forward a year, and Michael's staff nominated him for a prestigious impact-in-leadership award. While he was the one receiving the award, it was just a formality so that he could bring it home and share it with the whole team. In this moment, all that he had set an intention to become as a leader was a part of him, and he felt it in every fiber of his being.

Why Gratitude is the Entry Point to Grace

Cultivating gratitude will help you shift your focus and see and appreciate all that is working in the many facets of your life. Gratitude reminds us that our challenges are usually not as big as we think they are.

A Gratitude Practice

A gratitude practice is simply about feeling and expressing gratitude for things in your life. Each person's gratitude practice tends to look a little bit different. The key is to find something that works for you.

Gratitude journals are designed to be used in the morning

and at night. In the morning, you start with a quote, pieces of gratitude, an intention for the day, and supporting behaviors for your intention. At night, you do a wrap-up, where you list a high-five to yourself, magical moments of your day, and the intention you want to take into sleep with you. Consistency matters here. Try to work on your gratitude practice at least once a day. Don't beat yourself up, though, if you miss days here and there—it happens to all of us.

Changed by Gratitude

When you start a gratitude practice, you start noticing more things to be grateful for. It's like the Baader–Meinhof effect, in which something that has recently come to your attention suddenly seems to appear with improbable frequency shortly afterward—maybe you just bought a red car, and you suddenly start seeing red cars everywhere. The things we spend our time thinking about are the things we tend to notice. It's a wonderful compounding loop: the more gratitude you express, the more you find to be grateful for.

Uniting Self And Soul

The distinction between self and soul can be tricky because both are part of you, and they are often intertwined. Another way to think about it is as the little self and the big Self—self, with a lowercase s, and Self, with a capital S. Your little self is your ego, the self you've constructed to get through life. It is created through your life experiences and your environment. Your ego is not "bad." It guides you in how to interact with yourself, others, and the world. It is your human interface. Your big Self is your soul, the Self that comes with you into this world. Your soul is your essence, the truest expression of who you are. The big Self is immutable. It is pure, innocent, and agenda-free.

Alignment

We all exhibit a spectrum of behaviors. Sometimes we're quiet; other times we're loud and boisterous. Pay attention to the full range of your behavior. Notice when you're extending yourself to others more and when you're becoming more hermitlike. Become aware of your different ways of being and doing in the world. You can have an alignment of self and soul in a wide variety of ways. Whether you're joyous or sad or angry or peaceful, you can still be in alignment. Martin Luther King Jr., for instance, understood that righteous anger was a powerful tool to be utilized in pursuing and aligning to purpose. Being in alignment does not mean you must always be calm and peaceful, though that is one way of being in alignment. Shifting into the awareness of alignment and misalignment is a gritty process. It asks of us great resolve and stillness as we do this inner mining. This process will bring into awareness limiting beliefs. Remember to be kind and graceful with yourself as you unwind some of your unconscious behaviors.

Use Grace To Distinguish Story From Fact

Rushing to judgment is a common sabotaging habit of all humans, not just leaders. Judgment is a self-protective instinct. We tend to move forward in situations as though our perception is truth. To break out of this never-ending finger-pointing game, we must learn to distinguish perception from truth, story from fact.

Curiosity

Curiosity and judgment cannot coexist. As soon as you stop and ask a question, you create space between your thought and the inquiry. In that space, you have a choice. You may end up choosing to judge. Until you make that choice, though, the judgment does not exist. You can't be judging while you're still choosing. If you slow everything down to ask, "Why would a good and decent person do that?" or "How did this come to happen?" or whatever the inquiry might be, it allows you to step outside of your story and consider other potential answers. That is curiosity doing its job.

Grace In The Face Of Conflict

Grace is a wonderful asset in navigating conflict. It prevents us from rushing to judgment and encourages us to consider situations from others' point of view. Grace leads to conversations instead of arguments.

Leaning into Conflict

Grace is power, and power holds its place. Accordingly, graceful leaders lean into conflict instead of avoiding it. With stillness, they are able to be inside the conflict. They are not positional or judgmental or poised for flight. They approach the conflict with heart, ears, and mind open. They recognize that people are not their behavior. While that makes them compassionate, it doesn't mean they tolerate bad behavior—the exact opposite. Graceful leaders have clear boundaries and believe in compassionate accountability. You can hold somebody responsible for their actions while holding compassion for them as a person.

How Grace Can Transform a Company's Culture

Graceful leadership is not just an internal adjustment. It is also concrete actions that change how you and those around you show up for work. A single graceful leader can set off a domino effect of grace within an organization.

The Power of Grace- Nadia

Like many leaders, Nadia struggled to shift from executing to influencing. She struggled to delegate. She was often out on the floor, looking in people's queues and completing tasks that were two layers below the level she wanted to be focusing on. When there were problems, she found it easier to fix it herself than to let her team figure it out.

Nadia grew brave enough to examine how she came across to others with different ages, backgrounds, and status in the organization. She realized that she sometimes exuded an intimidating intensity and often used body language that was unconsciously demeaning. Nadia started making changes. She began by extending grace to herself and then others.

She allowed a more holistic version of herself to show up at work. Her team had always liked her for her intelligence and effectiveness as a leader; now they loved her for the person she was, because she was finally allowing them the opportunity to know that person. As they witnessed her humor and vulnerability, they began to respond with the same.

Create Your Unique Path To Grateful Leadership

In *Find Your Why,* Simon Sinek says, "If we want to feel an undying passion for our work, if we want to feel we are contributing to something bigger than ourselves, we all need to know our WHY." You will know when you've found your why through your intuition. It will simply feel right. It will leverage more of your strengths than weaknesses, and it will inspire you. Additionally, when you start to share it with others, it will feel right to them as well. There will be a resonance, an echoing that comes back, reinforcing that your why is true to you.

We need graceful leaders because graceful leadership triggers a domino effect of impact. Changing yourself allows you to change your organization. Changing your organization changes your community. Changing your community changes the world.

Alexsys Thompson offers this body of work as a testament to her own leadership journey, as well as the journey of hundreds of other leaders. For Alexsys, the tipping point came when she established her gratitude practice and spent a decade refining it. Today, developing a gratitude practice is a key element of her work as a board-certified executive coach. Alexsys also serves as adjunct staff for The Center for Creative Leadership and is a member of the Forbes Coaching Council. She authored The Trybal Gratitude Journals, curated a collection of short stories called Gratitude 540, and is building a sanctuary in Vermont that will be a "safe space for souls to show up."

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The Promises of Giants

John Amaechi OBE

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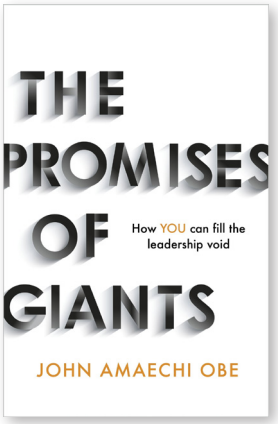
The Promises of Giants

How You Can Fill the Leadership Void



by **John Amaechi OBE**

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THE SUMMARY IN BRIEF

Former collegiate and NBA basketball player John Amaechi has had a full and varied life. But everyday of it that he can remember has been lived as a giant. And that never goes away. The impact of being a giant factors into his every decision. It influences the way people see him and the way that he interacts with them.

The Promises of Giants: How YOU Can Fill the Leadership Void requires you to recognize that you, too, are a giant. And forgetting you're a giant–even for a moment–can have dire consequences. Giants can't do anything in the same way as everyone else. And when it comes to your interactions with others; neither can you.

The promises of giants guarantee a certain type of lived experience under the umbrella of that leader. It is a collection of promises made to the people you work with most intimately, to your workplace as a whole, and to yourself alone.

IN THIS SUMMARY, YOU WILL LEARN:

- How and why you are giant, regardless of your size.
- Promises leaders should make to themselves.
- Promises leaders should make to those they interact and work with directly.
- Promises leaders should make to their organizations on a whole.

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PART ONE: Promises to Yourself

I Promise to View Myself Critically, But Not Cruelly

If you are not open to focused introspection and you do not practice it on a routine basis, you will not be a great leader–at least not by the standards of greatness that truly matter. To be authentic, emotionally literate, intellectually curious, adaptable, and connected and engaged with those around you, introspection cannot be ignored.

It is a whetstone that sharpens your inner voice, which must be trustworthy. For the rest of your professional life, that voice will be your primary source of feedback. Colleagues, direct reports, and managers will be sources as well.

But the farther you advance, the more difficult it will become to acquire useful external feedback. Your colleagues won't tell you everything. And they'll sometimes tell you things that aren't necessarily accurate, for better or worse.

So this first promise is imperative: to view yourself critically, objectively, and compassionately. This means an honest, ongoing pragmatic self-assessment of strengths and weaknesses. Without an accurate understanding of your flaws and fortes, the starting point of your journey forward will be unclear, immediately setting you off course.

I Promise to Commit Fully to Success

It may seem self-evident that you are committed to winning. After all, you are reading about achieving personal, interpersonal, and organizational success and that in itself takes time and commitment.

Success and "winning" within the context of the promises are defined just by the fulsome achievement of one's goals–hopefully goals of noble intent, but, if not that, at least goals designed not to harm others.

Winning is a big picture operation. It's about a commitment to a vivid, long-term personal and organizational goal with a clear and unequivocal understanding of what success looks like when it happens.

When it comes to winning, you need to be clear on these seven things:

- "Nice [pleasant, thoughtful, conscientious, ethical, fair, honest, etc.] guys" don't necessarily finish last.
- Success doesn't require cruelty.
- Success is relative.
- Success requires a clear, vivid, and explicit vision.
- Success requires compromise.
- Success isn't a zero-sum game–you don't have to seek to destroy others to achieve success yourself.
- Success hinges on the minutiae (people often think there are pivotal moments.)

I Promise to be Bold and Vulnerable

Many of us have had experiences that make us familiar with the surge of emotions associated with conquering fear. We've learned that, when we demonstrate the ability to be bold, paired with the willingness to be just a little vulnerable, good things usually follow.

We have all felt that relief of, "Ah, that wasn't so bad after all. Lesson learned." And yet it's a lesson that often must be relearned time and again with every new context.

Make no mistake, it is effortful to be bold. It is difficult to be vulnerable. And for these reasons, the promise to be both will be particularly challenging to keep. But you *must*.

Because being bold in the face of challenge, and allowing yourself to be vulnerable in the face of potential loss, opens up an entire spectrum of possibilities that would not otherwise be available.

But you do need both.

For many, the invitation to be bold will be more alluring than the invitation to be vulnerable. Intrinsically, boldness is conflated with courage and so has a more positive spin and is perhaps looked on with more favor than vulnerability, which is often associated with weakness or a lack of courage.

But the two are a powerful combination and each far less powerful on their own.

I Promise to Act with Vigilance Against My Biases

If we want to succeed in this world–to solve the big, new challenges and create the solutions that will be essential not only for our own success but for our collective survival–then we will need to live, work, and collaborate with people vastly different from ourselves.

As organizations and individuals we need effective ways to combat bias, and we will need to eschew those methods that continue to fail us and those individuals who refuse to develop the skills and capabilities to engage with people different from themselves.

Words and actions can be observed, measured, challenged, sanctioned, and rewarded. Words and actions are where actual damage is done.

The concept of privilege is often misunderstood and overly personalized. It is not about being rich or blessed with a life free from discomfort. It's about the distinct advantage secured only by being born into a certain identity.

They often come in the form of an absence of a particular impediment, which means we often don't realize we have these privileges when they're present because their impact only crystallizes when absent.

It is understandably a complex reality for some to embrace, fraught with potentially painful personal revelations and unnecessary guilt. But it is imperative that everyone does this work.

If you don't appreciate your privilege, you do actual damage just by your dismissal of its existence. Similarly, it is imperative that we appreciate the existence of our biases and do everything possible to prevent them from negatively influencing our actions and behaviors.

Corporate diversity and inclusion efforts would be better off focusing on behavior and rhetoric, as opposed to individual biased thought. In the workplace, we cannot control whether our colleagues harbor racist, sexist, or otherwise unsavory thoughts. We are not the thought police.

Our attention should be focused on what people say and what they do, on rhetoric and behavior. Words and actions can be observed, measured, challenged, sanctioned, and rewarded. Words and actions are where actual damage is done.

I Promise to Reject Excuses and Embrace Discomfort

Excuses are easy to find. And when they're not immediately evident, they're easy to create. Even if you love what you do, work can be tedious, rigorous, voluminous, and, in some moments, not particularly satisfying. Even though you might do almost anything to get out of it, it is work that is necessary, so it gets done without excuses.

Surely, you have your own list of situation-specific excuses, in addition to those that are more general and forever at your disposal. "I'm super busy" is the old standby but there are other excuses to accompany this one.

- "It's always been done this way."
- "I'm but a cog in the wheel."
- "It's the fault of bureaucracy."
- "I'm an extrovert, so it goes against my nature."
- "I'm an introvert, so it goes against my nature."

Any of those statements may be true. But none of them should be offered as an excuse to avoid that which is unpleasant or difficult. None of them represent immovable barriers. And none are the statements of leaders.

True leaders promise to reject excuses like these at every turn, even at the cost of their own comfort or personal gain. We are mostly all busy. So it's not a distinguishing characteristic. And thus, it's a rubbish excuse.

Time is a precious and finite resource. Consider how you can be more focused, energized, and effective with the time you have by "Paying the FEE."

FEE is an acronym for Focus, Effort, and Execution:

- **Focus**–a single-minded, unwavering concentration on the creation of, and then progress toward, a clear, discrete, and well-defined target or goal.
- **Effort**–the discipline to apply yourself to mundane, vexing, or obscure tasks and preparation with consistent eagerness and enthusiasm.
- **Execution**–undertaking everything you do with the goal of eliminating unnecessary variance so that everything you do is not just effortful but done to a tight tolerance based on your plan.

People can make themselves remarkably "busy" without ever actually being stretched beyond their comfort level–without ever even approaching their actual capacity for delivery of key outcomes.

This is the promise of giants. That we will do right by people–care for, protect, and develop them–every step of the

way, even when it's not in our own immediate interest and even when it is uncomfortable or difficult.

I Promise to Tend to My Mind and Body

This self-directed promise stands to benefit you more immediately than any promise in the book. But even the promise to tend to your mind and body is not just about you.

It's about ensuring the sustainability of your own internal resources because your attention, patience, energy, and more will be taxed in order for you to achieve your goals and be relied upon by others in your business and social circles.

In the context of leadership, there are seven factors of individual resilience that demand our attention and directly contribute to sustained high performance.

- A healthy mindset
- Active learning
- Balanced nutrition
- Physical activity
- Occasional pauses
- Consistent recuperation
- A good night's sleep

PART TWO: Promises to Individuals

I Promise to Reflect Your Potential

True giants do not require titles or labels or formal positions of authority over others. Given the proper support, they can assert power and make an impression from anywhere within the organization, simply by the way that they treat people. By the way they look at people, even.

If you're not vigilant, you can be an exaggerated funhouse mirror for everyone you come into contact with, reflecting back an unrecognizable and unwelcome reflection.

The way you interact with people is critical. It can damage their self-regard and negatively impact their performance in ways you may never have intended. Or it can instill heightened and previously unreached levels of confidence.

As a leader, a colleague and a giant, you must promise to reflect as accurately as possible the capabilities and promises of others; what others need to see in order to perform at the highest level–because that reflection has the power to tap into dormant reserves of unexplored potential.

When you don't see what you need to see reflected by those around you, it changes the way you interact with the world. As giants and leaders, we have a responsibility to make sure that this never happens on our watch.

This is not because it's important to be "nice." It is because, when we allow people to be seen as "less than" in any way, it limits their contributions. The mere feeling of being perceived as less valuable diminishes the value that a person can add to your organization.

I Promise to See You as an Individual and Not as a Job Description

Organizations bemoan the time and resources that must be spent recruiting "talent." But sometimes the talent is right under our noses, but not in the right roles. And this is because the "talent," or "human resources," is not viewed as human.

Workers have largely been commoditized, and, as such, they are separated and crammed into labeled boxes and confined lines of progression, from which escape is rare.

But organizations that will thrive in the future will flow with the recent humanization of the workforce through and post the COVID crisis and will embrace the need for talent to move and roles to evolve in a way they never have before.

The old, rigid, and sometimes unspoken boundaries on what people can contribute are antithetical to the ideals of innovation and disruptive thinking. They diminish performance, and they make people miserable. A lose-lose.

Winning in the long term and through inevitable bouts of volatility requires more than commoditized service and performance. That is why giants promise to see and treat people as unique, individual beings and as more than just their job descriptions.

I Promise to Deliver Timely and Effective Feedback

There are legitimate reasons to avoid difficult conversations, particularly around feedback. Such dialogues are challenging and energy expensive. We don't know what to say, or we fear that we'll get it wrong.

There's a chance our intentions will be misperceived and our subject will get upset and become emotional. And by talking about something, we may fear we'll make it worse and injure our relationship with the recipient. We imagine and fear a damaged future.

With a bit more focus and a few modifications, you can make clear to anyone you engage with that you've got them.

The good news is that delivering timely and effective feedback is just an ordinary skill. So, like any ordinary skill, it can be improved with practice and discipline. And as tricky conversations become more familiar, they will become less threatening. They will become easier, and you will become better at them.

Because what happens if you don't? The problems get worse, right? Your own situation gets worse. And you end up needing to have a difficult conversation anyway, only now it's more difficult because now everything is worse.

We promise to deliver timely and effective feedback because our people deserve it and need it in order to thrive. When we avoid constructive criticism out of fear that it might be cruel, we do them a tremendous disservice.

Preparing and delivering effective, timely feedback is not something you do once a year. It's something that you do constantly; it's ongoing. It's a never ending series of micro-appraisals.

It's arriving at work every day with open eyes and a commitment to notice significant, even if small, behaviors and actions, and to document and follow up on them within 24 hours. Embracing this concept of micro-appraisals will contribute to an environment where feedback is the norm.

I Promise to Be Present, and Not Only When I Need You

There is one last promise that should be made directly and personally to each of our colleagues. It is a promise to be truly and fully present while in their presence and a promise to be in their presence consistently, not just when we want or need something from them.

This is a promise to consistently, selflessly seek out and create quality time and meaningful interactions. A promise to forge true connections that contribute to a climate of collegiality because teammates that are familiar with each other and authentically collegial toward one another are proven to perform better.

Making good on this promise starts with an ongoing practice of functional mindfulness. Mindfulness is more than a quirky, spiritual trend; it is essentially about an intentional focus and attention to what you're doing while you're doing it.

Without mindfulness, it's too easy to be consumed and overwhelmed by the myriad thoughts and to-dos competing for attention in our brains. A promise of undivided attention, even for short bursts of time, is invaluable.

It sends a message that what is important to your colleague is important to you, even when you're busy. It doesn't take much, really. With a bit more focus and a few modifications, you can make clear to anyone you engage with that you've *got* them.

PART THREE: Promises to the Organization

I Promise to Bear Responsibility for the Driving Culture

There is a broad acknowledgment that organizational culture is in decline, and it must be restored to right the ship. But there is often an air of detachment between a leader's influence and the culture they are seeking to improve.

Intentional efforts in cultural reform have their place, but ultimately, culture is the accumulation of millions of choices made by each colleague. People make choices. And those choices make culture. Some people are more influential than others but everyone makes a difference.

Dismissing our immediate and actual connection to culture is an indulgence that passively encourages bad behavior. When we excuse ourselves from responsibility for the culture, its more insidious and negative elements become easier to accept or at least overlook. When we choose not to act in the face of small infractions, those infractions become more common and grow in significance.

Everyone is part of the problem, just as everyone can be part of the solution. No one gets to wash their hands of the commitment. We are all custodians of the culture, and as giants we must promise never to turn our backs on that responsibility.

It is the choices that each of us makes that shape the culture around us. When you see something, you must do something. What you choose to do will differ depending on your place in the organization. But everyone can do something. Everyone owns some responsibility for the culture.

I Promise to View the Organization Critically and Truthfully

The vast majority of organizations have a sizable gap between what they promise publicly and what they deliver in reality. There is a pathological disconnect between the stories that we tell about our workplaces and the actual experiences of people within them.

Some of the cleverer organizations avoid stating untruths by projecting aspirational mission statements: declarations of what is hoped for at some later date, rather than assessments from the present state.

Organizations may not project a perfectly objective reality of who they are but as a leader, YOU cannot buy into your organization's hype–especially if you care about improving it.

Leadership requires a clear and accurate assessment of the landscape. Just as you promised to view yourself critically and truthfully, you must also promise to view your organization critically and truthfully.

It's necessary to have a clear and specific vision for the rosy future that you see for your organization. But you will never get there without a pragmatic assessment of the "now" that is as transparent and vivid as the future you're aiming to achieve.

So this is a promise to be clear eyed about that now. It's a promise to be more precise with how we describe ourselves, to stop feigning ignorance of the way things really are.

I Promise to Promote Everyday Inclusion Based on Earned Disclosure

A culture of inclusion is so important. It is an ethical and public relations imperative. But, first and foremost, facilitating disclosure is a performance prerogative.

You must promise to promote everyday inclusion in your workplace based upon earned disclosure. This is not only the "nice" way to treat people, it's the ONLY way to treat them if you expect to extract all of what they have to offer.

Let's get clear about what is meant by "everyday inclusion" and "earned disclosure." Inclusion must be the standard because inclusion is a choice that we make, a state that is created and maintained by our actions.

Diversity, in contrast, is our collective destiny. In modern society, diversity is inevitable and on the rise. But inclusion is optional–rooted in everyday choices that are made anew daily.

Everyday inclusion is achieved when people feel confident that they are consistently being seen, heard, and valued as whole and unique individuals. And psychological safety is essential in an environment of everyday inclusion.

Psychologically safe teams provide security and liberate their members to trust in one another; to disclose and offer insights fully in pursuit of solutions, without fear of repercussion or humiliation.

This matter of disclosure is one of the most misunderstood aspects of inclusion. Voluntary, "earned disclosure" is always as much a statement about the person receiving the information as it is about the person offering it.

Earned disclosure is a profound statement about the recipient that says: "I have watched how you behave and listened to how you talk, and you have earned my trust enough that I believe that I can give you this piece of me and you will treat it with the same dignity and care as I do myself."

That trust–the ability to be vulnerable–is so powerful for organizational bonding.

I Promise to Create an Environment That People Never Want to Leave

This final promise is to create an environment that people never want to leave–because they've found a place where they are seen and heard and valued. A place where they'll receive constructive feedback but won't be abandoned should they fail, where they are never alone and never expected to be a specific, superficial "fit" in order to belong.

Put together inclusion, trust, psychological safety, and attentiveness and sprinkle in a healthy dose of joyfulness, and the result will be a potent mix that, when consumed, can be highly addictive. People will respond because they will recognize how precious and rare it is. And they will never want to leave.

Most of us want to see congruence consistently. And when we don't, we put up walls. You can tell people they're valued and they're the bedrock of your organization, but if your actions consistently fail to support that sentiment, they will notice.

If you even occasionally treat people as an afterthought, they will be disinclined to connect on your terms when you need them to. They'll be less willing to give extra. They will do just enough.

Making good on our promises requires disciplined and unconditional consistency. People need to be confident that their colleagues are all on a level playing field, held to clear and equal standards.

Giants can make a profound impact through seemingly inconsequential actions. By keeping these promises, you can positively shape the way that people view themselves. You can make people feel connected. You can unleash their talent.

The world is filled with unique, bizarre, and wonderful people with diverse gifts and reservoirs of untapped potential.

- Promise to be an ally to them and an advocate for them.
- Promise to be a true colleague and an authentic leader and to bring out the best in them.
- Promise a healthy but competitive passion for winning.

And keep those promises, unconditionally and persistently. That is the duty and honor of being a giant.

John Amaechi OBE is a respected organisational psychologist, New York Times best-selling author, sought after public speaker, executive coach and Founder of APS Intelligence Ltd. He is a non-executive director of a FTSE 250 food company and £2.4bn healthcare organisation in addition to being a board advisor for several FTSE100 organisations in the financial, legal and professional services, technology, publishing, engineering and retail sectors. John has been recognised as one of HR's most influential thinkers by HR Magazine. John is the first Britain to have a career in the NBA.

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The Psychological Safety Playbook

Karolin Helbig, Minette Norman

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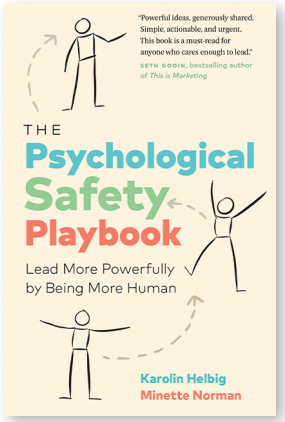
The Psychological Safety Playbook

Lead More Powerfully by Being More Human



by **Karolin Helbig and Minette Norman**

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THE SUMMARY IN BRIEF

Teams that have high degrees of psychological safety also have the greatest levels of performance and innovative power. They're teams that people want to be a part of because they make people feel safe and included. Psychological safety is the "belief that one will not be punished for speaking up with ideas, questions, concerns, or mistakes." ***The Psychological Safety Playbook*** is your guide to creating psychological safety within your team and taking them to the highest levels of performance.

Karolin Helbig and Minette Norman will guide you through twenty-five specific actions that you can take to create psychological safety in your workplace. These 25 skills are organized into 5 "plays," each containing a set of skills to learn and practice. These actions can be taken by any leader, whether you're a high-level executive or a small team leader. Each action constitutes a self-contained chapter within the book, so you can start anywhere and apply them in any order.

When applied, the skills outlined in this book will help you create a high-performing work environment built on a foundation of respect. Psychological safety creates unprecedented team performance.

IN THIS SUMMARY, YOU WILL LEARN:

- Practical, real-life skills you can use in your workplace.
- How to intentionally create psychological safety within your workplace teams.
- How to be a leader in any position within your organization.
- Skills to leverage the strengths of your colleagues to reach their highest potential.

Introduction

Psychological safety is defined as "a belief that one will not be punished or humiliated for speaking up with ideas, questions, concerns, or mistakes." This idea was first developed by Amy c. Edmondson, Novartis Professor of Leadership and Management at Harvard Business School. Teams with high levels of psychological safety are the most inclusive and perform at the highest levels in the workplace. As a leader, you should think of psychological safety as the essential nutrient to build a healthy team.

Communicate Courageously

Courageous communication is a fundamental skill for developing psychological safety. It requires getting out of your comfort zone and trying new things, which means you might not feel comfortable practicing these skills immediately. This journey requires embracing discomfort. In other words, if you want to foster psychological safety, you need to get comfortable with being uncomfortable.

Communicating with courage is about being honest, allowing others to contribute to the conversation, and letting go of perfection. While many of us have been trained to think that we should have all the answers, it's time to let go of these beliefs. Showing up authentically in front of our colleagues requires vulnerability.

Welcome Other Viewpoints

By asking this simple question, you open yourself up to see things from a viewpoint other than your own. This allows your personal views to be challenged and acknowledges that you don't know everything. Welcoming other viewpoints avoids conformity bias, or feeling pressured to agree with everyone else.

Leaders should be aware that team members tend to agree with their leader's viewpoints to avoid creating dissent within the workplace. It's important to encourage open discussion, including different perspectives from your own. This fosters an environment where everyone feels their views are valid.

Solicit Diverse Perspectives

In any group, there are naturally some people who are more dominant than others. This is often due to personality differences, but people from underrepresented groups often feel they have less right to speak up and share than people in more dominant groups. Your job as a leader is to make sure that everyone's voice is equal, with no one viewpoint holding more weight than another.

Open Up

Leaders are often trained that being professional requires a lack of emotion. The irony of this is that it fails to show humanity. All humans have emotions, it's part of what makes us human. Recognizing our emotions allows us to harness and control them. When emotions are suppressed, we lose control of our reactions and our behavior. When you share your emotions with others, you create a sense of trust with your colleagues.

Take Off the Mask of Perfection

Leaders are frequently portrayed as driven, results-oriented individuals who know how to solve every problem and how to get results in every situation. But this couldn't be further from the truth. Truly successful leaders never stop learning and seek out opportunities to learn. Admitting that you don't have all the answers may put you in a vulnerable position, but it creates an environment that promotes teamwork and the pursuit of new information.

Nurture a Sense of Humor at Work

One of the most admired qualities of an effective leader is a sense of humor. The ability to laugh together with your co-workers creates bonds and brings a lightness to an environment that is often stressful and heavy-feeling. Research shows that laughter boosts team performance, well-being, and measurably impacts your bottom line. When you lead your team with a sense of humor, you create motivation and make it possible for everyone to contribute their very best.

Master The Art Of Listening

Listening well is an art form, and one of the most underdeveloped leadership skills. Most of the time, we are so focused on presenting our opinion that we don't take the time to listen. When we are "listening," we listen intending to formulate a response instead of listening with the intent to understand. Artful listening requires a change in our perspective. It requires being genuinely interested in others' opinions, even when we disagree with what they have to say.

Listen to Understand

Mastering this skill is difficult for many of us. It means allowing yourself to listen to what others have to say and focusing on understanding their perspective. It also means

not spending that time formulating a rebuttal, interrupting with comments, or waiting to jump into a conversation. Listening to understand involves an attitude shift. It means acknowledging perspectives that are different from your own and being aware of your blind spots.

Be Fully Present

Quite often we think we are listening to someone, but we aren't. We're allowing someone else to talk, making eye contact, and hearing what the person says, but our mind is somewhere else. We're mentally managing our to-do list in our heads instead of being present in the conversation. Mind-wandering is normal, but we can train ourselves to refocus our attention by practicing mindful listening. By making a conscious choice to refocus on the person talking, you become present in the conversation.

Clarify Your Understanding

Paraphrasing what someone else has said allows you to ensure you have heard them correctly and that you understand the meaning of what they said. By repeating back a summary of what you heard in the form of, "So, what I'm hearing is…" or "Just to make sure I'm understanding you correctly…" you let the other person know that you are interested in what they have to say. They will feel heard and be more willing to share with you in the future.

Listen for Emotions

Whether we like it or not, everything we do evokes an emotional response of some sort. While we've been taught that business should be emotion-free, as human beings, we inherently make decisions based on emotion. Research has shown that emotion is necessary for making decisions. Identifying and acknowledging the emotions behind what people are saying can help you address issues and resolve conflicts at the source.

Commit to Curiosity

Curiosity fuels learning and connection. If you want to bring people to their full potential, as them to tell you more and elaborate on their perspective. Avoid jumping in with your ideas and allow others time to think and speak. When you are genuinely interested in hearing more you will elicit more complete thoughts from your team members and create a deeper connection. "Tell me more" is all you need to say.

Manage Your Reactions

Reacting emotionally or defensively can take away from psychological safety in the workplace. If you respond harshly to someone, they may feel embarrassed or humiliated, making them feel that it is no longer safe to open up at work. To create a psychologically safe space you must be self-aware and learn to manage your reactions. This doesn't mean you shouldn't acknowledge your emotions, only that you must learn to choose a response that is productive and non-reactive.

Model Non-defensive Reactions

Criticism automatically causes us to become defensive. It's our natural reaction, but we can become self-aware enough to stop it before we say something we shouldn't. Pausing and reflecting before we respond will help prevent us from lashing out and hurting others.

Respond Productively

Self-awareness is a fundamental leadership skill that will allow you to control your responses. One of the best ways to do this is to label what we are feeling in real-time. Research shows that by giving our emotions a name, we can take control and decrease our emotional response. It's important to acknowledge your feelings, but don't judge yourself for them.

Watch Out for Your Blind Spots

Our brain is masterful at creating stories, whether they are true or not. This characteristic creates blind spots and biases that we may be unaware of. However, we can become more aware of these blind spots and be more suspicious about the conclusions we draw from limited information. Don't let your brain go on "auto-pilot" and make assumptions about what others are thinking or feeling. Once you recognize your blind spots, you will be more open to the perspectives and experiences of others.

Appreciate Being Challenged

Being challenged often feels like we're being attacked. Our brain can't distinguish the difference between us being chased down by a predator and a team member questioning our strategy. When our brain goes into fight-or-flight mode, we become defensive and reactive. But we don't need to be. Stepping back from our automatic reactions will allow us to provide a more productive response. Even when you fundamentally disagree with someone else's perspective, you can still take the time to appreciate their response and their courage for sharing their opinion.

Build On Others' Ideas

Using a simple change of phrasing when responding to new

ideas can shift the entire conversation. Instead of hearing a team member's idea and saying "No, but…" try saying "Yes, and…" Our brains tend to focus on the negative aspects of what someone is saying. To cultivate an attitude of sharing and openness, we need to shift to focusing on the positive. Resist the urge to instantly shut down new ideas and make room for innovation and creativity.

Embrace Risk And Failure

How you deal with risk and failure will have a giant impact on the psychological safety of your team. Do you encourage risk-taking? Do you encourage learning and trying new things? Or do you point out people's failures and shortcomings? Changing patterns of behavior is challenging, but learning and taking risks are a necessary part of success.

Normalize Failure

Accept the fact that there is no success without failure. If you want to succeed, you must embrace failure as part of the process. Thinking success is a straight line from start to finish is unrealistic. Developing a culture where you share and learn from failures will encourage learning and improvement. High-performance teams don't "fail," they learn from the things that don't work and improve upon them.

Reframe Failures as Learning Opportunities

While most companies promote continuous learning, the real learning comes from failure and making mistakes. Given this, it's a leader's responsibility to remove the fear of failure. Promote the idea of examining failures to find the lesson. This will also prevent people from hiding their mistakes and encourage them to try new things.

Get Comfortable with Discomfort

Our brains are naturally designed to stick to what we know. Unfortunately, this doesn't make us more productive. If we want to be more successful or productive, we must step outside our comfort zones. To create psychological safety in the workplace, we can't run away from things because they are hard. We must learn to deal with difficult emotions and let go of pre-existing judgments. This gives us the freedom to provide psychological safety for others.

Model Learner Behavior

It's important for leaders to be humble and shows others that we make mistakes. Modeling the behavior of owning your mistakes and learning from them will encourage others to do the same.

Celebrate Continuous Learning

Examining mistakes as a team, figuring out what went wrong, and discussing the lessons to be learned create a non-judgemental environment. It openly shifts failures to be a positive experience for everyone.

Design Inclusive Rituals

Everyone has an innate need to feel like they belong. Ensuring that everyone is accepted as an individual within your organization, is offered the same opportunities, and feels free to participate is key to creating psychological safety.

Upgrade Meetings

Most workplace meetings involve a few people speaking up regularly while others sit back and listen. Appointing an "Inclusion Booster" during your meetings facilitates discussion among all team members and allows everyone to speak. In the name of inclusion, this role should be rotated regularly.

Respect All Voices

Establish a no-interruption rule in all meetings so that people speaking feel respected and heard. This will allow you to create a safe, inclusive work culture.

Take Turns

Allowing everyone a chance to speak allows everyone to be heard. Along with a "no-interruption" rule in meetings, establish a "no one speaks twice until everyone speaks once" rule. You can also try using an online collaboration tool where everyone can put their ideas.

Gather Feedback and Express Gratitude

Check-in with your team regularly regarding their psychological safety. This will give you real-time information on how everyone is feeling and allow you to know where improvement is needed. Expressing gratitude to your team members for both successes and failures will let them know they are valued and that you see them.

Conclusion

Creating psychological safety in the workplace is a continuous process. It takes time and continuous learning. Implementing the strategies outlined in this book will help you build a safe and inclusive workplace where everyone feels valued.

Karolin Helbig is an internationally recognized leadership consultant who coaches diverse, high-ranking clients to reach their full potential. Helbig's workshops and team coachings are rooted in the foundations of mindfulness and emotional intelligence.

Minette Norman is an accomplished leadership consultant who brings decades of leadership experience in the software industry to her dynamic speaking engagements and impactful consultancy.

The Psychological Safety Playbook: Lead More Powerfully by Being More Human by Karolin Helbig and Minette Norman ©2023 by Karolin Helbig and Minette Norman Summarized by permission of the publisher, Page Two Press. ISBN 978-1774583098. Published by Soundview Executive Book Summaries® Copyright ©2023 by Soundview, Inc. All rights reserved. Reproduction in whole or in part is prohibited. *45SS06D*

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The Psychology of Leadership

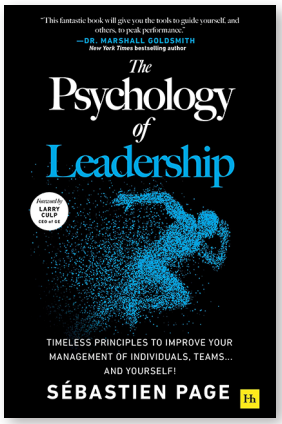
Sébastien Page

Executive Book Summaries®

The Psychology of Leadership

Timeless Principles to Perfect Your Leadership of Individuals, Teams... and Yourself!

by **Sébastien Page**



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THE SUMMARY IN BRIEF

The same ideas shared in modern leadership books are found in the writings of philosophers, famous religious figures, and prophets throughout history. Tied to key models in research-based psychology, the principles presented in this book are timeless, but will give you a fresh perspective on setting goals, executing them, leading and reading people, and managing your stress. Witty, conversational, and personal, ***The Psychology of Leadership*** blends research, humor, and self-improvement advice to deliver simple yet powerful guidance on mastering the mental game of leadership.

Leaders will develop what feels like mind-reading abilities for interpreting workplace personalities, hidden motivations, and group dynamics. They will learn how to inspire their organization to move mountains, improve their ability to listen, communicate, and when necessary, persuade. Along the way they will dramatically improve their own mindset and resilience.

IN THIS EXECUTIVE BOOK SUMMARY:

- Discover the connection between research on happiness and goal setting.
- Define accomplishment and success in a nontraditional way.
- Leverage control theory to execute goals, personally and at the organizational level.
- Apply the Big Five Personality Traits model to reading and leading people.

PART I: Setting Long-Term Goals

You've heard that employee engagement, culture, and meaning are important. But practical advice on how to do that has been lacking. How do you integrate these concepts into goals and practices that drive success? And what does the latest research on happiness reveal? Part 1 answers these questions.

Principle 1: Beware of the Side Effects of Measurable Goals

Clear, metrics-oriented goals can be powerful. They motivate people, create a sense of accountability, and make performance evaluations more transparent. Also, research shows that sharing goals—and the metrics used to measure progress against them—improves collaboration. It's easier to collaborate when you know what others are trying to achieve.

However, like medicine, goals can have side effects. Measurability is a powerful active ingredient. It makes a goal more effective and more susceptible to side effects.

Research in psychology has revealed three important side effects: goal-induced blindness, reduced intrinsic motivation, and failure to differentiate between luck and skill. If we are not careful, if we adhere too much to the measurability of goals, then we will encounter these problems.

Principle 2: Redefine Success

As a leader, you can use positive psychology, aka the science of happiness, to set better long-term goals for you and your organization. To do so, you must ask the right questions and change how you think about goals and, ultimately, success.

When we set goals for ourselves or an organization, we define "success." Most people think that success brings happiness. Of course, it's not that simple. Groundbreaking research in positive psychology proves that success rarely brings happiness. Counterintuitively, it's the other way around: Happiness leads to success.

People thrive when they:

- engage in tasks that are challenging yet match their capabilities,
- maintain positive relationships with people around them, and
- find meaning and accomplishment in their work.

Principle 3: Set Goals That Maximize Engagement

When people are engaged fully, they can enter the state of flow, in which time flies and everything just clicks. There are applications for leadership, too. You must set the conditions for people in your organization to spend as much time in flow as possible, whether working individually or in teams.

The principle for maximizing engagement is to maximize return on time spent (ROTS). Doing a ROTS audit is easy. Just step back and contemplate how much time you spend daily on useless emails and meetings. Low ROTS activities aren't particularly enjoyable and are less likely to lead to a flow state than high ROTS activities.

Yet low ROTS activities are irresistible for two reasons. First, they have low activation cost—they require little energy to get started. It's so easy to pull your phone from your pocket and scroll. Second, they tend to provide a short-term reward.

High ROTS activities, in contrast, often have high activation cost. But once started, they lead to higher engagement and more time spent in a state of flow. High ROTS activities are more likely to align with your long-term goals and values. And they're more likely to recruit your full and differentiated capabilities. In the long run, they contribute to your energy reservoir rather than drain it.

Principle 4: Prioritize Relationships

Relationships are so important to the psychology of leadership. We're wired to crave social connections. Also, there's a link between the importance of relationships and flow. Social interactions put your brain in the sweet spot for engagement. On the other side, the lack of positive relationships can be debilitating.

Some of the most important goals you can set for yourself and your organization should focus on relationships. These goals aren't perfectly measurable, and that's okay. Relationships are the most important and biggest challenge to mastering the psychology of leadership.

For an organization, happiness is challenging to define. Every CEO must address the tensions between maximizing profitability for shareholders, treating employees right, and keeping clients happy. These are all important relationships.

Principle 5: When You Talk About Meaning, Mean It!

Corporate leaders believe it's important to provide broader meaning to goals to motivate employees. There is merit to this idea, but let's reframe it as follows: You and your organization must pursue goals that have meaning. There's

Most people and organizations are starved for meaning, especially considering how much time we devote to work every day.

a difference between adding meaning to goals and pursuing goals that have meaning. This plays a powerful role in the psychology of leadership.

Meaning is the great motivator in life. Your sense of purpose gets you up in the morning and keeps you going when you face obstacles. Given its importance, meaning isn't discussed nearly enough when organizations set goals.

Most people and organizations are starved for meaning, especially considering how much time we devote to work every day. Research in positive psychology shows that it's a key component of well-being. When you talk about meaning, be sincere! Take meaning seriously. Roll up your sleeves, convene your leadership team, and start the discussion. Don't merely attach meaning to goals; pursue goals that have meaning.

Principle 6: Don't Focus on Winning

When we set goals, we define accomplishment. It feels good to achieve your goals, to succeed, to win. And it should be the same for your organization.

All these concepts are connected: goals, accomplishment, and happiness. But if you want to lead your organization in an inspiring, sustainable, and positive way, you can't just focus on winning for the sake of winning. You must get off the goals-accomplishment treadmill and rethink your entire goal-setting process. You must redefine success not in terms of winning for its own sake, but as a function of mastery goals.

Mastery in business leadership is all about process. It means making how you do things better. It means improving your technology, operations, culture, supply chain management, recruiting capabilities, strategic planning, ability to engage in mergers and acquisitions, and so much more. If you lead your organization with a mastery mindset, and everyone gets excited about doing things better, faster, and cheaper, then over time, you'll deliver extraordinary results.

Principle 7: Choose Your Role Models Carefully

Research on role models shows that your sense of ethics and aspirations are influenced by who you admire—perhaps more than you realize. Having good role models will make you a better person, which will make you a better leader... and, ultimately, a better role model to others. It's the circle of leadership life.

But remember that no one is perfect.

You can learn important leadership lessons from those who have accomplished extraordinary things. However, these lessons come with warning labels. Take a balanced view of the role of money as a source of motivation.

For example, Steve Jobs, Elon Musk, and Jeff Bezos seem to have mastered the psychology of leadership, don't they? The truth is this: What worked for them may be innate, idiosyncratic, and come with unattractive traits that the rest of us can't overcome. Most incredibly successful people are bad at relationships. Jobs treated some of his colleagues poorly. At Twitter, aka X, Musk took a brutal and impulsive approach to employee layoffs. Jeff Bezos has been known to harshly insult the people who work for him.

It's not necessary to be a jerk in the name of accomplishment. And money is great, but it's not everything.

Principle 8: Unleash the Power of Social Comparison

Social comparison is often a motivator for the uber-wealthy. There's always somebody to compete against. To unleash the power of social comparison, however, you need to manage the good and the bad of social comparison.

As a leader, you can use healthy internal competition to boost productivity. Popular tools for this include sales or productivity leaderboards and the classic employee of the month award.

Like its benefits, the drawbacks of social comparison are intuitive. In organizations, social comparison can hurt collaboration. Use it carefully. Internal competition must not come at the expense of trust, mutual respect, and a shared understanding of the team's mission.

Principle 9: Identify and Manage Your Core Beliefs

One of the best things you can do to improve as a leader

is to know yourself better. To do so, it helps to understand your roots and define your (and your organization's) core beliefs. These are the mental reflexes that drive a lot of your decisions. You can trace most of your personal core beliefs to your upbringing, just like corporations' core beliefs are often established by their founder.

How can you apply core beliefs to your leadership role and your responsibility to set goals and cultural norms for your team? Here's a three-step process:

1. Observe: Pay attention to the rules of thumb or common sayings being used at critical moments.
2. Discuss: Explain what core beliefs are. Reflect on the company's DNA, its founders, and critical moments in its evolution.
3. Formalize: Decide which core beliefs should be abandoned or modified, and which ones should be emphasized.

Part II: Executing Your Goals

Even if you clear your mental fog by setting long-term goals, your life and career can and will go astray. Execution is hard. Really hard. And guess what? Stuff happens. This second part covers execution. It begins with a discussion on managing stress for optimal performance. You can't go after big goals if you can't manage your stress. Then, it explains how control theory—a powerful set of mathematical models and principles typically used in engineering—addresses many of the execution challenges you will face on the journey towards your big goals.

Principle 10: Optimize Stress for Peak Performance

Stress can be both good and bad, and it's impossible to minimize it to zero. Instead, it must be optimized. This may seem counterintuitive, but you need stress to perform at your best. It's the same for your team in terms of organizational stress.

The Yerkes-Dodson (YD) curve maps performance to stress levels. It looks like an inverted U. Initially, as stress increases, performance increases because you become more motivated and alert. At some point, you maximize your performance. After that threshold, performance deteriorates. You choke under the pressure. Hence, the YD law seeks a Goldilocks level of stress.

Stress isn't a bad thing. You just need to operate in the intermediate range—the top of the U curve—that's optimal for performance.

Principle 11: Work Backwards from Your Goals

No matter your goal, you'll need to course-correct along the way. Reality won't match the plan you wrote down on paper. What's the best way to handle the inevitable deviations? In an unusual case of intellectual cross-fertilization, psychology borrowed control theory from science and engineering. It doesn't require complex scenarios or computer-based optimization models. Leaders can use the model as a way of thinking—a rule of thumb.

Control theory is a framework to handle dynamic feedback loops. The three most important rules are the following:

1. Start from the endpoint. Work backward from your big goal to develop plans, milestones, and performance indicators.
2. Optimize the path. Set targets to be difficult yet achievable. Manage expectations and build a plan that will allow you or your organization to make progress at a rate that maximizes engagement.
3. Don't anchor decisions on past information. When results deviate from your plan, adjust execution based on forward-looking analysis rather than what has happened so far.

When things get tough, people look to you as a leader to remind the organization of a brighter long-term outlook. And they want you to tell them how the organization will get there. You may have to revise the plan. That's okay. It's much better to re-baseline than to hold on to a plan that has become unrealistic.

Principle 12: Learn Strategic Patience

Another takeaway from control theory is that if you have a long window to decide, you should keep your options open. It may seem obvious, but it's constantly violated in business. It speaks to the psychology of decision-making under uncertainty. Most organizations suffer from a false sense of urgency and a bias towards action. Of course, leadership often requires quick decisions. However, sometimes the best decision is to wait and see what happens. This is "strategic patience."

If you're patient, problems have a way of working themselves out over time. Take some time, as appropriate, to assess each situation that requires you to make a high-stake decision. Ask yourself, do I need to make this decision now?

One of the most critical leadership qualities is being comfortable making people uncomfortable.

Principle 13: Focus on What Matters

In addition to planning backward and exercising strategic patience, control theory teaches us to separate signal from noise. When dealing with the noisy outcomes against your plan, you must answer several questions:

- How often should you measure progress?
- How should you calibrate your response?
- When should you take corrective action, and when should you let
- things play out?

The easiest way to separate signal from noise is to take a long-term perspective. Frequent measurements of performance against goals and adjustments are useful, but only if you're also able to put them in the context of the long-term trend before you make major decisions.

Part III: Unleashing the Power of Personality Psychology

As a leader, you can't execute your goals if you don't bring people along. You're asking people to charge up the hill with you. Will they follow?

Every leader needs to be a bit of a psychologist and understand how people are wired. The most ubiquitous model to understand how people think and behave is called the Big Five Personality Traits. Part III provides a unique view of this model by applying it to the psychology of leadership.

Principle 14: Call on the Introverts

The most well known of the Big-Five personality traits is extroversion. Extrovert leaders often undervalue introverts. There are important leadership rules to learn from this trait.

The most important rule of thumb related to extraversion that will help you as a leader is to call on introverts. Read their non-verbal cues to know when they have something to say. Extroverts tend to dominate the conversation but they start talking past each other and can't narrow down the options to find a good solution. To move forward, call on someone who's remained quiet throughout the debate. It's usually—but not always—one of the members who prefers to sit back, watch, and think. One of the introverts.

To do so, you may have to stop the extroverts from talking, including yourself. In business, listening is a superpower. In four words, here's a critical lesson in leadership: talk less, listen more.

Principle 15: Be Disagreeable, Sometimes

Do you know someone who's hard to work with? Someone who enjoys conflict? A self-centered jerk? This person would score low in agreeableness, the second trait of the Big Five. This principle goes against the conventional wisdom that agreeableness is always a positive trait.

Those who score high in agreeableness are averse to conflict. They're more likely to be empathetic, flexible, and altruistic. But someone can make a significant contribution by disagreeing with the consensus. And merely agreeing with everybody is not productive, especially in a leadership position.

One of the most critical leadership qualities is being comfortable making people uncomfortable. In doing so, you're not always agreeable. But you're pushing people to grow, especially if you're giving them feedback in a respectful way that lets them know they're valued.

Principle 16: Harness the Positive Side of Neuroticism

A little neuroticism can be a good thing. If you score high on this scale, you can succeed as much, if not more, as your thick- skinned colleagues who score low.

First, there may be a positive relationship between neuroticism and creativity. Research has shown that anxious people tend to have a highly active imagination—which is why they tend to perceive threats before others or even when there are none.

Second, neuroticism leads to vigilance and can be a source of motivation. Being a little bit of a worrier makes you attentive, focused, even driven. People who are low in neurot-

icism can be satisfied with suboptimal circumstances.

Principle 17: Balance Openness and Structure

Openness to experience is the fourth of the Big Five traits. It is a longing, desire, or pull for novelty or newness. Wanting to try different things, experiment, see something you've never seen, or do something you've never done.

On the other side of the scale, someone with low openness follows routines. There's a pattern to their day. They're comfortable mastering something they've done a thousand times.

Openness is a good quality in a leader. You must drive change within your organization and adapt to trends in your industry. However, you need balance. You must focus on a key set of priorities if you want your organization to remain competitive. A few things done very well are better than many things done half-assed. You may subscribe to the build fast and fail fast school of thought, as long as you're prepared to shut down underperforming initiatives.

Principle 18: Unleash the Power of Good Habits

The last but not least of the Big Five includes self-discipline, attention to detail, and dutifulness. Think of people who are organized, punctual, and thorough. A-students, if you will. This Principle teaches you to maximize the positive side of consciousness while avoiding the pitfalls associated with extreme levels.

Conscientiousness is a tendency towards order, systematization, logic, reason, neatness, and structure. Of the five traits, conscientiousness is the most preferred in the workplace. People who score low in this trait tend to miss deadlines, show up late and unprepared at meetings, and hand over poor-quality work.

Conscientiousness comes from a collection of good habits: showing up on time, creating routines and checklists for quality control, rewarding excellence, keeping track of business win streaks, and more. At the same time, you must watch for perfectionism and workaholism and continue to foster flexibility and creativity.

To start with the end in mind is the key to all the lessons in leadership and psychology covered in this book. There are many definitions of "the end," from completing a project to the inescapable end of your life. When you start from an endpoint, whatever the endpoint is, you get clarity on your goals and how to execute them. You become a better leader.

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The Real Warren Buffett

James O'Loughlin

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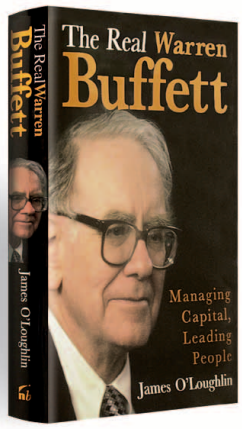

By James O'Loughlin

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Managing Capital, Leading People

THE REAL WARREN BUFFETT

THE SUMMARY IN BRIEF

When one thinks of the brightest minds of investment over the last 50 years, Warren Buffett's name invariably tops the list. And well it should—as his leadership of Berkshire Hathaway has shown, his strategies, guidance, and direction have brought little but success to all involved—from account managers to the "owner-partners" (customers) who entrust their investment dollars to Berkshire. Indeed, Buffett's prevailing philosophy—that investors should act and think like owners—informs everything he does as a manager, and forms the overarching premise for telling his story in The Real Warren Buffett. *When Buffett makes a capital management decision, he makes a move only after considering what he would do if it were his own money. When he makes a people management decision, he does so in the context of how the move will affect owner-partners. Buffett truly acts like an owner in all he does as a leader—a philosophy any good manager or executive would do well to consider for themselves.*

What You'll Learn In This Summary

✓ **How to define and avoid the "Institutional Imperative."** It is important to keep a proper alignment between corporate goals and customer goals; the more typical misalignment of the two forms an "institutional imperative" that leaders must avoid at all cost.

✓ **How to forge a path to better customer relationships.** Through the Berkshire *Owner's Manual*, Buffett communicates his expectations for the managers and employees who work for him — to act like an owner.

✓ **The Buffett Model of Leadership.** Only by taking a pragmatic leadership approach can executives think like owners and react to various problems and circumstances in kind.

✓ **How to determine and act within your Circle of Competence.** Warren Buffett recognizes the limits to his knowledge and capabilities, and he declines to stray past those limits. He recognizes that some things are unknowable or unimportant, and that others are important but unknowable. Buffett makes his capital allocation decisions within the realm of the important and knowable—his circle of competence.

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Berkshire Hathaway and The Institutional Imperative

In the early 1960s (after spending nearly 20 years as a successful stock picker), Warren Buffett developed a vision of his future role — as the manager of an enterprise — that was unique when he had it, and remains unique today. The vision was this: In the management of the enterprise, he would act as its owner.

To accomplish this vision, Buffett recognized that he would have to redefine the role of a manager as one who would choose, from the mass of opportunities that lay within his core competence, the application of capital that would both earn its highest return and incorporate the least risk — just as shareholders would if the money was in their hands. If he could not achieve a return in excess of what they could earn on it elsewhere, he would return it to them. He called this role the *allocator of capital*. Those who work for him must fall in with this philosophy.

At Berkshire Hathaway, Buffett is both owner and manager, which means that his interests as one are perfectly aligned with his interests as the other. He treats even the smallest of Berkshire's shareholders as an equal partner in the enterprise, so that he manages the company on their behalf as much as his. This runs counter to the typical misalignment of corporation and customer and was, initially, a problem for Buffett the manager — until he discovered a negative force he termed the "institutional imperative" (see box).

A Human Nature Problem

Buffett's discovery in the early 1960s was as momentous for his future management of Berkshire Hathaway as that of Jack Welch's seminal revelation at GE, which was to make the company the number one or number two player in every industry in which it was active. "Institutional dynamics," said Buffett, "not venality or stupidity, set businesses on these courses, which are too often misguided."

In order for Buffett (and Berkshire Hathaway) to gain and maintain a competitive advantage and continue to outperform both the Dow Jones Index and his competitors, he realized he would have to change his approach. It would be a different one from GE's, however; the institutional imperative has no respect for size or market position.

To attain sustainable advantage, Buffett had to acknowledge the institutional imperative in himself. Specifically, he had to open his eyes to the concept of *value creation on an ongoing basis,* and see that the imperative was an

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Defining the Institutional Imperative

Buffett described the workings of the institutional imperative as follows:

1. As if governed by Newton's First Law of Motion, an institution will resist any change in its current direction.
2. Just as work expands to fill available time, corporate projects or acquisitions will materialize to soak up additional funds.
3. Any business craving of the leader, however foolish, will be quickly supported by detailed rate of return and strategic studies prepared by his troops
4. The behavior of peer companies, whether they are expanding, acquiring, setting executive compensation, etc., will be mindlessly imitated.

He adds, "In business school I was given no hint of the imperative's existence, and I did not intuitively understand it when I entered the business world. I thought then that decent, intelligent and experienced managers would automatically make rational business decisions. But I learned over time that it isn't so. Instead, rationality frequently wilts when the institutional imperative comes into play."

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Berkshire Hathaway And The Institutional Imperative

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obstacle to this — in all aspects of the management of, acquisition of, and investiture in companies.

Buffett recognized the imperative and specified its mechanism as a problem of human nature. He also put himself in a position where he could bridge the void between the manager of an enterprise and its owner, and act like the capital allocator that all owners want their managers to be. ■

Warren Buffett, Investor: The Early Years

While others (including Buffett's mentor, Benjamin Graham) paid deference to the role played by the future earning power of a business in its stock market valuation, Buffett originally appraised companies far more in relation to the valuation of the assets on their balance sheets than their ability to create value on an ongoing basis.

Cigar Butt Investing

Buffett's early career was premised on a technique he called "cigar butt investing" — identifying companies that were statistically cheap compared to the value in their tangible assets, whose prices would rise once other investors caught on to this discrepancy.

"A cigar butt found on the street that has only one puff left in it may not offer much of a smoke," he explained, "but the bargain purchase will make that puff all profit."

The problem with this type of investing is that whether the managers of the underlying companies that Buffett rented acted like allocators of capital was irrelevant to the highly lucrative game in which he was engaged. He bought oversold stocks cheap, then simply waited for others to recognize this fact and push prices to fair value, oblivious to any dynamics that may have been unfolding within the stocks.

By relying on Buffett's ability to analyze a "snapshot" of a valuation, rather than manage an enterprise, cigar butt investing did not prepare Warren Buffett for the job of anticipating the imperative and/or managing it. It did predispose him to escalating his commitment by choosing to own and operate companies rather than simply renting their stocks — a mistake he would eventually learn to avoid.

The Rise and Fall of the Partnership

In 1956, at just 26 years old, Buffett set up three pools of funds later amalgamated into the Buffett Partnership. Between 1956 and 1969, the value of the Partnership's assets had grown at a compound rate of 29.5 percent, compared to the Dow Jones index's 7.4 percent. However, in the late 1960s, growth stocks were discovered, sending stock prices to the moon, trailing the fortunes of investment managers behind them.

By 1967, Buffett knew he would be unable to outperform the index every year, so he reduced his target of beating the Dow from ten percentage points to five percentage points. Even after that, he became increasing uncomfortable with the market's volatility; his partners, on the other hand, voiced dismay at his reduced, more conservative projections—while other investors made out like crazy, they felt they were sidelined, making profits, but not at the extreme levels that some others did.

Resolute in his decision to pursue a more logical strategy in a period of illogical growth, Buffett decided, in a stunning move, to fold the Partnership. It was too much to contemplate — to be chided for not running with the herd, using methods that were foreign to him, lacking in any logic he could trust.

Enter Charlie Munger

Warren Buffett's predilection toward introspection could help him spot and resolve some issues (dissolving the Partnership, for instance), but not all of them. He lacked a framework for his introspection — a system of analysis that would link one to the other and make sense of the totality of his behavior.

Enter Charlie Munger, a lawyer friend from the West Coast who preached that value could be found in a company's enduring earnings potential, which included management's ability to create value. Eight years Buffett's senior and possessing a legendarily abrasive personality, Munger encouraged Buffett to recognize that companies create value by dint of things like their ingenuity, service, brand, marketing managerial competence, and so forth. Above all, Munger encouraged Buffett to look for value in each company's capacity to act like owners, then to invest in these good businesses.

By necessity, Munger's approach meant analyzing the factors shaping the future economics of a company — the orientation of management with respect to the company's shareholders, their quality and corporate culture, and the competitive characteristics of their industry.

Psychological Principles

Munger carries in his head scores of psychological principles that he feels are important for understanding how humans tick. He understands that human decision making incorporates biases, rules of thumb and emotions, which do not always produce sound results. People think and act out of survival and self-interest, which has little to do with the efficient allocation of

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Warren Buffett the Investor: The Early Years

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capital. They are afraid of being inconsistent with a prior commitment, of failing and admitting failure, of missing out on the chance of ultimate success. The result: the institutional imperative.

Munger's insights on psychology and the institutional imperative infused Warren Buffett's vision of capital allocation. Buffett had already had the facts:

- As a manager, you cannot tell people what to do and expect them to do it. They must be motivated personally.
- Commitments to businesses manifest their own dynamics, divorced from their original conception, aggregated around self-interest.
- The psychological needs of managers' managers can threaten to change the way companies are managed on their behalf.
- The companies in which Buffet would henceforth invest also faced the same problems he himself had experienced, most importantly in dealing with the expectation of shareholders whose motivation was subject to imperatives of their own.

Thanks to Munger, however, these facts now spoke to Buffett with one voice. At last, he had them in usable form. ■

For Additional Information on the influence of Benjamin Graham on Buffett, go to: http://my.summary.com

The *Owner's Manual*

"Act like an owner" is Warren Buffett's credo and his directive to employees throughout Berkshire Hathaway. It's embedded in what he says and does, and is enshrined in the rules of conduct he prescribes for his managers to follow.

This directive is distilled in what he calls the company's *Owner's Manual*, a document that has been reprinted in every annual report since 1983. In it, Buffett articulates the principles that guide his stewardship of other people's money:

- **"Although our form is corporate, our attitude is partnership."** Buffett and Munger think of their shareholders as owner-partners, themselves as managing partners, and the company as a conduit through which shareholders own its assets.
- **"We do not measure the economic significance of Berkshire by its size; we measure by per-share progress."** Compensation for Berkshire executives will never be related to the company's balance sheet.
- **"A managerial 'wish list' will not be filled at shareholder expense."** Berkshire's people treat their owner-partners' money as they would their own.
- **"Noble intentions should be checked periodically against results."** Retention of earnings should deliver shareholders at least $1 of market value for every $1 retained.
- **"We will be candid in our reporting to you. We owe you no less."** Berkshire will tell owner-partners the business facts they would want to know if the positions were reversed, and the company was the customer.

The *Owner's Manual* is no mere public relations mission statement — it is the substance of the way Warren Buffett behaves, the way he has striven to behave in the past, and the way he will behave in the future. ■

Buffett's People Leadership

The current gold standard of corporate management is Jack Welch, who retired in 2001 after 17 iconoclastically successful years at the helm of General Electric, one of America's most admired companies.

In his role as chief executive, Welch was a process man at heart whose managerial excellence could be described by his remarkable ability to get the teams he assembled under him to pull together and perform. His overriding objective was to be the number one or number two player in every industry it engaged in, and, in order to do that, Welch had to remain the process/details man he was as an operational manager. It is said that he got involved in everything he could, from the quality of the company's X-ray machines to the introduction of gem-quality diamonds.

That Welch successfully executed his strategy is to be commended. Many who share his objective have failed. Reinventing an organization at every turn, in anticipation of every turn, and striving to deliver consistent and above-average returns is a risky strategy — one Warren Buffett rejects.

Rather than get his hands dirty in every detail, Buffett has been careful to design rules ensuring that the behavior of his managers self-organizes around the interests of Berkshire Hathaway's owners. Company rules require the following:

- Remuneration packages are compatible with the principle of taking inner responsibility for behavior.
- Self-interest is oriented toward return on capital and not growth.
- The optimum amount of capital is retained within the enterprise, with the excess sent to Buffett.
- If Berkshire's managers find themselves struggling, they do not throw capital at the problem.

Rather than telling people how to behave, Buffett influ-

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Buffett's People Leadership

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ences the way in which they behave by allowing their minds' own self-governing "wiring" to do his management for him. To the casual observer, it may look as though Buffett interferes very little in the day-to-day management of his companies, but in reality, he is a constant, if ethereal, presence, mediating in the interaction between agents and their environment, rather than controlling it. ■

The Circle of Competence

Warren Buffett and Charlie Munger do not believe the economy lends itself to forecasting in the sense in which forecasting has come to be practiced. Just like the stock market, the economy is a "complex adaptive system" that is poised in a critical state—one change can trigger an avalanche of side effects or generate an outsized result. No one can accurately predict the way things will go 100 percent of the time.

Buffett understands and admits his own inability to do this and has used his understanding to define the boundaries of Berkshire Hathaway's deployment of capital. The model he uses — called the Circle of Competence — does not go for completeness; it recognizes some things are unknowable or unimportant, and that others are important but unknowable. Buffett makes his capital allocation decisions within the realm of the important and knowable — the "strike zone" where he is happy to swing his bat at the pitches thrown his way. In this zone, he can make objective assessments of the opportunities presenting themselves with almost total certainty.

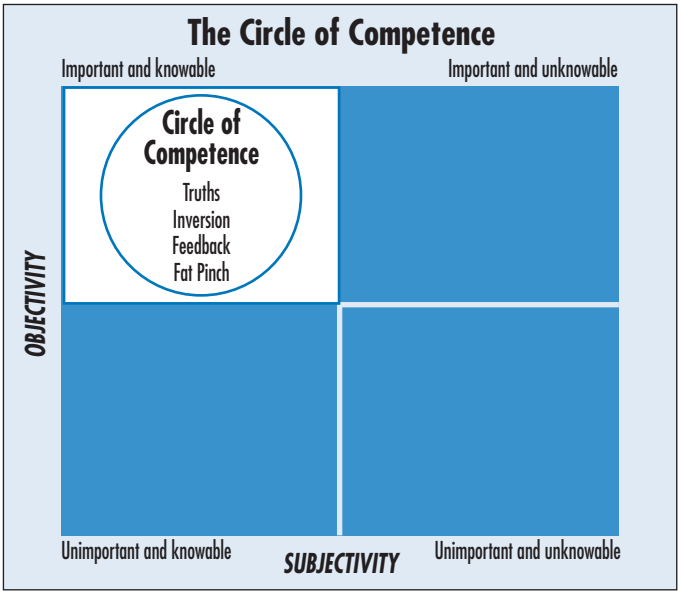
Buffett draws his Circle of Competence according to three essential instructions:

1. He establishes what he knows by identifying truths, the dynamics that sit behind them, and their relationships to each other.

While Buffett readily acknowledges that all businesses are subject to change over time, he has established that, in the realm of the business analyst, there exists incontrovertible truths that do apply and can be expected to hold in the long term, even in complex systems:

● He found these truths in the laws of business economics. Among these is the fact that there are always capital requirements needed to maintain the status quo, as well as those needed to grow business.

● He found them in the human proposition. There is a hardwiring that governs the behavior of managers and determines the effectiveness of his and their leadership, a hardwiring that also governs the interaction between the firm and its customers, as well as managements and their shareholders.



● He found them in the fundamental premise of value creation. Value creation depends on a manger's ability to generate incremental earnings on capital equal to, or above, those generally available to investors.

● He found them in the equation for value. Buffett combines business economics and the human proposition into a calculus that enables him to judge price.

● He found them in the essential characteristic of complex adaptive systems — they will deliver opportunities to him. Regardless of the unpredictability of change, these opportunities will enable Berkshire to do well within the circle they've staked out.

2. He ensures that he knows by a process of inversion whereby he seeks to disprove his prior conclusions.

There is a school of thought that humans accept all information they encounter as initially correct, and subsequently recode the information that is found to be false. Buffett ascribes to this view — he believes that transforming an area of knowledge into a Circle of Competence (and keeping it that way) can only be achieved if he constantly stress-tests what he believes to be true, and changing prior conclusions when necessary.

3. He checks that he knows by seeking out feedback from the consequences of his decisions.

Agonizing over errors is a mistake; acknowledging and analyzing them, however, can be useful. Buffett conducts post-decisional analysis, not on the decisions he gets right, but on the ones he gets wrong. Indeed, the only way he can validate the decision rules originating within the Circle of Competence is to seek out and take feedback from them.

By confining his capital management to the important and knowable, Buffett places himself in control. He has identified the immutable economic and behavioral laws

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The Circle of Competence
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that apply in this sphere. He is intimately familiar with the rules by which humans make decisions under conditions of uncertainty. He has defined his Circle of Competence with rigor and honesty. He has a fix on where its boundaries lie. He can identify the origin of his errors and therefore amend his decision after an event. His decision-making is enlightened. ■

Leadership in Action: The Buffett Model

Berkshire Hathaway is, in many ways, a product of the irregular market environment in which it operates, not an imposition of Warren Buffett's will upon it. Crucially, as Buffett picks his way through this environment, he carries his shareholders with him. He thinks like an owner. He acts like an owner. So do they.

CEOs can benefit from Buffett's model for managing capital, since his pragmatic style can help them think like owners and react to various problems and circumstances in kind. "When proper temperament joins with proper intellectual framework," Buffett notes, "then you get rational behavior."

The Proper Intellectual Framework

In order to emulate Warren Buffett, the first thing CEOs must do is adopt the right mindset. Although they might have come through the ranks as an operational manager, if they are predisposed to manage as an executive, the institutional imperative will color any "rational" debate about the conduct of the firm.

Battling the institutional imperative includes refusing to pursue pre-ordained strategies; indeed, Buffett's leadership at Berkshire Hathaway follows his maxim "In order to act like an owner, first you must think like an owner."

Buffett explicitly embeds this philosophy into the deliberation process he follows when managing capital. The intellectual framework to which he adheres in this respect centers on whether to pay the capital out to the shareholders or keep it within the company. If the decision is made to pay it out, what is the best method (via repurchases or dividend)? On the other, if you retain the capital, how do you use it to create value with the least risk?

In managing the enterprise, Buffett defers to mental models and essential elements contained in his Circle of Competence — truths, the equation for value, the patience to wait for value, and an intimate knowledge of how his cognitive apparatus functions. The lesson for any who would seek to emulate Buffett's capital management is to do the same.

Pre-Deliberation Bias in the Institutional Imperative

One aspect of the institutional imperative not previously mentioned is the common finding in studies of group decision making that — "as if governed by Newton's First Law of Motion," Buffett reminds us— the process of deliberation serves only to polarize the opinions of the group further in the direction of their pre-deliberation bias.

In one such study, individuals were first asked to reach a judgment on a number of legal cases. Subsequently, they aggregated the same individuals into juries so that they might further deliberate the cases and discovered that, after deliberation, the dollar verdict of the jury was typically higher, often far higher, than the median judgment of the same jury as individual members. Study leaders believe the manifestation of this shift stemmed from the existence of a systematic rhetorical advantage held by members of the group. In this case, it was the rhetorical advantage enjoyed by those members of society who argue for higher dollar rewards.

The Proper Temperament

Buffett's overriding objective in his communications with his shareholders is to facilitate market efficiency in the pricing of Berkshire Hathaway's stock price — that is, to ensure, as far as he is able, that it bears a close relationship to its intrinsic value. While he recognizes that management cannot determine market prices, Buffett knows that it can, by its disclosures and policies, encourage rational behavior by market participants. Therefore, Buffett reports fully and fairly on Berkshire Hathaway's operating results and outlook. By doing so, he provides the company's shareholders with the information required for them to make a judgment on whether he has achieved high earnings rate on equity capital employed ("the primary test of managerial economic performance," in his words), and, more importantly, whether he is likely to do so again in the future. Buffett does not seek to dress up Berkshire's results for public consumption, nor does he tolerate any managers' decisions to be affected by accounting considerations.

The end result of Buffett's commitment to open, transparent communication and his honesty in delivering it (though he rarely delivers it personally) is an unusual consistency in the relationship between Berkshire and its customers.

"Over the long term," Buffett says, "there has been a more consistent relationship between Berkshire's market value and business value than has existed for any other

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Leadership in Action—The Buffett Model

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publicly traded equity with which I am familiar."

This efficient pricing stems from several key elements in Buffett's (and Berkshire's) methods of doing business:

● **They reward the right behavior.** Warren Buffett and Charlie Munger receive their rewards from the growth in Berkshire's intrinsic value, which is closely mirrored by the performance of its stock. Buffett recognizes that alignment of the interests of managers and shareholders is a must; if the remuneration package for management is wrong, the behavior it induces is also likely to be wrong.

● **They set achievable targets.** Buffett's long-term rate of return for Berkshire has been 15 percent per annum. He set this target in light of the fact that the long-term average return on equity in the United States is around 12 percent. This is the stable frequency — the truth. It doesn't need to be "fixed" in the name of market control, like below-average returns do, nor does it face the remorseless scrutiny that typically greets above-average returns. With Berkshire's fundamentals and his Circle of Competence, Buffett considers 15 percent to be a realistically achievable return.

● **They embrace volatility**. Volatility can bring opportunity, and Buffett operates using the best of what an irregular world has to offer. He operates in a state of preparedness, husbanding capital and raising it in an opportunistic fashion when necessary, financing in anticipation of a need, rather than in reaction to it.

● **They work to obtain shareholder-partners.** Buffett realizes that getting quality shareholders is no easy task. It takes convincing them that what they are buying is what they will get — any increase in intrinsic value from their point of entry will be mirrored in the market value of the stock, which encourages a long-term perspective. Buffett says he tries "through our policies, performance, and communications, to attract new shareholders who understand our operations, share our time horizons, and measure us as we measure ourselves."

● **They maximize the trust between themselves and their shareholder-partners.** Naturally, Buffett's Circle of Competence and his track record have engendered a great deal of trust between him and Berkshire's shareholders. This trust can only be established and grown over the long term — some things, quite frankly, take time. Buffett also recognizes that trust can be destroyed in an instant. "Once management shows itself insensitive to the interests of owners," he says, "shareholders will suffer a long time from the price/value ratio afforded their stock." ■

For Additional Information on Buffett's views on realistic returns, go to: http://my.summary.com

Marconi's Rhetorical Advantage Proves Disadvantageous

All CEOs need to establish where the rhetorical advantage lies within the companies they manage. At the UK telecommunications company Marconi, the rhetorical advantage lay in becoming a leading player in the telecom industry, and the company clung doggedly to a growth strategy that eventually brought the company to its knees.

"We didn't give up on the beaches of Dunkirk, and we are not going to give up now," said one non-executive director at Marconi, going down with his sinking ship.

Marconi's chief failure was following a predestined strategy, without considering the impact of that strategy and its rigidity on their business in a volatile market, and without considering its impact on those who invested in the company. "Managers frequently have trouble putting themselves in the shoes of their shareholder-owners," observes Warren Buffett.

The Circle of Illusory Competence

Buffett owns and operates franchises because of mean reversion. He associates with the right personality types because human nature is resistant to change. He swings only at fat pitches because the market is generally efficient. He buys only good businesses, and he structures his acquisitions in a particular fashion because successful mergers are difficult to bring about. By imposing these operating restrictions on himself, Buffett is admitting to the probability of failure should he behave any differently.

But it is Buffett's outside view — his detached and global perspective on the task at hand — that defines him both as a capital manager and a leader. His Circle of Competence delivers this, enabling him to let go and trust in the natural laws governing outcomes. He can also adopt an inside view and consider a problem individually, rather than in its global context.

How Buffett Focuses on the Rational

Buffett has identified two problems in the management of capital.

The first lies in the nature of the environment in which he must make his forecasts; the second in the brain that he uses to make them.

Complex systems may be inherently unpredictable, but they are also eminently comprehensible. In order to step forward into the otherwise unknown, humans feel compelled to be in the driver's seat, even though the human

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The Circle of Illusory Competence

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brain can only process a limited amount of information at once. Buffett admits his abilities in this regard are "boundedly rational." His early career taught him to set aside emotional reactions and involvement and focus purely on the truths at hand. Emotions compensate for the fact that a person lacks a comprehensively rational mechanism for sorting the relevant from the irrelevant and weighing the relevant aspects accordingly. Warren Buffett's focus has evolved to encompass the rational and relevant, and little else.

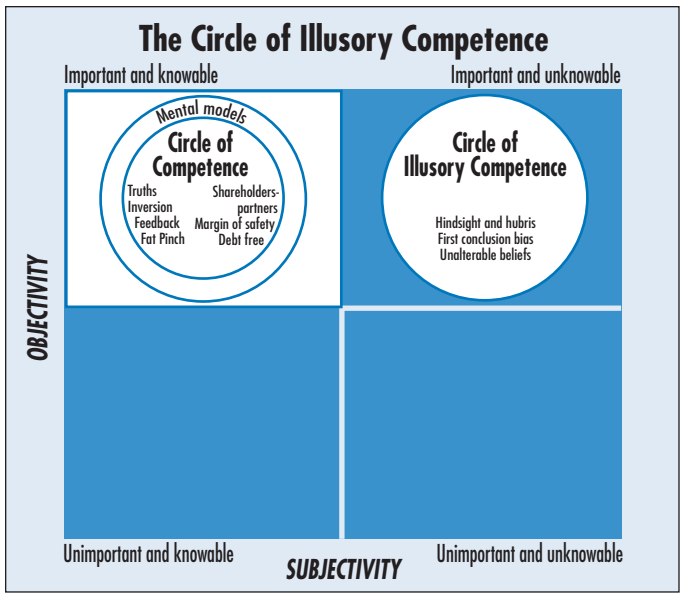
Buffett recognizes that cognitive biases and emotions seldom exist in isolation; indeed, they tend to act in concert. When they do, they can lead people to a Circle of Illusory Competence in which they come to "know" the unknowable. The consequences for the quality of decisions made in capital management can be easily guessed.

Hindsight Bias

Humans not only tend to view what has happened in the past as inevitable, but also as having been relatively inevitable before it happened. Our memories do not form perfect replicas of events they're supposed to recall. Instead, we reconstruct our memories by filling in missing details with plausible material.

We also have an innate talent for spotting patterns, which helps us extract the narratives from his history that enable us to explain what was previously unknowable. This is what makes hindsight bias so powerful and such a strong contributor to overconfidence or hubris.

The next step is to overestimate our ability to predict the future, since the notion of a surprise-free past is suggestive of a surprise-free future, enabling us to convince ourselves that we know the unknowable.



The "Except-For Insurance Company"

It is crucial for executives to admit mistakes or miscues — or else will they ever learn or improve performance? Warren Buffett recounts a story he was told by one of the ex-chairmen of insurance giant General Re:

"Every year his managers told him that 'except for the Florida hurricane' or 'except for Midwestern tornadoes,' they would have had a terrific year. Finally, he called the group together and suggested that they form a new operation — the Except-For Insurance Company — in which they would henceforth place all of the businesses that they wouldn't want to count. In any business, insurance or otherwise, 'except for' should be excised from the lexicon. If you are going to play the game, you must count the runs scored against you in all nine innings.

"Any manager who consistently says 'except for' and then reports on the lessons he learned from his mistakes may be missing the only important lesson — namely, that the real mistake is not the *act*, but the *actor*."

Weak Tests of the Past

It is in our nature to convince ourselves that we know what we purport to know. This is an automatic tendency often called "first conclusion bias."

One of the ways we achieve this is by subjecting the hypotheses in our narratives of the past to weak tests; we tend not to cast around for reasons we might be wrong. When we receive positive feedback, we attribute our successes to skill and infuse them with foresight. When disappointed, we write off failure.

If CEOs operate within a Circle of Illusory Competence, they will convince themselves that they know the unknowable, to which Warren Buffett responds, "If we can't find things within our circle of competence, we won't expand the circle. We'll wait."

Within his Circle of Competence, Buffett makes sure he knows what he purports to know. In his early days as a manager, Buffett went through several failures before he began to take a serious look at the information revealed in postmortems of his deals. When he found a portion of his strategy that did not work, he changed his strategy. He was not trapped by a need for an illusion of competence or control—he rationally looked at the truths of each matter and honestly appraised his performance.

The only way to break the cycle of self-deception and the formation of unalterable beliefs is to stop living in denial of incompetence. The person who wants to define a Circle of Competence in the Buffett mode has to admit his mistakes — in the Buffett mode. ■

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The Reinventionist Mindset

Joe Jackman

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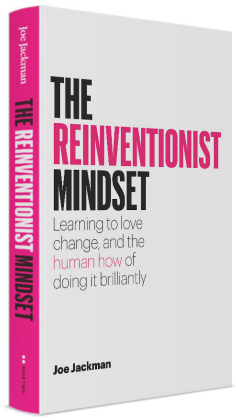
The Reinventionist Mindset

Learning to love change, and the human how of doing it brilliantly

by **Joe Jackman**



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THE SUMMARY IN BRIEF

There is a serial killer of companies on the loose—the status quo—and it is coming for every slow-moving and change-resistant organization on the planet. Change can be summarized in sixteen words: Change is hard yet essential. Everything tends to work out if you get good at it. To survive and thrive in our fast-paced world, business leaders must embrace reinvention of their companies before it's necessary.

Humans resist change, even when they know it's essential to survival. ***The Reinventionist Mindset: Learning to love change, and the human how of doing it brilliantly*** encourages business leaders and entrepreneurs to recognize that the greatest risk to their organizations lies not in the future but in the present and explains how to stay relevant—or return to relevance—quickly and humanly.

Author Joe Jackman, the CEO of Jackman Reinvents, the world's first and foremost reinvention company, uses clear prose and case studies of reinventions (Duane Reade, Old Navy, JCPenney, and many more) to bring his ideas to life and convince his readers that resistance to change is futile.

IN THIS SUMMARY, YOU WILL LEARN:

- The five principles of the Reinventionist Mindset.
- Why the greatest risk of failure is in the present, not future.
- The importance of moving fast to reinvent your business.
- The rules of the "game" of reinventing your business.

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Introduction

What was once an occasional need for substantial change over the course of a business or lifetime—with plenty of time in between the "big change moments"—is now occurring more frequently. Commercially, brand and business life cycles are shorter. Old-model businesses are failing faster and new models are scaling faster. "Change management" is a discipline in the corporate world.

The Serial Killer of Great Companies

Even though we know the pace of change is quickening and we and our companies must keep up, we don't wholeheartedly embrace change. Fundamentally, we just don't like change, and we avoid it in favor of the status quo. If only we could position change in our minds as good and not bad, embracing it as a force for gain well worth some degree of pain, we would be better off.

Of the companies listed on the Fortune 500 in 1955, only sixty remain today. Once-great companies are being replaced by new things; they're not evolving into those new things. This is completely unnecessary. Continually creating a better version of themselves should not have been a remote possibility for these companies, but a mandate.

There Are Rules to This Game and It's Wise to Know Them

Life gets easier and more rewarding once you understand the rules:

- Change is hard. Irrelevance is harder.
- Change is not risk, it is opportunity.
- Change before you have to, always.
- Change comes with roadblocks. Speed is your ally in crashing through them.
- Change does take a village.
- The surest way to stay true to who you are—company or brand or even individual—is to reinvent.

This last point is the heart of the thesis of this book. The surest way for any organization to become its truest and best "self" is to get really good at reinventing itself (not throwing everything out and starting again). Reinventing should not be a big change in a short time, but a fluid state of continually evolving and improving toward an outcome.

The Five Principles

The right way to go about making big change requires acknowledging and accepting that transformation is fundamentally a human endeavor with a business consequence, not a business endeavor with a human consequence. Getting it right with people will get it right for business.

1. Seek Insight Everywhere

Being a reinventionist requires you to develop your natural abilities to identify insights. Insight can be defined as a fundamental human truth one can uncover and action to create value. Without insights you are guessing, and smart people don't guess. The first principle is Seek Insight Everywhere, and there are multiple places to look.

Start with your customer. What do they really care about, emotionally?

Look within your company. It's essentially to know what makes your company what it is.

Look within your category. What are people excited about within your category?

Look outside your category. Get inspired by what others are doing well beyond your realm.

Look at what's happening in the world. What are the trends, and the early indicators of future trends, that show you where the world is going?

Look within. What excites or even scares you?

If your business is running out of gas and more than a tweak or two will be required for it to grow, you may wonder, How do I get out of this? You have four choices:

Double down. Do what you're been doing, only harder.

Strategize. Initiate an endless loop of analysis, meetings, consultants' reports, and planning that ultimately yield nothing.

Ostrich. Ignore all warning signs and take no action.

Reinvent. Build a foundation of "facts and feelings," develop deep insights from it, and use it to reset your strategy. Then, in a thoughtful and human way, get everyone on board and fully activate it internally and externally to ignite momentum and rapidly return to relevance and growth.

2. Embrace Uncertainty

What stands in the way of progress is uncertainty, which we humans don't like. We prefer reliability and predict-

ability. If the world around us has decided to go in a different direction than we have, or is moving faster than we are, it's game over. The only two choices are to run from uncertainty or learn to embrace it.

There is only one true certainty—that things will change. Your greatest risk isn't ahead of you, in the unknown; it's all around you, in the present.

Necessary change is often halted because leaders want to minimize their own risk of failure. Would you rather be faulted for trying new things, or for presiding over the past until it failed you and everyone else involved?

We humans have a tendency to stop change. We nitpick and pull threads until the fabric comes apart. We sow seeds of doubt until people and plans wither. We tear down rather than build up. Or, we set the bar for success so high there is no chance it can be achieved. A common version of this is the expectation trap, where we continue to forecast that performance will at least hold as it has. When it doesn't play out that way, the gap between what was promised and what can be delivered crushes confidence.

Uncertainty causes doubt. It fuels fear. It slows progress and stops reinvention. Do not let it.

3. Create the Future Now

The future is what happens when you move through a simple sequence: from who and what you were, to what you dreamt you could be, to what you become. It keeps unfolding when you continue. To see and treat pretty much every move forward as a significant departure from the norm and therefore a BIG decision, weighted with risk and gravitas, is to resist the future—to view it as not only scary but optional.

We don't need to "future-proof" our business—to prevent bad and unknown things from happening to it. Rather, we need to actively engage in writing our own futures. The only thing we should fear is getting stuck in any particular chapter, bringing the book to a precipitous end.

Here's how to Create the Future Now:

Pay attention—to your customers and to your associates.

Never wait. You'll never have to bet the farm if you keep planting and harvesting future seeds.

Distinguish between doing things to win and doing things to learn. Stop making everything about performance improvement and financial metrics. Continually exploring creative new ways to engage and satisfy customers is where the game changers of the future live.

Have fun. When is the time to make change? The best overall diagnostic is to understand where your business is within its life cycle:

Growth phase. This time calls for continual honing and refinement.

Maturity. This is "position A" for beginning reinvention.

Peak. This is "position B," the fallback start time if you haven't already begun to reinvent.

Decline. You've left things far too long, so it's time for "hurry up" offense and reinvention on steroids.

There are telltale signs, beyond general performance erosion, that reinvention is necessary or overdue:

Growth from the core business has disappeared or is slowing. Successful businesses are those that are growing within their footprint as well as expanding it.

The business or brand isn't being talked about anymore.

The business adheres faithfully to the rules of the category.

The category itself is without growth, or in decline.

The most valuable customers are older.

4. Obsess the Outcome

Movement from one place to a better one is almost always filled with trials and tribulations. Therefore, picturing it—the land of milk and honey, with its comforts and rewards—is essential to conjuring the will to overcome the barriers standing in the way of achieving it.

Picturing and then obsessively focusing on achieving an intended outcome is one of the keys to reinvention.

Reinvention isn't just a strategic and financial exercise, it's a human one. In any community of people, 20% will be movers, 20% will be stoppers, and 60% will be the momentous middle, who will make up their minds based on what they see, hear, and come to believe. For your strategy to succeed, the movers and the middle need to grasp the need for the journey (why), where it leads (where), some sense of the path to get there (how), and the ultimate reward (what).

5. Make Momentum Together

Without a reason to move and evolve—either a compelling

growth opportunity to pursue or a threat that catalyzes change—the natural state is inertia—business as usual. We need momentum on our side.

The more changes you put in motion and the faster you go in implementing them, the more momentum you are able to generate.

Here's how to Make Momentum Together:

Consult widely (and be seen to consult widely). Ask your people what they think and share with them what you think.

Make no plans alone. It must be our strategy, not my strategy.

One team and one way forward. Success is what happens after a strategy is complete and launched.

Go as fast as you possibly can. Action begets action and speed generates both excitement and followers.

Overcommunicate. Just about the worst thing you can do is be absent or leave people guessing.

Companies that are in most need of reinvention are those in the worst position to engineer one. The more desperate the circumstances, the bolder the actions required to change the trajectory. De-risking bold moves, while continuing to be bold, becomes central.

Strategies fail for three reasons:

1. They are flawed strategies.
2. They are sound strategies, yet factors beyond control cause them to fail.
3. They are sound strategies and conditions are right, yet they fail due to lack of buy-in, cohesive follow-through, or both.

The last is the most common. Humans tend to support that which they help create and resist that which is forced upon them. In business as in war, strategies do not win battles, people do. You don't have a strategy until everyone buys into and is acting on it.

Make Change

Reinvention is supported by four pillars:

1. Mix: the complete set of skills and experience required for business reinvention, under one roof or at least assembled as one cohesive team.
2. Method: the collection of steps the team will need to move through together.
3. Mindset: the five principles of how to think and behave to increase the odds of success, as described previously.
4. Model: some kind of financial model, at minimum a way in which everyone involved in your reinvention will feel they have some ownership of and stake in the outcome.

Conclusion

As Dr. Seuss's Grinch found out, the future arrives regardless of our attitude and readiness for it. Be ready for it: instead of avoiding change in the name of prudence, develop a Reinventionist Mindset.

Joe Jackman is the CEO of Jackman Reinvents, the world's first and foremost reinvention company. An advisor to consumer brands, retailers, B2B companies, and private equity partners for more thirty years, Joe has proven invaluable to leaders intent on sharpening strategy and orchestrating insight-led reinventions of their businesses. Throughout his career as strategist, creative director, marketer, and Reinventionist, he has helped companies create the most powerful and relevant versions of their brands and businesses in record time; he is widely considered to be the leading expert on rapid reinvention.

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The Responsive Leader

Erik Korsvik Østergaard

Leadership Development

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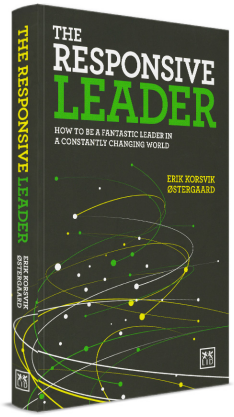
The Responsive Leader

How to Be A Fantastic Leader in a Constantly Changing World



by **Erik Korsvik Østergaard**

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THE SUMMARY IN BRIEF

The world is changing. It's changed already. Shifts in technology in the 20th century have driven massive development in organizations, and in society. The world has been described as volatile, uncertain, complex, and ambiguous. For leaders, this demands a shift in mindset, skillset, and behavior.

Clearly, there is a need for a new type of leadership and organization based on relationships, purpose, value-creation, engagement, network, transparency, involvement, belonging, and trust. In The Responsive Leader, Østergaard focuses on the mindset you must have as a leader, and on the behavior and practices that can support it. This shift begins with understanding why the world is changing. Then leaders must move to apply design principles of the future of work.

Are you ready to shift your center of gravity to this new practice of leadership? Have the willingness and determination to do something different and to try it out. Volatility and change can be met with positive approaches in this tremendous opportunity for shaping the future.

IN THIS SUMMARY, YOU WILL LEARN:

- The mechanisms, behavior, and mindset of the responsive leader.
- To anticipate challenges that may arise with shifting leadership styles.
- Models for leading responsively across the network.
- Ways to motivate your employees and peers for the future of work

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Organizations are on the cusp of massive change as the world moves in more unpredictable ways. For organizations to survive, we need adaptable leaders capable of moving us forward. We need greater awareness and consciousness beyond black-and-white, quarterly report, profit-and-loss thinking. Responsive organizations and conscious leadership hold a fundamental truth: people and purpose matter just as much as profit.

Paradigm Shift

Despite the seemingly dystopic predictions of AI, automation, and loss of jobs, these changes bring some exciting possibilities for replacing the existing management and organizational structures with something more future-oriented. This the right time to stop and rethink our approach to work. It's time for a paradigm shift. If you change, develop, and align your mindset in the organization and together create an evolvement in new skills, then the change in behavior will be a natural consequence of the mindset.

Principles for The Future

The interactions, decisions, and business transactions hinge around people and the relationships between people. You are not a B2B or a B2C company; you are H2H—human to human. People come first in the quest to provide purpose, meaning, sense-making, and value-creation in the workplace. A guiding principle for work in the future is the need to experiment. In a rapidly changing world, where there are several "right" answers to a question, you must deliberately experiment, test, and investigate.

Ostergaard relates the story of Danske Bank. Mikko Laukka announced to his whole department that he wanted to initiate a rather substantial culture and collaboration project, affecting all 120 employees in his division. The team was responsible for delivering automated financial services. They didn't drop their attention to the product. However, the management team directed their focus and energy to the employees and the culture first and foremost. They applied design thinking to create a "people first" workplace with less hierarchy and more agile delivery methods.

Before staging two grand meetings for the rollout of the plan, the management team was fully prepared, having made the business case for the transformation. A portfolio of activities was introduced and executed including weekly standup meetings, intense accountability, and larger workshops for culture development.

The first few meetings were rather "polite," and almost all items reported were presented as complete. But as the employees felt they were safe, and their reports were acted upon, more honest reporting and requests for help emerged. In their all-division workshop, the whole department co-created a culture book, answering two questions. Firstly, what does the world's best workplace look like, and secondly, how do we get there?

The culture changes led to the bold move of eliminating a management layer, creating a higher manager-to-employee ratio, with some managers having up to 25 reports at times. To handle the relevant one-to-one dialogue with the employees, peer-coaching and peer-onboarding were initiated.

During the first six months, the turnover rate of employees doubled, but, interestingly, the empty spaces were quickly filled as the idea of the culture spread and became apparent in mindset and behavior.

The Future of Work

In a constantly changing world you cannot make thorough plans for the future of your organization by merely analyzing, thinking, and planning, as if your assumptions are correct and non-changing. Understand what problems you are solving and for whom, and what value you are creating for the customers.

Purpose and Direction

Focusing on purpose enables you, the organization, and every employee, to focus on WHY you do what you do, instead of WHAT you do. Knowing the why creates a deeper understanding and engagement and is a comprehensive framework for empowerment, delegation, and commitment. If everybody understands why you do what you do, then you can challenge the status quo, think holistically, and take initiative in a decentralized way. Focusing on purpose enables you to set the direction accurately. You must rethink the strategy and make it agile and circular—or spiraling—instead. Finally, focusing on purpose is a tremendous motivation and a filtering factor for more and more people when they choose which company to work for.

Triple-Bottom-Line

For some employees, it's hard to understand the effect their work has on economic results, as the actual money transactions happen somewhere else in the organization, and the transparency and direct relation to their work can be extremely hard to establish. Instead, more employees, project managers, and department leads are turning to social

capital and value-creation for a means of understanding the cause and effect of activities. Social capital lies in the strength of relationships and networks. Value-creation gives attention not only to the value the organization offers but for whom and how much. Economic health is certainly not neglected. Turnover, revenue, billing, etc. remain important to the responsible leader.

A purpose narrative establishes a correlation between the elements in the triple-bottom-line once the connection is created. The purpose ties you together, strengthening your relationships and social capital. It describes the value you create and supports you in reaching your financial goals by focusing on and prioritizing your resources and investments.

Innovation as Usual

Innovation is not restricted to products and processes. Leadership, organizational structures, and culture must also undergo innovation and disruptive changes.

Mindset

Few organizations are capable of being disruptive to the extent of companies like Google, Tesla, or Netflix. However, everybody and every organization can be innovative, thereby ensuring relevancy to the customer, flexibility to change when needed, and attractiveness to employees through making the workplace a fun, engaging, and developing place to be.

A mindset and culture of risk-taking and no-blame, where failure is not frowned upon, encourages innovation. Major mistakes or losses are mitigated by performing small-scale tests and experiments to investigate and document the ideas and feasibility. Innovation can be strengthened through a circular approach to execution, working in sprints, inspired by the Agile world. Everything from company strategy to daily maintenance tasks should be thought of in circles or spirals, where we periodically stop, evaluate, re-aim, and adjust. There are a plethora of plan-do-check models. The faster we can test the experiment and assess the hypothesis, the faster we can evaluate the feasibility. This lowers the cost of failure and increases the speed of application.

Innovation—Everybody and Everywhere

Get everybody to think about innovation, even in small things. Then let them do it. Often a good idea or a strong initiative is halted because a manager says no to change. When we're trying something new, there is inherently a chance of success and a chance of failure. In any case, there is 100% certainty of learning.

The responsive leader has an insatiable drive for results and achieves that through and with other employees. This means that they act and think like an entrepreneur, working more "on" the business than "in" the business. A deeply rooted skill and character trait for an entrepreneur is the ability to be innovative; a natural sense for spotting new solutions to existing challenges or cross-pollinating existing solutions to create new opportunities.

Pingala, a Danish IT consultancy, takes responsibility for the future of work in their business. One of the design criteria for their organization is that they want to keep the organization flat and eliminate the need for a manager wherever possible. To do that, they analyzed and documented the real networked organization. Based on their study, they constructed a chain of mentor/mentee links so that the employee development interview and sparring takes place on a peer-to-peer level in the network, and not as a hub-and-spoke structure, with the manager as the hub. The kind of new conversations that arose was fantastic, and employees got feedback and sparring from someone who had a better understanding of their professional challenges, and who they also had a social connection with. Even the CEO got an employee mentor, a reverse mentoring-approach.

Viscous Culture

The greatest cultures are the ones people are attracted to, where they like to show up to work, are sad when they quit, and return after a short period at another company. A great culture creates a sense of belonging, rising engagement, and declining sick leave.

Belonging and Identity

The key to developing your culture is not power, but influence. By networking, building relationships, giving and asking for feedback, and engaging with your employees, you begin building the foundation of a culture that is resilient, responsive, and inclusive.

We need organizations where people feel they belong. Organizational culture in the future of work is one of communities and belonging. You need to build a culture of relationships, transparency, diversity, empowerment, and trust. The personal leadership style is key to driving and nurturing this. These communities need to be suitably viscous, to be both a psychological safety net and gravity point for the full-time employees and be adaptable and inclusive for gig-workers and fluid engagements.

Culture as a Product

Pingala and similar organizations see culture as their product. The key to developing your culture is not power, but influence, which starts with an authentic approach to the ones you surround yourself with, namely people. In business terms, see culture as a business product and cultural development as a project. Allocate time and effort to projects and activities that your employees and your customer will benefit from, and have someone driving it.

For every five employees who leave ProActive, an IT company in Denmark, two return within a few years. Why? Because of the culture, they say. ProActive communicates an "I trust that you can do it" mindset. The responsibility and accountability are rapidly given to the employees, according to the will, skill, and experience of each employee. Naturally, when this kind of empowerment and meritocracy-based authority replaces micro-management, mistakes can happen. They have gradually formed a networked team-of-teams organization.

The key to obtaining this kind of responsive organization on top of the strong empowerment has been a deliberate investment in horizontal leadership. Bringing the approximately 20 peer leaders together in cross-organizational forums regularly to get to know each other and to share challenges and experiences has been a huge lever for the social capital. Every Friday, a resource assignment meeting is held between all delivery-responsible employees and line managers to match employees to projects and tasks.

This, of course, requires the line manager to have a deep understanding of each employee.

Some of the leaders have it in them as a natural gift. Some of the leaders use the input and ability of each other to master the roles and behavior together. The result is that people return to ProActive.

Mix

Managing the principles for leading responsively requires a new kind of leader, conscious of their own behavior and impact. The responsive leader focuses their mental energy on the moral compass, on personal development, on activating and cross-pollinating across the strength areas of the business.

Roles and Behaviors of the Responsive Leader

The responsive leader cares about the development and well-being of the employees, investing time in helping each employee be the successful and best version of themselves. This means frequent conversations and sparring, open questions, and, at times, hints, direction, and advice. As coach and mentor, the leader creates trust, safety, and confidentiality and is ambitious on behalf of the employee. As a coach, the leader is a facilitator for drive, ideas, understanding, and reflection. A coach asks questions and guides the employee to seek answers themselves. As a mentor, the leader also has attitude, opinion, multiple views, and experience, and will voice these. A mentor comes with specific suggestions to the challenges the employee is experiencing. Additionally, sometimes you must be an oracle and should prescribe a solution or approach. The delicate challenge lies in balancing these three: the coach, the mentor, and the oracle.

You are the one who points the organization and your employees in the right direction and towards the right mindset. And it's you who needs to take the first step. And the next, and the next, and to ensure that you do it together and that no one is left behind.

Erik Korsvik Østergaard is partner in Bloch&Østergaard, which he founded in 2014. Erik has worked with leadership, digitization, strategy, change management, and organizational transformation for over 15 years, as manager, project manager, and consultant.

Over the past years Erik has focused on codifying the mechanisms for the future of work, striving to establish a leadership framework that provides the modern organizations and leaders with a coupling between megatrends, theory, and real-life practice.

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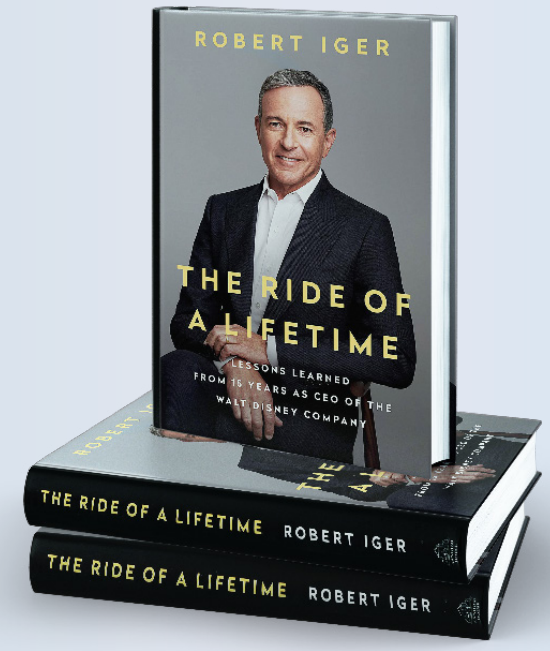
The Ride of a Lifetime

Robert Iger

BOOK SNAPS™
Zooming In On Your Next Read



The Ride of a Lifetime

by Robert Iger

Robert A. Iger is the Executive Chairman of The Walt Disney Company and Chairman of the Board of Directors. Prior to his current role, Iger served as Chairman and Chief Executive Officer of The Walt Disney Company. Over his 15 years leading the Company, he built Disney into one of the world's largest and most admired media and entertainment companies. He has made Disney an industry leader through its creative content offerings across multiple platforms. Robert Iger has been named one of the "World's Most Powerful People" by *Forbes* magazine (2018), among other awards, and he was inducted into the Television Academy Hall of Fame in January 2020. *thewaltdisneycompany.com/leaders*

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Leadership Secrets that Brought Magic to Life

Robert Iger spent 45 illustrious years working for the same company. He started as a junior production employee at ABC and rose in the ranks steadily over 22 years. He spent the next 23 years at Disney after they acquired ABC, eventually becoming the "sixth CEO to run the company since Walt founded it in 1923." As CEO, he describes his time as an energizing ride on the most exciting theme-park attraction imaginable.

But it hasn't been all fun and games. Running a multinational corporation like Disney is also intensely challenging and stressful. Iger has learned to "compartmentalize" and shift focus from one responsibility to the next. He knows how to get the work done when things go according to plan and when an unforeseen crisis throws things off course. In ***The Ride of a Lifetime***, Iger shares insights that "could be useful beyond his own experience."

10 Guiding Principles

Iger identifies 10 vital principles for effective leadership. Readers who have their own business or manage other people may find guidance in these "universal ideas" about taking risks and creativity, building a culture of trust, inspiring curiosity in yourself and others, embracing change, and showing integrity.

Optimism: Leaders will face difficult choices and things will not always turn out as planned. Leaders must stay optimistic so they can energize and motivate others. Pessimists are not effective leaders.

Courage: Risk-taking requires courage, and in today's "ever-changing, disrupted businesses, risk-taking is essential, innovation is vital, and true innovation only occurs when people have courage."

Focus: The appropriate time, energy, and resources must be allocated to the "strategies, problems, and projects" with the highest priority. Further, leaders must clearly and regularly communicate priorities to those around them.

Decisiveness: Leaders must make decisions in a timely manner. Leaders should invite diverse opinions to the decision-mak-

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ing process, but that should be "balanced with the need to make and implement decisions." Morale is deeply corroded when a leader is chronically indecisive.

Curiosity: Innovation is a path that begins with curiosity. Leaders must remain curious to "discover new people, places, and ideas" as well as to "understand the marketplace and its changing dynamics."

Fairness: Strong leadership requires "fair and decent treatment of people," empathy, and accessibility. Give subordinates second chances when they make a mistake, and leaders should refrain from "judging people too harshly."

Thoughtfulness: Leaders have to "take the time to develop informed decisions." Opinions that are based on knowledge are "more credible and more likely to be correct." Thoughtfulness is an element often underrated in effective leadership.

Authenticity: People can tell when you are being fake or when you are being real. Being authentic, or genuine and honest, "breeds respect and trust."

The Relentless Pursuit of Perfection: Leaders should never settle for "good enough." Put effort into making something as great as possible. "If you're in the business of making things, be in the business of making great things."

Integrity: High ethical standards are essential for a company or a leader to succeed. An organization's people and their products must be of the highest quality. This is true for "all things, big and small." "The way you do anything is the way you do everything."

Iger illustrates these guiding principles through his accounts of his experiences at ABC and Disney.

Extreme Focus in Shanghai

Iger made a location-scouting trip to China in 1998 for the forthcoming Shanghai Disneyland. In 2016, he took his fortieth trip there to preside over the opening. He was the only person at Disney who had been involved with the project from the very beginning and through every step.

The planning and development of the park took 18 years, $6 billion, 963 acres, and "as many as 14,000 workers living on the property." Major decisions such as "the safety and comfort of Chinese workers," and tiny ones, such as whether it was appropriate to cut a ribbon on opening day, were a mainstay of the process.

Iger writes, "The creation of the park was an education in geopolitics, and a constant balancing act between the possibilities of global expansion and the perils of cultural imperialism. The overwhelming challenge, which I repeated to our team so often it became a mantra for everyone working on the project, was to create an experience that was authentically Disney and distinctly Chinese."

The official park opening was slated for Thursday, June 16. On Sunday, June 12, the terrible news of the mass shooting at Pulse nightclub in Orlando reached the Disney team in Shanghai. The Disney security team was scrambling to determine whether any of their own were injured or killed in the shooting, when more shocking news arrived. Disney security discovered that the shooter had visited Magic Kingdom months before the shooting, with CCTV footage showing him pacing around a park entrance in Downtown Disney. It is believed that Disney World was the shooter's primary target, which federal investigators confirmed. This suspicion shook Iger to his core.

Iger's ability to focus in the face of extreme circumstances would be tested even further. On Wednesday June 15, the day before the opening, Iger was leading a VIP tour of the park with about 100 guests. Disney's head of Parks and Resorts, Bob Chapek, approached him. Iger assumed that he was about to get an update on the shooting investigation. Instead, Chapek pulled him aside and said, "There was an alligator attack in Orlando. An alligator attacked a young child. A little boy." Iger attempted to hide his "rising sense of horror" as he learned the details. The attack happened at a Disney hotel resort. The 2-year-old boy, Lane Graves, was missing and presumed dead.

The morning of the opening in Shanghai, Iger called the boy's parents to express his condolences and empathize with their "unimaginable pain." At Mr. Graves' request, he promised to do whatever he could to "prevent this from happening to another child." During the conversation, Iger cried so hard that his contact lenses fell from his eyes. He was drained and felt like he couldn't move. But he had no choice but to get up and get back to work.

Never in his worst nightmares could Iger have imagined that the opening of Shanghai Disney World would take place in conjunction with two terrible tragedies. But the unexpected happens. When it does, Iger relies on "a kind of instinctive triage to kick in." He tunes into his internal "threat scale" to determine what needs his immediate attention and what is important but must wait. He trusts that those around him will do what they need to do so that he can focus on the more pressing issues. Iger demonstrated this ability to focus in his handling of the unexpected and tragic events that coincided with the opening of Shanghai Disney World.

Massive Courage with Marvel

Disney's acquisition of Pixar kicked off a new growth strategy. Goals included global growth, technological advancement, and increasing quality content. Iger and his colleagues developed a "list of acquisitions targets" with intellectual property that could advance them towards those goals. Top of their list was Marvel Entertainment, with its treasure "trove of compelling characters and stories" that could be plugged into Disney's "movie, television, theme-park, and consumer-products businesses."

But Marvel wasn't actually for sale, and two other factors complicated the situation. First, many of Marvel's characters were licensed to various different studios. Columbia Pictures owned Spider-Man, and The Fantastic Four was under contract with Fox, for example. Even if Disney could successfully purchase the remaining properties, it would make for a clunky IP acquisi-

> **Marvel was not an obvious choice for Disney. It was 'edgier,' and there was genuine concern that fans would not react positively. . .**

tion full of brand confusion and "licensing complications down the road." The second and greater challenge was that Disney had no access or relationship with the "legendarily tough and reclusive" head of Marvel, Ike Perlmutter.

After months of failed attempts to secure a meeting, Perlmutter agreed to meet with Iger at the Marvel offices in Manhattan. Iger elected to handle this meeting alone, without a team of Disney executives with him. They discussed each executive's history and experience. The notion of purchasing Marvel came up only after Perlmutter inquired about the previous Pixar acquisition. Using this opportunity as a segue, Iger explained how Disney was able to integrate Pixar into their company while "maintaining Pixar's unique culture." This, he explained, is what they could do with Marvel. Perlmutter was intrigued enough to continue the conversations and, eventually, seriously consider an offer from Disney.

There were many risky aspects of acquiring Marvel that required courage. Marvel was not an obvious choice for Disney. It was "edgier," and there was genuine concern that fans would not react positively to the brand being associated with Disney. But careful consideration led Iger to believe that Disney "could manage the brands respectfully and separately, that they could exist side by side, and neither would be negatively affected by the other."

He consulted Steve Jobs, a board member of Disney and his close friend. Jobs' first reaction was to tell Iger how much he hated comics. Iger persisted and was able to convince Jobs that despite the risks, a Marvel acquisition would be every bit as good for Disney as Pixar had been. Jobs agreed to call Perlmutter and nudge him in the right direction. Perlmutter agreed to the deal, citing Jobs' call as the turning point.

Disney announced they were buying Marvel for $4 billion. They anticipated backlash. "Marvel is going to lose its edge! Disney is going to lose its innocence! They spent $4 billion and they don't have Spider-Man!" The market reacted with a 3 percent drop in Disney's stock price the day of the announcement. But that didn't last.

Disney has since released over 20 Marvel films, each "averaging over $1 billion in gross box-office receipts." The acquisition has proven far more successful than imagined. Marvel's popularity and impact has extended into our culture, by introducing diverse superheroes, including women and people of color. And it all started because Iger had the courage to make such a bold move.

Innovate or Die and Disney+

The face of media was changing. The future of entertainment companies was at stake. If Disney didn't innovate, they would be left behind. So Iger and his team "concluded that it was time to start delivering content in new and modern ways." They did not want to piggyback off another enterprise's platform. They wanted to develop their own.

After shopping around for technology companies that could bridge the gap in the company's infrastructure, Disney acquired "a 33 percent stake in BAMTech with the option to buy a controlling interest in 2020." At the time, the primary owner of BAMTech was Major League Baseball. They had successfully launched a streaming service for baseball fans and were in the process of developing HBO Now.

Less than a year before Disney's initial investment, Iger and his team presented a "bold and aggressive" plan to the board. Rather than wait until 2020, Disney "would accelerate the option to buy a controlling stake in BAMTech, and then use that platform to launch Disney and ESPN direct-to-consumer video streaming services." This news made Disney's stocks soar.

When faced with industry-wide disruption, Iger led an internal disruption, knowing full well that it would bring significant losses in other areas of the business. Iger recognized that those hits would be short term and kept his eyes on the long term gains. Aside from the massive success of those particular services, jump starting ESPN+ and Disney+ served as the unintentional catalyst for Disney's next massive acquisition.

In a one-on-one meeting, Fox's Rupert Murdoch made it plain to Iger that he felt Disney was uniquely poised for the future. Iger intuited that Murdoch might be interested in selling. Disney acquired "a broad portfolio of assets" from Fox, including Fox Searchlight Pictures, the FX Networks, majority or controlling stakes in Hulu and National Geographic, and much more. By embracing innovation, Iger opened Disney up to new opportunities and an immensely bright future.

When Iger took the helm in 2005, Disney was faltering. Faced with extreme disruption industry-wide, Iger developed three goals that informed every decision: Produce content of the highest quality, use technology rather than resist it, and expand globally. Over 15 years, Iger achieved those goals in such abundance that it defies logic. Along the way, he learned what it takes to be an effective leader.

Anyone with an interest in how to be genuine, bold, and successful in business or life will enjoy Iger's account, which offers an insider's view of the deals behind the scenes at a company of enormous size and complexity. This honest narrative will make readers want to know what happens next—a rare prize for an executive writing a business memoir.

· Book 336 of 388 ·

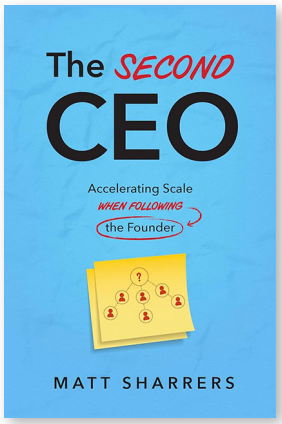
The Second CEO

Matt Sharrers

Executive Book Summaries®

The Second CEO

Accelerating Scale When Following the Founder



by **Matt Sharrers**

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THE SUMMARY IN BRIEF

Taking over as CEO is always a high-stakes challenge—but stepping into the role after a founder adds another layer of complexity. The founder likely shaped the company's identity, culture, and success. As the "Second CEO," you're expected to honor that legacy while steering the business to its next phase of growth. It's a delicate balance that can quickly go wrong without the right approach.

In ***The Second CEO***, Matt Sharrers offers a practical and deeply informed guide to navigating this difficult transition. Drawing on his own experience as a Second CEO and his years of coaching others in the role, Sharrers provides a clear roadmap for succeeding in a role that is as risky as it is rewarding, while delivering actionable insights on how to gain your footing, align with the board, build your leadership team, and scale effectively. The book features real-world stories, advice from serial Second CEOs, founder insights, and perspectives from private equity investors.

IN THIS EXECUTIVE BOOK SUMMARY:

- Develop the mindset you need to succeed as a Second CEO that follows a founder.
- Detailed explanations about the transitions you have to go through and how to do so successfully.
- Key processes and a step-by-step guide to cultivating culture through purpose, vision and values, and crafting your own strategy to succeed.
- Determine what kind of leader you want to be and what to do during the first year on the job to set your company on the path to growth.

Introduction

I've had three distinct careers, and they've all been around high performance. First, I was a hockey player. When I retired, I started my business career, quickly rising up the ranks to become the vice president/corporate officer before my thirty-fourth birthday at a Fortune 500 company. From there, I joined Sales Benchmark Index (SBI), a Go-to-Market (GTM) strategy consulting firm, as its first employee, working alongside its three cofounders. We scaled SBI into one of the largest boutique firms in go-to-market consulting over fifteen years.

But all wasn't always rosy. During my eighth year with SBI, our cofounder and CEO, Greg Alexander, let us know he wanted to exit SBI. The partners agreed that I should be his successor. In theory, it sounded fantastic—I was about to follow the founder and be the new CEO! But in practice, there was no playbook. We had to do it all by trial and error.

A lot has been written about succession. But there's an extra degree of difficulty when you're following a founder. That difficulty has elements of personality, culture, and history that can easily derail the entire transition if they aren't handled well.

Here, I'll guide you through your thoughts, feelings, and actions, from the moment you're tapped on the shoulder as the successor or the external search has identified you as a match through the actual transition and your first year as CEO.

Chapter 1: Passing the Baton Versus Throwing It and Running

There's no such thing as thinking too much about the transition from founder to Second CEO. If you're not prepared for the transition, the consequences could be dire, personally, professionally, and financially.

Case Study #1: Greg and Me

I was the first employee at SBI, a strategy consulting firm that specialized in go-to-market effectiveness. The company was growing, and Greg, our CEO, started to feel that entrepreneurial urge in year seven. He was delegating more and more to me because he was getting frustrated and looking for a path out. We found a way to make that happen while allowing the rest of us to continue to grow the firm.

I think it's fair to say no one behaved like their best selves during that process. And a lot of that comes back to the fact that we didn't have a playbook. What the business needed was a consistent, methodical operator to standardize what we were doing and scale it. And of course, it needed a process for succession.

There I was, suddenly CEO, making mistakes of my own, beginning with not being cognizant of the fact that a Matt-led SBI is different from a Greg-led SBI. I did too much too soon, making a lot of changes and putting my stamp on things.

My reckoning came at month six, when we had to lay off 10 percent of the firm. It was very painful, personally and professionally. I lost confidence and hit a professional low. That's when clarity came for me. I got my bearings as a CEO and identified my priorities.

The fix for my situation began with hiring the leadership assessment firm ghSMART to assess me as a CEO and identify my gaps. Then I found a coach to work with to help me fill those gaps. Finally, I needed what's called a scorecard, which details what the CEO of this company does, and where they're going.

Case Study #2: Kristie and Eric

The flip side of my situation with SBI is Bespoke Partners, an executive search firm that specializes in private equity software. The founder Kristie Nova asked me to be on the board a few years ago with one of my primary responsibilities being to help her create a succession plan.

Our search for a scorecard-match for Bespoke Partners landed on Eric Walczykowski, who had energy for ideation and the kind of objectivity that would allow him to figure out what the business needed, and do that without emotion.

Eric was able to appreciate the war stories and other shared memories in the context of an evolving Bespoke. Meanwhile, Kristie embraced the need for change and had no issue letting go. Within sixteen months of him becoming president, the firm had a liquidity event, Eric became the CEO, and the torch was passed.

Takeaways from Case Studies #1 and #2:

- Self-awareness is vital to a successful transition, but it's not enough.
- Having a clear plan for transition is key.
- Culture matters, and it must evolve.
- When you have a solid transition plan, it makes a world of difference to the internal stability of the company.

Business leadership isn't a marathon; it's a relay race. The first person to hold and pass the baton is the founder, and that person is qualitatively different from the successor CEO.

- Founders have entrepreneurship in their DNA.
- There's a difference between a new CEO coming from within and from outside.
- The founder needs to believe they have a successor.

Business leadership isn't a marathon; it's a relay race. The first person to hold and pass the baton is the founder, and that person is qualitatively different from the successor CEO. Whether the handoff is done well is largely based on how you handle it.

Chapter 2: Can I Really Do This?

The way the handoff happens is critical to the success of the transition, Whether you're from the inside or the outside, and whether you're a first-time CEO or not, you're wondering if you're up to the task.

Transitions can have personal, financial, professional, and social consequences. Sometimes they go well by accident, with the person unaware of all the components of the transition and what could have gone wrong. When you're following a founder, you have three transitions to go through, whether or not you realize it.

1. Your transition out of whatever you were doing.
2. Your transition into CEO.
3. Your transition into the team.

Setting Yourself Up for a Successful Transition Trifecta

There are three steps you can take to set yourself up for a successful transition trifecta:

1. Have the right mindset: A curious, compassionate, adventurous mindset will take you a long way as you start your new chapter.
2. Create an informal board for yourself. I recommend three people who each contribute a different perspective, who know you fairly well, and who aren't Yes Men.
3. Develop a scorecard. You have to decide who you want to be as a leader, and though you might not have all the details worked out, making the scorecard a priority is making a statement about your leadership. It's telling everyone that clarity is a big part of who you are as a leader.

Chapter 3: Working With The Founder

It's rare that a founder just leaves and is gone forever. They usually keep a role on the board, at least.

Three years after leaving SBI, Greg founded Collective 54, the first mastermind community for boutique professional services firms. Collective 54 has identified five effective leadership styles. This list is helpful for getting insight into the founder you're following as well as figuring out what kind of leader you want to be.

1. The Capability Seducer

These founders look for expertise everywhere. They ignore conventional practices like CVs, degrees, job histories, etc. They find trapped and hidden genius in the most unlikely places.

2. The Emancipator

The Emancipator frees employees from the soul-crushing work environment of big corporate America, where they exist under constant restraints. An Emancipator creates elbow room for their employees to thrive.

3. The Defier

The Defier constantly tests and stretches their employees. They believe people grow

4. The Head Bumper

The Head Bumper believes any problem can be solved if enough heads are put on it, that is, "Let's bump heads on this." This leader doesn't care who won or lost the argument, only that a sound decision was made.

5. The Sponsor

The sponsor is the opposite of a micromanager and is as hands-off as one can possibly be. They sponsor a project or an executive, and they empty the bank account in support of the initiative.

Finally, there's the leadership style to avoid: It's called the Pleaser. The Pleaser has the best of intentions. They think they're doing a good job but are not and just do not know any better.

If the founder you follow was a Pleaser, odds are you'll see the consequences of that when you speak with your employees and hear about culture. If your Pleaser will be around for a significant period of time during your transition, it will be critical for you to tightly define a role for them.

Chapter 4. Am I Doing It Right?

The first ninety days as second CEO are about getting a sense of the current state by talking to customers and employees, understanding the market, and validating what you built in your thesis in the interview process. Here's what you'll think about and do.

- Do you want the job? Pre-acceptance discovery.
- Take a beat to process this life transition.
- Identify a coach or mentor.
- Speak with other CEOs about the position.
- Listening Tour - speaking with your key people internally for all of the Whys, Hows, and Whens of their positions.
- Present your findings to the firm.

Once you accept the new job, there are three things you need to do immediately.

1. Write a letter to your future self. Congratulate yourself for getting to the top of the hill and express some gratitude for how blessed you are for this opportunity.
2. Announce your Listening Tour. Tell your people you'll be speaking to everyone, and that includes the competition and getting a real sense of them. During your internal Listening Tour, you should be asking five questions for every statement you make. Keep that 5:1 ratio in mind to prevent yourself from thinking you know more than you do.
3. Present your findings. After your ninety-day Listening Tour, you'll demonstrate you understand communications, culture, product, and people by presenting your findings. The company will feel like you've gotten to know them and what they care about.

When I'm brought in to coach someone following a founder, I want to know how they define success. I ask three questions immediately:

1. Do you have a documented scorecard that tells you what the CEO of your new company needs to do?
2. Does that document have the key outcomes that drive shareholder value?
3. What's your cadence for reviewing your key outcomes with the board so you can all see if you're on track or off track?

New CEOs will frequently say they have those things but they don' t have an actual scorecard. Scorecards translate your business plans into role-by-role outcomes and create alignment among your team, and they unify your culture and ensure people understand your expectations.

Once you have your scorecard, you can cascade that into scorecards for the rest of the executive team and then into the roles for everyone else in the company.

Chapter 5: Culture Cornerstones: Purpose, Vision, Values

Culture means different things to different people. Meanwhile, some people use mission and values, and others use purpose and values. Some have visions rather than missions. Culture is the result of everyone understanding and living the purpose, vision, and values.

Key considerations:

- Purpose is the WHY behind what you do on a daily basis.
- Vision is what you can become; it's your North Star.
- Values are how you behave.
- Culture arises from the synergy of purpose, vision, and values.

Make sure you form a Culture Committee that's diverse and includes naysayers. Include the perspective of your clients.

Make sure you form a Culture Committee that's diverse and includes naysayers. Include the perspective of your clients.

Common Mistakes

1. Doing all this in a vacuum and only considering executive feedback.
2. Doing all this in a vacuum and only considering the feedback of a small group of veterans rather than getting a diverse cross-section of roles and people.
3. Not reading client feedback, employee exit interviews, and employee engagement studies to help you understand how clients and employees feel about the firm.

Remember to behave like you're from the outside. That mindset will help you be receptive and thorough.

Chapter 6. Strategy: Where To Play And How To Win

The core challenge for the CEO is balancing taking care of the near term while planning for the future. I think about this through a Two-Horizon framework.

Horizon One is the first twelve months in the job. Horizon Two is your three- to five-year value creation plan (VCP). This includes you clearly articulating what you want the business to look like and who is sitting around the table as part of your executive team.

Horizon One

I asked founders, successors, and private equity investors how much time the most successful CEOs spend on Horizon One thinking and operating in the first year. The consensus was around 70–80 percent.

Simon Freakley, the CEO of management consulting firm Alix Partners, who is on his third tenure as a CEO, had this to say about the significance of the Listening Tour to the second quarter and strategy: "You're assembling all the information in the first ninety days, while in the back of your mind thinking, What are the strategic priorities of the business to enable it to continue on its journey of growth and development?"

As that first year comes to an end, you'll start to see your time allocation shift, where you're spending more like 40–50 percent of your time in Horizon One. Meanwhile, you also need to carve out purposeful time in your calendar to work on the business rather than in the business. When I asked Second CEOs how to ensure they did this, the overwhelming response was discipline.

Horizon Two: Your Strategy

Strategy is a question that needs to be answered by the CEO. And the information required to properly and thoroughly answer it comes from listening. So the outcome of the Listening Tour is strategy. After your tour, you have one question . . . Do we have the right strategy in place to activate and fulfill our vision?

Outcome #1—Yes. Then move to the execution of that strategy.

Outcome #2—No, not really, almost-but-not-quite, and any other version that isn't a complete Yes.

This is by far the most common situation, where the strategy needs some refinement. It's your job to refine it. Strategy, simply put, is where to play and how to win.

Common mistakes to avoid:

- Leaping into action, without an actual strategy and without communicating what you'll be doing and why.
- Not taking enough time to whittle down the most important elements of the company strategy into a format people can understand.
- Your strategy having a lot of "intuition" and "gut-based" language rather than being fact-based.
- Your strategy not being codified in a way that the rest of the organization can understand.
- Thinking present forward.
- Planning too ambitiously, and it is disconnected from where the business is today.

Chapter 7: The Continuous Nature Of Processes

Once the Second CEO knows what they want to achieve strategically, it's time to build processes to support that work. I think of processes as having three phases:

- Initial discovery
- Documentation
- Iteration based on new information

The first two phases get done in the second half of Year One, and the rest of your tenure is all about iteration.

Most newly minted CEOs move a little too fast. They make quick changes instead of being mindful and getting the full picture, just like I did at SBI. So make sure you balance having a true holistic understanding and putting trust in your leadership team. This is a time when you're going slow to go fast, correctly.

Chapter 8: Structure: Focus On Roles, Not People

Bringing someone in from your past isn't necessarily a bad thing, but it needs humility and clarity to be done well. Decisions should always be based on the facts and the data of the company you're working with now. The Second CEO's job is to put individuals and their relationships aside for a moment and figure out what roles are required to activate the strategy. The most important mindset you can have right now is to get as close to objectivity as possible.

As you go through your thinking around who reports to whom, there are a series of questions the Second CEO needs to ask:

1. Where do we have unnecessary bottlenecks or balls being dropped?
2. Why was the organizational chart set up in its current fashion?
3. What's not getting done that should be getting done and why?
4. If we have a process, is it the execution of or the management of said process that's holding us back?
5. The immediate gaps must be shored up while you determine the longer-term, future-back organizational chart.
6. As the CEO, how do you align the key metrics of a function with the key priorities of the business?

You should feel you've succeeded when you can clearly articulate why the organizational structure is the way it is. Your reasons should be tied to customer satisfaction, employee engagement, and competitive advantage.

Chapter 9: Building Your Team

When you're following a founder, there's always a tendency to hang onto historical, legacy rituals that exist in a business. The same can be true for hanging onto people. And while it might be true that everyone loved the C-suite, you have to ask yourself, Knowing what I now know, how do I determine if these wonderful folks who worked well alongside the founder are also my people?

You can answer that question and build a different team, if that's what you need, with a three-step process:

Understand Who You Have

As the Second CEO, whether you're from the outside or not, you must objectively assess the talent you have. You'll be inspecting the performance management standards and performance reviews, as well as their level of commitment to the company's vision and core values.

Identify Who You Need

Once you have a picture of the past and the present, it's time to identify who you need for the future. We'll begin, as we usually do, with making sure you have a scorecard and a vision of what each person in the C-suite needs to drive the future strategy.

Create a Cohesive, Well-Functioning Team

Your functional leaders need to operate as a cohesive team. They need to have the ability to put their egos aside and work for the greater good. You're looking for people who have a history of developing others. You're looking for people who say "we" not "I."

Common Missteps

- Moving too slowly.
- Hanging onto people because you don't want to be too disruptive
- Bringing people in from your previous life whom you trust and have comfort with but who don't match the

scorecard and the culture.

- Taking feedback from others.
- Defaulting to internal promotions.

Chapter 10: Building Your Two Boards

Part of being able to accelerate and scale the way you need to is surrounding yourself with the right advisors. Looking back, one of the best things I did as a CEO was build my personal board along with the formal, fiduciary board of directors for the company.

Your Board

We don't see our blind spots, by definition. You need to assemble your dream team:

1. A coach
2. Mentor(s)
3. Peers.

The Company's Board

Realistically, many founder-owned businesses don't have a formal board of directors. And if you're walking into a company without a board, create one and run the company like it's private equity backed. A great board allows you and the executive team a higher probability of accomplishing your strategic objectives in less time while avoiding common pitfalls.

The Second CEO's relationship with the board is a vital component of their success. It needs to be nurtured and maintained, and at all times transparent. As far as meetings go, the ideal board cadence is once a quarter virtually and once a quarter in person. Your goal is to be surrounded by the best minds available for the strategic issues that are critical for your Horizon Two.

Conclusion

You're never done when you're the CEO of a business, especially one that was led by a founder. There are always going to be things that you recognize you need to be doing differently.

There are three things the CEO will always be responsible for: (1) vision/strategy, (2) culture, and (3) team. You must continue to invest in these three components and never delegate them. They're your priorities.

To step toward your full potential in the role of the CEO is to realize that regardless of industry, you're in one business: the people business. People will be at the center of your results, good or bad. So, keep investing in being in the top 1 percent of leading and influencing others. Helping others get what they want will get you what you want. Congratulations. Keep betting on yourself. And remember, in the journey to full potential, you're never, ever done.

Matt Sharrers is a coach, investor and advisor to CEOs and the PE firms for whom they work. Sharrers spends his time enabling these CEOs to accomplish uncommon goals that alter their personal trajectory. Currently, Matt serves on 5 boards and is the Executive Chairman at SBI, a B2B strategy consulting/growth advisory firm that he and his partners sold a majority stake to CIP Capital in January of 2020. Sharrers resides in Scottsdale Arizona and when not working with CEOs can often be found doing pull ups, playing average golf, or reading.

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The Self-Evolved Leader

Dave McKeown

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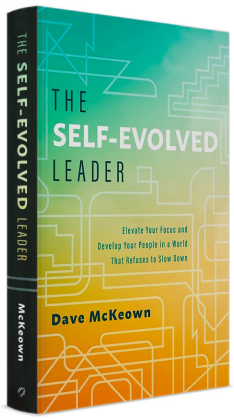
The Self-Evolved Leader

Elevate Your Focus and Develop Your People in a World That Refuses to Slow Down

by **Dave McKeown**



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THE SUMMARY IN BRIEF

Leaders today are stuck between two worlds. On one hand, we're barely starting to move away from the old way of thinking about leadership and its relentless focus on top-down hierarchy and planning. On the other hand, we haven't fully developed our thoughts on what comes after the bureaucratic organization.

That's where ***The Self-Evolved Leader*** comes in. Dave McKeown has seen how failure to navigate the new world of leadership has created a rising tide of issues. Now, he's found a way to help leaders tackle these issues head-on by adopting a different perspective, a different approach, and a set of disciplines you may not be comfortable with at first. They require you to lay down the old ways of thinking about leadership and take a step towards becoming a self-evolved leader.

Rather than a list of leadership platitudes or philosophies, ***The Self-Evolved Leader*** is designed to be an instruction manual and playbook for getting the most out of yourself, your team, and your organization. Each skill builds on the one before, taking you a step further toward your journey to better leadership.

IN THIS SUMMARY, YOU WILL LEARN:

- How to stop managing from crisis to crisis and spend more time focusing on the long-term development of your people.
- How to lead in a way that gets better results from your team overall.
- How to dramatically increase the value you bring and the impact you have on your organization and community.

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What Came Before is No Longer Enough

Each year we spend tens of billions of dollars on leadership training, books, workshops, webinars, coaches, and keynote speeches. Despite the colossal amount we invest in building better leaders, we're experiencing a more significant leadership gap than ever before.

Employee motivation is at an all-time low, turnover is up, and in survey after survey, the gulf between leaders' self-assessments of their effectiveness and the perception by those whom they lead is ever expanding.

This is important for two reasons. First, the world we live in isn't getting any less complex. We aren't going to return to a simpler time. Second, the problems faced by our organizations, communities, and species aren't going to get any easier. Climate change, rising income inequality, the polarization of political discourse, and the lens of tribalism through which we view the best way to tackle our most significant challenges all require a cadre of leaders who will rise to help us find a better way through—together. Never before have we needed a generation of leaders to step up and lead with authenticity, purpose, and effectiveness as urgently as we do now.

This book aims to provide a road map for leaders at any level of any organization to discover their authentic leadership calling, create a vision of a better world, and build the framework and structure needed to chart the course.

Break the Cycle of Mediocrity

Unfortunately, we as leaders have allowed a distorted image of what it means to lead our organizations, and it's causing a profound and dangerous knock-on effect on our teams. Let's call it the Cycle of Mediocrity.

Because it seems that decisions must always be made now, immediately, without delay, there's little time taken to consider the best course of action. This leads to leaders that take 'heroic' courses of action, plowing forward in an effort to 'lead.' But heroic leadership actually disempowers teams in the long run, putting the power of action entirely in your hands and stripping the power from your team members. This eventually leads them to feel helpless, disengaged, and unimportant. The result? You're required to take even more 'heroic' actions in the future.

Your goal should always be to elevate the things that are most important, not most urgent. Plenty of things are urgent, demanding attention right away—an email request for information, for example. But they're not always important. The important things are those that have long-term ramifications for your organization.

Building shared accountability for these important things and focusing on developing your people moves your team towards excellence. This creates a cycle of excellence, in which important tasks are handled by your team, creating shared accountability, development, and empowerment.

Reset Your Perspective on Leadership

Every transformation starts from within, and the transformation into a self-evolved leader is no different. Before you can make a material impact on your team and organization, there are some internal characteristics that need to be nurtured. Some of these may come naturally, and some will take a bit more time to develop.

Here are some of the primary traits of self-evolved leaders:

- They push for growth.
- They pursue an objective understanding of their leadership effectiveness.
- They take responsibility for their development.
- They focus on practice and reflection.
- They demonstrate vulnerability.
- They practice empathy.
- They feel a sense of connectedness.
- They operate from the locus of their control.

Vision—Set a Shared Destination

Building a compelling vision is the first of three key elements to becoming a self-evolved leader. A compelling vision brings alignment, a shared purpose, and a North Star for decision making. It gives your team a rallying cry, a motivational tool when things get difficult or pace slows down.

What does a compelling vision look like? The best ones are clear, exciting, representative of your 'why,' and connected to your organization's larger, overarching vision. This ensures that you and your team are always working towards goals that keep you in line with the bigger picture, and that your team feels closely engaged with and important to your company's mission.

What's the key to sustaining your vision? A constant drumbeat of communication. Never assume that everyone is on the same page. Don't mention the vision once and then assume that it will be top-of-mind for your team going forward. Your vision should be reinforced daily, or even more often. It should integrate itself into nearly everything you do.

To start, bring your team together to explore their perspectives on your team vision. Have them create two or three candidates for you to wordsmith into a final statement. Once you've established the final vision, use every opportunity to share that vision with your team, including team meetings, celebrating it in action, and as part of your onboarding plan for new team members.

Pulse—Build an Implementation Rhythm

Having a powerful, inspiring, and compelling vision for your team helps align people around a common goal. On its own, however, a vision isn't sufficient for success. You'll find that there are a few people for whom understanding the vantage point of where you're going is enough for them to understand how to deliver on the day-to-day.

The majority of your team will require a series of linkages that helps break that high-level vision into a series of actions. Your goal as a self-evolved leader is to help provide that clarity for everyone, regardless of which vantage they feel most comfortable operating at.

The challenge, then, is to start showing the connections between the 50,000-foot level and the runway level. This involves building a set of repeatable interactions across a number of vantage points, which allows you to set and review your team's progress in a proactive rather than reactive fashion.

Building an implementation pulse is a proactive way to wall off your team's time to focus on the important rather than get dragged into the urgent. Each vantage point provides its unique perspective on the progress of your team, and there should be a clear link between each of the interactions and achieving your overarching team vision. In fact, your implementation pulse should have a ruthless focus on execution.

Discipline—Develop the Key Practices

Creating a compelling vision is the most powerful way to call your team to a higher purpose, and your implementation pulse provides you with the drumbeat to get there. But when the weather changes and you go off course, you'll have no way to redirect yourself and your team without the discipline to overcome these challenging moments.

Discipline can be broken down into six 'micro-disciplines,' each of which can be drawn upon to help an individual or your team as a whole refocus and avoid losing momentum. They include:

- Take a pause.
- Exist in the present.
- Set context.
- Be intentional.
- Listen first, talk second.
- Push for clarity.

These are all learned behaviors, independent of personality, leadership style, emotional palette, or circumstances. If you and your team put in the hard work to adopt them in your day-to-day leadership, over time you'll see the positive impact they can have.

Reclaim Your Attention

The people in a room whose focus is on what's happening in the room consistently make better decisions, get more buy-in from their teams, and get better results. Multitasking is not a leadership skill. Managing your attention to devote full focus on the task, person, or project at hand is. Self-evolved leaders who get good at this and even master it are able to achieve a shift in focus to what matters, more achievement in a shorter period of time, increased creativity, and more control.

Facilitate Team Flow

Have you ever experienced the feeling of getting lost in an activity or task? You become so engrossed in what you're doing that hours go by. Psychologists describe this as a state of 'flow,' and when you operate in this state, you find a fine balance where the challenge of the task stretches your skills and spurs you to improve but not so much that it feels overwhelming. Flow is the middle ground between anxiety and boredom, and those who experience it regularly are usually happier, more productive, and have reduced stress levels. Although most of the research and modern perspectives on flow have applied to the individual, self-evolved leaders facilitate a sense of flow within their entire team.

Aim to delegate everything except those things that only you can bring value to, which will increase the chances of your team entering a flow state while collaborating together to solve problems. In almost every case, time spent showing

someone how to do a task or project is worth the investment. Once you've taught, step back and let them learn further themselves. Effective delegation will empower your people and free up your time to spend working on their long-term areas of development.

Support High Performance

Your goal as a self-evolved leader is to remove any chance of learned helplessness and help your people feel supported and empowered to find appropriate solutions to their challenges. Specifically, you should move from the perspective of managing high performance to supporting it.

When you try to manage high performance, you put the onus on you and your leadership skills, removing the sense of control your people have. When you support high performance, you provide the environment from which performance emerges—you push your team to assess their challenges themselves, to weigh their options and take action. The advice and guidance you give is sparing and only used to help them unlock a difficult situation.

Have Symbiotic Conversations

One of the key tenets of the self-evolved leader is the belief and understanding that the relationships and interactions between and among their team are growing ever more connected. The impact of one team member's decisions, actions, emotions, thoughts, and behaviors have a sustained impact on the rest of the team. A great day for one can lead to an even better day for the team, a kind word can increase morale, and a toxic person can poison the culture almost beyond repair.

At some point, you'll have to have a behavioral or performance-related conversation. These conversations work best when they're symbiotic conversations, or conversations that acknowledge the interdependence of the group and provides an opportunity for further growth among its members. Such a conversation can be centered on a positive event, for example, a team meeting that celebrates the individual contributions of a team member. Usually, however, the conversation is centered around a negative event, like a conversation with an underperforming team member.

Before engaging in a difficult conversation, start by assuming positive intent and mapping out what success looks like for you. Start the conversation by letting a team member know that the feedback is not criticism and ultimately, they have a choice of how to act on the information. Share data and examples, state the issue clearly, and know that you're not responsible for their reaction. Finally, put the next steps in their hands.

Build Shared Accountability

Building shared accountability within your team helps you move from pulling your team uphill to working with your team to push it together. Accountability and ownership cannot be taught; all you can do is provide the environment for your team to want to take it. Meanwhile, building shared accountability is a natural outflow of setting a clear vision, building an implementation pulse, and mastering the key disciplines.

Dave McKeown is the CEO of Outfield Leadership where he speaks, coaches, and trains on building leadership excellence at every level of an organization. He has a wealth of experience in connecting individual and team performance to improved business results with a particular focus on fast-growing, complex organizations.

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The Solutions Oriented Leader

Dr. Rick Goodman

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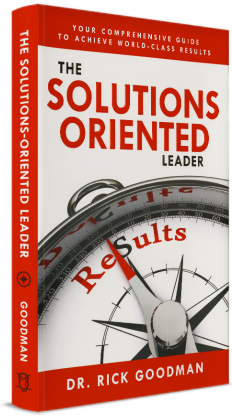
The Solutions Oriented Leader

Your Comprehensive Guide to Achieve World-Class Results



by **Dr. Rick Goodman**

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THE SUMMARY IN BRIEF

As a business leader, you have plenty of tools at your disposal to communicate with employees. These tools allow you to talk to employees and get your point across. But how hard is it to sync your message with their needs - to actually engage them in their work as something collaborative, communal, and team-oriented? This is one of the most significant challenges that today's business leaders face.

Dr. Rick Goodman made it his mission to discover what made high performers successful. He spent two years traveling around the world, spending time with top leaders, CEOs, and entrepreneurs who had been responsible for creating and developing multi-million-dollar businesses with great leaders who had built outstanding teams and retained employees for years. In ***The Solutions Oriented Leader: Your Comprehensive Guide to Achieve World-Class Results***, Goodman shares the wisdom he gained on that journey and gives readers the 'secret sauce' to transform teams into rockstars.

IN THIS SUMMARY, YOU WILL LEARN:

- Seven traits of truly inspiring leaders.
- Six changes you may need to make to your leadership style today.
- How to hire smart to assemble your dream team.
- What hurdles impact employee retention.
- The five habits of engaging leaders.

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Success Begins with You

The success of your team ultimately begins with you. Understanding this principle is the starting point for developing excellent team members. In the workplace, we tend to define ourselves according to job titles and descriptions. Our title establishes what we do, what we're in charge of, what our responsibilities are, and what is outside of our obligation. It lets us know when we are fulfilling our obligations and, perhaps, when we are truly going the extra mile. One common denominator of successful leaders is that they all exceed their job descriptions.

Real leadership means understanding your job description, and the job descriptions of everyone on your team - but it also means not being ***bound*** by those descriptions. Effective leaders do anything and everything they can do to elevate their team members to a place where they can succeed, and they ensure that everyone is working together toward meeting the team's goals. Leaders must really know their team members in order to tap into potential beyond job titles and descriptions. Leaders should also get to know their own strengths and weaknesses. An earnest assessment and appraisal of yourself allows you to know where to be hands-on and where to delegate. Leaders who do that separate themselves from the pack and quickly develop followers.

Going through a self-inventory will help you determine if you have the hallmarks of what it takes to be truly inspirational. There are seven traits of inspiring leaders that improve employee retention, maximize productivity, and increase the happiness quotient we can have in our business. Take stock of yourself and use these points to determine how inspiring a leader you are:

1. Perfecting a sense of purpose beyond your own success. Leaders measure their own success by the success of others. They see it as their mission and purpose to help their team members thrive.
2. Approachable. Team members should feel comfortable approaching you with questions, concerns, and feedback. If you're intimidating rather than approachable, that's a problem.
3. Open-minded. Great leaders are open to whatever works, even if it's not their own idea. Actively court solutions and suggestions from your team members and implement the ones that you think will work.
4. Candid and constructive. Inspiring leaders give the gift of feedback. If your team members actually accept your constructive feedback and make changes to their performance, that shows that they know you're trying to help them improve.
5. Treating your employees with equality. Favoritism and inspiration do not work together. If your employees feel like you prefer some over others, that ultimately reflects badly on your leadership style.
6. Being grateful. Inspiring leaders are thankful for the efforts of their team and they are not afraid to say so.
7. Focus on your team. Inspiring leaders are happy to give credit to team members rather than giving all the credit to themselves.

Follow the Leader

Nobody likes following a boss, but everyone loves to follow the leader! The decision you make about being a boss or a leader will affect everything you do from your communication to your outcomes. Let's take a look at the difference between a boss and a leader so that you can make an educated decision on which path you want to follow.

Leaders actually lead while bosses rule, govern, and dictate. Leaders listen, want to hear from their team members, and have them engage in the decision-making process. Bosses are not known for their openness towards collaboration. Leaders empower others by guiding team members and instilling them with confidence. Bosses on the other hand, may throw their employees into a project without much training or support. Leaders do not use intimidation as a tool for managing team members, but bosses don't know better than to leverage fear. Bosses think of themselves as above other employees who work for them. Leaders work with their team.

If you've made the decision to become a better leader, there are six changes you may need to make to your leadership style today that will point you in the direction you want to go:

1. Learn to listen rather than bark orders. Instead of commanding, call your team together for a discussion. Work together toward a solution, and then move forward.
2. Find tools for motivating your employees rather than scaring them. Provide metrics and data to your team members, showing them the impact they make.
3. Step away from micromanagement. Don't control

Give credit where credit is due, and make sure your employees know that you notice and appreciate their hard work.

your team members. Just provide them with some basic guidance. Share a goal and guidance and let them take it from there.

4. Make sure your feedback is constructive. Constructive feedback addresses problems, improves performance, empowers people, and ultimately yields better results.
5. Delegate. You have to trust your team members to tackle projects on their own. Take something that is on your plate and give it to an employee.
6. Be generous in your praise. Give credit where credit is due, and make sure your employees know that you notice and appreciate their hard work.

Hiring Smart

Assembling your dream team means paying attention to the folks who interview with you and ensuring that you're hiring not just on the basis of their skills or their resume accomplishments, but also on the basis of how they fit into your team and complement your other players. Here are a few tips for hiring smart:

- Hire for a specific set of tasks, responsibilities, and functions, not generalities. Make sure you can identify how all those tasks support the overall vision and mission of your team.
- You don't build a good team by hiring a group of people who all act and think like each other. Hire people whose perspectives and skill sets complement each other.
- Pay attention to personality. An applicant may have all the skills you need but he or she won't mesh well with the other team members. A clash of personalities could prove disruptive to the team dynamic.
- Solicit input from your team. Ask them what skills are needed in the office and what personality traits to look for in a new player.
- Communicate your team's purpose and vision during the interview process. Make sure the applicant is enthusiastic about it.
- Involve select team members in the hiring process. They can gauge the chemistry between new and existing employees.

Employee Retention

Leaders, employers, and HR representatives pour countless hours into each employee - grooming them, training them, investing in them, making them into integral members of the team. Sometimes, just when you turn an employee into a rockstar, that employee jumps ship. Of course, you probably do what you can to enhance employee retention but the hurdles to retention are numerous.

The first big hurdle to retention is bringing on the wrong employees in the first place. Team building starts with the hiring process. If you're recruiting employees who are a bad fit, don't be surprised when they don't stick around for the long haul.

Employees who get hired then quickly realize they have no clear way to advance in the company in another hurdle to retention. Talk to team members regularly about their career goals and be open with them about possible avenues for advancing within the company. Also, invest in training to make sure your employees know you care about their development.

The third hurdle to retention is lack of proper communications. Employees like to know that they have an open dialogue with the leader, or at the very least the HR manager. It's important that you keep those channels open.

Often the biggest hurdle to retention is money and benefits. Although you want to provide your employees with enticing benefits and competitive salaries, sometimes the budget just doesn't allow for it. That's when you have to get creative by offering cost-effective benefits like flexible scheduling, work-from-home options, and professional development events.

Engagement in the Workplace

Employee engagement is the measure of how emotionally committed your employees are to the team. Employee engagement plays a definite role in your bottom line and has a major impact on productivity, retention, morale, innovation, communications, and recruitment. When employees are engaged, they believe they are really a part of the organization and that you have invested in them as integral members of the team. Some of the fundamental hallmarks of employee engagement include: soliciting employee feedback, genuinely listening to them, ensuring they are clear in the vision of the company, and showing that you want them around for the long haul - something you can do by providing opportunities for professional training and development.

This factor of development is key. Employees need to know that they have opportunities to grow, to broaden their horizons, to deepen their skillsets. When there's no room for growth, employees feel stagnant and ultimately, leave the team.

Employee engagement doesn't actually start with your employees. It starts with you, the leader - with the example you set, the culture you build, and the commitment you make to inspire your team members. If you want to boost engagement, put some effort into these practical, real-world steps:

- **Align the Workforce:** It falls to you to cultivate a clear sense of mission and to make plain how every project, task, and employee contributes to that mission.
- **Empower the Managers:** Those that you interact with daily are the ones you need to invest in first. Provide them with direction in house they can listen, set clear expectations, and deliver feedback that is truly constructive.
- **Emphasize Fairness:** In everything you do - from resource allocation to how you make sales - make sure you're being fair. Playing favorites leads to disenfranchised employees.
- **Create Leaders:** Invest in promising talent and encourage them in leadership development. Help them develop skills of engagement and motivating others.
- **Measure!** As the solutions-oriented leader, one of your most important responsibilities is measuring results. Use surveys and other employee feedback programs to benchmark your progress.

If you are feeling more like a boss and less like a leader, change is possible. By focusing on becoming a solutions-oriented leader you will develop specific traits that lead to consistent success. If you follow these proven-successful principles, you will begin to develop your dream team that will gladly follow you, their leader.

Dr. Rick Goodman is one of the most sought-after leadership and engagement experts today. His keynote presentations and workshops have produced transformational results leading to highly engaged employees, increased productivity, and higher profits. Dr. Rick is also a successful entrepreneur who walks his talk and shares his winning philosophies with his audiences. He has built several extremely successful multimillion-dollar businesses and uses those experiences to provide solutions for his clients and audiences throughout the world.

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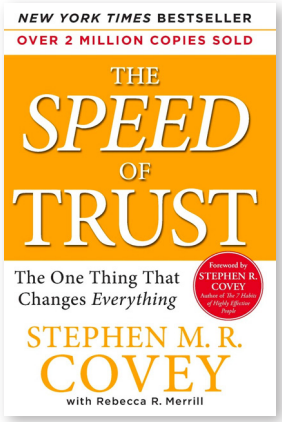
The Speed of Trust

Stephen M.R. Covey

Executive Book Summaries®

The Speed of Trust

The One Thing That Changes Everything



by **Stephen M. R. Covey with Rebecca Merrill**

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THE SUMMARY IN BRIEF

There is one thing that is common to every individual, relationship, team, family, organization, nation, economy and civilization throughout the world - one thing which, if removed, will destroy the most powerful government, the most successful business, the most thriving economy, the most influential leadership, the greatest friendship, the strongest character, the deepest love.

On the other hand, if developed and leveraged, that one thing has the potential to create unparalleled success and prosperity in every dimension of life. That one thing is trust.

The Five Waves of Trust model serves as a metaphor for how trust operates in our lives. This summary will cover these forms as the structure for understanding and making trust actionable, including a look at the Four Cores of credibility and the 13 Behaviors of high-trust leaders.

IN THIS SUMMARY, YOU WILL LEARN:

- The economics of trust and its effects on speed and cost in relationships and organizations.
- How you can assess your credibility based on character and competence.
- The taxes and dividends that flow from organizational trust.
- How to be an effective leader by inspiring and extending trust.
- How to restore lost trust.

Nothing Is as Fast as the Speed of Trust

Simply put, trust means *confidence*. The opposite of trust - distrust - is *suspicion*.

The difference between a high- and low-trust relationship is palpable. Take communication. In a high-trust relationship, you can say the wrong thing and people will still get your meaning. In a low-trust relationship, you can be very measured, even precise, and they'll still misinterpret you.

You don't need to look far to realize that, as a global society, we have a crisis of trust on our hands. On the organizational level, trust within companies has sharply declined. But relationships of all kinds are built on and sustained by trust. They can also be broken down and destroyed by a lack of trust.

Society, organizations and relationships aside, there's an even more fundamental and powerful dimension to self-trust. If we can't trust ourselves, we'll have a hard time trusting others. Personal incongruence is often the source of our suspicions of others.

Truly, we are in a crisis of trust. It affects us on all levels - societal, institutional, organizational, relational and personal.

Economics of Trust

Trust always affects two outcomes: **speed** and **cost**. When trust goes down, speed goes down and cost goes up. Consider the time and cost of airport security after 9/11, or costs for Sarbanes-Oxley Act compliance, passed in the U.S. in response to Enron, WorldCom and other corporate scandals.

When trust goes up, speed goes up and cost goes down. Warren Buffett completed the acquisition of McLane Distribution from Wal-Mart on the basis of a two-hour meeting. Because of high trust between the parties, the merger took less than a month and avoided the usual months and millions for due diligence and attorneys.

The serious practical impact of the economics of trust is that we are paying a hidden low-trust tax right off the top - and we don't even know it!

You've undoubtedly seen this tax in action many times - perhaps in a conversation where you can tell that someone is automatically discounting everything you say by 20 percent, 30 percent or even more. In some situations, you may have paid an "inheritance tax" when you've stepped into a role that was occupied by someone who created distrust before you.

Just as the tax created by low trust is real, measurable and extremely high, so the dividends of high trust are also real, quantifiable and incredibly high.

Whether it's high or low, trust is the "hidden variable" in the formula for organizational success. The traditional business formula is:

(Strategy x Execution = Results).

But there is a hidden variable:

(Strategy x Execution) x Trust = Results.

A company can have an excellent strategy and a strong ability to execute; but the net result can be torpedoed by a low-trust tax or multiplied by a high-trust dividend. This makes a powerful business case for trust, assuring that it is not a soft, "nice to have" quality.

Myth vs. Reality

Myth	*Reality*
Trust is soft.	Trust is hard, real and quantifiable. It measurably affects both speed and cost.
Trust is slow.	Nothing is as fast as the speed of trust.
Trust is built solely on integrity.	Trust is a function of both character and competence.
You either have trust or you don't.	Trust can be both created and destroyed.
Once lost, trust can be restored.	Though difficult, in cannot be restored. most cases lost trust
You can't teach trust.	Trust can be effectively taught and learned, and it can become a leverageable, strategic advantage.
Trusting people is too risky.	Not trusting people is a greater risk.
You establish trust one person at a time.	Establishing trust with the one establishes trust with the many.

One of the reasons this hidden variable is so significant in today's world is that we have entered a global, knowledge worker economy that revolves around partnering and relationships. The ability to establish, grow, extend and restore trust with all stakeholders - customers, suppliers and co-workers - is the key leadership competency of the new, global economy.

You Can Do Something About This!

Who do you trust? A friend? A work associate? Your boss? Why do you trust this person? What is it that inspires confidence in this particular relationship?

Now consider an even more provocative question: Who trusts you?

With the increasing focus on ethics in our society, the character side of trust is fast becoming the price of entry in the new, global economy. However, the differentiating and often ignored side of trust - competence - is equally essential.

Once you become aware that both character and competence are vital to trust, you can see how the combination of these two dimensions is reflected in the approach of effective leaders and observers everywhere. People might use different words to express the idea, but if you reduce the words to their essence, what emerges is a balancing of character and competence.

The Five Waves of Trust

Your boss, division leader, CEO, board of directors, spouse, children, friends and associates may all have problems as far as trust (or anything else) is concerned.

But that does not mean that you are powerless! In fact, you probably have no idea how powerful you can be in changing the level of trust in any relationship if you know how to work "from the inside out."

The key is in understanding and learning how to navigate "The Five Waves of Trust." This model derives from the "ripple effect" metaphor that graphically illustrates the interdependent nature of trust and how it flows from the inside out.

It defines the five levels, or contexts, in which we establish trust. It also forms the structure for understanding and making trust actionable.

First Wave: Self Trust. The key principle underlying this wave is credibility.

Second Wave: Relationship Trust. The key principle underlying this wave is consistent behavior.

Third Wave: Organizational Trust. The key principle underlying this wave, alignment, helps leaders create structures, systems and symbols of organizational trust.

Fourth Wave: Market Trust. The underlying principle behind this wave is reputation.

Fifth Wave: Societal Trust. The principle underlying this wave is contribution.

Understanding these waves will enable you to see, speak and behave in ways that establish trust, allowing you to become a leader who gets results by inspiring trust in others.

The First Wave: Self-Trust

The good news is that we can increase our credibility, and we can increase it fast, particularly if we understand the four key elements, or four "cores" that are fundamental. Two of these cores deal with character; two with competence.

Core 1: Integrity

To use the metaphor of the tree, integrity is the root. Even though it's underground and not even visible most of the time, it is absolutely vital to the nourishment, strength, stability and growth of the entire tree.

We've all seen people with enormous capability, strong results, even sometimes good intent who unfortunately go about what they're doing in a dishonest or unprincipled way. It's "the ends justify the means" mentality.

On the other hand, to have integrity only - and not the other three Cores - is to be a "nice guy," maybe even a thoroughly honest person, who is basically useless.

To most people, integrity means honesty - telling the truth and leaving the right impression. But there are at least three additional qualities: congruence, humility and courage.

So how do we go about increasing our integrity?

1. **Make and keep commitments to yourself.**
2. **Stand for something.**
3. **Be open.**

Core 2: Intent

In the dictionary, intent is defined as "plan" or "purpose."

No discussion of intent would be complete without talking about three things: motive, agenda and behavior.

1. **Motive**. Motive is your reason for doing something, and it inspires the greatest trust when it shows genuine concern for people, purposes and society as a whole.

2. **Agenda**. Agenda grows out of motive. It's what you intend to do or promote because of your motive. The intent that inspires the greatest trust is seeking mutual benefit, realizing that life is interdependent and seeking solutions that build trust and benefit for all.

3. **Behavior**. Typically, behavior is the manifestation of motive and agenda. The behavior that best creates credibility and inspires trust is acting in the best interest of others. This is where the rubber meets the road. It's easy to say "I care," and "I want you to win," but it is our actual behavior that demonstrates whether or not we mean it.

In many organizations, the message communicated by behavior is not "we care;" it's "you're expendable." Consider these findings from a study:

- Only 29 percent of employees believe that management cares about them developing their skills.
- Only 42 percent believe that management cares about them at all.

It's important to keep in mind that sometimes, unfortunately, poor behavior turns out to be bad execution of good intent.

1. **Examine and redefine your motives.** It's human tendency to assume we have good - or at least justifiable - intent.

2. **Declare your intent.** It signals your behavior and lets people know what to look for so they acknowledge it when they see it.

3. **Choose abundance.** Abundance means there is enough for everybody. The opposite - scarcity - says that there is only so much to go around, and if you get it, I won't.

Role models, insightful thought leaders and practitioners serve as powerful reminders that we can do something about even the very deep, personal, character-based issues that impact our credibility, which is the prerequisite for trust.

Core 3: Capabilities

Going back to the metaphor of the tree, capabilities are the branches that produce the fruits or results. Capabilities are particularly essential in today's changing economy, where technology and globalization are outdating skill sets faster than ever before.

One way to think about the various dimensions of capabilities is to use the acronym TASKS (Talents, Attitudes, Skills, Knowledge, Style).

Talents are our natural gifts and strengths. *Attitudes* represent our paradigms - our way of seeing - as well as our ways of being. *Skills* are our proficiencies, the things we can do well. *Knowledge* represents our learning, insight, understanding and awareness. Style represents our unique approach and personality.

The end in mind here is to develop our TASKS and to create the best possible alignment between our natural gifts, our passions, our skills, knowledge and style and the opportunity to earn, to contribute, to make a difference.

To enhance credibility by increasing capabilities:

1. **Run with your strengths.**

2. **Keep yourself relevant.**

3. **Know where you're going.**

Core 4: Results

Results matter! They matter to your credibility. In the words of Jack Welch, having results is like having "performance chits" on the table. They give you clout.

Returning once again to the metaphor of the tree, results are the fruits - the tangible, measurable, end purpose and product of the roots, trunk and branches.

There are three key indicators by which people evaluate results: past performance, present performance and anticipated future performance.

Given the importance of results in establishing credibility and trust both with ourselves and with others, the question is: How can we improve our results?

1. **Take responsibility for results.**

2. **Expect to win.**

3. **Finish strong.**

The Second Wave: Relationship Trust

The Second Wave - Relationship Trust - is all about behavior ... consistent behavior. More specifically, it's about the 13 Behaviors that are common to high-trust leaders and people throughout the world. As you work on behaving in ways that build trust, one helpful way to visualize and quantify your efforts is by thinking in terms of "Trust Accounts." Remember that each trust account is unique; all deposits and withdrawals are not created equal; and what constitutes a deposit to one person may not to another.

All 13 Behaviors require a combination of both character and competence. The first five flow initially from character, the second five from competence, and the last three from an almost equal mix of character and competence.

Taken to the extreme, however, these Behaviors do not build trust, and the "opposite" or "counterfeit" of each Behavior creates the biggest withdrawals.

Character-Based Behaviors

Behavior #1: Talk Straight. Communicate clearly so that you cannot be misunderstood. Preface your discussions by declaring your intent, so you leave no doubt about what you are thinking. Counterfeit behaviors include withholding information, flattery and spin. Be honest and call things what they are. Don't manipulate people, distort facts or leave false impressions.

Behavior #2: Demonstrate Respect. This behavior is based on the principles of respect, fairness, kindness, love and civility. The opposite is commonly experienced as showing disrespect, which is a huge issue, both at work and at home. The counterfeit is to fake respect or concern, or, most insidious of all, to show respect and concern for only those who can do something for you.

Behavior #3: Create Transparency. Be real and genuine and tell the truth in a way that people can verify. The opposite is to obscure, and the counterfeit is illusion or pretending things are different than they are. You can establish trust quickly by being open and authentic, erring on the side of disclosure and not having hidden agendas.

Behavior #4: Right Wrongs. Make restitution instead of just apologizing. The opposite is to deny or justify wrongs because of ego and pride, and the counterfeit is to cover up mistakes. Apologize quickly, take action to make restitution when possible, and demonstrate personal humility to achieve this behavior.

Behavior #5: Show Loyalty. Give credit to others and speak about people as though they are present. The opposite is to take credit or not represent people fairly. The counterfeit is to appear to share credit but then downplay others' contribution when they are away. To exhibit a trustworthy character, give credit freely, don't badmouth people behind their backs and don't disclose others' private information.

Competence-Based Behaviors

Behavior #6: Deliver Results. This is a way to convert cynics and establish trust in a new relationship. Because it is often difficult to measure results, take time to define results up front. By establishing a track record, making the right things happen, being on time and on budget, and not making excuses for not delivering, you quickly restore lost trust on the competence side.

Behavior #7: Get Better. Continuously improve by learning, growing and renewing yourself. Others will develop confidence in your ability to succeed in a rapidly changing environment. The opposite is entropy and deterioration, while the counterfeit is the eternal student - always learning, but never producing. Don't be afraid to make mistakes but learn from them. Develop formal and informal feedback systems and respond to them.

Behavior #8: Confront Reality. Take the tough issues head-on. This affects speed and cost by facilitating open interaction and fast achievement, and also allowing you to engage the creativity, capability and synergy of others in solving problems. When leaders use the opposite behavior by ignoring problems, they pay a huge tax when people feel they are being dishonest. It is far better to address the real issues and lead courageously in discussions of uncomfortable topics.

Behavior #9: Clarify Expectations. Create shared vision and agreement up front. The opposite is to leave undefined expectations and the counterfeit is to be vague about specifics. Consider that most circumstances encompass three variables - quality, speed and cost - but you can only have two. Always discuss and reveal expectations, and never assume they are clear or shared. Renegotiate if necessary, but don't violate expectations once they have been validated.

Behavior #10: Practice Accountability. Hold yourself and others accountable. Leaders who generate trust do both. The opposite is not to take responsibility, and the counterfeit is to point fingers. Other people respond to accountability - particularly performers. They want to be held accountable. Don't avoid or shirk responsibility, and be

clear on how you'll communicate progress.

Character & Competence Behaviors

Behavior #11: Listen First. Genuinely understand another person's thoughts and feelings, before trying to diagnose or advise. The opposite and counterfeit are to speak first and listen last, or not at all, and to pretend to listen while waiting for your own chance to speak. Listening teaches you which behaviors create dividends. Use your eyes and your gut to listen as well as your ears, and don't presume you know what matters to others.

Behavior #12: Keep Commitments. It is the quickest way to build trust in any relationship. The opposite is to break commitments and the counterfeit is to make vague, unreliable commitments, or never make them in the first place. Some cultures view commitments differently, and understanding the difference is key to getting dividends and avoiding trust taxes. People tend to see family commitments as more flexible than work commitments, but they are just as important. Make keeping all commitments the symbol of your honor.

Behavior #13: Extend Trust. Shift trust from a noun to a verb. While the other Behaviors help you become a more trusted person or manager, this 13th Behavior helps you become a more trusting leader. Extending trust leverages it to create reciprocity.

The opposite is withholding trust. The counterfeit is extending false trust by giving people responsibility, but no authority or resources to complete a task. There is also fake trust that seems like trust until you follow-up behind people and micromanage. Based on the situation, extend conditionally to those who are earning your trust, but extend it abundantly to those who have earned it.

Stakeholder Trust

The Four Cores and the 13 Behaviors of the First and Second Waves are all trust-building tools. Stakeholder trust focuses on the context in which you can use these tools to increase speed, lower cost, create value, establish trust, and maximize your influence and the influence of your organization.

An organization can be a company, a department or your family, but the Third Wave deals with internal stakeholders. The Fourth and Fifth Waves deal with external stakeholders.

Third Wave: Organizational Trust

Most people find that their organization has symptoms of low trust - people manipulating facts, withholding information, resisting new ideas and covering up mistakes. A lucky few find that people in their organization share information openly, tolerate and encourage mistakes, are innovative and creative, and share credit abundantly.

The low trust environment is a result of violating principles - not only individually, but organizationally. Leaders are missing the solution because they are not looking at the systems, structures, processes and polices that affect day-to-day behaviors. They are focused on the symptoms instead of the principles that promote trust.

This misalignment creates symbols that represent and communicate underlying values to everyone in the organization or family. A symbol can be either negative or positive; from a 500-page employee handbook, to a newly appointed CEO who refuses to accept a pay raise because it might send the wrong message to workers. If your organizational symbols communicate and cultivate distrust or less trust than you want, return to the Four Cores.

Fourth Wave: Market Trust

Market Trust is all about brand or reputation. It's all about the feeling you have that makes you want to buy products or services or invest your money or time - and/or recommend such actions to others. This is the level where most people clearly see the relationship between trust, speed and cost.

Brand is important to all organizational entities, including governments, school districts, charities and hospitals, not to mention corporations. School reputation affects who moves

eBay Creates Transparency

eBay CEO Meg Whitman and her team lead what she describes as a "dynamic self-regulating economy" in the complete openness of the worldwide Web. Whitman recognizes her company's distinctiveness: "We have a unique partner - millions of people." According to BusinessWeek OnLine, rather than controlling or hoarding information, eBay has chosen to let their citizens have full access to "every trend, every sale, every new regulation in the eBay world. The system is utterly transparent."

into the district and therefore the taxes available to the school. Cities have reputations that turn into tourist dollars and attract business.

On a micro level, every individual has a brand or reputation that affects trust, speed and cost. It comes across in your resume in comments from your references and it translates into how people interact with you in social situations.

In the global marketplace, many brands are now being taxed or receiving dividends based on people's perception of and trust in the country of origin. Whether a company is based in China, France, India or the U.S. affects people's perception of whether the company can be trusted to do what is right. Currently a trust tax is hitting U.S.- based brands hard. Though they receive dividends in the U.S. and Asia, they are taxed heavily in parts of Europe.

If you find you do not have the brand you desire, you can measurably increase its value by using the Four Cores as a diagnostic tool to pinpoint the reason why, and where investment will bring the greatest return. Then use the 13 Behaviors with external stakeholders - customers, suppliers, investors, communities - and you will build trust at the marketplace level.

Fifth Wave: Societal Trust

The overriding principle of high societal trust is contribution. It's the intent to create value instead of destroy it; to give back instead of take.

Microsoft guru Bill Gates, his wife Melinda, U2 lead singer Bono and Oprah Winfrey are all high profile contributors, but society is full of individuals contributing time, energy and money in communities throughout the world.

This is not an impractical or utopian view of the world. The principles of contribution and responsibility create trust at a societal level through today's trend toward global citizenship, or corporate social responsibility (CSR). Intel, Wells Fargo and Procter & Gamble, all in the top 10 of *Business Ethics* magazine's "100 Best Corporate Citizens" show that doing good is no longer an addition to business; it is part of business itself.

CSR, or "intentional virtue," was part of the original concept behind Adam Smith's free enterprise system. During the 1990s it was diluted, and massive violations of the Four Cores and 13 Behaviors led to greed, fraud, and low trust taxes.

Now a backlash is creating a global renaissance of trust. Though initially fear of pain might motivate global citizenship, over time, the dividends and abundance created by contribution will become primary drivers for both individuals and organizations. Global citizenship will be demanded as customers support companies that demonstrate the Four Cores.

Inspiring Trust

Trust is a whole life choice, and until you are actually in a front-line situation, you will not even see the full power of the Cores and Behaviors on speed, cost and trust. Look immediately for ways to apply them and find opportunities to teach them to others.

You will see how the speed of trust; the profits of the economics of trust; the relevance of the pervasive impact of trust; and the dividends of trust can significantly enhance the quality of every relationship on every level of your life.

You may still be hesitant or fearful when it comes to actually extending trust, but leaders who extend trust become mentors, models and heroes. Inspiring trust is the prime differentiator between a manager and a leader, and the prime motivator of successful enterprises and relationships.

Companies that choose to extend trust to their employees become great places to work. Most people respond well to trust and do not abuse it. We are born with a propensity to trust and choosing to retain or restore that propensity is key to our ability to forgive. We have countless opportunities to extend and inspire trust to others, but it also makes a difference in our own lives. Trust is reciprocal.

Extending 'Smart Trust'

Have you ever trusted someone - and gotten "burned?" Have you ever failed to trust someone and missed significant opportunities?

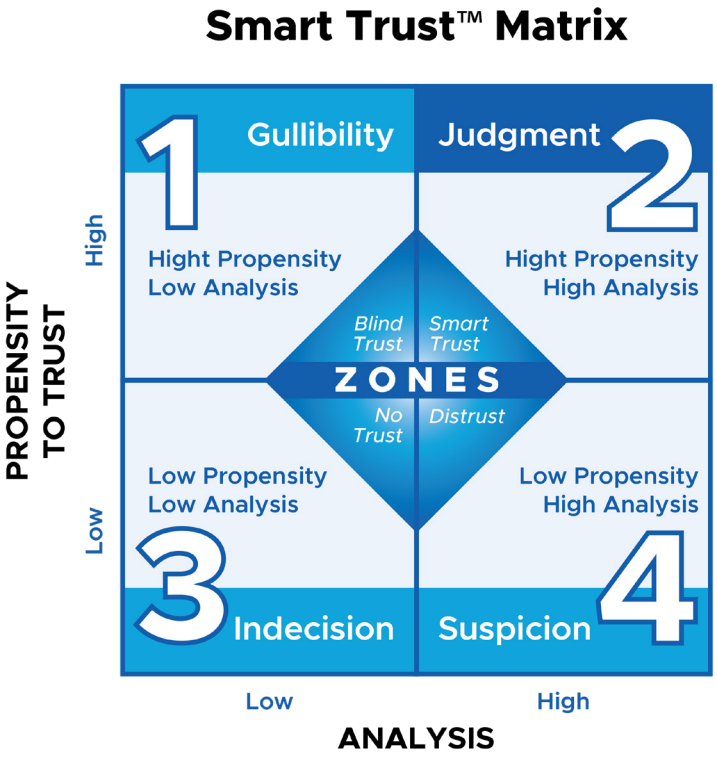
Extending trust can bring great dividends. It also creates the possibility of significant risk.

Zone 1: Blind Trust zone of gullibility. The suckers sure to fall for scams.

Zone 2: Smart Trust zone of judgment. Good business judgment and good people judgment combine to enhance instinct and intuition.

Zone 3: No Trust zone of indecision. Those who don't even trust themselves and are immobilized by insecurity and protectiveness.

Zone 4: Distrust zone of suspicion. Those who rarely extend trust beyond themselves.



Zone 1 (gullibility) and 3 (indecision) are definitely high risk, but people might think Zone 4 (suspicion) is the lowest risk zone because it is where you analyze and calculate and consider issues by yourself. Actually, it is high risk, because high suspicion leads you to validate and analyze everything to death, decreasing speed and increasing cost.

Managers in Zone 4 miss opportunities, cut off collaboration and analysis from others. They incur low trust taxes including bureaucracy, politics, disengagement and turnover, and they lose high-trust dividends such as innovation, collaboration and partnering.

The lowest risk and highest return occur in Smart Trust Zone 2 (judgment), where risk is wisely moderated and managed and you can carefully evaluate and consider issues. Your propensity to trust releases, encourages and generates synergy.

It is not necessary to extend Smart Trust automatically. You can extend limited trust or no trust at all in Zone 2, just as you might do in Zone 4. The decision may be the same, but the different approach and risk management always builds trust, whether you are a business leader or a parent.

Managers who don't become leaders don't know how to extend Smart Trust. They operate in Zone 4. They delegate tasks without parameters or extend fake trust, but they don't fully entrust people with stewardships that engages genuine ownership and accountability.

Inspire trust by starting with yourself and your own credibility, and then consistently behave in trust-building ways with other people. You should also think about the way your style is perceived, so people do not misunderstand you.

Restoring Lost Trust

The idea that trust cannot be restored once it is lost is a myth. Though it may be difficult, in most cases, lost trust can be restored - and often even enhanced.

Societal Trust: Restoring trust on the societal level means rebuilding trust in countries, institutions, industries, professions and in other people generally.

In the Republic of Ireland, leaders over the past 30 years have changed the nation's focus from inward to outward. They have moved the nation from economic independence to interdependence from overhauling an archaic educational system to making Ireland one of the world's undisputed education leaders.

Market Trust: In the 1990s, Nike was criticized by activists for not being socially responsible, based on the conditions in some of the plants of their foreign manufacturing partners.

Chairman Phil Knight acknowledged the company's "bumpy original response" to criticism, however, and Nike's actions and behavior over the ensuing years has demonstrated tangible results. In 2005 they were listed as #13 on the "Best Corporate Citizens" list.

Organizational Trust: Restoring trust within an organization may seem difficult, however, the fact that high-trust organizations outperform low-trust organizations by three times provides a strong incentive to make the effort.

Relationship Trust: If you're a customer of a company that violated your trust, you may not give them a chance to restore it. That's a transactional thing.

But if a family member violates your trust, it's not transactional. One area that creates huge trust issues in personal relationships is money.

Money problems are a key cause of divorce. Two people coming into a relationship are often scripted in different ways

by family experience - one may come from a background of spenders, while the other comes from a background of thrift.

Even in difficult situations in close, personal relationships, trust can be restored. And the very effort of restoring it can make it even stronger than before.

Self Trust: Often, the most difficult trust to restore is trust in ourselves. When we violate a promise we've made to ourselves, our self trust can really take a dive. Restoring self trust gives another dimension - a powerful dimension - to the Cores and behaviors.

Broken Trust - A Beginning: If you've broken trust with someone else, it's an opportunity to get your own act together, to improve your character and competence, to behave in ways that inspire trust. Hopefully, this will influence the offended party to restore trust in you.

If someone has broken trust with you, it's an opportunity for you to grow in your ability to forgive, to learn how to extend Smart Trust, and to maximize whatever dividends are possible in the relationship.

Stephen M. R. Covey is co-founder and CEO of CoveyLink Worldwide. A sought-after and com- pelling keynote speaker, author and advisor, Covey addresses audiences around the world on issues such as trust, leadership, ethics and high-performance.

Rebecca R. Merrill is an accomplished writer. She is co-author with Stephen R. Covey and Roger Merrill of The New York Times bestseller First Things First and co- author with Roger Merrill of Life Matters and Connections.

The Speed of Trust by Stephen M.R. Covey with Rebecca R. Merrill. Copyright 2006 by Simon & Schuster, Inc. Summarized by permission of the publisher, 384 pages, $26.00. ISBN 0-7432-9730-1. Summary published by Soundview Executive Book Summaries®. Copyright 2006 Soundview, Inc. All rights reserved. Reproduction in whole or in part is prohibited. For permissions and reprints, please contact service@summary.com. 2610

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The Spirit of Hospitality

Larry Stuart

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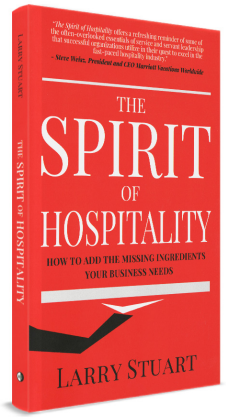
The Spirit of Hospitality

How to Add the Missing Ingredients Your Business Needs



by **Larry Stuart**

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THE SUMMARY IN BRIEF

The world has changed, and the human touch in business is a casualty of those changes. Many people seem to believe that everything is about them. Technology allows us, even requires us at times, to transact business with machines rather than human beings. Somewhere along the way, dealing with others with heartfelt kindness has become a lost art.

The Spirit of Hospitality: How to Add the Missing Ingredients Your Business Needs explains how to own a spirit of hospitality and infuse it in your business to make it successful.

Author Larry Stuart, a hospitality expert with 40+ years of experience in hospitality leadership, explains the seven key ingredients of hospitality and what business should be like when they're applied. This book is not about being fake. The spirit of hospitality is caught, not taught. Especially if you are a leader in hotel, restaurant, or airline management, this book will inspire you to "catch" a heart that recognizes kindness and spreads it to others. In the process, your business' bottom line will grow.

IN THIS SUMMARY, YOU WILL LEARN:

- What it means to run a business with a spirit of hospitality.
- The 7 key ingredients in the spirit of hospitality.
- How you can build and maintain the spirit of hospitality.
- How a spirit of hospitality will help your business.

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Sarah T. Dayton, Editor-in-Chief • Meghan Kozak, Director of Content • Kylie O'Connor, Graphic Designer

Building the Spirit of Hospitality

How can your business build the spirit of hospitality? It starts with your company's culture. Eat, sleep, and breathe your spirit-of-hospitality culture. Talk about it everywhere, at every opportunity, so team members will make it their own. When the right people are on board and everyone is clear on what the company's culture is, turnover decreases and productivity, morale, and commitment increase.

Integrity and the Spirit of Hospitality

Operating with a spirit of hospitality is not about pretending to care. You and your people must have integrity, which means you must be honest and have strong moral principles. Your good name, and the company's, are critical to success. A good name is built by following through on what you say you will do and doing the right thing for the right reason, no matter the cost. Set a standard of excellence.

Hiring the Spirit of Hospitality

When hiring, the key is to find the right people who are passionate about life, their purpose, and career goals. You must hire quality people who understand the difference between doing their job and serving other people from their hearts.

In hospitality, team members must be people persons. A sunny disposition is a must. Look for people with a natural welcoming smile. If you hire people with these qualities, you can train them to do the tasks you need them to do. To reduce expensive turnover, consider carefully what position to put a new hire in.

Training the Spirit of Hospitality

Your efforts cannot end when employees are hired, of course. You must have a robust training program, and it should include training not only in necessary skills but also in the company's culture. Everyone, from the CEO down, must walk the talk.

It will be helpful to include the following in your training program:

- Team members must know and understand their purpose—what they're responsible for and how to best serve.
- Train your team members ***with*** empathy and to have empathy when they're serving guests. Team members should consider the guest first and the business second.
- Make sure that team members understand your expectations about the business culture and their job performance—and what the consequences are of failure to comply. Set achievable short-term goals and set long-term goals or a motivating vision for your team members and yourself.
- Train team members to be flexible, which helps when dealing with difficult or disagreeable situations.
- Use showmanship and drama to create a positive environment. Train your team members to know your product so they can answer questions and make recommendations. Give your products personality! But the show shouldn't take precedence over service itself. Understand when guests want to participate by interacting and when they want to be left alone.
- Acknowledge people for a job well done and recognize their needs. Train team members to go "off script" and converse with guests rather than just give canned responses.
- Time management is the key to productivity.

After formal training concludes, follow up proactively with your team members. Training must be ongoing. Don't hesitate to invest in training. A dollar spent on training will save you three in advertising for new employees. And train your people ***with*** people, not just technology.

Together Everyone Achieves More

Teamwork, a cooperative effort by members of a team to achieve a common goal, starts with servant leadership. Make it a point to know your team members. Roll up your sleeves and work alongside them, when needed. Treat them like they're part of a larger picture—as indeed they are—so they will be encouraged to take ownership in their responsibilities and stay with the company. Think of your team members as "internal guests." Like external guests, they are people with their own needs, desires, talents, and skills. Without them to serve guests, we would have no guests and no business.

The 7 Key Ingredients for the Spirit of Hospitality

1. Team Unity

Without unity, a team will fall apart. All members of the team, including leadership, need to operate with a like-minded approach—with a servant's heart. Many things can get in the way of like-mindedness, including individual clashes, cliquishness, and competition. To establish a team that works in unity, establish values, review goals, relate the values to the goals, and demonstrate team relations.

Trust is important to promote unity, and it comes down to character. Always keep your word. The better you care for your internal guests, the better they'll care for your external guests. To help build your team members' trust in you and the business, don't micromanage; give team members a chance to prove themselves capable.

2. Encouragement

Servant leaders are champions for others. They know how to encourage others to get past their challenges and failures and continue to grow. Acknowledge the people at all levels who helped you reach your achievements. After all, it was a team effort.

Build up others through encouragement and reward—everyone who contributed, not just the obvious people. Know your people and figure out what kinds of encouragement they most need.

3. Accountability

As servant leaders, we must be willing to admit our mistakes, which builds trust, in turn leading to loyalty.

Our team members should be held accountable as well, because we want to consistently increase productivity, thereby improving guest service. Four ways to hold staff accountable are to review their performance, redirect their work with kindness (and in private), reward them, and, when necessary, remove them from the position.

Of course, we as leaders and all team members must be accountable to provide great service to guests. When things go wrong, we should do everything we can to correct the error, regardless of what caused it.

4. Generosity

In hospitality, we must allow ourselves to be generous, so our guests will be blessed, and then we, in turn, will also be blessed. Greedy people will suck the life out of the work environment, step over others, and treat guests with disdain. That's no way to live and no way to conduct business. Give with a joyful heart—time, money, even something small like a smile.

When giving any kind of gift to guests or to team members, it's important to recognize what they (not we) would appreciate. Every guest and every team member wants to know that they are important. Servant leaders need to be willing to go the extra mile for them.

Rewards to team members should be distributed in a standard, consistent way in order to avoid discrimination or even the perception of it.

5. Kindness

Many people have forgotten the value of kind, which is a shame because when we act with kindness, the recipient is made to feel exceptional, important, and special.

People don't soon forget kindness. The guest who enters your establishment needs to feel your and your staff's kindness from the time they step foot through the door until the moment they leave. Otherwise, they may not ever come back.

It's not difficult: look for ways to do acts of kindness as part of daily life and treat others as you would like to be treated.

6. Humility

Change is good; don't be afraid of it. Adopt the mindset that you're always learning and open to new ideas. Every business and everyone who works there has strengths and weaknesses. Recognize what needs to be changed and be humble enough to admit your mistakes—immediately own a mistake, admit it, and make any necessary apology.

Humility is all about putting ourselves before others. In the hospitality industry, there is no room for pride or selfishness.

7. Gratitude

Regardless of how guests and others treat us, it's important that we maintain an attitude of gratitude in every situation. When we recognize that life isn't about us, it becomes easier to be thankful when serving others. We can make a choice not to take others' emotions and actions personally and go down their negative path. In other words, we can choose the spirit of hospitality. Happiness is circumstantial; joy comes from within. Choose joy.

Working with a Spirit of Hospitality

Empowering the Spirit of Hospitality

The best thing you can do for your team members is empower them to do their jobs well and provide a system of accountability so they can take responsibility for their mistakes, failures, and successes. Give them the support, coaching, training, and authority to make one-time, on-the-spot decisions for the benefit of the guest and the company. When a guest explains a problem to a staff member, the one who hears it owns it.

What the Spirit of Hospitality Looks Like to Guests

Guests want to be welcomed into a warm, inviting environment, to be noticed, to be treated like they matter, to be served, and to perceive that the server cannot wait for the

opportunity and pleasure of serving them. Exceed their expectations. Make eye contact, recognize each guest before they get to you, and give them a warm smile.

Regardless of how much the guest is spending, give great service to each individual guest. Guests who don't feel appreciated aren't likely to return. If you listen to their concerns, solve their problems efficiently and amicably, and consistently serve them from the heart, they will return.

Serving the Spirit of Hospitality

Serve your brand by providing extraordinary guest service. Wow your guests! They will notice and spread the word about how they felt welcomed by your business.

The key to a life of service is compassion. Someone who operates with a servant's heart has five characteristics:

- They don't see labels.
- They don't fear the consequences of doing what they see as right.
- They are never too busy to meet a need.
- They don't bat an eye at what it will cost them to care for another person.
- They expect nothing in return.

Excellent guest service is not a reaction to guests' needs but a sincere proactive effort toward building a warm relationship by serving guests from the heart.

For you and your team members, knowledge is key. Everyone should be able to anticipate what guests are going to ask—they ask the same questions all the time—and be prepared to answer with a variety of answers depending on what seems most appropriate for the individual guest.

Knowing how to read people helps greatly—and genuinely listening to them will take you a long way.

Conflict and the Spirit of Hospitality

In hospitality, as in every part of life, conflicts will happen. The key is to have a plan for how to handle conflict internally and with guests and make sure your team knows what is expected ahead of time.

The integrity of a true service-oriented business is shown in how it responds when things go wrong. No matter how a guest is acting, stay calm, listen carefully, and empathize. Guests aren't interested in excuses and explanations, so accept responsibility for solving the root problem to the guest's satisfaction. Unfortunately, 96 percent of unhappy guests never complain about rude or discourteous treatment; they just don't return. Even worse, they spread the bad news about their experience.

Return on Investing in the Spirit of Hospitality

To increase our business' ROI, there are three things we need to make a point to be aware of: first, our external guests' satisfaction; second, our internal guests' satisfaction; and third, how we stack up in the industry against our competition.

ROI is about relationships. When a business loses customers, the biggest reason is service-related. Sixty-eight percent are turned off by and disappear because of an attitude of indifference on the part of a company team member.

To sum up, the spirit of hospitality comprises the extraordinary ingredients that are necessary for a business' success in today's world. Weave the spirit of hospitality into every nook and cranny of your business relationships and you will see the rewards in your quality of life, your relationships, your career, and your business' financial success.

Larry Stuart is a Hospitality Professional who has spent a lifetime serving others. He is a true "Servant Leader" who has built Enthusiasm, Excellence, and Greater Purpose into the teams he has been honored to serve.

Larry is a Graduate of Cornell University's School of Hotel and Restaurant Administration, an Adjunct Professor, Forbes Contributor, Author, Speaker and, Emeritus President of the Cornell Hotel Society FL. He currently owns and operates a 24-year-old business in Walt Disney World. He has started up, opened or operated over 50+ Restaurants, 7 Major Hotels, and 1 Airline.

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The Starfish and the Spider

Ori Brafman and Rod A. Beckstrom

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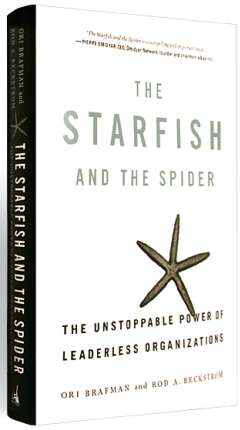

By Ori Brafman and Rod A. Beckstrom

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THE STARFISH AND THE SPIDER

THE SUMMARY IN BRIEF

A spider is a creature with eight legs coming out of a central body. It has a tiny head and usually eight eyes. If you chop off the spider's head, it dies. That's exactly what happens with a centralized organization. A centralized organization has a clear leader who's in charge, and there's a specific place where decisions are made. Get rid of the leader and you paralyze the organization.

A decentralized organization is a different animal — it is actually a starfish. At first glance, a starfish is similar to a spider in appearance. But the starfish is decentralized. The starfish doesn't have a head. The major organs are replicated throughout each and every arm. In reality, a starfish is a neural network — basically a network of cells. Instead of having a head, like a spider, the starfish functions as a decentralized network.

In The Starfish and the Spider, *Ori Brafman and Rod A. Beckstrom address the fundamental differences between the starfish organization and the spider organization. They demonstrate with examples why starfish organizations are sometimes confused with spiders, how difficult it is to attack or destroy a starfish organization and why a smart business model for the future is a hybrid organization — part starfish, part spider.*

In addition, this summary will address:

- ✓ ***The right questions to ask when distinguishing a starfish organization from a spider organization.***
- ✓ ***The rise of successful starfish organizations, such as Skype, craigslist and Wikipedia.***
- ✓ ***The importance of circles, catalysts and ideology to the starfish organization.***
- ✓ ***The key differences between catalysts and CEOs.***
- ✓ ***Specific strategies to defeat starfish organizations.***
- ✓ ***Rules for living in the new world of decentralization.***

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THE STARFISH AND THE SPIDER

By Ori Brafman and Rod A. Beckstrom

— THE *COMPLETE* SUMMARY

When There's No One in Charge

When there's no one in charge, you'd think there would be disorder, even chaos. But in many arenas, a lack of traditional leadership is giving rise to powerful groups that are turning industry and society upside down.

Decentralization has been lying dormant for thousands of years. But the advent of the Internet has unleashed this force, knocking down traditional businesses, altering entire industries, affecting how we relate to each other and influencing world politics. The absence of structure, leadership and formal organization, once considered a weakness, has become a major asset. Seemingly chaotic groups have challenged and defeated established institutions. The rules of the game have changed. ■

MGM's Mistake and the Apache Mystery

Don Verrilli was about to argue a case in front of the Supreme Court in late March 2005; Verrilli and an all-star legal lineup were the hired guns of MGM. MGM, in turn, was joined in the suit by giants like Columbia, Disney and Atlantic Records. What were these giants fighting? Grokster, a tiny company that allows people to steal — or "share" — music and movie files over the Internet for free.

Justice Stephen Breyer wanted to know why it was such a problem. Verrilli pleaded, "The facts are that the recording industry has lost 25 percent of its revenue since the onslaught of these services."

Five years before the Supreme Court case, Shawn Fanning launched a company called "Napster" out of his college dorm room. People logged into a central server and shared files with others around the world. The recording labels quickly slapped Napster with a lawsuit. In February 2000, the courts ruled against Napster, and in June 2003, the company declared bankruptcy.

The recording industry went after the specific thieves — the people who were swapping the music, and they also went after the people who were enabling the theft, like Napster. They hired attorneys like Verrilli. Two months after his oral arguments in front of the Supreme Court, a unanimous decision was handed down in MGM's favor.

This did not prevent the problem of music piracy, however. In fact, the labels were adding fuel to the fire with every new lawsuit. The harder they fought, the stronger the opposition grew.

Ancient Mysteries and the Spanish

The best explanation for these events comes from an unlikely source: Tom Nevins, a cultural anthropologist who wrote a book on the Apaches. He tells the story of an ancient mystery. Spanish explorer Cortes went to the Aztec capital of Tenochtitlan in Mexico and encountered a civilization with a central government and a lot of gold. He took the gold, killed the leader, Montezuma II, and starved 240,000 of the city's inhabitants. Two years after Cortes discovered Tenochtitlan, the entire Aztec empire had collapsed. The same thing occurred when the Spanish confronted the Incas.

The Spanish took control of the continent by the 1680s. Then they encountered the Apaches. This meeting is crucially linked with the music industry's fight. Why? Because the Spanish lost.

They lost to a people who at first seemed primitive. The Apache defeat of the Spanish was all about the way the Apaches were organized as a society. The Apaches distributed political power and had very little centraliza-

(continued on page 3)

The authors: Ori Brafman and Rod A. Beckstrom, both Stanford MBAs and start-up veterans, are cofounders of Global Peace Networks, a decentralized network of business groups that promote peace and economic development projects. Both live in the San Francisco Bay area.

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MGM's Mistake and the Apache Mystery

(continued from page 2)

tion. They persevered because they were decentralized.

A centralized organization has a clear leader who's in charge, and there's a specific place where decisions are made. Rules need to be set and enforced, or the system collapses.

Decentralized systems, like the Apaches, are different. There's no clear leader, no hierarchy, no headquarters. The power is distributed among all the people and across geographic regions.

Instead of a chief, the Apaches had a Nant'an — a spiritual and cultural leader who led by example. On first impression, it may sound like the Apaches were disorganized. In reality, they were an advanced and sophisticated society that was immune to attacks that would have destroyed a centralized society.

Coercive vs. Open Systems

When a coercive system, like the Spanish, takes on an open system, like the Apaches, they start killing the leaders. But as soon as they killed a Nant'an, a new one would emerge. The strategy failed because no one person was essential to the overall well-being of Apache society.

Amazingly, the Spanish attacks served to make the Apaches even stronger. This is the first major principle of decentralization: *When attacked, a decentralized organization tends to become even more open and decentralized.*

Napster's destruction didn't quell people's desire for free music. Along came Kazaa. It was different from Napster because there was no central server. Kazaa is like an Apache village. Unlike the record labels, there are no headquarters, and if you want to make a thousand copies of your favorite song, go right ahead.

Not only is the music industry unable to curb pirating, but, in accord with the first principle of decentralization, every time the labels sue a Napster or a Kazaa, a new player comes onto the scene that's even more decentralized and more difficult to battle.

The harder you fight a decentralized opponent, the stronger it gets. Waging the battle started a chain reaction that now threatens the entire music industry. What we've seen is just the tip of the iceberg. ■

For additional information on the differences between the Spanish Army and the Apache, go to: http://my.summary.com

The Spider, the Starfish and the President of the Internet

It was 1995, and Dave Garrison had a problem. He'd just been hired as the CEO of Netcom, an early Internet service provider, and he knew nothing about the Internet. He learned about it in a limousine, while riding around trying to raise money for the company.

He tried explaining the Internet to a group of French investors. They wanted to know who the president of the Internet was. Garrison tried to tell them that the Internet was a network of networks and that no one person was in charge. They couldn't understand the concept, so finally Garrison told them he was the president of the Internet.

It was difficult for the French investors to comprehend the new Internet technology because no part of it fit the way they viewed the world. The French, like the Spanish 200 years before them, were used to seeing things in a particular way: Organizations have structures, rules, hierarchies and, of course, a president. In regards to the Internet, the French were mistaking a starfish for a spider.

A spider is a creature with eight legs coming out of a central body. It has a tiny head and usually eight eyes. If the French investors were to ask who was running the spider show, the answer is clearly the head. If you chop off the spider's head, it dies. When the French investors heard of the Internet, they wanted to know who was in charge — where was the head?

But the French investors weren't dealing with a spider. The Internet was actually a starfish. At first glance, a starfish is similar to a spider in appearance. But the starfish is decentralized. The starfish doesn't have a head. The major organs are replicated throughout each arm. In reality, a starfish is a neural network — basically a network of cells. Instead of having a head, like a spider, the starfish functions as a decentralized network.

This brings about the second principle of decentralization: *It's easy to confuse starfish with spiders.*

Alcoholics Anonymous

When Bill Wilson realized he was dying of alcoholism, he knew he couldn't combat it himself. His answer was to get help from people with the same problem. Alcoholics Anonymous was born.

At Alcoholics Anonymous, no one's in charge. And yet, at the same time, everyone's in charge. Today, if you were to ask how many members AA has, there'd be no way to tell. How many chapters? Again, no way to tell. No one knows, because AA is an open system. The third principle of decentralization is: *An open system doesn't have centralized intelligence; the intelligence is spread throughout the system.* Information and knowledge naturally filter in at the edges, closer to where the action is.

Alcoholics Anonymous is flexible, equal and constantly mutating. The fourth principle of decentralization is: *Open systems can easily mutate.*

(continued on page 4)

The Spider, the Starfish and the President of the Internet

(continued from page 3)

Whether you're a centralized organization, like a spider, or just an observer on the battlefield, eventually you'll realize the fifth principle of decentralization: *The decentralized organization sneaks up on you.* Because the decentralized organization mutates so quickly, it can also grow quickly. Spider organizations weave their webs over long periods of time, but the starfish can take over an entire industry in the blink of an eye.

The sixth principle of decentralization is: *As industries become decentralized, overall revenues decrease.* Introduce starfish into the equation and wave good-bye to high profits. It's why you want to be on the lookout for any starfish before they take an industry by storm.

The trick is, of course, to predict explosive change before it occurs. That's the only way to avoid falling into the French investor pitfall over and over again. That means you need to ask the right questions. ■

A Sea of Starfish

What do an encyclopedia, a piece of software, a phone company, classified ads and naked people in the Nevada desert have in common? They're all decentralized.

Skype

Niklas Zennstrom, the founder of Kazaa, applied the lesson from Kazaa — avoid central servers — to the phone business. Zennstrom started Skype, which let people connect to each other directly, via free computer-to-computer phone service. In December 2004, Skype had 15 million users. By the end of 2005, it had 57 million.

Skype rendered the telephone industry's models of generating profits through long-distance charges obsolete. Although Skype may or may not thrive in the long run, it has opened up a Pandora's box.

Craigslist

Founded by Craig Newmark in 1995, craigslist is now in 35 countries and more than 175 cities around the world. The site attracts three billion page views a month.

According to Newmark, "The way craigslist runs is that people who use it post, and if they find something inappropriate they flag it for approval. So in a very day-to-day kind of way, the people who use the site run it."

The Web site is a starfish company because it allows users to interact with each other directly without anybody telling anybody else what they can and cannot do. But the big attraction to the site isn't just free ads. It's community.

In an open system, what matters most isn't the CEO,

(continued on page 5)

The Right Questions

Is there a person in charge?
If you see a CEO, chances are you're looking at a spider. An open system, on the other hand, is flat.

Are there headquarters?
Every spider organization has a physical headquarters. A starfish organization doesn't depend on a central headquarters.

If you thump it on the head, will it die?
If you take out the headquarters, chances are you'll kill a spider organization. Unlike spiders, starfish often don't have a head to chop off.

Is there a clear division of roles?
Most centralized organizations are divided into departments. In decentralized organizations, anyone can do anything.

If you take out a unit, is the organization harmed?
Units of a decentralized organization are by definition completely autonomous. Cut off a unit and, like a starfish, the organization does just fine. In a centralized organization, any department is important. If a spider loses a leg, its mobility is significantly affected, and if it keeps losing legs, its survival will be at risk.

Are knowledge and power concentrated or distributed?
In spider companies, power and knowledge are concentrated at the top. In starfish organizations, power is spread throughout.

Is the organization flexible or rigid?
Decentralized organizations are amorphous and fluid. Because the arms of the starfish have relative freedom, they can go in a multitude of directions. Centralized organizations depend more on rigid structure.

Can you count the employees or participants?
It is possible to count the members of any spider organization. Counting the members of starfish organizations, though, is usually an impossible task. It's not only that no one's keeping track, but also that anyone can become a member of an open organization.

Are working groups funded by the organization, or are they self-funding?
In open organizations, there is often no central well of money. Things are different in centralized organizations. Without central funding, departments cannot survive.

Do working groups communicate directly or through intermediaries?
Typically, important information in centralized organizations is processed through headquarters. In open systems, communication occurs directly between members.

A Sea of Starfish

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but whether the leadership is trusting enough of members to leave them alone. Newmark does have reverence for his users. He lets them be.

Apache

The first popular browser for surfing the Web came from the University of Illinois at the National Center for Supercomputing Applications (NCSA) Project. But NCSA did not respond when engineers sent patches to be integrated.

The engineers started talking to one another through an e-mail list and decided to post the patches on their own. An engineer named Brian Behlendorf came up with a name for the project — Apache. Apache was organic — engineers would contribute, and the good patches would be picked up by other users.

Apache collected so many patches for the NCSA Project that eventually it posted its own version. The software was completely open-source. Engineers all over the world started using Apache to run their Web site server. Apache quickly became the industry standard. Today 67 percent of all Web sites are run on Apache.

Wikipedia

Wikipedia has fascinating origins that in many ways capture the evolution of an open system. In 2000, Jimmy Wales launched Nupedia, a free online encyclopedia that could be used by children whose parents couldn't afford their own set.

Larry Sanger, Nupedia's editor-in-chief, saw that getting something published on Nupedia was a chore. He learned about something called a wiki. Wiki is a technology that allows Web site users to easily (and quickly) edit the content of the site themselves.

With that, Nupedia became Wikipedia. Within five years, Wikipedia was available in 200 languages and had extensive articles — more than one million in the English-language section alone.

The quality of the articles is outstanding. People take great care in making the articles objective, accurate and easy to understand. Members themselves take on the job of policing the site. This brings us to the seventh principle of decentralization: *Put people into an open system and they'll automatically want to contribute.*

Burning Man

The Burning Man festival, which happens yearly in the Nevada desert, is known for eclectic costumes, rave music and a host of naked people on drugs. It's the only 24/7 decentralized experience you can find these days.

There are two main decentralized qualities to Burning Man. The first is that there really aren't many rules. The other thing that takes getting used to is that nothing costs money. That's the second decentralized quality of Burning Man — it's based on a gift economy. You provide things because you want to, as a way to contribute to the community, not because you expect anything in return.

Burning Man, though outside the mainstream, holds a crucial lesson for businesses. When you give people freedom, you get chaos, but you also get incredible creativity. Because everyone tries to contribute to the community, you get a variety of expressions. ■

Standing on Five Legs

A decentralized organization stands on five legs. As with the starfish, it can lose a leg or two and still survive. But when you have all the legs working together, a decentralized organization can really take off.

LEG 1: Circles

Circles are important to nearly every decentralized organization previously mentioned. Once you join a circle, you're an equal. It's then up to you to contribute to the best of your ability.

Today, the Internet has allowed circles to become virtual. Joining circles is so easy and seamless that most of us are members of a decentralized circle of one kind or another. Circles gain freedom and flexibility when they go virtual, but being in the physical presence of other participants adds a dimension of closeness, and a sense of ownership emerges.

Instead of rules, circles depend on norms. The norms become the backbone of the circle. Members enforce the norms with one another. As a result of self-enforcement, norms can gain even more power than rules.

As the norms of a circle develop and as members spend more time together, they begin to trust one another and are often motivated to contribute to the best of their abilities.

LEG 2: The Catalyst

In open organizations, a catalyst is the person who initiates a circle and then fades into the background. In Apache circles, the Nant'an played the role of a catalyst. He could lead by example, but he never forced his views on others.

The same pattern appears with every decentralized organization: A catalyst gets the decentralized organization going and then cedes control to the members.

In letting go of the leadership role, the catalyst transfers ownership and responsibility to the circle. When the job is done, a catalyst knows it's time to move on.

Once the catalyst leaves, however, his or her presence

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Standing on Five Legs

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is still felt. The catalyst is an inspirational figure who spurs others to action. Circles don't form on their own.

LEG 3: Ideology

Ideology is the glue that holds decentralized organizations together. Ideology is the shared philosophy among members.

LEG 4: The Preexisting Network

Decentralized networks are much more conducive to serving as platforms for budding starfish organizations. Typically, it takes the special skills of a catalyst to enter a network. But the Internet changed everything.

Today the Internet serves as an open platform on the back of which a wide variety of starfish organizations can be launched. The implications of the Internet for decentralization are profound.

The Internet not only makes it easier for people to communicate, it also provides a fertile ground for a host of decentralized organizations.

LEG 5: The Champion

A champion is relentless in promoting a new idea. Catalysts inspire and naturally connect people, but there's nothing subtle about the champion.

Champions are inherently hyperactive. Like catalysts, they operate well in non-hierarchical environments, but they tend to be more like salesmen than organizers and connectors.

The Five Legs in Action

Elizabeth Cady Stanton married an abolitionist, but her experience with the abolitionists wasn't all positive. When she attended an anti-slavery convention, she was forced to sit in a segregated section reserved for women. Women were not allowed to speak or vote in the meeting. Stanton wondered how women could fight for slaves' rights when they were denied equal rights.

Stanton was a catalyst who, when presented with an ideology, catalyzed a new movement. It took 10 years, but Stanton joined with the Quakers to organize a women's rights convention. ■

The Hidden Powers of the Catalyst

Catalysts often draw upon similar tools. These are:

- **Genuine Interest in Others.** Catalysts are genuinely interested in others. We can tell when a catalyst really cares about what we're talking about; when that happens, we tend to open up and reveal more about ourselves. This is the catalyst's essential tool.

The Catalyst Versus the CEO

CEO	Catalyst
The Boss	A Peer
Command Control	Trust
Rational	Emotionally Intelligent
Powerful	Inspirational
Directive	Collaborative
In the Spotlight	Behind the Scenes
Order	Ambiguity
Organizing	Connecting

- **Loose Connections.** Catalysts thrive on meeting new people every day. Knowing so many people allows a catalyst to make connections between individuals who would otherwise never meet.
- **Mapping.** Catalysts think of who they know, who those people know, how they relate to one another and how they fit into a huge mental map.

Catalysts don't just know more people; they also spend time thinking about how each person fits within their network.

- **Desire to Help.** Wanting to help is the fuel that drives a catalyst's ability to connect people. The desire to help people isn't just a nicety; it's an essential part of being a catalyst.
- **Passion.** The catalyst provides the drumbeat for a decentralized organization. The organization needs a strong and ongoing ideology to keep going. The catalyst starts the organization and then takes on the role of constant cheerleader.
- **Meet People Where They Are.** A catalyst doesn't try to persuade people but rather relies on a much more subtle technique: meeting people where they are. A catalyst doesn't prescribe a solution; instead, he assumes a peer relationship and listens intently. You follow a catalyst because he understands you.
- **Emotional Intelligence.** Catalysts tend to be intellectually brilliant, but they lead with emotions. Once there's an emotional connection, then and only then is it time to brainstorm and talk strategy.
- **Trust.** It's not enough to meet people where they are and to form emotional bonds with them; a catalyst must also trust the network. As a catalyst, all you can control is whether people have personal relationships with each other based on trust.
- **Inspiration.** A true catalyst isn't just a matchmaker but an inspiration to others to work toward a goal that often doesn't involve personal gain.

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The Hidden Powers of the Catalyst

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● **Tolerance for Ambiguity.** Being a catalyst requires a high tolerance for ambiguity. That's because a decentralized organization is so fluid that someone who needs order and structure would quickly go mad. But this ambiguity creates a platform for creativity and innovation. Starfish organizations need ambiguity to survive.

● **Hands-Off Approach.** Perhaps the most difficult and counterintuitive element of being a catalyst is getting out of the way. Members of a starfish organization can become frustrated with the catalyst when they don't know what they are supposed to be doing. But this is what leads people to take charge, giving members a high level of ownership over the organization.

● **Receding.** After catalysts map a network, make connections, build trust and inspire people to act, what do they do? They leave. It is only in a catalyst's absence that people take the reins and move their own relationships forward. ■

Taking On Decentralization

As in the case of the Apaches, when attacked, decentralized organizations become even more decentralized. The opposite is true for spider organizations, and it's the eighth principle: *When attacked, centralized organizations tend to become even more centralized.*

Decentralized organizations are able to wreak havoc on a variety of industries and sectors, and the strategies used to combat these organizations fail. But starfish are not invincible. Here are some concrete strategies to combat a starfish invasion.

STRATEGY 1: Changing Ideology

The only part of the decentralized organization that you can realistically go after is the ideology. But changing ideology isn't easy.

When a starfish ideology can be successfully changed, the results are powerful, so theoretically, trying to change an ideology makes sense. But the process is difficult.

STRATEGY 2: Centralize Them (The Cow Approach)

The Apaches remained a significant threat well into the 20th century. But then the tide turned. The Americans prevailed. How? The Americans gave the Nant'ans cattle. Once the Nant'ans had possession of a scarce resource — cows — their power shifted from symbolic to material. Now they could reward and punish tribe members by giving and withholding this resource.

Once people gain a right to property, be it cows or anything else, they quickly seek out a centralized system to protect their interests. The moment you introduce property rights into the equation, everything changes: The starfish organization turns into a spider.

STRATEGY 3: Decentralize Yourself (If you Can't Beat 'em … Join 'em)

The third strategy recognizes that decentralized organizations can be so resilient it's hard to affect their internal structure. If you can't beat them, join them.

The best opponent for a starfish organization is often another starfish. In the decentralized revolution, old strategies don't work.

A company or corporation must explore new options in order to effectively fend off a starfish attack. Sometimes it's best to draw upon both the centralized and decentralized worlds — "the combo special." ■

For additional information on why a decentralized organization like al Qaeda is so powerful, go to: http://my.summary.com

The Combo Special: The Hybrid Organization

eBay represents the combo special. It's neither a pure starfish nor a pure spider, but a hybrid organization. Companies like eBay combine the best of both worlds — the bottom-up approach of decentralization and the structure, control and resulting profit potential of centralization. eBay is *a centralized company that decentralizes the customer experience.*

The second type of hybrid organization is *a centralized company that decentralizes internal parts of the business.* These companies have a CEO and some hierarchy, but they also have starfish-like DNA.

When Jack Welch, GE's charismatic leader, took the reins, GE was a highly centralized bureaucracy in need of a healthy overhaul. His real genius was in decentralizing the massive organization. He separated GE into different units that had to perform as stand-alone businesses. Welch's approach benefited GE because it made each unit accountable and did away with inefficiencies.

The combo special often requires a constant balancing act. Companies can't rest on their decentralized laurels; they must seek and pursue the elusive "sweet spot." ■

In Search of the Sweet Spot

The decentralized sweet spot is the point along the centralized-decentralized continuum that yields the best competitive position. Around the same time that eBay was founded, another auction house, Onsale, entered the market. Onsale held and sold inventory like other ven-

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In Search of the Sweet Spot

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dors, but rather than charging a set price, it allowed consumers to bid against one another. It was a centralized solution that took a small step toward decentralization.

When people started using eBay, the market dramatically shifted. Compared to Onsale's small step, eBay took a giant leap toward decentralization by allowing anyone to sell and purchase items. Onsale began losing market share and soon went out of business.

The decentralized system that allowed eBay users to auction items directly to each other was simply superior — eBay had landed on the sweet spot. ■

The New World

The forces of decentralization have created a new set of rules.

RULE 1: Diseconomies of Scale

As counterintuitive as it sounds, it can be better to be small. We have entered a new world where being small sometimes provides a fundamental economic advantage. As diseconomies of scale increase, the cost of entering a new market dramatically decreases.

RULE 2: The Network Effect

The network effect is the increase in the overall value of the network with the addition of each new member. Starfish organizations are particularly well positioned to take advantage of the network effect.

Often without spending a dime, starfish organizations create communities where each new member adds value to the larger network.

RULE 3: The Power of Chaos

In the decentralized world, it pays to be chaotic. In seemingly chaotic systems, users are free to do whatever they want.

Starfish systems are wonderful incubators for creative, destructive, innovative or crazy ideas. Where creativity is valuable, learning to accept chaos is a must.

RULE 4: Knowledge at the Edge

In starfish organizations, knowledge is spread throughout the organization. The best knowledge is often at the fringe of the organization.

RULE 5: Everyone Wants to Contribute

Not only do people throughout a starfish have knowledge, but they have a fundamental desire to share and to contribute. Contributors spend hours editing Wikipedia articles because they want to make the site better.

RULE 6: Beware the Hydra Response

Attack a decentralized organization and you'll soon be reminded of Hydra. If you cut off one head, two more will grow in its place. There are ways to battle a decentralized organization — but don't try to cut off its head.

RULE 7: Catalysts Rule

Catalysts are crucial to decentralized organizations. It's not because they run the show, it's because they inspire people to action. But watch out: If you turn a catalyst into a CEO, the entire network will be in jeopardy.

RULE 8: The Values Are the Organization

Ideology is the fuel that drives the decentralized organization. If you really want to change a decentralized organization, the best strategy is to alter the ideology of the members.

RULE 9: Measure, Monitor and Manage

Just because starfish organizations tend to be ambiguous and chaotic doesn't mean that we can't measure their results. But when measuring a decentralized network, it's better to be vaguely right than precisely wrong.

Most catalysts care about the members, but they don't expect reports or want control. Managing a decentralized network requires someone who can be a cross between an architect, a cheerleader and an awestruck observer.

RULE 10: Flatten or Be Flattened

There are ways to fight a decentralized organization. But often the best hope for survival is to join them. Increasingly, in order to survive, companies and institutions must take the hybrid approach.

Yes, decentralized organizations appear at first glance to be messy and chaotic. But when we begin to appreciate their full potential, what initially looked like entropy turns out to be one of the most powerful forces the world has seen. ■

SOUNDVIEW RECOMMENDED READING LIST

If you liked *The Starfish and the Spider,* you'll also like:

1. ***Myth of the Paperless Office*** **by Abigail J. Sellen, Harper Richard.** Sellen and Richard look at paper usage in corporate organizations.
2. ***Taking Advice: How Leaders Get Good Council and Use It Wisely*** **by Dan Ciampa.** An important book that teaches leaders how to open up to advice from others.
3. ***The Five Dysfunctions of a Team*** **by Patrick Lencioni.** This fictional tale unambiguously but painlessly delivers some hard truths about critical business procedures.
4. ***Leader of the Future*** **edited by Marshall Goldsmith, Frances Hesselbein and Richard Beckhard.** Thirty-seven notables, such as Peter Senge, Charles Handy, Rosabeth Moss Kanter and Stephen R. Covey, offer their views on leadership.
5. ***Coaching for Leadership*** **edited by Marshall Goldsmith and Laurence S. Lyons.** The best executive coaches offer a basic understanding of how coaching works, why it works and how leaders can make the best use of the coaching process.

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The Strategist

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The Strategist

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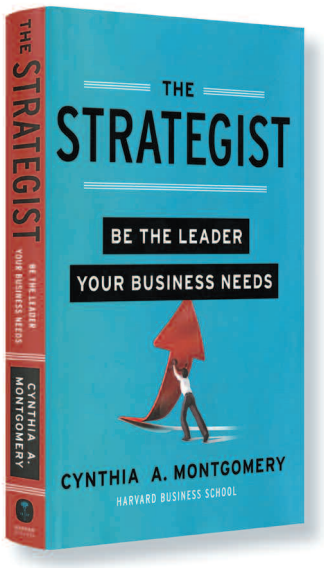

by Cynthia A. Montgomery

THE SUMMARY IN BRIEF

"Are you a strategist?" That's the first question Cynthia Montgomery asks the business owners and senior executives from all over the world who participate in her highly regarded executive education class. It's not a question they anticipate or care much about on opening day. But by the time the program ends, they cannot imagine leading their companies to success without being — and living the role of — a strategist.

Over a series of weeks and months, Montgomery puts these accomplished executives through their paces. Using case discussions, after-hours talks and participants' own strategy dilemmas, she illuminates what strategy is, why it's important and what it takes to lead the effort. En route, she equips them to confront the most essential question facing every business leader: Does this company truly matter? In doing so, she shows that strategy is not just a tool for outwitting the competition; it is the most powerful means a leader has for shaping a company itself.

The Strategist exposes all business leaders — whether they run a global enterprise or a small business — to the invaluable insights Montgomery shares with these privileged executives. By distilling the experiences and insights gleaned in the classroom, Montgomery helps leaders develop the skills and sensibilities they need to become strategists themselves. It is a difficult role, but little else one does as a leader is likely to matter more.

IN THIS SUMMARY, YOU WILL LEARN:

- The most important question you need to answer as the leader of your business.
- How to avoid falling prey to the myth of the super-manager.
- The surprising impact of industry forces on your company's performance.
- How IKEA, Gucci and Apple demonstrate the principles of defining purpose, turning purpose into reality and keeping strategy vibrant.

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THE COMPLETE SUMMARY: **THE STRATEGIST**

by Cynthia A. Montgomery

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For additional information on the author, go to www.summary.com or leaderstrategist.com.

Introduction

You're about to get a revisionist view of strategy. It's not that what you've learned is incorrect. It's that it's incomplete.

Fifty years ago strategy was taught as part of the general management curriculum in most business schools. In the academy as well as in practice, it was identified as the most important duty of the president — the person with overarching responsibility for setting a company's course and seeing the journey through. This vital role encompassed both formulation and implementation: thinking and doing combined.

Although strategy had considerable depth then, it did not have much rigor. Heuristically, managers used the ubiquitous SWOT model (Strengths, Weaknesses, Opportunities and Threats) to assess their businesses and identify attractive competitive positions. How best to do that, though, was far from clear. Other than making lists of various factors to consider, managers had few tools to help them make these judgments.

Advances over the next few decades not only refined the tools but spawned a whole new industry. Strategy in many ways became the bailiwick of specialists — legions of MBAs and strategy consultants, armed with frameworks, techniques and data — eager to help managers analyze their industries or position their firms for strategic advantage. In truth, they had a lot to offer.

In time, though, a host of unintended consequences developed from what in its own right was a very good thing. Most notably, strategy became more about formulation than implementation, and more about getting the analysis right at the outset than living with a strategy over time. Equally problematic, the leader's unique role as arbiter and steward of strategy had been eclipsed.

As a field, we gained a lot from the introduction of economics into strategy, and the tools and frameworks it created. But there were also important unintended consequences: of greatest concern, we had demoted strategy from the top of the organization to a specialist function. Chasing a new ideal, we had lost sight of the value of what we had — the richness of judgment, the continuity of purpose, the will to commit an organization to a particular path. With all good intentions, we had backed strategy into a corner and reduced it to a left-brain exercise. In doing so, we lost much of its vitality and much of its connection to the day-to-day life of a company, and we lost sight of what it takes to lead the effort. ●

Strategy and Leadership

Does your company matter?

That's the most important question every business leader must answer. As my former colleague Adam Brandenburger liked to ask: If your business closed its doors today, would your customers suffer any real loss? How long would it take, and how difficult would it be, for them to find another firm that could meet those needs as well as you did?

Most likely, you don't think about your company and what it does in quite this way. Even if you've hired strategy consultants or spent weeks developing a strategic plan, the question probably still gives you pause. If it does or if you're not sure how to respond, you're not alone.

The Entrepreneur, Owner, President Program

It is evening on the campus of Harvard Business School. The kickoff orientation to one of the flagship executive programs at the school is about to begin.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor and Contributing Editor; **Amanda Langen**, Graphic Designer

A final hush settles as the program begins with an overview of who's here: 164 participants from 35 countries with a collective 2,922 years of experience. Two-thirds of their businesses are in service industries, the rest are in manufacturing.

They are here to participate in an intensive management boot camp for experienced business leaders. It spans topics in finance, marketing, organizational behavior, accounting, negotiations and strategy, and runs for nine weeks in total, divided into three three-week sessions spread over three years. One of the things these leaders do when they are here is work on the strategies for their own businesses.

Getting to the Reality of Your Strategy

Having seen hundreds if not thousands of these strategies in their initial form, what is clear to me is this: Many leaders haven't thought about their own strategies in a very deep way. Often, there is a curious gap between their intellectual understanding of strategy and their ability to drive those insights home in their own businesses.

Further, any leaders today do not understand the ongoing, intimate connection between leadership and strategy. These two aspects of what leaders do, once tightly linked, have grown apart. Now specialists help managers analyze their industries and position their businesses for competitive advantage, and strategy has become largely a job for experts or something confined to an annual planning process. In this view, once a strategy has been identified and the next steps specified, the job of the strategist is finished. All that remains to be done is to implement the plan and defend the sustainable competitive advantage it has wrought. Or at least that's the positive take on the story.

What's been forgotten is that strategy is not a destination or solution. It's not a problem to be solved and settled. It's a journey. It needs continuous, not intermittent, leadership. It needs a strategist.

Good strategies are never frozen — signed, sealed and delivered. No matter how carefully conceived, or how well implemented, any strategy put into place in a company today will eventually fail if leaders see it as a finished product. That's why strategy can't be outsourced. That's why every leader needs to step up to the role of chief strategist in his or her company.

The strategist must watch over the firm, identify and weigh, decide and move, time and time again. Consultants' expertise and considered judgments can help, as can perspectives and information from people throughout an organization. But in the end, it is the strategist who bears the responsibility for setting a firm's course and making the choices day after day that continuously refine that course.

Are **you** a strategist? It's a question all business leaders must answer because strategy is so bedrock crucial to every company. No matter how hard you and your people work, no matter how wonderful your culture, no matter how good your products or how noble your motives, if you don't get strategy right, everything else you do is at risk. ●

Are You a Strategist?

Here's a test of your strategic thinking. Step into the shoes of Richard Manoogian, CEO of Masco Corp., a highly successful company on the verge of a momentous decision. You've got a big pile of money and must decide whether to invest it in a far-reaching new business venture. If you don't go ahead, you could be passing up an opportunity for growth in a new direction and hundreds of millions of dollars in future profits. If you take the plunge and turn out to be wrong, you may have wasted $1 billion to $2 billion. Either way, you will have to live with the results for many years.

First, Consider the Company

It's 1986. Masco is a successful $1.15 billion company that has just recorded its 29th consecutive year of earnings growth. Its ability to wring outsized profits out of industries that are neither high-tech nor glamorous has won it the moniker of "Master of the Mundane" on Wall Street. Its portfolio includes faucets, kitchen and bathroom cabinets, locks and building hardware, and a variety of other household products.

Masco's leaders want to tackle other mundane businesses where their prowess can "change the game." In their immediate sights is the U.S. household furniture business, where they see another opportunity to seize profitable dominance of a sleepy industry.

Now Consider the Industry

At the time Manoogian was weighing this decision, household furniture was a $14 billion business in the United States that didn't make much money. With high transportation costs, low productivity and eroding prices, it had about 2 percent annual growth, and return on sales, on average, was about 4 percent. There were more than 2,500 manufacturers, but 80 percent of sales came from only 400. Making matters worse, both sales and profits were cyclical and tied to broad economic factors such as new home starts and sales of existing homes.

The real issue, though, is not whether there are problems in the industry but what they mean. Are all these problems an opportunity for a courageous company with the right skills? Or are they red flags warning outsiders to stay away?

What's your inclination at this point? Usually when the time comes for a decision in class, "Do it" wins definitively, by at least a 2-to-1 margin. So what, in fact, happened?

Masco did enter and in a bold way. In total, Masco spent $1.5 billion acquiring 10 companies and another $250 million upgrading their manufacturing facilities and investing in new marketing programs. They became the largest furniture company in the world.

When I post Masco's financial results, silence falls as people absorb the numbers. In a few seconds, there are whispered expletives around the room.

After 32 years of consecutive earnings growth, Masco's net income fell 30 percent. Two years later, operating earnings from furniture came to $80 million on sales of $1.4 billion, an operating margin of 6 percent, versus 14 percent for the rest of the company. After many years of struggle, Masco announced its intentions to sell its furniture businesses. Soon, however, the company discovered that exiting the furniture business was much harder than entering it. After a number of deals fell through, it eventually succeeded in selling its furniture firms, at a loss of some $650 million. When it was all over, Masco's CEO Manoogian admitted, "The decision to go into the home furnishing business was probably one of the worst decisions I've made in 35 years." ●

The Myth of the Super-Manager

As a strategist, what can you learn from Masco's foray into furniture and the support most executives give that ill-fated decision?

Even if you were undecided or skeptical about the furniture industry, I'm willing to bet that some part of you supported Masco's move. Bold, visionary leaders who have the confidence to take their firms in exciting new directions are widely admired. Isn't that a key part of strategy and leadership?

In truth, it is. But the confidence every good strategist needs can readily balloon into overconfidence. A belief that is unspoken but implied in much management thinking and writing today is that a highly competent manager can produce success in virtually any situation. One writer calls this "the sense of omnipotence that plagues American management, the belief that no event or situation is too complex or too unpredictable to be brought under management control."

I call this belief, when taken to its extreme, "the myth of the super-manager." It seems to come naturally to many successful entrepreneurs and senior managers who see themselves as action-oriented problem solvers, confident doers for whom difficulties are daunting but solvable challenges. Confidence matters. But there's much more to strategy and leadership than a steadfast belief that a daring vision backed by good management can overcome virtually all obstacles. Without the rest of it, "bold" too often becomes "reckless."

Understanding the Forces

A chart on relative industry profitability compiled from Standard & Poor's and Compustat databases shows the average return on equity for 20 industries over the 20-year period from 1990 to 2010. The chart shows surprising statistics about the way profitability varies by industry. Tobacco companies experience 36.1 percent average annual return on equity — which means leading firms in the industry do even better — while airlines stand at -10 percent and commercial equipment comes in at -2 percent.

Are these vast differences from industry to industry caused by random variation? It's not likely — they're too large and too consistent. Do some types of businesses attract great managers while others attract only poor ones? Sometimes, but not enough to account for the differences.

In fact, as Michael Porter's work helped us understand, these variations are caused by economic forces that shape each industry's competitive landscape differently. Some of these relate to the nature of rivalry within the industry itself; others have to do with the balance of power between the industry and its suppliers and customers, substitute products, and potential new entrants.

The collective impact of these forces on the profitability of individual firms and, in turn, on the industries in which they operate is called "the industry effect." You may be surprised to learn that some and perhaps much of your company's performance is determined by such forces.

The strategist's first job is to understand them and how they affect the playing field where competition takes place.

The Power of Realism

The fundamental lessons here are simple but of paramount importance for the strategist.

- First, you must understand the competitive forces in

your industry. How you respond to them is your strategy. That means if you don't understand them, your strategy is based on luck and hope.

• Second, even if you understand your industry's competitive forces, you must find a way to deal with them that is up to the challenge. That may mean skillful positioning, deliberate efforts to counter negative forces or exploit favorable ones, or even a timely exit. But don't be trapped by the myth into believing that your superior management skills will carry you to success.

• Third, whatever you do, don't underestimate the power of these forces. Their impact on the destiny of your business may well be as great as your own. ●

Begin With Purpose

Now let's talk about a company that DID find a path out of the wilderness of unattractive industry forces. The story begins with an individual: Ingvar Kamprad, the founder of IKEA, who by all accounts built one of the world's greatest fortunes. In 2010, his privately held company, which he started in 1942 at the age of 17, had sales of 23.1 billion euro, net profits of 2.5 billion euro and gross margins of 46 percent.

So, what is it that is special about IKEA? Low price? Design? Flat pack? Swedish meatballs? The answer, of course, is "all of the above." The centerpiece is low cost — without that, nothing else works — but everything else not only supports low cost but adds its own distinctive attraction.

But what if there is a deeper insight here, an insight that applies to all businesses whether you've decided to compete on low price or with differentiated, specialty products. It's something else that was behind *everything* IKEA did.

A Concept Company

If Kamprad were here and we asked him to describe the essence of what IKEA was doing, what would he say?

His own words are instructive: "We are a concept company." He goes on to describe the idea that guides the firm. IKEA offers "a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them." This serves the company's aim to create "a better everyday life for the many."

These words weren't said by Kamprad on rare occasions. All new employees are indoctrinated with these ideas, and they're prominent in the company's annual report.

Although IKEA calls this statement its "concept," the word I prefer is purpose. Purpose is the way IKEA or any other company describes itself in the most fundamental terms possible — why it exists, the unique value it brings to the world, what sets it apart, and why and to whom it matters. Notice how IKEA's purpose as expressed above answers all these questions. It's important to notice that the statement is about IKEA as a particular player in a particular market — it's distinct, it's clear, and it says concretely what IKEA is bringing to the market. It's not just a fluffy emotional comment, or a broad aspiration. It's a concrete description of the firm as an economic player.

Does *Your* Business Matter?

It's not as easy as you might think to know whether your business has a viable purpose or whether it truly adds value in your industry. Financial success at any given moment is an indication but may prove fleeting. However, there is one simple question that — if you can answer it honestly — will give you a good idea.

If your company disappeared today, would the world be different tomorrow?

Despite our long discussions about purpose, and their general buy-in to the idea, this question always catches executives by surprise. Frankly, it's not a question most have been asked or asked themselves. It's a real soul-searcher. But it's one you need to answer.

It may not be the job of the strategist to invent a firm's purpose on the lonely mountaintop and then come down and deliver it. Many people may be involved in its creation. But whether there is a purpose and whether that purpose is viable is a leader's first responsibility. This is the strategist's job. ●

Turn Purpose Into Reality

As the IKEA story demonstrates, defining a sound and distinctive purpose for your business is essential. It is a strategist's way to stake a claim. With it, you have earned the right to play, to take part in the game. But winning the game? That takes more.

Consider the experience of Domenico De Sole, an Italian-born, Harvard-trained tax attorney who in 1994-95 was thrust into the top job at Gucci. Though he had previously led the company's North American operations, he was stunned by what he discovered when he saw the entirety of the once-admired company.

Gucci, once a symbol of high fashion and inspired design, had lost its way so badly that the investors who owned it wanted out. An effort to sell the company had failed after the bids were deemed too paltry to accept, so

the investment group asked De Sole to put the house in order and sell the company's shares to the public — as soon as possible.

Facing a business on life support, De Sole began to assemble a team. He promoted Tom Ford, a 32-year-old fashion designer, to replace Dawn Mello as creative director when Mello chose to return to the United States. He also named a new production chief and a new CFO and strengthened the international management team. Crucially, he also secured a modest cash infusion from Investcorp, a Bahrain-based private equity fund.

Working with Ford, De Sole successfully rebuilt the company based on a new purpose: the company would be fashion-forward, high quality, good value. But why was De Sole successful and [former Gucci head] Maurizio Gucci not? Gucci's charm blinded his investors to the company's internal disarray and inability to deliver on his promises. De Sole, by contrast, built and executed his strategy in a tightly linked series of actions.

The Big Idea

The essential difference between Maurizo Gucci and De Sole is that a great purpose is not a great strategy. A great strategy is more than an aspiration, more than a dream. It's a system of value creation, a set of mutually reinforcing parts. Anchored by a compelling purpose, it tells you where a company will play, how it will play and what it will accomplish.

It is easy to see the beauty of such a system once it's constructed — but constructing isn't always an easy or a beautiful process. The decisions embedded in such systems are often gutsy choices. For every moving part in the Gucci universe, De Sole had to decide what he believed was the choice that would specifically advance the purpose of the firm. This was strictly binary management: Either the particular component advanced the purpose of fashion-forwardness, high quality and good value, or it was rebuilt. Strategists call such choices "identity-conferring commitments" — they reflect what an organization stands for. They are the choices that are central to what a firm is or wants to be.

Too many leaders, unwilling to give up any possible advantage, take the easy route and dodge or defer the tough decisions. Not so with De Sole. He was willing to make trade-offs. Each choice he made threatened a loss even as it promised a gain — focusing on new customers, lowering prices, letting a lot of suppliers go. But with each decision, he was asserting that Gucci was going to be one thing and not another, a formidable responsibility made more difficult when dealing with a very sick company.

The Edge

Think of strategy as a *system of value creation* — rich in organizational detail and driven by purpose, it is the bridge between lofty ideas and action. But while it's easy to see it in companies like Gucci or IKEA, when all the details are laid out in front of you, I know from working with thousands of organizations just how rare it is to find a carefully honed system that really delivers.

The problems often begin right at the start. If leaders lack a clear idea about what they want their businesses to be, they cannot build coherent systems of value creation because they don't know what they should be designed to do exactly or how their success should be measured. That leaves them to fiddle at the margins of success with generically good practices such as "state of the art" sales management approaches or Total Quality Management. These may be helpful, but they're not what will help you find an edge and live on it.

You and every leader of your company must ask whether your strategy is a real system of value creation — a clearly defined purpose tightly backed by a set of mutually reinforcing parts. If not, it's time to build one. ●

Own Your Strategy

It's always easier to look as an observer on what other leaders and other companies have done. It's much more difficult, however, to confront the reality of your own business. But every leader worth the title must do so.

Now is the time to look at your own company. What's your strategy?

When this question is put to our program participants, many of them nod confidently. By this point, they have been talking about strategy for a long time and they have a good grasp of the principles. And they've repeatedly shown their ability to identify the strengths and weaknesses in the strategies of well-known and celebrated firms — at a safe distance.

But when I press them to describe their own strategies, many struggle. Beyond somewhat sweeping statements, they often have trouble articulating what their businesses actually do or what sets them apart. The ideas come out vague; the statements they write down are often generic or uninspired.

State Your Purpose

Your company's purpose describes the unique value your firm brings to the world. It's the throbbing heartbeat of your strategy — the careful pronouncement of who you are and why you matter. It should be specific

and easy to grasp, because the rest of your strategy flows from and supports this beginning.

A purpose gives you the right to play and puts you in the game. But it doesn't mean you have the right to win. Just as De Sole made sure that each component of the Gucci enterprise aligned with the company's purpose, so must all your activities and resources work in concert to support your own purpose.

Develop Your System of Value Creation

You need to pinpoint who the customer is early in the process. But which customer? It's not always the end user. Laura Young joined Leegin, the predecessor company of Brighton Collectibles, in 1991, when it was primarily a seller of men's belts and the owner, Jerry Kohl, wanted to expand into ladies' leather goods.

When Young and Kohl began to define the strategy for Brighton, they struggled with where the company's focus should be. The question of who the customer was loomed large: Was it the end consumer, the women who snapped up the matching pieces and shared their finds with their friends? Was it the owners of the several thousand largely family-owned specialty boutiques that carried Brighton's accessories or the sales associates in those boutiques and in Brighton's company-owned stores? Or was it the roughly 100 dedicated sales representatives who called on all those stores?

Ultimately, they decided that the people who sell its products were its customers because they were the ones whose dedication could most influence the consumer's purchase decision. With this understanding, they could review everything else the company did to see if it really served that customer well.

To keep merchandise fresh and interesting for them, the company makes "a little bit of a lot of things" rather than huge quantities of a few items. That means the retailers could vary the choices and give the women who buy its products a lot of different options to choose from. Brighton also keeps the sales associates engaged with a steady flow of creative motivational events, seminars and other opportunities to learn about the brand.

Importantly, Brighton protects the boutiques by refusing to sell to big department stores such as Macy's, Dillard's and Neiman Marcus. They come courting, but Brighton has turned them away.

In return, Brighton makes an unusual demand of its retailers: It requires them to sell at a minimum resale price in order to protect the integrity of the brand so that customers know they are being treated fairly no matter where they shop for Brighton. It is so committed to this approach that when tiny Kay's Kloset in suburban Dallas insisted on discounting the line and took Brighton to court, the company fought back. After the U.S. Court of Appeals for the Fifth Circuit ruled in Kay's favor, citing decades of precedents, Brighton appealed to the U.S. Supreme Court, which sided with Brighton.

In doing so, Brighton changed the landscape of American retailing: The decision overturned a 96-year-old piece of the Sherman Antitrust Act and told courts that manufacturers and distributors sometimes could, in fact, insist on minimum prices, so long as the effects of such policies are pro-competitive. Although the company has grown considerably since then, maintaining minimum retail prices on its goods remains a cornerstone of its strategy. At the center of it all, though, was great clarity about who Brighton's customer was and a model that enabled the company to serve that customer extraordinarily well.

The Road Ahead

Your strategy, if it is well-conceived and on point, will guide you through tumultuous markets, competitive challenges and your push into new arenas. It will tell you what resources you need to build up and what baggage you should let go. More fundamentally, as you put purpose in the center of your strategic thinking, you will see a shift in the way you look at every opportunity. You will find yourself instinctively asking whether that new business, customer or product adds value; whether it really fits with what you are doing; and whether it benefits from or enhances the business as a whole. Only then will you truly own your strategy. ●

Keep It Vibrant

In most popular portrayals the strategist's job would seem to be finished once a carefully articulated strategy has been made ready for implementation. But, as I tell executives, don't get comfortable yet! Rarely can strategy be so neatly contained. There will always be some choices that were not obvious. There will always be countless contingencies, good and bad, that could not have been fully anticipated. At heart, most strategies, like most people, involve some mystery.

Interpreting that mystery is an abiding responsibility of a strategist. Sometimes this entails clarifying a point or helping an organization translate an idea into practice, such as what "best in class" will really mean in that company and how it will be measured. Other times it entails much more: refashioning an element of the strategy, adding a previously missing piece or reconsidering a

commitment that no longer serves the company well.

When I talk to managers about dynamic strategy, I like to delve into the story of Apple, a company that has evolved and reinvented itself more dramatically than perhaps any other over the last three decades.

There is a lot to learn from Apple's journey and from the experiences of its remarkable and controversial leader Steve Jobs, who was at the helm long enough to shape and reshape the company. The Apple story challenges us to address some of the most basic truisms of strategy and, ultimately, to question one of the most foundational: What is the desired result of a strategy?

On Being a Strategist

"OK," you may be thinking, "I get that strategy must be dynamic. I accept that by most measures, Apple is a strategic success. And Steve Jobs really turned it around. But let's be fair: He was Steve Jobs — and I'm not. Nor is my company Apple."

You're right, of course. There was only one Jobs. But he wasn't a born strategist. He made huge mistakes. He had to learn to be a strategist, just like the rest of us.

Jobs had to wrestle with the profound and terrible paradox many strategists must manage: Stay the course — reinvent yourself. This may sound like a choice between continuing on a given path or choosing another, but for most businesses it's usually a duality: being one thing while becoming something else.

This points to another advantage for a firm: the strategist, or more specifically, you. As a strategist, you're the person who must watch over the organization, guiding its course, making the choices that bring it back to center day after day and year after year even as you must choose when the center, the purpose, itself should evolve.

Leading strategy is a nonstop responsibility; it can't be outsourced or solved in one great brainstorming session. You won't just wake up one day to find that your company has a new advantage or that its purpose changed overnight. Rather, it will change because the industry changes. It will change because tastes change. It will change because your people change and they bring new skills and strengths to the enterprise. And, ultimately, it will change because someone made the call to do so — you, the strategist. It's the most important role a leader plays. If a leader doesn't embrace the role, and do so in a deep way, the company will flounder. We all know companies like that: the lackluster ones who can't escape the gravity of a bad industry or the worn out ones whose people work feverishly for years but don't have much to show for it. ●

The Essential Strategist

What will make you a successful strategist? What skills and mind-sets do you need to hone?

The most important thing is to understand that you are not a manager of strategy or a functional specialist. Others can fill those roles. You are, first and foremost, a leader. Your goal is to build something that is not already there. To do so, you must confront the four basic questions you have already explored:

1. What difference does my organization bring to the world?
2. Does that difference matter?
3. Is something about it scarce and difficult to imitate?
4. Are we doing today what we need to do in order to matter tomorrow?

Most business practitioners are unaccustomed to facing questions of this kind. We're much more comfortable confining ourselves to more tangible business issues. To lead, you have to be willing to make room for new challenges and be open to the unique ways you can add value to your business.

As a leader, if you ignore or underestimate your crucial, ongoing role as a strategist, something essential in your business will be missing. Answered well over a lifetime, the questions at the heart of strategy will help a company prevail.

Articulating and tending to a living strategy is a human endeavor in the deepest sense of the term. Keeping all parts of a company in balance while moving an enterprise forward is extraordinarily difficult. Even when they have substantial talent and a deep appreciation for the job, some leaders ultimately don't get it right. Their legacies serve as sobering reminders of the complexities and responsibilities of stewardship. On the other hand, it is exactly these challenges that make the triumphs so rewarding. ●

RECOMMENDED READING LIST

If you liked *The Strategist*, you'll also like:

1. ***Stop Selling Vanilla Ice Cream* by Steve Van Remortel.** Learn an easy-to-follow strategic planning and talent development methodology that leads to a real differentiation and a high-performance team ready to deliver it.
2. ***The Fifth Discipline* by Peter Senge.** Senge describes how companies can rid themselves of the learning "disabilities" that threaten their productivity and success, by adopting the strategies of learning organizations.
3. ***Making Strategy Work* by Lawrence Hrebiniak.** Hrebiniak offers a comprehensive, disciplined process model for making strategy work in the real world.

· Book 343 of 388 ·

The Surprising Gift of Doubt

Marc A. Pitman

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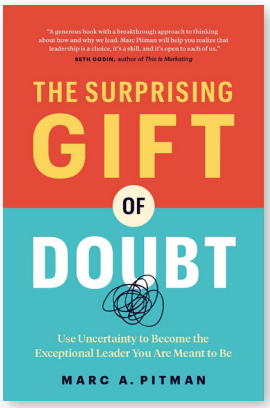
The Surprising Gift of Doubt

Use Uncertainty to Become the Exceptional Leader You Are Meant to Be

by **Marc A. Pitman**



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THE SUMMARY IN BRIEF

No matter how many milestones we hit or career successes we achieve, we all struggle with lingering feelings of doubt— doubt in our abilities, doubt in our leadership, and doubt in what we're capable of achieving. In ***The Surprising Gift of Doubt,*** author Marc A. Pitman doesn't just help readers conquer that ever-present imposter syndrome. He goes even further to help leaders and future leaders harness those feelings of inadequacy and turn them into a rare level of leadership. Along the way, Pitman reveals that the feelings of doubt we experience at various stages in our careers are actually signs that we're on the verge of a major breakthrough.

In the end, readers will emerge from this summary with more confidence, more courage, and increased self-assurance as they face the challenges of leadership with an unshakable strength that has emerged by harnessing their doubt to become something more powerful than ever.

IN THIS SUMMARY, YOU WILL LEARN:

- How to move from imitative leadership to a more confident leadership style that brings together the best of your aspirations and your unique traits and skills.
- How to become 'more yourself' as a leader rather than emulating what you've seen succeed for others in different scenarios.
- How to turn doubt into confidence again and again in your leadership career.
- How to set and achieve impactful goals using the MagnetGoals methodology.

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Introduction

It's hardly surprising that so many CEOs and other top executives feel like lost children looking for a teacher to explain the rules. In our information-saturated world, there are no shortage of volunteers to explain them. Bossy board members, mostly well-meaning, will dictate tasks. Staff irritated by lack of direction will impose their views on the boss. Opinionated customers will tell leaders all the ways they're wrong and how they should fix the problems.

There is a second choice. You can choose your own 'curriculum.' You can write the rules yourself, determining your own way of measuring success. This can be messy at first, involving some trial and error. But the strategies that result are based on who you are and how you operate.

Listening to the Inner Nudge

Most plans or formulas force you to fit into their molds, imposing their structures on you. They fail to build upon who you are, so they fail when your enthusiasm for them wanes or when the fear that you will not succeed diminishes.

The secret to growing as a leader is that you have to do some inner work, none of which can be done for you. And there are no guarantees. The good news is that once you learn the tools that will help you listen to and trust your inner nudges, you'll be able to use these tools for the rest of your life. You'll be able to help your staff and your entire organization use them, too. If you have experienced success in the past— perhaps so much so that everyone seems convince you'll keep pulling a rabbit out of the hat despite the fact that you have no earthly clue how you'll do it— you're in the right place. You can do it. You can become the confident, exceptional leader you want to be. You'll have to do the work, but you don't have to walk this path alone.

Taking the Leader's Journey

Leadership is a journey divided into four stages, or quadrants. They are Observe, Experiment, Focus, and Analyze.

You begin in Quadrant 1, where you are full of confidence because you have been promoted to a level of leadership. If this is not confidence in your own ability, then it is confidence in teh fact that others say you can lead. This is where you 'observe' leaders you wish to emulate.

In Quadrant 2, you begin to experiment. When your confidence falls, you find yourself worrying that something about you must be broken. So, you look for ways to fix yourself. With all the available books, blogs, webinars, podcasts, seminars, and courses, you think surely one of those will fix you. But having read the book or taken the course, you notice that it doesn't quite work the way the reviewers said it would.

When you realize that other people's systems give you only one perspective on leadership but not the complete perspective. In Quadrant 3, tentatively at firs tbut with increasing awareness, you begin to 'analyze' what you have learned from watching people and studying systems. You get in touch with your strengths and your limitations, with your values, and with your own goals. You stop assuming that you are irreparably broken if systems don't work for you.

That growing confidence leads you to Quadrant 4, a stage of 'focus' and quiet confidence. Here, you have learned how to listen to both external suggestions and internal cues. And you are leading in a way that comes from within. You are humbly confident in your ability and free to lead with grace and flexibility as well as bring others along the path of the four quadrants.

Accepting Your Gifts

Despite the mistakes people make with personality or aptitude tests, a healthy exploration of hardwiring is crucial for leaders. The trick is to move from a Quadrant 2 perspective where hardwiring is an externally imposed system forced on people and teams to 'fix' them, to a Quadrant 3 perspective where you and your people internally explore hardwiring as a way of understanding yourself, your habits, and your patterns. The Quadrant 2 way labels people in order to pigeonhole them. The Quadrant 3 leader uses these indicators to better appreciate people and the perspectives they bring to the table. Rather than placing limits on you, understanding your hardwiring helps you discover your unique way of interacting with and making sense of the world.

Using the DISC model, you can determine whether you're Active/Task Centered, Active/People Centered, Reserved/People Centered, or Reserved/Task Centered. This doesn't restrict you to only acting within your 'model,' but can help you understand a bit more about your innate abilities and patterns.

As helpful as it is, behavior-based assessment just scratches the surface of hardwiring. Looking at the other types of hardwiring— abilities and motivations— will help you grow into the leader you've wanted to be.

Realizing the Benefits of Your Ability

As a leader, digging beneath learned skills to uncover your hardwiring— the strengths that come easily to you— gives you a much clearer picture of your unique, natural abilities. These come to you easily, without stress. Learned skills are the ways you learn to compensate for a lack of natural abilities. One helpful result of learning the difference between your natural strengths and your learned skills is that you can transfer the skills, applying them to other areas.

Most often, stress comes from operating either in areas that do not come naturally to you or in ways that don't call on all your abilities. If you're not aware of your hardwired abilities, you might take on roles that are out of sync with your nature. This explains why so many leaders live in a state of constant, low-grade stress despite looking like they're combining the ladder of success. They mimic what the previous leader did without realizing that those strategies could be sabotaging their own ability to lead effectively. A leader will always have tasks that aren't life-giving, but learning your natural abilities frees you to test accomplishing these responsibilities in ways that are more in line with your innate talents. This reduces stress and fills your work with renewed energy and purpose.

Knowing the Strengths of Your Motivation

When you're struggling with doubt because you don't yet have a firm grasp on what makes you tick as a leader, the third area of hardwiring—why you do what you do— will immeasurably support you. Here, you are not looking for an explanation about how certain tasks or behaviors come easily to you. This is a deeper why. One based on motivation.

How do you describe your motivation? One helpful system is the Enneagram. The Enneagram suggests that human beings are motivated by one of nine stories, or ways of seeing the world. These nine approaches to life are presented as different personality types. According to the Enneagram, personality is developed when, early in childhood, we learn that the world is not entirely safe. So, we adopt personality, a habitual orientation to life tha protects us and helps us relate to others.

A deep dive into hardwiring, whether through Enneagram assessment or other methods, can be transformative in developing your own leadership style. Knowing how you do things, what things you do easily, and why you do them gives you more command of your choices and actions as well as a much richer understanding of how different people operate. But hardwiring is just one part of the journey you will take from the stuck uncertainty of Quadrant 2 to the rich expiration of Quadrant 3.

Learning the Stories that Serve You

Working on identity usually catches leaders off-guard. They like that assessments give data. But identity seems too 'touchy feely' to be effective. But clients often find it produces some of the best lasting insights.

Current neuroscience is showing what ancient civilizations already knew: human beings are wired by story. When something happens, we want to know why. If you're given a set of incomplete details, you try to make sense of them by weaving a story to hold each detail together. As you work on identity, your story, you will discover clues about yourself in three different types of stories: stories you tell, stories you like, and the stories you hear from others. Follow this route, and you will be blown away by how much you will learn about the role you can play in your own story.

Organizing Around Your Goals

Despite the variety of ways that each system approaches goal setting, they are right about one thing: there is power in writing down your goals. Writing goals focuses your mind and helps you create a clear plan for accomplishing them. Often people read goal-setting systems as fixed systems that you have to work within. Hopefully, MagnetGoals and cascading goals will serve as tools for you, not the other way around. Give them a try and take what works, then discard the rest.

MagnetGoals is a process that involves four steps to more effective goal-setting and goal-reaching.

Step 1: Your Top 100

The first step in the process is to brainstorm a list of 100 things you want to do in the next twelve months. The best part about the length of this list is that it forces you to get creative, and even a bit fanciful. Focus on areas such as health, finances, life-long learning, travel, and relationships. This step may take time, as much as a few days or weeks. That's okay. Take the time to expand your list.

Step 2: History of the Future

Once you've completed your list, let it sit for a few days. If you did nothing else and just reviewed this list a year

later, you would be shocked at how many of these goals you had accomplished.

But your next step is to write a History of the Future. This is a description of what life will be like after you've accomplished everything on your list. It can be as short as a paragraph or as long as a few pages. This step is designed to propel you toward the life you dream of achieving.

Step 3: Narrowing the List

The third step is to narrow the list to three to five goals. These are your MagnetGoals. All the goals on your list are important. But there's no way you could focus on a hundred goals in a year. Goal-setting experts often warn people that five is pushing the limit.

Try to focus on goals that influence many other goals on the list and goals that seem to 'jump' off the page.

Step 4: Get Yourself There

Now that you have dots next to a few of your goals, it's time to review the list with the intent of choosing three to five of them. Some choose a professional, a relational, and a self-improvement goal. Some choose goals that match up with their roles at work. Others choose the goals that seem to 'speak' to them. Whatever process you choose, once you've identified those three to five, circle them and move on to the final step: creating a road map for each goal. This includes a list of all steps needed to accomplish the goal, all strategic alliances and resources that will be helpful, a list of potential obstacles, and an accountability partner who will help you accomplish this goal. Finally, clean up your road map and get to work.

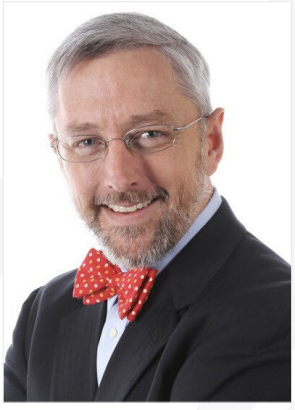
Relating with Your Time

Feeling like you are not prepared for the next meeting, let alone reaching your major targets, because you are constantly trying to tame your schedule into a controlled system can be soul crushing. But if you can glance at your weekly plan and your daily focus sheet and instantly recall how your smaller objectives fit into the big picture, you build quiet confidence in yourself and your leadership abilities. Advanced planning will help you get through the unpredictability of the day without losing track of the most important priorities.

Honoring Your Integrity

Leadership really is all about becoming more yourself. This is precisely why Quadrant 2 approaches fail to completely change you— they are not about being you. Pressing into Quadrant 3 gives you the tools to make any approach yours, because you will process new strategies and advice from others through the filters of your hardwiring, your identity, and your goals. You will be able to eat the chicken and spit out the bones.

Quadrant 3 tools are already yours. You find them for yourself. You can have the help of an executive coach, spiritual guide, or therapist. But the tools are in you. Welcome to your leader's journey.



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The Synergist

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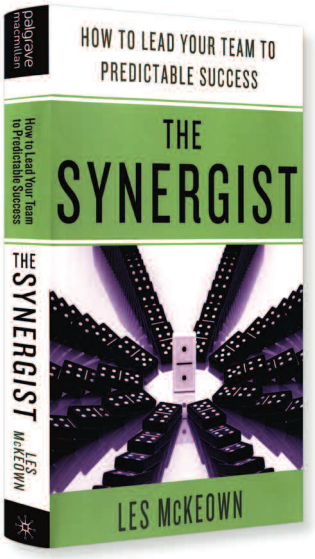
Leadership

The Synergist

How to Lead Your Team to Predictable Success



by Les McKeown

THE SUMMARY IN BRIEF

Why do so many teams fail to perform — achieving compromise at best and gridlock at worst? And what does it take to end this gridlock? *Wall Street Journal* best-selling author and speaker Les McKeown shows how to take any team from gridlock to world-class success.

In *The Synergist*, McKeown argues that every successful team includes a critical player, the Synergist, who can take the three existing types — the bold dreamers (Visionaries), the pragmatic realists (Operators) and the systems designers (Processors) — and knit them together into a dynamic, well-rounded team. Most importantly, according to McKeown, the Synergist is a role that anyone can learn.

While most attempts at teamwork improvement deal only with the symptoms of group dysfunction such as distrust, poor communication and fear of change, McKeown addresses the root cause: the innately unstable Visionary-Operator-Processor triangle. Because each of the three styles' motivations, views and goals are incompatible, without a Synergist every team will eventually implode, stall or underperform. Only Synergists can put aside their own agenda and interpret the language of difficult personalities, capture the best from each person and put the good of the enterprise ahead of their own egos.

McKeown, who has used techniques presented here in his consulting with Harvard University, American Express Financial Services, the U.S. Army, Microsoft, United Technologies Corp. and more, shows how any individual can fill this critical role, whether or not he or she is the formal leader of the group.

IN THIS SUMMARY, YOU WILL LEARN:

- How to recognize the signs of ineffective teamwork.
- How to make the right interventions at pivotal moments.
- What your team needs to succeed.
- How anyone can learn to be an effective Synergist.

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THE COMPLETE SUMMARY: **THE SYNERGIST**

by Les McKeown

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The Synergist: How to Lead Your Team to Predictable Success by Les McKeown. Copyright © 2012 by Les McKeown. Summarized by permission of the publisher, Palgrave Macmillan, a division of St. Martin's Press LLC. 255 pages, $27.00. ISBN: 978-0-230-12055-6. To purchase this book, go to www.amazon.com or www.bn.com.

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For additional information on the author, go to www.summary.com.

Introduction: What a Synergist Is and Why You Should Care

If you're involved with any group of people who are trying to achieve common goals, whether by leading a Fortune 500 company or volunteering part-time at a kid's soccer league, you soon become acutely aware that those goals will be achieved *only through the work of the people in the group*.

Put simply, organizations don't succeed in and of themselves. They succeed only through *individuals* working in groups and teams.

Groups and teams lie at the heart of every successful enterprise — in fact, they *are* the heart of a successful enterprise. Walk the halls of any organization, large or small, and you'll see huddles of two or more people everywhere, interacting formally and informally, face to face and virtually, meeting in conference rooms and hallways, communicating by e-mail, phone, Web conference, social media and text messages, even occasionally by pen and paper.

A Vital Bridge

In the best — and most successful — organizations, it's these interactions among individuals that together form a vital bridge between the organization's overarching vision and the day-to-day actions required to realize that vision. From these multifaceted human interactions spring the ideas, decisions, plans, strategies and tactics necessary to move the organization forward to success.

In the worst — and least successful — organizations, these same interactions between individuals produce stress, indecision, confusion, uncertainty and distrust, frustrate the organization's goal of realizing its vision, and drain the enthusiasm, commitment and direction of everyone involved.

For many organizations, perhaps even the one you work with, each day brings a mix of each. Some interactions gel and produce a profitable, positive result, while others gridlock or stall, producing little or nothing of actionable value.

Yet for every organization, the difference between the two is by far the single most important factor in determining whether the enterprise succeeds or fails. If you can ensure that when your people interact they are effective and deliver the goods, you win. Watch them stutter or fail in those same interactions, you lose.

Pass Me a Paper Clip

This simple fact — that the quality of people interaction is a fundamental requirement for organizational success — seems self-evident. Yet, every day in organizations large and small, untold thousands — quite probably millions — of group interactions take place, most of which fail to take the organization any closer to its goals. In many cases, groups meet, interact, then part, no closer to achieving their objectives than when they started.

This tide of unproductive and ineffective group interactions has a massive cost: It drains the global economy of billions of dollars a year, strangles creativity and initiative, and results in many businesses, divisions, departments, projects, groups and teams stalling out long before they've even begun to realize their full potential.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Chris Lauer**, Contributing Editor; **Amanda Langen**, Graphic Designer

On an individual level, the cost of group dysfunction is just as high: It generates inordinate levels of stress, demoralizes entire workforces and demotivates otherwise high-performing people who would rather take a paper clip, straighten it out and stab it in their eye than sit through another interminable, ineffectual meeting.

And it's not only formal meetings that are caught in this seeping maw of interpersonal dysfunction. Every type of interaction — one-on-one discussions, phone calls, e-mails, water-cooler chats, performance reviews, brainstorming sessions, even the annual picnic — can become blighted by misperceptions, misunderstandings and outright manipulation.

Breaking the Cycle

Not surprisingly, this frustrating, repeating cycle of dysfunction has produced an avalanche of resources purportedly designed to help groups and teams be more effective. Books, workshops, conferences, assessments, quizzes, coaching — you name it, there's a tool of some sort designed to make group interactions work harmoniously and effectively.

Here's a news flash: They almost never work.

The reason most group- and team-improvement programs fail to produce permanent long-term change is simple: It's because they address the *symptoms* of group dysfunction (distrust, poor communication, fear of change, to name just a few) rather than the root cause. In fact, in many cases, symptoms are incorrectly labeled as root causes. Take distrust as an example, a factor many team-improvement programs concentrate on. Distrust doesn't appear out of nowhere; it always has a root cause. There's always a reason (valid or not) why one team member distrusts another. Trying to eliminate distrust without dealing with the underlying root cause of that distrust is like filling up your gas tank when the car's tires are punctured — it might be worth doing, but it isn't going to fix your problem.

Making an End Run Around the Symptoms

The basic difference between an ineffective group interaction and a highly productive one lies in the existence of a single component — a natural, uncomplicated and easily introduced component at that — the role of the Synergist.

Introducing the Synergist role to your people interactions can produce a dramatic, profound and lasting effect precisely because it blows past the lengthy and complex list of all possible symptoms of team and group dysfunction and, instead, concentrates on just one thing: the single root cause of team and group dysfunction. ●

PART I: THE UNSTABLE TRIANGLE

Overview

Organizations do not achieve success — people achieve success through working individually and in groups and teams.

Everyone who participates in group or team work tends to act primarily in one of three naturally occurring styles: as a Visionary, an Operator or a Processor.

- **Visionaries** think big, generate creative ideas and take risks. They also become irritated by detail and can disengage easily when bored.
- **Operators** get stuff done. They take the Visionary's big idea and translate it into actionable tasks. They like to be left to work alone and will do whatever is necessary to complete the task they're given, even if it means breaking a few rules.
- **Processors** devise and monitor the systems and procedures necessary to enable an organization or enterprise to deliver consistent results in a complex environment. They think linearly and objectively, and are averse to undue risk.

The Visionary-Operator-Processor (V-O-P) relationship is not a naturally stable one. The tensions and conflicts caused by often competing desires are the root cause of most group and team dysfunction.

To make the V-O-P relationship stable, a fourth, learned style needs to be introduced. The Synergist style acts as a buffer between the V-O-P styles, taking the best from each and enabling them to work effectively together. ●

The Visionary

Visionaries cycle between active and idle mode, alternating between bursts of creative energy and recharging. They can be dangerous to be around when they come back from an idle period because of the multiplicity of ideas they generate.

Their ability to hyperlink to multiple subjects, coupled with their ability to hold seemingly contradictory viewpoints on the same subject, can confuse those who work with them.

Visionaries bring vision, flexibility, courage and the ability to simplify seemingly complex ideas. They also bring a pragmatic approach to getting things accomplished and not overhypothesizing.

On the minus side, team members can find it frustrating to have to deal with the Visionaries' boredom with detail, their need to own all the team's ideas and their extremes of commitment.

If you're working as a peer with a Visionary, be selective in how you involve him or her. Listen nonjudgmentally and, rather than forcing new ideas on him or her, involve them at the outset in the idea-creation process.

If you manage a Visionary, schedule variety, accountability and frequent check-ins. Enforce a few important restrictions strongly, rather than trying to enforce many limitations weakly, and make sure the individual's team isn't overdominated by other Visionaries.

If you work for a Visionary, you can build valuable sweat equity by working long hours, mastering a broad grasp of detail and maintaining a positive demeanor. Once you've gained your boss's trust, you can begin to be more selective about what initiatives you focus on and can provide a vital challenge function. ●

The Operator

Operators are intensely task-focused and will do whatever it takes to complete the job they have in hand — even if it means working outside the system and ignoring standardized procedures in order to do so.

Because of their propensity toward action, Operators can provide an effective reality check for groups and teams, help eliminate unnecessary implementation steps, and identify redundant or overly complicated systems and processes. It's important to give Operators latitude in how they do what they do. Micromanaging Operators is ineffective and can cause intense frustration on both sides.

Working alongside an Operator can be frustrating because of the Operator's impatience with delay, and his or her maverick approach to systems and processes. This makes relationships with Operators defensive and issue-oriented. If the relationship can be moved to a more proactive footing, potential areas of conflict can be identified early and problems avoided.

Effectively managing an Operator requires clear direction, providing autonomy, being consistent in enforcing boundaries and helping him or her prioritize and delegate.

Working for an Operator can be frustrating, as he or she is rarely around and isn't a good delegator. It is important to physically accompany your Operator boss in order to develop a trusted relationship. Once you've done so, you can find ways to run interference (facilitate his or her interaction with the organization's systems and procedures) and you may be able to tap into high-quality coaching and mentoring. ●

The Processor

Processors think logically, are compelled by data, not anecdote, and like to bring order to situations. They tend to be risk-averse and do not cope well with ambiguity or imprecision.

Having a Processor on your team will bring to the table consistency, scalability, accuracy and an objective perspective. A good Processor will also assist the other team members in identifying key metrics to use in controlling the enterprise.

Some Processors can overanalyze data to the extent that others find frustrating. Their resistance to both risk and change, their relatively steady pace of work irrespective of the need of urgency and the fact that they often respond to requests by saying no, can make them a challenge to work with.

Working with Processors can be made easier by respecting their need for order, listening to them and challenging them constructively, giving credit where due, and refraining from hyperbole and exaggeration.

If you are managing a Processor, set clear, precise goals, make sure the organization's overall commercial priorities are understood, have patience and improvise sparingly.

If you work for a Processor, you will benefit from gaining an understanding of the underlying patterns or rhythms to the work, and similarly understanding his or her priorities (which aren't always obvious). Be careful in communicating big surprises or bad news, and plan ahead to get access to a Processor's mentoring and coaching skills. Innovate incrementally, not in giant leaps. ●

Gridlock

The combination of Visionary, Operator and Processor is an inherently unstable one, which leads to the group or team compromising or gridlocking instead of performing effectively.

The three main reasons for this are that Visionaries, Operators and Processors each have different inherent motivations, each view the team's ultimate goal differently and each see the surroundings in which they work differently.

Visionaries are motivated to start new things and to solve problems. They believe the group's primary purpose is to solve problems, and to do so they *talk* and

think. Their view of the landscape in which they work is dominated by patterns and perspective.

Operators are motivated to finish tasks and fix things. They believe the group's primary purpose is to take action, and to achieve this they *decide* and *do*. Their view of the landscape in which they work is dominated by opportunities and obstacles.

Processors are motivated to systematize and supervise. They believe the group's primary purpose is to control, and to do so they *analyze* and *align*. Their view of the landscape in which they work is dominated by compliance and contingent liabilities.

These varying perspectives severely impact the team's ability to work effectively by preventing the Visionary, Operator and Processor from naturally coalescing into a group; reducing the degree of interaction when they do; and preventing them from agreeing on a common view of what they are trying to achieve. ●

PART II: THE SYNERGIST

Limping to the End Line

Left to their own devices, the V-O-P team is inherently unstable and will descend into gridlock relatively quickly.

The V-O-P team usually goes through four phases:

1. Formal meetings. In this phase the Visionary, Operator and Processor first realize that they cannot, jointly, make consistently good decisions, mostly because their way of "showing up" in meetings is different and incompatible.

2. Informal communications. In phase 2 the Visionary, Operator and Processor try communicating one-on-one outside of the formal meeting structure. They soon discover that this too is ultimately futile, as the same incompatible differences still exist between them.

3. Meetings redux. In fact, the pain caused by trying to communicate informally turns out to be even greater than that caused during the formal meetings, and so the Visionary, Operator and Processor turn to the third phase: attempting shorter meetings, more focused on getting decisions made and restricting the V-O-P interaction.

4. Endgame: Compromise or gridlock. However, even in these constrained meetings the Visionary, Operator and Processor cannot but help let their natural styles emerge, and it's not long before the team moves into the fourth phase, the endgame.

For most teams, the endgame involves one or more of four options: reducing expectations of the team and the participants, and simply continuing, even though no one now expects anything of value to emerge from the process; disbanding; obtaining outside help (which ultimately doesn't work, thus only postponing the inevitable); or negotiating an implied compromise.

There is a fifth option, which many high-performing teams discover by trial and error: introducing a fourth, learned style, called the Synergist. Introducing this fourth style to the group changes the dynamic of the guaranteed-to-fail V-O-P team to something new, a V-O-P-S (Visionary, Operator, Processor, Synergist) team — one which has considerable chance of success. ●

From Triangle to Pyramid

The Visionary, Operator and Processor are like the epidermis of an organization — prick them and they bleed in predictable ways. The reactions of the Visionary, Operator and Processor are so ingrained — their natural styles so much a part of who they are — that the V-O-P team reaches a standoff, with the participants trapped in their own V-, O- or P-driven agenda. Viewed abstractly, such a team looks like a triangle, with the V, O and P each positioned at a corner.

So if the Visionary, Operator and Processor are not going to change their natural styles and we cannot remove them from the team, there is logically only one way to substantively change the existing team dynamics, and that is to *add* something: a fourth style, one which, when introduced into the team, will transform it from a flat, two-dimensional triangle into a fully realized, three-dimensional pyramid; a team with depth, freed from dysfunction, and released into productivity and high performance.

What Is a Synergist?

The Synergist is the missing link that transforms the two-dimensional V-O-P group into a truly three-dimensional team. It does this by enriching and transforming the interaction between the Visionary, Operator and Processor in ways we'll examine momentarily.

The key defining characteristic of the Synergist style is that unlike the Visionary, Operator and Processor styles, the Synergist is focused primarily on what is best for the enterprise (the organization, department, division, project, group or team).

This detached perspective — not focusing reflexively on his or her own concerns — gives the Synergist a high-level perspective of the team's activities. If, as

we've seen, the Visionary, Operator and Processor can be seen as the epidermis of the organization, each reacting reflexively and predictably, the Synergist can be compared to the neocortex, collecting information and signals from the rest of the body, processing them and outputting instructions that enable the team or group to perform productively.

The Synergist's Toolkit

A key feature of the Synergist style is that it is primarily a learned style. Although natural Synergists do exist, they are rare, so in most teams the Synergist input comes from Visionaries, Operators and Processors who have learned to emulate the Synergist style.

The learning requires commitment. Synergism doesn't happen overnight — it's not like flicking a light switch. It's more like developing a new habit — but anyone can master the basics relatively quickly.

The Synergist's toolkit is nothing mysterious or magical — it's essentially a set of nine learned skills that anyone can develop. None of the nine skills individually will be new to anyone who has worked in an organization for any length of time, and most people will have developed at least some of these skills already.

But there is one piece of "magic" that transforms these nine relatively mundane skills into something very special — the secret sauce of Synergism, and it's a *personal commitment* on the part of the Synergist that governs and informs the use of the nine skills.The nine skills fit into two categories: personal productivity and teamwork.

Personal Productivity Skills

• **Time management.** The prospective Synergist's challenge is to be on top of his or her own time management to the extent that he or she can engage with the team or group without feeling distracted or overwhelmed by his or her other commitments.

• **Priority management.** The Synergist's challenge: Even if you are doing things right, are you doing the right things?

• **Crisis management.** The Synergist's challenge: To be like water and react appropriately to crises: Are the ripples you create in response to a crisis no bigger and no smaller than they need to be?

• **Delegation.** The last skill needed in the category of personal productivity is delegation, the ability to hand off tasks better done by others, releasing you to do what only you can do best.

Teamwork Skills

• **Conflict management.** Synergists do not overreact to conflict — nor do they needlessly create it or, worse, avoid it. Instead, they manage conflict positively, always in the light of the enterprise commitment, seeking the best outcome for the organization as a whole.

• **Difficult conversations.** At the center of the Synergist's toolkit is a readiness (and the skill) to draw out painful, difficult or negative issues as they arise and not to let them fester or grow. The Synergist builds understanding, breaks down barriers and develops unity in the team.

• **Communication skills.** The Synergist's role here is about his or her ability to facilitate effective communication among the others.

• **Inclusiveness.** The Synergist's role is to break down the brittle independence of individuals by ensuring that everyone on the team is jointly engaged in all aspects of the team's interactions, not just those in which they feel most comfortable.

• **Accountability.** Finally, an active Synergist will ensure that the team holds itself accountable to do those things it commits to doing.

Starting Fast, Finishing Strong

There are two types of teams — organic teams and constructed teams.

Organic teams comprise a group of people who come together of their own volition (for example, to start a business or solve a community problem).

A constructed team is one put together by selection, such as a project group or a subcommittee.

Organic teams have a binary, win/lose success profile — if the team fails, so does the entire enterprise. Constructed teams work in a less primal environment and can underperform for some time without immediate consequence.

A constructed team is usually selected at the outset, and the selection process is based on factors such as functional knowledge, availability and willingness to get involved. The disposition of Visionaries, Operators, Processors and Synergists is essentially random. This team only rarely changes thereafter. Whereas, a successful organic team learns to adapt their team composition over time in order to reach their goal. This process of adaptation follows a predictable pattern, one that is based entirely, albeit subliminally, on ensuring the optimum sequencing of the roles of Visionary, Operator, Processor and Synergist.

Constructed teams can learn from watching the way in which the organic team develops over time and, where appropriate, mimicking that adaptive approach.

PART III: BECOMING A LEADER OF LEADERS

Inside the Secret Garden

Synergists essentially do two things: They put the previously gridlocked V-O-P team back on track by removing conflict and tension, and they create an entirely new environment that allows the team to perform at the highest level.

Every successful team or group works to the same hidden pattern: a predictable cadence in their interactions that produces flow, engenders cooperation among team members and results in high-quality decisions. Only by accessing the Synergist style can a group or team access this pattern. Even in those rare occasions when the V-O-P team breaks through with a brief spurt of productivity, they do so because one or more of the team members is subconsciously operating in the Synergist role. Most importantly, only the Synergistic team can consistently operate within the pattern.

The pattern is a natural one, a subliminal rhythm that all successful teams fall into. Natural Synergists understand the rhythm intuitively. A team blessed with a natural Synergist will find itself subconsciously following this new pattern because the Synergist team member will prod it to do so. Conversely, the Visionary, Operator and Processor do not "naturally" understand this pattern of successful team interaction — in fact, the V, O and P tendencies fight against it, pulling the team's interaction *away* from the new pattern and into failure.

The Rhythm of Success

All groups and teams are formed for the same basic purpose: to pool the knowledge, experience and skills of each individual member in order that they may *together* produce high-quality decisions on behalf of the enterprise as a whole. Because of this, all *successful* groups and teams, irrespective of their specific goals, follow a similar route or pattern in their interactions — the pattern of high-quality decision-making. At the 30,000-foot level, this pattern of high-quality, team-based decision-making looks like this:

Investigation → Interpretation → Implementation

For the group to deliver a high-quality decision, it must move through these three sequential stages, which we'll call a "3-I" pattern. First, *Investigation*: the group has to collect the information it needs in order to make a good decision. Second, *Interpretation*: the information and data have to be interpreted, from which comes the actual decision. Third, *Implementation*: the group must determine what needs to happen in order for the decision to be implemented (by themselves or by others).

Stage 1: Investigation

The Investigation stage can be short and simple, or long and complex, depending on the issue under consideration. Either way, successful teams, those with strong Synergistic input, consistently address three imperatives at the Investigation stage: intellectual rigor, embracing change and financial understanding.

In the context of high-quality, team-based decision-making, we can define intellectual rigor as: the commitment to ask as many questions as are necessary to uncover all the material information required to make any needed decision.

By keeping the team focused on the importance of intellectual rigor while blunting the extremes of possible reactions, the Synergist takes the team into flow right from the start. As a result, the Visionary, Operator and Processor begin building the muscle of productive interaction.

Synergists coax the following behaviors from their team to deliver intellectual rigor:

- We go beyond an initial information exchange.
- We do not rush to judgment.
- We do not instantly accept any one team member' analysis of a situation.
- We ask detailed questions to uncover key facts.

The second imperative in the Investigation stage is to embrace change. In this context, we can define embracing change as: the commitment to identify, assess and embrace positive change agents, and to identify, assess and account for unavoidable negative change agents. Discussions at the Investigation stage are often brittle and restricted to what is already known. It is the Synergist's role to encourage behaviors that break this dynamic. The behaviors that Synergists encourage for acceptance of change include:

- We explore industry trends outside of our organization.
- We are in close contact with our customer base.
- We read and research outside industry sources.
- We challenge fundamental assumptions.
- We work outside our comfort zone.

The third imperative in the Investigation stage is financial understanding, which, in this context, we can define as: the ability to read and understand the basics of an income statement, a balance sheet and a cash flow projection. One of the most notable characteristics of teams operating without a

Synergist is how frequently their outputs are financially naive. They often either ignore the financial implications of their decisions or make sweeping assumptions that don't hold up in the real world. An effective Synergist will ensure that this gap in financial understanding is filled, either by co-opting someone onto the team (even temporarily) who can help or by providing those team members who do possess an understanding of how the numbers work with a safe environment in which to share their knowledge.

Four behaviors which indicate that a group is meeting the imperative of financial understanding are:

- We can read and understand basic financial statements.
- We request the financial data underpinning the decisions we make.
- We understand the financial impact of our decisions.
- We have a balanced focus on revenue, profits and cash. ●

Pulling the Trigger

Stage 2: Interpretation

The second I of the 3-I process is Interpretation. The Interpretation stage involves working through the information that was gathered in the Investigation stage with the goal of making a high-quality decision based on that information — tempered by the team's experience and knowledge. The three Synergistic imperatives in this stage — stamina, discipline and objectivity — not surprisingly echo the three main missing factors in the non-Synergistic V-O-P team's deliberations.

Previously, the inherent tensions in the team made the interactions between the Visionary, Operator and Processor so fraught that it would quickly drain the participants of all three imperatives. Now, with those tensions banished or greatly reduced, the Synergistic team must learn to rebuild the muscles of *stamina*, *discipline* and *objectivity* in order to stay focused and engaged during the Interpretation stage.

While the team will not be required to exhibit a high level of all three on every occasion — sometimes the Interpretation stage can be short and relatively simple — an effective Synergistic team *will* need to be able to draw on each one of them regularly and often.

1. Stamina. The stamina imperative implies that the team has the mental, physical and emotional strength to concentrate for prolonged periods on the detail of both decision-making and implementation.

2. Discipline. The discipline imperative implies that the team can maintain focus on and commitment to a course of action until it is completed.

3. Objectivity. The objectivity imperative implies that the team will base its decisions solely on the appraisal of the relevant facts, without undue consideration of personal prejudices. ●

Making It Work

The final stage of the 3-I process is the Implementation stage, when the group or team must determine what needs to happen for their decisions to be implemented.

Stage 3: Implementation

For the old, dysfunctional V-O-P team, the Implementation stage is usually abrupt; once a decision is made, it is released into the wild and left to fend for itself. It's therefore not surprising that the implementation rate of V-O-P team decisions is typically low. Without guidance and help from the team that came up with the decision in the first place, there are simply too many ways in which it can be derailed or sandbagged.

For the Synergistic team, there is no reason for this to be so — with the team in flow, the extra time invested to ensure a smooth handover from making a decision to successfully implementing it is time well spent.

In essence, the Synergistic team must act as its own midwife — not just birthing the decision, but tending and caring for it in the first stages of implementation until it has reached the point where its survival is assured. Achieving this requires that the team meet three imperatives: *consensuality*, *communication* and *accountability*:

1. Consensuality. The team will commit to early, frequent and congruent consultation with key individuals — specifically, those holding authority, responsibility and/or influence over the implementation or outcome of key decisions.

2. Communication. The team will fully explain, to as many stakeholders as possible, as often and in as much detail as is required, the key implementation steps for all major decisions.

3. Accountability. The team will establish formal structures and processes by which each team member is held accountable for the satisfactory conclusion of his or her implementation commitments. ●

RECOMMENDED READING LIST

If you liked *The Synergist*, you'll also like:

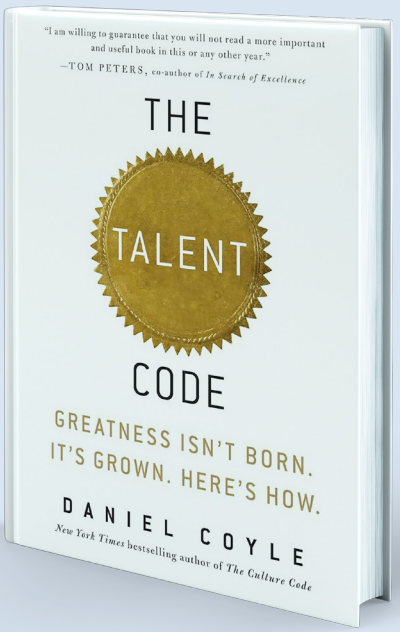
1. ***Just Listen* by Mark Goulston.** Veteran psychiatrist and business coach Mark Goulston reveals the secret to how to get through to anyone, even when productive communication seems impossible.
2. ***Tribal Leadership* by Dave Logan, John King and Halee Fischer-Wright.** The authors show leaders how to assess, identify and upgrade their organization's cultures, one stage at a time.
3. ***Delivering Happiness* by Tony Hsieh.** The visionary CEO of Zappos explains how an emphasis on corporate culture can lead to unprecedented success.

· Book 345 of 388 ·

The Talent Code

Daniel Coyle

Book Snaps™
In-depth reviews of best-selling business books.



The Talent Code

Greatness Isn't Born. It's Grown. Here's How.

By Daniel Coyle

Daniel Coyle is the *Sunday Times* bestselling author of several acclaimed books, including *The Culture Code*, The *Talent Code*, *The Little Book of Talent*, and *Lance Armstrong: Tour de Force*. He lives with his wife and four children in Homer, Alaska, and Cleveland Heights, Ohio.

A Book Review by Soundview

Cracking the Code of Talent

Why is it that in certain places and at certain times, a hotbed of talent will spring up seemingly out of nowhere? Why is it that some coaches and mentors are able to elicit greatness from their players and mentees? How exactly does practice work? What type of practice is most effective for success? These are all questions that Daniel Coyle sets out to answer in his book, ***The Talent Code: Greatness Isn't Born. It's Grown. Here's How***. Coyle's book first establishes the role myelin plays in successful practice, and then he gives detailed analysis of different successful coaches and learners in an effort to help his reader understand and achieve greatness.

What Myelin Does

Coyle explains that myelin is responsible for all learning. Myelin is "a neural insulator." It works like rubber insulation around a copper wire because it wraps itself around nerve fibers in much the same way that rubber insulation wraps around a copper wire. The effect is that the signal is both "stronger and faster" because it stops the leaking of electrical impulses. The more a person effectively fires their circuits, the more myelin is wrapped around their neural circuits. Every human being can grow myelin, and myelin is at work in all sorts of skills that people can learn. We cannot feel this happening, however. We can only see the effects as our skills begin to improve. Skill, according to Coyle, "is a cellular insulation that wraps neural circuits and that grows in response to certain signals." Practice is the mechanism by which these skills increase. As Coyle states, "The idea that all skills grow by the same cellular mechanism seems strange and surprising because the skills are so dazzlingly varied. But then again, all of this planet's variety is built from shared, adaptive mechanisms; evolution could have it no other way."

Not all practice is created equal. Coyle highlights a mediocre clarinet player he calls Clarissa. In a video of her practicing, she vacillates between the practice of a genius and the practice of someone barely competent in her craft. In her moments of genius, she performs multiple skills including fixing mistakes, comparing herself against an ideal, and rehearsing in her mind. This is the way experts practice. In her moments of weakness,

she merely moves through the steps, creating what barely sounds like music. The difference in moments of growth and moments of stagnation is the result of the different ways she practices. Coyle explains that a highly effective process of practice is what helped create hotbeads of talent throughout history. It is behind the Bronte sisters, the success of baseball players from the Dominican Republic as well as the proliferation of literary talent in Shakespearean England. The good news is that it can be learned.

How Myelin Works

Coyle expected to see something amazing and innovative happening when he visited modern talent hotbeds. He believed he would find "world-class speed, power, and grace." At times this is what he saw, but at other times, he witnessed slow struggle. From this he learned that it is small failures that ultimately lead to progress. It is not words like willpower, concentration, or focus that explain the prowess of exceptional performers because these words do not capture the difficulty these performers go through in practice. It is also too simplistic to use the nurture versus nature paradigm to explain greatness. Rather what separates the greats from the rest is deep practice, and this type of practice requires moments of struggle that sometimes last only a microsecond, but this microsecond of trouble facilitates the deep learning they are engaging in. Coyle writes that "deep practice is built on a paradox: struggling in certain targeted ways – operating at the edges of your ability, where you make mistakes – makes you smarter."

These types of difficult experiences allow for trial and error, and because of this, obstacles turn out to be helpful. For this to be effective, scaffolding must be in place which is essential if people are to learn efficiently. This scaffolding asks people to practice just beyond what they are capable of, and it is important because larger challenges do not provide the same benefits of these smaller, quicker challenges. People generally try to avoid difficulties, but small trials are actually the defining factor of deep learning.

Coyle, like many people, once believed that learning was a product of neurons and their synapses, and there is truth to this; however, myelin plays a large role in the process of learning. Coyle bases his understanding on three facts.

1. Every human movement, thought, or feeling is a precisely timed electric signal traveling through a chain of neurons – a circuit of nerve fibers."
2. "Signal strength, speed, and accuracy" are increased as myelin wraps itself around these nerve fibers.
3. Myelin will optimize a circuit in proportion to the number of times a circuit is fired. Our movements become "stronger, faster, and more fluent" the more we perform them.

When people train, they signal the myelinization of wires. With a lot of training, the wires become strong and fast. Skill can be seen as the myelin insulation that is wrapped around neural circuits. During deep practice, neural circuits are fired and optimized. This is true whether a musician is learning to play the piano or an air core pilot is learning to fly a plane. Myelin also explains why practicing with mistakes is more effective than repeating easy tasks "because the best way to build a good circuit is to fire it, attend to mistakes, then fire it again, over and over. Struggle is not an option: it's a biological requirement." This entire process takes time and energy, and that is why passion is important. Passion is what prompts people to continue practicing through difficulties.

The author gives two further insights into brain science. The first is that "all actions are really the result of electrical impulses sent along chains of nerve fibers." We receive input and then we respond with output. It is the circuit that controls everything we do, and fast circuits mean fast movements.

The second insight into the human brain is that we become less aware of our skill circuits the more we practice them. This means that skills become automated and are performed by the unconscious mind. This is why tasks that at one point may have seemed difficult can start to feel effortless. This was important to our ancestors throughout human history because they were better able to focus on life threatening situations when other tasks could be performed without conscious thought.

For a long time, the role of myelin was overlooked. Since the early 2000s, however, researchers have discovered that myelin acts as a sort of super highway in the brain, greatly increasing information processing. Not only that, but it can regulate the speed at which nerves are activated. It is through deep practice that myelin covers the nerves. This practice must be repeated, so it is not lost. Despite the fact that there are many different types of skills people can learn from reading to shooting a basketball, there is only one type of myelin that serves all of these skills. Additionally, myelin can only be lost through age or disease. People continue to produce myelin throughout life; however, its production is most efficient in the early years which is why it is easier to learn new skills when young and harder as people progress through life.

As Anders Ericsson has demonstrated, memory can be improved. Prior to Ericsson's work, scientists believed that nobody could remember more than seven digits. This was a fixed limit. Ericsson was able to prove, however, that some people could memorize many times that amount. In fact, one person was able to memorize 100 digits. This proved that there is no universal limit to memory. Ericsson began to promote his idea that "every expert in every field is the result of around 10,000 hours of committed practice." This must be deliberate practice that consists of technique work followed by feedback. It must focus intently on finding weaknesses. This deliberate practice that Ericsson speaks of is the same as the deep practice Coyle promotes. Coyle admits, however, that it is more complicated than Ericsson's work alludes to: 10,000 hours of any type of practice will not always lead to world class skill.

Talent Hotbeds

Coyle turns his attention then to people who excel in groups, including the Brontës, the Z-boys and the greats of the Renais-

> *People are more motivated to continue practicing when their efforts rather than their outcomes are most praised."*

sance. The Brontës were three sisters who, among the three of them, created such literary greats as *Wuthering Heights* and *The Tenant of Wildfell Hall.* Some used to claim that the sisters' greatness appeared out of nowhere and that they were far removed from English society. This is not entirely true, however. The Brontes lived in a place of both politics and of commerce. Additionally, their home environment provided plenty of intellectual stimulation as it was full "with books, current magazines, and toys, overseen by a benign, tolerant father." The sisters wrote books when they were young, but these books did not demonstrate innate genius. The sisters were mainly copying the characters and voices of well known authors of the day. Still, they wrote frequently, and it was this deep practice that Coyle believes is responsible for their greatness. Their writing skill was developed through all of the hours they spent imitating great writers and in a childhood that was full of this deep practice. The sisters enjoyed writing, and they pursued this together. Each cared about the writing their sisters were producing. As Coyle states, the Brontes, "fired and honed millions upon millions of circuits, tangled and untangled thousands of authorial knots, and created hundreds of works that were utter artistic failures except for two redeeming facts: each one made them happy, and each one quietly earned them a bit of skill." This skill consisted of insulated neural circuits that grew. At its publication, critics loved *Wuthering Heights* and called it original, but as Coyle points out, it was not original. It was based upon all of those years of writing the girls produced when they were young.

Coyle states that "geniuses are not scattered uniformly through time in space… To the contrary, they tend to appear in clusters." Coyle then goes on to write about moments of great achievement, including those in Athens, Florence, and London. Florence's Renaissance is the most well documented of the three. While there are many explanations for the Renaissance including the prosperity of the time, as well as the peace, freedom and social mobility residents experienced, Coyle believes that it is shortsighted to attribute the greatness of the Renaissance to just these factors. He writes that "myelin doesn't care about prosperity, peace, or paradigms." Rather, Coyle believes that the craft guilds that were in place in Florence at the time were a big part of what prompted the Renaissance. In guilds, apprentices worked under a master and learned their craft through them. "In short, apprentices spent thousands of hours solving problems, trying and failing, and trying again, within the confines of a world built on the systemic production of excellence." This is what Coyle believes led to the greatness of the time.

Coyle then moves on to the nature versus nurture debates. He believes that seeing success through this paradigm falls short when speaking of genius. Genes do provide blueprints, but writing an instruction book for behavior is incredibly difficult because complex human beings encounter countless different situations in life. Instead of writing an instruction book for behavior, Coyle states that our genes "contain instructions to build our circuitry with preset urges, proclivities, instincts. Genes construct our brain so that when we encounter certain stimuli… a factory loaded neural program kicks into gear, using emotions to guide our behavior in a useful direction." It would be biologically expensive for human beings to create circuits for skills that they will never need to use. For example, skills such as creating software would not have been helpful in the 19th century. The brain responds to this problem with a different design strategy whereby circuits that are used most frequently get the most broadband while those that are fired least get less. These installers work hardest during youth because it is then that people adapt to their environment. Because of this, people believe that the skills they have acquired are gifts, but the real gift is the broadband installer because this is what insulated the needed circuits in the first place.

Rules of Deep Practice

Coyle writes about what he calls the holy shit effect which is the response people have when they encounter greatness For example, a person may be astonished to see a chess player who is able to memorize a board quickly. Coyle attributes this skill, however, to grouping. Another example of grouping is when people see the individual letters for a word and are used to seeing the letters together. Because they have seen this grouping before, they are easily able to decipher the word. This is how chess players react when they see chess boards they have encountered many times before – they can memorize quite quickly. If a computer, however, makes a random configuration not based on the logic that the player expects, it becomes much more difficult for players to memorize the board. The paradigm is gone. Physical skills are built in the same way. An example of this is when a gymnast is able to combine movements seamlessly that they have practiced individually in the past.

There are three steps to chunking. First a person needs to see the whole. Then they need to take apart the whole and divide it into parts. Finally, they must slow things down and practice these individual parts. This is the same regardless of the skill a person is trying to master.

If chunking is the first rule of deep practice, repetition is the second. The author writes, "There is, biologically speaking, no substitute for attentive repetition. Nothing you can do—talking, thinking, reading, imagining—is more effective in building skill than executing the action, firing the impulse down the nerve fiber, fixing errors, honing the circuit." There are caveats to this rule, however. Not all practice is the same. Deep practice requires peo-

ple to be practicing on the edge of their abilities. Second, people can only complete so much deep practice, about 3 to 5 hours, in a single day. Coyle also notes that people need to feel their mistakes as they make them. Successful practice requires those practicing to reach for something, to fail, and then to reach again.

Ignition

Coyle then turns to the motivation that is required to prompt this deep learning. He likens this motivation to an ignition. He notes that many people believe they love what they do because of something innate within them, but it is more complicated than that. Oftentimes, motivation can come from preconceived ideas. For example, Coyle notes a study that followed children learning an instrument. They discovered that the single greatest factor that determined how long a child would continue to play the instrument was how long they believed they would play before they even started. For example, if before a child even had their first practice they believed that they would continue to play throughout life, they were more likely to continue on with their practice once they began. It is the children's preconceived ideas about themselves, not passion, that most affected their outcomes. A lot of times, these ideas involve identity. For example, a child who associates himself with musicians will be more likely to continue on the work of becoming a musician.

Hotbeds are often embedded in places that lack many comforts. People who are ignited are ignited in part because they see a better future. This gives people the motivation to do the deep practice necessary to succeed at high levels. It is not enough, however, for these cues to merely ignite motivation. There has to be a continual supply of signals that keep this motivation going, so it does not fade out. One way to foster this motivation is in the words coaches and mentors use. People are more motivated to continue practicing when their efforts rather than their outcomes are most praised. This praise is most effective when it acknowledges the difficulties a person went through in order to get where they are.

Master Coaching

Coyle then turns to coaching talent, and he lists four virtues of great coaches. The first virtue is referred to as the matrix. He states that "years of work go into myelinating a master coach's circuitry, which is a mysterious amalgam of technical knowledge, strategy, experience, and practiced instinct ready to be put to instant use to locate and understand where the students are and where they need to go." The second virtue is perceptiveness. Master coaches try to deeply understand those they coach so they can better help their students move forward. Coyle calls his third virtue the GPS Reflex. By this he means that good coaches have a sense of urgency to the direction they give. The fourth and final virtue is theatrical honesty. Coyle writes that "many of the coaches I met radiated a subtle theatrical air." They are tuned in with those they work with, and they, themselves, are moral standards.

Coyle ends his book with a discussion about how these insights into myelin are applicable to skills of every kind. Coyle's book opens by describing how myelin works and then delves into numerous case studies involving different types of coaches and different types of teachers including sports coaches, charter school founders, and even a skateboarding team. He goes back in time to the Renaissance to explain how hotbeds of talent were created, providing insight for today about how hotbeds are still developed in the same way. His myriad detailed examples make the book imminently readable while also giving readers blueprints for success.

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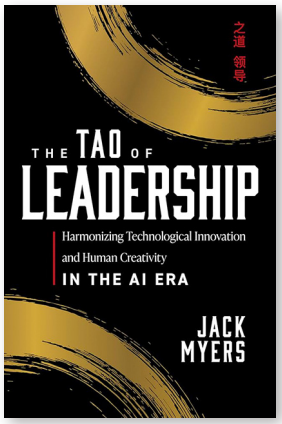
The Tao of Leadership

Jack Myers

Executive Book Summaries®

The Tao of Leadership

Harmonizing Technological Innovation and Human Creativity in the AI Era



by **Jack Myers**

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THE SUMMARY IN BRIEF

What does Eastern philosophy have to do with doing business in the AI era? A lot!

As Jack Myers' ***The Tao of Leadership*** proves, the core principles of ancient Chinese philosophy are cornerstones for building a new model of leadership in a world where human and robotic interactions are increasingly intertwined.

The book shares valuable advice about reorganizing companies and rethinking leadership roles to survive the inevitable effects of the fourth industrial revolution, represented by the rise of artificial intelligence. As AI tools become smarter, leaders must become more empathetic, agile and able to infuse humanity in brand messages and interactions. Also, they must understand the dangers of unethical AI training and rampart AI overtaking every human function in life and business.

By 2050, the author believes that AI will be fully integrated into every aspect of life and business. The decisions leaders take today will define the future: AI-driven for the benefit of humans, or ruthlessly ruled by AI without any consideration for the welfare of people.

IN THIS EXECUTIVE BOOK SUMMARY:

- Discover the five Tao principles and how they apply to leadership.
- Understand the major transformation AI is poised to bring to the entire business world.
- Find real-life case studies, showcasing the ideas presented in the chapter.
- Get actionable tips for implementing the principles of Taoism into your leadership style.

Introduction

The acceleration of technology since the dawn of the internet browser in 1993 has fundamentally reshaped society, businesses, and human experience. The introduction of OpenAI in 2020 marked a pivotal moment, pushing us into an era where technological advancements outpace our capacity to control them. The traditional phases of innovation—once marked by a gradual journey from idea to implementation—must now adapt to an era where the development cycle for technologies and business models is drastically shortened. My Blueprint for Leadership offers structured guidelines for leaders to champion a shift toward a more integrated, responsive, and ethically grounded corporate structure. This blueprint is a practical tool kit that provides business leaders with five core principles for integrating advanced technology with human ingenuity for transformative success.

Principle I – Harmony – Holistic Integration of Creativity and Technology

Chapter 1 - The Synergy of Technology and Creativity

Effective leadership today demands a blend of tradition and futurism, requiring leaders to be agile, informed, and visionary. Leaders must now contend with the complexities of AI and machine intelligence, which add dimensions and layers to an already challenging reality. The invention of the printing press by Johannes Gutenberg in 1440 democratized information, making books and ideas accessible to a broader audience. The Industrial Age in the late nineteenth and early twentieth centuries introduced a wave of technological innovation with the advent of electricity, the telephone, and the automobile. The early twentieth century was a time of significant change, with the rise of radio and, later, television transforming how information was disseminated. In the late twentieth and early twenty-first centuries, the rise of the internet, social media, and mobile technology once again both disrupted business models and spurred a new wave of creativity. Today, we stand at the brink of another transformative era driven by machine learning and generative AI.

The Da Vinci Connection: Bridging the Past and Future of Technology and Creativity

To understand the intersection of technology and creativity in our current era, we turn to the quintessential Renaissance man, Leonardo da Vinci. His notebooks are filled with designs for inventions far ahead of his time, including flying machines. His approach to engineering was fundamentally creative, driven by curiosity and an insatiable desire to understand the mechanics of the natural world.

The Industrial Age: A Symphony of Technology and Creativity

Spanning the late 1800s to the mid-1900s, this era was marked by groundbreaking technological innovations such as the automobile, telegraph, and cinema. One of the most fascinating figures of this era, Antoni Gaudí, embodied the seamless integration of technological innovation and artistic creativity. He invented new architectural methods, such as tilted columns for support, which revolutionized the building of cathedrals while creating structures of unparalleled beauty.

The Technological and Creative Wizardry of Steve Jobs

One of Jobs's most significant contributions to the integration of technology and creativity was the Macintosh computer, introduced in 1984. The Mac was the first personal computer to feature a graphical user interface, making it far more accessible to the average person than the text-based systems that preceded it. The iPhone epitomized Jobs's philosophy. It wasn't just a phone; it was also a powerful, portable computer that redefined how people interact with technology.

The Bilbao Effect: A Symphony of Culture and Innovation

In 1983 a catastrophic flood devastated Bilbao. Local leaders embarked on a bold and ambitious plan to revitalize the city. Their vision was to pivot from an industrial economy to one centered around culture and tourism. The Guggenheim Museum Bilbao opened its doors in 1997, and the impact was immediate and profound. The once-declining industrial town was transformed into a vibrant cultural hub. The era of AI promises to unleash unprecedented creativity and innovation, transforming how we live, work, and create. By understanding the historical context of da Vinci's, Gaudí's, and Jobs's interdisciplinary genius and applying those lessons to modern technological and generational challenges, leaders can navigate the complexities of the AI age. Embracing continuous learning, leveraging emotional intelligence, and fostering inclusivity will enable organizations to harness the full potential of AI while nurturing the human spirit that drives innovation and progress.

Harmonious Innovators: Integrating Technology and Creativity

Embracing continuous learning, leveraging emotional intelligence, and fostering inclusivity will enable organizations to harness the full potential of AI while nurturing the human spirit that drives innovation and progress.

Satya Nadella, the CEO of Microsoft, stands out as a Harmonious Innovator who has effectively leveraged technology for creative and cultural transformation. By prioritizing accessibility and inclusivity in Microsoft's products, Nadella has ensured that technological advancements benefit a broader audience, reflecting a commitment to cultural and creative progress.

Tim Cook, who succeeded Steve Jobs as CEO of Apple, has demonstrated a remarkable balance of technological investment and creative vision. He has fostered a culture of openness and collaboration at Apple, encouraging creativity and ensuring that the company's technological advancements are aligned with its core values.

Sundar Pichai, the CEO of Alphabet Inc. and its subsidiary Google, exemplifies the integration of technology and creativity through harmonious innovation. Pichai has guided Google through significant advancements in AI, machine learning, and quantum computing while maintaining a strong emphasis on ethical considerations and user-centric design.

Jacinda Ardern, the former prime minister of New Zealand, exemplifies how harmonious innovation can lead to significant technological and cultural advancements. Her government's handling of the COVID-19 pandemic, climate change policies, and focus on mental health and well-being reflect her commitment to empathetic governance. Ardern has also championed technological innovation, particularly in renewable energy and digital infrastructure.

Principle II – Flexibility – Innovative Thinking with Disciplined Leadership

Chapter 2 - The Odyssey of Innovation

As we look forward to 2050, most corporations, and especially large public companies, remain locked in legacy structures unchanged since 1952 that restrain agility and speed. Leaders in the AI era must understand and embrace the need to overcome inertia, resistance, and risk aversion to innovate with speed and agility. To thrive, they must cultivate a mindset that values experimentation, embraces failure as a learning opportunity, and prioritizes agility in their strategic planning.

Chapter 3 - Viewing the Change Through the Prism of Media

Johannes Gutenberg's invention of the mechanical movable-type printing press around 1440 marked the onset of the Printing Revolution. The telegraph's success laid the groundwork for another transformative invention: the telephone. From the telephone, the leap to radio and television marked another significant advancement in communication.

In 1991, Tim Berners-Lee invented the World Wide Web, a system that utilized hypertext to link documents and enable easy navigation. The most recent paradigm shift comes with the advent of generative AI, a technology capable of creating content and solving problems with minimal human input. This new era, marked by the integration of AI in everyday life, represents a profound transformation in human-technology interaction.

Cable TV: A Case Study in Corporate Innovation and Inertia

Cable television's growth was spurred by the establishment of channels that offered unique content not available on broadcast TV. Traditional broadcast networks initially resisted the rise of cable television. By the time broadcast networks recognized the potential of cable TV, they had already lost significant ground to early cable operators and networks.

Leaping forward to 2025, the broadcast industry's failure to learn from past mistakes has resulted in even greater economic consequences. Traditional broadcasters were late to the streaming TV business, allowing companies such as Netflix, Amazon Prime Video, and Roku to gain a significant head start.

Chapter 4 - Michael Milken and Financial Capitalism

Michael Milken played a pivotal role in the growth of the cable television industry during the 1980s. Milken pioneered the use of high-yield bonds, commonly known as junk bonds, to fund ventures that traditional banks and investors deemed too risky. This innovative form of debt equity provided crucial financing for several burgeoning

cable enterprises. Milken's actions, while aggressive, were instrumental in reshaping the financial markets and driving economic growth. His use of high-yield bonds is now a standard tool in corporate finance, and many of the innovations he introduced have been integrated into modern financial practices. The lessons from Michael Milken's financial innovations, the rise of venture capital, and the ongoing advancements in AI highlight the need for a balanced approach that complements the narrative of technological progress with a strong commitment to social responsibility.

Principle III – Balance – Leveraging Machine Intelligence

Chapter 5 - "Real" Science Fiction

Science fiction has long served as a prophetic lens through which we can envision the future. Blade Runner, based on Philip K. Dick's novel Do Androids Dream of Electric Sheep?, presents a future where bioengineered humans, or replicants, are indistinguishable from real humans. This narrative foresaw the complexities of AI and humanlike machines. As we consider the future of a cybernetic reality, we must also address the current state of technological advancement. Virtual reality (VR), augmented reality (AR), and deepfakes are creating highly immersive simulations that often feel more real than reality itself. As we stand on the cusp of Cybernetic Reality, we must embrace this future with open minds and a readiness to adapt. While many organizations have incorporated digital advancements and responded to unprecedented changes over the past few decades, they have not yet reached the point of realizing the visions once imagined in science fiction Organizations are weighed down by overlapping siloed teams, each performing redundant tasks within departments, divisions, and business units.

Chapter 6 - The Advantaged and Disadvantaged

The advent of the internet browser in 1994 marked a significant technological breakthrough. However, this innovation also created a stark divide between the internet "haves" and "have-nots." Amazon embraced technology from the start. Founded by Jeff Bezos in 1994, Amazon began as an online bookstore. Recognizing the internet's potential, Bezos invested heavily in digital technology and marketing.

In contrast, Kodak, once a dominant player in the photography and film industry, was slow to embrace digital technology. Despite developing the first digital camera in 1975, Kodak feared digital photography would cannibalize its film business. Its late attempts to pivot to digital products and services were insufficient to reverse its decline. By 2012 Kodak filed for bankruptcy, a stark contrast to Amazon's meteoric rise.

In today's technological environment, the integration of generative AI and machine intelligence is becoming essential for corporate success. Companies that embrace these advancements, such as Amazon, thrive, while those that resist change, such as Kodak, falter.

Chapter 7 - Transhumanism in 2050: A Seamless Narrative

Looking forward to the year 2050, the corporate landscape has shifted dramatically. AI-driven systems manage routine tasks, allowing humans to focus on creative, collaborative, and strategic endeavors. The true differentiators of success—creativity, empathy, and intuition—remain uniquely human qualities.

In an alternate vision for the year 2050, the unchecked and rampant development of generative AI and machine learning—without the complementary influences of human ingenuity, intuition, creativity, and empathy—has led to a markedly different world. AI-driven systems manage all aspects of business operations, from hiring and firing to project management and customer service. The gap between the technological "haves" and "have-nots" has widened, with access to advanced education and high-paying jobs concentrated among a privileged few. As we look toward the future, the lessons from this alternative vision of 2050 remind us of the importance of balancing technological advancement with humanistic values.

Chapter 8 - Building Portals, Not Bridges

Companies must invest in AI, machine learning, and other disruptive technologies to remain competitive. It's equally imperative to build portals rather than rely on legacy practices that argue for bridges from the past to the future. Effective leaders in the AI era will understand and embrace the transformative potential of combining analytics with human-centric values. The following steps outline how leaders can effectively integrate advanced generative data analytics into their decision-making processes:

1. Invest in Data Literacy Training
2. Adopt Advanced Analytics Tools
3. Foster a Data-Driven Culture
4. Integrate AI and Machine Intelligence
5. Promote Creativity and Innovation

Effective leaders in the AI era will understand and embrace the transformative potential of combining analytics with human-centric values.

6. Ensure Ethical Data Use
7. Implement Empathetic Analytics

Chapter 9 - The Future of Personalized Experiences

The integration of machine intelligence and generative AI offers unprecedented opportunities to understand and meet individual customer needs. However, the potential of AI in personalization comes with significant responsibilities. Privacy concerns are paramount, and organizations must ensure that they handle customer data with the utmost care and transparency. Balancing automation with a human touch is also essential. While AI can automate many aspects of customer interaction, maintaining a human touch in critical areas is necessary.

Principle IV – Simplicity – Building Resilient Organizations

Chapter 10 - Introducing New Human Priorities

Embracing the interplay between human ingenuity and technological capability defines the next horizon of corporate and societal advancement. Visionary thinking allows leaders to foresee potential disruptions and opportunities, fostering a culture of innovation that leverages AI to gain competitive advantages and transform business operations.

How to Develop Visionary Leadership Skills:

- Continuous Learning and Curiosity
- Strategic Thinking
- Emotional Intelligence
- Risk Management
- Fostering Creativity
- Collaborative Leadership

Implementing Visionary Leadership:

- Embrace Strategic Foresight
- Foster Inspirational Leadership
- Demonstrate Resilience and Adaptability
- Make Decisive Decisions

Leaders are now challenged to develop a collaborative approach to risk management, a challenging shift for any organization aiming to compete successfully in this dynamic environment. The leadership qualities necessary to master risk management include foresight, decisiveness, adaptability, and resilience.

Chapter 11 Context-Aware AI, Inclusivity, Education Sustainability and Globalism

Leveraging AI to offer personalized experiences that cater to individual preferences and identities can significantly enhance user satisfaction. Generative AI has the potential to revolutionize education by adapting to the learning pace and style of each student, providing personalized resources and support. Corporate leaders also have a vital role to play in supporting education. By investing in educational programs within their companies, they can ensure that their workforce is prepared for the future. The training of AI models, especially deep learning models, requires vast amounts of computational power. Data centers, which house the necessary hardware for AI training and operations, consume a tremendous amount of energy. Transitioning to energy-efficient data centers can significantly reduce the carbon footprint of AI operations. Developing more efficient algorithms that require less computational power for training and inference can also help. Ensuring that the hardware used for AI, from servers to chips, is produced and disposed of sustainably is crucial.

As AI continues to evolve, its adoption and implementation vary significantly across different regions and cultures. Collaboration among nations is essential to address the challenges and opportunities presented by AI. Leaders must advocate for policies that promote the responsible development and deployment of AI, ensuring that technological advancements are aligned with global ethical standards and human values.

Principle V - Integrity – Organizational Consolidation across Capabilities

Chapter 12 - The FusionFlow Process

Integrating the FusionFlow Process into legacy business models involves a multistep approach to ensure smooth transition and full integration across divisions:

- Strategic Assessment
- Incremental Integration
- Cross-Departmental Collaboration
- Continuous Learning and Adaptation
- Leadership and Vision Alignment

Silos, traditionally created to manage complexity and scale within decentralized companies, are now proving to be major obstacles in an era characterized by rapid technological advancements. By breaking down silos and encouraging collaboration across different departments and functions, dynamic team structures create the ideal conditions for innovative thinking. Transitioning to a dynamic team structure is not without its challenges. Here are the recommendations for breaking down silos:

1. Foster a Culture of Open Communication
2. Promote Cross-Functional Teams
3. Implement Agile Practices
4. Invest in Continuous Learning
5. Encourage Empowerment
6. Break Down Hierarchical Barriers
7. Integrate Technology Seamlessly
8. Promote a Unified Vision
9. Encourage Interdepartmental Collaboration and Eliminate Redundancy
10. Monitor and Adapt

Chapter 13 - Future-Focused Leadership Techniques

Scenario planning is an essential tool for future-focused leadership. It helps leaders anticipate various potential futures and develop strategies that are robust across different possible outcomes.

Agile leadership is another critical component of future-focused leadership. Agile leadership involves embracing principles such as iterative development, continuous feedback, and adaptive planning. AI transformation leadership is a crucial aspect of guiding organizations through the integration of AI and machine intelligence. Leaders who possess resilience can maintain their composure and decision-making abilities even under intense pressure. They inspire confidence in their teams, providing a stable anchor during times of uncertainty. Adaptability is another key leadership quality. Adaptable leaders are open to new ideas, willing to experiment, and capable of shifting strategies when necessary. Senior leaders must model these qualities in their actions and decisions, demonstrating a willingness to embrace change, learn from failures, and support their teams through challenges.

Chapter 14 - Embracing the Future

Leadership in the AI age demands a blend of tradition and innovation. As technology evolves, so must the skills of the workforce. However, the rapid pace of technological advancement can quickly render today's skills obsolete. Leaders must navigate these uncertainties with a commitment to continuous skill development and fostering a culture of innovation and adaptability within their organizations. Bridging generational divides within organizations is another critical challenge. Effective leaders foster an inclusive culture that values diverse perspectives and promotes collaboration.

Leaders must evolve their skills to interpret and act on advanced data insights, utilizing AI tools to enhance decision-making and drive innovation. However, leaders must ensure that AI is used ethically by incorporating transparency, fairness, and accountability in AI-driven insights. Statistics and surveys often point to a significant gap between the importance of continuous learning and its practical implementation. To bridge this gap, it is crucial for leaders to rethink what it means to engage in continuous learning. Here's how leaders can foster this mindset:

- Embed Learning in Daily Routines
- Leverage Technology for Microlearning
- Cultivate a Culture of Curiosity
- Set Personal and Team Learning Goals
- Encourage Cross-Functional Projects
- Recognize and Reward Learning Achievements

Chapter 15 Future of the Workforce

The COVID-19 pandemic has forever altered the land-

scape of work, accelerating the adoption of remote and hybrid work models. Leaders must recognize that the shift to hybrid work is now a permanent fixture of the corporate landscape in businesses that do not require full-time, in-person presence. To effectively manage remote and hybrid teams, leaders should develop comprehensive strategies that encompass the following recommendations:

1. Establish Clear Communication Channels
2. Cultivate a Cohesive Company Culture
3. Leverage AI and Machine Intelligence
4. Practice Empathetic Management
5. Invest in Technology
6. Encourage Flexibility and Autonomy
7. Focus on Outcomes, Not Processes
8. Provide Continuous Learning Opportunities
9. Implement Regular Feedback Mechanisms
10. Promote Diversity and Inclusion

Understanding the human side of restructuring involves recognizing that change can be unsettling and requires careful management. Leaders who focus on the human aspect ensure that their teams are supported throughout the transition, fostering a culture of trust and collaboration. The increasing capability of AI to mimic and even enhance humanlike emotional responses challenges leaders to redefine their roles. Human leaders must focus on fostering genuine empathy, deep relational connections, and moral and ethical decision-making—areas where human judgment is still superior and more nuanced than AI.

Social intelligence involves understanding and navigating social situations and building strong interpersonal relationships. Active listening is an essential skill for leaders aiming to improve their emotional and social intelligence. Conflict resolution is another critical area where emotional and social intelligence play a significant role. Leaders must be adept at managing and resolving conflicts in a way that is constructive and fair.

Multilingual and multicultural AI serves as a bridge across global divides, allowing for more inclusive communication and collaboration. This capability enhances human creativity by providing tools that facilitate the exchange of ideas and knowledge across cultural boundaries.

Structured mentoring programs designed to support underrepresented groups have bridged gaps in access to opportunities and professional networks.

Leaders should leverage AI to enhance the mentoring process by providing data-driven insights and personalized recommendations. To fully embrace the future role of AI and machine intelligence, mentoring programs should focus on the following:

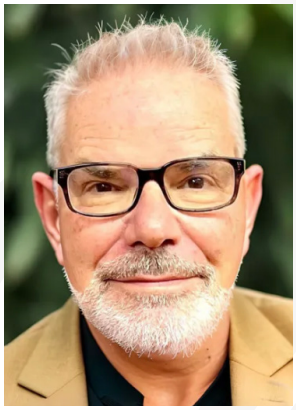
1. Incorporate AI-Driven Insights
2. Leverage Predictive Analytics
3. Enhance Personalization
4. Promote Techno-Humanism
5. Facilitate Continuous Learning

Conclusion Harmonizing Yin and Yang in the AI Era

This book represents a vision for 2050 that offers a balanced and hopeful future, where technology and human values coexist harmoniously. Central to navigating this landscape is the ancient Taoist philosophy of yin and yang, which embodies balance and harmony.

In leadership, yin and yang can be seen as the balance between strategy and execution, intuition and analysis, and innovation and tradition. Leaders who master this balance can harness the strengths of both forces, fostering a harmonious and effective organizational environment.

The Blueprint for Leadership in the AI era offers a comprehensive road map for creating organizations that are ready for anything. This is your opportunity to lead with vision, embrace innovation, and create a legacy of enduring success.



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The Ten Golden Rules of Leadership

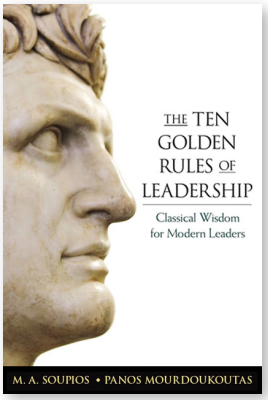
M. A. Soupios & Panos Mourdoukoutas

Executive Book Summaries®

The Ten Golden Rules of Leadership

Classical Wisdom for Modern Leaders

by **M. A. Soupios and Panos Mourdoukoutas**



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THE SUMMARY IN BRIEF

The Ten Golden Rules of Leadership draws on classical philosophy to argue that effective leadership is not rooted in position, technique, or charisma, but in character, judgment, and disciplined self-knowledge. Authors Michael A. Soupios and Panos Mourdoukoutas contend that leadership begins with understanding one's inner world—strengths, weaknesses, motives, and blind spots—and translating that self-awareness into principled action.

Across ten rules, the book explores how a leader's character shapes workplace culture, the ethical use of power, and the quality of organizational life. Leaders are challenged to cultivate healthy communities, distinguish constructive competition from destructive antagonism, embrace truth and candid criticism, and apply skepticism when evaluating information. Classical figures such as Socrates, Aristotle, Hesiod, Sophocles, and Heraclitus are used not as historical ornament, but as lenses through which modern leadership dilemmas can be better understood.

The central message is consistent throughout: authority without integrity produces compliance, not commitment. Lasting leadership emerges when leaders live by a higher personal code, align ambition with ethics, and transform power into trust. This summary presents leadership as a moral discipline—one that demands courage, restraint, and continuous self-examination.

IN THIS EXECUTIVE BOOK SUMMARY

- Understand how character shapes authority, power, and workplace culture
- Distinguish ethical leadership from coercion and the misuse of power
- Harness competition and ambition without allowing them to become destructive
- Build trust through integrity, self-knowledge, and principled judgment

RULE 1

Know Thyself

Without question, knowledge is an indispensable feature of leadership. Among other things, it is an essential component in addressing the many problems with which leaders are routinely confronted.

There are two types of knowledge: the factual information that can be acquired by formal education and real-world practices and the knowledge of one's own inner world. It is this second category that uniquely establishes the standard of real leadership.

Self-comprehension, therefore, is a fundamental precondition necessary for real leadership. Leaders must understand their inner world—their strengths and weaknesses as well as their bright and dark sides.

Coming to know thyself in a modern sense of the phrase is an immensely difficult task. The modern world offers an endless assortment of trivial endeavors that encourage a superficial, nonanalytical existence. Even for those inclined to seek deeper meaning and understanding, the volume of distraction is such that very few are able to engage in anything approximating a meaningful program of self-interrogation.

There are psychological obstructions we all tend to erect in an attempt to shade our eyes from the glare of troublesome truths. Failure to remove these obstacles renders taking stock of oneself impossible. Those who fail in this regard will never command the intuitions and insights requisite for real leadership. It is essential that the would-be leader commit to an agenda of spirited self-indictment, because the most lethal distortions come not from the lips of our opponents or competitors. They tend to flow, instead, from our own hearts.

Humans are by nature hedonists—pleasure seekers who instinctively desire ease and comfort over challenge and pain. For this reason, the pursuit of truth is rarely comfortable, particularly when it requires understanding who and what we really are. The truth can set us free, but it is not an easy thing to obtain. This category of truth requires struggle, discipline, and courage. Knowing thyself means bringing a fresh transparency to hidden motives and identities. It involves self-revelation whereby one ruthlessly exposes the frauds and deceits that give comfort.

There is the increasingly important obstacle of mass media imagery. With very few exceptions, we are continually bombarded with portraits of successful types who allegedly merit emulation. These dubious paradigms tend to glamorize lives that are as superficial and inane as they are unreflective. They promote a disreality that suggests there is no particular urgency in considering the larger questions of life.

Let's be clear about what this implies for leadership. The vast majority of people are unwilling to explore the dark regions of their inner being. In doing so, they create a counterfeit reality for themselves, which can place any organization at great risk.

Knowing oneself means the end of role-playing. It involves casting a harsh and unforgiving light upon a variety of self-exonerating falsehoods. It takes a good deal of nerve to unmask those reassuring lies we so enjoy telling ourselves. But it also takes a good deal of nerve to be a real leader.

RULE 2

Office Shows the Person

Of all the many problems facing today's business world, none is more critical than the quality of the work environment. In the absence of an affable work setting, employee loyalties quickly dissolve. The number one reason for employee exit is a disagreeable workplace. The organization forfeits the time, energy, and resources it invested in recruitment and suffers the effects of having employees who lack meaningful commitment over time.

Negative work settings do not occur spontaneously. This failure can be traced to managerial deficiency and, more often than not, to the abusive misapplication of power. Nothing will more rapidly alienate workers than a manager who delights in resorting to the stick as opposed to the carrot.

As Pittacus observed, "Office shows the person." The assumption of authority brings out the leader's inner world. It reveals whether the leader has undergone a process of honest self-discovery that allows for the productive application of power. Power will invariably reflect what no résumé ever does, namely the psychological and spiritual disposition of the person.

Lord Acton, a 19th century British historian, said, "Power tends to corrupt and absolute power corrupts absolutely." The misuse of power is a direct result of psychological deficiency. Power becomes a compensatory asset employed as a defense mechanism to offset feelings of inadequacy and vulnerability. The abusive application of power is the only way some leaders can attain a sense of security and confidence. Such situations reduce the work environment to a dysfunctional psychodrama in which morale and productivity are compromised.

> The most lethal distortions come not from the lips of our opponents or competitors but from our own hearts.

Healthy and productive work settings are not the result of spontaneous good fortune. The most important ingredient for success is quality leadership. Failures of leadership will virtually ruin the organization. None is more lethal than arbitrary applications of power. Supervisors who micromanage, second-guess, criticize, and bully are a toxic presence. Their abuses destroy worker motivation, compromise loyalties, and create debilitating resentments.

By contrast, true leaders who have developed a philosophy of life use authority to advance the causes of the organization. Authority, in their hands, becomes an instrument of integrity and conscience.

Effective leaders have no need for or interest in browbeating staff members. They offer object lessons in the fair and enlightened application of authority, leading by dignified example and turning subordinates into believers willing to go the extra mile to advance institutional objectives. True leadership does not come from the crack of a whip. Instead, it reflects a special wisdom that recognizes how often the cooing of a dove proves more profound and productive than the roar of a lion.

RULE 3

Nurture Community in the Workplace

Well-functioning corporate communities and positive group sentiment are the foundation of the modern workplace. They gather and focus the energies and resources of business organizations in the pursuit of institutional goals. These cooperative units do not arise spontaneously. They tend to be uniquely related to the talents of the leader.

There is no greater evil than discord and faction and no greater good than the bonds of communal sentiment. Only when a social unit enjoys a harmony of value and loyalty will it be able to attain its desired objectives. Therefore, fostering community and shared purpose are virtues leaders must nurture by providing the right support, guidance, and incentives.

Some of the world's most successful companies have attained their status because they enjoy a philosophy of leadership that reflects the virtue of team. They understand both the logic and efficacy of an environment in which the workforce is skillfully forged into productive units that approach the term "we" as an essential part of the corporate culture.

The two obstacles to creating corporate communities:

- Individualism—placing "I" before "we"
- Lack of willingness to critically self-assess

American culture has an almost romantic fascination with the virtues of the individual. Yet even the most successful individuals depend on a complex system of collective support mechanisms. Ignoring or rejecting these attachments risks cutting oneself off from a critically important shared resource. One of the most essential responsibilities of a genuine leader is to help subordinates recognize that the logic of collective action benefits both the organization and the individual.

A well-ordered group functions as a force multiplier in which the potency of both the unit and the individual enjoy mutual enhancement. The key defining elements include a strong sense of loyalty and commitment to the organization, a spirit of genuine camaraderie among team members, and a consistent willingness to subordinate personal interest in favor of the larger good.

Team composition is critical. Leaders must carefully assess personalities with an eye toward the group dynamic they create, recognizing that chemistry is essential. Facilitation must never be confused with abdication; without continuous guidance, the group can disintegrate into antagonistic camps.

Leaders must keep the group grounded, focused, and on point, adapting a balanced approach—at times laid-back, at times decisive—to avert groupthink. Real leaders resist the temptation to reduce the team to a personal ego platform and, whenever possible, default to "we" as opposed to "I."

RULE 4

Do Not Waste Energy on Things You Cannot Change

The word "change" has become a critically important term in today's corporate world for two reasons. First, the spread of globalization with its rapid development of integrated

markets has made change a constant and unavoidable aspect of doing business. Second, the rapid advancement of information technology has produced an environment in which business models are in a continuous state of flux.

If corporations are to survive and prosper in such change-driven environments, "they should strike out on new paths rather than travel the worn paths of accepted success," to use John D. Rockefeller's words. Steering clear of old paths and strategies is often difficult. Old habits and institutional inertia are powerful forces that distort the need for change and innovation. They can link the institution to policies and programs with little or no prospect of success while wasting valuable resources.

Conventional wisdom can obscure sound business practices. Subcontracting and outsourcing helped personal computer makers cope with competition brought about by globalization but failed to protect the industry against alternative products such as tablets and smartphones. Similarly, the maxim that concern for core business is the key to competitive advantage can no longer guarantee profitability.

The failure of Eastman Kodak and the gradual decline of Xerox prove that not all strategies work in a rapidly changing business environment. Leaders must assume a posture of flexible response: quick to take advantage of new opportunities and quick to discard practices with little prospect of benefit. Do not waste resources and energies on things you cannot control and things you cannot change.

Aristophanes wrote the comedy *Peace*, which offers a pointed illustration of this principle. One character says, "never will you make the crab to walk straight." The message is clear: some events and circumstances are unlikely to change, no matter how aggressively we attempt to alter them. This insight underscores the importance of knowing when to suspend efforts to control or transform situations that defy modification.

Leaders tend to be hard-charging types who relish the exhilaration of long odds. They seek opportunities to succeed where others have failed and are prepared to redouble their own efforts and those of their subordinates. There are, however, limits. There will be times when too many variables lie beyond the control of the executive. For instance, they may have control over corporate goals, staffing, corporate partners, and location of units, but not over government policies and competitors.

Genuine leaders understand the consequences of failure and are prepared to acknowledge their role in unfruitful enterprises. They are objectively realistic about challenges and accept that on occasion they are incapable of dispensing miracles. After all, it is a fool's errand to seek to alter the lateral stride of a crab.

RULE 5

Always Embrace the Truth

Anyone who has worked for a large organization has probably noticed a herdlike mentality among subordinates—a tendency to routinely endorse the decisions made at the top, even if those decisions steer the corporate ship in the wrong direction. Dishonest assessments and false praise are potentially toxic features of the corporate environment and must be dealt with in a straightforward manner by a genuine leader.

Apple-polishing is distortive of truth, and truth is the lifeblood of the organization. Effective leaders should always embrace the truth, always encourage candid criticism throughout the organization, be skeptical of flattering appraisals, and never let authority place a wedge between them and the truth.

"There are only two people who will tell you the truth about yourself—an enemy who has lost his temper and a friend who loves you dearly," said Antisthenes. The evaluative commentaries offered by those around us must be viewed with considerable skepticism. It highlights the remarkable infrequency with which people receive legitimate appraisals about themselves. How a leader responds in these situations will disclose not only that person's likely success as an administrator but, more fundamentally, the leader's status as a person.

Wise leaders understand that honest assessment is an essential requirement of effective leadership. It is crucial that opportunity for candid expression be encouraged as widely as possible throughout the organization. The higher up the corporate ladder an executive ascends, the less likely it is that person will receive complete and accurate evaluation. Encouraging such submissiveness jeopardizes the welfare of both the organization and the leader.

How pseudo-leaders seal themselves off from truth:

- They avoid hiring heretics—the opinionated and quarrelsome individuals.
- They have little time for dissenting opinions in corporate meetings.
- They evaluate subordinates according to their affability rather than their performance.

> Power will invariably reflect what no résumé ever does, namely the psychological and spiritual dispositionof the person.

Managers must develop the skill and the courage to carefully read the motives of those around them. Learning to stop conning oneself will place the manager in a substantially better position to recognize others' attempts at conning. No leader can hope to do a responsible job in an atmosphere devoid of opportunity for candid expression and forthright analysis.

Real leaders will never be surrounded with a company of honey-tongued parasites, never limit communication to those who passively accept the predigested views of management, and never make the utterance of truth the organization's one unpardonable sin. Truth is an invaluable strategic corporate asset. Don't let it go to waste. Embrace it.

RULE 6

Let Competition Reveal Talent

Talent is the catchword of modern business, for good reason. It is the ultimate source of competitive advantage, especially in high-technology industries where corporations rely on innovation to differentiate themselves from the competition. Bringing talent out and aligning it with organizational interests requires an environment that allows employees to compete with each other in a constructive rather than a destructive way.

Anyone familiar with the history of ancient Greece knows that conflict was a continuous aspect of their civilization. The Greek term for these rivalrous passions is *agon*, meaning "contest," and from the earliest beginnings of their history, the Greeks employed competition as a mechanism for identifying an individual's comparative worth and merit. They understood the potent psychological forces involved in opportunities to achieve distinctions of honor and glory. Much of the Greek cultural achievement was directly related to the harnessing of these energies.

Hesiod, the ancient Greek poet best known for *Works and Days,* describes two forms of *Eris* (strife) that animate the human spirit. One takes the form of *antagonism*—a malignant, destructive strife that produces the evils associated with war and releases the selfishness of the individual. Yet he also acknowledges a second, more beneficial form of strife: *competition*, a constructive force rooted in envy and pride that does not lead to the brutalities of the battlefield. Instead, this form of contention proves productive in economic terms, releasing the ingenuity and creativity of the individual.

Hesiod explains how this constructive strife motivates the shiftless man to work, how neighbor vies with neighbor in the pursuit of wealth, and how members of every vocation are driven to compete within their fields. The net effect of this competitive spirit is the production of more and better "fruit," which is why he concludes that "this strife is wholesome for men." Long before modern economists, he grasped the critical connection between human ego and economic productivity—a logic that continues to underpin the system we call capitalism.

For leaders, this distinction is essential. Competition is not inherently destructive, but it must be nurtured, harnessed, and directed to prevent it from devolving into antagonism. Human ambition, when properly managed, can play a critical role in fulfilling organizational objectives. Motivation of this sort, what might be called "impulsions from within," is rare in large, complex institutions, yet it must remain a pivotal concern of effective leaders. Designing environments that cultivate such motivation through well-structured competition requires leaders to be keen assessors of human personality and disciplined stewards of competitive energy.

RULE 7

Live Life by a Higher Code

Of all challenges business leaders face as organizations grow, one stands out: aligning subordinates' behaviors, goals, interests, and attitudes with the larger organization. Without alignment, leaders have authority but not the power to lead. Subordinates may comply publicly but violate decisions privately, reducing the likelihood of achieving institutional objectives.

Under these circumstances, it comes as no surprise that scores of academic papers have been published proposing all sorts of solutions to the problem, from bureaucratic restructuring to sanctions and rewards to cultural controls. But none of these measures can yield the desired results unless leaders earn the trust of their subordinates. The trouble is that trust

doesn't happen by accident, nor can it be manufactured by an army of consultants. Trust must be nurtured over time, and it comes only to those who have dedicated themselves to a higher life code. This is the means by which subordinates become committed followers.

In the history of Western thought, few voices can match the authoritative tones of Aristotle. In *Nicomachean Ethics*, a foundational work on moral philosophy and human flourishing, Aristotle presents a detailed account of the qualities necessary for a good life. In Book 4 of that work, he offers a famous portrait of the "magnanimous" or "great-souled" person. While much of this description reflects distinctions between ancient and modern worldviews, certain traits of the great-souled individual remain remarkably relevant for leadership.

The great-souled individual possesses a strong sense of self-worth—not narcissism—because he or she lives by a higher and more rigorous life code. Personal honor, not ego, is the ultimate priority. Such individuals are morally attuned and largely indifferent to money, power, and title except as secondary outcomes of principled living. They resist petty vanities, never flaunt superiority to demean others, value honesty over opinion, speak directly without guile, refuse to hold grudges, assist without seeking aid, and remain calm in crisis situations.

Every large organization has both a formal and informal identity. Staff may comply with policy in form while violating its spirit in practice, which is why effective leadership must command both. Authority confers formal prerogatives, but power lies in influencing beliefs and conduct even without formal title. A great-souled leader, combining character with both formal authority and informal respect, ensures the highest probability of institutional success.

RULE 8

Always Evaluate Information with a Critical Eye

When assessing information, no organization can afford to be complacent. Knowledge and information are in constant change. What was conventional wisdom yesterday may no longer be valid today. Leaders must consider the circumstances that shaped the information, even the means by which it is conveyed must be critically examined. They should never assume information is unsoiled by hidden agendas, must suspend judgment until data is critically evaluated, and resist the temptation to rush to judgment.

Anyone familiar with ancient Greek philosophy understands that open-ended inquiry was its unique hallmark and that it was specifically this willingness to pursue truth in a fresh and unrestricted manner that distinguished the Greeks from the rest of antiquity. Whereas other ancient peoples were burdened by received opinion, the Greeks insisted, as Socrates said, that "the unexamined life is not worth living."

Socrates repeatedly warned against the conceits of wisdom, a position that explains his famous response to the Oracle of Delphi, a sacred religious authority in ancient Greece believed to speak for the god Apollo, when it identified him as the wisest of the Greeks: "All that I know is that I know nothing." In other words, Socrates was considered wise precisely because he refused to be inflated by the pretense of knowledge.

Ancient Greek Skeptics, a philosophical movement that challenged baseless intellectual conviction, advanced a critical mental attitude they believed should become a standard feature of every thinking person's cognitive arsenal. The essence of this mindset is reflected in the term *epoche*, which refers to a bracketing or "suspension of judgment." Skeptics highlighted the need to control a reflexive tendency to jump to conclusions and to assign truth status to ideas, theories, and explanations that fail to merit such attribution.

By adopting skepticism's idea of *epoche*, contemporary leaders enhance administrative effectiveness. This practice of bracketing information slows premature judgment, allowing leaders to certify the credibility and usefulness of information prior to its inclusion in decision-making. Many important choices are too often based on improperly examined premises—assumptions shaped more by conceptual inertia than on meticulous assessment.

Dogmatic thinking is not unique to philosophers; large organizations are equally prone to advancing propositions devoid of factual foundation or adequate evidence. Leaders who recognize this risk apply *epoche* deliberately, proceeding with caution when certifying the credibility of data that will guide critical decisions.

An important part of skepticism involves disabusing ourselves of the myth of pristine information. Both context and medium often contain obscure meanings and hidden intentions. Even hard evidence such as statistical data needs careful scrutiny. Leaders must inspect the source of information, methods of compilation, degree of filtering, track record of suppliers, and possibility of hidden agendas. Strictly speaking, no leader can afford to be complacent when assessing information necessary to operate effectively.

> Trust must be nurtured over time, and it comes only to those who have dedicated themselves to a higher life code.

RULE 9

Never Underestimate the Power of Personal Integrity

Professional success is the goal of every leader. That goal, however, can be pursued in two ways: the easy way and the hard way.

The easy way involves a denial of principle and integrity. This approach may yield some rapid, short-term gains, but in the end, it typically results in harm to both the organization and the leader. No corporation can benefit when blind ambition and intoxicating greed become the coin of the realm. In contrast, the more difficult path represented by ethical conduct will produce superior results for the company and the executive alike.

Sophocles wrote the play *Philoctetes*—a work we believe should be read and carefully considered by every executive. The two central characters are Neoptolemus and Odysseus.

Neoptolemus is a young man of undefiled principle for whom honor and integrity are the primary concerns of life. Odysseus is a man of mischief and deceit intent upon compromising the youthful integrity of Neoptolemus. Throughout the play, Odysseus advances a dishonorable agenda—the belief that the ends justify the means. Neoptolemus ultimately rejects this view, declaring, "I would prefer even to fail with honor than win by cheating."

Hard-core cynics believe the principled path leads to defeat and failure and that success must be grasped by whatever means necessary. Any executive who allows moral considerations to cloud thinking empowers the competition with potentially devastating advantages. Dishonesty, duplicity, and deceit are never justifiable activities for a real leader. Managers who rationalize conduct, manufacture fictional rationales, and allow moral considerations to be fluid will inevitably come to grief in every facet of life, including their careers.

The contrast between these two paths can be illustrated by considering two executives with markedly different career trajectories. Executive A did not simply climb the corporate ladder but hacked a way to the top through ruthless ambition, guided by the belief that principle is for losers and that success depends on how low one is willing to sink. Over time, despite evident ability, this mindset produced a notorious reputation. Subordinates first, and eventually senior leaders, came to view Executive A as untrustworthy—a toxic asset whose questionable conduct threatened morale, collaboration, and even legal exposure, rendering the individual a corporate pariah.

Executive B, by contrast, operates from a deeply held moral conviction consistently evidenced in professional conduct. Known throughout the organization for integrity, transparency, and candor, this executive has accumulated a substantial fund of trust and goodwill. Superiors and subordinates alike are eager to collaborate, confident that Executive B's word serves as an ironclad guarantee.

The comparison makes abundantly clear that while ruthless ambition may yield short-term advancement, ethical leadership sustains credibility, strengthens institutional loyalty, and supports long-term success for both the leader and the organization.

Honesty, truthfulness, and integrity are invaluable aspects of human credibility. Minus such credibility, no manager can ever hope to attain the status of a real leader. Following the path of Neoptolemus, rather than Odysseus, ensures honor and long-term success.

RULE 10

Character Is Destiny

Character is the essence of the philosophy of leadership. The set of values leaders espouse, the priorities they embrace, and the life code they live by shape the future of the organizations they lead. As Heraclitus famously observed, "Character is destiny." True leadership begins within, not without.

Heraclitus is best known for the doctrine of the unity of opposites, which holds that the apparent turmoil and chaos of the world are largely the product of human misunderstanding. Rather than denying change, he argued that reality is highly dynamic, yet governed by an underlying order. What appears disjointed or chaotic is, in fact, part of a well-calibrated harmony in which change in one area is matched by corresponding adjustments elsewhere.

According to him, this hidden order binds existence into a coherent whole, and it is humanity's persistent failure to perceive it that led him to criticize those who considered themselves wise. Disorder, in other words, is often not a feature of reality itself but a symptom of flawed perception.

Who a person is—the values one espouses, the priorities one embraces, the life code by which one lives—inevitably plays a significant role in determining the quality and substance of life. Character tends to be the prime determinant influencing virtually every facet of human experience, from personal relationships to professional lives. Those of good character acknowledge and respect the rights of others, have the courage to accept responsibility for their own shortcomings, and operate in loyalty to a personal code of conduct. This wisdom, stemming from deep self-understanding, helps shape the destiny of real leaders.

The utility of this insight will not be lost on real leaders. Such men and women understand that their substance (character) as people will directly influence their fate as managers. A well-formed character is the priceless reward paid to those who have done the hard work of coming to know themselves.

Epilogue

There is no royal road to leadership. On the contrary, achieving the rank of genuine leader is a daunting task that most will find prohibitively challenging. Among other things, it involves an intimidating process of self-assessment in which light is cast upon those hidden truths we all tend to zealously conceal. It also requires a kind of moral stamina whereby ethically informed standards become regulative features of a person's life. In sum, leadership requires a special form of courage: the courage to know thyself and the courage to fashion a code of conduct governed by principled conviction.

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The Third Opinion

Dr. Saj-nicole A. Joni

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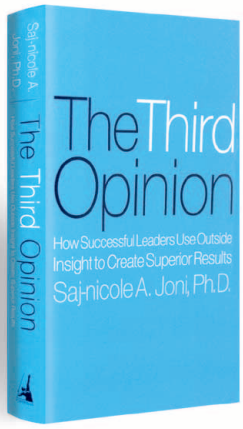

How Successful Leaders Use Outside Insight To Create Superior Results

THE THIRD OPINION

By Saj-nicole A. Joni, Ph.D.

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THE SUMMARY IN BRIEF

The 21st century has dawned, and the requirements for leadership have fundamentally changed. Every day, leaders around the world face issues of complexity, uncertainty and sensitivity, requiring precise thinking and judgment at warp speed. Speed is a given, expertise is fleeting, and learning to trust others in your organization is trickier than ever. Authority has given way to influence. The leadership bar has been raised.

In The Third Opinion, *Dr. Saj-nicole A. Joni notes that the raising of the bar has given way to an even greater challenge for leaders — determining to whom they can turn when experienced, trustworthy advice is required. Some leaders might turn to colleagues inside the organization for help; others might call upon a trusted adviser outside the company. There is, however, another opinion for which most people never ask: the third opinion — the unvarnished insight of a loyal and diverse inner circle of advisers, experts and mentors. This "outside insight" might just be the most important advice of all.*

What You'll Learn In This Summary

- ✓ Leadership today requires three new habits: Habit of Mind, Habit of Relationship, and Habit of Focus. Used together, these habits enable you to build a powerful leadership circle and lead with the benefits of outside insight.
- ✓ Leaders must also master three distinct types of thinking: Application Thinking, Expert Thinking, and, most importantly, Exponential Thinking.
- ✓ Leaders must be naturally curious and possess a solid knowledge of their own preferences, styles and foibles in leadership and thinking. This self-knowledge is essential in building an inner circle of advisers, because you must know how you will work with your advisers and be able to accurately guess how well they will work with you.
- ✓ The progression of one's need for an inner circle of advisers is directly related to the progression of one's leadership career. Based on levels of organizational or structural responsibility, three broad distinctions are defined — Early Leadership, Key Leadership, and Senior Leadership.

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THE THIRD OPINION

by Saj-nicole A. Joni, Ph.D.

— THE *COMPLETE* SUMMARY

Outside Insight

Leadership today requires three new habits:

- **Habit of Mind.** Leaders today must master a new level of thinking: exponential thinking — the process of examining context, looking for interrelationships, exploring assumptions, and asking questions that reveal the full truth and potential of a situation. This thinking enables you to see all sides of a complex issue, most often in the company of other, like-minded individuals. Indeed, successful leaders need to regularly spend time with thinking partners they trust, because exponential thinking is best done with others.
- **Habit of Relationship.** Leaders must assemble a new kind of leadership team: one that ensures that they undertake the right kind of exploratory thinking and are challenged by multiple perspectives. This leadership team must be comprised of an action team and an inquiry team that are capable of translating exponential thinking into useful action.
- **Habit of Focus.** Leaders must have the skill and discipline to focus on the essential nonurgent issues.

Important Inner-Circle Conversations

Conversations with inner-circle thinking partners are broad-ranging and typically fall into one or more of these four basic categories:

✓ **The visionary conversation**, which imagines the different possible futures that you might create, then determines how to use that insight in the here and now.

✓ **The sounding board conversation**, which takes place when you want to work with someone who has the right expertise, wisdom and experience to take a third-opinion look at a new strategy or set of ideas.

✓ **The big picture conversation**, in which you and a thinking partner step back and look at all the things that are going on, making sure that where you want to go is aligned with all the complex and interdependent parts involved in getting there.

✓ **The "expertise in inquiry" conversation**, in which you look not only to develop your knowledge, but also to develop fundamental models and new ways of thinking about the terrain.

They must be able to create and execute strategies to carry out their leadership agendas. They must be able to use their inquiry teams and advisory network to get this critical work done, and done properly.

Used together, these habits enable you to build a powerful leadership circle and lead with the benefits of outside insight. These habits are critical to what kind of leader you will be. They distinguish your leadership and your career trajectory.

You can begin developing the three habits and your advisory network at any time during your career. It is important to develop and use the three habits in concert. While everyone will use them differently, there are guidelines to help you focus on perfecting the various parts of each habit as your leadership progresses. In addition, your source of outside insight will likely differ from that of any other leader. The thing to remember is to keep your advisory team a balance of formal and informal sources.

Thinking Partners

Thinking partners are exponential thinkers who are able to offer you new information and new lines of sight. The best thinking partners have a well-developed ability to think across parochial boundaries; they also possess an aptitude for detecting interdependencies, and they know how, fundamentally, to see a problem at several different levels. They also have the ability to pick the right level for the best solution.

There are a number of capabilities you should seek in your inner-circle thinking partners. They should ask great

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Outside Insight

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questions and listen closely. They should have reputations for integrity, and high-quality experience relevant to the key issues you need to resolve. They should be flexible, providing unique perspectives and tailoring their input to meet the challenges and questions at hand. They should have curiosity and an intuitive understanding of your strengths. They should be free from conflict of interest, both personal and structural. They should also be as eager to work with you as you are to work with them. ■

Habit of Mind

There are three facets to the Habit of Mind: *mastery of three levels of thinking*, *curiosity and self-knowledge*, and *spotting great talent for your inquiry team*.

Mastery of Three Levels of Thinking

Leaders today must extend their abilities to integrate new and old information, plan more flexibly, and be ready to redefine the very way they understand their job, company and marketplace. In order to do so, they must develop mastery in three types of thinking:

- **Application thinking** (mapping the *known* onto the *unknown*). You must focus on planning and implementing well-understood methods in ways that yield replicable results. People skilled in application thinking can readily identify the characteristics of a problem and, with the benefits of experience and history, find a solution.
- **Expert thinking** (invoking deep understanding of a specific subject). Expert thinking is brought to bear when challenges and issues are new or unique and don't fit easily into a solution by a known method. Approaching the issue from their area of expertise, expert thinkers bring new perspective to diagnosis, and the knowledge and problem-solving skills to develop custom approaches and solutions.
- **Exponential thinking** (exploring new terrain with new frameworks). Inherent in the nature of exponential thinking is the need to engage with others who bring different perspectives and who are capable of helping you explore issues outside your awareness, mental models, and current understanding. Until you master exponential thinking, you cannot take full advantage of the third opinion.

Curiosity and Self-Knowledge

It is essential in this day and age to have a realistic picture of yourself — an accurate picture of how you function best within your organization. This is particularly true as you develop thinking partners and pursue exponential thinking.

A good leader is a curious leader. Good leaders possess a self-confidence that enables them to remain open and inquisitive, even on the occasions when they might be wrong. They want to know more than just how to get something done: They want to understand the principles that underlie an issue, and when these principles apply (or don't).

A good leader also understands his or her managerial style. Good leaders ask themselves, How do I fill up my time — in face-to-face meetings or solo work? Am I

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The Six Steps for Exponential Thinking

In order to master exponential thinking, there are six steps to follow. These include:

1. Understand the mental models that guide your thinking. What are the assumptions about how your business works — about the marketplaces in which your company sells, the key levers of change in those marketplaces, and the nature of your competition? These mental models deeply impact how we make sense of the world and how we choose to act. We must be aware of these models, both in ourselves and in others.

2. Develop your ability to discern patterns. We must look for patterns that dictate how we make sense of the world, particularly when an existing pattern cannot explain a new business element or pattern. Recognizing these patterns is an essential business leadership skill.

3. Check and recheck for hidden assumptions. In order to understand the challenges we contend with today and will contend with in the future, we must unearth and examine our assumptions about how business is conducted.

4. Create varied scenarios of the future. Exponential thinkers consider mental models, patterns and assumptions, and use them to develop a portfolio of scenarios for the future. They also possess the ability and judgment to create multiple views of the future, compare one to the other, determine their probabilities, and commit to a course of action that is powerful, yet flexible.

5. Look for ways to brighten your line of sight. You must think very carefully about how you get your information, its sources, and its sources' sources. What filters have come between you and the data you use to make important business decisions?

6. Invest in your ability to think in the gray space. Leaders who take their organizations to new heights of success have no established references to sort out the big picture — they must discover that new reality, pushing the boundaries of what's known, acceptable, legal, comfortable and practical.

Habit of Mind

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more energized by meeting with people, or by working alone? Do I thrive on chaos, or do I work better when everything is in its proper place, and activity is quiet and purposeful? Leaders ask these and other self-auditing questions on a regular basis.

Good leaders are aware of their style of thinking around others, and how they process information in general. Some leaders prefer lively debates on issues; others are better suited listening to a discussion and following their intuition after collecting everyone's opinions. Knowing your own style will help you complement that style with others in your inner circle. You should also know the ways in which you learn the best. Are you a more visual learner, or do you need to have conversations to hash out the particulars of an issue? Do you understand interrelationships best when they are presented to you, or when you experience them? Knowing your capacities for processing information (and developing new ones) will help you get your information in a form or format that you will be able to integrate best.

Good leaders also do not believe their own hype. If you are featured in a publication or some other media outlet, you must be cognizant of how you're being presented, and what that presentation means to your exponential thinking and your thinking partners. Don't let your personal branding get in the way of the quality of your interactions at work.

Spotting Great Talent for Your Inquiry Team

In order to build a dependable leadership circle, you must be able to develop an ability to evaluate others and their strengths, weaknesses, preferences and biases. Distinguishing between the roles of adviser and thinking partner helps you develop the advisory network that is most relevant to you and your leadership challenges. You must also distinguish between those colleagues who are superior advisory resources and those who are better thinking partners, in order to cultivate the right group of leaders around you.

The Habit of Relationship

You need to understand how you work with team members and thinking partners (your Habit of Relationship) to ensure that you undertake the right kind of thinking (your Habit of Mind) on the important issues. In fully engaged exponential thinking with others, you:

- Listen.
- Are willing to be wrong.
- Ask for help.
- Create an environment in which people feel safe expressing opinions.
- Share the spotlight.
- Know when to do expert and exponential thinking.
- Think about yourself as part of a larger whole, or many larger wholes.
- Are committed to developing your own capacity and that of others.

Knowing yourself — your gifts and faults alike — is the starting point for creating opportunities through the three habits. The next step is to build relationships that support and sustain your leadership with trust. Trust is dynamic. It is the central question of leadership and an issue that leaders must regularly revisit.

Understanding Trust

There are three fundamental distinctions of trust that leaders must understand and develop:

1. Personal trust. This is the trust that develops in the workplace from shared tasks and an understanding of your colleagues' strengths, weaknesses, preferences and the like — in other words, what makes them tick. For most people, this is the basic meaning of trust, which becomes problematic as you move "up the ladder," and your colleagues come to you looking for **a)** the same old trust, and **b)** access to power. You must understand this, grapple with your new roles, and tailor your thoughts and actions to meet new professional (not personal) responsibilities.

2. Expertise trust. This is the trust that comes from competence and knowledge in a particular subject matter or process. It focuses on knowledge, judgment and thinking abilities. As you proceed through the ranks, you must

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Four Signs That It's Time to Reach for the Third Opinion

There are a number of patterns that emerge when you feel the need to reach for your inner circle, including:

✓ When you know you're capable of taking action, but you're unable to focus for the requisite amount of time.

✓ When you feel your organization will be in serious trouble if you don't do the right thing.

✓ When you know you shouldn't tackle an issue on your own, regardless of whether you have the time.

✓ When you know you're capable of taking action, but you also know you'll be better off if you think through your options with someone else.

Trust takes time; most leaders start building their inner circles as an Early Leader and allow them to evolve over the course of their careers. It's never too late to start, and the trust and perspective afforded you through building your inner circle have never been more critical.

Habit of Mind

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be able to discern quickly to what degree you can trust the expertise of the people you come across, regardless of the level of personal trust you might establish with them.

3. Structural trust. This type of trust refers to how much someone's position or role affects your confidence that he or she will be able to deal with you straightforwardly. It is the kind of trust that changes the most as you become more senior in your company, since with higher rank comes the greater likelihood that people will want to influence your thinking for their own purposes.

The Nature of Relationships

The nature of your relationships becomes much more complex as you rise through the leadership ranks. Think of your relationships in terms of three distinct categories: action vs. inquiry, internal vs. external, and working vs. inner circles.

You need *action* teams to carry out the day-to-day business of your organization — fighting fires, solving problems, setting and meeting goals, and so forth. Beyond that, however, you also need teams of *inquiry*, to help you think beyond what's urgent and immediate to what's important and long-lasting. Of course, action and inquiry will not always be independent realms — intertwining the two helps drive results and performance.

Internal and External Circles

You must also build your *internal* and *external* circles, creating connection between the world of your organization and the world outside. This is not to say that you must develop powerful resources in your external network to compensate for weaker internal teams or other deficiencies within your organization. On the contrary — the better your internal teams are, the better your external teams need to be, to provide vital processes, practices and data outside organizational boundaries and put them to work inside.

Your working circle is the essence of your daily work life. It is comprised of those with whom you are regularly in contact and on whom you count as resources. Your inner circle is increasingly important as you rise through the ranks. As an Early Leader, your inner circle will likely include key staff members, supervisors, team leaders, and other colleagues with whom you work intensely. As you move through the ranks of Key and Senior Leadership, with their broad responsibilities, you will see distinctions between your working circle and inner circle. Being clear about the distinctions between the two enables you to focus, effectively delegate, and leverage your time. ■

For additional information on not believing your own hype, go to: http://my.summary.com

Habit of Focus

The hardest part of leadership is to keep sustained focus on essential topics and data, not just the urgent, *gotta-do-it-now* needs. If too much of your work is urgent, you are not appropriately focused on what is important. You are merely careening from crisis to crisis. Mastering the Habit of Focus — the ability to move forward with important but nonurgent issues in a chaotic, high-pressure environment — is crucial to effective leadership.

You must devote your most precious resource — your unscheduled time — to the most important issues that affect you: the ones that hold the greatest potential to yield the highest returns over time. This includes using your time for reflection and inquiry — a much more difficult thing to do than you might think. The great gravitational force of the workday gives immediate tasks too much pull. Without planning things carefully, you will likely find your time constantly slipping away.

Focus Is Your Responsibility

You and you alone are responsible for your focus. If you intend to focus on some important issue that reaches beyond urgent, day-to-day matters, you must make it a real part of your work. You need to schedule time, space and resources to address the issue, or it won't happen. Urgent issues have huge pull and will take up all your time and then some if you let them. The Habit of Focus uses your Habit of Mind and Habit of Relationship to drive results from your nonurgent, yet important leadership agenda.

Frame Your Issues Clearly

You must learn to frame your agenda. Strategically framing issues — setting context, time frame, scope and viewpoint — is work that is among the cornerstones of leadership. Work with your best thinkers and your inner circle to get this done — framing work is inherently exponential. How you frame guides what models you choose, what assumptions you maintain, what interrelationships you pursue, and so forth. When you frame your agenda, think of these things:

- How narrowly or broadly am I thinking about my challenges?
- Would it be helpful to frame the key issues at several different levels?
- What is my time frame for this issue? Why?
- Where does this issue fall in terms of importance and priority?
- What mental models and assumptions do I have that could affect how I frame this issue?
- What tools might I use to frame this issue? What are the limits of these tools?

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Habit of Focus

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● What is known and not known about this issue?

Of course, beyond framing specific issues, you need to have a clear sense of what your overall leadership challenge looks like. Only once you have a sense of the whole can you develop a reasoned response to any particular issue. ■

The Inner-Circle Life Cycle

Let's explore how inner-circle relationships progress through the stages of leadership: from Early Leadership (a first assignment as the head of a unit), to the stage of Key Leader, and finally, to achieving Senior Leadership at the top of an organization.

Both the issues of leadership and the ways in which thinking partnerships develop change profoundly over the life cycle. Thus, how to best establish, nurture and grow the leadership circle relationships that will be essential to your success is a crucial topic to address.

Building Lifelong Leadership Circles

Your advisory networks and teams are very powerful leadership resources, precisely because they are full and fully developed relationships. Most leaders, even young ones, have some form of advisory network, usually informal — a friend you can call for advice, or a group of people with whom you trade favors.

As you progress as a leader, however, you become increasingly empowered to create, staff and use an ever-growing advisory network. You should populate it with people you really click with — people of the highest caliber, people with whom you are completely committed to working. Your advisory network is built around a single visionary person: you.

As such, its composition and use will necessarily change as your career progresses. You need to understand what you already have in place, and how those people currently serve or fail to serve you. Understanding what makes you powerful in exponential inquiry will allow you to build this team to support your strengths.

Start Right Now

How should you begin? Start by asking yourself these key questions:

● What kinds of contacts and network have I built, and how and why do I use them?

● Are there teachers, mentors, friends and activities that have been particularly important in my development at some stage in my life?

● How do I include my spouse or significant other, family members, and personal friends in my current inner circle?

● When have I had a conversation or ongoing dialogue in which I significantly changed my understanding or learned something I did not expect? What were the conditions and nature of the relationship that led to the insight?

● Are there critical areas of inquiry for me now where I find I have no thinking partner, or where the thinking partners I do have are lacking in the expertise, perspective, or structural trust I need?

The Stages of Leadership

While there are no hard and fast demarcations in the stages of leadership, three broad distinctions are useful: Early Leader, Key Leader, and Senior Leader. Level of responsibility for the business is a good way to think about the leadership stage. In smaller businesses, Key and Senior Leaders routinely face decisions across many functional areas that have direct impact on the business. In large organizations, the Early Leader might manage 20 to 50 people, with a significant role to play in the organization and real decision authority that impacts results. The Key Leader typically leads a strategic business unit or a division. Some large global corporations make this distinction when they think about their "top 200" leaders. Senior Leaders occupy the very top levels of the organization. ■

Early Leaders

Most individuals at the Early Leader level are immersed in mastering the basics of their job responsibilities, in understanding the dynamics of their organizations, and in demonstrating the capability to lead groups to deliver business results. They must first learn to develop a few key advisory relationships to begin to get the third opinion regularly. Second, they must lay the groundwork for their long-term leadership circles.

Habit of Mind for Early Leaders

In order to develop the Habit of Mind, Early Leaders must work to improve their exponential thinking, to look for hidden assumptions, attempt to disprove hypotheses, actively seek out the data points that don't fit, and analyze trade-off and risk. They must ask themselves these questions:

● Are there things I see as clear-cut issues that someone four levels above might see from many perspectives and not as being so clear-cut? Do any of these issues directly affect my excelling at work today?

● Are there issues or challenges that seem persistent or recurrent despite my best efforts to work on them? What are the underlying dynamics that seem to keep me from making progress on these issues?

● Are there things that I know that top management doesn't know that, if they did, would lead them to make

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Early Leaders

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very different decisions?

- Are there people I am working with who might have a different point of view about the world, based on a different background and understanding of the world?
- How much flexibility do I have to structure my time? Am I using my time as effectively as possible?
- Have I been caught unaware by a business problem? What can I do differently to better prepare myself for such things in the future?
- Are there people who think about things and frame questions in ways that are better than I can? Do I admire these people? What makes them able to do that?

These skills are difficult to develop alone, which unmasks a need for thinking partners to help you with your exponential thinking. It is also critical to listen to these people. Use the answers to these questions to help you integrate multiple perspectives and develop new skills and knowledge. To improve your listening skills (and, consequently, your exponential thinking), you must create opportunities to remind yourself to listen for the unexpected idea, the different perspective, and the unspoken truth.

Habit of Relationship for Early Leaders

Early Leaders have the potential to cultivate a wide network of contacts, both inside and outside the organization. Broadening one's spectrum of networks to include thinking and sharing perspectives has been key for helping some Early Leaders improve their networking.

Early Leaders broaden their base of relationships first by determining who in their day-to-day interactions might be interesting to get to know better over time — people with new or different perspectives on common issues. Early Leaders try to imagine how operations might be different if these people were not around, or, conversely, what they would do with and for these people if they were going to be in the leader's inner circle for the long haul. The leader must also be cognizant of how effective he or she is at cultivating and maintaining relevant contact with these and other colleagues with whom he or she is not involved on daily issues.

First, however, the Early Leader must learn how to develop contacts outside his or her organization. An external network can be built from contacts made through trade associations or trade shows, through alliances with other organizations, through local colleges or business schools, alumni networks, chambers of commerce, nonprofit activities, and many more.

Habit of Focus for Early Leaders

One critical objective at the beginning of building and using your advisory network is learning how to get results from insight. Knowing what to do with what you learn is the difference between thinking in the abstract and truly powering up your leadership capacity. Armed with new insight, you must move forward and find an outlet to use that insight, understanding the full range of stakeholders for your ideas and calibrating your ideas with the organization's goals to make the biggest impact possible. Most importantly, you must find ways to ensure you are able to see your new ideas through to a result.

Keep focused on nonurgent issues. Work with a special adviser on focusing your insights to gain results — this is perhaps the best point of concentration for an early-stage advisory relationship. Having this partner will help you move from being someone who comes up with many good ideas that aren't acted upon, to someone who uses innovation to get great results. This is often a determining factor in how quickly you move from Early Leader to Key Leader. ■

Key Leaders

It's never too early or too late to start reaching for the third opinion. The critical juncture for outside insight and inner-circle thinking partners typically comes as leaders hit their stride as Key Leaders.

Habit of Mind for Key Leaders

Having developed the basic capabilities of Early Leadership, Key Leaders must turn their full attention to developing their complete Habit of Mind. By reaching the Key Leader level, it is certain that you have developed unique patterns of success by drawing on your curiosity, your self-awareness, and your awareness of others, different perspectives, and exponential thinking.

To further your Habit of Mind, consider these key issues:

- How your active curiosity manifests itself in day-to-day work.
- How well you understand and value the abilities of others.
- Whether you avoid diving into issues where there are likely to be no clear-cut answers, and how you prefer to tackle those issues (alone or with others).
- How you mitigate bias in your information sources.
- How you determine what best supports your ability to judge yourself from all angles, rather than from a single, self-interested lens.

Habit of Relationship for Key Leaders

The first signs of changing relationships and trust appear when one moves from Early Leader to Key Leader. Your primary inner-circle action team might no

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Key Leaders

(continued from page 7)

longer be the right group to handle inquiry-related issues. Certain things might be difficult to discuss with this group, for a variety of reasons. You need to populate your inner circle (internal and external) with people you value for their expertise, exponential thinking capacity, shared personal chemistry, degree of structural trust, relevance to nonurgent agenda items, and reputation/relationship to the organization.

To whom can you turn with unspoken concerns about an issue or decision? With whom would you most want/need to think before making critical decisions? Who sees the problems in a similar fashion as you? Who sees things differently, challenging your blind spots most effectively?

Habit of Focus for Key Leaders

How you spend your unscheduled time is a most significant factor in what kinds of results you and your teams will achieve, and what your career trajectory will be. You must prioritize your needs; increase and improve your external relationships, contacts and resources so that you can turn to them with confidence; and develop your inner circle, working with exponential thinking partners. Get informed perspectives, challenge your choices, refine your inner circle, and create your third opinion team — these are the things leaders do to challenge themselves, to challenge their perceptions, and to find new ways of solving problems.

Some other things to consider when developing your Habit of Focus include the following:

- Continue to ensure that your inquiry shapes successful action.
- Manage the inflow of advice, counsel and information you receive. You don't have to take everything that is offered.
- Structure your advisory network to meet your needs and your thinking style.
- Allocate the time you need to focus on your nonurgent important agenda.
- Expand the impact of your advisory network to your organization. ■

Senior Leaders

The move to Senior Leader means a whole new level of leadership challenges. You'll need greater vision, broader focus, and longer time frames. Your actions, and the values embedded in those actions, will be mirrored in your organization. Every move you make will be placed under a microscope and scrutinized for intent and direction.

Many leaders can thank their advisory network for helping them get from Key Leader level to Senior Leader level. At the Senior Leader level, bonds and loyalty on both sides run deep. As the nature of responsibility and power changes at the Senior Leader level, your advisory network must likewise grow with the challenges you now face.

Deepening Your Habit of Mind

Now that you've arrived at the Senior Leader level, consider your inner circle. Is it sufficiently diverse to help you with a wide range of issues? Do the people in your inner circle help you to broaden your perspective and options, helping you to think in new ways?

Turn the camera on yourself now. As you become more successful and powerful, are you honest enough to be able to explore uncomfortable truths with your thinking partners? Relationships begun in expertise, inquiry and trust must develop as you develop, as your partners develop, and as you all gain in experience and skill.

Broadening Your Habit of Relationship

As a Senior Leader, you must spread your net of key relationships wider than you did (or were able to) as a Key or Early Leader. You must determine what must be done to get the top people inside and outside your organization to work with you. This is where your personality and leadership capital — your reputation capital — might come in handy, to attract the best and brightest to you, and to consider you as a thinking partner.

One way to attract them is to help them achieve their goals. As a Senior Leader, you are in a unique position to make your thinking partners a powerful force in your organization. Once you have proven to be successful in such an endeavor, other key thinkers will likely follow, including some you might not have been able to access before. Now that you're at the Senior level, it's a whole new game.

Challenging Your Habit of Focus

Even as a Senior Leader, you must focus effort on your own growth, as well as that of your company and advisers. You must regularly push inquiry to its limits and encourage others to do so as well. You must determine whether the challenges of Senior Leadership cause you to reframe or refocus the boundaries of your inquiry. This must happen regularly — otherwise, you get mired in old patterns and old thinking.

You must also focus some time on considering your legacy — what you will leave behind in your organization when you retire or otherwise move on. Have you concentrated on how to best spur innovative ideas in the lower ranks? Have you groomed anyone in the Early Leader ranks to move up to Key Leader, or from Key Leader to Senior Leader? Let your legacy be one of intelligence, development, thought and results. ■

· Book 349 of 388 ·

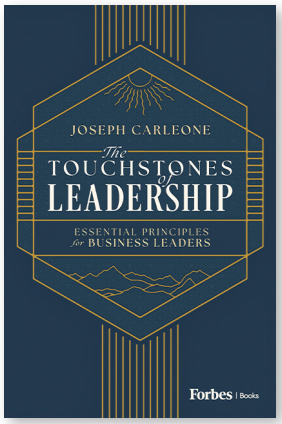
The Touchstones of Leadership

Joseph Carleone

Executive Book Summaries®

The Touchstones of Leadership

Essential Principles for Business Leaders



by **Joseph Carleone**

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THE SUMMARY IN BRIEF

Is it possible to distill decades of real-world business experience into a handful of guiding principles that entrepreneurs can employ to overcome adversity?

The Touchstones of Leadership: Essential Principles for Business Leaders takes on this challenge. The book brings together 45 business principles organized within a comprehensive four-part model to guide the reader through organizational, operational, and strategic issues faced by entrepreneurs on a daily basis.

Author Joseph Carleone adopts a pragmatic approach towards the presentation of the essential principles for business leaders. He draws from executive experience spanning decades and his profound knowledge of various industries – from aerospace to defense, chemical, pharmaceutical, and cosmetical, to name a few.

IN THIS EXECUTIVE BOOK SUMMARY:

- Learn how to employ the 45 touchstones to overcome common business challenges and become a better leader
- The reasons why these touchstones are universally applicable across industries and corporate cultures
- Real-world examples of how the touchstones have been applied to various challenging situations
- The importance of value-centered leadership

Part 1: Managing Oneself

Touchstone 1: Don't Focus on Things Outside of Your Control

In years of leading different organizations – from R&D to high-volume manufacturing, program management to general management, marketing to business development, and engineering to CEO – I have found that people often get caught up in worrying about things beyond their control. While these can be significant concerns, and leaders should be aware of them and have mitigation plans in place, the best thing to do in all cases is to do the best job we can and not worry about what is outside our control.

Touchstones 2: Never Mistake Activity for Achievement

At all levels in a business organization, it is essential to avoid getting bogged down with activities that do not lead to results that create value and improve the business or organization.

Touchstone 3: For Minor Matters, Trust Your Mind, for Major Matters, Rely on Your Gut

Minor, in this context, does not mean unimportant. It suggests matters that are more directly addressable and matters the decision-makers can get their arms around more easily because most of the facts are there to be analyzed. On the contrary, significant, or major, matters are ones that are constrained by aspects that are somewhat out of our control, such as the complexity of the situation, time, and lack of data. Insightful gut feeling is typically required in four problematic areas:

- Chaotic: Where an issue is poorly defined
- Crises: When rapid response is required with no time for detailed analysis
- Change: When things are changing so fast that no detailed data exist
- Cryptic: For highly ambiguous issues where the factors are somewhat contradictory

Touchstone 4: Consider Using the Seventy-Two Hour Rule When Faced with a Major Surprise

When challenging situations occur, it is often best to investigate before reacting. Very often, initial reports during a crisis need to be corrected. It usually takes seventy-two hours to grasp the essence of the problem and put a plan in place to deal with the issue.

Touchstone 5: Focus on Relationships and Results, Not Activities and Time-Saving

To be successful in the long term requires relationships with colleagues, external customers, internal customers, suppliers, bosses, subordinates, owners, and those in the community. In team structures, we need to be able to challenge one another to achieve high-quality results. This requires trust and the right chemistry. Furthermore, we must not create problems that don't exist. That is, don't "overthink." Risks must be taken to grow, both personally and in business. The fear of office politics must be avoided, and we must never make differences personal.

Touchstone 6: Let Your Principles, Not Circumstances, Guide Your Behavior

Most of us can agree on the following Covey principles to guide a business operation:

Fairness, Patience, Honesty, Kindness, Integrity, Quality, Dignity, Charity, Service

If internalized by the organization, these principles will drive trust and respect. Value statements have a place to provide guidance, but values must be aligned with the principles stated above and internalized by the business members.

Touchstone 7: When You Are Out Selling, Never Discuss Religion or Politics

Religious beliefs and political preferences are not germane to almost every business transaction, and discussing these beliefs will not add value to any business setting. Fundamentally, these two topics, politics and religion, can initiate passionate responses when broached, often causing serious arguments that have nothing to do with the business matter.

Touchstone 8: Never Pursue Glory; Pursue Excellence

Focusing on the recognition aspect of a project or decision can remove the focus necessary for a successful result, especially in the longer term. It will encourage cutting corners and an attempt to accelerate the task to achieve "success" sooner without the permanence necessary to be truly successful.

Touchstone 9: Procrastinators Are the Leaders of Tomorrow

The results of decision-making and subsequent action are clear measures of how leaders perform. The timing of these decisions and actions will nearly always affect the quality of the results that occur from these decisions and

Procrastinators are paralyzed by their indecision to act and fail to complete tasks on time.

actions. Procrastinators are paralyzed by their indecision to act and fail to complete tasks on time. There is a clear distinction between one who constantly puts off deciding and a good leader who waits until it is absolutely necessary to make a decision. Timing is everything in decision-making, and making a decision out of convenience versus waiting for appropriate information is an important distinction.

Touchstone 10: Sometimes You Must Take a Step Back to Take Two Steps Forward

We all try to keep pressing forward on our current path, whether our careers, our current project, or building a relationship. As we pursue these, however, we may realize we are on the wrong path. When this suspicion arises, it is often advantageous to take a step back and review the overall landscape and strategy of what got us to where we are.

Touchstone 11: Those Who Dare to Teach Never Cease to Learn

As you quietly ponder and develop your business strategy and associated action plan, think seriously about how you will communicate the plan to your team. The best way to learn and develop a complex subject is to teach it. Your team expects you to teach them what you know. The teaching is often quite informal. It can be by example rather than direct instruction. You must be aware that you are always teaching, whether you like it or not.

Touchstone 12: Imagination Is More Important Than Knowledge

Knowledge is constrained by what is currently understood and limited by the body of works that exist. Yes, that body of knowledge will grow in the future, but that growth is driven by those who push the boundaries and experiment with new things that have yet to be envisioned. This is where imagination comes into play. Imagination is the ability of the human mind to see things that don't exist today but could.

Touchstone 13: Managing Is Doing Things Right: Leading Is Doing the Right Things

This well-known statement is a great guideline to describe the difference in our overriding responsibilities when operating as managers compared with when we are operating as leaders.

Part 2: Interpersonal Skills

Touchstone 14: Treat Employees as You Would Want Them to Treat Customers

Why don't people believe CEOs and other business leaders when they say, "People are our most important asset"? Have you ever heard a CEO state the opposite or allude to some other aspect of the company being more important? The reason for this is that CEOs whose sincerity is questioned have yet to instill trust and respect throughout their organizations. As The Seven Habits of Highly Effective People pointed out, treating employees as customers is an excellent way to engender this trust.

Touchstone 15: The More You Expect of People, the More They Achieve

Motivate people by expecting more of them. People are genuinely encouraged by leaders who believe in them. It drives them to step up a level. Haven't you achieved more when you were expected to perform better? Speakers often perform better when in front of an audience than when practicing. This also holds for musicians and actors who perform better in front of an audience versus private rehearsals.

Touchstone 16: No Deal Is Better Than a Bad Deal

Part of entering negotiations with "no deal" as an option is to have a Plan B if you find it necessary to walk away. Good leaders always think in terms of alternatives in the event of a failure. They must be able to pivot in a different direction immediately when they see their primary path being blocked.

Touchstone 17: Fear of Loss Often Results in Irrational Decisions

Irrational behavior among otherwise rational, intelligent, and well-trained people is driven by situations or conditions that block the normal, logical thought process. These situations sway people to react in specific ways because they trigger psychological undercurrents. It is important to

remember that people will always be influenced by psychological forces that can create irrational behavior. So, we need to recognize that by understanding these psychological influences, we can work to offset their power.

Touchstone 18: Trust Is the Highest Form of Human Motivation

One of the hallmarks of a good leader is a high level of trust demonstrated within the leader's organization at all levels. High trust throughout an organization will create communication channels that are efficient, effective, and quick. Even poorly phrased communications will be interpreted correctly. On the contrary, in low-trust environments, even very carefully constructed communications will be misinterpreted negatively.

Touchstone 19: Keep Those Who Hate You Away from Those Who Haven't Made Up Their Mind

Hate is a lack of trust. In an organization, there will be people who don't trust you as the leader. So, when introducing new players into the organization, it is essential not to let the "distrusters" significantly influence those who haven't had a chance to evaluate the leadership objectively.

Most likely, you won't be able to convert or remove all the detractors, especially in larger organizations, so expect some sabotage, especially in unnecessary delays in implementing changes or passive-aggressive behavior. It is essential to recognize that rational thinking and debate will not work with people who don't embrace change.

Touchstone 20: Hate Is Difficult the Closer You Get to Someone

When people feel displeasure with others or with policies, processes, or organizations, they often erect barriers to avoid displeasure, even though they may not understand the reasons for their unpleasant or uncomfortable feelings.

These barriers provide a protective shield, or at least people believe they do, making them more self-centered. In addition to these barriers inhibiting any real form of collaboration, they can result in hatred and resentment. The hate continues to get stronger and stronger as the distance between the parties increases. As you work to bring the parties closer, try to empathize. It is essential to focus on the good things the parties have accomplished and highlight the expected new achievements. Things must always be kept at a highly professional level, and it is important to work on transforming enemies into friends.

Touchstone 21: Leaders Strive to Be Respected, Not to Be Loved

To be respected, you should:

- always deliver more than promised.
- respect yourself with confidence and understand no one is perfect.
- bring people together.
- fix the problems; don't fix the blame.
- create a learning organization.
- praise accomplishments publicly; criticize privately.
- learn to love change.

Touchstone 22: The Human Soul Hungers to Be Appreciated, Valued and Recognized

It takes work to develop a culture where people genuinely want to see one another be successful. It requires the entire leadership team to listen intently and with genuine empathy. In addition to listening, expressing appreciation is a way to develop a culture of respect.

Touchstone 23: A Formula for Failure Is to Try to Please Everybody All the Time

Leadership requires making difficult decisions that are often unpleasant for coworkers but necessary for the business to be successful. The key is encouraging ideas, objections, and alternatives to the surface, being heard, and being thoroughly evaluated. People must truly feel that their opinions were honestly considered. Then, make the final decision and logically explain the rationale and reasons.

Part 3: Managerial Skills

Touchstone 24: A-Players Hire A-Players, B-Players Hire C-Players

A-players tend to seek excellence, which attracts other A-players. This drives the business toward an authentic culture of excellence, whereas B-players hire C-players. Looking at the team surrounding a leader will be a strong indicator of which leaders are A-players and who are B-players. B-players are often insecure, making hiring people who might outperform them uncomfortable. In reality, leaders are highly recognized for picking the best people.

Touchstone 25: Never Negotiate Against Yourself

In essence, life is a negotiation. In both our personal and

Cost and price negotiations often take one of two paths: line-by-line or bottom-line.

work lives, many of our day-to-day interactions are negotiations. That is why it is so important that we understand how to interact both in gathering information (listening) and in influencing behavior.

Touchstone 26: Never Negotiate "Line-By-Line" and Bottom Line Simultaneously

Cost and price negotiations often take one of two paths: line-by-line or bottom-line. In the line-by-line approach, the negotiators review the major contractual tasks; discuss the scope of each task, the people assigned, and the purchased materials required; and debate the cost or price of each line item or task. The idea is that once the negotiators haggle out their differences on each line item, it becomes a simple addition to get to the total or bottom-line price for the contract.

In the bottom-line approach, the negotiators focus on the overall goals, objectives, and deliverables under the scope of the contract and directly address the total price. They often use similar contracts as benchmarks and adjust the price accordingly. They also often use competitive pricing as a starting point.

Problems occur when you start with the line-by-line approach but the total price by adding each line item does not match the buyer's expectations. The buyer then switches to the bottom-line approach, ignoring all the line-by-line work done. If this happens, the major problem from the seller's perspective is that the seller has already given up concessions on price and scope detail during the line-by-line discussions. Now, the buyer wants further concessions.

At this point, the seller should not make bottom-line concessions. It is not fair for the buyer to expect that. This is unfair to the seller and wastes a lot of time for both parties. The only fair thing to do at this point is to go back to the line-by-line approach and see if the buyer can live with scope and schedule changes to allow the bottom-line price to come down to the expected amount.

Touchstone 27: Once You Get into a Hole, Stop Digging

The fundamental definition of being in a hole is making the same mistake repeatedly. Sometimes, we don't even recognize we are in a hole. This is because we have blind spots. We think we are doing everything right and keep doing the same thing as things worsen. This could be due to a bad habit, a poor policy, poor implementation of a good strategy, or just a very poor strategy. In this sense, to continue digging means repeating the same activity and wishing the situation or result will improve.

Touchstone 28: Don't Counter an Offer if You Can't Split the Difference

We have seen deals fall apart at the very end because one of the parties cannot make a final price adjustment to close the deal. The emphasis or advice here is to ensure the negotiators are positioned so that there is enough flexibility to close the deal and not get backed into a corner during the negotiation process.

Touchstone 29: Problems Are Opportunities Dressed in Work Clothes

Life is opportunistic, as is business. Problems will occur in life and business. When these problems occur, our mindset determines whether we view them as opportunities or not. If we are pragmatic, we see that solving this problem will add value and is an opportunity.

Touchstone 30: In Theory, There is No Difference between Theory and Practice. In Practice, There Is

Applying a theory to a practical situation requires experience and often empirical data to validate the theory, define its limitations, and interpret the results it provides properly. Hands-on experience is essential for putting the theory into practice.

Touchstone 31: Forecasts Should Be Accurate; Targets Should Be Ambitious

This Touchstone triggers a considerable amount of challenge and debate. Some feel that forecasts should be developed such that, if targets are achieved, the forecast will become a reality. This approach will lead to relatively easy targets since people want to ensure the forecast is met. A

more entrepreneurial approach treats forecasting and target setting as related but different. Targets should be superior results that an organization desires to achieve. These targets are, therefore, a stretch from the status quo and an improvement from the present condition. The organization's members must develop the targets. All must buy into the fact that, while difficult, these targets are achievable.

Touchstone 32: Focus on Results and People, Not Methods

Delivering meaningful results creates value. Focusing on the results and metrics that matter to drive business value is important. Our processes are important, but the process is the tool; the results create value.

Part 4: Strategy and Alignment

Touchstone 33: Strategy Is About Deliberately Choosing to Be Different

An in-depth five forces (threat of new entrants, supplier power, buyer power, threat of substitution, rivalry among competitors) analysis not only assesses the attractiveness of an industry or business area but also provides insight into how you can position your business to be more competitive and vie for a greater share of the industry's profits.

Touchstone 34: The Essence of Strategy Is Choosing What Not to Do

It is always tempting to deviate from the strategy when presented with a highly attractive business opportunity inconsistent with the strategic direction. But, pursuing it can be destructive in the long run as resources get diverted to a profitable venture, causing the inability to respond to an opportunity in the business strategy's sweet spot. That is not to say we won't pick up a "golden nugget" we see by the road, but we shouldn't go off the road to look for it.

Touchstone 35: If You Can't Fix It, Feature It

Certain unavoidable negative situations or conditions are often encountered as part of doing business. These may even threaten a company's reputation or give customers or investors pause. Sometimes, they are simply the weaknesses embedded in the business. These negative situations, however, are very often not truly detrimental to your delivering products or providing services in the long run. Therefore, there is a natural tendency to distract others from the negative issue or avoid discussing it. Often, a smarter solution is to turn this liability into an asset. It also can become a point of differentiation from the competition.

Touchstone 36: Focus on What's Strategically Best, Outsource the Rest

Activities determined to be nonessential to the strategy or generic can be safely outsourced. Tailored ones provide unique competitive value and should be kept in-house or brought in-house if currently outsourced. It is important to retain control of those tailored activities to maintain the best competitive advantage.

Touchstone 37: Feed Opportunities; Starve Problems

Everyday problems are like weeds in a garden. You don't want to ignore them or give them much time and attention. Get rid of them carefully, but don't fertilize, water, or encourage them to grow.

Touchstone 38: Bad News Is Not Like Good Wine; It Doesn't Get Better with Age

When there is bad news, and something goes seriously wrong, the mature leader will face this, understand it, and do what is necessary to rectify the situation in a timely manner, regardless of the personal cost or the cost to the company.

Touchstone 39: Always Keep Time on Your Side

When involved in a business transaction, one of the worst situations you can encounter is to be forced to complete the transaction because of time constraints. Sometimes, this is unavoidable, but most times, good planning, combined with realistic time parameters, can avoid such situations.

Touchstone 40: Maintain Strategic Continuity; Don't Keep Pulling Up the Flowers to See if the Roots Are Healthy

If you have a good strategy, give it time to work. A good strategy is based on the fact that your customers and their needs are enduring. Therefore, gestation time is important to make your unique value proposition work. A good strategy should not be abandoned for small, near-term disappointments.

Touchstone 41: Stop Doubling Down on Your Losing Strategy

A major change in strategy may be required in three scenarios:

- Customer needs change such that the core value proposition becomes obsolete

- Innovation invalidates the essential activities of the value chain
- Technical breakthroughs can overwhelm the value proposition

Touchstone 42: A Business Either Grows or Declines; It Never Remains Constant

Most businesses don't remain stagnant for long. They either grow or shrink. To establish a sustainable company, it is crucial to have a growth strategy with ambitious objectives. However, more important than that is cultivating a culture of growth with a competent leadership team.

Touchstone 43: Assuming Your Competition Will Fail Is a Losing Strategy

Don't underestimate what your competitor might be able to do. There are several ways that the competitor may become more competitive or even try to unlevel the playing field without your knowledge. When looking at the competition, our natural bias and loyalty to our own company cause us to underestimate the competition's ability to perform. The competition will likely perform better than we expect.

Touchstone 44: There Is No Upside without a Downside

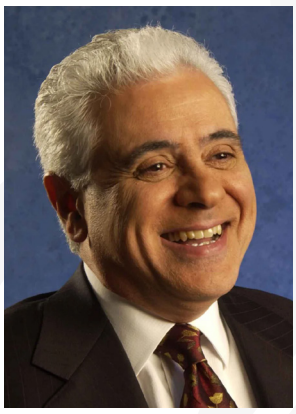
When making a decision to take a calculated risk, it is often useful to ask, "What is the worst that can happen?" And then ask, "How likely is it to happen?" The answers to these questions will inevitably supply the basis for a risk mitigation plan but also trigger a risk-reward evaluation.

Touchstone 45: Simplicity Is the Crown of Genius; Complexity Is the Cloak of Mediocrity

Einstein has been quoted as saying, "The definition of genius is taking the complex and making it simple," while da Vinci wrote, "Simplicity is the ultimate sophistication."

Conclusion

These Touchstones reveal a common theme or message: great leadership is built upon trust and mutual respect. For a business to succeed in the long term, it must prioritize establishing trust and respect as integral parts of its fabric. To foster a unified culture within an organization, it is crucial to select individuals based on their strengths and talents and to build upon those strengths. The company must remain focused to align itself with its business strategy. Finally, perseverance is essential for achieving success.



After receiving his PhD from Drexel University, **Joseph Carleone** helped start a company in the Aerospace and Defense industry, conducting R&D for the Department of Defense. For nearly 25 years, Joe held various leadership positions at Aerojet. In 2000, Joe was appointed president of Aerojet Fine Chemicals which developed, scaled, and produced Active Pharmaceutical Ingredients (APIs) for the pharmaceutical industry. He is currently Chairman of Avid Bioservices and Lead Director of Sensient Technologies, and further serves as a senior advisor to OES Europe, specializing in trans-Atlantic M&A.

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The Trust Edge

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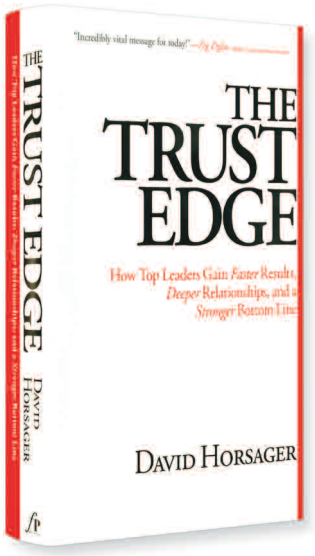
The Trust Edge

How Top Leaders Gain Faster Results, Deeper Relationships, and a Stronger Bottom Line



by David Horsager

THE SUMMARY IN BRIEF

In *The Trust Edge*, David Horsager reveals the foundation of genuine success — trust. Based on research but made practical for today's leader, *The Trust Edge* shows that trust is quantifiable and brings dramatic results to businesses and leaders. In this book, Horsager teaches readers how to build the Eight Pillars of Trust.

When leaders learn how to implement these pillars, they enjoy better relationships, reputations, retention, revenue and results. Fascinating and timely, *The Trust Edge* unveils how trust has the ability to accelerate or destroy any business, organization or relationship. The lower the trust, the more time everything takes, the more everything costs and the lower the loyalty of everyone involved. Conversely, an environment of trust leads to greater innovation, morale and productivity. The trusted leader is followed. From the trusted salesperson, people will buy. For the trusted brand, people will pay more, come back and tell others. Trust, not money, is the currency of business and life!

IN THIS SUMMARY, YOU WILL LEARN:

- The enormous impact of trust on your ability to succeed as a leader.
- How to identify and implement the Eight Pillars of Trust.
- How to extend trust to others and rebuild trust if it's been lost.
- The method to apply trust in the difficult world of the digital economy.
- Why trust can transcend cultural boundaries in business.

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THE COMPLETE SUMMARY: **THE TRUST EDGE**

by David Horsager

The author: David Horsager, M.A., C.S.P., is a business strategist, entrepreneur, professor and author who researches and speaks on the bottom-line impact of trust. His clients include Wells Fargo, ING and the Better Business Bureau.

The Trust Edge: How Top Leaders Gain Faster Results, Deeper Relationships, and a Stronger Bottom Line by David Horsager.
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For additional information on the author, go to www.summary.com.

Introduction

In 2009 at the World Economic Forum in China, world leaders got it right when they declared that our biggest crisis is a lack of trust and confidence. We are in a trust crisis, and organizations are slow to realize the bottom-line implications.

From massive fraud in business to scandals in politics and athletics, we're lacking in trust. Meanwhile, the world is "flattening" in many respects. Cultures are meeting and expanding in ways that weren't possible even a decade ago. But globalization isn't a free ride. The megamergers and open markets have aroused new suspicions and misunderstandings. We can reach across borders, but we don't know how to be trusted by the people we find on the other side. In the 21st century, trust has become the world's most precious resource.

If you visit the Roman ruins or the synagogue in Capernaum, you will see that many parts of the structures have crumbled but the pillars still stand. Pillars hold something up. They are strong, solid and lasting. In the years I've spent studying the underlying connection between success and trust, I've identified eight key areas that are best described as pillars. These pillars are significant for anyone interested in building support for genuine success.

No matter what your role is, trust affects your influence and success. It has an impact at every level of business. Those who are trusted are effective.

Take responsibility for yourself. When you focus on increasing your own trust edge, you will enjoy greater success and impact. When you change yourself, you have the best chance of affecting your organization, your family, your relationships and even your world.

PART I: THE CASE FOR TRUST

The Trust Edge

Without trust, transactions cannot occur. Without trust, influence is destroyed. Without trust, leaders lose teams. Without trust, people lose sales. Without trust, organizations lose productivity, relationships, reputation, talented people, customer loyalty, creativity, morale, revenue and results. John O. Whitney, of the Columbia Business School, found, "Mistrust doubles the cost of doing business."

Trust Defined

Trust is a confident belief in someone or something. It is the confident belief in an entity:

- To do what is right
- To deliver what is promised
- To be the same every time, whatever the circumstances

You are trusted to the degree that people believe in your ability, your consistency, your integrity and your commitment to deliver.

The trust edge is the competitive advantage gained when others confidently believe in you.

While it may appear to be static, in reality trust is more like a forest — a long time growing but easily burned down. Trust requires time, effort, diligence and character. Inspiring trust is not slick or easy to fake.

There are two dimensions of trust. First, there is the dimension of time. This dimension goes from short to long. Another dimension of trust is depth. This dimension goes from shallow to deep. Deep trust is generally established over time. Deep trust often sprouts up quick-

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor In Chief; **Andrew Clancy**, Senior Editor; **Amanda Langen**, Graphic Designer; **Corbin Collins**, Contributing Editor

ly if a trusted source testifies that you are trustworthy. I call this transferred trust. Because A trusts B, and B trusts C, then A trusts C.

When trust is deeply established, you will often be given the benefit of the doubt instead of having every action judged with skepticism.

Trust is not simply a dish in your leadership buffet. It is the table holding up the smorgasbord of talent demonstrated by your team every day. When organizations acquire the trust edge, it shows in every relationship and eventually is proved by a growing bottom line. Trust gives a concrete and critical advantage.

Impact of Trust

Trust, not money, is the currency of business and life. In a climate of trust, people are more creative, motivated, productive and willing to sacrifice for the team. What happens when the business gains the trust edge? Every aspect of business becomes more profitable. Customers will pay more, tell others and come back. With suppliers whom you trust, one call is enough. Delivery time and costs decrease because there is less double-checking, paperwork and follow-up.

The High Cost of Suspicion

Skepticism and suspicion create the opposite of trust and destroy motivation, teamwork and results. Skepticism brings everything into question, slows processes and promotes suspicion. America's public climate has been pervaded by suspicion.

A lack of trust is your biggest expense. As trust diminishes, procedures and laws increase, even for those who can be trusted. Millions of dollars that could be used for research, staff training, or benefits and incentives are being spent on oversight and accountability processes to accommodate regulations.

The more you're trusted, the less you pay. As trust goes down, value goes down. As trust in the market tanks, so does the value of the business. Without trust there cannot be economic activity.

If you happen to make a mistake that could erode trust, sometimes stakeholders will see your mistake as an exception and continue to have complete confidence in you. An extra measure of grace is commonly given to those who have laid down a solid foundation of trust. On the rare occasion when a mistake is made, those who have the trust edge are given the benefit of the doubt.

By earning the trust edge, you will gain a significant advantage that extends far beyond the bottom line.

Barriers to Overcome

Trust has decreased significantly over recent years. A study by Datamonitor found that 86 percent of consumers were less trusting of companies than they had been five years ago. Fewer than two out of five employees today have trust or confidence in their senior leaders.

To overcome the barriers, let's first identify them. Once we know where they lie, we will overcome them using the pillars.

- **Barrier 1: Conflicts of Interest.** Conflicts exist between shareholders and management, personal investors and banks, teachers and parents, and politicians and the public, to name just a few.
- **Barrier 2: Rising Litigation.** Trust can stay shallow. People are worried about whom they can trust or what someone might do to them if they make a mistake.
- **Barrier 3: Low Customer Loyalty.** Customer loyalty is lower than ever. People don't think of being loyal. They think of themselves. People no longer feel loyalty from companies, either.
- **Barrier 4: Media Coverage of Scandals.** Many would not think of others as being untrustworthy until they hear that someone has indeed acted in such a way. This makes them think that anyone might do the same to them, and distrust abounds.
- **Barrier 5: Speedy Social Networks.** Information, critiques and recommendations travel quickly across social networks such as Facebook and Twitter. Opinions that build or destroy trust travel around the world in no time.
- **Barrier 6: Technology.** The average person does not understand how it all works, and so technology can breed skepticism. Because trust is built by consistency over time, rapidly changing technology can be a barrier.
- **Barrier 7: Fear.** We most easily trust the familiar. With such rapid change, there is so much to grasp. If we don't understand something, it is hard to trust it.
- **Barrier 8: Negative Experiences.** Recent studies show that 80 percent of Americans do not trust corporate leaders. Negative experiences are a detriment.
- **Barrier 9: Individualism.** By nature individualism lacks a need, capacity and desire to trust. We must get rid of the arrogant assumption that we know everything and can do everything on our own.
- **Barrier 10: Diverse Thinking.** People prefer to work with others with whom they have something in common. Differing views can make for lack of unity.
- **Barrier 11: Instant Gratification.** People want everything fast, without effort, discipline or hard work.

Speed has become an expectation. Trust can take work and time.

• **Barrier 12: Focus on the Negative.** Much of the research concerning trust has traditionally focused on how trust has been ruined rather than how it can be built.

PART II: THE EIGHT PILLARS OF TRUST

Pillar 1: Clarity

Without a clear plan, employees are confused and become ineffective. Without a clear product choice, prospects won't buy. It's difficult to have faith in someone who has fuzzy plans or unclear expectations. Confusion breeds fear, frustration and lack of focus.

For the trusted leader, clarity starts with honesty. Clarity is also increased when a message is heard or seen frequently. According to *Edelman's 2009 Trust Barometer*, people need to hear information about a company three to five times in order to believe the information.

In your quest for the trust edge — your quest to become a trusted leader — clarity has three different and equally important areas:

• **Vision and Purpose.** Few things inspire trust or hope like every member of the team working together toward a shared vision. A clear vision unifies and motivates. Do one or two things well. It signals to clients that you know what you're doing and you're going to be competent in your specialty area instead of trying to be all things to all people. Narrow your organization's choices to a few good things, with specific groups in mind.

• **Expectations and Communications.** A clear communication of expectations will prevent both misbehavior and failure. When I'm specific with my request about what I want, I almost always receive what I asked for. When I'm vague in my requests, I typically receive something other than what I had in mind. Part of being clear is being transparent and authentic. Those who are trusted are candid; they aren't afraid to tell the truth in the clearest terms possible.

• **Daily Tasks.** People spend lots of time planning but very little time turning their plans into daily actionable tasks. Daily clarity leads to accomplishing the most important things every day.

Pillar 2: Compassion

Do not underestimate the bottom-line impact of compassion. The ability to show care, empathy and compassion is a strong component of trust. The following aphorism is true: "People do not care how much you know until they know how much you care." People want to do business with those who have concern for the whole of humanity.

There are four key ways we show we care. I call them the "LAWS" of compassion.

• **Listen.** Listening is a fundamental skill of genuine success, and it's hard to be great or trusted without it. Bad listening habits are not just rude; they are expensive. Keep eye contact. Listen with your body — gesture with your hands. Practice patience — listen carefully before you answer. Make a habit of seeing things from others' point of view. Hold one conversation at a time.

• **Appreciate.** Everyone longs to be appreciated and recognized. One of the most effective things you can do is to notice people doing good work and encourage, appreciate and thank them for it. People and their accomplishments are what give an organization its value.

• **Wake up.** Life is short. Many people go through life in a comatose state, never really engaged with those around them. It is so easy to be focused on the future that we forget to be present with people today.

• **Serve others.** It has become normal to think of ourselves first. To be trusted, we need to break free of that mindset. Those who act selflessly give us cause to

Whole Foods, Whole Character

In the late 1980s, Whole Foods Market company chairman and CEO John Mackey set the pay ceiling for his executives at no more than eight times the pay of an entry-level employee. This ceiling has been raised a few times since then, but Whole Foods Company is one of the few international companies to have a pay ceiling at all.

Amid high growth, it would have been easy for Mackey to demand a larger salary. Instead, he refused his stock option bonus, reduced his own salary to $1 per year, donated all his stocks to charity and set up a $100,000 emergency fund to be used by employees who were facing financial problems.

Mackey set an example for his organization. He's trusted, top to bottom, and has used that trust to spread a vision for greater impact in a stronger company. As a result, Whole Foods has grown from one store to more than 200, becoming the world's largest organic retailer. You cannot argue with his impressive level of integrity and resulting success. Mackey has the trust edge.

rely on them. When customers recognize that they're truly cared for, they show their satisfaction by buying again and again.

Pillar 3: Character

One side of character is integrity. Integrity is being consistent in thoughts, words and actions. The second side of character is having high morals by which to live. Those who live according to a strong moral compass have the trust and admiration of those around them.

Like any element of trust, character takes time, intentionality, selflessness and discipline. Doing what one says is essential to building trust. Great leaders keep their word and take responsibility. They do what is right over what is easy.

Advantages of implementing character in the workplace include enhanced morale, increased productivity, reduced staff turnover and strengthened customer relationships.

Character is formed by continued hard work and intentional effort. A great way to get started is by asking the fundamental question: Am I doing the right thing?

Breaking promises is a quick way to lose trust. We must hold ourselves to standards of high character if we want to foster positive impact and success.

We must think about our pattern of thoughts because all actions start as thoughts. Trusted people control their thoughts because they understand that pure thoughts lead to good actions. Good input leads to good output.

Pillar 4: Competency

We tend to trust those who we know can do the job.

Apple has created a following of committed customers who are willing to pay more than competitors' customers because Apple delivers fresh, innovative technology again and again. Apple has created an environment where high standards of competency result in innovative usable technology. We must be highly competent in the areas where we want to be trusted.

The ability to learn quickly, amid rapid change and even crisis, is more important than learning any specific skill today. A new MBA may feel equipped with many skills, but those specific skills change quickly in the current environment. The greater need is learning and adapting even in the midst of crisis.

Join a Mastermind Group

Synergy occurs when the output is greater than the sum of the parts. When things work in concert to create an outcome that is more valuable than the total of all individual inputs added together, synergy is manifested.

As professionals, however, we sometimes get so individualistic that we let teamwork fall by the wayside, and we lose the benefits that can come from being part of a team with a unified purpose. Others might seem like competitors, and we end up trying to fight the world alone. Obviously, this is no path to success. That's where the support of a mastermind group is helpful.

When you're facing a major roadblock, five heads are more likely to have the experience and answers than one. Life is better as a team sport. If you really want to get the best out of yourself and make a bigger impact, find a circle of like-minded individuals. Being part of a mastermind group is an excellent tool for sharpening your strengths and competencies.

Pillar 5: Commitment

Commitment is what true friends enjoy. There will always be people who will enjoy your company, laugh at your jokes and eat your food, but it's the ones who stick with you when effort and sacrifice are involved whom you really trust.

Martin Luther King Jr. endured 30 arrests, physical assaults and threats against his family because of his determination that men should live as equals. His commitment to that goal was so obvious to everyone around him that men and women followed him into confrontations with angry mobs, trained police dogs and fire hoses.

The strongest leaders in history demonstrated an unwillingness to give in when things were tough, and so they were able to unite others in support of their cause. These leaders were committed to something beyond themselves. Commitment reveals devotion and loyalty.

Own Up

In my research for this book, I saw time and again how those who were committed took responsibility for their actions. In our litigious culture, there's always someone to blame. Deflecting blame is no way to build trust. Take personal responsibility and spread praise.

If you want to build trust and earn the faith and respect of every person in your life, stick to this simple principle: Consistently do what you say you'll do, when you say you'll do it. We have all been misled by leaders, salespeople, politicians and maybe even friends who make big promises but have weak follow-through. Don't be like them.

Pillar 6: Connection

At its core, trust is about relationships. It's a way to measure how we feel about our interactions with the people and organizations with whom we deal. People

like to do business with friends, and friendship starts with a connection.

It's amazing how much we can learn about our colleagues and friends if we just learn to ask the right questions. When we find something in common, a connection is even more quickly established.

Because we often don't get past the surface, we miss out on a depth of understanding that could allow us to better see the opinions, needs and challenges of others. If you are a leader, sharing the benefits of a project rather than making demands creates a feeling of ownership. Asking questions and then providing solutions forms a solid connection.

Pillar 7: Contribution

Contributors deliver results. And results are what make a person indispensable.

Some people are takers and some people are givers. Takers are in relationships only to receive. Givers invest in others. Givers understand the fundamental truth, "The more you give, the more you receive."

Consider how you can be a giver of the following:

- **Attention.** Can you notice or acknowledge people more?
- **Resources.** Can you set a plan to give away a larger percentage of your income every year?
- **Time.** Can you spend more time making a positive difference?
- **Opportunity.** Can you give someone a chance or an opportunity?
- **Help.** Can you help someone in a practical way?

Become a Contributor Every Day

How do you improve your individual contribution? Here are 10 key strategies for becoming a daily contributor:

- **Plan tomorrow today.** Plan out and prioritize the activities for the next day. Count the items on your list, and then number them in order from most important to least important.
- **Deliver with Difference-Making Actions.** Write down your most important current goal. Then write down the numbers 1 through 5. Next to 1, write the most important thing you can do today to accomplish that goal. Then write the next most important things under 2, 3, 4 and 5.
- **Bundle.** Phone calls, emails, and paperwork are prime candidates to be grouped together. They can be done more quickly and efficiently in a batch than one at a time. A great way to get through all of your meetings is to bundle them together. Have a "meeting" day.
- **Email efficiency.** Email can be an effective form of communication, or it can be a costly interrupter. Close your email. Check it at the top of every hour.
- **Keep a clear desk.** A messy desk invites your mind to wander. A clean desk leads to productivity and concentration.
- **Make meetings matter.** Hold fewer meetings. Be clear about what you want to accomplish. Distribute an agenda in advance. Set shorter agendas. Schedule meetings back-to-back.
- **Make a flight plan.** Come prepared to work. Bring along something you can work on if you find yourself with an unexpected block of free time. Take to the skies only when you are sure it's necessary.
- **Optimize your computer.** Ask for help. Work on one thing at a time. Periodically clean out clutter. Do maintenance during downtime and back everything up.
- **Practice a power hour.** For 60 minutes each morning, we don't do meetings, phone calls or emails. We don't take any interruptions. We focus on the activities we identified as most important for long-term impact.
- **Decide now.** Don't let indecision weigh you down. Delayed decision-making causes stress, pileups and time wasted searching for lost items. Make little decisions along the way.

Pillar 8: Consistency

All of the pillars are critical, but if they're not practiced consistently, they crumble.

Consistency is the only way to build a brand or reputation. With consistency comes trust. You will never get one big chance to be trusted in your life; you will get thousands of small ones.

Apply It!

Ask yourself: Am I the same every time? Do I deliver the same quality, act with the same consistency and speak with the same honesty all the time regardless of the circumstances or the people around me?

Habits don't change on their own, and even with good intentions, they're difficult to alter. Here are some of the steps that help create a habit-changing environment:

- Write down the habit you want to change. Writing it down solidifies commitment.
- Note the benefits of changing and consequences of not changing.

- It is easier to "replace" a habit than to "quit" it.
- Work on one habit at a time.
- Create a clear plan.
- Break the plan down into daily actions.
- Create appropriate accountability through a trusted friend or professional.
- Reward the target behavior.
- Keep it on top of your mind.
- Remove the distractions.
- Ask for help.

PART III: TRANSFORMING TRUST

Extending Trust

Becoming trustworthy ourselves, although not easy, is far less complex than the concept of extending trust to others. Given the unknowns, we wade into the waters of extending trust with caution.

When you extend trust to people, your expectations of them meld with your belief in them, and the combination inspires success. What is expected of people will probably be what they aspire to.

Believe in those around you, and let them know you believe in them. The rewards of extending trust can be truly extraordinary. Expectations and trust motivate teams to sacrifice and meet great challenges.

Where there is a lack of trust, everything costs more, takes more time and creates more hassles. Extending trust inspires greater efficiency and effectiveness.

Although you want to extend trust to people, how much you give should depend on how much you think they can handle. You want to start out with a little and let things grow from there. When people let you down, find out what went wrong and repeat the process. To those who show themselves trustworthy with a little, more responsibility and trust will be extended.

Rebuilding Trust

What happens when you need to rebuild trust? You have to get it back. To enjoy long-term success, you must be trusted.

Remember our "trust forest"? What do you do if it's been burned down? You salvage what's left and plant another one. After that, you keep doing everything you can to let the trees grow while you wait. Any attempt to build trust too quickly is likely to make things worse.

What are the seeds of trust? They're small promises that are kept. Whether the breach of trust was your fault or not, move forward with consistency and integrity. Be cautious with regard to whatever weakness cost you trust in the first place. If you have a habit of missing deadlines, focus on meeting your deadlines. If you've lost trust because you've done poor-quality work, look at how to gain knowledge through more education or mentorship. If your integrity is under scrutiny, remove secrecy, invite accountability and adopt a zero-tolerance policy for future indiscretions.

Apologize Thoroughly

When we've wronged someone or broken his or her trust, it's up to us to make it right. This is a big part of rebuilding trust. Part of that is apologizing in a way that satisfies the other person. Sometimes we might say we're sorry and then not get the results we were hoping for. If you aren't sure what will make things right, ask. Often those who have been wronged can tell us what they want. And even if they can't, the experience of being heard will often help defuse their anger and frustration. Make sure your apology is understood to be sincere and clear. A sincere apology process usually includes the following:

- I am sorry.
- That was my fault.
- What can I do to make it right or solve the problem?

PART IV: DEEP TRUST IN A FLAT WORLD

Globalization and Trust

Globalization, the shrinking of borders and broadening of our business horizons, is an enormous component of business today. But it presents an enormous challenge with regard to trust.

One of the most interesting things I learned in my research on trust is that diversity isn't always great for trust. That is, people more easily trust others who are like them, and are more apt to mistrust those who are different. Keep in mind that I define "diversity" not by color or ethnicity but, rather, by all of the ways we are different from one another: ways of thinking, backgrounds, political views and many more.

Be careful. I'm not saying diversity is bad. In fact, it is critical to innovation, creativity and success. The old saying is correct: "If we are both the same, one of us is

not needed." Embrace diversity for greater creativity and innovation, but consider similarities and opportunities to connect in order to build trust. When people do not have the same frame of reference, they may not know what to expect from each other. Find common ground.

In building trust globally, we must magnify the pillars of trust. Every culture elevates different values and views of success. Listen. Observe. Learn. In a high-trust climate, differences and diversity are valuable, beautiful and fruitful.

Here are tips for global interaction:

- Be humble.
- Be teachable.
- Be observant.
- Be quiet. (Most cultures are not as loud as our American culture.)

You may have to go the extra mile to win over international associates. Whether good or bad, the United States has a reputation that precedes you. Show people they can trust you, as an American and as an individual, and they most likely will. ●

Trust in the Online Age

Like globalization, the online revolution has brought thousands of new efficiencies to the way we work. But e-commerce has the potential to slow down trust. That's because the Internet is the ultimate anonymous medium. The person or company on the other end of a transaction could be anyone anywhere. In this environment, distrust is more prevalent.

With every book, CD and gadget sold, Amazon.com offers the consumers a chance to rate the product and comment on the service they received. Because of this, and because it posts the bad comments with the good, it is able to build trust quickly. Customers trust one another more than they trust marketing propaganda.

In the online age, reputation moves at the speed of light. Do something wrong, and the public will know about it within minutes. Get something right, and your reputation can skyrocket just as quickly.

One of the simplest ways to gain trust online is to make guarantees. Let customers know that you have a return policy if they aren't happy with your product. Put it in writing that you will not share or sell their contact information.

To show that you are trusted, consider the following tips for a trusted site:

- Be simple and clear.
- Be informative.
- Make it easy to connect with you.
- Show real people. ●

PART V: COURAGEOUS TRUST

A Sharp and Lasting Edge

Have you ever tried to use a dull knife? It takes intentionality and time to stop and sharpen the knife. It is the same with your trust edge. Sharpening it will give you an advantage in your career and life.

In a recent study, elderly respondents were asked about their biggest regret in life. The biggest regret was that they did not take enough risks.

Trust is always a risk. Risk can be scary. Risk takes courage. It might seem like a halt in progress to stop and make genuine connection. It takes discipline to continually build competency. It takes guts to risk your job or a relationship by standing up for what you think is right. Lay the groundwork of trust and enable yourself to take risks. Not every risk is going to mean a gold rush.

Trust flows from individuals, not organizations. Individuals are the conduit for trust. It's not up to your organization or the responsibility of anyone else. Your courage to take action and become trustworthy will be the invitation for others to follow. Keep working to build the pillars of trust. Start by laying the first brick. Persevere through the barriers. Be a clear, compassionate, high-character, competent, committed, connecting, contributing and consistent leader. When you are, you will enjoy the foundation of all genuine and lasting success, the trust edge. ●

RECOMMENDED READING LIST

If you liked *The Trust Edge*, you'll also like:

1. ***Smart Trust* by Stephen M. R. Covey and Greg Link with Rebecca R. Merrill.** This summary reveals why people and organizations are achieving unprecedented prosperity from high-trust relationships and cultures.
2. ***Credibility* by James Kouzes and Barry Posner.** Kouzes and Posner explain why leadership is above all a relationship, with credibility as the cornerstone.
3. ***Trust Agents* by Chris Brogan and Julien Smith.** The social media experts will show you how to build profitable relationships with trust agents or become one yourself.

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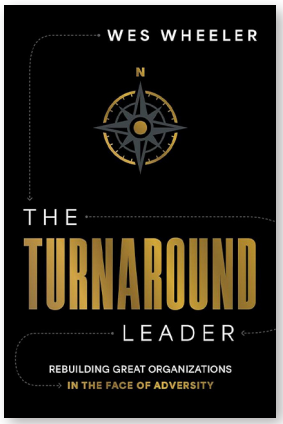
The Turnaroudn Leader

Wes Wheeler

Executive Book Summaries®

The Turnaround Leader

Rebuilding Great Organizations in the Face of Adversity



by **Wes Wheeler**

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THE SUMMARY IN BRIEF

In the volatile and cutthroat world of business, adversity is inevitable, but failure is not. Wes Wheeler's ***The Turnaround Leader: Rebuilding Great Organizations in the Face of Adversity*** offers a valuable blueprint for reviving struggling companies and creating sustainable success through disciplined leadership, hard work, and practical strategies. Drawing from his own remarkable career, Wheeler explains how even a business on the brink of collapse can recover with the right mindset, work ethic, and integrity.

Rooted in his formative experiences, from delivering newspapers to managing major projects or leading reputable pharmaceutical firms, Wheeler's journey is one of resilience and constant reinvention. His leadership during economic uncertainty, strict regulatory scrutiny, hostile takeovers, and the COVID-19 pandemic offers a useful guide for entrepreneurs and aspiring leaders alike. With a refreshing blend of realism and optimism, the book not only shares Wheeler's personal evolution but also equips readers with the necessary tools for overcoming hardship in any industry.

IN THIS EXECUTIVE BOOK SUMMARY:

- Identify and address systemic issues that lead to organizational failure.
- Valuable strategies to guide companies through financial, operational, or reputational crises.
- How strong work ethic and integrity can ensure long-term success.
- Real-world lessons from turnaround efforts in high-stakes industries like pharmaceuticals.

Preface

I wrote *The Turnaround Leader* for two reasons.

First, as a lifelong reader of histories and biographies, I have always found immense value in seeing past events documented and described so that others can remember them and understand how they led to where we are today.

Second, I hope to present current and future business leaders with case studies they might find useful in their decision-making. The challenges I faced in my business career have been unique, but the solutions I implemented as a leader are universal.

Chapter 1: Beginnings (1963–1978)

Turning Around Family Failures ... and Finding a Path to My Purpose

My childhood years were defined by two major failures: one in business and, shortly after, one in a marriage. The business failure came when I was seven.

My family and I had lived in Spain for two years, returning to Clason Point, New York, in the spring of 1963 to witness the tail end of a disaster —the still-smoking embers of the Wheeler Yacht Company. The shipyard had burned to the ground.

The fire devastated my dad. His lifelong dream – taking over the family business – had turned to ashes. When I was twelve, he divorced my mother and went on to remarry twice.

I helped Mom at home. Wanting to be responsible, I started working at age ten, washing cars, shoveling snow, and mowing lawns. At twelve, I got lucky. I nabbed a paper route.

My first job as a paperboy led to a lifetime of work and discipline. My paper route established habits for a life of hard work that I continue to keep to this very day. It's where my work ethic was born.

I earned my mechanical engineering degree from Worcester Polytechnic Institute (WPI) in 1978.

I graduated with distinction, the WPI equivalent of cum laude, and then I got several solid job offers. I said yes to one of the world's largest oil companies, Exxon.

LESSONS LEARNED

Failures can lead to opportunities. Struggling through early failures—even those not of one's own doing—often instills a natural instinct and a burning drive to make the future better. Working hard at a real job from an early age will establish a healthy, lifelong work ethic.

Chapter 2: Exxon (1978–1989)

A Whole New World

I like to refer to my time at Exxon as "career bootcamp," where I learned professional discipline. From 1978 to 1989, I absorbed management lessons—and life lessons—at Exxon Research & Engineering Company (ER&E). In five of those twelve years, I worked overseas on assignments in the United Kingdom, Japan, South Korea, and Italy. Stateside, I held posts in New Jersey and California.

After several projects and relocations, and after twelve years of being in the top 10 percent of my peer group, I wanted a promotion. But the promotion I felt I'd earned for more than a decade of outstanding service would not come, I was told, for at least a few more years.

That frustrated me. I lost my patience. A phone call changed my life. A North Carolina area code. A man named Tim Tyson. A chieftain in the pharmaceutical industry. Tim asked me if I might consider a career change. Yes. Yes, I would. Boot camp was over.

LESSONS LEARNED

I believe it's valuable to start a career with a large, established company. Why? It teaches you how to work with leaders and colleagues of all types—brilliant, demanding, lazy, or loser. It creates structure in a work life. You learn how to navigate the labyrinth of rules, policies, mood swings, deadlines, and dramas the business world presents.

Chapter 3: Glaxo (1989–2002)

Acquisitions, Mergers, Launches, and Carving Out a Global Operation

I had never heard of Tim Tyson before his call. I had never heard of his company. I learned that Glaxo was a century-old player in the pharmaceutical industry. Tim Tyson was a leader there. He needed help with a big project – a massive $350 million (more than $700 million in today's dollars) new greenfield R&D campus in the RTP in North Carolina, and he heard I might be the man for the job.

I took the job. That decision would prove to be one of the most consequential of my life. Against all odds, the build-

Do the hard stuff. The impossible stuff. Fill the voids. This is how you differentiate yourself from the others.

out of the Glaxo R&D project met the October 18, 1991 deadline. The project was a success. It came in on time and under budget.

This brought my long sought promotion. I took a new title as director of engineering for all Glaxo's RTP facilities. I now had a team reporting to me.

My Move from Engineering to Marketing

In July 1993, Glaxo had rewarded Tim for his vast campus construction oversight with a long-sought promotion of his own. He then received a second promotion, to vice president of sales and marketing, an even bigger position. Tim asked me to take the title of group director of marketing services.

This was a pivotal moment in my career. I went to work mastering this new trade. I read, talked to marketing experts, and experimented. I learned everything there was to learn about marketing and drugs and how the development-to-launch cycle worked.

From Marketing to Manufacturing

Unexpectedly, GlaxoWellcome had come under major scrutiny with the FDA relating to the manufacture of sterile drugs in the United Kingdom. It was a massive crisis.

Tim picked up the phone—again—and called me. Tim Tyson, the fixer, needed his own fixer. I took the job and was promoted to senior vice president of GlaxoWellcome manufacturing strategy. I had no idea how to develop a strategy for manufacturing. But by this time in my career, I knew I could figure it out.

GlaxoWellcome operated some sixty-five manufacturing sites in dozens of countries. Its manufacturing was a complicated mess. The factories were not centralized. As Tim busied himself politicking and resolving the FDA issues, I began to work out a global restructuring strategy for manufacturing.

More Kingdoms to Merge: The Creation of GSK

GlaxoWellcome would join with another big pharmaceutical firm, SmithKline-Beecham, to create a new entity, GlaxoSmithKline (GSK). For me, the merger meant suddenly managing the restructuring of a manufacturing system with 109 factories instead of 65.

Every week, in plain sight, I saw political backstabbing between the legacy Glaxo people and the legacy SmithKline people. If anything, my disillusionment felt deeper than it had at the end of my Exxon service. I grew so frustrated that I began to brood over my next move.

Then something happened. Déjà vu, all over again. My phone rang.

LESSONS LEARNED

It is possible in a large company to make a real difference. Find a way to break out of the pack. Take on the tasks and the work that nobody else has the guts or energy to do. Do the hard stuff. The impossible stuff. Fill the voids. This is how you differentiate yourself from the others.

Chapter 4: DSM Pharmaceuticals, Inc. (2002–2003)

A First-Time CEO Grapples with an FDA Warning Letter … and Turns Around a Troubled Company

I accepted the job as CEO for the DSM Pharmaceuticals facility in Greenville, North Carolina. I would become my own boss. With Tim Tyson's blessing, I felt free to reach for the highest rung on the corporate ladder: chief executive officer. That next rung, though, came with splinters.

DSM (previously Dutch State Mines) bought Catalytica for $800 million in cash and debt. The Dutch bought Catalytica under a tremendous misunderstanding. They thought their acquisition gave them a pharma company with the industry's famously high margins. They didn't grasp that a CMO is a completely different business.

After closing the deal, the new owners in the Netherlands stared in surprise at a document, called a "warning letter," sternly stating that the Greenville site was in multiple violations of the US Code of Federal Regulations CFR 21, Part 11.

Something like a corporate miracle would occur on my brief watch of one year and one month. It only happened, though, through the hardest work of my life so far. Our successful efforts and facility turnaround would ultimately be quantified by two major product launches, a growing revenue base, and the increased output from operational improvements. We got product moving again and our revenues started to grow. Progress also showed on the regulatory front.

I could have spent the rest of my life steering this company into the destiny it deserved after our remarkable turnaround. But then the phone rang. Tim Tyson called. Tim had landed something new, something enticing. The new outpost was a company called ICN Pharmaceuticals, based in Costa Mesa, California. After a lot of hard thinking, I decided to go for it.

LESSONS LEARNED

Dying companies can be saved. It takes grit, determination, good people, and a steady hand.

Whatever the situation, you must win the hearts and fire the enthusiasm of others around you. Set a clear path for success, repeat it often, and the people will follow.

Chapter 5: Valeant Pharmaceuticals International, Inc. (2003–2007)

An SEC Consent Decree ... and Fixing a Broken Company

ICN came to life in a garage in Los Angeles in 1959 when a young graduate of Tulane University's biochemistry program borrowed $200 to buy equipment to synthesize chemicals he could sell to research labs. Milan Panić would, eventually, grow his little endeavor into a global company named ICN Pharmaceuticals, later Valeant, while also finding the time to serve as Prime Minister of the Federal Republic of Yugoslavia (1992–1993), and to run unsuccessfully for president of that nation (1993).

Panić left one year before I arrived—and with ICN still under the stigma of a stiff SEC Consent Decree. Robert O'Leary, an ICN chair and the new CEO, wanted good and able help to handle such a complicated enterprise. But neither Tim nor I, however, would be completely prepared for the corporate chaos we would enter.

Three Strategies for Change

Tim's reinvention of Valeant would be based on three strategies: Restructure. Transform. Innovate and grow.

- To restructure, Valeant would slough off the parts of its business that didn't make money.
- To transform, Valeant would prioritize efficiency and operational excellence.
- To innovate and grow, Tim and Rob knew the real key to a turn-around —they needed to fill the Valeant pipeline with new products that would create fresh sources of revenue.

I asked Tim for a role leading the North American business unit. I also asked to lead their global marketing team. Furthermore, I asked to lead mergers and acquisitions. Tim said yes to all.

New Branding, New Attitudes

With agency help, I initiated a project to change the company's brand. In 2003 ICN became Valeant Pharmaceuticals International, Inc. The stock ticker changed to VRX. A commanding purple—the historic color of royalty—animated our Valeant logo and all our branded materials.

The leadership team was enthusiastic. Valeant was ready to shed the past and build a strong new image.

Eventually, the acquisition of potential blockbusters, along with the fresh cash, the burgeoning pipeline, ongoing clinical trials, and the growth of smartly marketed portfolio products, made 2005 a pivotal year in Valeant's turnaround. And that continued to show progress through 2006.

Tim had these surging revenues, a new management team, and a new board of directors. Valeant was his now. He yearned to make a bold move that would leave his mark on the pharma industry forever.

However, the involvement of fabled consultancy firm McKinsey & Company, and the hostile takeover by an activist private equity firm would soon spell trouble for Tim and for all of Valeant.

A Momentous Career Decision

My phone rang. Again. JLL Partners wanted to talk with me about the CEO position at Patheon. I said yes. For the second time, I'd leave Tim for my own greener pastures. It was a painful decision. We'd had so much success with the Valeant turnaround. We really had fixed the company, despite all the noise around us.

There are good people and bad people in business, as in all of life. We must learn to identify the bad actors as early as possible.

LESSONS LEARNED

There are good people and bad people in business, as in all of life. We must learn to identify the bad actors as early as possible. If the bad actors work for you, you must remove them. If the bad actors have control over you, there is a choice to be made. Either learn to trust them … or watch your back. But trust must be earned through deeds and actions. If the bad actors are left unchecked, they can and will destroy you.

Chapter 6: Patheon, Inc. (2007–2010)

Building a Quality Reputation during a Corporate Takeover

I look back on three tumultuous years at Patheon with mixed feelings. The opportunity for me to run a public company on my own for the first time was awesome. But that stint also stands among the toughest professional and personal times in my life.

As Patheon's new CEO, I led a company turnaround that positioned it for tremendous future success. I achieved this goal despite factions at war in a corporate takeover, and in spite of the Great Recession, chilling the global economy like a new Ice Age.

By the time I unwillingly departed at the end of 2010, I had stabilized the fragile and disorganized company I'd first walked into. The organization had skirted financial collapse, and by 2010 all the Patheon financial vectors were pointed up.

LESSONS LEARNED

Sometimes bad things happen. A market crash. A global recession. We have no control over these things, but if we remain true to ourselves and do the right thing for our businesses and people, we can survive and succeed.

Chapter 7: Marken (2011–2019)

Turning a Complete Financial Write-Off into a Global Industry Leader

Soon after leaving Patheon, I launched my own consulting practice, WPWheelerLLC. A company called Apax Partners recruited me as an advisor. After a few months, Apax asked if I would be interested in running Marken, a clinical logistics company it had purchased about a year earlier.

I had no real experience in clinical logistics, but something about Marken intrigued me. It was global, and it had a good reputation for quality.

Marken would test all my skills in leading a company. As it happened, I was equipped with a solid team, and we would lift Marken up from financial ground zero, transforming it into a renowned global player with unrivaled leadership in its sector.

Marken was sold to UPS on the winter solstice, December 21, of 2016. We became one of the best-performing parts of all the vast UPS global businesses, and with margins which were accretive to its parent company.

LESSONS LEARNED

In business, quality and service win. One can take a failing company and turn it into a business that truly cares for customers. Above all, never minimize the value of strong leadership when faced with adversity, ill-willed people, and misaligned board members.

Chapter 8: Bushu Pharmaceuticals Ltd. (2017–2021)

What Not to Do When Hiring a Consultant

In the years I led Marken, I also helped out a Japanese company called Bushu. The story demonstrates the power of experience, partnership, and leadership in solving problems that appear intractable.

My long-ago Exxon assignment in Japan gave me a good working knowledge of how Japanese business leaders thought and reached decisions. That Japan experience, along with previous turnaround work at DSM, Valeant, and Patheon—work that included international engagements in

Japan and other Asian nations—rewarded me with a clear vision of how to get Bushu back on course.

LESSONS LEARNED

Consultants can be helpful but also can be dangerous. We hire CEOs for the ability to set a vision and a strategy. Consultant input is valuable, but a good CEO will know how to use that information, or disregard it, before charting a course for the future.

Chapter 9: UPS Healthcare (2019–2020)

The Design and Launch of a New Vertical Business Unit

UPS, the world's largest and most important logistics company, put up its first pharma facilities in 2005. These nascent UPS Healthcare logistics efforts, though, fell short of their potential.

With Marken going great guns in 2018 and 2019, I found myself in more and more meetings in UPS's C suite. I became central, in fact, to a Big New Idea taking shape.

Jim Barber, UPS's chief operating officer, began to lean toward setting up a whole new business vertical within Big Brown that would be dedicated to healthcare logistics. Carved out of an existing UPS P&L, it would become the first independent industry-focused business unit ever within the century-old integrated UPS network.

Jim asked me to be president of the new division. In December 2019, I started work.

Standing Up UPS Healthcare

My new organization would have its own finance function, its own marketing function, its own engineering function. It would have independent departments for information technology, human resources, communication, legal, and sales.

In January 2020 we started with a new brand and a new name for our new division. We were UPS Healthcare. We focused on complex healthcare customers: pharmaceutical and medical device companies, laboratories, hospitals and clinics, diagnostic testing companies, and other companies that supported these.

Audaciously, our team even made a logo change. For the first time in UPS's proud 115-year history, the UPS shield was allowed to use a color other than brown. We made it blue, to distinguish the new division for our customers and within UPS itself.

UPS Healthcare had 114 facilities in twenty-five countries and seven thousand employees. That's where we started life, in March 2020. And that's where we started saving lives as a great pandemic swept the world.

LESSONS LEARNED

Established companies build cultures that are deeply rooted in the souls of their leaders. Sometimes, such strong company cultures stifle entrepreneurial thinking internally and kill unique ideas. A strong leader is willing to step out of a cultural quagmire and create something unique and different for the greater good.

Chapter 10: UPS Healthcare (2020–2023)

Battling a Global Pandemic

By April 2020, the United States reported one million COVID-19 cases. Stores and institutions shuttered. The economy stalled, except for online businesses. The world was in lockdown.

UPS Healthcare would become essential to three major COVID-19-era logistics efforts, each of unprecedented scale and paramount urgency:

1. Personal protective equipment (PPE): We created a logistics pathway to deliver and store all the PPE that we could.
2. Test kits: We created a logistics program that could deliver COVID-19 test kits anywhere.
3. Vaccines: We built a global supply chain to store and deliver COVID-19 vaccines.

These initiatives undoubtedly saved many millions of lives.

Post-COVID-19 Progress

Meanwhile, life went on for UPS Healthcare, the business. Anticipating the age of biologics, and proven so spectacularly right by our COVID-19 preparation, UPS Healthcare industriously built out our cold chain around the world.

On April 17, 2023, I retired from UPS at the zenith of my forty-five-year corporate career. We had ten thousand employees worldwide and had exceeded all expectations. In

the three years I was president, our growth was triple the rate of industry growth.

LESSONS LEARNED

A global crisis, for all the harm it does, can hold a silver lining. It can drive needed changes by making it easier to break restrictive rules. My advice? Run to the fire, not away from it. Use the power of a leadership position to forge bold new practices.

Chapter 11: What's Next (2023 And After...)

Building Boats and Beyond

I'm certain the next phase of my life will be filled with more business ventures. My top priority, though, will involve reviving a solid family brand and building boats.

My great-grandfather, Howard E. Wheeler, started the Wheeler Yacht Company in 1910. My dad never got over the loss of the company. So it has come down to me to resurrect the Wheeler boatbuilding craft and name. I reincorporated Wheeler Yacht Company in 2011. The Wheeler boatbuilding business is back, albeit at a much smaller scale.

You'll understand by now what drives me. I see that my purpose—my love—is fixing things. Families, after my dad left. Businesses, struggling to survive. Boats, deserving of glory instead of ashes.

Reflections

By the time you read this book, I may be retired. Perhaps not. My approach to life has always been inspired by challenges whether they happen by chance or by design. Life's challenges make you alert and sharp—and keep you busy. They occupy your mind. They occupy your spirit. I gladly move on to that next challenge, whatever it may be.

Wes Wheeler is a career business executive with deep international experience in nearly all parts of the pharmaceutical industry and a five-time CEO / President / Chairman of several public and privately owned companies. He is known for his ability to lead companies through challenging restructuring circumstances while building productive work cultures. After spending decades fixing other businesses, Wheeler has shifted his focus to Board work and advising private equity firms.

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The Ultimate Guide to Developing Leaders

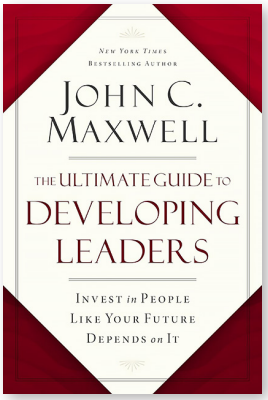
John C. Maxwell

Executive Book Summaries®

The Ultimate Guide to Developing Leaders

Invest in People Like Your Future Depends on It

by **John C. Maxwell**



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THE SUMMARY IN BRIEF

Strong products, smart strategies, and clear goals matter, but none determine organizational success as decisively as leadership. Whether a company is launching a new initiative, expanding into a new market, or trying to improve its existing operations, the presence or absence of capable leaders shapes the outcome.

Yet many executives hesitate to develop new leaders, fearing they may be training their own replacements. In ***The Ultimate Guide to Developing Leaders: Invest in People Like Your Future Depends on It***, author John C. Maxwell argues the opposite: developing leaders is the surest way to secure an organization's long-term health, resilience and competitive edge.

Drawing on decades of global leadership work, Maxwell explains why leaders who multiply other leaders expand organizational capacity, strengthen momentum, and ensure continuity. He also shows why avoiding leadership development leads to stagnation and future vulnerability. For Maxwell, the goal is not to protect a position; it is to build a leadership pipeline that never runs dry.

IN THIS EXECUTIVE BOOK SUMMARY

- Find out how to identify people with leadership potential and develop them with confidence
- Understand how you can empower emerging leaders to take ownership, drive momentum and share the leadership load
- Get useful advice on how to coach new and existing leaders toward sustained growth and higher performance
- Understand why developing leaders today secures the future of your entire organization long-term

CHAPTER 1

Understand That Developing Leaders Is the Answer

When conducting leadership conferences, I am asked a lot of questions about how to solve problems and overcome challenges. Most often, people want to know how to improve and grow an organization. My answer is straightforward: Develop leaders. If you grow a leader, you can grow the organization. If you don't, you can't. A company cannot grow throughout until its leaders grow within.

The strength of any organization is a direct result of the strength of its leaders. Weak leaders equal weak organizations. Strong leaders equal strong organizations. Leadership makes the determination.

The Unbelievable Return of Developing Leaders

For any team, small business, large corporation, nonprofit organization, or government entity, the key to accomplishing today's goals and achieving tomorrow's dreams is leadership. And the surefire way to improve the leadership of your organization or team is to develop leaders yourself.

There are innumerable benefits that come from having developed leaders working with you. Here are seven of the most significant:

1. Organizations with developed leaders outperform the competition

The better the leaders in an organization, the more successful it can become. A recent report published by human resources consulting firm Development Dimensions International stated: Organizations with the highest quality leaders were 13 times more likely to outperform their competition in key bottom-line metrics such as financial performance, quality of products and services, employee engagement, and customer satisfaction.

2. Developed leaders multiply your resources

When people become successful, they always eventually hit a wall where they realize that their resources are more limited than their vision. The solution to this dilemma is developing leaders. Good leaders increase resources in a way that nothing else does.

3. Developed leaders help you carry your leadership load

Leadership can be difficult. Most leaders carry heavy loads and feel that there are too few hours in a day. If you're a lone leader, you carry all that weight; but when you have other leaders working with you, that weight can be shared. You simply need to be willing to give some of it to them.

4. Developed leaders help you create momentum

Momentum is a leader's best friend because it makes large problems small, average people excellent, and positive change possible. The best way to create momentum is to harness the positive power of good leadership. Leaders are all about forward movement. They love progress more than anything else.

5. Developed leaders expand your influence

Years ago, when I first started receiving invitations to speak to groups, I made a decision. If I had a choice, I would always choose to speak to leaders. Why? Because I knew that when I spoke to a group of leaders, I could help not only them, but all the people they help. That's why I'd rather teach a hundred leaders instead of a thousand followers. When I influence leaders, I influence all the people they influence.

6. Developed leaders keep you on your toes

Nothing keeps a leader on his or her toes better than leading a group of leaders who are being developed. When the team you lead is growing, you have to keep growing to keep leading them well.

7. Developed leaders ensure a better future for your entire organization

My organizations are filled with developed leaders who do particular tasks better than I do. I know that the future of my organization is secure because of the leaders who will carry on after I am no longer able to lead. If you have developed strong and capable leaders, and you have trained them to develop more, the future will be bright.

You Can Develop Leaders

It's taken me decades to learn what I know about developing leaders. I've had my failures, as well as my successes. As you take this leadership journey, there are three things you need to prepare yourself for:

1. Developing leaders is difficult

Leadership is hard work. There are no two consecutive easy days in the life of leaders. If today is easy, you know tomorrow probably won't be. But everything worthwhile is uphill. If the purpose of life was ease and comfort, no sensible person would ever take on the demands of leadership.

2. Developing leaders takes time

If developing ourselves as leaders is a long, ongoing process, then we should also expect the development of others in

> You must give up looking to cross a finish line and instead find your own internal fulfillment line you can cross every day.

leadership to be the same. You must give up looking to cross a finish line and instead find your own internal fulfillment line. That's something you can cross every day when you embrace the process of developing leaders.

3. Developing leaders put your dreams within reach

People too often overvalue their dream and undervalue their team. They think, "If I believe it, I can achieve it." But that's simply not true. Belief alone is not enough to achieve anything. It takes more than that. Your team will determine the reality of your dream. A big dream with a bad team is a nightmare.

CHAPTER 2

Commit to Becoming a Developer of People

We cannot reach our potential without the help of others. While self-evaluation is valuable, the perspective and assistance of people who are ahead of us in life and career are essential to our success. As a leader on your team or in your organization, you can help others go farther, move faster, and be more successful than they could ever be traveling on their own. You can do that by developing them.

Developing people means adding value to them in any way you can. It means giving people time, attention, advice, and encouragement when they need it. It means making an investment in them without expecting anything specific from them in return. It means giving them a leg up to make them more successful.

Leaders know intuitively that they should be developing people. We know it's a great way to add value to others, improve their lives, and make our organizations more successful. However, too many leaders neglect the process. Here are five common reasons why:

- lack of awareness
- lack of time
- inability to find someone to develop
- lack of belief in others
- reluctance due to past failures

Credibility as a Developer of People

Your ability to develop others is dependent on what you know and what you are able to do. But it's equally dependent on who you are. Development is caught as much as it is taught. The catching part is totally dependent upon your credibility. To gauge where you currently stand, ask yourself these three questions:

- What is my level of credibility?
- Will my strengths contribute to theirs?
- What experiences outside my strengths can I give them?

Becoming a developer of people is really about looking for ways to add value to others every day and committing to follow through. Developers don't just lead a team and strive for organizational success. They invest in people to help them improve their lives. And when it comes time to train, coach, and mentor those people who have benefited from their investment, they are more open to following them and learning even more.

If you desire to develop leaders in your organization or on your team, the way to start is to commit to becoming a developer of people. That's the strong foundation upon which to build.

CHAPTER 3

Get to Know Your Team Members

Listening is one of the most important skills any leader can possess, yet most of us put greater emphasis on talking. How many times have you heard people complain that their bosses don't listen? How many times have you heard children say their parents don't listen? People in authority usually prefer to talk. However, there is perhaps no better way to get to know others and connect with them than to become a better listener.

Once you become a better listener, you can increase your understanding of people by asking questions. Asking questions has the opposite effect of giving direction. When you give direction to your team, you often confine them. When you ask questions, you create room for discovery—for artic-

ulation, communication, innovation, and problem-solving. Questions show that you know you don't have all the answers and value the input of others.

Good leadership requires a perspective shift from it's all about me to it's all about others. That means we need to try to see things from others' points of view.

If you want to develop the members of your team as people and then be able to develop them as leaders, you need to get to know them. You need to learn how to see the world from their perspectives. You can do this in three key ways:

- **Learn perspective thinking** – learn how others think and lead them from where they are, not from where you are.
- **Practice perspective seeking** – when developing someone, get their perspective and then give them yours.
- **Engage in perspective coordinating** – point out and try to tie together different perspectives.

If you are going to develop people, you need to learn who they are and do everything you can to understand them. And you need to be open enough to allow them to understand and learn from you. And while you do that, be sure to encourage them. While people's hopes and dreams may be unique, they all need to be encouraged and lifted up.

CHAPTER 4

Equip Team Members to Excel at Their Jobs

There are three main reasons people fail in a job. They may lack the ability or the desire to do the job. Or they are not properly trained to do the job. Or they do not understand what they are supposed to do to complete the job. The good news is that equipping addresses two out of three of those problems. If team members who possess ability and desire fail, you may be at fault because you neglected to train them properly.

As a leader, it's one thing to ask people to be on your team and take a journey with you. It's another to equip them with a roadmap for the trip. Good leaders provide a means for people on the team to get where they need to go. They equip and empower them.

This process starts with the leader who intends to equip others. First, that leader needs to be successful. As soon as you know what you're doing, invite team members to join you and let them watch you. In the third step, the focus moves away from the leader: it goes from I to you.

At that point, others are doing the task, and the leader coaches, encourages, and corrects the people doing the work. After that is the handoff. The task is delegated to the equipped team member. But importantly, there is a fifth step. The person who has been trained selects another team member to train. This is where the effectiveness transforms—it goes from addition to multiplication. If every team member trains someone else, the multiplication factor never stops.

To be successful in this process, focus on five essential practices:

1. Be an example others want to follow
2. Spend time with your team members
3. Set equipping goals with them
4. Encourage team members to learn by doing
5. Remove barriers to growth

CHAPTER 5

Identify Your Potential Leaders

Some leaders are tempted to recruit leaders from outside their organization and work with them. I recommend that you start where you are with who you have. Observe the members of your team, whom you should now know pretty well, since you've taken time to get to know them and equip them. Looking for potential leaders to develop in your own organization makes sense for three reasons:

1. They are a known quantity

Unlike when you interview people from outside, you don't have to imagine how insiders will perform. You can look at their actual performance to see what they can do. You can observe their strengths. You can personally talk to everyone who works with them to find out about them.

2. They already fit the culture

When people have already been working in the organization for any length of time, you know if they fit because they have already been a part of the community.

3. They have already established influence

Good leaders, even those with little training or experience, influence other people. When you're trying to identify potential leaders to develop, look for influence. It's a qualification that must be present in someone you wish to develop as a leader, because leadership is influence, nothing more, nothing less.

> A big dream with a bad team is a nightmare.

One way to measure their influence is by using the Five Levels of Leadership, which move from the lowest to the highest levels of influence.

1. **Position**. People follow because of title.
2. **Permission**. People follow because of relationships.
3. **Production**. People follow because of results.
4. **People development**. People follow because of personal life change.
5. **Pinnacle**. People follow because of respect from earned reputation.

A Picture of Potential Leadership

As you look for potential leaders, remember that they will have the same characteristics as good leaders with whom you have already been working, except that they won't have developed these characteristics yet.

When I look for people with leadership potential, I start by examining five areas:

- the attitude of potential leaders: willing
- the character of potential leaders: solid
- the ability of potential leaders: high
- the track record of potential leaders: proven
- the mindset of potential leaders: improvement

CHAPTER 6

Invite People with Potential to the Leadership Table

Having a leadership table means creating a place in your organization or on your team where people can learn, practice leadership with its successes and failures, and receive opportunities to shine.

People with leadership potential want to spend time with other leaders. They want to observe good leadership. They want to talk about it. They want to experience it. It fires them up. A true leadership table is a place where anyone with potential, the desire to lead, and the willingness to learn can sit and become part of your leadership team.

To begin developing your potential leaders and to make your team or organization attractive to other potential leaders, you need to make sure a few things happen at your leadership table:

- expose them to the culture of a leadership environment
- encourage them to participate in the dynamics of the table
- allow them to benefit from the power of proximity
- let them practice leadership

CHAPTER 7

Know the Goal of Developing Your Leaders

Once you've invited people with potential to the leadership table and begin working with them, what do you want them to become?

Obviously, every organization is unique, and so are the goals and work that must be done. And different kinds of leaders need different skills to be successful in their areas. But are there key areas where all leaders can develop?

The answer is yes. When I develop leaders, I want to be certain they are developed in three core areas, which I think of as the three Gs:

1. Grounded – possessing core values that make them solid

Like begets like. That's a universal law. Look for leaders who have a solid foundation, who are grounded. The characteristics I seek in a grounded leader are:

- integrity
- authenticity
- humility
- teachability
- maturity

2. Gifted – using their strengths to lead well

There is no substitute for a lack of giftedness. Ability determines potential. The giftedness of leaders is the first step making it possible for them to grow and succeed.

3. Growing – possessing a hunger and capacity to keep learning and developing

Because we're discussing developing leaders, a pattern of growth is essential. Ideally, the leaders you are developing will already be growing and understand the growth process. If not, you will need to help them get there.

CHAPTER 8

Empower New Leaders to Lead

Where does the ability to empower others come from? It is based primarily on earning respect, building relationships, and providing an environment of empowerment.

The greatest leaders aren't necessarily the ones who do the greatest things. They are the ones who empower others to do great things.

To do that, leaders need to be willing to give up center stage. They must give up the need to be needed by others. Instead, they must cheer on the people they empower when they succeed, not feel threatened by their success. They must point to the victories of others and celebrate their successes. That's what secure, relational leaders do.

Take a look at the six characteristics of an empowering environment, make note of how many of them describe your organization or team, and think about ways you could promote them where you lead. Empowering environments:

- embrace everyone's potential
- give team members freedom
- encourage collaboration
- promote accountability
- give leaders ownership
- reward production

CHAPTER 9

Harness Your Leaders' Natural Motivation

In every leader's organization or team, you can find people who seem to lack motivation. It can be difficult to get some people moving. Ideally, the leaders you have chosen and begun developing will not be reluctant to dive into challenges and take action. But even people with high potential can use a boost. All of us can benefit from a bit of motivation from time to time.

Here are the seven motivations of leaders:

- **Purpose** – leaders want to do what they were created to do
- **Autonomy** – leaders want the freedom to control their lives
- **Relationships** – leaders want to do things with other people
- **Progress** – leaders want to experience personal and professional growth
- **Mastery** – leaders want to excel at their work
- **Recognition** – leaders want others to appreciate heir accomplishments
- **Money** – leaders want to be financially secure

As you develop leaders, learn which of these seven factors motivate them and tap into them. By learning what motivates your leaders and harnessing that motivation, you will energize them to keep growing and developing. Focus first on what motivates them the most, but also inspire them in every area you can.

The best leaders and highest achievers are always self-motivated. They work because they want to. They lead others because it's rewarding. They take joy in their work. One of the greatest gifts you can give as a developer of leaders is to help the people you lead to harness their own internal motivation so that they can lead and inspire others every day.

CHAPTER 10

Challenge Your Leaders to Work as a Team

What's more powerful than a motivated, equipped, and empowered leader? A group of motivated, equipped, and empowered leaders. What's more powerful than that? That same group of motivated, equipped, and empowered leaders working as a team! When good leaders are united, empowered, and focused on a shared vision, they become almost unstoppable, accomplishing nearly anything.

If you want to achieve big things and develop your leaders at the same time, then you need to challenge them to work together as a team. To do that, you need to:

1. Make sure your leaders are in alignment with the vision
2. Help your leaders bond and care for one another

> People won't commit to you when they understand you; they commit when they feel understood.

3. Ensure that your leaders are growing together
4. Position your leaders to complement and complete one another
5. Communicate to your leaders how they are making a difference

CHAPTER 11

Choose Who to Develop Further

One of the greatest leadership discoveries I made in my life was that the Pareto principle (20% of any group is responsible for 80% of its success in any given category) could be applied to people. This was revolutionary to me. I had been trained and encouraged to love and value everyone, which is something I still strive to do every day. But that doesn't mean you're supposed to develop everyone! Compounding benefits will result from developing the top 20%.

This development of the top 20% is the ultimate step in the development of leaders. This is what separates great teams from good ones. It separates teams that last from teams that flash in the pan. It enables teams and organizations to create successful succession plans. When you mentor your best leaders, it takes everything to another level.

As you prepare to choose who to develop further from your team of leaders, you need to be highly strategic, consistent, and intentional.

What to Look for in Leaders to Mentor

When you identified potential leaders and invited them to the leadership table, you had ideas about who might be a good leader. After developing them, empowering them to lead, and training them to work as a team, you now know what they can do. After all, you've seen them in action.

As you reflect on your experience with your leaders, look for these six characteristics:

- a track record of demonstrated leadership
- understanding of their place and purpose on the team
- recognition of the place and purpose of others
- willingness to give up personal agendas for the vision
- tangible results in their leadership
- hunger for growth

Whenever you invite leaders to be mentored, make it clear they haven't reached a destination. They're being given an invitation: to work just as hard, if not harder, but to make a greater impact doing it. By being mentored, they will gain greater influence and grow to make a larger contribution.

Work Yourself Out of a Job

As you choose the best leaders to develop, I believe your ultimate goal should be to work yourself out of a job. Equip and develop leaders who replace you. It's what I've tried to do most of my life. I'm always looking around, asking, "Who can do what I am now doing?" For everything you do, there is almost always someone who can step into your shoes and take over.

Working yourself out of a job is the ultimate development win. Try to pass the baton in as many professional areas as you can. To accomplish that, focus on three things:

1. Place a high priority on working yourself out of a job

Begin by asking yourself, "What am I doing right now that could be done by someone else?" Once you've answered that, ask, "Who should I begin to develop to do this?"

***2.* Place a higher priority on developing people than protecting your position**

Most leaders are focused on holding the position they have or gaining the position they want. The focus is on themselves. Ironically, hoarding power is often what leads to someone losing power. The position doesn't make the leader; the leader makes the position. The way you expand your potential is to help others develop theirs. Raising up and equipping leaders makes you a better leader—and better able to do bigger and better things.

3. Place a higher priority on succession than on security

Too many people in leadership positions are looking for security. But good leadership is never about holding fast. It's about moving forward. I believe that as a leader, if you work yourself out of a job, you'll always have another job. Success doesn't come from protecting what you have. It comes from developing others to replace you so that you can move on to bigger and better things.

CHAPTER 12

Mentor Your Best Leaders One-on-One

Perhaps the greatest compliment you can give leaders is to offer to mentor them. But mentoring takes more than just skill. It takes finesse. It takes empathy. You need to be able to find common ground with those you mentor because your relationship must be able to go to another level of openness and authenticity. You must be open about your past failings and mistakes. And you must make the leader you're working with feel safe enough to be open and honest about where they're falling short and need to grow.

Soft skills, such as asking questions and listening, having empathy for people's journeys, and understanding their perspectives, are crucial in today's leadership environment. People won't automatically commit to you and your mentoring when they understand you. They'll commit to and follow you when they feel understood. That will happen for you as a mentoring leader when you:

- value them
- let them know you need them
- include them in your journey
- adopt a teachable spirit
- ask questions
- listen well and often
- seek to know their perspective
- give credit to them when they help you
- express gratitude for those who helped you
- replace *me* with *we*

CHAPTER 13

Teach Your Leaders to Develop Other Leaders

If you have used the guidelines outlined so far to train, develop, and mentor leaders, you have already put yourself in rare company. The majority of leaders content themselves with gathering and leading followers; few put in the effort to develop people to become effective leaders.

Know that there is still one step higher you can climb as a leader. You can teach your leaders to follow in your footsteps and become developers of leaders in their own right. And that's a worthy goal, because every organization needs more and better leaders.

The best purpose of leadership achievement is to use everything you've learned to give a hand up to others, helping them become leaders, and then teaching them to do the same for others with potential. There are seven different growth levels that you must achieve to become a reproducing leader:

1. Growth that makes you capable of doing your job well
2. Growth that enables you to grow others in your job
3. Growth that allows you to effectively reproduce yourself in your job
4. Growth that provides meaningful opportunities for higher-level leadership
5. Growth that prepares you to develop others to higher levels of leadership
6. Growth that stretches you enough to have a mentoring relationship with growing leaders
7. Growth that gives you the ability to develop leaders who reproduce leaders

If you want to reach your full leadership potential, then you need to develop leaders who carry the same vision for developed people into leaders to reach their potential. If you do that and they do that, the leadership pipeline you create will never run dry.

Developing a Reproducing Environment

If you want to move up those growth levels and encourage other leaders on your team or within your organization to do the same, you need to create an environment that promotes leadership reproduction. To accomplish this, you need to have five expectations in place:

- The leader of the team models leadership development
- Everyone is expected to develop someone
- Leaders focus on developing leaders, not recruiting more followers
- People are continually growing themselves out of their jobs
- Leaders become more than mentors—they become sponsors

Conclusion

Teaching your leaders to create other leaders is the last step in a long journey of developing leaders. But the journey shouldn't end there. In a positive, healthy, successful, growing organization, the process of developing leaders never

stops. The best leaders continue to invest in people like their future depends on it—because it does.

Developing leaders is the most organizationally valuable action you can take. While other organizations are still trying to figure out what's next, your leaders will be out conquering new territory. While others are scrambling to find someone to champion their next initiative, you'll be taking your pick of leaders from your deep bench. When developing leaders becomes a lifestyle for everyone in your organization, you can't help but be successful.

If you want a better team, a better organization, and a better future personally and professionally, dedicate yourself to developing leaders. It will be one of the most impacting and rewarding things you ever do.

John C. Maxwell is a #1 *New York Times* bestselling author, speaker, coach, and leadership expert who has sold more than 34 million books worldwide. His work has been translated into dozens of languages and used to train millions of leaders across industries and nations. He is the founder of Maxwell Leadership, a global organization dedicated to developing leaders who create positive change. Maxwell also founded the nonprofit organizations EQUIP and the Maxwell Leadership Foundation. His teachings emphasize values-based, people-centered leadership. He has been recognized as the world's most influential leadership expert by *Business Insider* and *Inc.* magazine and is a recipient of the Horatio Alger Award and the Mother Teresa Prize.

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The Ultimate Guide to Great Mentorship

Scott Jeffrey Miller

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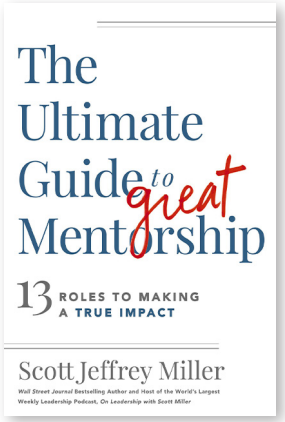
The Ultimate Guide to Great Mentorship

13 Roles to Making a True Impact



by **Scott Jeffrey Miller**

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THE SUMMARY IN BRIEF

When author Scott Jeffrey Miller's publisher approached him to write ***The Ultimate Guide to Great Mentorship: 13 Roles to Making a True Impact***, he was coalescing a ten-year, ten-volume series on master mentors. In promoting the first two volumes on more than two hundred podcast episodes, television shows, and radio programs, he found that the interviewers most commonly asked him less about the mentors he featured in favor of and questions about the actual process of mentoring.

In exploring such topics as selecting or becoming a mentor, how to handle conversations that don't go as planned, and whether or not mentoring was still relevant in a post-pandemic virtual work world, Miller began outlining and codifying his point of view on mentoring. This resulted in his identification and explanation of the various roles that mentors play and how they differ based on the mentor-mentee dynamic and, eventually, the writing of this book. The intent is to provide a road map for all the roles a mentor will be asked to play, consciously or unconsciously. For each role, mentors will learn a description of the role, the goal, upsides, downsides, and the skills required to be successful.

IN THIS SUMMARY, YOU WILL LEARN:

- The thirteen roles that mentors play.
- What your goal as a mentor is in each role.
- How the execution of the role can have upsides and downsides.
- Which skills are essential for success in each role.

Role 1: The Revealer

The Revealer works like a paleontologist, delicately brushing away the metaphorical dust and debris to reveal the mentee's passions, talents, fears, and goals. They work to *uncover* so others can *discover*–all while remaining hyper aware of their own personalities.

The Goal: To lead the mentee's awareness, progress, and growth through precise exploration and discovery, and along the way, ensure their own style and approach doesn't overwhelm or distract.

The Upside

- Surfaces important facts and feelings that can help or hinder personal effectiveness and engagement
- Provides a framework for a mentor to lean into their own stylistic strengths or work through and around weaknesses
- Helps a mentee feel safe and appropriately vulnerable, so they can become "comfortable with being uncomfortable"

The Downside: A mentee can easily shut down, feel overwhelmed, or become intimidated by a heavy-handed mentoring approach. As a result, they can often pull back, obfuscate, or even abandon the relationship altogether.

Key Revealer Skills

- Know what the mentee is trying to accomplish and the environment in which they are trying to accomplish it
- Employ patience and deliberate thinking
- Remain hyper aware of your default personality style
- Explore with an inquisitive and gentle approach

Your primary job as the Revealer is to help uncover the mentee's feelings, perceptions, strengths, fears, and misconceptions about their own potential by consistently being mindful of the fact that you're not them. They may not know what they want out of life or a career–or even the mentoring relationship itself. Your role is to make them feel comfortable being uncomfortable.

Role 2: The Boundary Setter

The Boundary Setter creates the parameters of the mentoring relationship. They do this up front and as early as possible so that the proper guardrails exist and the mentoring journey can be efficient, effective, and safe.

The Goal: To set clear boundaries about expectations, what the mentoring relationship is and isn't, and the roles the mentor and mentee will play and won't.

The Upside

- Both parties understand the scope of the mentoring relationship
- Saves time having to deal with issues in the moment that could have been mitigated through setting expectations early on
- Helps the mentee understand their role and expectations for the mentoring sessions themselves
- Provides an early warning for mismatched expectations between a mentor and mentee
- Offers the mentee a clear picture of what lines can be blurred, and which shouldn't be crossed

The Downside: Mentoring sessions are likely to wander off topic, be at risk for unintentional and improper requests, and become unproductive or worse.

Key Boundary Setter Skills

- Designate duration and frequency
- Confirm the agenda
- Establish roles and responsibilities
- Set boundaries
- Call a timeout when needed
- Make and keep commitments
- Address violations
- Pull the plug if necessary

Setting boundaries for the mentoring relationship is essential. But after some work together, earned maturity, and an increasing level of trust, you can help your mentee know when the "hard and fast" line you *never* cross is actually a bit "fuzzy" and they can carefully and intentionally own the consequences for stepping over it, or even being invited by you to do so.

Role 3: The Absorber

Second in priority to The Revealer is the Absorber. The Absorber recognizes that the best mentors are active lis-

> Like many virtuous habits, both the mentor and their mentee benefit when a leader can shut up and listen.

teners. They foster an environment of psychological safety where mentees feel heard, understood, and valued.

The Goal: To invest your focused time and attention into your mentee through active listening, empathy, and intentional focus.

The Upside

- Creates a high-trust environment where mentees feel safe to be vulnerable, heard, and understood
- Builds an expectation and experience that the mentee can share "unfiltered" what's on their mind and work through it without judgment
- Helps mentees discover their unique and valuable genius

The Downside: Mentors confuse declaration with dialogue, trading short-term efficiencies for the long-term benefits that come from investing in and hearing what their mentees have to say.

Key Absorber Skills

- Get out of selling mode
- Avoid the "if I were you…" trap
- Learn your mentee's genius and resist shaping it into yours
- Listen and absorb as an active listen
- Practice intentional focus and empathetic listen
- Stop interrupting
- Be gentle on yourself and know when to be prescriptive

This role requires patience, curiosity, and suspended judgment from mentors. Like many virtuous habits, both the mentor and their mentee benefit when a leader can shut up and listen. And if you think you're already good at that, here's a newsflash: You can do better. A wandering mind. An interruption. A self-serving question. A lack of empathy. It happens to us all. The key is to know when these temptations are creeping into your mentoring style and try to minimize them.

Role 4: The Questioner

The Questioner relies on their empathetic skills, relatability, common experience, and insight to help zero in on the right issues for their mentee. They are adept at employing insightful questioning and identifying and catching problems early by asking the right questions at the right time, in the right way, and with the right intent.

The Goal: Use thoughtful, relevant, and open-ended questions to help the mentee zero in on the right root cause or underlying issue that can then be worked through together.

The Upside

- Reduces risks by catching critical issues early
- Build trust by making "bad" news safe to discuss
- Helps the mentee focus on the right things at the right
- Uncovers insecurities and misconceptions that might be getting in their way
- Surfaces other issues that may need to be addressed

The Downside: When the mentor is asking self-serving or extraneous questions based on their own agenda, experience, and timeline, the mentee can be forced into offering responses or "solutions" that have little to do with what they ultimately want to accomplish in order to satisfy the mentor's needs.

Key Questioner Skills

- Employ a laser like focus to cut through confusion and create clarity
- Recognize that "right" is what progresses your mentees goal
- Make it safe to share bad or embarrassing news
- Guard against the "wrong" news
- Build trust and establish safety
- Avoid prosecutorial badgering

This role will likely come naturally to you. Perhaps too naturally. Like all strengths in life, when overplayed they can

become liabilities. So it's important to calibrate your questioning skills to get to the root cause as efficiently as possible without compromising a safe environment for your mentee.

Role 5: The Challenger

The Challenger tactfully pushes their mentee to confront assumptions, perspectives, mindsets, or behaviors that are impeding their performance. They determine the level of confrontation that will be helpful given the mentee and the situation as they model the critical thinking that will serve the mentee throughout their professional life.

The Goal: Use challenges to prompt critical analysis so mentees are more introspective and use sound reasoning in their decision-making.

The Upside

- Provides additional clarity for both the mentor and the mentee
- Surfaces bias, misunderstandings, faulty assumptions, flawed perspectives, and errant information
- Separates feelings from facts
- Assumes the "right" intervention is not simply what worked for the mentor in the past
- Teaches mentee to employ critical thinking and challenge their own suppositions before taking action

The Downside: Without the due diligence of critical analysis, mentees are left to execute against untested assumptions and flawed perspectives, wasting time, energy, and separating them even further from achieving the goals that matter most to them.

Key Challenger Skills

- Know *when* to challenge
- Ensure your mindset is focused on the mentee's goals and skills, not your own
- Allow the mentee space to share
- Plot the appropriate challenge level for the situation

As a mentor, it can be dangerously tempting to force your mentee into your formula for success based on your own career trajectory. Likewise, it might be tempting to merely accept whatever goal a mentee offers, assuming they've thought it through adequately. Both scenarios can be disastrous. And so, The Challenger pushes back, offering alternatives when appropriate.

Role 6: The Validator

The Validator strengthens the relationship by recognizing, accepting, and communicating that the thoughts, feelings, emotions, perceptions, and beliefs of their mentee, whatever they may be, are valid and worthy. The Validator may not agree with the mentee's conclusion about such experiences, but they recognize you don't have to agree with someone to validate them. The Validator simply wants to affirm their mentee's emotions, state of mind, and ability to accomplish their own expressed goals, while ensuring they feel seen and understood.

The Goal: To strengthen the mentoring relationship and progress their journey by strategically validating a mentee's confidence, competence, fears, and anxieties.

The Upside

- Communicates acceptance
- Calms intense emotions so mentoring can be more effective
- Expresses that internal experiences do not have to be the same for everyone
- Acknowledges the inherent value of the mentee
- Affirms that the mentee is being listened to and understood and not being judged
- Builds trust and rapport in the mentoring relationship
- Reinforces a mentee's strengths and unique gifts

The Downside: When a mentee does not feel accepted and understood by their mentor, they can feel rejected, ignored, judged, and even worthless.

Key Validator Skills

- Focus on the relationship, not the ISS
- Find affirming language that resonates with your mentee
- Praise and validate effort
- Actively listen
- Recognize that "validate" doesn't mean "agreeing with"

We all benefit from sincere, well-timed validation, as two of our greatest human needs are to be seen and to be heard.

There is hard-won wisdom that comes from having traveled the path before.

Ensure that your mentee feels heard and seen by you. The Validator makes those important relationship investments while increasing trust, respect, and even love.

Role 7: The Navigator

The Navigator leverages their knowledge and expertise to chart a new way forward for their mentees. Whether having walked the path themselves or gained wisdom from the journey of others, they stay at least "a day ahead." The Navigator maps out the relevant opportunities, costs, best practices, regulations, processes, guidelines, and even laws that define, restrict, or serve as the guideposts along the way.

The Goal: To draw on the mentor's wisdom and experience to guide the mentee away from potential pitfalls and toward their intended destination. Also sometimes known as protecting people from themselves.

The Upside

Provides an opportunity to share the various insights gained by a mentor over their career

- Helps mitigate against career pitfalls and offers shortcuts along the mentee's journey
- Connects decision-making to governing principles
- Surfaces best practices
- Serves as a buffer against unconscious incompetence
- Provides focus and necessary guardrails to keep things on track and build momentum

The Downside: The mentee can become a "wanderer," tempted to identify too many goals and quickly lose their focus on their unique path–one where the mentor's own life experience, institutional and industry knowledge, and hindsight could have proven valuable.

Key Navigator Skills

- Stay a day ahead
- Connect to governing principles
- Understand the situational rules of the road
- Minimize unconscious incompetence
- Keep perspective

There is hard-won wisdom that comes from having traveled the path before. As a mentor, your experiences can provide the practical knowledge to keep your mentee from having to recreate the wheel. Your "been there done that wisdom" is a massive gift you can offer. But you must do so sparingly, to avoid falling into the self-referenced narrative you've been previously warned against.

Role 8: The Visionary

The Visionary paints a picture of the future to inspire their mentee to take on new challenges, see themselves as more capable, or envision an expanded outcome. The Visionary artfully tempers such a vision, however, so it remains motivating and achievable, not so grandiose as to be unactionable, or reflective of what the mentor values, and not the mentee.

The Goal: To provide a vision of a future state that stretches the mentee to do and become more, yet remain grounded within their motivations and present, or reasonably acquire, necessary skills.

The Upside

- Creates a motivating picture of what the mentee can achieve
- Anchors day-to-day work to something bigger
- Helps a mentee reach their full potential
- Sets the stage for moving the conceptual into concrete actions

The Downside

Decouples a mentee's day-to-day work from a vision of what they're working toward, making it less likely they'll offer discretionary effort or make any real progress toward their articulated goals.

Key Visionary Skills

- Speak your future
- Be thoughtful about what's realistically possible
- Find a new level of achievement to reach for
- Ensure it's the mentee's vision and not yours
- Calibrate your conversation to present circumstances

There may be perfect circumstances when the benefit of your creativity and vision as a mentor is exactly what's needed. Perhaps someone is on the cusp of a massive pivot in their already successful career or conversely their success is being crushed and your mentee needs a major lifeline. Pull out all the stops and offer them your finest vision of what could be. This may be your finest day as a mentor: the culmination of all your battles and wars cast into a vision of what's possible.

Role 9: The Flagger

The Flagger works like their namesake on a construction site, intervening as necessary, with highly distinctive signs, such as "stop" or "caution," to protect their mentees from potential danger.

The Goal: To appropriately intervene when it's necessary to slow down or stop a mentee and provide clarity around the potential pitfalls ahead.

The Upside

- Stops a mentee from going down a path that could be dangerous, illegal, risky, or unsafe
- Slows a mentee down so the mentor can offer feedback and allow the mentee to course correct
- Benefits from and helps build trust that the mentor is looking out for the mentee
- Prevents accidents before they happen
- Reinforces the parameters set by The Boundary Setter

The Downside: Allows the mentee's ignorance or even arrogance to land them in metaphorical potholes.

Key Flagger Skills

- Raise the red "Stop" sign when the mentee is in danger
- Raise the yellow "Caution" sign when the mentee should slow down and think
- Choose your words carefully, so as not to turn off the mentee
- Declare your intent, indicating you have the mentee's best interest at heart

As The Flagger, you know that laws and policies are not generally open to much interpretation. Be concerned with slowing things down enough so the mentee knows what those laws and policies are. Only then can the mentee decide if they want to follow or break them.

Role 10: The Distiller

The Distiller role is focused on deciding together which strategies, projects, and decisions warrant continued focus and execution. The Distiller collects and prioritizes the insights and passions gained over the mentoring journey and processes the opportunities into an actionable offering for the mentee to choose to adopt or not.

The Goal: To leverage the insights and learnings that come after a series of mentoring sessions, then refine and reduce the options into a focused opportunity for the mentee to consider.

The Upside

- Combines the strengths of several roles and focuses them on a specific solution
- Filters through an overabundance of potential choices to help the mentee decide where to invest their time and energy
- Allows the mentor to apply an artful combination of roles, goals, and objectives for their mentees to digest and make their own

The Downside: The mentee can feel lost and even paralyzed because of the plenitude of choices, options, and paths that have surfaced through previous mentoring sessions.

Key Distiller Skills

- Pull different ideas together to create something
- Bottle mentoring experiences into a unique offering
- Filter out what's helpful and what's not
- Create and archive potential future strategies to consider later

The Distiller role allows you to creatively co-produce, co-prioritize, and even co-capture a blend of mentee "in-

gredients" both built on a shared history and also distilled into an actionable plan of current and future strategies.

Role 11: The Activator

The Activator is concerned with finding the right moment where their mentee would benefit from a carefully worded statement of encouragement and belief, lighting a spark to push harder, set even more ambitious goals, or stretch themselves in new and exciting ways.

The Goal: To ignite new levels of motivation and momentum at an intentionally impactful moment, reinforcing the mentor's faith and what their mentee can achieve.

The Upside

- Infuses newfound drive and motivation
- Helps close the gap between a mentee wanting to do something new and actually accomplishing it
- Shows the mentor's faith in the mentee's capabilities

The Downside

Misses the crucial moment when a mentee is poised to take on something more but lacks the simple spark to see it come to life.

Key Activator Skills

- Know which message to ignite
- Look for signals that your mentee is ready to "strike the match"
- Use your power carefully, as our words and energy have consequential impact
- Avoid serving as a green-lighter for passions and projects, rather letting the decision lie with the mentee

The Activator can light a spark that changes a mentee's career, and perhaps more importantly, infuse a level of joy, purpose, and momentum the mentee doesn't even know they need. This is what The Activator does–they boldly strike the match at the exact right moment.

Role 12: The Connector

The Connector is an optional role where the mentor considers if, when, and how they may want to connect their mentee to their personal and professional network.

The Goal: To determine if and when a mentor will choose to provide connections to their mentee, enabling them to experience new growth, opportunities, and personal and professional development.

The Upside

- Creates additional opportunities for the mentee
- Leverages the mentor's network of contacts to help expedite the mentee into a new role or responsibility
- Can create a win-win for the mentee and the new mentor, coach, employer, or client
- The mentee shows great respect for and provides great value to the mentor's network

The Downside: The mentee misses out on what could be a shortcut to the next stage of their personal or professional development and career.

Key Connector Skills

- Recognize the role is optional
- Share the importance of your network
- If desired, make the connection

The Connector role can provide a great opportunity for a mentee to further learn, grow, and contribute in new ways. But such a tacit endorsement comes with a certain amount of risk. After all, the mentee would be leveraging your reputation and relationship. Their success or failure will reflect on you. Make no mistake, once you've made the connection, you're in the middle of the mix. So be thoughtful about whether The Connector role is a good fit for your current mentee and list of contacts.

Role 13: The Closer

The Closer is the last role a mentor plays, celebrating the mentoring journey with their mentee as they formally bring the mentoring relationship to a close and point to what's next.

The Goal: Create a celebratory capstone event that closes out your mentor-mentee relationship and helps them prepare for the next part of their journey.

The Upside

- Follows the formal close-out process established by the sponsoring organization, if one exists
- Establishes an important milestone representing the

mentee's accomplishments

- Offers a chance to celebrate
- Creates a bridge to what's next for the mentee

The Downside

The mentee misses out on a chance to reflect on their progress, celebrate their wins, and turn the page on the next chapter of their journey.

Key Closer Skills

- Focus on the present, and the potential future
- If there is not a formal closeout process established by the sponsoring organization, use the six steps outlined below

6-Step Close Out Process

1. Revisit where your mentee started.
2. Share funny or tender learnings about their growth.
3. Re-identify and communicate your commitments to the mentee moving forward.
4. Resurface worthy concepts that were closed or tabled
5. Celebrate the wins and learn from the losses.
6. Recap your confidence in them and outline any areas of potential support.

Mentoring truly is a privilege, and your influence on your mentee's life can be incalculable. Adopting the 13 roles presented can help you lift another human being and help them achieve their goals. And as a bonus, you will find yourself lifted, too.

Capping a twenty-five-year career in which he served as chief marketing officer and executive vice president, Scott Miller is currently FranklinCovey's senior advisor on thought leadership, spearheading the strategy, development, and publication of the firm's bestselling books on this topic. Miller hosts the FranklinCovey-sponsored On Leadership with Scott Miller, the world's largest and fastest-growing weekly leadership podcast. Miller also authors a leadership column for Inc.com, and hosted the weekly iHeart Radio show Great Life, Great Career.

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The Versatile Leader

Msuega Tese

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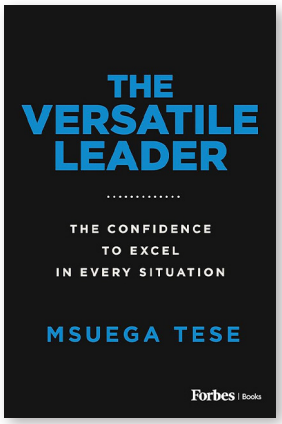
The Versatile Leader

The Confidence to Excel in Every Situation



by **Msuega Tese**

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THE SUMMARY IN BRIEF

Who is a versatile leader? What sets them apart from the rest of the world? How do great leaders create valued outcomes and lead their organizations toward unparalleled success?

The book, ***The Versatile Leader: The Confidence to Excel in Every Situation*** deploys familiar occupations as metaphors to drive home important aspects of strategy and tactics. With its roots embedded into three critical areas of leadership, the book highlights values that serve as a guiding light for those wanting to become great leaders.

By including powerful references to Bible verses, stories, and principles, author Msuega Tese urges leaders to analyze where they have gone wrong and identify important lessons they learn.

IN THIS SUMMARY, YOU WILL LEARN:

- About the qualities of a versatile leader.
- How to lay the foundation for versatile leadership.
- About familiar occupations as metaphors.
- How to deploy strategy and tactics to excel in every situation.

Introduction

Leadership skills are needed everywhere. Unfortunately, only certain people in need do have them. However, it is possible to overcome this shortcoming and become a versatile leader if desired.

A versatile leader is a person of integrity who, along with others, creates valued outcomes using appropriate metaphors. The principles you're about to learn in the book are very portable and can be used anywhere without the need for retooling.

Part I examines the definition of leadership and covers fundamental concepts including situational leadership, metaphors, and the organizational life cycle (or the S-Curve). Parts II and III present an occupation used as a metaphor. The metaphors in part II account for less frequent actions called strategy. They set the stage for tactics, which emerge as metaphors in part III.

Part 1: Foundation

Chapter 1: Foundation

Leadership involves three words: beliefs, actions, and benefits.

Beliefs have profound implications for individuals and organizations. To survive and achieve success, organizations must have a sound set of beliefs on which it premises all their policies and actions.

Without actions, beliefs are of no value. Regardless of the situation in which a leader finds herself, she must act according to what she believes to be true. While it is not wrong to think of the personal gain one can derive from a situation, a leader should always focus on what will be helpful to others. Ultimately, authentic leadership is all about consistently acting on your beliefs for the benefit of others.

Chapter 2: Concepts

The key concepts linked to leadership include Followers, Influence, Authority, Position, and Management.

Since leaders act on their beliefs for the benefit of others, some "others" may end up following the leader. However, not everyone will follow, and you shouldn't expect them to do so either. The widespread perception that a leader must have followers is flawed. Indeed, there are leaders with followers, but we cannot generalize and say it must always be that way.

Influence is a phenomenon many people use to define leadership. But leadership itself is not defined solely as an influence. If we wake up in the morning intending to influence someone, we'll most likely return home disappointed. We can do all the right things, but the decision to change is not in our hands but theirs. This is why trying to control influence is futile.

Authority is the right to use power. We must know how to use the authority we already have to do good repeatedly, irrespective of our position in an organization. It is possible to lead from any position and act on your beliefs to achieve remarkable outcomes. Being a leader is a matter of choice, not position. Leadership is about how we deal with people. Management is about how we deal with things. To lead effectively, a leader must use both hands – the "leader hand" and the "manager hand."

Chapter 3: S-Curve

Effective leadership requires understanding where your organization is on the S-Curve or the business life cycle. The stages in this curve include preparation, start-up, growth, maturity, and decline.

The preparation stage is critical but often omitted when describing the business life cycle. This stage is where the importance of writing a business plan comes in. Crafting a comprehensive plan helps challenge many assumptions, expose faulty concepts, and bring a great dream to life.

After you register the venture at the preparation stage, you progress into the start-up stage. Use the MVP (minimum viable product) concept to test and validate your assumptions. It is often difficult to guess how long a company's start-up stage would last. To depart from this stage, a venture must overcome the valley of death, make regular profits, and demonstrate the potential for reliable growth.

The growth stage brings a time of regular profits and more growth opportunities. This is when leaders must set standards, put systems in place, and constantly improve the changing requirements.

The maturity stage is when your brand is known and profits are predictable, and the company enjoys a reasonable period of maturity. As time goes by, however, leaders may forget its essence, which can lead to the decline stage. Let's look at the metaphors in parts II and III to navigate the challenges or S-Curve stages and their transitions.

Part 2: Strategy

Chapter 4: Physician

The Physician metaphor helps you know your organization's actual status so you can choose a general direction for it. It is often said that "prescription without diagnosis is malpractice" and good doctors always start with a diagnosis. They don't begin treatment simply because you have pain. When leaders find themselves in a new situation, they must do what doctors do – make a diagnosis to know the real status of the organization.

As a leader, you must also know the vital signs of your organization in the form of KPIs (or key performance indicators) and SWOT analysis. You must analyze the internal and external factors affecting your organization before making strategic plans.

Chapter 5: Architect

Use the architect metaphor to articulate your vision when starting anything new. This can help develop a realistic plan to bring your vision to reality.

When in their studio, architects sketch out what seems to the owner like a finished product, and make detailed drawings for different teams involved in the construction. What architects do in their studio must be like what leaders do during the S-Curve preparation stage.

Once the architect's design (or a leader's implementation process) is ready, it's time to oversee it. Leaders must closely supervise the implementation of the strategic plans, especially during the start-up stage. They must also have openness and flexibility to engage in open-vision processes. Regardless of the vision you choose, make sure it gets implemented so you don't end up with an abandoned project.

Chapter 6: Builder

Before laying the first block, a building contractor must understand the architectural plan and specifications. Builders usually start from the ground up once they know the blueprints. More than anything else, the foundation determines the strength and stability of the structure.

People are the foundation of your business. As a leader, you need the right people to ensure your organization continues to thrive well in the future. Like a house, an organization must be built with quality for it to last. Remember, organizations are built when people work, not scramble for credit. Getting the job done should be your primary focus as a leader.

Chapter 7: Engineer

Engineers solve problems and improve on what already works. They do this with curiosity, persistence, and creativity. Just like engineers, leaders need to be problem-solvers. Every stage on the S-Curve comes with problems where the engineer metaphor can prove useful.

Always start with the basics of how things work each time you encounter a problem. See problems as opportunities. Solve problems, but be careful about creating the cobra effect. Think carefully before implementing solutions. Always ensure your organization experiences constant improvements.

Chapter 8: Entrepreneur

In any situation, the leader must use the entrepreneur metaphor to produce tangible results.

Since you are one of the most important building blocks of your organization, you have important goals. Even if you don't aim to change the world, you can learn great lessons from entrepreneurs. Understand the meaning of ownership and optimism and infuse them into your undertakings. Learn to take calculated risks and bring out substantial outcomes.

Ownership starts with what's not yours. It is a mindset, not a status. Just like an entrepreneur, leaders must work for the best outcomes for their organization, even if they will not get any direct benefits. Use optimization to overcome setbacks and take risks in pursuit of results that matter. Manage your risks carefully and take risks only after careful analysis. Engage your people in your leadership ideals and push them toward making a difference in the world. Always ensure your ideas are worth the commitment of others.

Part 3: Tactics

Chapter 9: Journalist

Metaphors require defined objectives for them to function efficiently. Without a strategy, your tactical efforts may not generate meaningful value. As with the strategy section, getting reliable information is where tactics start.

The journalist metaphor tells us that a good decision not conveyed properly may not realize its intended objective. Therefore, leaders can learn from journalists how to communicate clearly and confidently with stakeholders.

The most relevant lessons to glean from journalists include obtaining reliable information and keeping others in-

formed. Powerful information can be acquired when you're close enough to the action you hear from primary sources.

While gathering information is critical, what you do with it is of greater importance. After obtaining information, journalists organize and deliver their findings to their audience, allowing them to form their own opinions. Leaders can learn from journalists how to write "real stories" for their stakeholders, teams, and customers.

Chapter 10: Coach

Coaches can teach us how to select and train teams. They teach us the importance of delegation and competition. Leaders must value character and competence equally. Coaches don't criticize things they don't understand. Similarly, leaders should be careful to observe before advising.

Like great coaches, great leaders don't need external constraints to value their time. They set their goals and timelines to achieve them as if they were running for gold at the Olympic Games. Results will not always be in our favor. When this happens, as a leader, you must own up to your mistakes and focus on ways you can improve by tapping into the spirit of sportsmanship.

Chapter 11: Parent

Parents provide an exciting metaphor for leaders who seek to leave a legacy. It helps them prepare those who will take their organizations to greater heights long after their departure. This metaphor is very personal and has a lot of emotions.

Good leaders, like good parents, understand the importance of emotional intelligence. They also know how to establish healthy boundaries. Leaders train juniors to maturity to create sustainable organizations.

Chapter 12: Judge

Leaders must use the metaphor of a judge to resolve conflicts within a team. They must understand the laws applicable to their sector or jurisdiction so they don't mistakenly commit fraud.

Leaders must also humble themselves when they realize they haven't lived up to the standard. Instead of giving excuses, they must own up and clean up before they move on. Without such remedial action, a leader's lack of credibility can stand in the way of fair judgment. Finally, as a leader, you should create a system where an aggrieved party can assert their right to appeal when needed. This can enable you to correct your mistakes without external intervention.

Chapter 13: Pilot

Following the pilot metaphor can help leaders learn many things. For instance, most airplane accidents happen during takeoffs and landings. Similarly, more corporate bankruptcies occur during the start-up and decline stages of their lifecycle. Learning from pilots can help leaders improve the safety records of their ventures and minimize bankruptcies.

Just like how flying requires training and certifications, different levels of business management also require structured training and leadership development programs to achieve organizational goals. Leaders must constantly learn from business incidents and prevent reoccurrence. Just like a pilot, they must prepare for all possible outcomes and train themselves and their teams for the unexpected.

Chapter 14: Soldier

Soldiers are on the frontline of warfare. They risk their lives in service of their country or cause. The rigorous training of soldiers exemplifies qualities such as disciple, courage, and loyalty. By observing them, leaders can learn how to handle tough situations confidently.

Discipline, in leadership, relates to having a sense of purpose and relentlessly focusing on it until you see the result. The very act of pursuing your goals demands a great deal of courage. The soldier metaphor gives the leader the disciple and courage to make good decisions in tough situations while also being loyal.

Chapter 15: Diplomat

Leaders can apply lessons learned from diplomats to give and receive feedback positively. They can learn how to negotiate for good outcomes in different situations. As you work in a group of any size or kind, diplomacy will also help you synergize seamlessly. It will help you respond to sensitive situations with tact instead of fury and wisdom instead of flattery.

Part 4: Seamless

Chapter 16: Synergize

Now that you've explored the important metaphors of leadership, it's time to understand how you can blend them seamlessly into your role. In an era of interconnectivity, cooperation is no longer by choice but a necessity.

We need to join with others to create synergy to b successful. Fortunately, essential elements such as adaptability, collaboration, and humility can help.

Adaptability is a team trait that emerges when team members alter their roles to address a challenge. It requires team members to be flexible and creative. Adaptability requires a good level of shared understanding. There are people you need who you will not be able to hire. Yet without their help, some opportunities will be lost. In this case, collaboration will be your best option. Aside from tapping into the power of adaptability and collaboration, leaders must understand the importance of humility. Being humble makes it much easier to lead others. Moreover, in humility, when you take on a new role, you will value what others have done before your arrival.

Chapter 16: Start!

A versatile leader is a person of integrity who, with others, creates valued outcomes using appropriate metaphors. You don't have to be a superhero to become a versatile leader. You simply need to make up your mind and then start.

Kick off your journey using the journalist metaphor to identify the urgent things. Then use the physician metaphor to gain insight into the strategic status. Finally, as you progress toward your journey, deploy the rest of the metaphors to bring out the best results from every situation you face.

Conclusion

At this point, I will assume you've read the earlier chapters and have gained a good understanding of the core ideas presented. I want to congratulate you on your perseverance. "All good things must come to an end," goes the popular saying. But your leadership journey shouldn't end here. Now go ahead and lead with excellence. The world is desperately seeking versatile leaders like you!

Msuega Tese is an African entrepreneur based in Luanda, Angola. Tese draws from three primary sources to provide a fresh perspective on leadership: lessons he learned growing up in a rural Nigerian village, his experience as an engineer and entrepreneur, and his Christian faith. He is the cofounder and executive director of Integrated Solutions Angola. Tese graduated with an honors degree in Electrical Engineering from the University of Port-Harcourt, Nigeria.

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The Vision Driven Leader

Michael Hyatt

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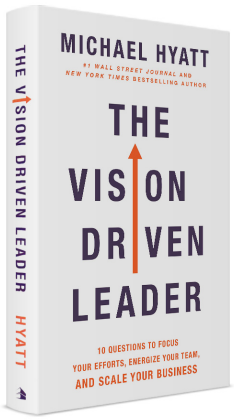
The Vision Driven Leader

10 Questions to Focus Your Efforts, Energize Your Team, and Scale Your Business

by **Michael Hyatt**



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THE SUMMARY IN BRIEF

Vision is the essential ingredient for successful leadership. Unless you have a clear picture of where you want to lead your organization, nobody will follow you. But if your vision is compelling, people will apply their best thinking and effort to make it real, regardless of the obstacles or opposition you face.

In ***The Vision Driven Leader***, *New York Times* best-selling author Michael Hyatt asks 10 simple questions to help you craft an irresistible vision for your business; ensure it's clear, inspiring, and practical; rally your team around the vision; distill it into actionable plans that drive results; and more.

Based on Hyatt's 40 years of experience as an entrepreneur and executive and backed by insights from organizational science and psychology, this book reveals the difference a vision makes and how to craft one for you and your team. Vision is more important than ever today. Learn how to create a good one with ***The Vision Driven Leader***.

IN THIS SUMMARY, YOU WILL LEARN:

- Why vision defines leadership.
- The pitfalls of vision-deficit leaders.
- To craft a clear, inspiring, practical vision that you can sell to your stakeholders.
- Why it's never too late to change a company's vision and chart a new course.

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PART I: VISION DRIVES EVERYTHING

Question 1: Are You a Leader or a Manager? The Cost of Confusion

Vision is the essential ingredient for successful leadership. There's no substitute. Without it, influence fades along with the crowds. This is especially true in business. Unless you, as a leader, have a clear picture of the destination where you want your company to be in three to five years, you've got nothing that will inspire people to follow you.

This is the primary difference between leaders and managers. When asked by *Harvard Business Review*, "What makes a good manager?" GE's legendary chairman and CEO Jack Welch responded with a crucial clarification: "I prefer the term 'business leader,'" he said. "Good business leaders create a vision, articulate the vision, passionately own the vision, and relentlessly drive it to completion."

Both roles are important, but they are fundamentally different and require different dispositions and skill sets. Leaders create vision, while managers execute vision. Leaders inspire and motivate, while managers maintain and administer. Leaders take risks, while managers control risks. Leaders stay focused on the horizon, while managers have their eye on short-term goals and objectives.

The Essential Ingredient

Vision is a clear, inspiring, practical, and attractive picture of your organization's future. It doesn't have to be 10 or 20 years down the road, though that might be helpful. It's an imagined future—usually just three to five years out—superior to the present, which motivates you, which guides day-to-day strategy and decision-making, and around which your team can rally.

Without this, you're effectively voting for the status quo. Your organization doesn't need a leader unless they want to change. It doesn't take a leader to maintain the status quo. A competent manager will do just fine. If, however, you find the status quo unacceptable and want to focus your efforts, energize your team, and scale your business, you must be a vision-driven leader.

But for many leaders, it's not as easy or straightforward as it sounds. Through no fault of their own, they're often dismissive of, confused about, and ill-equipped to create compelling visions for their organizations.

The 10 questions can help you create and cast your vision; make it clear, inspiring, and practical; sell it to your team; and weather the challenges ahead. Together, the questions work like a diagnostic tool to help you focus on what matters and get the answers you need to channel your efforts, energize your team, and grow your business bigger than you ever thought possible.

These questions also function like the interlocking parts of a proven vision-crafting system; address them honestly and you'll leave with a powerful vision you can deploy in your organization.

So, are you a leader or a manager? If you're a leader—or if you want to become one—and if you yearn to be equipped to create and cast a vision for your organization, then read on. You're a tenth of the way through already.

Question 2: What Difference Does Vision Make? The Pitfalls of Vision-Deficit Leaders

What difference does vision make? Vision-deficit leaders trip headlong into one or more of six pitfalls:

1. Unpreparedness for the future. While nobody can see the future, a vision can clarify the future and prepare a company for what is on the horizon. "There is no reason anyone would want a computer in their home." So said Ken Olsen, founder of Digital Equipment Corporation in 1977.

By contrast, Apple founder Steve Jobs predicted, "The most compelling reason for most people to buy a computer for the home will be to link it into a nationwide communications network." And Jobs made that statement four years before the invention of the World Wide Web.

Computer scientist Alan Kay is famous for saying, "The best way to predict the future is to invent it." Vision is the first step in doing that. Without it, leaders are unprepared for whatever is coming next.

2. Missed opportunities. Being unprepared for the future means overlooking key opportunities in the present. Why? Vision keeps us attuned to possibilities that align with the future we see. Without a vision, those opportunities slide right by.

3. Scattered priorities. Without a vision, the opposite is also a problem. When we're unclear about our destination, we tend to make short-range decisions, pursuing whatever opportunities look good in the moment. Oppor-

By aligning around a clear and compelling vision, you can avoid sideways energy and wasted effort.

tunities that appear promising up close can prove disastrous in wider perspective.

4. Strategic missteps. Here's a simple but powerful truth: The future hasn't happened yet. It's imaginary. It doesn't exist. And it can take one of countless shapes, depending on decisions we make in the present. Synthesizing the learning from the first three mistakes above, vision steers our decision-making in the present by preparing us for the future, helping us spot the right opportunities, and shielding us from the bad.

Vision, in other words, helps us avoid strategic missteps and failures.

5. Wasted money, time, and talent. Vision provides a direction for execution as well as a standard by which to judge performance. Without it, teams invest themselves in irrelevant outcomes and unimportant projects. Beyond that, they don't even know if they're winning because there's no external standard to evaluate their progress. Everybody runs in circles.

By aligning around a clear and compelling vision, you can avoid sideways energy and wasted effort. By minimizing or even eliminating the cross-purpose activities within your company, vision allows you to execute more effectively.

6. Premature exits. Wasted effort leads to frustration and futility, and that means vision-deficit leaders are prone to quitting the field early—same with their burned-out employees. The ultimate goal of a clear vision is to stay the course during the inevitable hurdles and resistance and succeed. Vision keeps you and your team motivated, engaged, and committed so you don't bail before the payoff.

When slowdowns and setbacks threaten to throw you off course, when breakthroughs remain elusive, vision can sustain the mission and lead you to your projected outcome. But only if you still have one.

Now that you understand the difference that vision makes in your organization, are you ready to create your own? That's what you'll do in Part II, by answering five key questions.

PART II: DRAFTING YOUR VISION SCRIPT

Question 3: What Do You Want? Direction Begins with Desire

Leadership is not a gently sloping road. Oftentimes there is no road. It's only possessing a clear vision that enables leaders to make a way when none previously existed. It all comes down to what you want. Unless you're clear on that, you'll never stand a chance of achieving it.

So what do you want? Let's look at how a Vision Script can help you create a detailed answer to that question.

Not a Mission Statement

An effective mission statement keeps you on task by answering four questions: Who are we? Who do we serve? What problem do we solve? What transformation do we deliver? All good, all necessary. But beside the point when it comes to vision.

A mission defines what a business is; a vision describes where it's going. Mission is here; vision is still out there. Mission is now; vision is next.

A proper Vision Script is not a tagline or a bumper sticker. It's a robust document, written in the present tense, that describes your future reality as if it were today. The trick is to step into the future and record what you see in four key areas of your business:

The future of your team. Your team makes everything else possible. The right team will enable you, as the leader, to focus on what you do best. So, what does the ideal team look like to you three years out? And how does your organization take care of them and cultivate a winning culture? This needs to be specific enough for anyone reading to visualize it for themselves.

The future of your products. The future vision provides a measuring stick for the present, but it is superior to the present. By definition, you're not there yet. And that's where the excitement comes in! What's next in terms of

your products? What do you want to create? What do you want to offer?

The future of your sales and marketing. How do you get those amazing products to market? We're not talking nuts-and-bolts methods and strategies. This is a chance to think broadly and philosophically about your sales and marketing. This is fundamentally about how you relate to your customers.

The future of your impact. Finally, your Vision Script should describe the intended outcome of the team's effort. What's the result of your realizing your vision? You can answer in terms of financial impact, but it can also be in other, less concrete ways, such as reach or influence or something less material.

Question 4: Is It Clear? Make It Concrete and Explicit

The first qualifying question for your Vision Script involves clarity. But clarity can be hard to come by. Why? There's a tendency for visions to be abstract at first. We are, after all, describing the unseen, the not-yet-here, what lies over the horizon.

For a vision to be clear, it has to be concrete, not abstract. But that's not all. Your vision must also be explicit. That is, it must be sufficiently expressed in easy-to-understand language.

Vision is about shared sight. It's not enough to see the future. You have to ensure others can see what you see and act on it. You don't drift to a destination you would have chosen. Instead, you have to be intentional, forcing yourself to get clear on what you want and then rendering it in a form that's both concrete and explicit.

Five Steps to Gain Clarity

How do you get clear when you feel fuzzy? Maybe you're unsure about your plan, you're not sure what to do, and it looks like your competition is flying by, leaving you in the dust. Every leader faces this at one time or another.

Here are five simple steps to gain clarity and move forward. First, admit you're unclear. It's hard to admit we're missing something. But that's the first step toward clarity: admitting we don't have it. Until then, we're not ready for it.

Second, recognize your blinders. In her book ***Clarity First***, Karen Martin identifies six key factors that keep leaders unclear. They're all different, but they work to cloud the world around us: ignorance, lack of curiosity, overconfidence, cognitive biases, time constraints, and fear. It takes some self-reflection to see if any of these are operative, but it's worth the effort.

Third, ask for input. There are many sources of good counsel: spouses, mentors, executive coaches, business colleagues, industry peers, your team, and so on. Ask them what they think. You're not alone.

Fourth, process the feedback. Now that you have feedback from the sources that matter most, you need to process it. Writing externalizes our thoughts, which helps us critique and improve them. Include core members of your team. Review the work together.

Fifth, just start. It's important to get moving. When you can't read a sign, you have several options: Think more about what the sign might say, scrunch up your eyes to change your focus, buy high-powered glasses, or ask a friend to read it to you. But the best and easiest way to get more clarity is to just move closer to the sign. Taking steps forward can bring things into focus.

Clarity without inspiration leads to boredom and disinterest, and inspiration without clarity leads to excitement without direction. Your vision has to include both. That's why inspiration is the focus of the next question.

Question 5: Does It Inspire? Moved People Move People

It's not enough to have a vision. Unless your Vision Script ignites hearts, minds, passion, and creativity, you won't attract the talent or the buy-in from your team necessary to reach your destination. Your customers won't buy into it, either. And you'll forgo the impact and contribution that you might otherwise have on the world stage. A vision that fails to inspire will surely expire.

Does your vision inspire? There are four characteristics to ensure it does.

What isn't, not what is. The first gas-powered taxi was built by Gottlieb Daimler in 1897. Later that year, Friedrich Greiner started the first motorized taxi company in Stuttgart.

Fast-forward a hundred years or so. In 2006, more than 240 million people rode in a taxi in New York City. Clearly, the taxi business wasn't a new idea.

Along came Garrett Camp and Travis Kalanick. By focusing on the "what isn't"—namely, a taxi company that didn't own any cars and didn't have any drivers on the payroll—they founded Uber. Garrett and Travis could have taken the safer, more conservative road by envisioning some sort of partnership within the existing taxi ecosystem. Instead, they stepped out into the future and envisioned what could be apart from the existing best practices in taxi, limo, and transit services.

> Anything big and inspiring will be a bit risky, but it shouldn't be stupid.

Exponential, not incremental. You know your vision will be inspiring when you move from taking the baby steps of incremental change to pursuing giant, exponential, and pioneering ideas.

On January 9, 2007, Steve Jobs presented the first cell phone without a keyboard or stylus. We're not talking a better keyboard; this move represented a whole new technology. He said, "iPhone is a revolutionary and magical product that is literally five years ahead of any other mobile phone." He was right.

Risky, not stupid. There's a difference between a vision so big it makes you uncomfortable and one that's just plain stupid. How can you tell? Here are a few qualifying questions. Are you likely to fail? If yes, it's stupid, not risky. Does your team believe in it, or can the key stakeholders get aligned on it? If no, it's stupid, not risky. Does the risk imperil your mission? Unless your mission is already imperiled and the new vision is your plan to survive, it's stupid, not risky.

Anything big and inspiring will be a bit risky, but it shouldn't be stupid.

What, not how. Vision is about what the future looks like, not how you plan on getting there. By focusing on an inspiring what, people find their why. The problem with focusing first on how is that we stop believing in a superior tomorrow. We fail to see how we can accomplish more. We torque back our vision so it's "realistic." And because we tend to experience what we expect (Question 3), we manifest our low expectations. We grow less than we could, achieve less than we're capable of, and experience less than we deserve.

Once you've ensured that your Vision Script is inspiring, the next step is to ensure it's practical. The next question will help you further refine your vision by showing you how, at last, vision connects to strategy.

Question 6: Is It Practical? Understanding Strategy

Vision is about where you're going, and strategy is the path you're planning to take. Vision comes first because there's no path without a destination. But without a path, there's no progress. Thankfully, a practical vision suggests the strategy.

Starting with the vision and working backward, we craft a strategy, then set goals, and then break down those goals into meaningful next steps. This is where long-term strategy and daily productivity meet.

There should be a through line from your vision to your daily to-dos. Five elements describe how annual planning and daily productivity work together:

Vision Script. The Vision Script is the basis of everything else. It's a clear, inspiring, practical, and attractive picture of your team, products, marketing, and impact three to five, though possibly more, years into the future.

Annual plan. From that vision comes this year's annual plan. What will you do this coming year to make progress on your vision? What projects will you undertake that will bring you closer? What initiatives will you start or stop? The clearer your Vision Script, the more apparent the answers to these questions will be.

Quarterly goals. Look at your list of annual goals. You'll want to pursue two to three per quarter. Think of these as your Quarterly Big 3—near-term objectives that can keep you focused and drive productivity, rather than promote procrastination and inevitable overwhelm.

Weekly objectives. To stay on target for your Quarterly Big 3, you need a Weekly Big 3, composed of three weekly achievements that will move the needle on your major goals (as well as key projects). Consider a Weekly Preview process in which you review your Quarterly Big 3 each week and decide what three next steps to prioritize in the coming week.

Daily tasks. Your weekly objectives then inform your daily to-dos. Choose just three key tasks each day—your Daily Big 3. Don't worry if that seems like too few. They add up, and they keep you focused and on track. Once you gain the focus that comes from identifying your Daily Big 3 every day, you're going to know that no matter what else happened, you accomplished three high-leverage tasks to help you realize your goals and, ultimately, your vision.

Question 7: Can You Sell It? Enrolling Your Team

The surest test of your vision is whether you can sell it to four key stakeholders: your immediate team, the organizational leadership (if you're the CEO, this might include your board or investors), to the rest of the company down the chain, and across the organization. Depending on how your company is wired, you may also choose to sell your vision outside of the company to watchers in the media.

Vision driven leaders are engaged in a bit of a dance. We have scripted a crystal clear vision of our future reality, one large enough to inspire others, one that also stirs up enough uncertainty to make us take a deep breath, like we're stepping into a swimming pool filled with cool water, and yet we have to sell it to the team with full confidence. And they have to buy.

Selling inside. Let's say you've written your Vision Script. You've ensured it's clear, inspiring, and practical. But at this stage, you're not descending Sinai with the tablets. Your vision is still a first draft, capable of reshaping and improvement. And that's a plus. Invite refinement from key stakeholders. Not only will you get vital input to improve your vision, people more willingly support what they shape.

Selling up. If you're a division leader, selling up the chain may include your vice president or the executive team. If you're the president, selling up the chain would be your board of directors.

When selling up, timing is everything. Since you invested several days crafting your Vision Script and talking about it with your team, you don't want to be rushed when you bring it to your boss. You'll also want to schedule a time when your boss is likely to be the most receptive. You know your boss or board. Don't walk into a quagmire you could have easily avoided by being more intentional up front.

What about the pitch itself? Here are five steps: commit to success; understand the customer; think through your presentation; anticipate objections; and make the pitch.

Selling across. When selling your vision to peers and colleagues in the organization, do so privately and in advance of selling it down the chain. Actively listen, and talk through any questions or concerns they may have.

Begin by creating a list of influential stakeholders, determine who you will contact first, and then quietly make visits or calls before the wider rollout. This includes divisional or department leaders, anyone with supervisory responsibility. Be sure to give your key leaders time to process the change you're calling for, provide input, and work toward alignment.

Selling down. Leaders encounter a lot of problems, but poor company-wide communication is one problem they often create for themselves. Sometimes, as leaders, we think we've said what needs to be said. We're actually worried about overcommunicating. But the job is to bring definition through repetition. The truth is, you can't overcommunicate your vision to the organization. It's impossible. Constant communication helps people hold on to what matters most.

PART III: THE CHALLENGE AHEAD

Question 8: How Should You Face Resistance? Dealing With Obstacles

There are few constants in life, but resistance is one. There are no friction-free visions. The best face hardships, miscalculations, setbacks, disappointments, and other barriers to success. The question is, how do you, as a vision-driven leader, respond? How should you face resistance?

Tim Cook became CEO of Apple in August 2011. Instead of having free rein to build his own vision for the organization, he was forced into crisis management just six months into the job. Footage revealed troubling work conditions at Apple's biggest manufacturer in China, and low-paid workers rioted. Cook hired an independent auditor who recommended 360 "remedial action items" regarding conditions, pay, and safety. Important fixes but not what he planned on doing right out of the gate.

There are endless manifestations of environmental resistance like this. Entrepreneurs run out of money. They experience production delays. Costs balloon. Marketing campaigns flop. They can't get a product to work as promised.

But such resistance is also predictable, even if the specific problems remain hidden until they arise.

The Vision Zag occurs when a business defines a new vision and, in turn, experiences a fresh round of investment, energy, and market growth.

When you hit the wall, when you feel the resistance, the answer is to remember what's on the other side of the wall and why it matters to you. If it's launching a new business, saving an existing business, bringing a new product to market, whatever, we have to stay plugged into that vision like it's our personal power generator.

It's also important to keep negative emotions at arm's length. When resistance rears its ugly head, it's not the facts of the situation that are the problem but how we respond emotionally. While we need to stay emotionally connected to our why, we can't let negative emotions swamp us. We may experience fear, doubt, and disappointment, but we don't have to let them dictate our actions. We can notice them for what they are, refuse to let them control us, and keep moving forward.

Three essential traits you can leverage when the resistance threatens to thwart your vision: tenacity in the face of rejection, integrity when tested by ethical compromise, and courage in the face of settling for less than success.

Question 9: Is It Too Late? The Power of the Vision Zag

When we ask, is it too late? the temptation for some is to look at our circumstances and jump to "yes." But are they right? Countless businesses fail every year at all stages of life—startup, legacy, it doesn't matter. Yet companies with one foot through death's door stage comebacks more often than you'd guess.

They do this through the Vision Zag. Think of it as re-visioning. In companies that Zag, vision-driven leaders come up with new and inspiring directions for their organizations. And here's the thing: Organizations can perform this move at any life stage.

There are seven stages of a business: Startup, Rising, Transitioning, Mature, Legacy, Zombie, and Dead. These are not rigid categories—more like convenient points on a continuum. A Zag occurs when an organization effectively jumps back to an earlier stage.

The Vision Zag occurs when a business defines a new vision and, in turn, experiences a fresh round of investment, energy, and market growth—even if the company is a Zombie or Dead. Why does this matter? Without an effective vision, you're stuck wherever you are.

It's never too late to get started with a revised vision. After several decades of saving the world with their superheroes, Marvel Entertainment Group couldn't save themselves from the clutches of defeat. In December 1996, they filed for bankruptcy protection after their stock value collapsed from $35.75 to $2.375 in just three years.

After several years of legal wrangling, Marvel joined forces with ToyBiz, emerging from bankruptcy in June 1998 under a new name: Marvel Enterprises. Having sold the rights to their most popular superheroes, Marvel needed a new vision if they were to live to fight another day.

Their Vision Zag was comprised of three things. First, they decided to focus on movies rather than comic books—a radical change from their previous focus on pen and ink. Second, they leveraged several of their remaining crown jewels (such as Thor and Captain America) as collateral to secure a massive cash reserve of $525 million from Merrill Lynch. This allowed them to bankroll their vision of 10 movies over the next several years.

Third, given ToyBiz's expertise in creating toys, Marvel Enterprises decided to make movies out of minor characters that few remembered, strategically picking superhero characters that would also make great toys.

The first installment of *Iron Man* made $585.2 million worldwide, *Iron Man 2* made $623.9 million worldwide, while *Iron Man 3* grossed more than $1.2 billion at the box office—bringing the three-movie franchise earnings to more than $2.4 billion, not including toys, soundtracks, and licensing.

No wonder Disney bought Marvel in 2009 for $4 billion.

Question 10: Are You Ready? Preparing for the Journey Ahead

Every Vision Script is unique, but every new initiative presents a predictable set of challenges. Whether you're launching a business, leading a division within an organization, or taking a promotion as the CEO of a company, you have to take five steps to succeed in developing and delivering a Vision Script that will define your future.

1. Schedule it. Many people skip this step. Don't. There is something that happens when you set aside the necessary time. It's a way of focusing your intention and clarifying what you want to accomplish. Block the time on your calendar and start pulling together whatever you need to help you answer Question 3: What Do You Want?

2. Get the necessary input. It's possible to do almost anything if you are willing to surround yourself with good counsel. While creating a compelling Vision Script is your responsibility as the leader, inviting several members of your leadership team to embark on that journey with you makes the task less daunting.

3. Trust the process. Remember, you're going off the map into new and unfamiliar territory. You won't have all of the answers pinned down at first. Vision Scripting is a discovery process. Work through your answers to the questions posed in Part II: What do you want? Is it clear? Does it inspire? Is it practical? Can you sell It? As you do, your vision will take shape.

4. Tweak as you go. Your Vision Script is not a once-and-done thing. It's your vision. You have the freedom and flexibility to rethink, revise, and recast based on any number of factors, including input from your team. Knowing that you can tweak along the way takes the pressure off of trying to be perfect with your initial version.

5. Go ahead and launch. At some point, you have to sell the vision and then begin executing. "A good plan violently executed now is better than a perfect plan executed next week," as General George Patton once said. Perfection is just another way of saying procrastination. And you don't have time for that. Your team is waiting to see what you see.

Vision-driven leaders breathe life into dead or dying companies (think Marvel). They innovate new cutting-edge products (think Apple). They create businesses that never existed before (think Airbnb). And they give their employees the direction and focus necessary to infuse their culture with fresh energy and purpose (think Microsoft).

Are you ready? Wouldn't it be exciting to take your people in the bold new direction you want them to go? Wouldn't you love to see your team energized by what the future holds for you and your organization? You can. It's your turn to lead and win with vision. Waiting feels safe, but waiting kills vision. Where will you take your team next?

IF YOU LIKED THIS SUMMARY, YOU MIGHT ALSO LIKE:

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Michael Hyatt is the founder and CEO of Michael Hyatt & Co., which helps leaders get the focus they need to win at work and succeed at life. Formerly chairman and CEO of Thomas Nelson Publishers, Hyatt is also the creator of the Full Focus Planner and a *New York Times*, *Wall Street Journal*, and *USA Today* best-selling author of several books, including ***Free to Focus***, ***Your Best Year Ever***, ***Living Forward***, and ***Platform***. His work has been featured by the *Wall Street Journal*, *Forbes*, *Inc.*, *Fast Company*, *Businessweek*, *Entrepreneur*, and other publications.

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The Winding Road to Excellence

G.T. "Toby" Stansell

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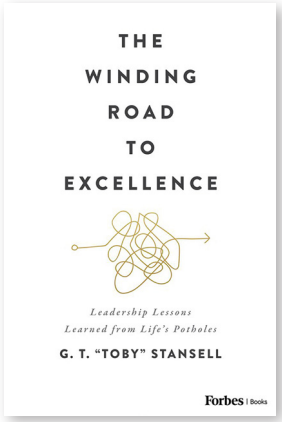
The Winding Road to Excellence

Leadership Lessons Learned from Life's Potholes



by **G.T. "Toby" Stansell**

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THE SUMMARY IN BRIEF

Great leaders become the architects of a corporate culture where people at all levels thrive, and organizations achieve consistent success.

By offering a powerful combination of personal experiences and savvy business advice, the book ***The Winding Road to Excellence: Leadership Lessons Learned from Life's Potholes*** lays out a set of thought-provoking "Mantras for Excellence" that can help you become a truly authentic leader.

Author G.T. "Toby" Stansell uncovers innovative approaches to help leaders address their organization's most pressing issues. Throughout the book, you will uncover valuable insights and actionable steps that can help you spot and capitalize on valuable opportunities, improve financial performance and efficiency, and build a sustainable and positive organizational culture.

IN THIS SUMMARY, YOU WILL LEARN:

- How to achieve personal and professional excellence as a leader.
- How to become an authentic leader.
- How to hire efficiently and build valuable teams.
- How to build a positive and sustainable organizational culture.

Part 1: Personal and Professional Excellence: People Who Do

Chapter 1: Never Give in to Fear

Never say no to an opportunity because you're afraid. Once you start overcoming your fears, your confidence grows, but not in some overt, "Look at me!" center-of-the-attention fashion. Real confidence is not attention-grabbing. Two of the most important mantras that drive quiet leadership capable of helping organizations and people achieve extraordinary results include:

"Stop trying to draw attention and start paying attention"
"Humility is more important than visibility"

Chapter 2: Making the Most of What You Have

All of us possess about the same number of assets and liabilities. Some people's assets and liabilities are just more noticeable than others. We're always tempted to believe that other people have it better than we do. But we don't have a clue what other people are facing or have faced. Comparing yourself to others is either going to boost your ego or it's going to make you jealous. Neither one is a healthy or endearing trait. What's important to remember is it's okay to be competitive, but don't be comparative.

Chapter 3: It's Either Results or Excuses

There's an old saying: it's either results or excuses. Never allow another person's failure to be an excuse for your own. We can always find reasons for failure or poor performance. To avoid excuses, you have to build a culture that balances empowerment and accountability. A leader is free to make any decision within their span of control, body of knowledge, or area of expertise, as long as the decision doesn't unnecessarily put our ***company***, our ***culture***, an important ***customer***, a significant ***contract***, your ***character***, or your ***confidence*** at risk. These are what I refer to as the six Cs.

Chapter 4: People Who Do Simply Believe They Can

The distance between informed and ignorant is really short. Make sure you don't travel too far. Ignorance is nothing more than not knowing. The cure for any state of ignorance starts with a simple commitment to learn things. The biggest difference between people who do and people who don't is that people who do simply believe they can. Leaders not only have an insatiable need to learn things, but the best of them also create practical and innovative ways to move people and businesses in entirely new directions, even when it is uncomfortable.

Chapter 5: The Test of Personal and Professional Maturity

Overcoming fear and becoming a doer take a certain amount of maturity. Once you begin to believe in yourself, you become intrinsically motivated. When you are unafraid of failure, you have a passion for taking on challenges that you would have previously sidestepped, many of which offer a path to measurable professional and personal success.

Chapter 6: Being Right is Overrated

Being right is overrated. Being together is more important than being right. Good leaders only have to be right 51% of the time. The truth is, it doesn't matter whether you're right or someone else is right. The goal should be to get what you're doing right. You can do the "right" thing in the wrong way or at the wrong time and it can be worse than doing nothing at all. Objectives shift. Priorities change. And unexpected challenges arise. Ultimately, what is "right" is the thing that produces tangible results – in the right way.

Chapter 7: Humility is More Important than Visibility

When you see genuine humility in a leader firsthand, it can be life changing. When I was a teenager, my Dad used to tell me, "Toby, you are competitive and assertive by nature, which means you're gonna do some dumb things you wish you hadn't done. All I ask is that you own it when you do." One of the most important five-word sentences you will ever learn is "Let's do it your way." Its corresponding partner five-word sentence is "It's my fault. Blame me." This is an essential trait in leaders. If people don't know that you are fallible, then you will never be approachable.

Chapter 8: Your Greatest Weakness May Be an Unprotected Strength

Admitting your weakness is one aspect of humility and humility is largely about self-honesty. Real retrospection allows us to separate ego from our ego strength (the part of us that says, "I can do this no matter how hard it seems"). Remember, your greatest weakness is many times an unprotected or misguided strength.

Chapter 9: Failure Is an Early Indicator Of Impending Success

You rarely learn something new when you experience repeated success. After all, if you achieve success in an endeavor, you will generally execute the same process in the same way the next time you encounter a similar challenge. But when you experience failure, you get the opportunity to discover better ways to execute it. Doubt kills dreams more than failure ever will. So, instead of being afraid of failure, see it as an indicator of impending success.

Chapter 10: Responsible Decision-Making

My observation is that most of us make decisions emotionally and then build a case to support them rationally. We need to instill a business culture that facilitates the opposite, where we intellectualize our decision-making and do so based upon reliable data. However, we should not become robotic in our decisions. You can teach an animal right from wrong, but you can only teach a human wise from unwise. The best leaders make the best decisions. It's that simple. You must be comfortable and confident in your own judgment. Trust your values and your instincts, don't react with emotion, keep the six Cs firmly in mind, and make the decision.

Chapter 11: The Four Cs of Teamwork

The four Cs of teamwork include ***Communication, Cooperation, Collaboration,*** and ***Coordination***. When any of these elements are missing, the result is a disjointed organization or an inefficient effort. True communication begins when at least two parties speak with each other, not to each other. Cooperation is always about finding a solution that can be accepted by all parties. Through cooperation, we are then able to collaborate, working together to identify who did what best. By coordinating our approaches and building off existing organizational strengths, we can create a multiplier effect that can accelerate the impact on the communities we commit to serve.

Part 2: Leadership Excellence: Lead from the Middle

Chapter 12: Everybody from The Janitor to The King Deserves to Be Treated Well

Every person in the organization plays an important role in fulfilling its purpose, achieving its vision, and accomplishing its mission. Therefore an authentic leader embraces inclusivity and eschews exclusivity. If a team member fails to rise to A-level performance or makes decisions that don't land well, a good leader will pull them aside (alone), and then discuss the situation diplomatically. Conversely, when team members have delivered excellent work, an authentic leader will acknowledge it openly.

Chapter 13: Authentic Leaders Measure Results, Not Style

Authentic leadership is always preceded by authentic living. Authentic living starts with having integrity, which is simply doing what we say we're going to do. Instead of making false promises, authentic leaders follow through on commitments. Customers want products and services that perform exactly as they expect. Shareholders and owners want measurable results that put dollars in their pockets. The true test of an authentic leader is whether they deliver the desired results on a consistent basis. No matter how charismatic you are as an individual, you can't talk or hype your way to authentic leadership; you must earn it by generating results.

Chapter 14: An Organizational Chart May Give You a Position, But Only People Can Grant You Power

Most of the world's greatest achievements required more than a single individual to get the job done. It took a team. So, while organizational charts may give you a position, only people can grant you power. In business, however, it is not about having a handful of superstars who overshadow everyone else. It is more about making sure:

- People are good at what they do
- People like what they do (when they don't like what they do, they don't do it for long)
- They like doing it together

Good executive leadership creates an environment that is the ideal balance of empowerment and accountability.

Chapter 15: Great Leaders Learn How to Think Beyond

Most businesses, like most people, expend a great deal of time and energy looking backward. They seem constantly to focus on fixing the last problem rather than anticipating the next one. A better term to describe how we should act might be "anticipatory." Being anticipatory – looking ahead or thinking beyond today – is the best way to avoid future negative surprises. Great leaders, and the great teams they lead, think beyond the moment. They anticipate problems and challenges that might arise and prepare for them before they occur.

Chapter 16: The Test of Authentic Leadership

Your legacy of leadership will be defined by how others remember you, because of what they became, did, or achieved as a result of the relationship that you had with them and the positive influence you exerted in their lives. If the culture of the businesses we run encourages our people to strive to be their best, then the business has a chance to run at its best. Whatever job you hold, it must be about the five Fs. A job needs to provide enough ***financial*** reward and ***free*** time (the first two Fs) to invest in the three Fs that are genuinely important: your ***faith, family,*** and ***friendships***.

Part 3: Organizational Excellence: Culture Trumps Strategy

Chapter 17: Culture = Organizational Personality

Great leaders help construct a positive, productive, and cohesive culture to drive their organization toward optimum performance. The traits they bring to the table include: a culture of service, encouragement, empowerment, accountability, inclusivity, discipline, respect for all levels, rules, and individuals within the organization, and a culture of innovation. To make these traits achievable, we must have the right people performing the right functions in ways that showcase their passions and strengths.

Chapter 18: The Seven Seas (Cs) Of Hiring

If people are key to building a successful organization, how do you hire the right ones? The answer lies in the seven seas (the seven Cs) of hiring: ***Competency, Character, Calling, Contribution, Commitment, Collaborative,*** and ***Chemistry***.

During the hiring process, a leader must make sure that diversity and chemistry are fully symbiotic when it comes to the assembly and operation of any team. After all, what makes us different should make us stronger, and better.

Chapter 19: Digital Communication and The Demise Of Genuine Dialogue

We may live in a digital world, but we interact and work with humans. No matter how much we may depend on digital technology, our business will still be driven by our people, and that means we must master communicating both humanly and digitally. Learn to match the communication medium with each type of situation you encounter to maximize clarity, knowledge transfer, and productivity while minimizing ambiguity, inefficiency, and hurt feelings.

Chapter 20: Technically Priceless But Practically Worthless

It used to be that the common business model for optimization was PPT: people, process, technology; now, it is PTP: process, technology, people, with process and technology running together virtually concurrently. The technologies we apply, including informational technology, must be measured by their ability to improve operational and financial performance, and that means our people must not only be able to apply them but also to extract the full potential out of the tool or technology being employed. If that's the case, then we may be falling in love with shiny objects that we can't put to work.

Part 4: Sales Excellence: Customers Don't Want to Be Sold; They Want To Be Served

Chapter 21: The Reverse-Negative Selling Model

All good sales approaches contemplate the fact that people love to buy but hate to be sold. That reality has led me to what I label the "Reverse Negative Selling Model." This model involves spending time to identify your problem and then approaching it from the exact opposite way convention tells us we should. Going against convention isn't about being different, but it is about thinking in different patterns. As an authentic leader, don't be afraid to think counterintuitively. Figure out what your unique value proposition is, and always express it in terms that matter to your customers.

Chapter 22: Sales Is A Science, Not A Science Project

Use the NTSB acronym as a first-level filter for qualifying a prospect. NTSB in sales translates to Need + Timing + Sponsorship + Budget. Does the prospect have a legitimate need for a product or service? Is the timing right? Is there sponsorship and support across all influencers and decision-makers? Will the budget prospect's budget support expenditure of the necessary magnitude?

Once your prospect passes the NTSB test, MEDDIC is the next acronym to adhere to. MEDDIC represents a few critical elements of a sales process that are mandatory and that cannot be trivialized. These include Metric, Economic buyer, Decision process, Decision criteria, Identifying pain, and Champion. In short, consistent sales success requires nearly flawless planning and execution. One without the other is useless.

Part 5: Business Excellence: Find Something You Do Well and Perfect It

Chapter 23: Crooked Wire Value

When our value proposition is undifferentiated from our competitors, then our customers will simply extract our straight-arrow and replace it with that of our competitors. But when we provide solutions that are both irreplaceable and drive quality results, it can be almost impossible to get us out. Crooked wire value results from the provision of innovative products and services that are unexpected by the customer and unmatched by the competition. Ask yourself: three years from now, what is it that your market and your clients will be dying to have? Figure that one out and success will soon follow.

Chapter 24: Decision-Making by The Numbers

The three-step process – called the 3-2-1 decision-making model – to help leaders make effective decisions includes:

1. To not take any action or engage in any activity that is illegal, immoral, or unethical.
2. A leader's behavior, both at work and away from work, should reflect and reinforce their brand values and brand culture.
3. To determine which decisions we can make on our own and which ones require additional counsel. Unless the decision has the potential to damage one or more of the six Cs, it comes with a lower risk and must be made. If the risk is significant, it's best to get someone else in the boat before taking the final step.

Chapter 25: Many Times, The Things We Want to do the Least Are the Things We Ought to Do the Most

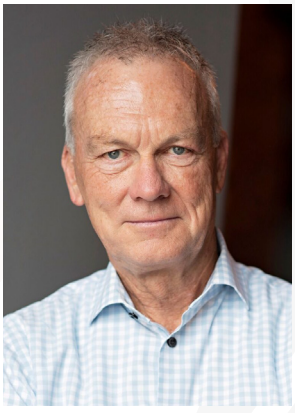
Difficult decisions are not supposed to be easy, and they're certainly not fun. It is easy to drag our feet on those decisions and to tell ourselves that we will deal with it next week. But two mantras come to mind:

1. Never make peace with a weakness
2. When is the best time to fire somebody? The first time you think about it.

So it's best to hit the hard things while your mind is relatively uncluttered and before others begin to make demands on your time that compromise your ability to accomplish the truly important objectives.

Conclusion: Be Present

As leaders, we can achieve excellence by first becoming mindful of who we are and what we expect of others. By being a living model of the principles and values that are at the core of your nature, you will create consistency in your patterns of decision-making and predictability for how you treat others. That, in turn, will expand your sphere of influence. We need more good leaders. Be one.



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The Wisdom of the Bullfrog

Admiral William H. McRaven

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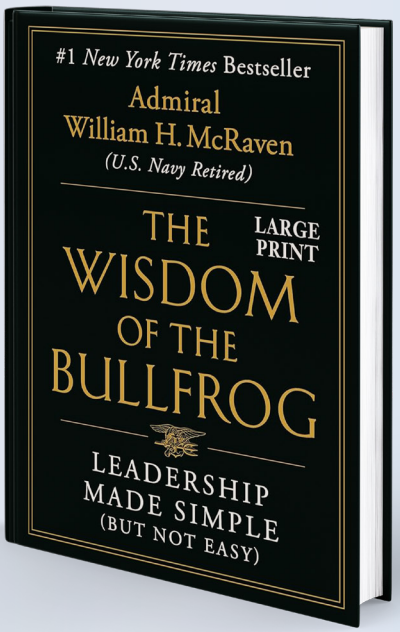

The Wisdom of the Bullfrog

Leadership Made Simple (But Not Easy)

By Admiral William H. McRaven

Admiral William H. McRaven is the #1 New York Times bestselling author of Make Your Bed and the New York Times bestsellers Sea Stories: My Life in Special Operations and The Hero Code: Lessons Learned from Lives Well Lived. In his thirty-seven years as a Navy SEAL, he commanded at every level. As a Four-Star Admiral, his final assignment was as Commander of all U.S. Special Operations Forces. After retiring from the Navy, he served as the Chancellor of the University of Texas System from 2015 to 2018. He now lives in Austin, Texas with his wife, Georgeann.

What Separates the Good from the Truly Great?

In military terms, the bullfrog is "the longest serving frogman and Navy SEAL on active duty." Admiral William H. McRaven (U.S. Navy Retired), former bullfrog and current chancellor of the University of Texas System, sets out to relay all he has learned about leadership in his book, ***The Wisdom of the Bullfrog: Leadership Made Simple (But Not Easy).*** While his book is replete with military stories and lessons McRaven learned while serving the nation in the military, his advice holds for anybody acting in a leadership role in any capacity. His main belief about leadership is that it is a simple endeavor although it is never easy. A true leader, he believes, not only gets a job done but maintains and advances the reputation of his or her institution. McRaven has developed a list of eighteen sayings he encountered throughout his life, and in each of his chapters, he presents the saying, explains it, and gives an example of how he has seen it play out. This is not a step by step guide to becoming a leader or a collection of case studies. Rather, this book goes deeper than that and expounds upon who a leader must be if they are to lead effectively. In many ways, this book is about character and how that character affects not just the individual but all of those around him or her. In short, it is about who a leader must be.

Honor, Trust, and Action

The first phrase McRaven presents is "death before dishonor." He defines honor as "doing the right thing for the right reasons," and he believes that people will follow a leader anywhere if they believe he or she is a person of honor. An important part of great leadership, he maintains, is having a code of conduct that can guide a leader through inevitable tough situations. Everyone will make mistakes, but having a code of honor remains paramount to success. McRaven concedes that some unethical people make it to very high positions, but he stands behind his belief that ultimately this behavior will have negative consequences either for the individual or for the organization he or she works for. For McRaven, "Being a person of high integrity is what separates the great leaders from the commonplace."

"You can't surge trust" is the next saying McRaven attempts to

live by. He discusses the decision the CIA made to use McRaven's special forces team in their attempt to capture Osama bin Laden, and he explains that the trust involved in this decision was only possible because it had been built over many years. Trust is not something that comes instantly. His way of building trust is to "Show up early. Work hard. Stay late. Have a plan. Deliver on your promises. Share the hardships with the employees. Show that you care. Admit your mistakes." Trust cannot be rushed, but it is essential for competent leadership.

Next McRaven moves on to the task of commanding people with the phrase, "when in command, command." He discusses the story of Admiral Chester Nimitz. Nimitz had been in command of the Decatur when the destroyer ran aground. The incident was so severe that the admiral was given a letter of reprimand for dereliction of duty. Nimitz made mistakes, but he also learned that with great responsibility comes the need to make decisions, and no person will always make the correct decisions. Still, it is the job of a leader to make decisions and take action, nevertheless, and command. This requires the ability to face challenges while also understanding that leaders were chosen for a job because they are good. He writes, "As a leader you must always appear to be in command, even on those days when you struggle with the pressures of the job… You must instill in your men and women a sense of pride that their leader can handle any problem."

What Leaders Must Do

In his next chapter, McRaven, then "the brand-new ensign at Underwater Demolition Team Eleven" was summoned by the Skipper. McRaven was surprised by the summons, and as he made his way to the Skipper, he imagined what honorable task he may be about to be given. When he got to the Skipper, however, he was asked to create a float for a Fourth of July parade. Needless to say, McRaven was disappointed about the task he was given, but through that experience, he learned the next phrase he lives by, "we all have our frog floats." For him, frog floats are tasks that people consider beneath them, and McRaven was taught by his Master Chief that the best thing to do in these situations is to do the absolute best you can. McRaven also learned that "if you [take] pride in the little jobs, people would think you worthy of bigger jobs."

McRaven believes that when difficult situations arise, a leader must go to the source of the problem and be visible and do what needs to be done. This is summed up in his phrase, "run to the sound of the guns." To exemplify this, he discusses the management of the 2010 Deepwater Horizon oil spill. The CEO of the company at the time stayed in London white also downplaying the severity of the incident which was "one of the largest oil spills in the history of the industry." McRaven believes the leaders can sometimes be reticent to go to a problem because coming up with a solution usually requires admitting to being part of the problem. Good leaders, he maintains, "embrace the challenge." Going to the source of the problem presents risks, but it is essential to quality leadership.

"Real leadership," McRaven writes, "is not always about being the person in charge during an existential crisis….Sometimes real leadership is just doing the right thing when no one else is. When you take action of your own accord, it sets the tone for the organization." McRaven writes these words as he discusses the Ranger's saying, Sua Sponte which means "of your own accord." He acknowledges that it is often hard for leaders to allow those under them to make important decisions. After all, it is often the reputation of the leaders and the whole organization that is on the line. Still, he insists that people must feel empowered and take advantage of that empowerment to do the right thing without needing to be told. McRaven believes that the missteps and mistakes that will sometimes arise because of this is better than fostering an environment of inaction.

Next McRaven goes to discuss the phrase, "who dares wins," and to exemplify this philosophy, he discusses the decision President Barack Obama had to make as to whether to send people into the compound where intelligence believed Osama bin Laden was hiding out. While the intelligence pointed to the fact that he likely was in the building, there was no way to ascertain this for certainty. As such, Obama's reputation as well as the lives of those inside the building and those tasked with going in the building were on the line. Obama believed that troops needed to go in, but he was careful with the process and with the lives in his care as the team on the ground spent weeks of careful training for the mission. Risks must be taken, but they must be carefully considered and managed. McRaven discusses opportunities that the greats in all fields have taken even though they were risky. Some succeed, and some do not, but they were all willing to take a risk, and those who succeeded also spent ample time preparing for the risk. Great leaders, he claims, must be bold but not brash.

"No plan survives first contact with the enemy" is the theme of McRaven's tenth chapter. With these words, McRaven introduces the importance of contingency plans. The military, he explains, goes through many steps to test plans against possible worst case scenarios. This requires time and effort, but he believes this process is absolutely imperative for success because it helps ensure that a team will always be ready for whatever contingencies are thrown their way.

Leadership and Standards

McRaven believes deeply in the need for high standards. Soldiers who desire to be SEALs desire to be the best, and they know that high standards are required of them. This brings forth the saying, "it pays to be a winner," but McRaven believes there is a corollary to that statement and that is that there are downfalls to failing or losing. McRaven tells the story of a night when one of the members of his SEAL team got into a bar fight with some marines. When McRaven pointed out the number of Marines who had acted poorly to Coumatos, the commodore, Coumatos told him that the Marines were young and that he expected more from SEALs. They are held "to a higher standard." McRaven understood that they were held to high standards and that while they sometimes fail to meet these standards, people need to be held accountable for such breaches. He writes, "Everyone wants to be a part of something special. Everyone

> People benefit when they know exactly what is expected of them."

wants to be a valued member of a great organization. And the only way to be a great organization is to set high standards and expect people to live up to those standards." He believes that people want to be winners and want to be challenged. "Never underestimate" he says, "the value of a stretch goal, of setting the bar high and challenging your employees to clear it."

When McRaven writes, "A shepherd should smell like his sheep," he means that a leader should be sharing experiences with those they lead. This includes dangers and camaraderie, and it means listening to stories. In SEAL training, the officers and the enlisted soldiers participate in the same training. There are two key benefits to this, McRaven writes. The first is that the officers get to know the enlisted people and understand what motivates them. The second benefit is that it instills a level of respect in the enlisted soldiers for their officers because they have all gone through Hell Week together. McRaven believes ineffectual leadership will arise when leaders lose touch with those they lead.

Oversight and Communication

To "troop the line" refers to the act whereby a leader inspects his or her military. McRaven believes that daily inspections provide leaders with great insight. When leaders gain this insight, they see what it is that their people need. When people have the resources they need, they feel valued, and this is a large part of having solid morale. This is not something that McRaven just did while in the military. He also troops the line at the University of Texas schools. He finds that there are problems in all organizations in the lower levels that people struggle to overcome and that can make jobs more difficult for those working in these lower roles. Often, however, a leader can quickly make changes that eliminate these struggles, and this can make things better for the whole organization.

This ties in to McRaven's next phrase "expect what you inspect." He tells the story of Colonel Bud Sydnor who approached one of his captains and called him out for not inspecting his troops. The captain replied that this is not necessary because everyone there is a professional. To this, Sydnor responded that "if you were a real professional, you would understand the value of an inspection." While he admits that there is a line between oversight and excessive scrutiny, he maintains that each leader must find a way to walk this line because any organization will become sloppy if people's work is not inspected. He believes that people benefit when they know exactly what is expected of them.

To illustrate the importance of communication, McRaven discusses a time when he was in ambush training. When the instructors ambushed McRaven and his men, McRaven discovered an opportunity to take his instructors by surprise and wipe them out. While he thought he would be lauded for his effort and effectiveness, he was not. This is because he failed to communicate what he was doing with his troops whose job it was to listen to McRaven. Instead of leading his people out of the kill zone, he left them without communicating, leading at least one man to believe McRaven was abandoning the group. From this, he learned the invaluable lesson of the importance of communication.

These are many of the lessons and insights McRaven presents in The Wisdom of the Bullfrog: Leadership Made Simple (But Not Easy.) These and the other lessons are all hard won from his time in both the military and in the University of Texas system. The chapters of the book are short, often including the narrative telling of an incident and the lesson he learned from that incident as well as an explanation of the phrase the chapter is about and an introductory quote by a notable person elaborating on that chapter's text. Each chapter ends with a brief list of things for the reader to remember. Because McRaven's chapters are short, clear, and littered with memorable anecdotes and stories, the lessons can be learned quickly and understood easily. Still, they are lessons meant to guide a life and a career, and because of this, understanding them is far easier than living by them. This ties in with McRaven's theme that great leadership can be simple but it is not easy. This book will likely appeal to anyone in any position of leadership whether that position be in the upper echelons of the military or in their own homes. After all, as McRaven says, leadership is about honor, and honor is necessary in any well-lived life.

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The Wizard and the Warrior

Lee G. Bolman and Terrence E. Deal

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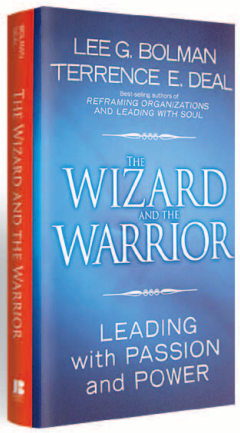

By Lee G. Bolman and Terrence E. Deal

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Leading With Passion and Power

THE WIZARD AND THE WARRIOR

THE SUMMARY IN BRIEF

Why use wizards and warriors as models for leadership? Because, as Peter Drucker once said, everything you learned is wrong — at best, it is misleading and insufficient. You typically learn in school, workshops and seminars that if you can manage the work and serve the people, you have what it takes. It's not true. Maybe you have enough stuff to be a pretty good manager, but it takes much more to be a good leader.

This summary gives leaders the insight and courage they need to take risks on behalf of the values they cherish and the people they guide. Great leaders must act both as wizard, *calling on imagination, creativity, meaning and magic, and as* warrior, *mobilizing strength, courage and willingness to fight as necessary to fulfill their mission.*

Bestselling authors Lee Bolman and Terrence Deal present the defining moments and experiences of exemplary leaders such as David Neeleman (CEO of Jet Blue), Mary Kay Ash and Anne Mulcahy — all of whom have wrestled with their own inner warrior and wizard. Their engaging case studies are followed by commentaries that raise questions and suggest possibilities without rushing to resolution or simple answers.

Armed with this summary's expanded repertoire of possibilities, leaders can become more versatile and imbue work and life with more power and passion.

In addition, this summary will show you:

- ✓ ***How to surprise your constituents by showing them possibilities they never imagined.***
- ✓ ***Where to find transformational opportunities that exist everywhere and in every moment.***
- ✓ ***How to attain the warrior's power and the wizard's magic with effort, passion and continual learning.***
- ✓ ***How great leaders have found confidence in themselves and passion for their cause.***

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Confronting the Wizard and Warrior Within

Managers are running on two cylinders — structure and people — when they need four. Two other frames — political and symbolic — are required to make sense of the roiling, moving targets that organizations serve up every day. They take us into a world dominated by power and passion. The bad news: That's just where managers are usually weakest. We know this from research and across sectors. Inattention to these two ways of thinking and behaving is a debilitating Achilles' heel.

Managers shy away from politics because they see its dynamics as sordid or because conflict scares them. They fear losing control and losing out. They cling to the illusion that if organizations were run right, they wouldn't be political. Most managers have an even harder time grasping the elusive and mysterious influence of symbols. Discounting culture as fuzzy and flaky, they don't see it, even though it's there and influencing everything they do. Great leadership doesn't happen without addressing these political and cultural issues head-on. Leaders cannot afford to stay on the sidelines and play it safe. Someone has to be willing to stand up and put it on the line. That's why we need more wizards and warriors.

Thinking on Your Feet

Wizard and warrior are roles that you can choose to play and learn to play better. Wizard and warrior images are metaphors to help you think on your feet. When, for example, you are in dangerous and highly charged political situations, what are your options? There are three kinds of warrior — toxic, relentless and principled — and four key attributes that warriors need to be successful — mind, heart, skill and weapons.

When the culture of your enterprise needs tweaking or transforming, what are your wisest moves? There are three wizardly roles — authentic, wannabe and harmful — and specific ways leaders can inspire, deflate or destroy a company. To be successful, wizards need to discover their own magic and spiritual core and then summon the collective spirit through example, values, ritual, ceremony and stories.

Defining moments in the lives of leaders from different eras illuminate pathways to follow and pitfalls to avoid. These lessons can provide insight and perspective that will be invaluable in your own defining moments. Knowing when to fight or when to invoke key symbols can determine whether you succeed or run aground.

Light and Shadow

Richard Nixon won the U.S. presidency in 1968 and again in 1972. Ray Price, Nixon's chief speechwriter, described Nixon as possessing both a very bright side and a dark, thunderous side that was mostly hidden from public view. Price and others on the presidential staff saw Nixon's potential for greatness but worried about the darker angels of his nature. These often rendered him insecure, secretive, angry and vindictive.

Fascinating and shadowy, brilliant and petty, loved and hated, Richard Nixon stands out as one of America's most controversial and cryptic presidents. As the only individual ever to resign America's highest office, he is conspicuously one of a kind. Yet the source of his fall — inability to recognize and manage competing demons — is the stuff of Shakespearian tragedy, a story repeated worldwide throughout history. Nixon's demons lurk in even the best of us.

Mother Teresa's Vatican biographer wrote that she had an interior life marked by an experience of a deep, painful and abiding feeling of being separated, even rejected by God. She called her inner experience, "the darkness."

Mother Teresa was born Agnes Gonxha Bojaxhiu in 1910 to an Albanian Catholic family in Macedonia.

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Confronting the Wizard and Warrior Within

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When she was 18, she joined the Sisters of Loreto, an Irish religious community with missions in India. In 1946 she was working at a Catholic high school in Calcutta. During a train ride that year, she received a call to serve the "poorest of the poor." Alone and without funding, she began her new mission. In 1950, she established a new Catholic religious order that built missions worldwide to serve the poor. By her death in 1997, she had become an inspiration to the world for her commitment to doing "small things with great love."

Why would such a woman feel chronic emotional pain? She, like Richard Nixon, had her darker side. Admired by most, she also attracted critics. She was a politician as well as a saint. Her passion and faith were deep and powerful. They fueled and sustained her commitment to her calling. But her impulses toward power and self-promotion were equally robust. Her political inclinations were at the heart of her spiritual struggles.

Conflicting Forces

Richard Nixon and Mother Teresa were larger-than-life world figures, and both struggled to manage the conflicting forces in their psyches. Egged on by short-sighted advisers, Nixon let his ambition and his fears trump his genius, with devastating results. Mother Teresa's triumph was to turn similar tensions into a powerful creative force. She successfully rode the tiger of conflicting impulses and aligned them in support of her call to serve the poor. Their divergent stories reveal deep truths about the risks and possibilities of leadership. Magic and power coexist in the world and in each of us. So too do self-interest and ambition. The forces of light and dark are uniformly real and powerful.

Many of us hope to lead from our comfort zones. We deny our demons and avoid the inevitable tensions between passion and politics. We disavow both warrior and wizard, hoping that expertise and people skills will get us where we want to go. It is a vain hope. In limiting ourselves and playing it safe, we lose touch with reality and close off access to our deeper psychic and spiritual power. We also forfeit the likelihood that we will achieve anything interesting or important.

Power and Spirit

To lead with passion and conviction, we need to embrace both power and spirit. We need to recognize and follow a path of paradox and contradiction, a promising route right in front of us.

When should a leader fight, and when should he or she search for new options? Leaders must reflect about how they currently cope with this dilemma, and how they might approach it differently in the future.

There are four different roles in leadership:

1. Analysts emphasize rationality, analysis, logic, facts and data. They believe that leaders must get the right information, analyze it correctly, and develop goals and strategy based on facts. They try to avoid or control emotions and politics to avoid distorted decisions and irrational action.

2. Caregivers emphasize the importance of people and relationships. They prefer collaboration to competition and care as much about helping as winning. They look for ways to understand and respond to the needs, concerns and feelings of colleagues and constituents.

3. Warriors believe that managers and leaders live in a world of conflict and scarce resources. The leader's job is mobilizing the resources needed to advocate and fight for the organization's agenda. Warriors emphasize the importance of building a power base: allies, resources, networks, coalitions. They welcome battle and competition rather than fear or avoid it.

4. Wizards bring imagination, insight, creativity, vision, meaning and magic to the work of leadership. They look beyond the surface of things to see new possibilities. They surprise and delight followers with new and imaginative solutions to old problems. They goad others to be creative. They often work magic — accomplishing the impossible. The symbolic tools of their trade include icons, ritual, ceremony and stories.

Organizational Frames

These four images correlate with four organizational frames. The *Analyst* hews to the structural frame that sees organizations as factories or machines, and focuses on their rational aspects. The *Caregiver* prefers the human resource frame, with its emphasis on alignment between people and organizations. The *Warrior* corresponds to the political frame, which sees organizations as arenas in which individuals and groups compete for power and scarce resources. Finally, the *Wizard* aligns with the symbolic frame, with its emphasis on the cultural and nonrational features of organization.

All four frames are critical for understanding life in groups, organizations and societies. The warrior and wizard roles are the most neglected and the most important for leadership. Research over the last two decades has consistently found a paradox: Most managers rely primarily on the structural and human resources perspectives, *but* the political and symbolic frames are most often associated with effective leadership.

The better people understand and use the possibilities of the wizard and warrior within, the more likely they are to become leaders who bring clout, hope and faith to organizations that have become neutered and sterile. ■

For additional information on choosing a warrior role, go to: http://my.summary.com

Warrior Roles: Toxic, Relentless and Principled

There are three distinct roles that warriors may play, each falling somewhere in the murky terrain between the idealized knights and villainous ogres of legend and fiction. The role an individual plays is determined by a combination of history, character and circumstance. Recognizing the characteristics and consequences of each warrior role increases your ability to choose one that fits a given situation, and to shift from one to another as circumstances change.

All leaders make enemies as well as friends. They inevitably generate mixed reactions and ambivalence, so it is a mistake to take too much comfort from the praise of allies or suffer too much pain from the attacks of enemies.

The warrior's choice of role is further complicated by a persistent tension between noble aspirations and tedious realities. Warriors are frequently wedged between the sublime and the mundane, between lofty imperatives of a demanding ethical code and constant temptations of baser, more expedient interests. This struggle arises in part from the gap between patriotic dreams and the grim reality of the battlefield. It also reflects the transitory nature of human life. Since there is little time to waste, warriors are perennially tempted to grab what they can while they can.

Finally, the role warriors play depends on the cause they seek. For some the cause is narrow and selfish. Others commit themselves to a larger common good. There have been many warrior leaders in war, politics and business. Most have claimed to fight on behalf of some noble mission. Far fewer have ultimately succeeded in achieving great purposes and accomplishing their chosen agenda. Too many accumulate power and then use it badly, unleashing destructive forces that lead to waste and ruin.

The Toxic Warrior

At the destructive end of the warrior continuum, we find the *toxic warrior*, whose inner world is dominated by conflict and turmoil. In toxic warriors, the conflict between forces of dark and light rages with almost unmanageable intensity. They are, at worst, thugs and sadists. They believe that victory and their own interests supersede everything else. They have little patience for ethical concerns; the end justifies the means. They are often brilliant, politically shrewd and charismatic. They may temporarily achieve extraordinary heights, yet their truncated vision and moral flaws lead almost inevitably to tragedy.

Adolph Hitler, Joseph Stalin and Pol Pot exemplify the most destructive of toxic warriors. Each amassed extraordinary power and changed history, but left a legacy of damage and death. Their commercial cousins include people like Leona Helmsley and "Chainsaw" Al Dunlap.

Here are three guidelines for avoiding the path of the toxic warrior:

1. **Managers need a realistic sense of self.**
2. **Be alert to signs of toxic leadership.**
3. **Take on a new role.** Move to a more productive stance.

Toxic Warrior "Chainsaw" Al Dunlap

While Al Dunlap was chief executive of Scott Paper, he more than doubled profits and market value. He achieved this financial miracle by slashing head count and cutting "frills" like research and development. He told managers not to get involved in community activities, eliminated all corporate contributions to charity, and moved Scott's headquarters from Philadelphia (where it had been for more than a century) to Boca Raton, Fla. (where Dunlap had a new home).

A closer look at the bottom line revealed that employee morale sank and Scott lost market share in every major product line. Dunlap did not stay long enough to find out whether he had sacrificed Scott's future for short-term gains. After less than two years, he sold the company to its biggest competitor and walked away with almost $100 million.

Sunbeam hired Dunlap in 1996 to work his managerial skills on its struggling appliance business. Dunlap started by laying off about half of Sunbeam's work force and he closed more than half of the company's factories and warehouses. Inside Sunbeam, anyone who voiced concern was soon out of a job. After an initial rise in stock price, it went into a free fall in early 1998. With the company teetering towards bankruptcy, its board sacked Dunlap less than two years after he came aboard.

The Relentless Warrior

Midway on the continuum is the *relentless warrior* — a tireless and passionate battler. Like their toxic counterparts, these warriors want to win, but they recognize that some costs are too high. They will push the rules of the game only so far. Microsoft founder Bill Gates, U.S. President George W. Bush and Hewlett-Packard's embattled CEO Carly Fiorina are among many examples of the relentless warrior.

Relentless warriors are passionate about their aims. But they are pragmatic enough to know the dangers of plunging recklessly over legal or ethical cliffs. They often test and sometimes bend the rules but rarely break them. High-profile cases have shown that you lose if your actions put you in jail, or if the products of your enterprise cause death or injury. One relentless warrior, a successful entrepreneur, summarized his perspective on business ethics very simply: "Death and jail scare me."

Three strengths and limits of the relentless warrior are:

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Warrior Roles: Toxic, Relentless and Principled

(continued from page 4)

1. Relentless warriors' courage, persistence and determination make them formidable foes.

2. Relentless warriors excel when the objective is clear and they can advance against clearly defined adversaries.

3. Relentless warriors' constricted field of view, stubbornness and willingness to steamroller opponents cast them as polarizing figures.

The Principled Warrior

Nearer to the light end of the continuum, we find *principled warriors*. They see victory as a means rather than an end, worthy only if honorable and in service of a higher purpose. Mary Kay Ash, Abraham Lincoln and legendary basketball coach John Wooden are examples.

Principled warriors are particularly likely to alter the course of history. They leave a legacy for several reasons:

1. Principled warriors put combat in perspective because they are not in love with it.

2. Principled warriors will sacrifice for a worthy cause.

3. Commitment to a coherent set of purposes and values makes principled warriors most likely to make a just and lasting difference. ■

The Warrior Path

Regardless of the role they play, warriors succeed through a combination of four basic ingredients: heart, mind, skill and weapons. *Heart* gives warriors passion, courage and persistence — it is the "fire in the belly" — that propels them forward in the face of risk, confusion, danger and obstacles. *Mind* gives warriors the direction and guidance to make strategic moves on life's ever-changing chessboard, avoiding snares, ambushes and blind alleys. *Skill* — developed through instruction and experience — determines how well leaders read and manage people and circumstances to move their cause forward. *Weapons* are the armory that warrior leaders employ to champion their cause.

Each of these ingredients contributes to the potential path to victory: overcoming a less determined or more fearful opponent with greater courage and passion, outsmarting a more confused or less disciplined opponent with a better game plan, besting an opponent through greater art and technique or winning by deploying stronger assets on the field — a larger force, better players or superior weaponry.

Warrior Heart

No one plays to lose, but not everyone plays hard enough to win. In every arena of human conflict, there are countless examples of individuals or groups who beat an otherwise-superior opponent by dint of a bolder heart and steelier determination. Heart drives a leader's intensity and commitment; it is the wellspring for the passion, courage and persistence that are crucial to success.

1. Passion. Passion is at the heart of all successful leadership. It is rooted in a deep, sometimes obsessive, personal and emotional commitment to a cause, a group or a task. It is a basic quality of all great warriors and leaders.

2. Courage. Courage is derived from the Latin word for heart. It is vital because conflict always brings risk of loss — physical, economic or social. Leaders need a willingness to go beyond orders and job descriptions, to buck the tide and plunge into uncertain, dangerous waters. Wal-Mart founder Sam Walton had that kind of courage. So did Joan of Arc. General George C. Marshall — architect of Allied victory in World War II and of the postwar Marshall Plan aiding Europe — showed similar courage throughout his career.

3. Persistence. Victory rarely comes quickly or easily. More often it is a long, costly, sometimes disheartening slog.

Warrior Mind

Sun Tzu's point — made 2,500 years ago — still holds today: Heart sustains the warrior but may run amok if cut off from mind's direction and discipline. Mind without heart is sterile, but heart without mind is reckless, often suicidal. An effective leader needs both. Great warrior leaders show consistent habits of mind.

1. Focus: Knowing what you want.

2. Foresight: Mapping the terrain and developing a game plan.

3. Flexibility: Responding fluidly to threats and opportunities.

4. Discipline: Aligning passion with purpose.

Warrior Skill

Skills are capacities developed over time. Genes confer potential, but potential becomes a usable skill only through effort, practice and instruction.

The skills that warriors need depend on where and how they fight. For the modern leader, the most important skills are personal and psychological, variations on the theme of emotional intelligence. Leaders need to know how to read people and recruit them to their cause. They need ability to motivate and inspire allies and followers. They must learn to negotiate with friends for support and with enemies for workable pacts. Four key skills are:

1. Intuition: Knowing the psyche. Mary Kay Ash, the founder of Mary Kay Cosmetics, built her successful direct sales business with a passionate focus on the needs and aspirations of women who were frustrated with their lives and their careers. She knew they wanted income. But they also wanted to feel better about themselves and be more in control of their lives.

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The Warrior Path

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2. Recruiting: Making friends and enlisting allies. In combat, you want comrades at your side, and they need a reason to support you. To gain their loyalty, you need to cultivate relationships and offer compelling reasons to join your team.

3. Inspiration: Rallying the troops. Winning requires a highly motivated, spirited team. Rallying your constituents is essentially the art of making an offer so attractive they can't wait to sign up.

4. Bargaining: Enlisting friends and buying off enemies. Bargaining is a process of making deals that work for all parties concerned.

Warrior Weapons

No warrior wants to go into battle unarmed. Weapons translate heart, mind and skill into power. Historically, weapons were physical implements of combat, but the most important tools of the warrior leader are not physical but social, economic and institutional.

The Godfather, Mario Puzo's film and novel, opens with a wedding reception for Don Vito Corleone's daughter. Following tradition, the Don holds court as friends and retainers come to pledge their friendship and loyalty. Some also come to ask his assistance on some problem they believe only he can solve. The Don obliges whenever he can, because loyal friends and allies are a vital source of his power. Personally, the Don possesses many of the skills of a warrior leader. Those skills enabled him to assemble a formidable array of weapons — his allies, his position as the head of the Mafia family, the family's capabilities, and the resources that he controls either directly or indirectly — that were the building blocks of his power. Weapons are the fourth essential element in a warrior leader's success. These include:

1. Position. *Where* you are situated is often more important than who you are in determining how much power you can exert. More powerful and visible roles provide at least three key power sources: *authority*, *access* and *visibility*.

2. Organization. It makes a big difference if you are fighting with or without an army. Organizations are created precisely because they are capable of doing things well beyond the capacity of any individual. They are tools in the hands of anyone who can control their complex dynamics.

3. Resources. You have power when you own or control things that other people want. Those assets may be tangible (like money or petroleum) or intangible (like access or prestige). They may be durable (like land) or evanescent (like tickets to a hot concert or sporting event).

4. Allies. Lone warriors are deeply rooted in myth. In the real world, solitary warriors usually lose, outnumbered and overwhelmed by opponents who mobilize a larger force. Smart leaders understand they need friends and allies. ■

Anne Mulcahy's Success Formula

In 2000, Xerox stock fell from $63.69 a share to $4.43, the company lost 90 percent of its market cap, and the best and brightest headed for the exits. When Anne Mulcahy became CEO of Xerox in August 2001, few observers gave her much chance of success. Yet three years later, *BusinessWeek* put Mulcahy on its list of the best managers of 2004. The stock was up, the company was profitable again and Mulcahy had met earnings targets 10 quarters in a row.

Mulcahy's success formula combined passion and hard work. She garnered recognition from the beginning that she needed allies — lots of them, both inside and outside the company. Constantly on the move, she met with bankers, customers and employees. She sometimes visited three cities in a day.

Wizard Roles: Authentic, Wannabe and Harmful

Throughout history, people have been fascinated by the magical power of wizards and wizardry. Wizards are part of an ensemble of players who devote themselves to the mystical, symbolic aspects of a tribe or organization. Other related roles include sorcerer, magician and shaman. What sets wizards apart is captured in the root meaning, "wise."

In story and legend, we find numerous examples of three wizard archetypes personified in the *Lord of the Rings* trilogy by Sauron, Gollum and Gandalf. Sauron exemplifies the role of the *harmful wizard* — he is immensely powerful but long ago embraced the dark side of magic. Sauron seeks power and destruction. Gollum, a small, hunched figure obsessed by his desire to possess and wield great magic power, is a *wannabe wizard*. As is often true of wannabes, he flirts tantalizingly with success, without quite grasping the gold ring he seeks. Gandalf personifies the *authentic wizard*. Gandalf's wisdom, more than anything else, is responsible for the evil Sauron's eventual downfall.

The Authentic Wizard

Authentic wizards have discovered their passion or calling through hard work and inner reflection. Their genuineness leads others to see them as real and worth joining in a common quest.

David Neeleman, CEO of JetBlue, demonstrates that a little magic can go a long way in creating a virtuous enterprise. After he was fired from his senior executive position at Southwest, he identified his next quest — to create "the first mega-startup in aviation history." He envisioned an airline committed to restoring humanity to air travel, com-

(continued on page 7)

Wizard Roles: Authentic, Wannabe and Harmful

(continued from page 6)

bining low fares with high style. His wizardry gave birth to JetBlue: an airline that is now one of the top-performing enterprises in the country — in terms of both profitability and customer satisfaction.

1. Wizards are wise. From the get-go, Neeleman realized he needed to surround himself with true believers whose talents complemented his strengths and compensated for his weaknesses.

2. Wizards recognize the importance of symbols and emblematic events. JetBlue provides symbolic support to customers in the form of comforts such as leather seats, each with its own private television.

3. Wizards encourage a strong link between words and deeds. Neeleman is a regular feature on flights, serving beverages and snacks along with the cabin crews.

The Wannabe Wizard

Wannabe wizards veer off the road when their bold new ideas go nose-to-nose with traditional values and entrenched cultural ways. Wannabes also go astray when they initiate a bold new undertaking with vacuous values and cotton candy platitudes that offer little meaning or substance. The resulting vacuum attracts time-worn ways imported from other circumstances and creates a breeding ground for greed and destructive politics. Unlike streetwise authentic wizards, wannabes rely too heavily on book smarts and the fashionable ideas of the moment. They become caught up in their noble intentions and anticipated success, only to trip over unforeseen events. Their intended magic proves no match for the power of opposing forces.

The Harmful Wizard

Harmful wizards have objectives that are self-serving, sinister — or both. They leverage their magic with a profound understanding of the potency of symbols, but manipulate people toward questionable ends. In the short term they are often successful. But in the end their schemes lead to chaos and destruction. Others pay the price for their grandiose, fanatical or destructive visions.

History abounds with the misguided exploits of harmful wizards: Adolph Hitler, Joseph Stalin, Saddam Hussein and Osama bin Laden, to name a few. America's corporate world has also seen its share of talented executives whose evil feats of magic wreak havoc on others: Eastern Air Lines' Frank Lorenzo, Sunbeam's "Chainsaw" Al Dunlap, WorldCom's Bernie Ebbers. The magic is potent; the aftermath is calamitous. ■

The Wannabe Wizard's Blind Spots

Here are some of a wannabe wizard's blind spots:

1. Understanding the influence of the environment on organizational values and practices. Particularly in new companies, values and beliefs from the outside impact internal workings. Newness has not given local ways an opportunity to emerge and mature.

2. Discounting the significance of symbols and cultural values and practices. Flags and anthems hold nations together. Studies of top-performing businesses have, time and again, highlighted cultural cohesion and focus as a key factor in financial performance.

3.Overlooking the importance of corporate heroes and heroines. In distributing recognition and rewards, Enron's Ken Lay and his leadership team missed an opportunity to define the company's values. They reinforced only what mattered most: profit, whatever its source.

4. Getting caught up in your own image and neglecting the business. Ken Lay was a wannabe wizard. He wanted to create the greatest company ever to grace the world of business. At first the magic seemed to work, but a cultural vacuum allowed greed and cutthroat politics to trample the high ethical standards he espoused.

Wizards at Work

Mary Kay Ash was tired of working for other people. She was a terrific salesperson who outperformed nearly all her colleagues. She was so good that she was often tapped to train other salespeople — mostly men. Once up to speed, many were promoted over her. That bothered her so much she decided to take a chance on her own and create her "dream company." Her venture was helped by a chance meeting with a woman who was selling cosmetics formulated by her father. Mary Kay bought the rights and put together a plan for a company that would market and sell the products. Her accountant warned her against the venture, cautioning that it was not economically viable.

Mary Kay Cosmetics was launched as a company devoted to giving women a chance to succeed. It was a business built more than anything else on Mary Kay Ash's faith in herself and in women like her. She was convinced that public recognition for a job well done was the wellspring of motivation. The company quickly became known for its frequent rituals and lavish annual celebrations. These events were resplendent with symbols that expressed and defined the "Mary Kay way."

At her death, Mary Kay was chairman emeritus of a multibillion-dollar company. Her magic had created hundreds of female millionaires. Her legacy was an enterprise devoted to providing economic and spiritual opportunities for women as well as maintaining a healthy bottom line.

(continued on page 8)

Wizards at Work

(continued from page 7)

The Wizard's Odyssey

Magic can be learned and wizardry can be cultivated. Wizards share the following five traits:

1. Wizards are wise. Attaining wisdom is not a passive process. Experience provides the raw material. Reflection gleans the important enduring lessons.

2. Wizards embrace foibles and folly. Avoiding mistakes or trying to cover them up produces a large share of the errors and toxicity we often see in organizations and societies. Fear of error kills creativity and innovation.

3. Wizards are intimately connected with soul. Wizards probe within their souls to navigate life's peaks and valleys.

4. Wizards are magical. Magic has been replaced in most organizations by facts, figures and technology. But deep down it is still the allure of magic that we yearn for in our life and work. Selling cosmetics to neighbors is scary, but receiving a diamond bumblebee in front of an audience of 5,000 colleagues is magical for successful salespeople at Mary Kay Cosmetics.

5. Wizardry is within reach. In our relentless search for wizards, we overlook a prime source — our own souls. The power of wizardry is inside each of us. We have common sense or wisdom that can be unleashed if we stop looking outside and focus instead on our inner journey.

Summoning the Spirit

Before Southwest Airlines, only the affluent could afford air travel. If individuals of limited means wanted to hold a new grandchild, comfort a dying friend, attend a graduation or be present at a bat mitzvah, their only travel options were car or bus. Southwest changed that and multiplied the number of passengers winging their way to destinations across America.

Southwest oozes spirit. It bonds employees together in an uncommon quest. It captures the hearts of customers, who become players in the otherwise no-frills company's fun. It shows in day-to-day operations. It shows up on the bottom line. For years, Southwest has been one of America's most profitable air carriers.

Herb Kelleher, Southwest's co-founder and longtime CEO, played a central role in its success. His fun-loving, self-deprecating wizardry was contagious.

Spirit is there to be summoned and maintained in any group. It just takes someone to release it. The magic formula centers on values, icons, ritual, ceremony and stories. The elements of that elixir are available to anyone, anywhere. But someone has to ignite the wizard within and take the risk to make the chemistry work. Remember:

1. Values unify purpose, focus and behavior.

2. Icons and emblems shape abstract values into vivid representations.

3. Rituals bond people to each other and reinforce the sense of community.

4. Ceremony beckons the spirit.

5. Stories nourish the spirit. ■

The Leader's Journey: Fusing Warrior And Wizard

The wizard relies more heavily on magic and mystery, the warrior on strength and skill. These two distinct ways were personified in ancient Japan by the ninja, who relied on subtlety and artfulness, and the samurai, who emphasized power and physical prowess.

The Sword and the Wand

Leaders who make a difference regularly combine the warrior's instinct for combat with the wizard's imagination and foresight. To combine the two, leaders must have an extraordinary ability to embrace both sides of tensions and polarities others see as unbridgeable opposites. They must:

1. Wield both sword and wand: Know how to create as well as defend. Leaders need the sword to defend a group and its way of life, and they need the wand to create and transform cultural values and ways.

2. Accept current reality, and challenge it because they see its possibilities. Leaders need to see the world both as it is and as it might be, while being clear about the difference between the two.

3. Learn by sensing and intuiting. Great leaders need great powers of observation and intuition.

4. Be both strategists and visionaries. Leaders need the analytic brilliance of the great strategist as well as the imagination and insight of the visionary.

5. Combine the power of the commander and the courage of the champion with the wisdom of the counselor and the magical powers of the shaman. This paradoxical combination is difficult. Great leaders find ways to do it. ■

For additional information on Henry Kaiser and the rubber railroad, go to: http://my.summary.com

SOUNDVIEW RECOMMENDED READING LIST

If you liked *The Wizard and the Warrior*, you'll also like:

1. ***The 360 Degree Leader*** **by John C. Maxwell.** Maxwell writes that only 360-degree leaders influence people at every level of the organization, and by helping others, they help themselves.
2. ***Primal Leadership*** **by Daniel Goleman, Richard Boyatzis and Annie McKee.** The authors describe what leaders must do to become emotionally intelligent leaders.
3. ***The Art and Discipline of Strategic Leadership*** **by Mike Freedman with Benjamin B. Tregoe.** Freedman and Tregoe present a clear, practical guide for strategic planning based on a five-phase methodology.
4. ***The Contrarian's Guide to Leadership*** **by Steven B. Sample.** Sample has compiled the skills and tactics required by leaders who want to improve their organizations and their ability to lead.
5. ***The Book of Leadership Wisdom*** **by Peter Krass.** Krass offers the leadership wisdom of the great business leaders of yesterday and today.

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The Zappos Experience

May 2012

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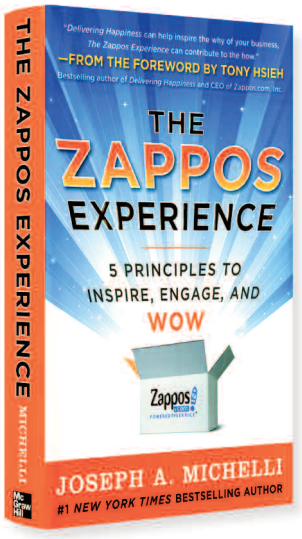
Leadership

The Zappos Experience

5 Principles to Inspire, Engage and WOW



by Joseph A. Michelli

THE SUMMARY IN BRIEF

Zappos. The name has come to stand for a new standard of customer service, an amazing online shopping experience, a great place to work and the most impressive transformational business success story of our time. Simply put, Zappos is revolutionizing business and changing lives.

Now, Joseph Michelli, author of the internationally best-selling business books *Prescription for Excellence* and *The Starbucks Experience*, explains how Zappos does it — and how you can do it in your industry.

The Zappos Experience takes you through — and beyond — the playful, offbeat company culture Zappos has become famous for. Michelli reveals what occurs behind the scenes at Zappos, showing how employees at all levels operate on a day-to-day basis while providing the "big picture" leadership methods that have earned the company $1 billion in annual gross sales during the last 10 years — with almost no advertising.

Michelli breaks the approach down into five key elements: Serve a perfect fit, make it effortlessly swift, step into the personal, S T R E T C H and play to win.

Zappos has woven these five key components into a seamless strategy that's the envy of business leaders. Now that strategy is yours.

With *The Zappos Experience*, Michelli delivers a package for instant success right to your doorstep. All you have to do is open and use it.

IN THIS SUMMARY, YOU WILL LEARN:

- How to increase employee engagement.
- How to connect with customers authentically.
- How to create an energetic culture.
- How to grow your people and products.

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THE COMPLETE SUMMARY: **THE ZAPPOS EXPERIENCE**

by Joseph A. Michelli

The authors: Joseph A. Michelli, Ph.D., is the best-selling author of *Prescription for Excellence* and *The Starbucks Experience*. He is an internationally sought after speaker and organizational consultant who has been featured on *The Glenn Beck Show* and CNBC's *On the Money*.

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Zappos? What Is Zappos?

Zappos lessons are applicable not only to every business sector, but also to the personal and professional development of people at every level of an organization.

While the media image of Zappos often portrays an over-the-top playful culture that might not seem applicable in your industry or workplace, I challenge you to temporarily suspend your cynicism and explore the possibility that Zappos is neither too casual nor too weird. In fact, employees at Zappos demonstrate a commitment to hard work and excellence that the best companies in the most conservative of industries would envy. Style differences may exist; however, the underlying principles that drive success at Zappos will improve both your company and you.

From its inception in 1999 at the height of the dot-com boom, Zappos had a significant early history of being on the brink of extinction. Out of necessity, the company's staff members and leaders had to revolutionize a business model, craft an engaging culture and develop unique operational features. To place the evolution of Zappos in perspective, I will highlight three critical, not necessarily linear, components of the Zappos survival journey. These three targeted historical pivot points offer insights regarding leadership decisions and staff efforts that kept the orders rolling in and the bankers, employees and customers happy. Each of these pivotal transitions solidified the current Zappos culture.

1. Forging a team with diverse strengths. Before Venture Frogs would agree to invest money in Nick Swinmurn's concept of an Internet shoe store, Tony Hsieh and Alfred Lin required Nick to partner with someone with expertise in the shoe business. Nick approached Fred Mossler (now known at Zappos as "just Fred"), asking him to leave a high-paying and stable job at Nordstrom. Fred recounts the unconventional way he was recruited to join the Zappos team: "Nick initially called me posing as a recruiter. He said he had something commerce-related and was looking for someone with a footwear background. I agreed to meet him at a little bar near the Nordstrom store after work one night. I went in with my suit and tie and looked around for a similarly clad person, and instead, this kid in Boardshorts and a T-shirt ran up to me, saying, 'Hi, I'm Nick. I'm not a recruiter. I've actually just got this idea.'"

Nick introduced Fred to Tony and Alfred, who had capitalized Venture Frogs through a $265 million sale of their prior business, LinkExchange, to Microsoft. Fred indicates that Tony and Alfred's prior success "gave me a little more comfort and confidence that there would be some teeth in this business." For weeks, Fred couldn't decide if he wanted to leave Nordstrom to join Zappos, but a major shoe show was about to start, and the Zappos team would need to have a presence at the show to sign up vendors if they wanted to kick off their business and move forward. Fred recounts, "About a week before the shoe show, Nick called and said, 'Listen, if you're not going to join us, let me know now. Otherwise, I need you to take that leap of faith.' At that point, I said, 'All right. Let's do it.'"

2. The courage to try to do what you think is "right." A great advantage for many Internet retailers is the low overhead they can enjoy relative to brick-and-mortar operations. By relying on their vendors to drop-ship products (send the product out directly from the vendor's warehouse), Internet retailers can focus their resources on marketing and creating easy user experi-

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Amanda Langen**, Graphic Designer; **Chris Lauer**, Contributing Editor

ences that make their websites more attractive to customers. In this model, however, the Internet retailer loses control of service, as order fulfillment depends upon the vendors' processes.

Early on, leaders at Zappos realized that buying shoes online created considerable risk and anxiety for consumers and that this anxiety would be worsened if online shoppers had to depend upon the varied delivery practices of the company's vendors. As a result, the executive team at Zappos made the bold move to do what they felt customers needed. They leased a warehouse close to a United Parcel Service (UPS) shipping hub near Louisville, Ky., bought inventory from vendors and committed to consistent and quick delivery to online purchasers. When efforts to have a third-party vendor oversee the warehouse operation faltered, Zappos took over the Fulfillment Center and, in typical Zappos fashion, used a trial-and-error approach to improve processes and maximize customer service.

3. Passion, determination and humility. During the most arduous and desperate times in the early evolution of Zappos, Tony Hsieh became increasingly more involved with and committed to the company. From what started as a fairly hands-off approach to Zappos operations, Tony became more instrumental in the daily affairs of the business. Through his passionate increase in effort, and ever-dwindling financial resources, the brand averted one near-death experience after another.

Whether it was moving a fledgling Zappos into the Venture Frogs office space or extending extra personal money so that Zappos could make payroll, Tony led by example. ●

PRINCIPLE 1: SERVE A PERFECT FIT

It All Comes Back to Culture

While the Zappos culture is enviably strong today, the journey to its well-defined values was not exactly linear. The way the leaders at Zappos delivered their culture and defined their values should offer hope, insight and encouragement to those who lack a written set of values or feel there is a gap between their purported corporate values and the actual culture of their business.

Most businesses already have a set of written values that sound as if they could apply at any and every business. In many cases, employees are not able to recite those values, let alone act in accordance with them, and have no idea where the guiding principles came from. Staff members may not see the values as being relevant to their day-to-day lives and may even view them as being out of step with current business conditions. And in cases where the corporate values do capture the core qualities of a business, the actions of employees may not demonstrate the values in a way that allows consumers to differentiate the business from its competition.

Ultimately, many company leaders just don't know what makes them different from rival businesses or what is at the core of their identity. They are "doing" business, but internal guiding or defining principles do not drive them.

Some Values Are Known at the Start; Others Are Discovered on the Journey

While positive corporate culture was always on the radar of the leaders at Zappos (given their prior experiences in less-than-positive work environments), as in so many other startups, these leaders did not *explicitly* define their core values when they launched their business. However, even without writing their values down, the Zappos leaders *implicitly* demonstrated what they believed by the actions they took in establishing the business. For example, from the beginning, the Zappos leadership aspired to create a work environment that was fun and communal. These leaders understood that people who play together stay together and that a team and family spirit was essential for their brand's survival. To give their company the best chance of success with the limited human and early financial capital they had at their disposal, the Zappos leadership believed members of their small team would be heavily reliant on one another and would be spending an inordinate number of hours together. If the work wasn't fun and the team wasn't tightly connected, the heavy lifting required at start-up would not have been possible. ●

Culture Should Be a Verb

Many great and talented people seek employment at Zappos, but few are selected. Christa Foley, Zappos recruiting manager, reports that the actual applicant-to-job ratio for positions in Nevada hovers at around 30,000 applications annually for about 450 filed positions. In essence, 1.5 percent of all applicants make it through the rigorous cultural and technical hurdles. At many businesses, applicants have to conclude that they weren't selected simply because the "offer letter" never arrives in their mailbox. However, consistent with the Zappos values, leadership makes a point of letting unsuccessful applicants know the results of the application

process. This may seem like a small courtesy, but it speaks to the company's willingness to act in a way that is consistent with values such as "build open and honest relationships with communication" and "deliver wow through service."

Andrew Kovacs, sourcing specialist, shares, "We aren't just here to serve customers who are in a transaction buying our products. We serve all stakeholders, including all applicants, some of whom may even be our actual customers. Communicating with applicants to let them know their status is simply a way of being respectful and serving them. Therefore, we provide applicants an automatic reply that we received their résumé, and we follow up again to let them know whether or not we are moving forward with their application. That takes time. But, come on; we're Zappos."

For Zappos leaders, it's critical that values be adhered to in both pleasant and less-than-pleasant business circumstances, including the way Zappos handles unsuccessful applicants.

PRINCIPLE 2: MAKE IT EFFORTLESSLY SWIFT

Less Effort, More Customers

I've never encountered a business owner or leader who said, "I wish fewer of my customers were raving fans." We all want to maximize that special group of high-value customers who not only support our business through steady repeat purchases, but also eagerly refer new customers to us. While a great deal is known about the factors that drive customers away from a business, the attributes that lead to customer evangelism are the subject of considerable debate. That exact debate played out very clearly in two vastly different articles in a single issue of the *Harvard Business Review*. The titles of the two articles were "Stop Trying to Delight Your Customers" and "How I Did It: Zappos' CEO on Going to Extreme for Customers."

The authors of "Stop Trying to Delight Your Customers," Matthew Dixon, Karen Freeman and Nicholas Toman, reported, "Conventional wisdom holds that to increase loyalty, companies must 'delight' customers by exceeding service expectations. A large-scale study of contact-center and self-service interactions, however, finds that what customers really want (but rarely get) is just a satisfactory solution to their service issue." "How I Did It: Zappos' CEO on Going to Extremes for Customers," written by Zappos CEO Tony Hsieh, suggested that service excellence requires dedicated commitment to such Zappos service values as "deliver wow through service."

So when it comes to customer loyalty, which is it — to wow or not to wow? The answer is actually simple. It's *both*!

Consistent with Tony Hsieh's perspective, "wow" is an important dimension of customer loyalty and should be pursued. The first step in that pursuit is achieved by making sure you are simply "getting it right" (delivering exactly what customers want the first time you serve them) and "making it easy" (reducing the overall effort required for customers to get their needs met). Once accurate and easy service delivery occurs consistently, customers can be "wowed" if the business exceeds their expectations and/or offers personalized care. The importance of accurate and easy service delivery is well demonstrated by Dixon, Freeman and Toman's research, which, in a nutshell, shows the following:

- Delighting customers should not be the first priority in building customer loyalty.
- Reducing your customers' effort to get their problems solved is the low-hanging fruit in the loyalty journey.
- Acting to reduce your customers' effort can actually reduce your service costs.

The Ticket to the Big Service Dance: Velocity, Knowledge, Recovery and Surprise

According to international studies like those done by Convergys, when a company masters ease and accuracy, its customers are looking for expedited service, knowledgeable staff and other aspects of the experience that add value. Zappos adds value through service by:

1. Emphasizing velocity. Employees notice when leaders make choices on behalf of service velocity, and so do customers. Rapid order fulfillment is one of the most commonly mentioned aspects of Zappos service excellence, according to online reviews.

While most of us notice slow-loading web pages or long delivery times, can you imagine your customers consciously clocking your service velocity, assessing your server page load speed, or shopping you and your competitors simultaneously? As business leaders, we would be wise to assume that service velocity is something our customers are always either consciously or unconsciously assessing.

2. Increasing staff members' knowledge of products and service delivery. Studies of customer dissatisfaction consistently show how important it is to have employees who can address the customer's need during the customer's first contact. That research also suggests that the prime reason customers stop dealing with a business is poor service interactions, not faulty products.

3. Elevating service recovery. In the course of millions of site visits and tens of thousands of calls and purchases each day, Zappos makes mistakes. But Zappos doesn't categorize those errors as failures; instead, each of those mistakes serves as an outstanding opportunity for both its business and its customers.

Companies like Zappos act swiftly, take responsibility (often even when the fault is beyond their control), enable staff discretion to fix problems, compensate fairly, do a little something extra to acknowledge inconveniences and follow up until the issue is brought to satisfactory closure.

4. Delivering surprise beyond the predicted and normative. Zappos diligently looks for effective ways to improve its operational excellence, increase personal service delivery and go beyond the predictability challenge to exceed expectations and surprise customers.

Ease of Service

Rafael Mojica, senior user experience architect at Zappos, explains how he and other members of the user experience team view their jobs. "It is an obsession to make our website — and ultimately all Zappos touch points — more user-friendly. We spend the bulk of our time focused on our website's ease of navigation. Although our customers are very satisfied with our navigation, we will never be content. We want to think through everything that the customers might want and how they can get their needs met with the least effort. The design and development process is not as intuitive as you might think because it's not simply about providing information. Too much information can be overwhelming. Our goal is to provide what customers need exactly when they need it."

At the heart of all well-designed customer experiences is a dedicated commitment to understanding the customer's wants and desires. With that understanding, processes are crafted to ensure that the customers get what they want, when they want it, with the least effort possible.

PRINCIPLE 3: STEP INTO THE PERSONAL

More Than a Wallet With Legs

Customers today are tired of being treated like "wallets with legs." Zappos gets what this means.

The leadership at Zappos understands that business can be about more than discrete transactions or money/product exchanges. Business can be, and increasingly must be, about the development of personal relationships that span a customer's lifetime. While average managers might think a company can thrive simply by selling goods or services to customers, true leaders understand that all business is personal. In the end, business success relies on one group of people caring for or profiting another. Ordinary brands often take a "one size fits all" approach to service, but legendary companies like Zappos find ways to create individualized experiences that extend beyond their solid service platform.

People who genuinely believe that if they "serve well, sales will take care of themselves," tend to build legendary brands. Aaron Magness, senior director of brand marketing & business development at Zappos, remarks, "It's sad how a little bit of genuine care can make the difference between horrible service and amazing service. If companies thought more about interaction and less about transaction, people would flock to them."

It is this attention to interaction at Zappos that propels people to connect further with the company.

Connections at All Levels

It's easy for leaders to encourage staff members to create personal, emotional connections with customers. However, it is quite another thing to help them continually grow in service excellence. At Zappos, the process of growing talent in personalized service is tireless and comprehensive.

In the Zappos call center, for example, a Customer Loyalty Team (CLT) trainee is evaluated on all aspects of service delivery. Through a call review form, a new employee will routinely be rated (with a 1, 2 or 3) on a wide range of quality dimensions, including the degree to which the trainee forms a personal, emotional connection with the customer. In the past, the same rating system was used to evaluate the service quality of every CLT staff member. That process of quality measurement, however, was changed in response to staff feedback solicited in an e-mail survey.

According to Zapponian Tami Lemke, "One of the things we want to do is deliver happiness inside and out-

side of Zappos, and the quality assurance program was creating a little fear in our people and leaving them feeling like they weren't in control. Having a sense of control is linked to happiness, and we wanted to promote growth and not fear, so we made a few changes. To reduce anxiety, we went from performance metrics to pure feedback. We completely did away with scores for full-fledged CLT staff. Supervisors and staff members now just talk about the things the CLTs liked about identified calls and the things they could've done better. Essentially, we are discussing how we can continue to elevate the Zappos Experience while helping CLTs attain their service goals." Tami also notes that in order for employees to have greater control, "We implemented several methods to include the CLTs in picking which of their calls would be reviewed. For example, in our self-assessment process, which we do at least once a month, a CLT lead will pull up a huge list of recent calls. The team member looks at this list and chooses a call, and both the lead and the team member listen to a recording of the phone call. We review that call against key elements of the Zappos Experience, including the strength of the personal connection achieved." ●

PRINCIPLE 4: S T R E T C H

Zappos University

As good as Zappos is at present, staff members and leaders will always tell you that they need to be better. Rebecca Henry Ratner, HR director at Zappos, captures the company's constant sense of striving and restlessness when she says, "Zappos is a place where every day is a stretch. I never know what's coming, but I know I'm going to like it. I'm constantly challenged and placed in situations where I have to live outside my comfort zone. In fact, outside my comfort zone is starting to become my comfort zone. Fortunately, Zappos understands that a key to retaining great people is to keep them challenged and learning, and that's where our Pipeline team comes in."

And the Destination Is?

Educator Lawrence J. Peter once said, "If you don't know where you are going, you will probably end up somewhere else." A large part of a Zapponian's ability to achieve strong and personal connections with customers is the clarity with which the entire organization understands and moves in the direction of a shared service destination.

There isn't really a university at Zappos. Or is there? While technically the answer would be no, functionally the answer would be yes. Zappos does not have a university per se, but its Pipeline team framework resembles a university more closely than it resembles a traditional corporate training department. Rather than Zapponians having to face mandatory, often boring, typically predictable and marginally relevant seminar offerings, the Pipeline team has created a vast catalog of dynamic, interactive courses. This curriculum was developed at Zappos to address two overarching business questions:

1. What are the knowledge sets and behaviors needed to produce strong departments and leaders at Zappos?
2. What should be offered to grow the culture and increase the happiness of Zapponians?

In essence, the Zappos Pipeline serves to facilitate personal, team, leadership and business growth. ●

Beyond Shoes

Brand positioning experts understand that consumers give companies "permission" as to how far they can stretch their product and service offerings. For example, in the 1990s, Clorox considered extending its well-established bleach brand in the direction of laundry detergent, dishwashing soap and other household cleaning applications. Consumer research, however, showed that Clorox was synonymous with bleach in the minds of the buying public and that consumers would be hesitant to purchase any Clorox product that would touch their hands or their dishes. As a result, Clorox focused its brand extension in the direction of toilet bowl cleaners, tub and tile products, and drain openers.

Like that of Clorox, the early brand positioning of Zappos put it at risk of being denied permission to grow outside of a shoebox. However, a broad vision of the future, careful listening for customer requests and an increasing level of consumer trust has allowed the Zappos brand wide opportunities to S T R E T C H.

If you type "www.shoesite.com" into your browser, the Zappos website will appear. Nick Swinmurn secured the address shoesite.com for his online shoe store in 1999, but later that year, the name was changed to Zappos. The company's leaders understood that a made-up name like Zappos would provide a unique, searchable Internet identity and would allow the company to broaden its product offerings if brand extension was ever deemed appropriate. Consistent with the leaders' wisdom in deciding to rebrand the startup, the Zappos name has allowed the company to stretch outside of its original mission of "becoming the première destination for online shoes" and venture into a broader world of merchandise and services. ●

PRINCIPLE 5: PLAY TO WIN

Play Well

Play and fun have served Zappos well. Undoubtedly, fun holds the rich and highly collaborative Zappos culture together. But let's face it, if Zappos were dedicated only to fun, the company would not be thriving today. The genius of Zappos leaders is the way they blend the fun into the work. The visionary leadership at Zappos understands that work made fun gets done. Moreover, work made fun creates energized, happy and cohesive teams.

Generally speaking the overarching benefits for Zappos from creating a culture of play and family connectedness are very consistent with the positive correlations researchers have found. For example, management professor Dr. David Abramis of Cal State Long Beach, among others, has shown that high levels of workplace fun are consistently associated with increased creativity and productivity. Employees who find playful enjoyment in their workplace have more positive relationships with their peers, make better decisions, are tardy or absent less often and use fewer sick days than employees who aren't having fun. In essence, fun is serious business at Zappos, and in turn, that fun produces serious business results.

Fun at work is not something that can be left to chance or an optional initiative that disappears when things get difficult. Leaders at Zappos have never wavered in their support for a playful culture. The benefits of that approach are supported by research from Hewitt and Associates that shows it pays to invest in a positive work culture, especially during times of business uncertainty. Ted Marusarz, the leader of global engagement and culture at Hewitt, notes, "The extra effort companies put forth in difficult times makes a difference in how successful they are at boosting morale and retaining top talent in a strong economy." ●

R.O.F.L.

As an Internet acronym, R.O.F.L. stands for "rolling on the floor laughing." Zappos may be the best example of an often-underappreciated truth: A small investment in workplace fun will produce tangible and profound benefits for your staff members, your customers and your brand's equity. As proof, let's look at how the nominal but consistent investment in workplace fun produces lasting returns for Zappos as it relates to:

- **Improvement in the quality of life of Zappos employees.** The approach taken by Zappos leaders on behalf of employee happiness essentially mitigates the toxicity of the psychosocial work environment, removes emotional hazards, modulates the pace and intensity of work, establishes a sense of "justice" and increases employees' sense of control.
- **Extra-mile effort by staff members.** The extraordinary business growth at Zappos is probably, in part, a result of employees feeling that they are being treated so well that they can't let Zappos down.
- **Exceptional outcomes on key performance goals.** Key revenue growth markers show Zappos as having virtually no sales in 1999 and topping the $1 billion gross sales mark by 2008, with consistent breakthrough numbers thereafter.
- **Impassioned employee and customer evangelism.** To get customers to refer you to their friends, you need to have employees who are deeply loyal and who themselves are evangelists for your brand. ●

Conclusion: Endings, Beginnings and You

In the span of a decade, Zappos leadership has taken a fledgling idea and parlayed it into a billion-dollar business known for service, culture and delivering happiness. While this rapid success is noteworthy, in the overall context of business longevity, the company is relatively youthful. When I think about the accomplishments of Zappos, the words of Winston Churchill come to mind, as he suggested that failure is not fatal or success final. The leaders at Zappos have managed small failures well, but many questions remain on how well they will manage their runaway success.

Tony Hsieh, Zappos CEO, notes, "We have been fortunate enough to make a number of sound choices on behalf of our staff, our customers and our overall business, but we have a lot more to learn." Much of the immediate "learning" at Zappos is likely to be from reciprocal opportunities that will occur as a result of its relationship with Amazon. While each company is likely to learn from the other, both Amazon and Zappos will also have to maintain their uniquely different, albeit aligned, cultures. In fact, Amazon CEO Jeff Bezos notes, "The culture and the Zappos brand are such assets. … There is a lot of growth ahead of us with Zappos, and I am totally excited about what can be accomplished over time."

Maybe the greatest challenge Zappos leaders face is the adjustment required when going from a charming business outlier to an expanding, mature business benchmark. While many people root for you in your startup phase, some will become tired of hearing about your thought leadership, or they will become suspicious, critical and envious as you gain size and prowess. Moreover, as leaders and staff members take pride in the very successes that lead to business growth, everyone can be lulled into a false sense of security.

The Biggest Hurdles for Tomorrow's Accomplishments

In his book *How the Mighty Fall*, bestselling author and business consultant Jim Collins outlines his research on the stages of business meltdown. The first of Jim's stages, "Hubris Born of Success," focuses on corporate pride, which often emerges before a fall. Jim suggests that yesterday's success, in many ways, can be one of the biggest hurdles for tomorrow's accomplishments.

While Zappos is certainly not immune to failure, the company is well positioned to circumvent significant pitfalls simply by adhering to one of its most crucial and unusual values: "Be humble." Jennifer Van Orman, Zappos software engineer, reflects, "My favorite value is 'be humble.' I have never worked in a department with so many geniuses. Really smart people surround me and none of them are divas. No one is ever too busy to help anyone else out. There are no egos around here. That's refreshing."

Unlike other successful businesses, where pomposity and vanity have been an Achilles heel, Zappos is likely to sustain its success as long as people like Tony Hsieh continue to demonstrate the curiosity, humility and service described by a Zappos senior user experience architect: "I was working in Kansas City for another company, and I met Tony Hsieh following his presentation at a conference I was attending. The day after Tony spoke, the conference was coming to an end. As I looked out the window getting ready to leave the conference venue, I noticed that it was raining and resigned myself to getting wet. To my surprise, at the door of the conference center was Tony Hsieh, the CEO of Zappos, giving out ponchos. As he handed one to me, I thought, 'Wow — they anticipated the weather and my need.' That's something I have never seen from senior leaders at any other business, and I wanted to work for and be a customer of Zappos."

Allow me to offer overall guidance about benefiting from the Zappos lessons:

1. Refine it to meet your need. Anything from Zappos that you might wish to incorporate into your business must be filtered through the lens of what will make it work for you.

2. Think about the unconventional. *The Zappos Experience* is a story of leaders who did not set out to follow a cookie-cutter template on how other online retailers were achieving short-term success. Instead, it is a lesson about leaders who passionately pursued goals that had a long-term timeline and resulted in a transformational legacy.

What's Your Leadership Legacy?

Zappos is no longer in the shoe business; it is in the happiness business! Its leaders became passionate about a goal that transcended products or processes. Those leaders shifted their attention from business success to transformative objectives and, in the end, elevated their significance and their legacy. Columnist and author Irving Kristol once suggested that leaders need to define that "one big thing and stick with it. Leaders who had one very big idea and one big commitment are the ones who leave a legacy."

I am an advocate of taking the time to think of that "one big thing" that you want to accomplish as a leader and forging your own "leadership legacy statement." Leadership guru John Maxwell suggests, "People will summarize your life in one sentence. Pick it now."

When asked about a Zappos legacy statement, Tony Hsieh said, "I hope that Zappos can inspire other businesses to adopt happiness as a business model — letting happy customers and happy employees drive long-term profits and growth. Ultimately, it's all about delivering happiness."

So what's your leadership legacy statement? Write it down — but, more important, live it! If you do, you truly will understand the transformational power of the Zappos experience. ●

RECOMMENDED READING LIST

If you liked *The Zappos Experience* you'll also like:

1. ***The Orange Code* by Arkadi Kuhlmann and Bruce Philp.** The story of ING Direct, the successful Internet-based direct bank and the philosophy of its founder Arkadi Kuhlmann and his partner Bruce Philp, the branding consultant who helped make ING Direct a cause to its own people.
2. ***Driving Change* by Mike Brewster and Frederick Dalzell.** UPS handles 14 million parcels daily. To most people, UPS is a reliable fact of life. But to well-informed businesspeople, Big Brown is a company to emulate.
3. ***Firms of Endearment* by Rajendra Sisodia, Jagdish N. Sheth, David Wolfe.** From Costco to Wegmans, they're becoming the ultimate value creators, generating every form of value that matters: emotional, experiential, social and financial.

· Book 360 of 388 ·

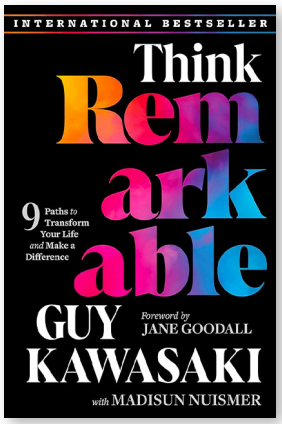
Think Remarkable

Guy Kawasaki

Executive Book Summaries®

Think Remarkable

9 Paths to Transform Your Life and Make a Difference



by **Guy Kawasaki with Madisun Nuismer**

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THE SUMMARY IN BRIEF

The goal of this book is to help you make a difference. First, let's define what being remarkable means. It does not mean amassing wealth, power, or fame. There are people who have done this and are not remarkable. And there are people who haven't and are. In ***Think Remarkable: 9 Paths to Transform Your Life and Make a Difference***, being remarkable means you are making a difference and making the world a better place.

Being remarkable also means you are a good person—people use words such as empathetic, honest, and compassionate to describe you. If offered the chance, they would love to join your ohana, the Hawaiian word for the community of people who support and care for you. This book provides the roadmap, along with some inspirational examples, but only you can do the work. Being remarkable is neither innate nor conferred—if it were, you wouldn't need this book.

Making a difference and being remarkable are not easy, but you won't regret trying. When you make a difference and are remarkable, you live a life that matters, reflects your best self, and inspires others to be remarkable as well.

IN THIS EXECUTIVE BOOK SUMMARY:

- The reasons why making a difference is the key to being remarkable
- The importance of adopting a growth mindset and learning from your experiences
- The process of using your perseverance to make a positive impact

Stage 1: Growth - Build a Foundation - Embrace the Growth Mindset

Adopt the Growth Mindset

Undoubtedly, the growth mindset is necessary to be remarkable, and you hold the power to change and elevate yourself. Let this sink in: if you want to be remarkable, you have to grow.

Find Support

If adopting the growth mindset was a personal decision and transition, life would be simple. However, growing requires both supportive people and a supportive environment.

Embrace Change

Your mindset can only grow to the extent that you expose it to new experiences, domains of knowledge, and skill sets. Study subjects that you've never considered—or that you failed at in the past.

Explore areas you've kept putting off because you didn't think you'd excel at them. Adopt the interests of your family, friends, and followers instead of making them embrace yours. Experiment with new tools and technologies and see where they take you.

Take Baby Steps

Until you've got the growth mindset flowing through your neurons, set small goals so that success begets success.

Find a Hero

It helps to have a hero to put your "plight" into perspective and reduce tendencies to focus on the negative. Perseverance is one of the things that makes people remarkable.

Bloom, Baby, Bloom

Growth and transition are challenging and time-consuming, but they are essential to making a difference and being remarkable. They demand conviction, humility, and considerable effort to achieve.

Embrace Vulnerability

Flip Over Growth

The flip side of the growth mindset is vulnerability. Becoming remarkable will take a long time, and you will face failure and setback, so the journey entails embracing vulnerability.

Go On, Be Brave

More important than avoiding wounds is how you deal with them. A great approach to failure is this: sometimes you win and sometimes you grow.

Brace for Impact

Every remarkable person I know has dealt with challenges. You will face negativity, rejection, and even danger. Keep in mind that with difficulty comes opportunities for growth—which is exactly what a remarkable person invites with open arms.

Give Yourself a Break

The first step in the process of bouncing back is to "give yourself a break" by forgiving yourself and stopping the self-criticism.

Learn from failure.

Failures provide valuable information that improve future efforts, and you could not have obtained this information in any other way than risking failure.

Use the doubters.

Has anyone told you that you can't succeed? They could be doing you a favor if you can turn their doubt and negativity into your determination.

Face it until you make it.

Face and deal with your vulnerabilities and wounds.

Plant Many Seeds

Get Stoked about Oaks

The metaphor of planting acorns is perfect for making a difference and being remarkable. That is, you must collect, prepare, plant, tend, and wait. It is as simple to describe as it is difficult to accomplish.

Trust the Dots

If we knew which acorns would grow into mighty oaks and which dots would connect, then we would tend only to those. You have to plant many seeds and trust that things will work out later.

Get an Education

There are few better ways to plant seeds than to get a formal education. One can also get an education in other

Eliminating suffering from people's lives is an excellent means of achieving remarkableness.

ways: reading, online courses, apprenticeships, internships and training programs. Remarkable individuals obtain an education and then never stop learning.

Pursue "interests and not "passions."

Passion is too high a bar, so give yourself a break. Passions start as "interests" that are acorns.

Build random connections.

The more people you know, the more likely you'll develop meaningful relationships and make connections.

Don't be picky.

Pride and pickiness often prevent people from seizing opportunities.

Fight framing.

Don't let others - including yourself - define you.

Start in sales.

There are few functions as good as sales to force you to get outside your bubble and reach out to people you don't already know.

Make yourself indispensable.

These are the ways to become an indispensable asset to your company and boss: show up, do what nobody else wants to do, broaden your skill set, own a niche, establish high standards, and make your boss look good. People who are indispensable to others are almost always remarkable.

Weed the seeds.

It is the ability to make wise judgments—to see the difference between what is true and what is false, what is good and what is bad, what is important and what is not. Discernment skills will help you decide when to listen, when to ignore, and when to challenge.

Always ask "what's missing" when evaluating information or data.

STAGE 2: Grit - Activate Your Aspirations - Do Good Shit

Embrace the Grit Mindset.

Good shit can be a product, service, team, classroom, group, art, sports, or a life—this is up to you. Doing good shit takes resilience, perseverance, and patience—aka grit. It is a characteristic shared by all remarkable people.

Create What You Want to Use

Visualize a change that you want to make—in yourself or with a product, service, book, piece of art, or cause.

Alleviate pain.

Eliminating suffering from people's lives is an excellent means of achieving remarkableness. Ask yourself, "Whose pain can I alleviate?" to uncover opportunities.

Work backwards.

If you start with people's needs and work backwards, you are more assured that they will embrace what you're doing.

Resolve Your Indignation

Addressing something that pisses you off is a good way to identify a cause, as is righting wrongs even if they don't directly affect you.

Jump to the next curve.

Create the future rather than react to it. Truly innovative and remarkable businesses develop products that accelerate the next curve.

Ride the tide.

Seek ways to "raise the tide" for everyone—not only your boat. The leading edge of remarkableness is to be the first to jump curves and create the tide, but you can also achieve remarkableness by riding a rising tide.

Go see, go be, and go do.

Doing or participating is the way to learn. "Go and see"

and "go and be" foster the ability to feel what other people are feeling. Being remarkable also requires making the leap from empathy to action.

Do the right thing.

Often, doing the right thing is neither the simplest nor the most practical option. Pay attention to your inner compass and denounce dishonesty and fraud, but also recognize that this course involves personal risk.

Transform yourself.

Transformation of your own life is another path to being remarkable and making a difference.

Ask simple questions.

Remarkable people don't usually start with grandiose plans of crushing or dominating the universe. They start with: Isn't this strange? Is there a better way? Why has no one done this before?

Establish a subcategory.

It's cheaper to create a niche within a category because people have a basic understanding of what you do. Creating a new category is a remarkable accomplishment, but new categories are rare.

Get unique and valuable.

A good test of the viability of an idea is whether it is both unique and valuable. When what you're offering is unique and valuable, then marketing, selling, fundraising, and recruiting all get easier, so do your best to create products and services that embody both qualities.

Get Beyond Eureka

Formalize your goals.

Formalizing your goals by writing them down helps you to go beyond Eureka and achieve results.

Prove your concept.

This refers to a prototype or mock-up that allows people to touch, feel, and interact with your idea.

Get mentors.

Mentors are force multipliers. They can help you see opportunities, avoid mistakes, and stay on the right path.

Find complements.

Whatever you do, there are conditions that make complements, well, complementary. Complements can enhance creativity, decision-making, problem-solving, productivity, and the workplace environment.

Identify your inner Nigel.

Julia Cameron, the queen of creativity, has an imaginary friend and inner critic named Nigel. Naming your inner critic is beneficial because it compartmentalizes doubt into a single entity. Then the relationship can become humorous and lighthearted—and probably more constructive.

Develop a routine.

Rather than vacillate about what to do first, you just start every day with the same activity. The goal is to get in motion and save your brain power for important choices.

Break bad habits.

Katy Milkman's remarkable book explains how to break bad habits that are preventing you from moving beyond Eureka: reduce impulsivity, decrease procrastination and overcome inertia, establish a streak-setting initiative, combat insecurity, and surround yourself with successful people.

Forget Balance, Think Ikigai.

This is a Japanese term that roughly translates to one's purpose. It may be that instead of finding your ikigai, it finds you and grows over time.

Savor your shit sandwich.

The real-world test to determine if you have found your ikigai comes from Mark Manson, author of ***The Subtle Art of Not Giving a F*ck***. He says you'll know you found your calling when you enjoy the shit sandwiches that it requires.

Make decisions right.

Perfect decisions are an illusion. So take your best shot, focus on making your decision right, and don't look back. Remarkable people get things done.

Get your foot in the door.

The purpose of most pitches is to avoid elimination and to stay in the game—which means continued engagement, conversation, and discussion. The purpose of a pitch is to gain access through the door and prevent it from being shut.

Get your early adopters.

Until you gain your first and second followers, you may be

Making a difference and becoming remarkable necessitates building relationships and persuading people.

considered an isolated nutcase. Do whatever it takes to get them, and your credibility will subsequently increase.

Grok the Gospel of Bob.

Bob Cialdini is the godfather of influence and persuasion. Here are some favorite Cialdini-isms that will accelerate the adoption of your ideas: make people like you, use peers, "pre-ciprocate", ask for reciprocity, provide social proof, demonstrate expertise, demonstrate scarcity, tap into commitment and consistency, foster unity, demonstrate a trend, promote helping others, use converts.

Find something in common

Making a difference and becoming remarkable necessitates building relationships and persuading people. Harness the power of observation, do your homework, keep your eye on the goal, and focus on the big picture and learn to ignore the rest.

Tell good stories

David Aaker, the godfather of branding, extols the advantage of storytelling as a method to garner support. Stories are easier to tell and to remember. Aaker's blueprint for good stories: Provide a narrative arc. Good stories are short, yet have a clear beginning, middle, and end; be authentic, grab attention, evoke strong emotions, communicate a simple, significant lesson.

Open Your Architecture

This is technical jargon for creating products and services that other organizations can supplement with features and functionality. This enables other organizations not only to buy into your dreams, but also to integrate their products into your dreams as well.

Don't Hear "No"

As Shellye Archambeau was ascending corporate America she didn't hear "No" for an answer. People may have said no, but Shellye heard them say, "Not yet" or "Not now." Maybe she even heard, "Yes, if." This kind of grit and invulnerability to vulnerability are necessary to become remarkable and make a difference, so don't give up.

"Let a Hundred Flowers Blossom"

This is a line stolen from Chairman Mao Zedong, although I fail to see how he implemented it. Let any kind of flower blossom and be thankful that anything blossoms at all.

Optimize the Day

This can be done with: a broad coalition, being clear about what you want to accomplish, and when you do have an action, make sure it's something people can do.

Show up in Person

Your presence communicates that you care and are invested in the process, thereby strengthening relationships and establishing trust.

Become a Mission-Driven Asshole

According to Tony Faddell, creator of the iPod, iPhone, and Nest thermostat, there are four kinds of assholes: political, controlling, ego-driven, and mission-driven. Mission driven people are dedicated to the mission of the organization, they steamroll people who aren't excellent. They care a lot. They work hard. They listen and change their minds if you are right.

STAGE 3: Grace - Uplift and Inspire - Lead by Example

Embrace Grace

Grace is the final stage of becoming remarkable. It refers to the poise, kindness, and thoughtfulness that serves to uplift and inspire others.

Get Over Imposter Syndrome

Viewed positively, imposter syndrome can mean that you have a sense of humility and self-awareness. When you are racked by imposter syndrome and don't exude confidence, you can impede your own progress, so here's what to do:

- Admit that you're feeling inadequate.
- Assure yourself that even remarkable people sometimes feel like imposters.

- Focus on your accomplishments.
- Seek the assurance and feedback of friends and colleagues.
- Fake it until you make it. This is not the same as falsifying your accomplishments or results.
- Focus on the mission or cause.

Craft a "Good Situation"

A remarkable leader enables the success of others; fosters their development by rewarding their commitment, perseverance, and achievements; and ultimately guides people to realize their full potential.

Hire Better Than Yourself

Put aside your ego and look for people who will make the organization even better, with or without you.

Negotiate Like a Champ

Remarkable people are good negotiators. They get what they want and want what they get. And the people who they negotiated with want to do business again.

Here are tips to be a remarkable negotiator:

- Give the other side what it wants.
- Write the other side's victory speech.
- Make the other side's case.
- Hardly ever say no.
- Fight fire with water.
- Don't anchor.

Put Skills First

In the quest to hire better than yourself, the most important quality is the skills people bring to a job.

Send the Right Signals

Ensure that your incentives and objectives are aligned. You should avoid encouraging people to take the wrong actions to achieve their objectives if you want all of you to achieve remarkable results.

Draw Boundaries

An essential skill for anyone who wants to be remarkable is drawing boundaries around demands of their time, attention, and energy.

Manage by Zooming Around (MBZA)

Do not underestimate the power that relationships and connections possess. It is crucial for your success in all aspects of life that you interact with others frequently.

Shut the F* Up

One of the ways to lead the way in a graceful manner is to listen more than you talk. Silence shows power. It means that you're in control of the pace, and you are giving people the chance to absorb what has been said. It also shows you can manage your emotions, and you take the time to understand the situation. Silence is often more eloquent than words.

Reduce Risk

When you are not dealing with constant crises, you become a more self-assured and inspiring leader, which sets the tone for the entire organization.

Say "I Don't Know"

It's okay to acknowledge your own ignorance. In fact, it can increase your credibility and trustworthiness. However, be sure to express it in a way that inspires optimism.

Take the High Road

Value All People

You can tell a lot about a person by what they do when there's no money or glory involved.

Count Your Blessings

Everyone interviewed for Remarkable People counted their blessings even when their blessings were few and their difficulties were numerous. Everyone.

Fulfill Your Success Oblige

Here are tangible ways to fulfill your success oblige by supporting others: Mentor them. Give them money. Give them your products or services. Buy their products or services. Promote and recommend their products or services. Jointly develop products, services, or programs. Act as a reference. Set a good example.

Help Others Succeed

Help in person, help often, help strangers, share commonality, work through an organization, use your expertise, exert yourself, and let go.

Make Wise Interventions

Defined as "interventions that nurture people's belonging and self-worth." By asking others the appropriate questions, listening to their responses, and encouraging them to reflect on their experiences, we can foster in them a sense of belonging and self-worth.

Over-Deliver

Exceeding expectations exemplifies generosity of time, effort, and trustworthiness. This is evidence of a remarkable and gracious person.

Change How You Keep Score

Your life comes down to your legacy, and how you keep score determines your legacy. You should aim to make people's lives better, and to make the world better.

Punch Up Not Down

Remarkable people do not punch down. Clueless, arrogant, insensitive assholes punch down. End of discussion.

Ask "How"

Asking "how" promotes understanding and empathy. This strategy not only helps you to connect on a deeper level, but also enables you to be a more effective influencer and leader in your own right.

Learn How to Apologize

1) Simply say "I'm sorry," 2) Accept responsibility for your actions, 3) Demonstrate compassion, and 4) Choose the appropriate moment.

Ignore the Small Stuff

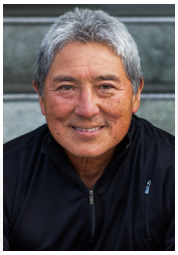
Ignoring the small stuff can also be satisfying because you're in control and you know what's not getting to you, and it can be good for your reputation because counterattacking (and its temporary high) will not impress anyone.

Leave no Regrets Behind

Even remarkable people have regrets. It is important to build a foundation by making wise choices, having the courage to take bold actions, nurturing and valuing relationships, and acting with morality and compassion. By acknowledging common regrets, you can live a remarkable life.

The Gospel according to Stacey Abrams is the perfect ending to this book. Her admonition to "be curious" is Growth; "solve problems" is Grit, and "do good" is Grace. This book aims to help guide you on the path to becoming remarkable. Being remarkable isn't about wealth, fame, or power. It's about making a positive impact in the world, even if it's just one life, organization, or classroom. Additionally, remarkable people are known for their kindness, empathy, and compassion.

By following the steps outlined in the book, and embracing the core values of growth, grit, and grace, you can become remarkable and make a meaningful difference in the world.



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Thrive

Andrew Freedman

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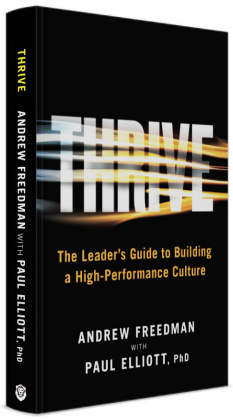
Thrive

The Leader's Guide to Building a High Performance Culture



by **Andrew Freedman with Paul Elliott, Ph.D.**

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THE SUMMARY IN BRIEF

Thrive encourages you, as a business leader, that it is possible to create a culture where people are excited to go to work every day because they are inspired and fired up about the mission of the company, excited about their role, and supported by a team that is aligned around the vision and mission. However, too often the opposite happens instead, and workers are disengaged, appearing as either sleep-walkers or saboteurs in your organization each day. Research shows that a full 70% of workers are disengaged. *Thrive* is your blueprint for creating a culture of high engagement and high performance.

Author Andrew Freedman began to work with Paul Elliott, Ph.D., collaborating on strategic initiatives with clients to help them apply the high-performance principles and practices that facilitated growth and business impact. *Thrive* is the result of this client work, now packaged for others to use to impact their business. Thrive provides you with a replicable, scalable model to achieve levels of success that you didn't believe possible—for your organization, your people, and your customers.

IN THIS SUMMARY, YOU WILL LEARN:

- What the top influencers of a successful organization are.
- How and why to start with your vision and mission.
- Why clear role expectations are so important for employees.
- How to implement the Role Excellence Profile (REP) process.

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Introduction

Thrive is your blueprint for creating a culture of high engagement and high performance. The tool I use to help business leaders improve their business culture was developed by my co-author, Paul, and is known as the Exemplary Performance System (EPS). There are six influences addressed by EPS:

- Environments, Systems, and Resources
- Expectations and Feedback
- Rewards, Recognition, and Consequences
- Capacity and Job Fit
- Skills and Knowledge
- Motivation and Preferences

Define Success

Most workers start each day with their tasks for the day in mind but may lose the connection between the mission and vision of the company and how their tasks fit in to that larger purpose. The Shift model takes the opposite approach, a "right to left" process, and begins with defining success, then moves to determine outputs of value, then to analyze tasks, and determine influences. So, always start with mission, vision, values, goals, and corresponding metrics.

Creating a thriving enterprise requires employees to understand how their contributions, results, and accomplishments link to the organization and its strategic intent. Without knowing the value of their performance or their role, employees have an isolated, fractured, and often uninspired view of their work.

When leaders effectively link goals and metrics throughout the organization, it sets the stage for heightened employee engagement and for the organizational influences of the EPS to come into alignment. Making this one change facilitates significant performance acceleration through individual and organizational clarity about the impact created by what each person does and how they do it.

Aligning an employee's role with the goals of the company ideally begins before she officially joins the team. Hiring managers can (and should) provide a realistic role preview during the interview process. Such a preview is designed to highlight the areas that most often attract and retain the right people as well as those aspects of the role that may cause them to fail or leave.

A realistic role preview reduces the likelihood of post-hire surprises. It helps a candidate understand the role and corresponding tasks and responsibilities and provides context for how the role fits into the big picture. Metrics for the job should be made clear. The candidate needs to fully understand that what she does makes a difference and that her job has an impact when it comes to achieving company goals.

Impact cuts both ways. Candidates should also understand the effects of producing substandard results. Performing poorly in their role will have some type of consequence for the enterprise. The consequence could show up as a financial loss for the company, an inconvenience to a customer, or a negative impact on a department goal. Each employee must have clarity with respect to the impact of their performance.

Organizational Influences

Organizational Influences introduces you to three key influences and related factors from EPS that inhibit or foster success:

- Environments, Systems, and Resources
- Expectations and Feedback
- Rewards, Recognition, and Consequences.

For organizations to thrive, their people need to thrive.

Systems design and integration should start with the vision and strategy of the company, establishing clarity and helping to maintain alignment among the top layers of leadership. Leaders then can effectively align the three influences and keep them in sync directly and, ultimately, through everyone else throughout the organization.

This cascade of influence and accountability is driven by the behavior modeled by senior leadership for the divisional, departmental, team, and individual levels. Beyond modeling, there is the activation of a culture of inquiry in which regular probing occurs on processes like feedback and compensation.

An employee must understand expectations and how he fits into the broader work system. A well-aligned organization consistently provides clear overall expectations and consistent and meaningful feedback for all levels of employees—from executives to those on the front line. Expectations align with company goals, and feedback is specific. Goal setting, check-ins, mile markers, and one-on-ones occur in a steady, constant stream. Comprehensive performance reviews are held annually.

There are various career advancement options. Opportunities are shared and explored regularly. Turn work environments into ecosystems that enable and encourage their people to work in ways that produce better business results. New hires should feel inspired by their company's vision, understand the expectations for their roles, and receive ongoing feedback about how they're doing in the frame of those expectations. High-performing employees need to have the necessary resources, processes, and tools available to support them.

When individual contributors, line managers, and directors are able to see how the pieces of the puzzle fit together, the magic of high performance is enabled. Cross-departmental understanding of how one person's work relates to another's creates a camaraderie and cohesion that supports better outcomes and better experiences. Whenever and wherever behavior consistent with the expressed preferences of the company occurs, recognition by direct supervisors and others, through appropriate rewards, earns more of the same and better from its people. To create a whole that is greater than the sum of its parts where those parts don't compete but complement one another is the outcome goal of a thriving, well-aligned organization.

Individual Performance

For an organization and its employees to thrive, there must be alignment of the three individual influences from EPS:

- Capacity and Job Fit
- Skills and Knowledge
- Motivation and Preferences

Competencies are not the only factors that shape success, and the employee's level of talent does not guarantee performance excellence. The three individual influences reflect the totality of an individual, and none outweighs the others—they must all fit together in a harmonic mosaic.

Analyze "Star" Employees

We use a tool at SHIFT called the Role Excellence Profile (REP). The REP is a powerful, outcomes-based approach designed to shift the performance in the majority of your workforce to higher levels of contribution that are significantly more profitable. The Role Excellence approach focuses on identifying what makes your top performers tick and what they actually do to be so effective. These insights are then laid out in a performance map that is used to guide others to replicate those behaviors. Through interview, observation, and case-based analysis, exemplary performers reveal what is needed to accelerate the performance of the entire organization.

The Role Excellence Profile (REP) process provides greater role clarity for individual contributors and teams, identify best practices, and uncover barriers to high performance. Creating clarity around what excellent performance looks like and using that new standard as the design point for recruiting, hiring, onboarding, training, coaching, performance management, and career mobility can have a significant impact on your organization's top- and bottom-line business results.

Amplify and Accelerate Impact and Results

Trust is one of the greatest accelerators of organizational performance, and lack of trust is one of the greatest decelerators. Inherently, people know this, yet many leaders fail to build this critical element into the fabric of the organization successfully. The truth is, you can build trust in small ways right now, from having regular one on ones with employees to writing handwritten thank-you notes.

You accelerate your organization impact when you do two things: create a vision and bringing the entire organization into the planning process how to carry it out. Organizational momentum comes to a halt when employees can't see how their role fits in with the strategy—distance and disconnection create disengagement and, ultimately, diminished performance. I instead want to help you operate with clarity and transparency, measuring what matters most and putting your people in a position to move your organization forward.

Independent Strategy

Leaders need high levels of discipline and a rigorous approach to follow-through and execution. New initiatives will not deliver the intended benefits with a fractional focus or effort. Leaders must set the example of full commitment to an execution and implementation effort that delivers the intended business outcomes. Without accountability for results, roles, teams, and organizations underperform. In either case, the EPS model can bring to light the most direct ways to shift performance.

We have found that creating rituals, routines, and rhythms are the practical ways that organizations connect and engage with one another. Leaders also need to work on transparency and that includes being honest about difficulties. The wisdom

of knowing when to slow down for a time so you can speed up later is at the heart of shifting performance.

Resistance and Resilience

It is hard to successfully land business transformation and change efforts. In order to bridge the gap between strategy and execution, leaders need to understand that providing steadfast leadership amidst chaos, clarity and certainty during times of great ambiguity, and fortitude when it would be easier to relent and retreat are defining characteristics that form the foundation of a high-performance culture.

We love to talk about The Achievement Model as our growth process. It starts with Mindset first, the why we do what we do. That is followed by Process next, the how are we going to get there question. Last is the what, the results, that so often others put as highest importance. Results are never as high unless you have down the shared vision and mindset and processes developed how to get there.

Two characteristics you must develop are the ability to mitigate resistance and build resilience. To help you in your endeavors, we strongly recommend that you have people in your life who can, among other things, tell you what you need to hear, not what you want to hear, and get you to see points of view and possibilities that you may not have otherwise been able to see. These people can be mentors, peers, or friends, but you've got to have folks who can play these roles for you if you are really going to be the leader of a thriving organization.

Conclusion

If you want things to be different—if you are really ready to commit to elevating performance and business results in a sustainable way—you must take ownership of the change you need to see. You get what you tolerate. The success—or lack thereof—in your business and your life is mostly within your control.

Leading your people past their current plateaus will not be easy. In fact, it will be painful, risky, and met with resistance. That doesn't matter, because you know you can be more, do more, and give more. Every successful person has a mental model for accomplishment. The intent of this book is to help you develop your own.

Thrive provides you with a replicable, scalable model to achieve levels of success that you didn't believe possible—for your organization, your people, and your customers.

The world needs you to take the next step. Put your new ideas and knowledge into purposeful, consistent action. "Good" results put you out of business. "Great" results keep you in the middle of the pack. Organizations that THRIVE set new standards for business.

Andrew Freedman is a lifelong advocate for maximizing human potential and creating positive change. For over 25 years, he's been a driving force in designing strategies that provide leaders with a foundation to translate individual, team, and organizational talent into tangible business growth.

Paul Elliott is President, Founder, and Chief Performance Architect at Exemplary Performance LLC. Paul leverages his experience with Fortune 500 organizations to help clients achieve exceptional results by optimizing the performance of teams and individuals.

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Tribal Leadership

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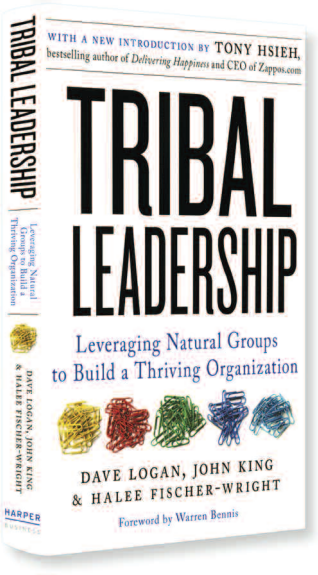
Tribal Leadership

Leveraging Natural Groups to Build a Thriving Organization



by Dave Logan, John King and Halee Fischer-Wright

THE SUMMARY IN BRIEF

It's a fact of life: birds flock, fish school, people "tribe."

Every company, indeed every organization, is a tribe or, if it's large enough, a network of tribes — groups of 20 to 150 people in which everyone knows everyone else or at least knows of everyone else. Tribes are more powerful than teams, companies or even CEOs, and yet their key leverage points have not been mapped — until now. In *Tribal Leadership*, Dave Logan, John King and Halee Fischer-Wright show leaders how to assess their organization's tribal culture on a scale from one to five and then implement specific tools to elevate the culture to the next level. The result is unprecedented success.

In a rigorous eight-year study of approximately 24,000 people in more than two dozen corporations, Logan, King and Fischer-Wright refine and define a common theme: The success of a company depends on its tribes, the strength of its tribes is determined by the tribal culture and a thriving corporate culture can be established by an effective tribal leader.

The often counterintuitive findings of *Tribal Leadership* will help leaders in today's major corporations, small businesses and nonprofits learn how to take the people in their organization from adequate to outstanding.

IN THIS SUMMARY, YOU WILL LEARN:

- How to understand, motivate and grow your tribes.
- The Five Stages of Tribal Leadership and the navigation system to guide your effort to move people through the stages.
- The secrets that have led the highest-level tribes to remarkable heights.
- How to find new ways to succeed where others have failed.
- How to employ your company's tribe to maximize productivity and profit.

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THE COMPLETE SUMMARY: **TRIBAL LEADERSHIP**

by Dave Logan, John King and Halee Fischer-Wright

The authors: Dave Logan is co-founder and a former partner of the management-consulting firm CultureSync. John King is co-founder and senior partner of CultureSync. Halee Fischer-Wright is a former CultureSync partner now in private practice as a physician in Denver.

Tribal Leadership: Leveraging Natural Groups to Build a Thriving Organization by Dave Logan, John King and Halee Fischer-Wright. Copyright © 2008 by David Logan and John King. Summarized by permission of the publisher, HarperBusiness, HarperCollins Publishers. 303 pages, $16.99, ISBN 978-0-06-125132-0. To purchase this book, go to www.amazon.com or www.bn.com.

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PART I: THE TRIBAL LEADERSHIP SYSTEM

Every organization is really a set of small towns. If you're from a small town, think of the people there. If you're not, think of, as Don Henley sings, "that same small town in each of us."

The people are different in every town and the roles are never exactly the same. But there are more similarities than differences and the metaphor itself always holds, from companies in Nebraska to ones in New York or Kuala Lumpur.

We call these small towns tribes and they form so naturally it's as though our tribe is part of our genetic code. Tribes helped humans survive the last ice age, build farming communities and, later, cities. Birds flock, fish school, people "tribe."

What Is a Tribe?

A tribe is a group between 20 and 150 people. Here's the test for whether someone is in one of your tribes: If you saw her walking down the street, you'd stop and say "hello." The members of your tribe are probably programmed into your cell phone and in your e-mail address book.

Some of the corporate tribes we've seen include the high-potential managers of one of the world's largest financial services companies; the doctors, nurses and administrators of one of America's most respected health care institutions; the research and development division of a mammoth high-tech firm; and the operational executives of a major drug company.

Tribes in companies get work done — sometimes a lot of work — but they don't form because of work. Tribes are the basic building block of any large human effort, including earning a living. As such, their influence is greater than that of teams, entire companies and even superstar CEOs. They determine how much work gets done, and of what quality.

Some tribes demand excellence from everyone and are constantly evolving. Others are content to do the minimum to get by. What makes the difference in performance? Tribal Leaders.

Tribal Leaders focus their efforts on building the tribe or, more precisely, upgrading the tribal culture. If they are successful, the tribe recognizes them as the leaders, giving them top effort, cult-like loyalty and a track record of success. Divisions and companies run by Tribal Leaders set the standard of performance in their industries, from productivity and profitability to employee retention.

The Five Tribal Stages

Every tribe has a dominant culture, which we can peg on a one-to-five scale, with the goal being stability at Stage Four and, on occasion leaps to Stage Five. All things being equal, a Five culture will always outperform a Four culture, which will outperform a Three and so on. (Stage Five is unstable but can produce history-making innovation.) People and groups move only one stage at a time and the actions that advance people from Stage One to Stage Two are different from those that advance them from Two to Three.

If tribes are the most powerful vehicles within companies, cultures are their engines. Here is an overview of the Five Stages:

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Amanda Langen**, Graphic Designer; **Chris Lauer**, Contributing Editor

Stage One

Fortunately, most professionals skip Stage One (only about 2 percent of American professionals operate here at any given point), which is the mindset that creates street gangs and people who come to work with shotguns. If people at Stage One had T-shirts, they would read "life sucks," and what comes out of their mouths supports this adage. People at this stage are despairingly hostile, and they band together to get ahead in a violent and unfair world. Most anthropologists say that human society started at Stage One — clans scratching out an existence while fighting with one another.

Stage Two

In 25 percent of workplace tribes, the dominant culture is Stage Two, which is a quantum leap from Stage One. People operating at Stage Two use language centered on "*my* life sucks." People in this culture stage are passively antagonistic; they cross their arms in judgment, but never really get interested enough to spark any passion. Their laughter is quietly sarcastic and resigned. The Stage Two talk is that they've seen it all before and watched it all fail. A person at Stage Two will often try to protect his or her people from the intrusion of management. The mood that results from Stage Two's theme, "my life sucks," is a cluster of apathetic victims.

Stage Three

The theme of Stage Three, the dominant culture in 49 percent of workplace tribes in the U.S., is "I'm great." Or, more fully, "I'm great and you're not." Normally, doctors operate at this level on their best days, as do professors, attorneys and salespeople. Within the Stage Three culture, knowledge is power, so people hoard it, from client contacts to gossip about the company. People at Stage Three have to win and for them, winning is personal. They'll outwork and outthink their competitors on an individual basis. The mood that results is a collection of "lone warriors," wanting help and support and being continually disappointed that others don't have their ambition or skill.

As with Stage Two, no amount of team building will turn this group of self-described star players into a team.

Stage Four

The gulf between "I'm great" (Stage Three) and "we're great" (Stage Four) is huge — Grand Canyon huge. This level represents 22 percent of workplace tribal cultures, where the theme of people's communication is "we're great."

When groups get to this point, they see themselves as a tribe with a common purpose. They commit to shared core values and hold one another accountable. They will not tolerate *The Office*-style performance or the personal agenda of Stage Three. Fully three-quarters of tribes operate below Stage Four, and those in the zone of Tribal Leadership haven't stabilized at this level. As a result, they oscillate in and out of Stage Three.

Stage Five

Stage Four is a launching pad for Stage Five. When we explain this last stage, which reflects less than 2 percent of workplace tribal cultures, we see skeptical looks coming back at us. Stage Five's T-shirt would read "life is great," and they haven't been doing illicit substances. Their language revolves around infinite potential and how the group is going to make history — not to beat a competitor, but because doing so will make a global impact. This group's mood is "innocent wonderment," with people in competition with what's not possible, not with another tribe.

Teams at Stage Five have produced miraculous innovations. The team that produced the first Macintosh was at Stage Five and we've seen this mood at Amgen. This stage is pure leadership, vision and inspiration. After a short burst of activity, Stage Five teams recede to Stage Four to regroup and attend to infrastructure issues before possibly returning to Stage Five. In sports, these bursts win Olympic gold medals and Super Bowl rings. In business, these explosions of leadership make history.

Tribal Leadership Up Close

Stage 1: *Mood*: Despairing Hostility
Theme: "Life sucks."
Stage 2: *Mood*: Apathetic Victim
Theme: "My life sucks."
Stage 3: *Mood*: Lone Warrior
Theme: "I'm great (and you're not)."
Stage 4: *Mood*: Tribal Pride
Theme: "We're great (and they're not)."
Stage 5: *Mood*: Innocent Wonderment
Theme: "Life is great."

The Tribal Leadership Navigation System

The key to locating your tribes is to listen for how *most people* talk and notice how *most people* structure their work relationships. You'll see elements of many cultural

stages in your tribes, so look for what is most common.

Signs of Stage One. Most people talk as though they are alienated from organizational concerns. When they cluster together, they form isolated gangs that operate by their own rules, often based on absolute loyalty to the group. Many people are socially alienated, never talking to anyone. The theme of their words is that life has given them a bad deal, so it's OK to do whatever it takes to survive. There may be acts of violence, such as fistfights or extreme verbal abuse. Minor acts of theft or vandalism are a problem.

Signs of Stage Two. People talk as though they are disconnected from organizational concerns, seeming to not care about what's going on. They do the minimum to get by, showing almost no initiative or passion. They cluster together in groups that encourage passive-aggressive behavior (talking about how to get out of work or how to shine the boss on) while telling people in charge that they are on board with organizational initiatives. The theme of their communication is that no amount of trying or effort will change their circumstances, and giving up is the only enlightened thing to do. From a managerial perspective, nothing seems to work — team building, training, even selective terminations appear to do nothing to change the prevailing mood. The culture is an endless well of unmet needs, gripes, disappointments and repressed anger.

Signs of Stage Three. People engage in anything that's going on with energy and commitment, but, when you listen closely, they talk mostly about themselves, and focus on appearing smarter and better than others. They think they're focused on team concerns, but their actions show their interest is personal. People tend to form two-person relationships. They rarely bring people together, they resist sharing information except when it's necessary and they pride themselves on being better informed than others. Winning is all that matters, and winning is personal. People at this stage complain that they don't have enough time or support, and that the people around them aren't as competent or committed as they are.

Signs of Stage Four. Teams are the norm, focused around shared values and a common purpose. Information moves freely throughout the group. People's relationships are built on shared values. They tend to ask, "What's the next right thing to do?" and to build ad hoc partnerships to accomplish what's important at the moment. Their language focuses on "we," not "me." If two people get in a squabble, a third will step in and repair the relationship rather than create a personal following for himself. Unlike Stage Two, the group is composed of people who have played the Stage Three game and won — and who are now ready for genuine partnerships. Your first job is to make sure each person is stable at Stage Four, as most groups at this level crash down to Stage Three when under stress.

Signs of Stage Five. Your tribes hardly ever refer to the competition, except to note how remarkable their own culture is by comparison and how far their results outstrip industry norms. The theme of communication is limitless potential, bounded only by imagination and group commitment. People in this culture can find a way to work with almost anyone, provided their commitment to values is at the same intensity as their own. (Unlike Stage Four, the focus isn't on "our values," but on resonant values.) There is almost no fear, stress or workplace conflict. People talk as though the world is watching them, which may well be the case as their results are making history. Your job is to make sure the infrastructure to maintain these leaps to Stage Five is in place. ●

PART II: YOUR JOURNEY AS A LEADER: LEADING OTHERS THROUGH THE STAGES

Stage One: On the Verge of a Meltdown

The person at Stage One is alienated from others, expressing the view that "life sucks."

There are two ways to move from Stage One to Stage Two. First, the person has to substitute "life sucks" with "*my* life sucks" — the mantra of Stage Two. The difference in these stages is huge, and moving forward means dropping language that the nature of life is flawed and saying instead that life works for some people, but not for you.

One man we got to know in our research is an artist named Joseph. When we interviewed Joseph, he talked as someone who had made the transition: "I had to give up my art, because the cost is my family." He sounded like a victim of circumstance: that others can do art, but not him. *His* life sucked — he's made it to Stage Two.

Second, the person can move to a tribe where the offending behavior is not tolerated. The mother of a former gang member, whose son began attending a church-run youth center, told us, "I'm worried; he used to be so alive, but now it's like the cord got pulled." From a tribal perspective, her son went from the fire of despairing hostility (Stage One) to the passivity of being

an apathetic victim (Stage Two). This was progress. When we interviewed him, he looked sad and said, "This place sucks — I don't know anyone here." He had gone from the alienation of Stage One to the disconnection of Stage Two.

Give Stage One People a Chance

There are people in Stage One who want life to be different, and our advice to employers is to give them a chance. William, part of Joseph's tribe, has made doing so a part of his design and general contracting business, Design For You, in Chicago. He employs former gang members, convicts and people who have fallen into (and out of) heavy drug use. He believes that helping people out of Stage One is the responsibility of every person in society. At the same time, if people aren't willing to leave the allure of Stage One, he doesn't pursue them. If they relapse into despairing hostility, he invokes the "horse whisperer" protocol and pushes them out, but watches for when they're ready to try again. ●

Stage Two: Disconnected and Disengaged

People at Stage Two are separate from others, although unlike those at Stage One, they are surrounded by people who seem to have some power that they lack. As a result, their language expresses "*my* life sucks." Unlike Stage One, a person at Stage Two communicates the view that others' lives seem to be working.

When people at this stage cluster together, their behavior shows characteristics of being apathetic victims.

Leverage Points for a Person at Stage Two

Here are four leverage points for a person at Stage Two:

• Encourage her to make a friend. Then another friend. Then another friend. In other words, encourage her to establish dyadic (two-person) relationships.

• Encourage her to establish relationships with people who are at late Stage Three. Such individuals can be identified by their eagerness to mentor others into becoming mini-versions of themselves.

• In one-on-one sessions, show her how her work does make an impact. In particular, show her areas where she is competent and where her strengths are. In the same meeting, point out abilities she has that she has not yet developed, but be careful to make the tone of these discussions positive.

• Assign her projects that she can do well in a short time. These assignments should not require excessive follow-up or nagging, as this behavior may reinforce her "my life sucks" language.

Success Indicators

Here are two indications of success:

• She will use "I'm great" language, as opposed to "my life sucks." She may name-drop, point to her own accomplishments and brag. Many of her sentences will start with "I."

• She will exhibit the lone warrior spirit of Stage Three, often comparing herself with her co-workers and using disparaging language like "What's wrong with them?" and "If they tried, they'd succeed." ●

Stage Three: The Wild, Wild West

The essence of Stage Three is "I'm great." Unstated and lurking in the background is "and you're not." Ask people at this stage how they see work and you will hear: "I'm good at my job," "I try harder than most," "I'm more able than most," and "Most people can't match my work ethic." The key words are "I," "me" and "my."

People at Stage Three report, almost universally, that they don't have enough time, don't get enough support, and are surrounded by people less able and dedicated than they are. No matter how hard they work, they can't punch through the barrier of a day that has only 24 hours. They've hit the point of diminishing returns, so the harder they work, the less effective they are and the less their efforts seem to matter. Simply put, they want to get to the next level but don't know how to get there or even what the next level looks like.

Leverage Points for a Person at Stage Three

Here are eight leverage points for a person at Stage Three:

• Encourage him to work on projects that are bigger than anything he can do alone. In short, assign him work that requires partnership.

• Point out that his success has come through his own efforts, but that the next level of success is going to require a totally different style. In other words, show him that what's brought him to this point will not be enough to move him forward.

• Describe role models (ideally in the company) that are exhibiting Stage Four behavior. You'll know these individuals by (1) their focus on "we," (2) the number of triads (three-person relationships) in their networks and (3) success that comes from groups.

• When the person complains that he doesn't have time and that others aren't as good (the two chief gripes at Stage Three), show that he has crafted his work life so

that no one can really contribute to him.

• Tell stories about the time you made the transition from Stage Three to Stage Four.

• Coach him that real power comes not from knowledge, but from networks and that there is more leverage in wisdom than in information.

• Encourage him to manage using transparency, as much as is possible under corporate policy.

• Encourage him to form triads.

The Tribal Leadership Epiphany

Having interviewed thousands of people who have made it into Stage Four, the zone of Tribal Leadership, we discovered that every person had an awakening. Some called it a major business insight. One said, "In the shower this morning, I realized there's a better way to do business that will mean much higher profitability." Some called it corporate karma. Others described it as a need to live their values. Some came to it after years of psychotherapy or doing a self-help program. Some came to it through what Warren Bennis and Robert Thomas (in *Geeks and Geezers*) call a crucible experience: an event that causes people to reflect — at both intellectual and emotional levels — on their core assumptions. For some people, 9/11 kick started the epiphany. For most people, the epiphany was actually a series of epiphanies, each presenting a deeper insight about what wasn't working in Stage Three.

While the epiphany happens to all Tribal Leaders, it may not happen in adulthood. Gordon Binder, former CEO of Amgen, apparently had it growing up in New Mexico and finished it in the Navy. Frank Jordan became a Tribal Leader through the Boys & Girls Clubs.

They described the epiphany as *the* turning point in their lives, both personally and professionally, regardless of how they came to it or went through it.

Although it often took months or years for the epiphany to burble through their minds, once the moment of awareness happened, there was no turning back. They often described it in sound bites. We heard statements like:

- Nothing that matters is personal.
- Stage Three has no legacy.
- To win at Stage Three is to win small.
- I now see I have been a manipulator, not a leader.
- I'm tired; isn't there some other game to play?
- I see myself through others' eyes and I don't like what I see.

As the person sees into her blind spots she realizes that the ego hit of accomplishment isn't the same as success itself. Her attention shifts to what's really important, and, almost always, the goal is tribal. David Kelley, CEO of IDEO, said his goal became "Hanging out with great people and creating stuff that makes a difference." George Zimmer, CEO of Men's Wearhouse, said, "We need to keep thinking about the people in our stores and how to make their lives better."

As the seesaw tilts toward Stage Four, the person's language and behavior shift away from dyadic relationships toward networked systems of people.

Stage Four: Establishing Tribal Leadership

In our research, after a person has had the epiphany that takes him from Stage Three to Stage Four, he behaves differently. Our data show that people tend to take one of three paths. Kelley, took the first: He got together a group of like-minded friends and asked how they might make money. The relationships come before the business model; the tribe before the profits. If the group is composed of people who are really operating at Stage Four (rather than dropouts from the system in the midst of Stage Two), the ventures tended to do very well, like IDEO. The key question is, "Have we all owned and are we all done with Stage Three?" If the answer is yes, a small group of people becomes what we call a tribal seed. As it grows, it attracts resources, people, money and ideas, and it flourishes into a tribe.

The second path is that the newly minted Stage Four person looks for people in a large organization who are eager to play by a different set of rules. Often, these will be people in late Stage Three or individuals in the process of going through the epiphany. The Tribal Leader collects and nurtures them and forms a tribe based on their values and aspirations. The group — often a new department or, in a matrix organization, a "project" — becomes unusually successful, often being labeled a "miracle." As the group succeeds, people at Stage Three notice the results, often trying to replicate the tribe's strategy within an "I'm great" culture. Such approaches fail, and the Tribal Leader's group moves further ahead with people scratching their heads about how he does it.

The third path is that the person forges out on her own, developing what we call tribal antennae — an intuitive ability to find people who can contribute to success on a larger scale than one person working alone

and who value her help in return. From the outside, her actions look like networking gone wild — she's constantly reaching out to more and more people, with others saying that she needs to learn focus. In fact, her actions are systematic: She is shopping for tribal members. As she finds people who fit, she networks them into the group, and a tribe slowly takes shape. Unlike the first approach, where the tribal seed determines the nature of the business from the start, this third path produces rapidly changing tribes and business models. The key to this third path is that it's not "my tribe," but "our tribe." The person who cobbled it together is recognized as the Tribal Leader, not the single visionary who calls the shots. In this system, anyone is welcome to play — and tribal members all have a hand in recruiting, provided they have something to offer and obey the rules. ●

PART III: OWNING TRIBAL LEADERSHIP: STABILIZING STAGE FOUR

A key point for companies that want to attain Stage Four is to go for values *now*.

Core values are "principles without which life wouldn't be worth living." There are two ways to seek core values. The first is for a Tribal Leader to tell a value-laden story, which triggers others to tell similar stories about their values.

The second way is to ask three to five open-ended questions such as, "What are you proud of?"

The Tribal Leader's goal is to find shared values that unite the tribe.

A Noble Cause Is What We 'Shoot For'

If core values are the fuel of a tribe, a noble cause is the direction it's headed. A noble cause captures the tribe's ultimate aspiration. Said differently, core values are what we "stand in" and a noble cause is what we "shoot for."

There are two ways to find a tribe's noble cause. The first is to keep asking, "in service of what?"

The second way is to ask the Big Four Questions of people in the tribe: "What's working well?" "What's not working?" "What can we do to make the things that aren't working, work?" and "Is there anything else?" These questions capture a group's current assessment of its situation and its aspirations about what should change and why. The noble cause will often emerge out of people's answers to the questions.

The goal of determining values and a noble cause isn't agreement; it is alignment, which produces coordinated action married with passionate resolve. *Anything* not consistent with the core values and noble cause needs to be reworked or pruned.

The group captures the essence of Tribal Leadership when it asks, "What activities will express our values and reach toward our noble cause?" The answer becomes a reason to form networked relationships and the basis of a tribal strategy. ●

Triads and Stage Four Networking

Every September, a remarkable party takes place at which people in commercial real estate discuss and close more business than perhaps on any other night of the year. At the center of the party is CB Richard Ellis Vice Chair, Darla Longo.

Longo's behavior was the most remarkable part of the event and most missed her magic. She didn't promote herself, talk about her accomplishments or say "I," "me" or "my," other than to say, "I'd like you to meet … ." Longo played matchmaker. She introduced clients to brokers, senior brokers to successful rookies and clients to one another.

If we were to take any moment of the evening and watch it in slow motion, we'd see three elements. First, Longo would have at least two people around her. Second, she would talk to them *both* at the same time, even if they didn't know each other. Third, if we listened to her words, we'd notice that they would have the effect of building or deepening the relationship between the other two people.

Longo emerged as one of the leaders in commercial real estate for many reasons: her drive, endless energy, talent, vision for the business, and focus on integrity and values. In our years of watching her, one simple act of behavior stands out: her ability to "triad" — to create business relationships *between* two people, based on core values and mutual self-interest, and then move on. In essence, she receives loyalty and followership by creating relationships between other people. She is one of the most successful people in commercial real estate because her actions build triads, the foundation of a Stage Four tribal structure.

The Structure of Stage Four Relationships

The triad is so powerful that it can link tribes together (remember, the upward barrier on a tribe is 150 people, so many of these companies are tribes of tribes), creating an unlimited capacity for scalability.

While the triad is the basic building block of Stage Four cultures, these blocks can be stacked to the sky,

resulting in large, robust, dynamic and growing networks of tribes at Stage Four. All are vibrant, values-based and filled with people giving their best efforts — leading and being led at the same time. ●

A Tribal Leader's Guide to Strategy

When we collected the best practices we observed from Tribal Leaders, and combined them with the results from a careful study of historical tribes, we came to a model with five parts: values, noble cause, outcomes, assets and behaviors.

• **Values and Noble Cause.** Setting a strategy starts with recognizing the values of the people who will implement it and the noble cause to which they aspire. These pieces give the tribe a boost in motivation and align it on a common purpose. They go a long way to owning Stage Four.

• **Outcomes, Assets and Behaviors.** Once values and a noble cause are set, tribal strategy involves three conversations. The first is "what we want," or outcomes. The second is "what we have," or assets. The third is "what we will do," or behaviors. It's imperative that the Tribal Leader keep these three discussions separate. ●

PART IV: TOWARD VITAL WORK COMMUNITIES (STAGE FIVE)

In the early 1990s, we only knew about tribal Stages One through Four, and we had lots of examples of each. On the basis of our observations, we believed that Stage Four's "we're great" language was the top of the mountain. Then, thanks to Amgen, everything turned upside down, delaying the publication of *Tribal Leadership*. The discovery was worth the wait.

We walked into Amgen in the 1990s and asked who their competitors were. We expected "Genentech" (another biotechnology firm) or maybe — if people were ambitious — "Pfizer" (a fully integrated pharmaceutical company). It was even possible that people would be so ill-informed about the marketplace that they wouldn't know. All of those answers would be consistent with what we expected to find, and they would help verify our hypotheses and make us happy researchers.

"We're in competition with cancer," we heard from Amgen employees. *Huh?* No mention of a company.

The same people went on to say, "Maybe [our competitor] is inflammatory disease, such as arthritis, Obesity, *(or)* Parkinson's." We weren't happy. In fact, our four-stage model couldn't explain what we were hearing.

To make our situation worse, we didn't see any evidence of tribal pride. No high fives, no "We're No. 1" banners (which they were in growth, although not in revenue or market capitalization).

A Mood of Innocent Wonderment

"It's amazing," one person in engineering told us. "A few good experiments, and now we're sitting on billion-dollar patents. It makes me think of all the human diseases we'll beat in the next few years." His tone was what perplexed us more than his words. It wasn't pride. It was almost a whisper, like a prayer of thanksgiving. It's a mood we came to call innocent wonderment.

We had stumbled across our first example of Stage Five, and it was as much a leap forward as Stage Four was from Stage Three. It is, we believe, the future of business.

At Amgen in the 1990s, and in most other organizations at this stage, the culture oscillated in and out of Stage Five. After a burst of history-making activity, the group fell back to the "we're great" language of Stage Four, assessing their performance relative to competitors. Then another market opportunity, or possible discovery, would come along and catapult them back into Stage Five. If we graphed out the Amgen of the early 1990s, the culture would be like waves on the beach: the crests in Stage Five and the troughs in Stage Four.

Stage Five

Since Amgen, we've found dozens of organizations with Stage Five tribes. What they all have in common is Tribal Leadership taken to its next level, and a level of performance that makes history. ●

RECOMMENDED READING LIST

If you liked *Tribal Leadership*, you'll also like:

1. ***The Five Dysfunctions of a Team* by Patrick Lencioni.** Lencioni reveals the five dysfunctions that go to the very heart of why teams often struggle. He outlines a model that can be used to overcome these common hurdles.
2. ***Leading Outside the Lines* by Jon R. Katzenbach and Zia Khan.** Katzenbach and Khan examine how formal and informal factions together form the bigger picture for how organizations actually work.
3. ***Stop Workplace Drama* by Marlene Chism.** Marlene Chism shows how to change the way you and your organization confront and work through problems.

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True To Our Roots

Paul Dolan with Thom Elkjer

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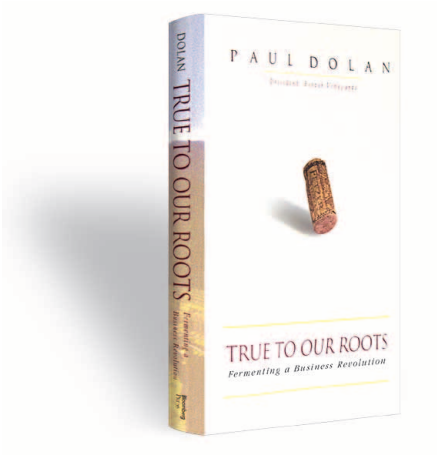

By Paul Dolan
with Thom Elkjer

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Fermenting a Business Revolution

TRUE TO OUR ROOTS

THE SUMMARY IN BRIEF

Winemaker Paul Dolan has led Fetzer Vineyards to become one of the biggest and best-known wineries in the United States while also becoming a model for sustainable businesses around the world. As the president of Fetzer, Dolan is helping to lead his company — as well as the entire California wine industry — toward major changes in how wineries and grape growers preserve the environment, strengthen their communities, and enrich the lives of their employees, without sacrificing business success.

In True to Our Roots, Fermenting a Business Revolution, *Dolan describes the six guiding principles he uses at Fetzer that can help managers in any industry build and grow stronger, more sustainable companies. With an intense commitment to define new business principles for the future, Dolan and Fetzer have taken positive and active steps toward proliferating sustainable commerce while leading a management revolution in one of the most competitive industries in the world.* True to Our Roots *offers a fascinating glimpse into the California wine industry as well as extensive proof that a company can do well while following sustainable business principles that focus on the future of employees, the environment and the community.*

What You'll Learn In This Summary

✓ How to balance economic success with environmental and social responsibility and sustainable business practices.

✓ How all our actions, and their consequences, remain inside a much larger system.

✓ How everything in life gets its meaning from its context.

✓ How people are the source of sustainability, not a resource for it.

✓ How to create a virtuous cycle of knowledge and empowerment.

✓ How sustainability requires that we orient ourselves toward a larger purpose.

✓ How to expand people's understanding of what's possible for them, their companies, and their world.

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Sustainability: Fetzer's Business Revolution

On a September morning in 1987, my entire way of thinking began to change. Before that morning, I had only read about the impact of synthetic chemicals on the microbiological richness of the vineyard earth. On comparing the lush, sweet flavors of a row of organic grapes with the bland, less expressive flavors of the conventionally grown grapes only 15 feet away — grown with pesticides, herbicides and fungicides — I was amazed by the dramatic difference in flavor between the two.

At that moment, I could see that the continued use of chemicals at nearly every step of the grape-growing process would diminish the quality of future vintages, and surely affect the long-term market position of the winery. It was clear to me that Fetzer Vineyards and all other wineries were risking their economic futures by placing themselves in an unsustainable position. I realized I must take action.

When I was made president of the winery, I was given the opportunity to make a difference as a winemaker, and I was determined to take advantage of it. I moved immediately to steer the company into a new course, one that would be described today as "sustainable."

Inspiring Passion and Creativity

It would require a revolution within organizations, and among managers and workers. We needed to replace standard operating procedures with something more sustainable. Everyone could participate in the process, and everyone could benefit. We could lead the revolution ourselves: We simply had to reconnect with what's important and practice the principles of sustainable leadership that arise from the experience.

It's time for business, a powerful force that can create tremendous wealth and technological progress, to become a positive force for change. The new possibility for those of us in business is to preserve that progress and wealth for the generations to come.

Over the past 10 years, Fetzer's employees rallied to this new possibility with inspiring passion and creativity. Changing the world is not easy when you're running an industry-leading corporation that's competing in the global marketplace, fending off low-cost imports, managing multiple production facilities, leading employees with diverse cultural backgrounds, adapting to constantly shifting regulations, and responding to tightening health, safety and employment laws. Fetzer makes nearly four million cases of wine each year, and competes with more than 1,000 other wineries in California, as well as those all over the world.

While competing with them all, Fetzer Vineyards increased earnings an average of 15 percent a year through the 1990s, while keeping its environmental and social responsibilities as top priorities. Our experience proves that operating on a more sustainable basis is not an economic liability — it is an economic advantage.

Moving Forward

When we changed course in 1992, we relied on three things to move us forward:

1. A willingness to admit we didn't know how to run a sustainable business. We had to discover how to do that through constant exploration.

2. Assume that everyone in the company had more to offer than just their job description. If we fully respected and acknowledged the human spirit in everyone, they would deliver the ideas and energy we needed.

3. We never stopped talking about what we were

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The authors: Paul Dolan became president of Fetzer Vineyards in 1992 and built it into one of the largest, best known wineries in the United States.

Thom Elkjer is a freelance writer who has written for *CNN Traveler*, *Wine Spectator* and *Wine Country Living*. His books include *Adventures in Wine* and *Escape to Wine Country*.

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Sustainability: Fetzer's Business Revolution

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up to. We keep the conversation going nonstop, at every level of the business, so that no one ever wonders what our purpose is or where we are going. ■

For Additional Information on the history of Fetzer, go to:
http://my.summary.com

Your Business Is Part Of a Much Larger System

When I joined Fetzer after receiving my graduate degree in winemaking, I was married with two boys who made my move to Redwood Valley an adventure. Over the years, things became difficult at home and tense around the winery. The formula of command and control that I had learned during three years in the military before I went to study winemaking, of setting and achieving goals by and for my own authority, no longer succeeded with the people I loved most in the world. It wrecked my marriage and devastated my own family.

Unfulfilled Roles

It was my brother Peter who finally helped me see that my personal drive for success at work was an empty substitute for discovering what really made me happy. My own judgments were more real to me than the behavior of the people around me, and justifying my own world was more important than joining the world everyone else was living in. I saw that I had not fulfilled my role as husband and father for my family. Rather than discovering who they were and what we needed to flourish together, I had simply taken what I needed from them and let them deal with the consequences.

It was the same with my winemaking team. I realized that I controlled and dominated them, using them to advance my own ambition, never allowing for their own personal growth or success. I thought I was serving Fetzer, but I was really pursuing my own agenda, which gave me justification for getting angry at people rather than stopping to question my own role in our success and occasional failure.

New Awareness

With this new awareness, I started to slowly change my behavior and create a more positive environment. Instead of expecting my winemaking team to fail or let me down, I opened up to them. Instead of enforcing my world on them, I found the world we inhabited together, where our communication could be a two-way street that offered more freedom of expression to everyone.

In 1992, the Fetzer family sold the winery to Brown-Forman and recommended that the new owners appoint me president. They agreed, and suddenly, unexpectedly, the opportunity to make a larger contribution to the world opened up. Around the same time, I read an eye-opening book called *The Ecology of Commerce* by Paul Hawken. His analogy — that the world of business could work with the same harmony and balance as the natural world — deeply appealed to me. Hawken's book helped me imagine that I could do the same thing with Fetzer Vineyards. Our whole company could operate with a far greater awareness of its place in the world, and from that perspective it could make a much bigger difference than I could make alone.

Ten years later, I now see this as the first principle for sustainable business: *Your business is part of a much larger system.*

Paul Dolan's Business Principles

1. Your business is part of a much larger system.
2. Your company's culture is determined by the context you create for it.
3. The soul of your company is found in the hearts of its people.
4. True power is living what you know.
5. You can't predict the future, but you can create it.
6. There is a way to make an idea's time come.

Interconnected and Interdependent

At Fetzer, we now recognize certain realities shape everything we do. They include:

- **We are not alone.** Everyone, and every business, inhabits the same larger system. None of us is outside it or exempt from its realities.
- **We are not separate.** All our actions as a company and as individuals affect the larger system, just as its health and well-being affect us. Everything within the larger system is interconnected and interdependent.
- **We can make a difference.** The choices we make can turn interconnectedness into a force that can move the world. We can create change in the larger system by how we operate in our own spheres of influence — whether it's inside our companies, inside our communities, or inside our industries.

The realization that our organizations are part of a much larger system needs to start at the top, so people take it seriously. Out of that awareness we naturally can see the interconnections, and the opportunities where a change in our business practices will lead to new and better consequences for the system. We can respond to those opportunities by acting, and through those actions

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Your Business Is Part Of a Much Larger System

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create sustainable businesses for a sustained world.

Responding to Opportunities

As we have opened up our awareness of our larger system, the opportunities to operate Fetzer more sustainably seem to arise nonstop. One that we have embraced most fully is stewardship of the earth, which includes all our own vineyards, old and new. It involves proactive restoration and conservation: eliminating chemicals; planning how and where we lay out new vineyards; changing how we irrigate our fields; and committing to conserve and restore riparian habitats.

We are also actively sharing with the wine industry and the business community at large everything we have learned and done to make Fetzer more sustainable. This is now making a difference in the way our industry works — a difference that can be a model for all agriculture that includes equitable treatment for people, preservation of the earth's natural vitality, and a solid economic return for business owners. ■

Your Company's Culture Is Determined by the Context You Create for It

I wanted Fetzer's vineyard workers, production people, salespeople, and everyone else in the company, including me, to see themselves as part of a team with a higher purpose. People want the hours and days and years they put into their work to amount to something more than a corporate bottom line. It doesn't have to be idealistic; it just has to have personal value to them. I had to find a higher purpose that would engage everyone in the organization in a compelling way. I knew we had to come at it from the perspective of being part of a larger system, and I knew it would take exploration and discovery. I wanted our purpose to combine growth and profitability with making a difference in the world, and I needed to get complete alignment on that purpose with Fetzer's new parent company, Brown-Forman.

Two months after the acquisition, I gathered the seven members of Fetzer's Leadership Team and three leaders from Brown-Forman for a long weekend retreat in a remote homestead deep in the forests of Northern Mendocino. While there, we determined that our core purpose was summed up in the phrase: *Fetzer people, enhancing the quality of life.*

Once we identified our purpose, there were opportunities everywhere we looked. We had focused the lens through which we would view our company. Profit, growth and quality goals all took on a different meaning. We developed a mission statement that included the idea, "We are an environmentally and socially conscious grower, producer and marketer of wines of the highest quality and value." This one sentence said that we were going to place our environmental and social concerns on the same level with our business-oriented, economic goals of quality and value.

Making a Greater Contribution

If everyone in the winery sees his or her work in the light of making a greater contribution to the world, then a culture of pride, quality and hard work naturally rises up from the workers themselves. It was in noticing this intersection of purpose, context and culture that the second principle of sustainable leadership began to become clear for me: *The culture of your business is determined by the context you create for it.*

Money is not enough of a context to motivate people on a sustained basis. I believe the right culture can do anything, including building a sustainable business that's a powerful investor magnet. As leaders, our job is to cultivate our people, bringing out their best, and create a rich, human whole greater than the sum of its parts. That's culture: something bigger than the individuals within a group, which they nevertheless are an integral part of. Teamwork becomes more natural, because everyone knows why the work the next person is doing is valuable. If they are talking about that context all the time, and if they are constantly examining their workplace, their products, and their processes from the standpoint of fulfilling themselves and their purposes, you

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Fun Tours at Fetzer

Paul Dolan started a program at Fetzer called "Fun Tours" for small groups of workers. On Fun Tours, he got to show people the rest of the business they were part of, including its new winery, vineyards, and the hospitality center and organic garden at Valley Oaks Ranch. This allowed people to see beyond their own department and start to see the value of their contribution inside a larger purpose. During the tour, Dolan would talk to them about elements of the business, from sales reports to new products to new vineyard plantings and projected growth. Eventually, he would talk to them about Fetzer's core purpose and desire as an organization to make contributions in many areas. Then they would have a great lunch, share some of Fetzer's wine, and talk about what was most important to them in working for Fetzer Vineyards.

Your Company's Culture Is Determined By the Context You Create for It

(continued from page 4)

can hardly keep up with the ideas they create.

Discovering an organization's unique context can only be found by plunging in and trusting that the people with you will also plunge in and help you identify your purpose for being in business. You have to articulate that purpose in a powerful, meaningful way so your people get aligned with the purpose. ■

For Additional Information on Fetzer's mission statement, go to: http://my.summary.com

The Soul of a Business Is Found in the Hearts Of Its People

Shortly before I became president at Fetzer, I took a two-month management class in problem solving and teamwork. I returned to work and began to look at my relationships differently. I had to accept the disconcerting fact that I wasn't a very good listener. I would sit and politely listen to the ideas of an employee, with my mind already made up. I would let the person finish and then say, "Those are good thoughts, but I think I want you to ..." As long as I was dealing solely with ideas or concepts — listening only for the logic or agreement that would be in sync with my own point of view — the people didn't actually matter that much to me.

To overcome this, I sat down with my winemaking team members, one at a time, and told them the ways I had been seeing them in my mind. I said I would drop the way I had been thinking of them and try to see them for who they really were. It worked. People I had judged as nice to be around but lousy contributors now had a chance to contribute and get recognized for it.

Clearing Away Judgments

My success in clearing away judgments with co-workers gave me confidence to try it with my own family. I realized the way I was holding my teenage son Jason in my mind was more about me than about him. I was the one who needed to bring more respect to the relationship. Once I dropped my harsh interpretation of him, he was able to be the loving, caring son he truly was.

I began to see that all my significant business and personal relationships were based to some degree on my interpretation of the individuals involved. I wanted to be seen for who I was but I was not offering this same respect in return. The consequences for Fetzer were far-reaching: I was holding back the entire company.

Fetzer Empowers Its Employees

Although Dolan writes that Fetzer was not looking to start a trucking company, one started itself inside Fetzer and just kept growing. Keith Oakley started as a delivery driver, taking wine 120 miles south to the San Francisco Bay Area. When Fetzer expanded to a second winery in the 1980s, it needed a tanker truck to move bulk wine between locations. Keith found the right truck and began driving it.

As Fetzer kept expanding its business, it kept needing more transportation, and Keith just kept saying, "We can do that." Thanks to this can-do attitude, the company quietly acquired a dozen trucks. One day, Dolan writes, the company realized that this was a sizable fleet for a winery. Everything was working well, but most of Fetzer's competitors were using common carriers, so Dolan and his management team decided to do a benchmarking analysis. It turned out that Keith and his team were running a pretty tight outfit. Fetzer's cost per mile averages as much as a third below what it would pay common carriers for the same services, and they were setting standards for safety and efficiency that any outside company would find hard to maintain.

Fetzer's costs are lower because Keith and his team are totally into it. They not only like to drive the trucks; they like to work on them, too. They are fully expressing their passion for trucks, and Fetzer gives them a space to do that. In that context, they have turned out to be truly great at what they are doing.

Once I began seeing people as more than just bearers of news, ideas or suggestions, I could find the level of pride, passion and talent within them. I began to understand what a good listener is: a person who respects others as strong, unique and with something to contribute.

When my Leadership Team meets, anyone can have something to offer that's new, important and potentially a breakthrough. If someone is willing to speak up in a meeting, it's because they have seen something and believe it will make a difference. When we honor that, it alters the whole dynamic. My team members can see me giving them space to express their creativity.

Once I set aside my judgments and allowed everyone at the company to contribute more fully, people seemed to follow a natural progression. They moved from being accountable for certain predefined results to taking personal responsibility for our larger mission. When I removed limits, they could respond to Fetzer's larger purpose with initiative and creativity of their own. This freedom, within the context we were constantly rein-

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The Soul of a Business Is Found In the Hearts of Its People

(continued from page 5)

forcing, unleashed the power of our people. It allowed them to match their own capabilities and interests with opportunities they saw to contribute. They could become "response-able," not just accountable.

A New Responsibility

The new responsibility for business is to make this shift at an organizational level. Rather than viewing accountability to our shareholders as a measure of how well we enhance shareholder value and hit financial targets, we can begin responding to the growing social and environmental challenges facing the world today. These challenges are, increasingly, part of the landscape in which we all must perform. Responding to these challenges so our companies can operate efficiently is a crucial part of operating profitably. If we recognize and tackle these issues as an integral part of our new way of looking at business, we'll find equitable solutions and ultimately reduce the costs of doing business.

Every organization can respond in its own way, with its own unique capabilities, making its own special contribution. Along with making profits, we can make a difference. A sustainable business should be a whole business, with a heart and soul. It must have integrity, a moral center, and it must be connected to its values and the greater world. It must aspire to do what is right, not just for the bottom line, not just from a legal standpoint, but from a moral and ethical standpoint. A sustainable business is not only accountable: It's responsible.

The wholeness we managers seek for our business is around us every day. This is what led Fetzer to the third principle of sustainable business leadership: *The soul of a business is found in the hearts of its people.*

Seeing people as great so they can reveal themselves as great involves more than just a shift in perception. It also involves the practical issue of creating space for people to fully express their contribution once we've removed internal limits on them.

Passion and Creativity

At Fetzer, we make sure our people are working in an environment where they know they can express their passion and creativity. We acknowledge their accountability even before they respond to larger opportunities, and acknowledge them publicly when they make the shift to responsibility. Ideas or actions they might have once held back are now closer to tangibly benefiting the business. That creates a new future for the company.

This is one of the most sustainable cycles in human progress: being respected for our ability to make a contribution, being given opportunities to fully express that ability, and being acknowledged for it afterward. ■

True Power Is Living What You Know

In 2000, Fetzer Vineyards purchased an historic old farm called the Butler Ranch, and planned to cut down the property's old cherry trees to make way for a new vineyard. After a giant outcry from the community — families who would flock to the ranch to pick fruit and picnic — I held several public meetings to discuss the future of the Butler Ranch with the community.

When upset community members fought back to preserve the cherry trees and the contributions that the Butler family had made to the community, we took several actions to identify and address the concerns of community members. These actions included the commissioning of a commemorative quilt to honor the Butlers and the ranch, but the trees were eventually removed.

It turned out that the economics of the Butler Ranch didn't work if we restricted our new vineyards to the original area covered with cherry trees, so we expanded into virgin woodlands. Our employees were not in favor of this and they let me know it. They pointed out that it did not enhance the quality of life. It might have made financial sense, but we had created a context where economics don't operate in isolation from social equity.

The Larger System

The purchase and battle over the development of the Butler Ranch dramatically changed my knowledge of Fetzer's relationship to the larger system. It changed what I knew of the company's commitment to its purpose, context and culture. The community outcry and the heartfelt sentiments from my employees created a strong sense of internal conflict for me. I wanted to get back to a sense of personal and corporate integrity. To do that, I had to adjust my stance on land development.

Today, Fetzer's policy is that we will not develop pristine natural landscapes into vineyards. We'll convert agricultural land, but we'll never again harvest a forest for a vineyard. The lasting legacy of what happened at the Butler Ranch places our future actions back in alignment with what we believe.

The lesson I took away from this experience is the fourth principle of sustainable leadership: *True power is living what you know.* If our businesses bankrupt our environmental and social future, we as individuals are left holding the bag. By simply living what we know to be true, we have the power to change history.

We can stop ignoring what we know to be vital truths.

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True Power Is Living What You Know

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The conventional way of doing things can be confronted. We can stop ignoring the unavoidable reality that we are operating unsustainably, as businesses and as a culture. We can demonstrate a new possibility for business by shifting to sustainable practices; we can help others pursue new possibilities in their own businesses. If we don't do this, we are violating our own integrity.

If a company lacks integrity, it's because the company is acting from some of its values, but against others. It's expressing the value of its stakeholders in seeking to maximize shareholder value, but suppressing the value of its stakeholders who respect the environment and human rights. In contrast, removing that internal conflict unleashes tremendous creative power. It encourages people to really express what they believe, because the whole organization believes it, too.

The Power of Conversation

The new possibility for companies is to insert a conversation about sustainability into the conversation about maximizing profits — and keep it there until they become the same conversation.

The conversation about sustainability needs to take place everywhere: in the boardroom, on the factory floor, in sales meetings, and in investor presentations. It has to be able to happen anywhere, any time. Conversation is one of the few processes that is almost guaranteed to produce new insights, new ideas and new connections. During conversations, ideas show up between us that might never show up in our own thoughts. Leaders have a specific role to play in this discourse — they must generate the conversation about sustainability inside and outside the organization. ■

Enhancing the Quality of Life

During monthly meetings of Fetzer's Leadership Team, they discussed how they would manage the business to achieve its purpose, and how it could generate the conversation about its purpose among everyone in the company. The team broke down the areas where it felt it could make a difference:

✓ People are a priority, because otherwise there would be no one to enhance the quality of life, and no one to receive the benefits from succeeding at it.

✓ Profit had to be part of Fetzer's context, otherwise nobody in the company would have jobs and a vehicle for enhancing the quality of life.

✓ Quality had to be part of enhancing the quality of life, because "life's too short to drink bad wine."

✓ Consumers were a big topic because when you produce millions of cases of wine, you need to enhance the lives of millions of consumers.

✓ Alliances and rich conversations with a broad array of strategic partners are critical because their performances are essential to success.

✓ Our environment is so central to our way of life that it make no sense to think about enhancing the quality of life without taking environmental impacts into consideration.

✓ The community we are part of is also important because we are part of a much larger system, and we can make a difference within it.

You Can't Predict the Future, But You Can Create It

Experience has taught me another principle for sustained leadership: *You can't predict the future, but you can create it*. With this principle, we can turn the future's inherent unpredictability from a negative into a positive. We just have to create the future from the future instead of predicting it from the present. By doing this, the processes for achieving a sustainable future will organize themselves accordingly.

If I stand in the future and look back at Fetzer after we have become a six-million-case winery, I see things about today's four-million-case winery I can't easily see from the present. I can see all the areas where we're not behaving like a six-million-case winery. I can see people who are going to have to step up, and what kinds of opportunities they're going to need along the way. I can see structural issues about production, efficiency and distribution. I can see a marketplace that needs millions of new wine-drinkers.

When looking at growth from the future backward, unpredictability becomes my ally, not my enemy. Unexpected things that happen now fit a pattern I can more easily recognize. I'm thinking that all kinds of things I can't foresee are going to have to happen for my business to reach the target. I need the future to be unpredictable. I need the unexpected. I'm actually helping to create unexpected events by stepping into the future and managing my business from there.

Creating the future from the future is an important way leaders earn the right to lead in a sustainable business. We're looking forward more than our counterparts in business ever had to because now there are much bigger pitfalls ahead of us as a society: global warming, melting ice caps, crop devastation, epidemics of disease, and vast regions of social and political unrest. Creating a future that minimizes those pitfalls is part of our job as leaders.

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You Can't Predict the Future, But You Can Create It

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Creating the future from the future is also a major vehicle for getting ahead of our newly empowered organizations, with their context, their passion, and their freedom to discover and live what they know inside a much larger system. We leaders must shift from a perspective of incremental change to a perspective of transformation. The key to success is to paint a vivid picture of the future so it can come to life for others in your organization. The point of the picture is not to accommodate the present. The picture a leader paints must accelerate the arrival of a particular version of the future. ■

For Additional Information on Paul Dolan's vision of a sustainable world, go to: http://my.summary.com

There Is a Way to Make An Idea's Time Come

How do you make an idea's time come? What steps can you take that will affect both the present moment and all future possibilities, for your organization as well as the larger system? You can take a stand.

Companies have the ability to create a sustainable future by taking stands on environmental and social issues. DuPont, Nike and Xerox are among the growing number of companies that have taken stands on zero waste. Patagonia took a stand when it decided it would use only organically grown cotton in its line of popular sportswear. Robert Redford's company, Sundance, took a stand on environmentally responsible ski resort development. These decisions are not incremental. They are either/or, do/not-do decisions, the kind that don't just reflect change: They create change.

This is the difference between an idea whose time has come and an idea whose time we must make come. A stand is about adapting the world to your world. A stand creates the trend that others want to follow. When you commit yourself to something that doesn't currently exist, you create real change, not incremental change.

The difference between stands and positions is important for sustainability because positions can subtly undermine sustainable leadership. Positions keep us in a state of reaction rather than initiation, but stands don't change based on the politics of the day or if someone objects. A stand actually includes all the objections and positions everyone else might take about it, their considerations, and their particular circumstances.

Taking a Stand

There are four dimensions of taking a stand:

1. A stand is personal for each of us. It's about seeing a personal possibility of making a contribution and fully expressing our commitment to that.

2. Each of us is responsible for its completion. We don't have a part in the play, we are the play.

3**. Each of us is responsible for generating the conversation about the stand.** You're responsible for making the stand come alive for others, to attract them to it as a possibility, and to advance its exploration.

4. Each of us is responsible for remaining open to whatever happens. Objections and roadblocks may look like problems, yet they should be viewed as opportunities to recommit to the stand, discover an unexplored path, and spur you to unconventional solutions.

A stand does not adapt to these types of things. It includes them in its larger purpose. The world adapts to the stand, not the other way around. A stand is big, unwavering and enduring. You take a stand because you can, and because you believe it will make a difference.

Going Organic

In 2002, I began painting a vivid new picture for Fetzer, in which all the vineyards we own, manage, or contract with would be farmed organically. Our own vineyards were organically farmed, but provided only about 20 percent of the grapes we needed. I was now envisioning all our fruit being grown organically by the end of the decade, which would involve our contract grape farmers in an exciting new adventure.

Our winemakers and managers responded to this picture with reactions that ranged from enthusiasm to anxiety. Once everyone had raised their issues, we were able to organize them by structuring the conversations we needed to have. Once everyone was talking and people were beginning to see a clear picture of the future, we announced to the world what we wanted to do.

By going public, I was showing the world not only the future I saw, but also my conviction that we could create it despite potential obstacles. That is an important way that a stand makes an idea's time come. It may take others a while to wrap their minds around this idea, but they can't deny that some of us see it already, are working toward it, and believe it will happen. If people have ideas or interests related to a new possibility, taking a stand on it gives them a focal point for expressing them.

Everyone wants a healthy planet, a strong community, and economic prosperity. Going public with a stand for sustainability taps into this huge potential for concerted action, and that's what gets results in the end. I see this already in our stand about organic farming. Everyone is helping create a company that is built around a sustainable future, and when we succeed, everyone is going to share in the results and the rewards. ■

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Trust & Inspire

Stephen M.R. Covey

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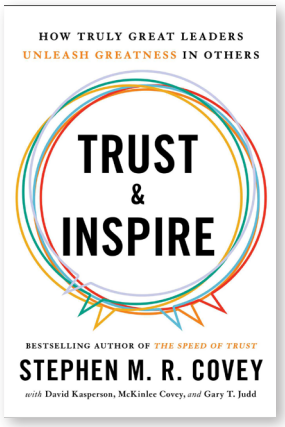
Trust & Inspire

How Truly Great Leaders Unleash Greatness in Others,



by **Stephen M.R. Covey**

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THE SUMMARY IN BRIEF

When it comes to the way we lead–in the workplace, in the classroom, at home–we've been repeating the same style of leadership for a long time. Many leaders still approach their role with the priority that there is a job to be done, and their role is to leverage resources and people at their disposal to accomplish the task at hand. Has this Command & Control style of leadership worked? Probably not.

In fact, most of us have wanted a different way to lead and be led. We've known what we want to move from–Command & Control–but we're less clear on what we want to move to. In ***Trust & Inspire: How Truly Great Leaders Unleash Greatness in Others,*** New York Times bestselling author and global authority on trust, leadership, and culture Stephen M.R. Covey provides the answer. In it he suggests a simple term, and complete framework, for the change we need: Trust & Inspire. At its core, a Trust & Inspire paradigm flows from a fundamental belief in the potential and greatness inside each of us. It's goal is to unleash people's talent and potential–to truly empower and inspire them–rather than try to contain and control them. This approach also produces far better performance. Trust & Inspire is the new way to lead.

IN THIS SUMMARY, YOU WILL LEARN:

- The Emerging Forces and Epic Imperatives impacting our work and lives.
- The Fundamental Beliefs of a Trust & Inspire Leader.
- The 3 Stewardships of a Trust & Inspire Leader.
- 5 Common Barriers to Trust & Inspire Leadership.

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The Future of Leadership

For decades, we've been getting away with a tired, out-of-date leadership style that we've patched and propped to try to make work for our changing world. But incremental improvements within a flawed paradigm will no longer work. It's time for a new style of leadership–one that is relevant for our times.

Not only has the world changed, so has the nature of work itself, along with the workplace, and the workforce. Inclusion, collaboration, and innovation are no longer simply buzzwords but are the price of entry to being successful in our current as well as every future reality.

Our constantly disruptive environment continues to create infinite choice and possibilities for a rapidly evolving, dispersed, and diverse workforce. This workforce demands a new kind of leader–a leader who can see, develop, communicate, and unleash greatness in every person.

The world has changed. Our style of leadership has not.

These mega changes we are experiencing are a result of "Five Emerging Forces." These forces of change are sweeping through our world and impacting our work and our lives in unprecedented ways. We might try to avoid or ignore them, but they will not ignore us.

The Five Emerging Forces

1. **The Nature of the World Has Changed:** Technological innovations are bringing about extraordinary changes. These changes are converging and blending in what is being called "the Fourth Industrial Revolution." On top of this, never before in history has so much knowledge and information been available. This explosion of knowledge has changed the way we view the past and made us think differently about the future.
2. **The Nature of Work Has Changed:** The "what" of work today has become increasingly knowledge- and service-based, with access to instant and simultaneous information. It is far more collaborative, innovative, and creative than ever before. Increasingly, people are being asked to focus on work that requires more of their hearts and minds, and less of their hands and backs.
3. **The Nature of the Workplace Has Changed:** There are also major shifts happening related to where we work. Working from home or working from anywhere is fast becoming the norm particularly in some form of blended or hybrid combination with on-site work. This is leading to changes in organizational structures and systems and has a significant impact on workplace culture.
4. **The Nature of the Workforce Has Changed:** Our workforce is far more diverse than ever before, filled with people from different generations, genders, raced, ethnicities, sexual orientations, religions, cultures, backgrounds, experiences, and perspectives. The goal is to create an inclusive culture that enables us to maximize our diversity–our differences–as our greatest strength.
5. **The Nature of Choice Has Changed:** The advances in technology have taken us from multiple choice to infinite choice, as consumers and as team members and leaders. With this flexibility and increased choice, it's important for leaders and organizations to create the kind of culture that attracts, retains, and inspires the best in people.

These Five Emerging Forces are at work in our world regardless of whether we see them or are even aware of them. In order to thrive, let alone survive, in their whirlwind of change, we organizationally and as leaders need to adapt as fast as things are changing around us. If we fail to adapt, we will likely not be able to deliver on two epic imperatives of our time–the most essential and critical needs of every organization in this new environment.

The Epic Imperatives of Our Time

All organizations today have two epic imperatives to achieve. First is the ability to create a high-trust culture that can attract, retain, engage, and inspire the best people–and thus win the ongoing war for talent. In other words, win the workplace. Second is the ability to collaborate and innovate successfully enough to stay highly relevant in a changing, disruptive world. In other words, win in the marketplace. If we cannot deliver on these two epic imperatives, we won't be able to sustain success in our new world.

Command & Control versus Trust & Inspire

Perhaps the best way to understand why and how Trust & Inspire leadership is more relevant and apt for our day is to see how it contrasts to the style of Command & Control.

COMMAND & CONTROL	TRUST & INSPIRE
Compliance	Commitment
Transactional	Transformational
Efficiency	Effectiveness
Status Quo and Incrementalism	Change and Innovation
Fixed Mindset	Growth Mindset
Coordination among Functional Silos	Collaboration among Flexible, Interconnected Teams
Control, Contain	Release, Unleash
Motivation	Inspiration
Manage People and Things	Manage Things, Lead People

Becoming a Trust & Inspire Leader

This part of the book provides practical advice on how to change from a Command & Control style of leadership to Trust & Inspire. First, you'll be challenged to take a hard look at your paradigms about people and leadership and the actions that follow. Then we will walk through how to make the life-changing switch to Trust & Inspire.

> Trust & Inspire leaders don't simply agree with them intellectually–they consistently live them.

The Fundamental Beliefs of a Trust & Inspire Leader

The fundamental beliefs of a Trust & Inspire leader are based on timeless and powerful principles. As with all principles, these beliefs are not surprising. What makes them powerful is that Trust & Inspire leaders don't simply agree with them intellectually–they consistently live them.

Collectively, these beliefs make up a more complete, accurate, and relevant paradigm through which we view people and leadership today. Each of us can become a Trust & Inspire leader through understanding and acting on the following fundamental beliefs.

People have greatness inside them…so my job as a leader is to unleash their potential, not control them. A Trust & Inspire leader believes that there is greatness in people. Their intent is to develop and unleash that greatness while helping people see the greatness within themselves. Our desire to trust and inspire people increases when we see them from a paradigm that acknowledges their inherent worth, ability, and potential.

People are whole people…so my job as a leader is to Inspire, not merely motivate. Trust & Inspire leaders recognize that people have multiple layers that make up a whole person. For people to reach their highest potential, we must see and treat them as whole individuals and focus on the four aspects that make up a whole person–body, heart, mind, and spirit.

When people come to work, they bring their whole selves. Seeing others holistically–rather than as fragmented pieces or parts–is not just a strength but a necessity. People need inspiration, not just motivation, to answer the desires to give back, to have a cause, to find fulfillment. Inspiration lights what is already inside people. Trust & Inspire leaders look to ignite the fires within.

Stewardship is a responsibility that implies the highest level of trust, or being entrusted.

There is enough for everyone…so my job as a leader is to elevate caring above competing. A scarcity mindset leads to jealousy and an unwillingness to even work with others, much less recognize their success. It can breed bitterness, dissension, and unhealthy competition and contention. On the flip side, an abundance mentality dissipates jealousy and internal competition. Another person's success doesn't diminish our own. It's all about caring for others.

Leadership is stewardship…so my job as a leader is to put service above self-interest. A stewardship is "a job with a trust." People who operate from a Trust & Inspire paradigm have a sense of stewardship about everything, including their time, talents, money, possessions, relationships, and family.

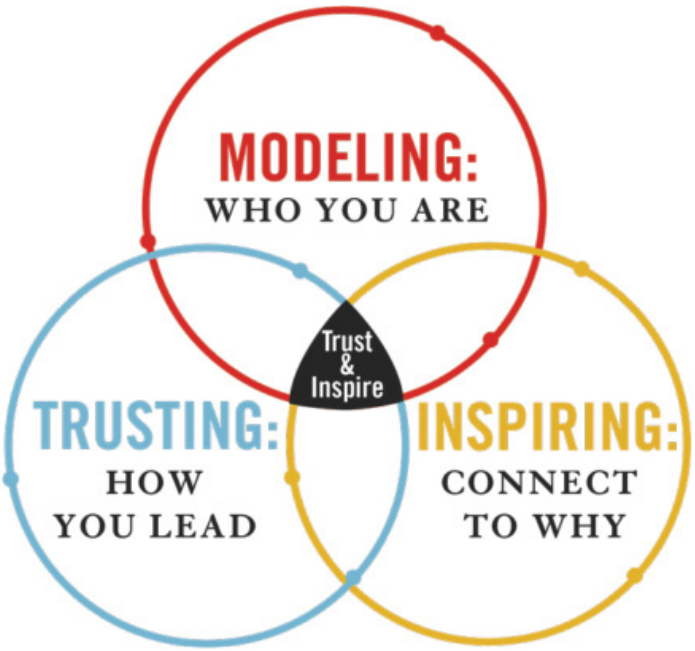
They have a distinct sense of responsibility as stewards–as having a responsibility for the growth and well-being of those they serve and lead. Above all, stewardship puts service above self-interest.

Enduring influence is created from the inside out…so my job as a leader is to go first. Leading is about intentional influence that endures, even when the leader is not present. The best way to create this kind of enduring influence from the inside out is to simply go first. Trust & Inspire leaders start with themselves. They look in the mirror. They model the behavior. They go first.

The cumulative effect of these beliefs, when lived, creates a Trust & Inspire leadership mindset–an expansive lens through which we view the world. As we internalize these beliefs and act on them, we will find the strength–indeed the humility and courage–to become Trust & Inspire leaders.

The 3 Stewardships of a Trust & Inspire Leader

A fundamental belief of a Trust & Inspire leader is that leadership is stewardship. Stewardship is a responsibility that implies the highest level of trust, or being entrusted. When we have a stewardship mindset, we have been given a job to do, and we've been entrusted to see it through. The Trust & Inspire framework consists of 3 Stewardships that work together and build off each other.



1. Modeling (Who You Are): While there are many important attributes to model, these have the greatest impact for the new way to lead. These behavioral virtues are combined into pairs because each is tremendously influenced by or balanced by the other.

Humility & Courage: A humble person is more concerned with what's right than about being right, about acting on good ideas than having the ideas, and about recognizing contribution than being recognized for it. Some people have high levels of humility but lack courage. Such leaders are often more concerned with being liked than in doing what is right. It takes courage to do the right thing. Humility, bolstered by courage, is a powerful force.

Authenticity & Vulnerability: Authenticity means real and we are drawn to it. If our reality matches our words, we are who we say we are and this has a significant impact on how those we lead experience us. Vulnerability, then, is when you open yourself up for others to see for themselves who you really are. The word "intimacy" can be broken down to say "into-me-see." Trust & Inspire leaders are vulnerable by opening up their authentic selves.

Modeling empathy with others dramatically increases not only well-being, but also the performance of all involved.

Empathy & Performance: Empathy is understanding another person's thoughts, feelings, experience, and point of view. Modeling empathy with others dramatically increases not only well-being, but also the performance of all involved. Results matter, to our credibility and effectiveness as a leader. How we do what we do matters enormously. Empathy and performance may seem like odd companions, but they go hand in hand. When we deeply listen to others, only then can we truly learn what things are most important to them–and only then can we commit to doing those things. And keeping those commitments is performing.

2. Trusting (How You Lead): You can have two trustworthy people working together and no trust between them . . . if neither person is willing to extend trust to the other. Trust is only achieved when someone is not only trustworthy but also trusting. Most people, no matter how trustworthy they are, truly struggle with the ability and skill of extending trust. By trusting others, leaders unleash human potential and multiply performance. Trust is a competency–an actual skill–that can be deliberately focused on and improved.

Clarify Expectations: This is based on the principles of clarity, responsibility, and accountability. When you clarify expectations, you create a shared vision and agreement up front about what is to be done. When we as leaders mutually establish clear expectations around the trust being given, it sets everyone up to win.

Practice Accountability: This is based on the principles of accountability, responsibility, stewardship, and ownership. There are two key dimensions to practicing accountability, and the sequence matters. As a Trust & Inspire leader, you hold yourself accountable first, and you help others hold themselves accountable second.

Grow People: The overarching responsibility of any Trust & Inspire leaders is to grow people, rather than fix people. When people grow and get better, performance improves. This style of leadership ignites passion, creativity, ownership, and commitment.

3. Inspiring (Connect to Why): Your job as a leader is not just to keep people around, but to lead them in a way so they consciously and enthusiastically choose to stay, so they thrive and contribute meaningfully. Research shows that what people want most from their leaders–more than any other attribute–is to be inspired. And yet, in multiple studies, most leaders rank lowest in their ability to inspire.

The disconnect between what people want and what leaders are giving is staggering, and it results in a massive tax on well-being and productivity at both the personal and organizational levels. Far too often we equate being inspirational with being charismatic. You do not have to be charismatic to be inspiring. Inspiration does not depend on any physical or even emotional quality or attribute. Rather, it is simply who you are and how you lead that inspires. While charisma may motivate, it is authenticity that inspires. Best of all, inspiring others is a learnable skill.

We practice the principle of connection through connecting with people and connecting to purpose. When we genuinely connect with people–when they feel like we "see them" and have real interest in them–that's inspiring. It's even more inspiring when people feel connected to purpose, meaning, and contribution–to why what they're doing matters.

3 Levels of Connecting with People

In connecting with the people around us, we can increase our ability to inspire by focusing on three different levels of connection with:

Ourselves: Connect to your own purpose first. Finding your "why" begins by being authentic about what really matters to you.

Our relationships: Elevate caring over competing. When you feel that others are interested in what is important to you, you want to respond in the same way: with caring. The two key attributes that demonstrate caring are empathy and compassion.

Our team: Belonging is what turns a group of people into a team. If people feel like they are an important part of something bigger than themselves, they will become energized, and they will be inspired to contribute in new, different, and meaningful ways.

Connecting to Purpose

People want to know that their life and their work matters, that they are significant. They want to find meaning in how they spend their time, not just a way to pay for it. Money is just one part of the journey, not the final destination. That is the difference between success and significance.

When the 3 Stewardships of a Trust & Inspire leader–modeling, trusting, and inspiring–are viewed independently, each of them is significant, and they each inspire, but the true power comes when we strive to live and fulfill all three simultaneously. As we do, we can become an incredible catalyst for both transformation and performance.

Stewardship Agreements

Stewardship agreements are the Trust & Inspire tool leaders use to clarify expectations and practice accountability between people involved in any interdependent endeavor. The purpose of stewardship agreements is to get results in a way that grows people. The basic idea is that a stewardship agreement shifts the paradigm of interaction from:

- Vertical positioning to horizontal partnering
- Hovering over and checking up to self-supervision and accountability
- Micromanagement to self-governance
- Leaders judging people to people judging themselves.

A stewardship agreement is a tool perfectly suited to remote/hybrid work, to a dispersed workforce, and more broadly, to the new way of working. The point of it is to have a common understanding and commitment toward your highest mutual priorities. They can be surprisingly simple and are liberating for all involved.

They don't emerge from isolated techniques but rather from enduring principles. It is difficult to use them without first building a relationship of trust, and it's difficult to maintain them without personal credibility. They will help us overcome many of the common barriers that so often get in the way of trusting and inspiring others–of unleashing people's potential.

There are five elements that should be included when creating a stewardship agreement.

1. Desired Results: What do you want to accomplish–and why?
2. Guidelines: Within what boundaries?
3. Resources: What do we have to work with?
4. Accountability: How will we know how we're doing?
5. Consequences: What are the implications if we do or don't achieve the desired results?

5 Common Barriers to Trust & Inspire Leadership

It's understandable to be apprehensive about a new leadership approach, especially when you've spent most of your life operating in a different way.

The overarching barrier to becoming a Trust & Inspire leader is that we think we already are one! As a result, the problem is always "out there"–in other words the problem is everyone else.

While this mindset is the generic, universal roadblock, there are five very particular and specific barriers that keep us from becoming Trust & Inspire leaders.

1. "This Won't Work Here"

There is no question that there are very real circumstances and limiting factors that will impact the fit of Trust & Inspire leadership to any particular industry, organization, or team. But whatever your situation, you can lead by going first. You can't manage your boss but you can lead your boss. You can be the catalyst for change.

2. Fear—or "But What If…"

"...I Lose Control?"

"...It Doesn't Work?"

"...I've Been Burned Before?"

"...I Don't Get the Credit?"

"...I'm Not as Confident as You Think I Am?"

Anytime we are about to make a difficult decision or try something new, we instinctively consider the risk. We ask ourselves a host of "what if" questions that all revolve around the same concept–fear.

The antidote to fear is trust. Overcome these fears by extending smart trust, balancing risk and returns, believing that most people can be trusted, maintaining an abundance mentality, and building credibility.

3. "I Don't Know How to Let Go"

For many of us, ceding control–letting go–can feel impossible. The inability to let go, however, can be damaging to morale and stifling to creativity. Letting go doesn't mean you have no control. It means developing a high tolerance for failure with a focus on learning and course correction.

4. "I'm the Smartest One in the Room"

Being smart is more than just intelligence and credentials. It includes your ability to reach people, to inspire them, to open their minds rather than to shut them down so that everyone can benefit from what they bring to the table. If you think you're always right, you'll find that when it comes to people, you're more often getting it wrong.

5. "This is Who I Am"

Habit is strong. But while your style may have worked in the past, in the disruptive, multigenerational, and ever-changing world of today it will only grow in irrelevance and ineffectiveness. A Trust & Inspire leader rescripts. We are programmers, not programs.

Trust & Inspire in Any Context

Think of a role in your life that really matters to you. Maybe it's a family role, such as parent, spouse, or child. Maybe it's a work-related role, such as HR manager or team leader. Maybe it's a community, church, or volunteer organization role.

You don't have to be given the title to be a leader. Leadership is a choice, not a position. You can be a leader in any role and make a difference to the people you interact with in that role. Regardless of the role, plug it into the following question:

Am I a Command & Control _____, or am I a Trust & Inspire _____?

When we adopt a style of Trust & Inspire, people trust us more and feel inspired when they are around us. The principles are timeless and transcend the various roles in everyone's life.

Wherever there is greatness, wherever there is achievement, wherever there is success–you can find a Trust & Inspire leader.

People are not moved to greatness; they are inspired to it. When we model, people will think, I want to be like that person. When we trust, people will think, I want to deliver for that person. And when we inspire, people will think I want to contribute with that person.

We can be that leader. We should be that leader. And as we become the leader we strive to be, we will find that life is made all the better for it. This, indeed, is the new way to lead, and a better way to live: Trust & Inspire.

Stephen M.R. Covey is cofounder and CEO of CoveyLink and of the FranklinCovey Global Trust Practice, and the author of the New York Times bestselling book, *The Speed of Trust*. A sought-after and compelling keynote speaker, author, and advisor on trust, leadership, ethics, culture, and collaboration, Covey speaks to audiences around the world. A Harvard MBA, he is the former CEO of Covey Leadership Center, which under his stewardship became the largest leadership development company in the world. Covey resides with his wife and children in the shadows of the Rocky Mountains.

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Turn the Ship Around!

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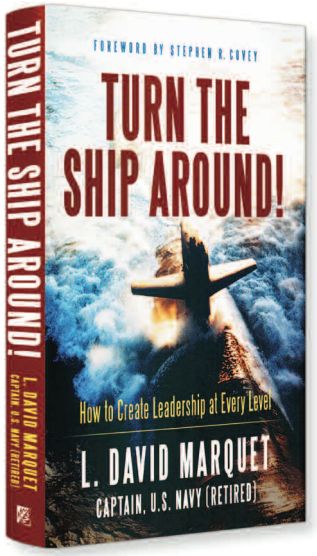
Turn the Ship Around!

How to Create Leadership at Every Level



by L. David Marquet

THE SUMMARY IN BRIEF

How would you like to work in a place where everyone around you is totally engaged and contributing their full intellectual capacity; a place where people are healthier and happier because they have more control over their work; a place where everyone is a leader?

A nuclear-powered submarine would seem an unlikely place for a new model of leadership to be forged, especially aboard the USS *Santa Fe* — dogged by poor morale, poor performance and the worst retention in the fleet. That is, until David Marquet took command.

Turn the Ship Around! is the story of how Marquet took the ship from worst to first by challenging the U.S. Navy's traditional leader-follower approach and implementing his own framework of leader-leader. The results revolutionized the field of leadership, as each member of Marquet's crew became a leader and assumed responsibility for everything he did, from clerical tasks to crucial combat decisions.

By embedding goodness in the practices and people, *Santa Fe* continued to win awards and promoted a highly disproportionate number of officers to submarine command. Stephen R. Covey visited the *Santa Fe* and called it the most empowering organization he'd ever seen.

No matter your business or position, you will benefit from the leadership approach developed on board the USS *Santa Fe*.

IN THIS SUMMARY, YOU WILL LEARN:

- A framework for implementing change in any organization, one of acting your way to new thinking.
- That if you want people to think, you need to "give control, create leaders" not "take control, attract followers."
- You will learn the two requisite pillars for properly giving control without causing chaos.

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THE COMPLETE SUMMARY: **TURN THE SHIP AROUND!**

by L. David Marquet

The author: A top graduate of the U.S. Naval Academy, L. David Marquet commanded the nuclear-powered, fast-attack submarine USS *Santa Fe*, turning the crew from "worst to first." *Santa Fe* earned numerous awards for being the most improved ship in the Pacific and the most combat-effective ship in the squadron.

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For additional information on the author, go to www.summary.com or turntheshiparound.com

Introduction

Between my first and second deployments on the USS *Sunfish*, we got a new captain, Commander (later Rear Admiral) Marc Pelaez. One day I saw a large merchant ship through the periscope. Sonar had been listening to it but they were not sure of its range because they had been authorized only for passive listening, the normal mode for submarines. I mused with the sonar chief how helpful it would be if they could ping the merchant using active sonar, something we rarely did. Captain Pelaez appeared beside me. "Well, why don't you?" Of course he knew the reason — it takes the captain's permission to authorize going active on sonar. Sensing my discomfort, he said, "Why don't you just say, 'Captain, I intend to go active on sonar for training.'"

"Captain, I intend to go active on sonar for training."

He responded "Very well," and disappeared, leaving me standing alone and in charge for the first time.

For the next half hour, we pinged away using all the combinations of pulses we could. The sonarmen loved using their equipment in novel ways. The sonar chief loved training his men. I loved it. That taste of authority and ability to craft my watch team's training was a powerful tonic for me.

When I took command of the USS *Santa Fe*, its crew were at the bottom of the fleet — technically, operationally, and emotionally. Within a year, the situation was totally turned around. We went from worst to first in most measures of performance, including the one I valued most: our ability to retain our sailors and officers.

We need to reject leader-follower as a model and view the world as a place for leaders everywhere to achieve this vision. ●

Part I: Starting Over

I hoped to bring the passion I experienced on *Sunfish* to the USS *Will Rogers*. Rather than telling everyone what we needed to do, I would ask questions about how they thought we should approach a problem.

Things did not go well. During the maintenance period, we made several errors that required us to redo work.

Things got worse. I had wanted to give my team more authority and control, but my heart wasn't in it after we made a series of technical errors. I didn't understand that the team I'd inherited did not have the requisite technical competence to make higher level decisions and I hadn't trained them to the new level. I would give decision-making control to my people, but they'd make bad decisions. I went back to leading in the way I'd been taught. Simply exhorting people to be proactive, take ownership, be involved and all the other aspects of an empowerment program just scratched the surface. I began to seriously question the image of sea captain as "master and commander." I began to wonder whether everything I'd been taught about leadership was wrong.

Business As Usual

Several years later I was assigned to command the submarine USS *Olympia*. I received a year-long course specifically tailored to the submarine. The officers leading PCO (prospective commanding officer) training were hand-selected from among proven captains; Captain Mark Kenny led my group and inspired us to great learning as well as introspection. Every day we learned about our submarines and ourselves.

I went on a short cruise around Hawaii as a final vacation just before the change of command ceremony for

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Olympia. In those days it was unusual to receive a call from shore and I assumed it was an internal call. I was startled to hear a crackly voice on the other end inform me that my change of command was canceled. I would be taking over the *Santa Fe* instead.

I was panicked. The foundation of my leadership approach, my technical competence, was for the wrong submarine.

Change of Course

In contrast to the *Olympia*, *Santa Fe* was the ship we all joked about. A damning photograph of *Santa Fe*'s inattentive crewmen had been released on the Internet the previous year. It was used as a training example of how not to be. *Santa Fe* was the ship that had trouble getting under way on time. And *Santa Fe* had the worst retention in the submarine force: in 1998, for example, it re-enlisted only three crewmembers.

My challenge would be to use the same people and, by changing the way they interacted and behaved, dramatically increase the combat effectiveness of *Santa Fe*.

Maybe this was the chance to set the crew free from the top-down "do what you're told" approach to leadership. Maybe this was the opportunity of a lifetime. Of course, I would be solely responsible and, if *Santa Fe* weren't ready, it would be my fault and likely my job.

Frustration

When I arrived on *Santa Fe*, mostly I got mumbles or grunts and a lot of men looking down at their shoes. These guys were beaten. They had been told over and over that they were the worst ship in the submarine force, and they believed it.

Walking the ship I would ask the crew questions. They would be skeptical of these questions initially. That's because normally I would have been "questioning," not curious. I would have been asking questions to make sure *they* knew the equipment. Now I was asking questions to make sure *I* knew the equipment.

The impact of this focus on people was that I was going to have to rely on the crew to provide me with the technical details about how the submarine worked. This went against every grain of my naval leadership and scientific training.

If you walk about your organization talking to people, I'd suggest that you be as curious as possible.

Call to Action

I attended a department head meeting, a routine review of maintenance issues. Lieutenant Dave Adams, the weapons officer (Weps) briefed a problem with the vertical launch system. After the meeting, I followed Dave to his stateroom.

"Weps, you seemed a bit frustrated."

"Look, Captain, I have a vision of how I want this department to operate." As I listened to him tell me about how he wanted things to be, I became more and more enthusiastic and impressed. Unfortunately, he was being ignored. In essence, Dave was describing a problem inherent in the leader-follower model, although he didn't use those words.

Dave wasn't the only frustrated officer. The crew's pain and frustration were providing me with a tremendous call to action. I resolved that we would turn everything on its head.

'Whatever They Tell Me to Do!'

I stopped to chat with a first class petty officer on watch in the engine room.

"Hi, what do you do on board?" By asking open-ended questions like this, I could better gauge what the crew thought their job was.

"Whatever they tell me to do," he immediately replied with unmistakable cynicism. That was the attitude all over the ship. This attitude pointed to the reality that the fundamental structure of leader-follower was the problem on board ship.

Another thing bothered me. Who, exactly, was the "they" in the statement "whatever they tell me to do"? Wasn't they, us?

I could also see the costs of leader-follower in the lack of initiative, the waiting for others and the department heads' paralysis.

Everything would have to change.

I thought back to my introduction to *Santa Fe* and took stock of what we had going for us.

First, the crew wanted change, even if they didn't know quite how to do it.

Second, we had an incredibly supportive chain of command.

Third, my reliance on the crew for the specifics of how the boat operated prevented me from falling into old habits and the trap of leader-follower.

Finally, it seemed clear that the crew was in a self-reinforcing downward spiral where poor practices resulted in mistakes, mistakes resulted in poor morale, poor morale resulted in avoiding initiative and going into a survival mode of doing only what was absolutely necessary. To break the cycle, I'd need to radically change the daily motivation by shifting the focus from avoiding errors to achieving excellence. ●

Part II: Control

A submarine has a built-in structure whereby information is channeled up the chain of command to decision makers. Instead, we were going to deconstruct decision authority and push it down to where the information lived. We called this: Don't move information to authority, move authority to the information.

If I started at the top, with the XO (executive officer), COB (chief on board) and department heads, we would be using a top-down approach to implement a bottom-up leadership philosophy. That was inherently contradictory. The junior officers weren't a good place to start because they had lost credibility in the command and would still have to learn the basics of leadership. Starting at the bottom, with the junior enlisted men, probably wouldn't work either. There was too much distance between them and me. So here I was with the chiefs.

"Men, we say the chiefs run the navy. Is this true on *Santa Fe*?"

Reflexively they answered, Yes! Uh-huh. Of course!

"Really?"

Well, came the second round of answers, as most of them looked at the floor. Apparently not so much on *Santa Fe*.

In reversing years of the leader-follower system's erosion of the chiefs' authority, the chiefs on board *Santa Fe* — now under my command — would be going against the grain. I wanted to make sure they deliberately decided to take charge.

I asked, "Do you want to?"

Reflexively they answered, Yes! Uh-huh. Of course!

"Really?"

And that's when we began to talk honestly about what the chiefs running the submarine would mean.

They would be accountable for the performance of their divisions. It would mean being intimately involved — physically present in most cases — in the operations of the ship and in each activity.

'Welcome Aboard *Santa Fe!*' How to Create Cultural Change

We had hundreds of things to fix and they all seemed to need fixing immediately. Some of our laments were that morale was low, enthusiasm was low and energy was low. I asked the officers how we would know if the crew were proud of the boat. What would we observe?

Some of the responses were: They'd brag about it to their family and friends! They'd look visitors in the eye when they met them in the passageway! They'd boast to their friends on other submarines!

Well, what if we just tell them to act that way? Could we act, or talk, our way into a new way of thinking?

So, when a member of the crew saw a visitor on our boat, he was to greet the visitor using three names — the visitor's name, his own name and the ship's name. For example, "Good morning, Commodore Kenny. My name is Petty Officer Jones. Welcome aboard *Santa Fe*."

When you're trying to change employees' behaviors, you have basically two approaches to choose from: change your own thinking and hope this leads to new behavior or change your behavior and hope this leads to new thinking. On board *Santa Fe*, the officers and I did the latter.

Under Way on Nuclear Power

The crew was still focusing too much on complying with regulations rather than working to make our submarine the most operationally capable warship possible.

A typical example involved the preparation of the underway charts. The charts were perfect in that they complied with all the rules and regulations. They were irrelevant because I knew we wouldn't be using the route they proposed. They plotted the navigationally better route, which was north of Molokai. This was open water and the fastest route, but it wasn't the way the enemy submarine would go and, hence, wasn't the way we needed to go.

None of the reviews up the chain of command noted this problem because the reviews were all focused on making sure the charts were navigationally and procedurally correct, not on enabling *Santa Fe* to be an operationally effective warship. In short, the reviews were focused on avoiding errors as opposed to accomplishing something. There was another human tendency working against us as well. Subordinates generally desire to present the boss with a "perfect" product the first time. Unfortunately, this gets in the way of efficiency because significant effort can be wasted. We decided that at each phase in the review process the navigator or assistant navigator should talk to me. These would be quick conversations. Even a 30-second check early on could save numerous hours of work.

'I Intend to …'

During our first time at sea, we ran an exercise ourselves. The drill was simple. The engineer would shut the reactor down with a simulated fault and the propulsion would be shifted to an auxiliary electric motor, the EPM (electric propulsion motor), during the repair.

I nudged the OOD (officer of the deck), my senior department head, Lieutenant Commander Bill Green and suggested we increase speed from "ahead one-third" to "ahead two-thirds" on the EPM to give the nuclear trained enlisted men (nukes) more to worry about.

"Ahead two-thirds," he ordered. Nothing happened.

I asked the helmsman what was going on.

"Captain, there is no ahead two-thirds on the EPM!"

I applauded the helmsman and grabbed Bill. I asked him if he knew there was no ahead two-thirds on the EPM.

"Yes, Captain, I did."

"Well, why did you order it?"

"Because you told me to."

He was being perfectly honest. By giving that order, I took the crew right back to the top-down command and control leadership model. That my most senior, experienced OOD would repeat it was a giant wake-up call about the perils of that model for something as complicated as the submarine.

Thereafter, the goal for the officers would be to give me a sufficiently complete report so that all I had to say was a simple approval. In effect, by articulating their intentions, the officers and crew were acting their way into the next higher level of command.

Up Scope!

Emergency situations required snap decision making and clear orders. When you follow the leader-leader model, you must take time to let others react to the situation as well. You have to create a space for open decision by the entire team, even if that space is only a few minutes, or seconds, long.

When issues aren't foreseen, the team doesn't get time to think about them; a quick decision by the boss is required, which doesn't train the team. No one has the time to actually think through the issue. There are few ways to try to get your teams thinking for themselves:

- If the decision needs to be made urgently, make it, then have the team "red-team" the decision and evaluate it.
- If the decision needs to be made reasonably soon, ask for team input, even briefly, then make the decision.
- If the decision can be delayed, force the team to provide inputs. Do not force the team to come to consensus. Cherish the dissension. If everyone thinks like you, you don't need them.

Who's Responsible?

Like every other submarine, we would have weekly "tickler" meetings where the department chiefs and department heads would sit in the wardroom going through the binder page by page. Of course, none of this activity actually resulted in getting it any of the work done; it simply allowed us to catalog what we were supposed to do. There is no requirement to maintain a tickler, only a requirement to get the work done.

We unburdened ourselves of the effort of maintaining the tickler. This had two advantages. First, it would be most efficient because the work would be getting done without the overhead of maintaining the tickler and those darned tickler meetings. Second, there would be no illusion about who was responsible for the performance of the departments: the department heads were!

Don't preach and hope for ownership; implement mechanisms to actually give ownership. Eliminating top-down monitoring systems will do it for you.

'A New Ship'

Think out loud is a mechanism for control because when I heard what my watch officers were thinking, it made it much easier for me to keep my mouth shut and let them execute their plans. It was generally when they were quiet, and I didn't know what they would do next, that I was tempted to step in.

There's no room in our military language for the kinds of context-rich conversations that are critical to good team performance. We aren't comfortable talking about hunches or gut feelings or anything with probabilities attached to it. In order to make the fewest mistakes when reporting on things, we say as little as possible. This is a problem throughout the submarine force, and we worked hard to encourage the entire crew to say what they saw, thought, believed, were skeptical about, feared, worried about, and hoped for the future. We realized we didn't even have a language with which to express uncertainty and we needed to build that.

'We Have a Problem'

Before things got a lot better, they got worse. A sailor had energized breakers on the pier after the conditions for energizing them had been met (so there was no hazard), but he hadn't cleared the red tag before doing so (indicating we were just lucky). You don't want to be accidentally safe. No one was hurt. Nonetheless, the engineer said he would report the problem up the chain, to both Squadron 7 and Naval Reactors. There was guidance on what kind of problems should be reported. This seemed to fall on the border, and I was tempted to handle it "in-house."

Lieutenant Commander Rick Panlilio was adamant — and he was right. We set up the critique for the next day, and Panlilio called his counterparts at Squadron 7 and the Naval Reactors office and invited them to the critique. We called this idea of being open and inviting outside criticism "Embrace the inspectors."

We applied "embrace the inspectors" not only to one-time critiques and problems, such as the shore power mishap, but also to entire inspections. We would utilize the inspectors to disseminate our ideas throughout the squadron, to learn from others, and to document issues to improve the ship. This mechanism sends the signal that we are in charge of our destiny, not controlled by some force. In other words, the crew of *Santa Fe* are responsible for *Santa Fe*. As a result, *Santa Fe* was getting superior grades on inspections.

Part III: Competence

One of the two pillars that support control is competence. Competence means that people are technically competent to make the decision they make.

We decided that when operating a nuclear powered submarine, we wanted people to act deliberately and we decided on "take deliberate action" as our mechanism. This meant that prior to any action, the operator paused and vocalized and gestured toward what he was about to do. Only after taking a deliberate pause would he execute the action.

I believe "take deliberate action" was the single most powerful mechanism that we implemented for reducing mistakes and making *Santa Fe* operationally excellent.

'We Learn.'

We had been taking actions that pushed authority down the chain of command, but as authority is delegated technical knowledge at all levels takes on greater importance.

If all you need to do is what you are told, then you don't need to understand your craft.

Fundamentally, this is where I think I failed on the *Will Rogers*. I had tried to push authority and control, but the technical competence of the engineering department, accustomed to being given specific guidance, had atrophied. I had assumed the requisite level of technical competence and I hadn't taken the necessary steps.

With the perspective of needing to increase technical competence, we thought about the simple reality "we learn," and that's what we adopted. It was something that every member of the crew did every day. It seemed to be the basic element that unified all of our actions.

We needed to take every opportunity to learn, so I intended to run some unexpected casualty drills, including simulating that certain gauges had malfunctioned.

It didn't go well. Given unexpected indications, the team got confused. People took wrong actions initially, and took too long to determine and correct the source of the problems.

Afterward, we gathered for a debrief, during which I simply asked, "What happened? The chief briefed the procedure."

"Captain, no one listens to those briefings."

"What do you mean?"

"Well, you come on watch, sit in the chair and, when the chief starts reading from the book, you're thinking, 'I really know how to do this,' so you don't listen too hard."

That described a phenomenon I've seen many times. A briefing is a passive activity for everyone except the briefer. From that point on we would do certifications. Certifications shift the onus of preparation onto the participants. The change from passive briefs to active certification changed the crew's behavior. We found that when people know they will be asked questions, they study their responsibilities ahead of time.

Final Preparations

A fire on a submarine was one of the most life-threatening accidents we could have. Studies showed we needed a fire hose applying water to a fire within two minutes. The engineer had briefed the drill monitors that a simulated fire would be in the storeroom just aft of the crew's mess.

The closest fire hose on *Santa Fe* was in the passageway just forward of the crew's mess, about 50 feet from the fire's location. It should have been easy. The fire was detected and the alarm was sounded. What happened next? Well, the nukes scattered, running right by the hose. The crew member assigned to that particular hose couldn't even get to the hose because there were so many nukes in the way.

This was another example of where the procedure had become the master and not the servant. The motivation had shifted from putting the fire out to following the procedure.

We attacked the motivation problem. We authorized the drill monitor at the scene to adapt the drill based on the crew's response. Now, the crew was motivated to attack the fire unencumbered by administrative disincentives and distractions.

I explained to the crew that our objective was to put the fire out and I didn't care who was on the hose. Now, when the alarm sounded, the closest man self-organized to achieve the goal.

Specifying goals, not methods, is a mechanism for competence. In our case, this was because the crew was motivated to devise the best approach to putting out the fire. Once they were freed from following a prescribed way of doing things, they came up with many ingenious ways to shave seconds off our response time.

The problem with specifying the method along with the goal is one of diminished control. Provide your people with the objective and let them figure out the method. ●

Part IV: Clarity

Clarity is the second supporting leg — along with competence — that is needed in order to distribute control. Clarity means people at all levels of an organization clearly and completely understand what the organization is about. This is needed because people in the organization make decisions against a set of criteria that includes what the organization is trying to accomplish. If clarity of purpose is misunderstood, then the criteria by which a decision is made will be skewed and suboptimal decisions will be made.

Under Way for Deployment

We'd done it. We were ready to deploy, two weeks early.

"Look, we're going to be gone for six months," Panlilio advocated. "We should encourage each person in the crew to establish personal goals — take courses, read books, exercise, that kind of thing."

We decided to let the chiefs talk to their sailors about their individual goals, but we'd define some shipwide goals for everyone to focus on during the deployment. We came up with three themes: empowerment, efficiency and tactical excellence.

Prior to the September advancement exam, we gave full practice advancement exams. Rather than looking at the advancement process as a separate activity, we integrated it into the operations of the submarine. Now all our interests were aligned.

Our efforts to improve the petty officers' performance on the advancement exams paid off. Months later, the COB walked in with a smile. He handed me the advancement results. Overall in 1999, we advanced 48 enlisted men — 40 percent of the enlisted crew. By explaining the process to the crew and giving them the tools to improve their performance, we empowered them to determine their own success.

A Remembrance of War

As submariners, we have a tremendous legacy, but no formal program for inspiring a crew with that legacy. On board *Santa Fe*, we adopted several practices that would connect us to this rich legacy and educate the new members of the crew about what the submarine force had accomplished during World War II. It helped provide organizational clarity into what we were about — the why for our service.

Leadership at Every Level

On deployment, we had the time to finish the job of defining our guiding principles. I wanted to make the guiding principles real. If I was a crew member faced with deciding between two different courses of action, would these principles provide me the right criteria against which to select the appropriate course of action?

Guiding principles have to accurately represent the principles of the real organization, not the imagined organization. Falseness in what the organization is about results in problems.

I have seen this in an organization that talked about safety first, but whose real interests were in profits. Not acknowledging that they would balance safety with profits resulted in miscommunication, lack of credibility and unaligned decisions.

A Dangerous Passage

On the first night, as we were passing the lights of Singapore to our starboard, I noticed a dim light moving across us.

Panlilio, the OOD, shouted, "all back emergency, right hard rudder!"

Immediately the ship started shuddering as the throttleman back in maneuvering shut the head throttles and rapidly opened the astern throttles, reversing the main engines. The light was a dimly lit tugboat, with the tug on one side of our path and its tow on the other.

We barely stopped short of the tow line between the tug and barge. I was shaken.

I grabbed Scott Dillon, who maintained the supply of awards, and asked him to get me a Navy Achievement Medal. I returned to the crew's mess and pinned it on the throttleman while he and the watch team ate breakfast. I spoke words of appreciation and professionalism. Later, I would formally report his exemplary service, but

the immediacy of the recognition was important. Use immediate recognition to reinforce desired behaviors.

Looking Ahead

Customarily, selection boards read performance evaluations filled with words like "significantly improved procedural compliance," which are basically meaningless. The evaluations of the officers on *Santa Fe*, on the other hand, would report "reduced critiques by 43 percent, reduced percent of the crew smoking by 12 percent, increased on-time performance by 31 percent," and so on. I believe the ability to specifically quantify accomplishments went a long way toward allowing us to boast disproportionately high selection rates.

Using hard data was an effective way of proving we had achieved the end we had in mind.

As you work with individuals in your organization to develop their vision for the future, it is crucial that you establish specific, measurable goals.

Combat Effectiveness

Are you looking for resilience in your organization? We realized that resilience and effectiveness sometimes meant questioning orders. Encourage a questioning attitude over blind obedience.

I entered the control room, where things were strangely calm. Surely my guys knew that if we moved out of position it would make it much harder for us to find the SEALS and for them to find us. The OOD on the bridge had already ordered "Ahead one-third."

I looked at the digital chart. A little arrow indicated our direction of motion, and it was pointing slightly toward the beach. I thought, "We don't want to go ahead, we need to back out." So I shouted out, "That's wrong. We need to go back."

Sled Dog was standing quartermaster. There was a pause and silence for half a second, then he said frankly, "No, Captain, you're wrong."

It dawned on me. The bow was pointing away from land and we were being set astern. That was what the arrow on the digital chart was showing. And I remembered that the watch team had planned it this way, with the bow out, in case we needed to make a quick getaway.

Moments later we saw the Zodiacs. Had the men followed my order, we would have gone in the wrong direction; we might've missed them.

A New Method of Resupplying

We had an ensign on the periscope, Armando Aviles. He was brand-new. He was enthusiastic and unconstrained from knowing how the "real navy" works. This worked to our advantage.

After listening to a discussion about our need for oil, Ensign Aviles chimed in. "Hey, that's the AOE [a navy fast-resupply ship]. Why don't we just ask them for some oil?" I looked at the periscope display and, sure enough, there the fast combat support ship USS *Rainier* was transiting through the Strait of Hormuz several miles away.

If you wanted to resupply from *Rainier* you would request it be added to the DIM (daily intentions message). This needed to happen at least 36 hours before the planned event. You didn't just "call up" and get supplied. Except in this case, we did. Sure, why not, I thought. What can we lose?

Not only did *Rainier* send the oil we needed, they sent newspapers and fresh fruits and vegetables as well.

What we need is release or emancipation. Emancipation is fundamentally different from empowerment. With emancipation, we are recognizing the inherent genius, energy, and creativity in all people, and allowing those talents to emerge.

Ripples

Now, years later, I can see that implementing leader-leader on *Santa Fe* achieved two additional accomplishments that weren't immediately knowable.

First, the ship continued to do well long after my departure. Since we embedded the goodness of how we did business in the practices and people, that goodness persisted beyond my tenure.

The other accomplishment was that we developed additional leaders in numbers widely disproportionate to the statistical probabilities.

This is the power of the leader-leader structure. With this model you can achieve top performance *and* enduring excellence *and* development of additional leaders.

If the leader-leader model can work on board a nuclear submarine, it can work for you. ●

RECOMMENDED READING LIST

If you liked *Turn the Ship Around!*, you'll also like:

1. ***The 8th Habit* by Stephen R. Covey.** Covey writes that accessing a higher level of human genius and motivation requires a change in thinking: a new mind-set and skill set.
2. ***It's Your Ship* by D. Michael Abrashoff.** Abrashoff shares his experiences commanding a guided missile destroyer, and how he focused on making his warship more effective and getting the most from his crew.
3. ***The Orange Code* by Arkadi Kuhlmann and Bruce Philp.** Kuhlmann and Philp discuss their unconventional approach to business strategy and leadership that built ING Direct.

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Turnaround

Lisa Gable

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Executive Book Summaries®

Turnaround

How to Change Course When Things Are Going South

by **Lisa Gable**

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THE SUMMARY IN BRIEF

Is your once-thriving organization stuck? Is your team on life support, unable to deliver on its potential? Is your initiative or campaign limping along instead of sprinting ahead? In ***Turnaround,*** Lisa Gable, turnaround mastermind, offers a clear-headed, straightforward method for getting you back on track.

For more than 30 years, Lisa Gable has been called to turn around failing organizations and solve seemingly intractable problems. From Silicon Valley to Washington DC, she's seen it all. Over time, she's learned that the key to course-correct when things go south is applying the discipline of process engineering—carefully re-evaluating everything your organization does and how it does it—with diplomacy and humanity, taking care of relationships, and forging strong partnerships.

At a time when dizzying innovation cycles, hyper-competition, and a global pandemic have made survival more challenging than ever, Gable's time-tested and industry-proof method in ***Turnaround*** will give you the tools to turn your ship around and chart a course to success.

IN THIS SUMMARY, YOU WILL LEARN:

- A simple, powerful four-step method for breathing new life into the most troubled ventures.
- Why a successful turnaround requires breaking down the past.
- Strategies for mapping out critical decisions and actions.
- To set aggressive goals and form the partnerships you need.

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Introduction: The Turnaround Method

You are sitting in a conference room at eight o'clock at night, and you can't see the light at the end of the tunnel. The engineers in your team are reworking the timeline, and once again, the product will not be shipping on time. You keep running the numbers, but they don't add up. Your boss is going to be upset.

Every day, projects, teams, and organizations find themselves stuck with a seemingly intractable problem. The product is on life support and bleeding money. The team is exhausted by never-ending drama. The organization is hobbled by competition. A revolving door of project leads, managers, consultants, and leaders tried to fix the problem. No one seems to be able to turn the situation around.

Why Things Go South

To solve a complex problem, you must turn it on its head. You should ignore the popular recommendations or knee-jerk reactions for how to solve it. Instead, you must try relentlessly to understand the underlying cause of the problem—especially if no one has been able to fix it after many attempts.

Here are the seven most common reasons why projects, teams, and organizations go south:

- They are built on haphazardly designed processes and structures.
- Those in charge believe more money can solve everything.
- The economics of the business make the end goal impossible.
- They are stuck in a cookie-cutter approach to culture and management.
- Their leaders make self-interested and empire-building decisions.
- Their founders overstay their welcome.
- Their leaders don't recognize the project, team, or organization is at an end point.

In 2020 and 2021, the COVID-19 pandemic caused massive disruption, exposing organizations and projects that were suffering from these seven problems and leaving them in even more perilous shape. When your project, team, or organization is built on haphazardly planned systems and processes, when you are stuck operating in outdated ways, and when your leaders make decisions from a place of ego and not with the entities' best interests at heart, a disruption of this kind can be the nail in the coffin. Sadly, for many, the pandemic was just that.

But it doesn't have to be this way. If your project, team, or organization is worth saving, you can turn it around, even in the direst situations.

The Turnaround Method

There are four straightforward but rigorous steps that you must take to pull off a successful turnaround:

- **Step 1. Visualize the future**. Stop thinking of the problem and tweaking what's already there. Instead, focus on where you want to end—on your future perfect scenario.
- **Step 2. Break down the past**. Analyze what is working today and can help bring your new future to life—and what is not and needs to go.
- **Step 3. Create a path from present to future**. Map out the critical decisions that you need to make—and build the right team to move forward with them.
- **Step 4. Execute with speed, confidence, and heart**. Set aggressive goals and partner well so you can speed ahead to your goal. You've got a plan—now run with it.

Although this method may appear simple, it demands strength and conviction. It's not easy to point your compass in a new direction and change course. It requires making bold decisions, adhering to a process that many around you will resist, and being open to collaborating with others. If you commit to the method, it can work for you.

How to Lead a Successful Turnaround

You may be the CEO of a for-profit or nonprofit organization, the head of a major division or program, the manager of a team, or the lead on a project tasked with heading its turnaround. Or you may be an individual contributor who sees an opportunity to make things better.

Regardless of your title, this is your moment to assume the mantle of leadership and become a driver of positive change. Stop looking over your shoulder for someone else to save the day. You may be the hero. As you begin leading a turnaround, consider these five recommendations:

Start the turnaround process without assumptions. If you go into a turnaround with a predetermined

> Stop thinking about your present problems and start imagining where you want your project, organization, or team to end up in the future. . .

outcome in mind, you might miss what really is making your project or organization fail.

Take the time to engage in shuttle diplomacy. The turnaround method requires a radical restructuring of your organization, team, or project. Change does not happen overnight; you'll need people on your side to get this done!

Find like-minded people to help achieve your vision. Find people who not only are process-driven and energized by the turnaround method but also have compassion and lack ego—traits that will inspire loyalty.

Don't treat every step like a battle. Turnarounds are a process, not a war. You definitely want to become the best-in-class, but your actions should focus on improving your competitive capabilities through aggressive, sustainable goals, not by pummeling your competitors with back-channel maneuvers.

Keep your commitments. You show up when you say you are going to show up—no matter how tired you are. You do everything you said you would do—no matter how inconvenient it is.

Change is hard. Leading change is even harder. You'll have to be tough to get through likely bumps along the way. But the reward—leading a successful turnaround with grace and resolve—is worth it.

Step 1: Visualize the Future

Stop Thinking About the Problem and Focus on Where You Want to End

As things are going south on a project or organization, we often get stuck, even obsessed, on specific issues or problems. We think that if we could only fix this or that, we would be able to turn this ship around. So we tweak what's already there to make it work better. When that doesn't work, we tweak another thing. The churn continues.

Although it is always good to pinpoint what's not working, focusing on fixing existing problems is not the best starting point for a successful turnaround. You can become so focused on resolving the issues in front of your nose or pointing fingers at each other that you never resolve the underlying issues affecting your results.

Stop thinking about your present problems and start imagining where you want your project, organization, or team to end up in the future—then design a path to this new vision. To visualize the future, you must

- Describe your perfect world scenario.
- Identify Job 1 (. . . and 2 and 3).
- Reframe success.
- Evangelize your future vision.

Describe Your Perfect World Scenario

If you could wave your magic wand, what is the future you would want to see? In other words, describe the perfect world scenario you want as your end point. This scenario can be as bold as you'd like.

This scenario typically leverages and maximizes a core competency that your project or organization is uniquely qualified in and that drives your position of strength. The first step to describe a future perfect world scenario is, paradoxically, to go back to the past. Understanding your project's or organization's genesis can be the key to rediscovering its core competency.

Your project, organization, or group came into existence for a reason. Whoever founded it came together around a particular purpose. Zero in on what you can do that others cannot. This is your core competency—and the key to your perfect world scenario.

To visualize a new future, it often helps to focus on your customers' or constituents' pain points. Often, in an effort to build something great, we fail to appreciate what they truly want and need—and therefore what will lead to our success.

Once you've visualized this new perfect world scenario, describe what it would look like in three years or five years or whatever time frame the scope of your turnaround de-

mands and allows. Analyze the level of investment that will be needed to get there. Clearly identify all who would be affected by this new scenario.

Identify Job 1 (. . . and 2 and 3)

Your journey to delivering your perfect world scenario is possible only if you focus everyone on your team or project on a clearly articulated and easily understood objective.

In a turnaround, you have a limited number of plays in which you can invest time and resources heavily to execute your scenario. Job 1 is your big play, the boldest objective. For Intel in the early 1990s, Job 1 focused on getting the tech industry to standardize around its platform.

For Salesforce software, Job 1 was to change the way organizations managed and tracked relationships by building a company "around one main idea: that software should be delivered 24/7 to people over the cloud."

If Job 1 is the big-ticket item, you also will need to define Jobs 2 and 3, the key deliverables that will create the change. Think of them as the backup singers to your vocalist.

Reframe Success

If you are in the middle of a turnaround, that means the old standards of operating, measuring, and defining success are no longer working. It is time to hit the reset button. To do that, you need to define new basic operating standards for your organization, project, or program.

Increasing deliverables while reducing costs is table stakes in a turnaround, no matter your industry or sector. If you are a tech company, you need to increase the value of your tech offerings while reducing costs. If you are running a project within your organization, you need to increase its effectiveness while reducing costs or resources, such as time invested.

When you are in the middle of a turnaround, it is also important to establish basic operating standards for how you conduct business. That means identifying values that you want to incentivize to achieve your goals and translating those values into an established norm or a code of conduct for how you engage and treat each other, your partners, and your customers.

When you reframe success by establishing new basic operating standards, you also are providing guidelines for how everyone in the organization can do well and contribute to accomplishing Jobs 1, 2, and 3.

Evangelize Your Vision

Once you've visualized the future, you have to bring everyone into the vision. You will be more effective speeding toward your goal if you don't have to battle people along the way. Focus on winning hearts and minds, and get people to buy into the future that you are visualizing.

As you recruit more people and partners to support your efforts, evangelizing your vision requires three strategies:

- **Getting buy-in from as many people as possible**. To get buy-in, first you must identify the needs of every key player.
- **Engaging new allies, including those who in the past might have been competitors or detractors**. Identify the allies you need to publicly support your vision. Those allies might be peers or other organizational leaders. Assess them carefully.
- **Carefully building trust and relationships with those who will be affected by your actions**. Building trust is never easy nor quick. It requires consistent due diligence in your dynamics and a fundamental shift in behavior as you develop a relationship over an extended period.

Step 2: Break Down the Past

Figure Out What Still Works and What No Longer Does

No matter what turnaround you are managing, once you've visualized the future of the project, group, or organization you are transforming, you need to break down the past. You must examine the project's or organization's current assets—the products, services, programs, tools, processes, campaigns, etc.—and identify those pieces that no longer fit and those that are critical to filling any gaps.

All too often, we are brought in or find ourselves in a position to turn around a problem project that everyone knows is heading south, but no one seems able to articulate why. Instead, we say, "It's a mess" or "It's losing money." We can see the symptoms but haven't dug deep into the level of detail required to diagnose correctly what's wrong or to prescribe the right treatment. Conducting an audit of a project's or organization's assets helps us do that.

Conduct a Thorough Audit of All Assets

To break down the past, you first must conduct a thorough

audit of all the assets you are working with. Perhaps this seems like an unnecessary step. After all, you know the products, services, fundraising, and marketing campaigns in your organization or project inside and out.

Go deeper. Identify all the efforts that your project, team, or group currently engages in. That can be a long list: Yes, it includes every product or service, campaign or program, as well as your processes (how you handle your sales); initiatives (what initiatives you make to reach a certain audience); external communication efforts (via websites, email lists, and social media); customer support (how you help your internal or external clients); and tools (what software keeps track of your products launch).

Group the assets by the outcome they are involved in producing. For example, you might have a bucket of assets focused on attracting a particular type of customer. This bucket might contain advertising collateral, social media posts, and descriptions of customer service processes focused on that customer demographic.

Assess the Value of Every Asset

Analyze the value of your assets, and determine how well they support yours. You'll need to

- Quantitatively rank and rate assets based on whether they generate revenue or expenses and on their cost inefficiency.
- Evaluate how the assets are perceived or valued internally and externally.
- Benchmark the performance of your assets against similar ones you consider best-of-class.

As you redesign and reimagine how to deploy your assets, understanding their true financial impact, their perceived value inside and outside the organization, and how well they stack up against the competition will help you decide what assets are worth keeping and which you need to ditch.

Keep or Toss: Decide What Stays and What Must Go

Once you've made a comprehensive list of all the assets—the products, services, programs, tools, processes, campaigns, etc.—and have assessed their financial impact, how they are perceived internally and externally, and how they measure up against those from competitors, you need to identify which of these assets will help you achieve Jobs 1, 2, and 3 and which will get in your way.

To do so, classify each asset as

- **Must-have**—assets that will be critical to realizing your new vision;
- **Nice-to-have**—assets that align with your new vision but are either too resource intensive or relatively more expensive than must-haves;
- **Must-go**—assets that are too expensive and cost inefficient or simply don't help you achieve your new priorities (Jobs 1, 2, and 3).

Of course, deciding between the nice-to-haves and must-goes is not easy. Every project, group, or organization has at least a few assets to which people feel a strong attachment internally or externally. But you can't keep inefficiencies or assets that dilute your effectiveness or the ability to realize your new future. If an asset does not allow you to increase your outputs while reducing costs, then you should let it go.

If an asset does not allow you to increase your outputs while reducing costs, then you should let it go.

Reassure Employees, Partners, Customers, and Your Community

As you make decisions about what assets to keep and which to let go, it's important to understand how these choices affect others and how they are perceived by employees, partners, customers, and the community.

Change brings anxiety. People feel bounced around as their reality shifts, and uncertainty grows. They become cynical and wary. They are fearful about maintaining their livelihood or losing a project that made them love their job. Any party with a vested interest in your project's, team's, or organization's success will need to trust that the tough, sometimes draconian decisions you're making will truly lead to a better future.

Above all, building trust requires

- **Acting with transparency**. When you are making decisions about what assets to keep and what has to go, be prepared to talk openly about the changes and why they are necessary.
- **Leading with numbers**. When communicating about the assets you'll need to abandon, focus on the financials. Numbers do not lie and often speak for themselves.
- **Being direct**. Once you've identified an asset that needs to go—say, an expensive program that no longer delivers as much value as it used to—rip the bandage off. Don't let people build false hopes that the asset can be saved.

Step 3: Create a Path From Present to Future

Map Out Critical Decisions and Actions Needed

Now it's time to decide how you will use your remaining assets and evaluate whether they can perform at the levels needed to get Jobs 1, 2, and 3 done. This requires making critical decisions about where to invest resources, what to promote, and what is your baseline requirement to operate.

While you may have a clear picture of these assets and their moving parts, your team members who focus on keeping the fires burning and the trains running on time while you are out evangelizing your new vision may not. You need to systematically bring them along on the journey, helping them understand the role the assets play and giving them clear direction on how to move forward.

A decision tree is a visual tool that helps you and your team make decisions about the remaining assets and lets everyone see clearly the assets that you don't have and that need to be developed to reach your goals. They also help you determine where to allocate your most valuable resource—your people—and where those people might no longer be needed.

Create a Decision Tree

A decision tree is essentially a flow chart, a yes/no visualization process. The idea is to group the assets you were left with after your audit in categories and run them through three essential questions. Each question forces you to answer "yes" or "no."

The answers help you (1) make decisions about which categories to pursue more strongly; (2) determine which assets have the most potential to provide value and where you should invest the most resources; (3) identify opportunities where you can extend the value or revenue generation of an asset. As you answer these questions, your new business framework will begin to emerge.

Here's how to create a decision tree, step by step.

Step 1: Group assets in categories. The first step to building a decision tree involves grouping your remaining assets once more. This time, however, you will group assets that are alike. Some typical categories for your groupings include products (all products, services, and offerings); media and marketing exposure (your logo, website, promotional campaign, etc.); and joint ventures (your partnerships).

Next, identify the target market and the size of that market for each asset. Once you've identified the categories and listed the corresponding assets under each, start asking the following questions.

Step 2. Does the asset meet baseline requirements needed to compete? Understand where you are now with each asset and what investment levels are required for you to own the space they operate in. In addition, determine whether your assets meet baseline operational needs, that is, to support the day-to-day tasks necessary to carry out the basic activities of your project or organization.

As you are accelerating toward your new vision, you still need to meet these baseline requirements and customer obligations to get your product or offering out the door.

Step 3: Does the asset continue to be cost effective? As you consider the goals for your project or organization (Jobs 1, 2, and 3), you'll find that some assets that survived the first round of audits will accelerate you toward your future, while others will not. The ones that don't might look less attractive as you perform deeper cost-benefit analysis. Start by analyzing whether each asset can operate at the baseline performance level. Then determine if your operational prowess will enable you to set new strategic growth opportunities.

Step 4: Can you or should you add a new capability or new feature to existing assets? As you create your decision tree, you may determine that by rearranging or building out your assets by partnering with another organization, team, or project, you can introduce a new capability or asset that significantly increases either the revenue or

Great turnaround leaders know that you don't reach a major milestone on your own.

impact of your project or organization and allows you to realize your vision more quickly.

Analyze the core of what you are doing to determine if you are truly creating a new asset that provides a new product, service, or value—or if you are just improving the original asset or providing the same value or service in a different way.

Step 5: Is the asset a market differentiator? In each category, consider whether the asset is expected to generate significantly greater revenue or value than the cost of branding and marketing it. If it is, you have an opportunity to make several strategic moves, from extending your offerings or brand to differentiating certain product lines as premium ones.

The exercise of creating a decision tree will help you home in on your top assets. As you do, you'll have to keep tossing those that are nice-to-haves but not necessary to fulfilling your perfect future scenario.

More important, whenever you cut assets—whether they are must-goes cut during the auditing phase or nice-to-haves cut during the decision tree phase—you often have to make another set of heart-wrenching decisions: determining who in your team has the business experience that will be needed in this new business framework and who does not.

Step 4: Execute with Speed, Confidence, and Heart

Set Aggressive Goals and Foster Effective Partnerships

Competitors will always be at your heels, ready to catch up to you. Being slightly better than them is not going to cut it anymore. Otherwise you'll find yourself in a perpetual game of cat and mouse with your competition. That's why you need to run. Really fast.

Once you have a plan for how to best deploy your assets and move forward, you need to quickly and confidently execute your turnaround strategy. If you take too long debating your executional path, you will lose.

Three tools will help you move with speed and agility: setting aggressive goals, partnering with others, and leading with confidence and diplomacy.

Set Aggressive Goals

The decision trees that you created will help you identify the moves and investments you need to make to get Jobs 1, 2, and 3 done.

But to succeed, you'll also need to set Big Hairy Audacious Goals (BHAGs) for each of these jobs. Introduced by Jim Collins and Jerry Porras in their best-selling book ***Built to Last***, BHAGs are long-term goals designed to get everyone energized to meet a target that is clear and exciting. The goals themselves don't need to be audacious on the world stage. They just need to be bold in the context of your project, program, or organization. A sales manager's goal might be to increase her team's revenue by 50 percent.

To successfully set aggressive goals against your Jobs 1, 2, and 3, you must make them quantitative and public, inspire everyone in your team and beyond to achieve them, and constantly communicate progress against them.

Look for Opportunities to Partner

Great turnaround leaders know that you don't reach a major milestone on your own. No one person, team, or organization has the capacity to do everything. If you are leading the turnaround of a project within your company, you might need to partner with other departments or peers outside your group. If you are an organization, you might need to partner with another one to reach a bigger audience.

A good partner often can help you move more quickly by (1) providing a capability that you need but is too expensive to develop or acquire on your own; (2) helping you reach a market, a customer base, or a set of constituents that you don't currently have access to; (3) being better at executing in one of the areas that is not a core competency of yours.

The key to a good partnership is to identify partners who are willing to align their objectives with yours to achieve a common outcome. You need to understand your partners'

needs and find common ground. This isn't always easy, but it works. Here are some ways to ensure that your partnership succeeds and helps you meet your goals:

- Be generous in your relationships.
- Be a committed partner, but set clear boundaries.
- Celebrate collective wins.
- See the world from the partner's point of view.
- Don't move so fast you leave your partner in the dust.
- Don't take yourself too seriously.

Lead with Confidence and Diplomacy

When you set aggressive goals and partner with others to execute your turnaround strategy as quickly as possible, you are bound to hit some bumps along the road. You will be learning as you go, so there will be situations where you inadvertently make mistakes. When that happens, recognize your mistakes and own them.

This is the time when it is critical to be transparent. When you make a mistake, let your boss and other necessary stakeholders know, and lay out the actions you'll take to address them. Mature businesspeople know that some things go south, but will appreciate your transparency. Sacrifice a bit of your ego because a leader needs to be willing to take the hits in order to move everyone beyond the immediate problem.

The art of diplomacy—gentle nudging, looking for avenues to move another party to "yes"—is critical to moving quickly and nimbly. It's also exhausting. Creating and maintaining goodwill means never letting your guard down and always displaying a positive presence despite any personal frustrations you might be feeling.

To move forward confidently, avoid these pitfalls:

- **Perfectionism**. Don't let perfect be the enemy of the good.
- **Consensus**. It's important to have enough supporters on your side to execute your strategy. However, once you bring an issue to the table, talk about it, and make a decision on it, do not reopen the discussion.
- **Blinders**. Acknowledge the good things proposed by another team member, a critic, or a key stakeholder. Identify the common denominator which you can agree on as the measurement of success.
- **Opportunism**. As you execute with speed and desperately need to show progress, it is tempting to go for the quick or opportunistic win. But don't sacrifice a sustainable solution for a short-term win.

The Turnaround method not only helps you execute a turnaround but also promotes a pattern for the future. It helps you embed a new vision, core competency, and decision trees in their DNA and set them up to weather changes positively for many years.

Lisa Gable is currently the CEO of FARE, the world's premier organization fighting food allergies. She is recognized worldwide as a turnaround mastermind. As CEO of several organizations and as a former U.S. ambassador, United Nations delegate, and advisor to Fortune 500 companies, she has orchestrated and executed the successful turnarounds of well-known private and public organizations in many industries and sectors. She is highly regarded in business, political, and philanthropic circles for her ability to tackle difficult issues directly with discipline and diplomacy.

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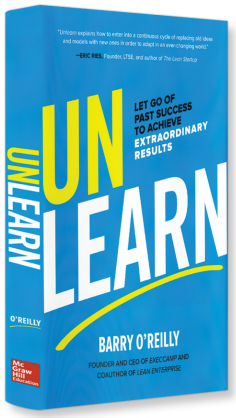
Unlearn

Let Go of Past Success to Achieve Extraordinary Results



by **Barry O'Reilly**

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THE SUMMARY IN BRIEF

There's a learning curve to running any successful business. But once you begin to rely on past achievements or get stuck in outdated thinking and practices that no longer work, you need to take a step back — and unlearn.

In ***Unlearn,*** Barry O'Reilly shows you how to break the cycle of behaviors that were effective in the past but are no longer relevant in the current business climate and now limit or may even stand in the way of your success.

This unique resource walks you through every step of the unlearning process. You'll discover new ways of thinking and leading in every industry. By intentionally and routinely applying the system of unlearning, you'll be able to adapt your mindset, adopt new behaviors, acquire new skills and explore new options that will totally transform your performance and the business you lead.

Good leaders know they need to continuously learn. But great leaders know when to unlearn the past to succeed in the future. ***Unlearn*** shows you the way.

IN THIS SUMMARY, YOU WILL LEARN:

- To unlearn the behaviors and mindsets that prevent you and your businesses from moving forward.
- To relearn new skills, strategies and innovations that are transforming the world.
- To break through and discover new information and insights that guide your behavior, perspective and mindset.

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Why Unlearn?

There comes a time in the life of every individual when doing the things that brought you success in the past no longer delivers the same results. You wake up, walk into your office and sit at your desk just as you always have. But suddenly you're stuck, stagnating, unsatisfied or struggling with what was once your secret to success.

This is the paradox of success. While thinking and doing certain methods may have brought you success in the past, it's almost certain they won't continue to bring you success in the future.

Disruption does not actually apply to organizations. The truth is it applies to *individuals*. Exceptional leaders have discovered it's not how smart they are, how much they know, how long they've been in an industry or what they have learned. It's the ability to recognize when to unlearn and when to let go of past success and their outdated thinking and behaviors, and innovate new mindsets and methods to achieve extraordinary results.

In times past, an individual's knowledge would last a lifetime. Indeed, knowledge would be passed down for many generations and still be highly useful. Yet, as the pace of innovation increases, once-useful knowledge now becomes rapidly obsolete.

The answer is not only to learn. We struggle even more to know what to let go of, move away from and *unlearn*.

Unlearning is the process of letting go of, moving away from and reframing once-useful mindsets and acquired behaviors that were effective in the past but now limit our success. It's not forgetting or discarding knowledge or experience; it's the conscious act of letting go of outdated information and actively gathering and taking in new information to inform effective decision making and action.

Consider what great leaders and the great companies they lead have in common. They have cultivated a capability within themselves to innovate, adapt and anticipate the future. They invest in experiences that enable them to grow; they seek situations that are uncomfortable, uncertain and the results unknown. They create mechanisms to experiment quickly and safely gather new information to evolve into something better.

They succeed over the long term by not holding on to what once brought them success. How they succeed isn't magical; it's methodical. It's not down to serendipity or luck — they have intentional systems.

How to Unlearn

Accordingly, unlearning isn't a one-and-done event — it's a *system*: a system of letting go and adapting to the situational reality of the present as we look to the future. It's recognizing that whatever it is that we have previously done may no longer be useful at this moment. Your mission is to develop the capability to know when to move away from outdated information, take in new information to inform your thinking, and adapt your behaviors as a result.

The Cycle of Unlearning

The system of unlearning is based on a three-step approach to individual and collective growth called the Cycle of Unlearning. Adopting the Cycle of Unlearning doesn't rely on being smart, or lucky, or desperate or all of the above. It relies only on you — your courage and commitment to use it intentionally in your work and your life to achieve extraordinary results.

Step one: Unlearn. Unlearning does not lead with words; it leads with action. You can't just say, "Yeah, of course I want to unlearn." You must first embrace your purpose by clarifying your why and your what. Why exactly do you want to unlearn? What specifically do you want to unlearn?

Do you believe this is important? Are you open to it? Are you curious? Do you agree there could be a better answer other than your own, an alternative way to achieve better results? When you can answer "yes" to these questions, then it's time to focus on the specifics of what you want to unlearn.

Step two: Relearn. There are immense challenges to relearning effectively, and we create many of these challenges ourselves. First, you must be willing to adapt and be open to information that goes against your inherent beliefs — that may be at odds with what you have always been told or taught to do. Second, you may need to learn how to learn again. Finally, you must create an environment for relearning to happen in a meaningful, yet often challenging, space outside your comfort zone.

Step three: Breakthrough. Once you learn how to relearn and open yourself up to new information flows, networks and systems from every possible source, you are poised to develop the kind of breakthrough thinking that has the potential to vault you into the lead. Breakthrough is the result of unlearning and then relearning — it's the new information and insights that come out of the first two steps of the Cycle of Unlearning. The information and insights

You don't trigger a shift in mindset by simply thinking differently; you start by acting differently.

are extremely powerful because they inform and guide your behaviors, perspective and mindset.

Unlearning the Obstacles to Unlearning

Often the most challenging obstacle to unlearning is ourselves: our old thought patterns that make us blind to new possibilities and new ways of improving. Obstacles may be internal, external or contextual, but whatever their origin, they conspire to keep us firmly stuck in the status quo. They include

- Our leadership conditioning;
- Our knowledge threshold;
- Our biases;
- Our desire to always be correct;
- Our focus on reward and recognition;
- Our ability (or inability) to deal with uncertainty and risk;
- Our curiosity (or lack thereof);
- Our environment.

The way we view success can be an obstacle in itself because success can limit our willingness and curiosity to unlearn. The more successful people are, the more fearful they become to try untested methods or alternative techniques because they're afraid their stellar record, prestige or personal brand will be destroyed.

Turning Obstacles into Opportunity

When Andy Grove was at the helm of Intel, he realized that the business they were in at the time — memory chips, which were becoming commodities — was going to die. Grove recognized that Intel was experiencing an existential threat, and he pivoted the company to the production of microprocessors, a category that Intel stole from its Japanese competitors (which had 60 percent market share) and eventually came to dominate.

Said Grove about the decision: "I looked out the window at the Ferris wheel of the Great America amusement park revolving in the distance, then I turned back to Gordon [co-founder of Intel] and I asked, 'If we got kicked out and the board brought in a new CEO, what do you think he would do?' Gordon answered without hesitation, 'He would get us out of memories.' I stared at him, numb, then said, 'Why shouldn't you and I walk out the door, come back in and do it ourselves?'"

And that's exactly what they did. The best leaders don't have all the answers; they ask better questions. The result of better questions — or unlearning prompts — is better answers.

Andy Grove and other successful leaders have realized that if they wanted to have a breakthrough in leadership mindset and business results, *they* had to behave differently, not their teams, and they had to commit to it.

You don't trigger a shift in mindset by simply thinking differently; you start by acting differently. When you act differently, you start to see and experience the world differently, impacting your mindset as a result. Behaving in new ways changes your perspective on situations, which in turn impacts your mindset. The resulting shift in mindset then affects your behavior, and so a virtuous cycle of new thinking and behavior begins.

Unlearn

We can unlearn the old patterns and practices that continue to hold us back by addressing a series of specific necessary conditions. Resolving each one of these necessary conditions represents a step through the Cycle of Unlearning and closer to our final destination: breakthrough.

Necessary condition one: Identify a challenge you wish to address. Ultimately, unlearning depends on you selecting a challenge — an obstacle to remove or opportunity to enhance — that will have a positive effect on your performance.

The very first step in unlearning, therefore, is to decide exactly what it is that you will focus your efforts on. Perhaps

you've got a long-time product that isn't performing as well as it used to, or your own efforts at personal development aren't bringing the results that you hoped for, or maybe you or your team seems to be stuck in a rut you can't get out of.

Necessary condition two: Define success as though you have dissolved or conquered the challenge. The key to any good experiment is to define success before you start. The same is true of unlearning. But people often struggle to define good aspirations or outcomes. In that case, it's helpful for people to tell stories of what success might look like if they solved the challenge they decided to tackle. What would they be doing? What might be happening to them, the people they work with and their customers? How would it be different from today? Visualize or tell the story of what it would look like six months, a year, or three years after they solved that challenge.

What are the behaviors you, your team or your customers would be exhibiting to confirm that you had addressed that challenge and not only solved it but dissolved it forever? What would be faster, cheaper or better quality? Write it down. Doing this will help you start to get a picture of where you want to be, what you may need to get you there and any concerns that might be holding you back. But the most important part of the exercise is to THINK BIG! It's your aspiration or outcome to own, so be audacious with the extraordinary results you will achieve.

Necessary condition three: Channel courage over seeking comfort. Seeking comfort over channeling courage often results in taking the easy option of avoiding situations where you feel you're not in control of the outcome. As a result, you're stuck in the status quo and not growing.

Voluntarily moving outside your comfort zone requires courage. It requires a willingness to be vulnerable. In her book ***Rising Strong***, Brené Brown says, "If we are brave enough often enough, we will fall; this is the physics of vulnerability. When we commit to showing up and risking falling, we are actually committing to falling. Daring is not saying, 'I'm willing to risk failure.' Daring is saying, 'I know I will eventually fail and I'm still all in.' Fortune may favor the bold, but so does failure."

Brown's concept of vulnerability illuminates perfectly what is required to unlearn — being willing to put yourself out there, to really go outside your comfort zone and to be courageous rather than to be comfortable.

Necessary condition four: Commit to, start and scale the cycle of unlearning. The critical next step is to make a very firm commitment to moving forward through the Cycle of Unlearning and then doing just that. But this is not a one-and-done cycle; it is a scalable system that allows you to tackle bigger, more ambitious and more audacious challenges as you iterate more quickly and frequently the Cycle of Unlearning. Each iteration builds upon the previous one as you build your courage, curiosity and capabilities to strive for excellence in whatever it is you wish to achieve.

Relearn

How do you start to relearn? It's simpler than you may believe. You think big about that aspiration or outcome you want to accomplish. Next, you start small by doing something that's really easy to do. This approach enables people to get started easily and feel successful quickly. When paired with deliberate practice, this helps build confidence and gain momentum to take on greater, even more difficult challenges over time.

Relearning is a process of experimentation to try new behaviors and take in new data, new information and new perspectives. By considering all this new input, we challenge our existing mental models of the world and adapt our thinking and behavior to achieve extraordinary results. Here are the three necessary conditions of relearning:

Necessary condition one: You've thought big; now create options for small steps. After you have clarified your desired outcome, you then brainstorm options for small steps that will take you toward your desired outcome. List them all. Challenge yourself to create as much optionality for yourself as possible. List new and old behaviors and those in which you have skills, are a novice or are simply curious to experiment with. The more options you put down, the more likely you are to find the behavior that will work for you.

Now that you have created a number of options, identify the first small step you believe is aligned to achieving that high-level outcome you desire. Take that small step and celebrate the results, regardless of whether they are positive or negative.

Necessary condition two: Find the right behavior that aligns with helping you achieve the outcome you want. Behavior scientist B.J. Fogg describes something

called behavior matching. The purpose of behavior matching is to find the right behavior that aligns to your level of motivation and ability as you aim to achieve the aspiration or outcome you desire.

Behavior matching often requires iteration and alignment to individual competencies, skills and preferences. It's another reason why you need to experiment with many behaviors, because you may need to try various options to find the right behavior for yourself. Doing smaller, faster, cheaper iterations on different behaviors will help people find the one that works best for them more quickly. It's also easier to recover from unwanted results, fail gracefully, discover that it wasn't the right behavior and move forward.

Necessary condition three: Starting small is even smaller than you think. People often leap to the big single-step solution and deconstruct it into a series of tasks to complete. They don't scale back to small steps to experiment with and grow into. They define success as completing all their predefined tasks, not cultivating new behaviors by taking small steps and course correcting as they progress.

Ticking off tasks for big-bang solutions will not help you relearn; that should be unlearned. What are the smallest steps that will keep you moving toward your desired aspiration or outcome and, ultimately, to accomplishing it? Make a list, and then make these steps even smaller. Ask yourself, "What could I do in a month? What could I do in a week? What could I do in a day? What's my smallest step?"

Write them down, quantify and constrain them. Then get ready to get started.

Breakthrough

As we have seen, each of the three steps in the Cycle of Unlearning can be broken down into a series of specific necessary conditions for action. In the case of breakthrough, there are four necessary conditions:

Necessary condition one: Reflect. You don't break through to transform yourself, your teams or your organization by simply ticking boxes as you complete your task list. You break through by stepping back and reflecting on exactly what it is you are doing and the results your effort is yielding. Are you doing the right things? Should you be doing something different? Are you actually achieving the aspiration or outcomes you intended? Or are you simply ticking off tasks on a list, and asking if it took as much effort or time as you thought?

Necessary condition two: Feed forward. As you gather feedback from your small experiments, feed the results forward into your next small experiment, and then feed those results forward into your next small experiment — the benefits become exponential. The quality of each subsequent experiment increases because you will tend to apply and compound the lessons learned from previous experiments.

Measure your outcomes over output. Strive to gather feedback in real time to discover rapidly how your efforts have been received, thus optimizing your adaptions and next actions in minutes, hours and days rather than weeks, months and years as might be the case with traditional approaches.

> What are the smallest steps that will keep you moving toward your desired aspiration or outcome?

Necessary condition three: Align impact and increase safety to scale breakthroughs. How do we start to scale the Cycle of Unlearning and the breakthroughs that result? The key is deliberate practice, which demands explicit focus, reflection, and taking on more challenging tasks to keep improving and progressing toward extraordinary results.

Note that scaling breakthroughs is not about copying the same practices that one individual or organization did to achieve their breakthrough. You scale breakthroughs when you encourage people to share lessons from what they've done to improve, the successes that they've had and the setbacks they've endured. That normalizes the behavior of getting uncomfortable, being courageous and embracing uncertainty about how you will try to grow and improve in your own context.

Necessary condition four: Increase your rate of unlearning. Pairing experimentation with deliberate practice enables you to respond to a rapidly changing world. Thomas Edison understood the power of unlearning,

relearning and breakthroughs at his Menlo Park complex, which was known at the time as the "Invention Factory."

Edison and his team optimized for the number of experiments they ran, rather than how long they worked. In many ways, Edison's operation looked a lot like today's Silicon Valley tech firms. There was no such thing as a 9-to-5 schedule — workers labored through the night if necessary and slept the next day. Everything was in beta and subject to constant experimentation until they achieved the outcomes they desired and the breakthroughs they sought. Consequently, new products were born.

Great leaders get better answers because they ask better questions. And they ask them in ways that increases the rate at which they unlearn, relearn and break through — both for themselves and for others with whom they work and do business.

Unlearning Management

CEOs, executives and managers who hold onto legacy thinking and outmoded methods such as command and control — telling people what to do and exactly how to do it — are not only micromanaging through control systems designed by themselves and for themselves, they are also limiting the potential of the entire organization.

This kills innovation and strips all human creativity, ingenuity and expression from others' work. Followers gradually become robots simply focused on executing work — not thinking, not questioning, not believing they have any control over what they do.

Leaders can actually gain more control by taking their hands off the wheel and allowing those employees closest to the situation to make decisions at speed and take accountability for the results.

But first, executives and managers must unlearn much of their leadership conditioning, which today is still based on an Industrial Era that has long passed. Instead, they must provide clarity of purpose, intent and direction for what is needed and why it matters, and then stop, shut up and listen. Let people in the organization with the most context and knowledge of their domains figure out how to get there.

The job of leaders is to design systems that enable people to experiment with potential options and learn as quickly, as cheaply and as safely as possible while they discover how to achieve the desired outcomes. These are outcomes that leaders and their teams agree upon together, a shared understanding of what accountability means.

Relearn to Trust Your People

Leaders don't just randomly trust their people. Individuals and organizations create systems that give them trust or fast feedback if the aspiration or outcome they wish to achieve is not possible, flawed or must be corrected — thus providing control.

Toyota has long believed that first-line employees can be more than cogs in a soulless manufacturing machine; they can be problem solvers, innovators and change agents.

Toyota pioneered the use of Andon cords strung above the assembly lines in their manufacturing plants; now wireless yellow call buttons serve the same purpose. When there is a serious problem that can't be quickly and easily resolved, assembly line workers have the authority to push the yellow call button, which immediately stops the assembly line of the entire factory and illuminates a sign above the workstation, which indicates exactly where the problem is.

When an employee pushes the button, the first thing the manager does is "go and see" the problem immediately by stopping whatever he or she is doing and physically walking over to the workstation in question. The managers thank employees for finding the problems and then ask the workers a series of five questions to aid the employees in problem solving to address the obstacle they have discovered. In his book ***Toyota Kata***, Mike Rother describes this as the Coaching Kata:

- What is the target condition?
- What is the actual condition now?
- What obstacles do you think are preventing you from reaching the target condition? Which one are you addressing now?
- What is your next step (next experiment)? What do you expect?
- When can we go and see what we have learned from taking that step?

The managers don't tell the employees how to fix the problem, or correct it for them. Instead, they work together to devise an experiment that improves the system of work.

When you have decisions that are highly uncertain, make feedback loops shorter and faster, gather information, adjust

Feedback is most effective when it comes from reality, and the reality provided by our customers far exceeds the opinion of any internal authority figure.

and go again. Fundamentally, it comes down to unlearning your legacy leadership conditioning and relearning the better behaviors that will make you a better leader and make your people better leaders, too. The breakthrough occurs when you've got all your people leading and they're scaling the leadership in your organization.

Unlearning with Customers

For the majority of companies, engaging customers and obtaining their feedback comprises the last step in the product journey. After we have spent significant time and money designing, building and launching new products, services or processes for our customers, it's often only then that we ask them what they think. Unfortunately, this is absolutely the worst moment to first hear what our customers have to say — it's far too late.

We must unlearn the way we engage, collaborate and create with our customers, and relearn how to interact, leverage and connect with them to discover new innovations and breakthroughs together.

T-Mobile CEO John Legere understands this better than most leaders. When Legere first joined the company in 2012, he didn't sit in his office and consume endless presentations made by employees, market analysts and researchers. Instead, he had a special phone line installed in his office to listen directly to customer service calls for three hours a day and better understand what obstacles, issues and challenges customers were facing while trying to use T-Mobile's services.

In this way, he created an unfiltered and unsanitized firehose of customer feedback to inform what both he and T-Mobile needed to unlearn and relearn in order to improve their customers' experience and innovate T-Mobile's products and services.

Feedback is most effective when it comes from reality, and the reality provided by our customers far exceeds the opinion of any internal authority figure. Therefore, how we gather information — especially from our customers through their experience of the product and services we create — becomes the key input for our Cycle of Unlearning, to understand what works and what does not.

Building Your System To Unlearn with Customers

When it comes to creating a system to unlearn with customers, these are some of the key questions for leaders to work through:

- How am I making decisions?
- Where am I getting that information?
- What's the quality of the information that I get?
- How frequently and quickly can I get it? How frequently and quickly can I respond to it?
- How is that information helping me to unlearn what's not working with the products I'm building or the way my company is working?
- How can I use that information to relearn how we serve our customers?

Unlearning Incentives

One of the reasons people get trapped doing the same things they've always done is because of organizational incentives that drive their behaviors. These incentives are often financial in nature, including pay raises and bonuses.

If you create a contingent relationship with your employees based on rewards by saying, "If you do this, you will get that," then they will have a natural tendency to focus on the "get that" part of the equation.

If, for example, you tell managers that they will get a bonus for reducing operating costs, then the managers will put their full focus on taking costs out of the system, perhaps even to the detriment of the overall organization and its long-term growth prospects. And as the magnitude of the "get that" increases — as bonuses rise into the tens and

hundreds of thousands of dollars — then executives and other employees will do whatever it takes to earn them.

It's time to unlearn individual pay-for-performance incentives and relearn to create the conditions for authentic motivation, courageous behaviors, and exploring risky initiatives in a controlled manner to get the breakthroughs to achieve extraordinary results. The strategy is that you don't suddenly change everything you're doing and work in a new way. Think big, but start small. Pick one or two initiatives in your portfolio that you can experiment with in a safe-to-fail manner.

Incentives by Design

Employees want to be appreciated, and companies actually have many instruments to make people feel appreciated and motivate them in their work, beginning with job design.

3M famously encouraged its technical employees to spend 15 percent of their time pursuing their own ideas, a remarkably progressive program that started in 1947. This practice resulted in a variety of product innovations for the company, including Post-it ® Notes.

Companies can provide career advancement opportunities, allow employees to work from home, offer open time off and much more. When incentives are done right, people feel appreciated and engaged in their work. When done wrong, employees put in the minimum amount of effort to get the most out of the incentive system. This only leads to negative outcomes for all parties.

When designing incentives, remember Charlie Munger's words: "You get what you reward for." Identify your desired system-level outcomes, then make visible and clearly signal to employees what behavior you are looking for.

The Cycle of Unlearning begins with you. Think about what you want to unlearn for yourself, and commit to start. There is no ideal state or moment or situation, and waiting for existential threats or crises is not fun. Instead, adopt the practice of unlearning intentionally and habitually as we do breathing and living.

With ongoing, deliberate practice, every one of us can leverage unlearning instinctively and use it intentionally — not just when there is no other alternative or option.

This unique capability is what enables leaders to continually find new and higher levels of performance — often beyond what they initially thought possible — within themselves, their teams and their organizations.

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Barry O'Reilly is a business advisor, entrepreneur and author who has pioneered the intersection of business model innovation, product development, organizational design and culture transformation. He works with business leaders and teams from global organizations that seek to invent the future, not fear it. He is the co-author of international best-seller ***Lean Enterprise: How High Performance Organizations Innovate at Scale***.

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Unplugged

Steve Buchholz and Tom Roth

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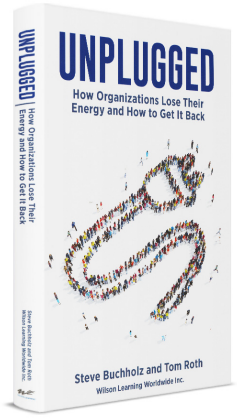
Unplugged

How Organizations Lose Their Energy and How to Get It Back



by **Steve Buchholz and Tom Roth**

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THE SUMMARY IN BRIEF

What happens to employees when they lose their way amidst change, when they become unplugged from purpose, connection, direction, meaning, and value—when they, in a word, lose their energy? ***Unplugged*** provides a fresh look at engagement as a choice employees make based on how they perceive the change and on how much discretionary energy they will give to the endeavor.

Various factors contribute to employees unplugging: experiencing change as loss, repetitive change leading to fatigue and/or apathy, becoming overwhelmed because of additional workload, low work satisfaction, and feeling poorly led. ***Unplugged*** shows leaders how to restore this lost energy. The key is for leaders to set the example and focus on five elements that will help them refocus employees and reengage their energy.

But it isn't enough to tell leaders what to focus on; leaders also need to understand what to do. ***Unplugged*** achieves this, by showing how to introduce exciting new practices into how organizations operate.

IN THIS SUMMARY, YOU WILL LEARN:

- Five key lessons for why organizations become unplugged.
- The importance of essence-based leadership for reengagement.
- To help employees perceive opportunity and build personal accountability.
- To foster organizational connectedness, inclusion, and validation.

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Unplugged—How an Organization's Employees Lose Their Energy

Every manager or leader in any organization is in the energy business—the human energy business. Employees are limited energy resources, and how they use their energy over the course of an eight-to-10-hour day will determine the level of performance achieved, as indicated by engagement research.

Leadership can mandate the amount of time an employee works, but it can't mandate the amount of *discretionary energy* (the energy over and above what is routinely needed to do one's job) invested by the employee.

Engagement is the combination of the perception of desired changes and the amount of physical energy expended on the changes. When employees are asked to engage, they determine whether the request is positive, neutral, or negative. They then choose how much energy they will invest.

Engagement most clearly happens when employees decide to have a positive perception of what is happening in the organization, particularly in times of change, and then they choose to devote a high level of energy to executing the change and helping the organization drive its strategy and achieve its goals.

Disengagement: What Causes an Organization to Become Unplugged?

Research on organizations going through change reveals five key lessons:

Lesson one: the role "perceived loss" plays. The fundamental premise of how change affects an organization is simple: If employees perceive change as primarily a gain (positive for the organization and for them personally), many of the engagement-related issues do not occur. On the other hand, if the majority of employees perceive the change as a loss, disengagement is likely, with employees becoming stuck in the change rather than moving through it.

Lesson two: loss comes "in code." Loss can be experienced or exhibited in four basic patterns: disorientation, discontent, disidentification, and disengagement. Disorientation occurs when an employee is confused or unclear about what is happening. Discontent occurs when an employee is angry or frustrated with the changes that have occurred or with the leadership that initiated them. Disidentification occurs when an employee focuses more on what was rather than on what will be. Disengagement occurs when an employee invests little or no discretionary energy. A questionnaire given to 5,000 employees from various organizations revealed that disengagement was by far the most common way employees reacted to perceived loss. The first three patterns of loss can certainly cause employees to stay stuck in change, but they don't necessarily result in energy loss. Disengagement does.

Lesson three: repetitive change leads to change fatigue. If an organization is frequently changing, it can result in a form of fatigue, leading to more chronic and ongoing disengagement. Employees can become overwhelmed and burn out or put their energy on hold or "rust out," which occurs when employees experience the death of ambition.

Lesson four: how much energy employees give at work is their choice. Individuals have three primary categories of choices to make when deciding how to use their energy: proactive, reactive, or inactive. When employees choose to expend energy in a positive way, they're described as proactive. The varying degrees of expended energy are **complying willingly**—moderately positive but expending a low level of energy; **enrolling—**engaged but not fully; and **committing fully**—high level of energy in a positive way.

Employees who chose to use their energy to oppose or argue against change are described as reactive. The three varying degrees are **complying grudgingly**—feeling compelled or coerced to invest some energy to minimize some risk; **resisting—**putting energy into fighting the changes or convincing other employees that it's a bad idea or strategy; and **getting even**—using energy to get even, which can take the form of badmouthing leadership, theft, legal recourse, or sabotage.

The choice to be inactive is a form of disengagement that occurs when employees choose to withhold their energy, to be in a period of waiting, or to withdraw. The three degrees of inactive choices, which are all forms of disengagement, are **pseudo complying**—employees give the impression that they are positive and expending some energy, when in reality they aren't; **waiting and seeing**—employees remain neutral and withhold their energy until they either better understand the situation in a positive way or are swayed to act in some manner; and **unplugging**—employees have quit and stayed or have made the decision to leave but have yet to do so. They're negative and have no energy for work.

Lesson five: organizations can disengage in a short period of time, while reengaging is a longer, more difficult undertaking. It is amazing how fast change can

Essence describes who the leader wants to be to his or her followers—the example the leader wants to set.

affect the energy and engagement of people at work. Reengagement is a longer, more difficult undertaking.

Getting the Energy Back: Reengaging the Organization

The key responsibilities of leadership are to refocus the energy and reengage employees. To do so, leaders must understand, from the employees' perspective, what is needed for reengagement. Five elements are key to either maintaining engagement or recovering lost engagement:

- Perceived opportunity;
- Personal accountability;
- Connectedness;
- Inclusion;
- Validation.

But first, let's look at the role leadership plays in reengagement, plugging back into the organization's energy supply—the performance of its employees.

Leadership's Example

There is a specific type of leadership—called essence-based leadership—required to exemplify and develop the five elements of engagement.

Character-based, or essence-based leadership, speaks to one's being and represents those core qualities driven from the inside out. Essence is about one's purpose, values, beliefs, and vision. Essence describes who the leader wants to be to his or her followers—the example the leader wants to set. The first step is to understand yourself, who you want to *be* as a leader.

Meanwhile, form refers to what a leader needs to do—the behaviors and actions taken that demonstrate leadership competencies and are often driven by organizational expectations and norms. Form comes from the outside in and is the image or persona the leader creates by what he or she does.

Integrity is the integration between who one is and what one does—essence and form. Both are important to leadership, but more important is keeping essence and form in balance. The question for leaders to answer is, "Where do you get your signals that influence and shape you as a leader, from inside (essence) or outside (form)?"

Understanding the importance of leading from an internal orientation is critical for leaders who are challenged by how to help employees reengage following organizational change.

Essence-Based Leadership

Being essence-based, or leading from within, is essential for reengaging an organization, for four key reasons:

Reengagement requires the leader to set the example. Whether the leader wants to be or not, he or she is being watched and is therefore always setting an example, and the employees are talking about that example. Therefore, a critical question for leaders to ask themselves every day is, "What do I want my example to be?"

Reengagement needs leadership resiliency. A resilient leader needs to strike a balance between being flexible and durable—in other words, between pathfinding and stewardship. Being a pathfinder calls for taking others to a place they wouldn't go by themselves. Stewardship is about protecting those enduring tenets that shouldn't change. These tenets include the leader's values, purpose, and vision. This is about the strength of one's example.

Reengagement calls for leadership courage. Be clear on what you stand for: your values, philosophy, and beliefs, which are the essence qualities. Living life in response to one's values, measuring success by effectiveness and contribution to others, and living life on purpose provide the foundation upon which to lead courageously.

Reengagement requires the leader to practice mutual influence. Mutual influence means that each person can influence the ideas and behaviors of others. A mutual influence relationship is an open working relationship in which both individuals are encouraged to speak freely, challenge each other, and hear and accept what the other offers.Your ability to influence others is directly tied to your willingness to be influenced by others.

Let's now discuss the five elements of engagement, which help you focus on what to do, not through your position, power, or authority but by your example.

The Element of Perceived Opportunity

Engagement occurs when employees feel they are part of something important, when they feel that what they are doing has purpose, and when they can clearly link their purpose to organizational direction. Engagement begins when employees buy into something.

Leaders who are sponsoring change to effectively manage the transition must communicate realities and take care of their constituency. Speaking to the problems focuses primarily on the current state of the organization, on what isn't working. Examples could be poor fiscal performance, increased competition, high operating costs, a looming downturn, and so on.

It's a good strategy in the right situations, but it's accompanied by a level of risk. Focusing on the problem can just as easily disengage employees rather than engage them.

The mindset that best serves full engagement is realistic optimism—working positively toward a desired outcome or solution. Realistic optimism is truthfully sharing problems associated with the organization's current reality and, most importantly, moving to a focus on how to create a positive future.

To enhance the element of perceived opportunity, leadership needs to create a message of realistic optimism. The most basic way to prepare a statement of realistic optimism is to complete the following statements:

- Looking forward, what worries you the most?
- Looking forward, what excites you the most?

With the information from these two questions, write a simple statement of realistic optimism that describes a positive picture about the future for your specific constituency. The message has to feel real to people, not just "rah, rah" or "we're going to be the greatest." Be real. That's what employees want. Presenting only a positive picture when everyone knows when problems exist can create the impression that leadership isn't being truthful with them.

Several practices give an organization a sense of future, also referred to as a sense of perceived opportunity. These practices include the following: having a strong vision, creating a sense of mission, creating a sense of personal purpose, and setting organizational goals.

Realistic Optimism and Strategy Development

When exploring a strategy for moving the company forward, realistic optimism must meet certain criteria. The three criteria from the employee's perspective are

- Is the strategy believable?
- Is the strategy doable?
- Is the strategy feasible?

Employees and management need to buy in to what is being asked of them. If the majority of employees don't think the strategy is believable, it's likely that the strategy will meet some form of resistance or a wait-and-see posture.

Sometimes, the strategy is believable (a good idea), but it's not doable in the minds of the employees. They question execution when they can't see the strategy being accomplished for reasons of time, required expertise, complexity, and so on. If a percentage of the organization doesn't feel the strategy is doable, at best engagement will be some form of compliance: willful, grudging, or pseudo complying.

At times, the strategy is believable and doable but not feasible. Management or employees question feasibility when the strategy is believable and doable, but the lack of money or resources will prevent execution.

When any one of the three questions remains unanswered or is a concern, the employees will likely choose to withhold their energy or grudgingly comply at best.

The Element of Personal Accountability

Engagement happens when employees are expected to give their best and know what they are being held accountable for. When this is the case, personal accountability increases.

Accountability gives employees a sense of direction. Accountability clarifies for employees where and how to focus their time and energy. *Personal accountability* is present when employees are clear about what is expected of them from both performance goals and behavioral expectations.

Personal accountability gives employees the opportunity to answer, "How am I doing?" from a self-perspective. They're able to assess their performance against the knowledge of the goals and expectations being asked of them. The ability

to hold oneself accountable and monitor one's own performance is a stronger factor in an employee's reengagement than if accountability and feedback on performance come from external sources such as a manager.

Performance Goals and Expectations

If the objective is to increase personal accountability, make sure you differentiate between a performance goal and an expectation. Performance goals focus on achieving desired business outcomes. Well-written performance goals usually start with the word "to" followed by a verb.

For example, "to increase face-to-face sales calls to five per week by June 1," or "to reduce machine downtime by 10 percent by March 1." Leaders are generally good at setting performance goals.

Expectations focus on expected behavior. Focus on two areas when clarifying behavioral expectations: performance focus and values focus.

Performance focus: Leaders need to connect expectations to a variety of performance-related activities. For example, a corporate strategy might be to focus on select vertical markets. An expected behavior might be to establish criteria you'll use to focus on markets. A key corporate initiative might be to increase customer intimacy. Expected behaviors might be to consider the customer's perspective when solving problems and to seek feedback from your customers to ensure their satisfaction.

Values focus. The second area of focus for expectations relates to corporate values. After leaders have identified what the corporate values are, they need to clarify expectations for how employees operationalize those values and behave consistently with them.

Wilson Learning has a set of beliefs and core values. Each of those core values has a list of expectations to guide employees to know how to behave consistently with those core values. One of their values states "We value collaboration and teamwork with our customers and throughout our global organization." The expected behaviors for this value include "We accept and support team decisions after they're made; we acknowledge the value of all team members' contributions; and we make decisions based upon business interests, not self-interest."

In general, leaders have learned how to provide clarity on performance goals. The opportunity for improvement is often on the expectations side of the equation.

Not only does setting expectations help your employees know how to behave, but it also increases your ability and the effectiveness of using consequences like rewards and behavioral correcting later when your employees either meet or don't meet goals and expectations. The more specific the goals and expectations, the more effective your consequences will be because your employee will know exactly what they did or didn't do to get either rewarded or corrected.

Engagement occurs when employees feel connected with each other, focus on mutual interests, and share responsibility.

The Element of Connectedness

Engagement occurs when employees feel connected with each other, focus on mutual interests, and share responsibility.

Young, successful companies often have a natural sense of connectedness—referred to as a "small company or family-like culture"—one in which everyone knows everyone else, communication happens face-to-face, and members huddle informally rather than having scheduled meetings. In these organizations, employees feel energized and committed to each other, often with a strong feeling of support and camaraderie. In addition, these types of organizations can easily hire individuals who share the same values and beliefs.

However, as an organization grows, maintaining a true sense of connectedness becomes a challenge. What happens? Two processes are geographical disconnection, when companies grow and move employees to different locations, and organizational segmentation, when differentiation drives how leaders think and act.

Creating Connectedness

Each of the core reasons organizations disconnect has a series of ways to reconnect. Consider these strategies for making geographic segmentation work:

Familiarity. The more familiar employees are with each

other, even when geographically distanced from each other, the more likely they are to communicate and collaborate. To establish familiarity, have employees who need to connect meet each other face-to-face with the purpose of getting to know each other and plan the best ways to communicate. If getting together in person isn't easy, then have them spend some time on videoconference or on the phone learning about each other and establishing ways to stay connected.

Cross-pollination. Offering employees the opportunity to relocate to one of the smaller geographic locations or allowing an employee from one of the smaller locations to spend a period of time at the company's headquarters can prove beneficial. Both parties can learn different practices from each other, learn how small or large companies operate, share values and beliefs, and become familiar with each other.

Virtual teams. If employees are geographically segmented and serve a similar service or function as those employees in other locations, having them identify as a virtual team helps connectedness. A virtual team (also known as a geographically dispersed team, distributed team, or remote team) is a group of individuals who work across time, space, and organizational boundaries with links strengthened by forms of communication technology. An initial meeting, face-to-face if possible, allows team members to get to know each other and what they believe they add to the team.

In functional segmentation, the company's functions differentiate themselves from each other and can develop a silo mentality, put up barriers to collaboration, and advocate and defend for their part of the whole. In order to create connectedness, the company has to cover this differentiation.

De-differentiation. De-differentiation is the act of setting aside differentiated thinking that segments a group—many hats—and wearing what is referred to as "one hat." In order to successfully connect, leaders or employees representing different functions must learn to take off their individual hats (their functional identities) and put on one hat that speaks to the whole that unites them all.

For example, if a senior team consisting of members of HR, finance, business development, and manufacturing is together, "one hat" implies everyone temporarily sets aside the belief they are there to represent their function, and put on a hat that changes their mindset to focus on what it means to be responsible for the whole—the business. The team must accept this identity to truly feel connected.

Developing a Collaborative Mindset

A second way to enhance connectedness is creating a collaborative mindset within the culture. For a collaborative mindset to exist, one key ingredient must always be present: mutual interest.

When teams operate with a collaborative mindset, all members need to be clear about the team goal that they're trying to achieve together, connect to the goal, and influence each other on how best to accomplish it. In a collaborative culture, members can feel free to influence others, but they must also have the skills to do so. As a leader, you play the most critical role in creating a collaborative culture first by practicing mutual influence skills and also by creating the expectations that everyone has the skills to practice mutual influence.

Three skill sets help people connect with each other and collaborate to create something of value:

Listen to learn. In a collaborative culture, the ideal is to listen for the benefit of understanding the ideas and assumptions of others in order to create solutions together.

Express to explore. Express to explore means expressing your ideas for the benefit of examining them and connecting to other ideas.

Integrate to innovate. Better solutions that serve multiple interests and truly solve the problem are created when you integrate diverse ideas. Focus on incorporating all viewpoints to create the best solution.

The Element of Inclusion

Engagement happens when employees are well informed and involved and have an opportunity to openly express their thoughts and feelings. Simply stated, people want to feel like they're in on things.

How information is gathered, shared, disseminated, and understood greatly impacts the sense of inclusion, as does whether individuals feel they have the freedom to openly express themselves. A lack of information flow is one of the fastest ways to create disengaged employees. If employees don't feel included, they won't feel engaged.

If you ask Joe Grabowski, the former president of environmental consulting and engineering firm Wenck Associates, what his key responsibilities were, he'll tell you that one of them was to inform and be informed by associates. When asked why he refers to employees as "associates" or "mem-

Engagement occurs when employees feel that they matter and that they have a valued place in the organization.

bers," his response is, "I wanted them to feel like equal members of an open community."

Informing others is demonstrated in many ways and is still carried on after Joe's departure. Everyone gets a copy of the strategic plan. Embedded in this plan are the company's vision, mission, and purpose. Town hall meetings allowed employees to get clarity on or question the strategic plan and its implications.

Employees can use the compelling company website to stay current on organizational happenings, access a variety of information sources, and by just typing in a word, connect to a collection of resources available for experience and support. How the organization is doing on a monthly basis is posted, and at least once a month the president or a senior officer has an open information session with anyone who cares to attend.

Once a year, they have an all-hands meeting that everyone from every geographic location attends. This event provides a variety of opportunities to share, learn, better understand, and connect with colleagues.

Consider these other various forms of inclusion:

Information sharing. Information sharing has gone digital and can take the form of emailing, blogging, websites, wikis, podcasting, forums, images, newsgroups, and so on.

Inviting input. Inclusion occurs when employees feel they have the opportunity to weigh in on key matters that impact them and/or the business, usually in the form of surveys and focus groups. Inviting employees to share their thoughts and opinions is equally important. In its simplest form, inviting is asking rather than telling. Yet, inviting requires the leader to be genuine and truly open to others.

Providing feedback. Inclusion occurs when employees know how the organization is doing. They welcome any form of posted or shared information that gives them clear indicators of how they're doing. For example, if you walk through the BMW sports utility vehicle manufacturing plant in High Point, South Carolina, you would see various monitors continuously update employees with real-time information on production, quality, and safety.

Using teams. Inclusion occurs when employees feel they're a part of a team that contributes to solving a problem or advancing a strategy. Engagement increases when employees feel they contribute.

Allowing for mutual influence. Mutual influence occurs when the leader has the ability and willingness to influence his or her team or associates, and they in turn have an opportunity to influence the leader. This culture of openness allows information to be readily shared.

Building trust. The most important element to a culture of inclusion is trust in each other. In order for these inclusion practices to have any real value, leaders need to be trusted. Employees need to feel safe in order to feel comfortable expressing themselves.

The Element of Validation

Engagement occurs when employees feel that they matter and that they have a valued place in the organization. Validation is the expressed interest leaders have in their employees. From the employees' perspective, being validated is when they feel like the leader sees them as important. There is something about the way the leader engages with them that makes them feel like they matter, as a person, not just as employees. They feel validated because the leader demonstrates they truly matter to the leader.

Interest comes in a variety of forms: recognition, listening, involvement, understanding, rewards, learning, growth, and so on. The best way to demonstrate caring is through "acts of interest." Three primary acts can become part of the element of validation:

Supporting the individual as a person and for the work he or she does. One of the questions employees often have on their mind is, "Where do I go for help?" A leader can support the individual in many ways, such as the following: providing additional help with a complex project that

is overwhelming the employee; helping make connections with key people as a way to make the employee more visible; helping in a personal family situation when daycare cancels due to weather; being a good listener; being an advocate in the employee's absence; supporting a balanced work life.

In each case, the employee feels validated because of the support others personally provide and for the work he or she does.

Rewarding the individual with both monetary and natural rewards. For most employees some form of monetary reward is still the primary means of recognition for performance. However, a financial reward or promotion may not always provide the kind of recognition the situation calls for. Natural rewards are forms of recognition an employee finds intrinsically satisfying about their work. One example of a natural reward is learning. Learning is a reward that the organization can build into the employee's work life in the form of new experiences, seminars, books, mentoring, and so on.

Developing the individual by providing opportunities to learn and grow. Humans are programmed to grow. Most employees want to continue to grow in knowledge, competence, experience, and responsibility. Employees grow in different ways, but to achieve high engagement, they want to feel that leadership is interested in their growth. They want to feel that possibilities for upward movement in the organization exist to develop mastery within their area of expertise.

Wenck Associates has three developmental tracks employees can follow: Track One is a mastery track where employees focus on their area of technical expertise—water, air quality, or municipal. The desire is to develop a domain competency where they can develop into a nationally recognized expert in their field. Track Two is to become a resource manager, where they take a leadership position but stay within their engineering disciplines.

Track Three is business operations, where they are groomed for a generalist role, sharing responsibility for how the organization runs. Each employee has a personal developmental budget he or she can use to enhance his or her expertise, learning, or experience.

Organizations disengage quickly, but reengagement is a long-term, culture-changing process. A key aspect of a highly engaged work culture is leadership that understands what it means to give energy rather than take energy away from an organization.

Armed with that understanding, leaders can implement the five elements of engagement.

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Unstoppable Teams

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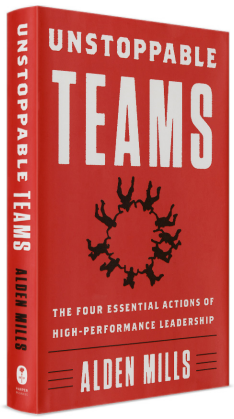
Unstoppable Teams

The Four Essential Actions of High-Performance Leadership



by **Alden Mills**

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THE SUMMARY IN BRIEF

In ***Unstoppable Teams***, Alden Mills, three-time Navy SEAL platoon commander and founder of the company Perfect Fitness, reveals how to put together teams that can accomplish any objective—by leveraging unexpected values and priorities.

SEALs and civilians operate in extremely different environments, but what makes both kinds of teams excel comes down to the same thing: service to others, trust, empathy, and a caring environment.

Success almost never depends on individual talent and valor; instead, it depends on creating a strong foundation for yourself and using that foundation to help others go beyond their individual pursuits and talents to create something bigger and better—an unstoppable team.

Unstoppable Teams shows managers at every level, at both large and small organizations, how to inspire, motivate, and lead the people around them. It's the handbook for how to build care-based teams that will push people to achieve more than they ever thought possible.

IN THIS SUMMARY, YOU WILL LEARN:

- To use the four key actions of the CARE loop to create an unstoppable team.
- How to lead yourself as your first team.
- To create the 10x advantage, by aligning your team's actions with the goals and actions of external allies.

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Introduction

When a small group of people band together to do something extraordinary, the rest of us scratch our heads in wonder. Whether it's an unranked basketball team outplaying an undefeated powerhouse or a little-known startup becoming the overnight market leader, David and Goliath stories capture our attention and inspire us.

We cheer for successful underdogs, and we even dream about being like them—a tightly knit team of ordinary people doing extraordinary things under difficult circumstances. That's an unstoppable team, one that brings diverse gifts to bear on the team's goals through a shared sense of purpose and a deep commitment to each other. You can assemble as many individual superstars as you'd like, but they won't become unstoppable unless they believe in each other and in their collective mission.

When young men and women who want to join the SEALs first hear about Basic Underwater Demolition/SEAL school, they become obsessed with the grueling physical exertion that lies ahead. But what gets you through the training is a balance of mental, emotional, and physical strength, combined with your greatest asset as a SEAL: the people around you.

Whether hunting for a war criminal deep in the mountains of Bosnia or conducting classified combat mini-submersible operations at night 30 feet underwater with hand signals (squeezes) as the only means of communication, SEAL Team is bound together by a common purpose and a mentality of "I've got your back." SEALs place the success of the team above individual needs because the team's needs come to represent their individual needs, too.

Unstoppable teams aren't reserved for elite forces in the military. In sports, in business, in communities, in every facet of life, developing the qualities of an unstoppable team is essential if you want to thrive in chaos and break away from the pack. It might sound crazy, maybe even superhuman, but it's within your reach.

The Cornerstone for Team Building

Caring is the cornerstone for building trust and persistence in any group. When people feel cared for and when they care about the tasks and goals at hand, they are willing to step beyond their perceived limits and dare to do something greater than they originally thought possible. If you're willing to commit to caring for and serving others, then you can become a truly unstoppable force for making greatness happen.

There are four actions—connect, achieve, respect, and empower—that, taken together, lie at the heart of every great team. It's called the CARE loop. When these four acts of caring are activated, anything is possible.

It's no coincidence that military strategists consider SEALs (and other military special forces) to be force multipliers 10 times more effective than conventional troops. Moreover, this extreme team dynamic—called the 10x advantage—is not unique to SEAL Teams. It can be harnessed by any well-constructed and highly functioning small team.

If you want to be a great team builder, then you need to learn to become a great relationship builder first. It starts with you. Let's now discuss the foundational component of every great team.

Your Platform

The first team you must build and lead is your own team, the one inside you. This is about creating a conversation between the head and the heart. That's exactly what's needed to lead oneself.

Becoming a Navy SEAL involves exercises such as "drown proofing." That's a game in which your hands are tied behind your back, your feet are tied together, and you're challenged to swim 300 yards. Think about this head-heart conversation for a moment. You are instructed to swim without the benefit of the very things that make it possible for you to swim in the first place—your arms and your legs.

It's only natural to think, "Hey, wait a second. I need my arms to swim. If I don't have them, then I can't swim." That's the start of the conversation. Then the head takes the discussion deeper with, "Wait, the instructor said you could die doing this. Is this worth it to you?" And then there's the obvious, nagging question: "What's the purpose of this test, anyhow?"

If you allow yourself to fixate on these thoughts, you will create a downward spiral of negative thoughts that can easily lead you to feeling defeated even before you try. Those negative feelings might also cause you to act in a manner that is directly opposed to your goals: you might quit before you even get started.

You don't need to go through SEAL training to have this collision of voices directing you to take action away from your desired goal. It's all too easy to obsess about what might go wrong, what you lack, and what bad outcomes

The key to making your mental, emotional, and physical platform work for you is understanding why you care.

could be waiting around the corner. How can you accomplish the task at hand when you're preoccupied with your own thoughts and worries?

The ability to lead yourself—your platform—is the foundation for leading unstoppable teams. Focus on yourself, what you lack, what you desire, and you'll get stuck. But focus on what you need to accomplish and how you can enlist others to reach that goal, and you'll become unstoppable.

The Formula: Focus, Feel, Act

There are only three things you can control: your mental, emotional, and physical capabilities. That's it. We can't control the weather, our competition, the marketplace, or our employees. But we can control what we think, how we feel, and how we act and/or react to what comes our way. Put simply, focus on what you can control, and decide what you want to react to. Period.

The Focus, Feel, Act formula works for individuals, but it's also how unstoppable leaders build 10x teams. What we focus on creates a feeling that drives a behavior that results in an action. The resulting action either reinforces our focus and feeling or shifts them to take a different action. The challenge is trying to make sense of all those internal voices.

Our brains are endlessly focused on energy conservation. Thinking requires a great deal of energy, so seeking the simplest solution is in our best interest. The brain is remarkably adept at creating reasons *not* to do something.

Your brain will always be a bit of a whiner, but you can stem some of its complaining by feeding, resting, and exercising it. You can also keep those whiny complaints in check by learning to manage another critical component of your platform: your emotions.

Out-of-control emotions are like driving a car without ever taking your foot off the gas. You're eventually going to crash or hurt someone else. But if you learn to regulate your emotions, to direct your attention to productive emotions, you will learn to drive like a Formula One champion, expertly banking the curves, learning when to hold back and when to let go as new crises and opportunities appear.

Now that we've covered the first two components of the Focus, Feel, Act formula, let's turn to the third. Our ability to talk back to the brain and listen to our emotions is directly linked to our physical actions. Our entire body supports the functions of our brain. It's responsible for feeding our brain oxygen and the proper nutrients and for carrying out the brain's commands, i.e., taking action. The condition of our body determines how much work we can accomplish.

This three-way conversation between our mental, emotional, and physical "voices" is always going on. Understanding these influencers is paramount to leading your first team: you.

The key to making your mental, emotional, and physical platform work for you is understanding why you care. Knowing what you care about and how it makes you feel will help you focus on taking the actions required to succeed. Becoming an unstoppable leader begins with understanding yourself.

Finding Unstoppables

All great teams are made up of people with complementary skills and strengths. It might sound as though all you need to do is get a group of people with different skills together, and—presto!—you have an unstoppable team. But building unstoppable teams is challenging. Our egos, our pride, and insecurities may prevent us from seeing where our true powers (and our real weaknesses) lie.

Second, it's not always easy to recognize other people's superpowers. Third, it can be a challenge for individually gifted people to see the benefit of working with others to accomplish a common goal. A lot of high-achieving people get that way through a single-minded focus on themselves and their goals.

Likewise, most of us think we are better at more things than we really are. It is hard to come to grips with our own weaknesses. And sometimes our own superpowers aren't obvious to us. That's why relying on others to help you identify your strengths and weaknesses can be helpful. This is called triangulating, after the technique of land naviga-

tion used during SEAL training. Here are the steps.

Step one. Find at least three people from three different environments of your life to give you honest feedback. Select people who will give it to you straight without fear of hurting your feelings. When you select these people, find one or two people each from your professional life, your personal life, and your community.

Step two. Ask them this question: "If you were counting on me to save your life but I could save it only by using the one thing I am best at, how would I save you?" They should answer by giving you a verb, not a noun. What action are you best at—inspiring people, analyzing data, drawing pictures, coordinating a project, inventing a new idea, or . . . ?

Step three. Triangulate the feedback and look for similarities, commonalities, and patterns in it. Test the feedback against your own answers to these questions. Is there something in the feedback that rings true in your gut, not just your head? Does some portion of the feedback sound familiar to you? This exercise helps you identify your own talents and also the skill gaps you'll need to fill with contributions from teammates.

The Seven Unstoppable Traits

There are seven traits that characterize unstoppable teammates. These are the must-haves for powerful team dynamics—regardless of the team's circumstances and challenges.

1. **Competence**—a curiosity to learn new skills and develop mastery of new subjects;
2. **Perspective**—thoughtfulness about the way past experiences and challenges have shaped attitudes, beliefs, and behavior;
3. **Communication**—the ability and willingness to express ideas and emotions;
4. **Drive**—a can-do spirit, a strong work ethic, a hunger to succeed;
5. **Humility**—inclusiveness, self-awareness, and respect for others;
6. **Flexibility**—an openness to new perspectives and the adaptability to let go of one idea or belief to embrace another;
7. **Selflessness**—a willingness to serve others and to place the truth and others' interests above self-interest.

Your job as team builder and leader is to develop a team that embodies these seven traits, to direct the team's focus, and to set an example of the behaviors that will drive the actions required to succeed. Then, as you scale from a team of one (leading your action platform) to a team of many, your greatest challenge is to connect with them, the first step in activating the CARE framework.

Connect

No matter what industry you work in or what position you hold, your success depends on your ability to build human relationships. At the center of relationship building is empathy—the ability to place yourself in your colleagues' shoes, to understand their point of view, or more important, their feelings. Building connections with others requires empathy, and empathizing requires that you show vulnerability and act with transparency.

If that sounds a lot like the role that parents play in a child's life, that's not a mistake. It's this level of care that makes some teams unstoppable and others just mediocre.

As a leader, you don't have an automatic, innate connection. You must build it through the three Cs: communication—physical, mental, emotional; credibility—integrity, accountability, humility; commitment—reliability, consistency, focus.

Communication. The first way you connect with others is through communication. You might think that's obvious, but do you know that 55 percent of face-to-face communication occurs without even muttering a word? That's right: Studies have proven that most of our communication comes through body language and tone. Thirty-eight percent is how we say it, and only 7 percent is what we say.

Learn to use all the elements of body posture, facial expression, and eye contact in synergy and with intent, and you'll find that your ability to connect and to build trust increases.

Now layer in the mental components of communicating. Are you preoccupied by your own thoughts and your own needs? When you speak, do you use "I" and "me" a lot? Do you say that people work "for" you or "with" you? People want to be seen for who they are; they want to be recognized for their superpowers; they want to contribute; they want to be led, liked, and, yes, even loved. We need to feel connection, not just to other people but to the purpose of our work, too.

The third component of effective communication is using

feelings as a powerful tool for connecting with others. At the heart of connecting emotionally with others is curiosity. The hunger to learn from others comes from being curious—curious about others' backgrounds and points of view and curious about different approaches to solving a challenge.

Credibility. Leaders live or die by their reputations. Your reputation or personal brand is nothing less than a promise, which is supported by people and a process. A person's brand promise is dependent not only on how they communicate but, equally important, on whether they are reliable, act with integrity, and hold themselves accountable for their actions.

How you handle the truth or difficult situations, how you take ownership for your team's actions, and whether you follow through on your commitments determine your credibility.

Commitment. The more consistent you are in your actions, the more you are trusted, because people know what to expect. If you're erratic in your actions, people don't know who you are. Inconsistent actions throw people off balance, and when they're wondering "what's next," they're spending more time guessing what the leader is going to do than focusing on what they should be doing to help the team. Consistency in your actions and your behavior cements trust with your teammates.

That's how unstoppable teams work. They swarm a problem from multiple angles before they single out one approach.

Achieve

Teams exist for one reason: to achieve results. Unstoppable teams exist in all environments of crisis, creativity, and productivity, and they all strive to achieve goals where the outcome is uncertain—over-the-horizon (OTH) goals that lie beyond our visibility and push us out of our comfort zone.

The goals that most unstoppable teams aspire to reach exist beyond the line of sight of any one individual. The team leader's role is to help team members see well beyond the visible horizon and find ways to surpass real and/or imagined limitations. The team leader's actions involve the five As of Achievement: Aspire, Assume, Assess, Assure, and Appreciate. Taken together, these five actions form the second part of the CARE loop.

- **Aspire.** Bring the goal to life by helping team members personally connect to it. Give them hope and a reason to believe that their collective efforts can achieve the task.
- **Assume.** Give your team the space, resources, and confidence to do their jobs.
- **Assess.** Initiate performance assessments frequently and transparently to avoid surprises and unify the team.
- **Assure.** Encourage and reassure your team of their purpose, progress, and perspective; help team members overcome their fears and doubts.
- **Appreciate.** Show enthusiasm and gratitude for both individual efforts and team progress.

A little over 60 years ago, the Russians put Sputnik 1 into orbit. Mankind's first satellite launched two nations on a race to explore space. Three years later, John Kennedy narrowly defeated Richard Nixon to become the youngest president in US history. The nation was divided after decades of bloodshed, from World War I to the Korean War.

President Kennedy recognized that a common goal could rally the country; he sought an OTH goal that the country could aspire to achieve. While delivering a speech to Congress on May 25, 1961, four months after taking office, he challenged the nation to "put a man on the moon by the end of the decade."

At a time when America was still trying to understand how to launch a satellite, the idea of putting a man on the moon in less than ten years was the definition of an OTH goal. There was no clearly identifiable way to accomplish it. As NASA leaders quickly realized, their OTH goal would depend on best guesses, trial-and-error efforts, and numerous course corrections over the next decade. As they dug in, NASA teams often would learn something new or develop a new technology that would change their minds and hence their course of action on how to accomplish the goal.

That's how unstoppable teams work. They swarm a problem from multiple angles before they single out one approach. They realize that when you're venturing into unknown waters, it's all hands on deck. This process of

swarming for solutions, as opposed to sending off individuals to work in silos, is the essence of what unstoppable teams do. They don't rely on one person for the solution; everyone pitches in without regard for individual glory. But this selfless attitude does not happen magically; that's why the CARE loop is so important.

Respect

If you want your team to care about their customers, show them how to care for each other. This sets the example that carries forward in all interactions. As a team leader, you reap what you sow. Your team will act the way you do.

Respect as a verb is not a passive trait; it's all the actions you take within your team and outside the team to shine a light on the team's skills and capabilities and to show how the team can contribute to others' success. Your job as a team builder is to take the lead highlighting other people's skills and articulating how those capabilities can help the team.

Mutual respect is a powerful adhesive when the team comes under pressure. People who feel respected are more confident to express their ideas. They aren't wasting energy thinking of how not to look stupid; instead they focus on using their abilities to help the team solve the problem. Put simply, respect fuels greater levels of contribution. When you create an environment of mutual respect, you also eliminate the fear of being ignored, humiliated, or victimized.

What Comes Around Goes Around

Three elements of respect are the three Rs: Realize, Recognize, and Require. These actions establish an environment of respect that, when interwoven with the trust you have built and the direction you have set forth, will create a platform for developing empowered teammates.

Realize. Respect comes from two places: from your authority and from your actions; the respect garnered from the latter is more valuable and more sustainable than the former.

Recognize. Respect derives from results. As a team builder, it's your job to bring forth and acknowledge the superpowers of each of your teammates.

Require. Respect isn't a nice-to-have; it's a requirement, and it needs to be shared and reciprocated.

When Doug Conant became CEO of Campbell Soup in 2001, he viewed respect as a cornerstone of his turnaround strategy. The company had lost over half its market value, conducted a large round of layoffs, and faced declining revenues. A Gallup researcher reported that the company's engagement statistics "were the worst for any Fortune 500 firm ever polled."

Conant spent the next nine years never missing the opportunity to show respect for the contributions of the 20 thousand people of Campbell Soup. Conant and his leadership team developed the Campbell Promise: "Campbell valuing people. People valuing Campbell." He intentionally led with the importance of Campbell valuing people; he wanted people to know they are valued and respected.

He reinforced the promise with a 10-point pledge as to how he intended to lead, and his first point was, "We will treat you with respect and dignity." He personally sent more than 30 thousand thank-you notes to show his respect for employees' efforts. His actions set the tone for his 350 senior leaders to emulate, and they did. By 2010 the company was setting all-time performance records while outpacing the S&P 500 five-fold.

Empower

When the training tool the Perfect Pushup (made by Perfect Fitness) became a breakout success, company leader Alden Mills was called a one-hit-wonder entrepreneur. If the Perfect Pushup had been an album, it would have received multiple platinum awards within its first year. What it got instead was a whole host of comments from industry veterans saying, in essence, "Enjoy it while you can. You got lucky, kid."

Yet over the next eight years, five more of the company's products—Perfect Pullup, Perfect Multi-Gym, Perfect Ab Carver, Perfect Cooling Towel, and Perfect Smartphone Armband—earned the equivalent of platinum status, and several others sold at gold level. No longer could someone say, "You got lucky, kid." That's because Perfect Fitness had created a system for developing products that sold in the millions.

What was the secret of the team behind these series of successes? Empowerment. The products didn't come from one inventive genius; they came from the entire team. Every single person on the team owned the product-idea process.

When people are owners, they think cooperatively. They share ideas, test new concepts, and focus on finding the best idea no matter who comes up with it. They act selflessly. Put simply, empowerment, which closes the CARE loop,

When a team authentically proves how much they care about other people, they experience an exponential return on their efforts.

depends on three actions: educate, enable, and engage.

Nothing shows people you care more than dedicating time to helping them learn new skills. Be careful, however: telling people what you know (and what they don't know) isn't the same as teaching them. Empowerment isn't a task you can check off your list or test on paper; it develops over time and depends on creating an environment where every person on the team shares lessons learned and feels a responsibility to coach and support other team members' growth.

The Geometry of Education

Think of education as a triangle. Each side of the triangle expresses one of the three ways to educate someone, and ideally you want to be creating an equilateral triangle in which all three sides are equal. Here's how to define each one:

Leapfrogging: This is in-house and often informal training delivered via lessons learned, best practices, debriefings, or email updates shared among teammates.

Externality: This tends to be more formal training provided by outside professionals, often representing unusual or diverse fields of expertise.

On-the-job training: On-the-job training gives people the chance to put their knowledge to work. This learning-by-doing approach may include mentoring and coaching as well.

When you create a system for educating your teammates with all three sides of the triangle, they will develop the "know what," the "know why," and the "know how" to achieve goals and develop new confidence and capabilities for future roles.

Creating a culture of empowerment can be challenging, because it requires the leader to let go, to relinquish control so that others can step up, make decisions, and take control as well. However, here's the irony: the more you empower others, the more the power returns to you. It comes back to you in a different, even more potent form: gratitude.

As a leader, your role is to grow your people to achieve their highest potential. Each phase of the CARE loop builds upon the others, and this final phase completes a group's transformation from selfishness to selflessness, from a group of individuals to an unstoppable team.

Activating the 10x Advantage

It's time to broaden the team-building discussion to include other constituents and stakeholders who have a hand in your team's success or might be affected by your team's performance. When a team authentically proves how much they care about other people, they experience an exponential return on their efforts. This is called the 10x advantage. The 10x advantage is activated by aligning the actions of the internal team with the goals and actions of external allies.

Many teams become one-dimensional and imbalanced when the relationship with one constituency, usually the customer, is emphasized over others. Then team-building goals and resources are devoted to whomever and whatever can help hit the bull's-eye, and everyone and everything else becomes nonessential.

The problem with this "customer is everything" approach is that it disregards 67 percent of your other key teammates, who can help you get more customers. The three constituents outside your organization—customers, contributors, and community—can become a force multiplier for your team's efforts. And when you bring them into the CARE loop, you'll see what it's like to be part of something bigger and better than any one team can achieve on its own.

The transformation from a group of individuals to an unstoppable team is marked by five phases.

Phase 1: Connected group. In this phase, connections are still weak, and communication is impersonal; the leader does most of the talking and speaks mostly in terms of "I" and "me." Leaders tend to micromanage their direct reports, and direct reports focus mostly on "managing up." As you might guess, empowerment is nonexistent.

Phase 2: Direct group. Directed groups are connected

through an authoritarian figure who spends most of his time telling others what to do and how to do it. The direction is known, measurable, and achievable. Fear of failure is high, and people tend to focus only on the specific tasks they've been assigned. Information is disseminated on a need-to-know basis. Accountability is low, and the group's focus is on pleasing the leader and not being singled out for mistakes.

Phase 3: Respected team. In this phase of team development, individuals have begun to feel emotionally connected to each other and to identify with the emerging team. They have started to feel intellectually invested in the group's progress toward achieving their goals. The leader listens more and talks less, giving the group more time to share insights and learnings with others.

Phase 4: Empowered team. The fourth phase of team building begins to harness the collective focus and efforts of the entire team. The team leader transfers decision making and authority to the team. Selfless action is commonplace, and the team begins to build similar links to external stakeholders, based on the same values of connection, achievement, respect, and empowerment.

Phase 5: The 10x advantage (aka the unstoppable team). This is the peak of team building. The CARE loop has become a well-oiled machine within the team as members seek to activate the CARE loop with external constituents as well. The team reaches levels of performance that have not been seen before and enjoys spending time together at work or for fun, and word-of-mouth about the team's commitment to each other and to their goals spreads far and wide.

The leader is humble; humor and warmth abound. The team's actions are magnified and improved by the support and participation of their contributors, customers, and community. People express enthusiasm, even love, for each other, and look for new opportunities to collaborate and pursue even bigger goals.

Team building and teamwork are personal. They're about a group of human beings, all with their own quirks of personality, their own superpowers and weaknesses, coming together to do something amazing.

Put the CARE loop to work and practice connecting, achieving, respecting, and empowering. Have some faith that you've done the work, or that you're prepared to do the work, of opening yourself and your heart to building relationships that are deep, sturdy as hell, and immensely satisfying to your heart and your head.

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Unusually Excellent

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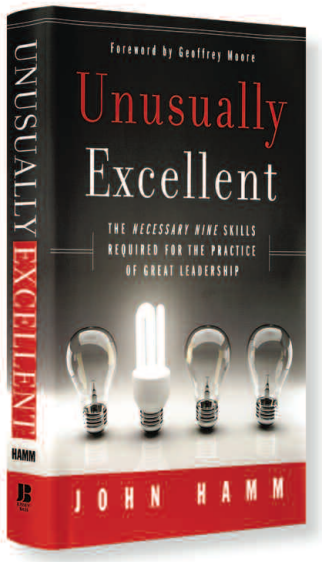
Leadership



Unusually Excellent

The *Necessary Nine* Skills Required for the Practice of Great Leadership

by John Hamm

THE SUMMARY IN BRIEF

Often, when leaders experience trouble, they look to blame an outside source or expect a small tweak to right their ship. But many times they have actually lost their grip on the basic foundation of their own leadership.

Unusually Excellent offers both seasoned and aspiring leaders a framework for understanding and a guide for applying the fundamentals of leadership at every stage in their careers. The business environment may change, but no management trend can displace the core laws, proven over centuries, of excellent leadership.

Leadership expert John Hamm explains why leadership can't be mastered as a single concept or tool that can be pulled out of a hat when needed. Excellent leadership is composed of actions, ideas, emotions, cultural forces, history and expectations that work together in an interconnected system. This system forms the core of the winning combination of superb Character, skill-based Competence and professional Reputation. Hamm demonstrates that any leader can excel by consistently putting into action the Necessary Nine skills: being authentic, trustworthy and compelling; leading people, strategy and execution; communicating, making decisions and making an impact.

Unusually Excellent offers powerful, unforgettable leadership lessons, reinforced empirical evidence and logical analysis that will prepare you for the ongoing journey toward exceptional leadership.

IN THIS SUMMARY, YOU WILL LEARN:

- How to put yourself in service to whatever you value most deeply.
- How to develop and renew your leadership skills.
- How to master the fundamentals of leadership at every stage in your career.
- How nine essential skills can help you practice great leadership.

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THE COMPLETE SUMMARY: **UNUSUALLY EXCELLENT**

by John Hamm

The author: Leadership expert and executive coach John Hamm has been published in *The Harvard Business Review, Fast Company, Business 2.0, BusinessWeek, Fortune, USA Today* and *The Wall Street Journal*. His article "The Five Messages Leaders Must Manage" was the lead feature in the May 2006 issue of *The Harvard Business Review*. He also wrote "Why Entrepreneurs Don't Scale," which appeared in *The Harvard Business Review* in December 2002.

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Introduction

Credibility is a matter of character and earns the right to lead. *Competence* is a matter of skill and earns respect. And *consequence* is a matter of values and earns reputation. These are the three overarching categories for the nine essentials of leadership. Within each category lie three essential precepts, each linked conceptually to the other two.

Unusually Excellent: The Essential Skills

- **Credibility: A Matter of Character.** Authentic, trustworthy and compelling.
- **Competence: A Matter of Skill.** People, strategy and execution.
- **Consequence: A Matter of Values.** Communication, decision making and impact.

Probably at some time in your education or career you have seen every one of these essentials. But you've probably never seen them arrayed like this — or realized how all of them interact to create a powerful synthesis that is greater than the sum of all of them.

It is this higher plane of leadership — the one that emerges from the virtuous cycle of all of these essentials *working together* in a consistent manner over the course of a career that creates "unusually excellent" leadership.

Unusually excellent leaders are rare — perhaps one or two in 100. But that doesn't mean you can't be one of them. Talent and aptitude matter, of course. So do timing and opportunity. But what keeps good leaders from becoming great ones is often just a matter of either not appreciating the need for *all* of these essentials to be in place and showing up in their day-to-day leadership behaviors — or, more tragically, realizing it too late. To learn, we must realize and accept what we don't know and begin to seek that knowledge at that moment.

How many talented leaders have lost their credibility early in their careers and borne that stigma ever after? How many executives have proven themselves gifted at execution but not at strategy, and have pulled their organizations down for lack of a plan? And how many otherwise capable leaders have failed to get their organizations to follow because they were unable to communicate well enough to enlist them?

You don't have to share that fate. You can be that one in 100, that unusually excellent leader. Look again at the leadership essentials. They may be difficult, but they aren't complicated — and there are only nine of them.

As a leader, every day you waste not perfecting these nine essentials only makes their accomplishment that much more difficult. So there's no better time to begin than now. ●

PART ONE — CREDIBILITY: EARNING THE RIGHT TO LEAD THROUGH CHARACTER

Being authentic — knowing who you really are and holding true to yourself in the most difficult moments — is "ground zero" of leadership credibility. It all starts here, like taking your grip on a golf club or tennis racquet — you must get the first step right to ensure your chances of success. To create the trusted connections you need in order to lead with real influence, you must first pass the authenticity test of your followers.

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'When Am I the Most Authentic?'

Ask yourself: "When am I the most authentic?" The likely answer is when you are with family and close friends — the people with whom you can let down your guard and allow your true self to emerge.

What do those "authentic" moments have in common? *There is nothing at stake*. Your friends and family already know who you are, so being yourself with them has no unforeseen consequences. They know you aren't perfect, so you aren't obliged to be. They like you as you are and they wouldn't want you any other way. When you are with these people in your life, you believe you are already inherently "good enough" to hold your place in that family or that friendship. You aren't "trying out" anymore — you made the team and you act like you know that. You trust yourself completely. There is no doubt in your mind that you are wholly and completely qualified.

These examples from the comfort of our lives with friends or family also illustrate the quality of the connection and ease of dialogue with others that we feel when there is no temptation to be someone we are not.

When Something Is at Stake

Although being ourselves authentically comes easily in most personal life settings, it is at times difficult as a leader on the other side of the same reason: When you are leading an organization, in the situations that test you the most, *there is usually something at stake* — for others and for you. The outcome of most leadership interactions has a consequence to everyone involved, and it is in your hands. These are the stressful times when you must have the courage of your convictions and be true to yourself in every way. These are the circumstances that challenge us to do the right thing even if it feels difficult, risky or uncomfortable and, in the same moment, tempt us to say something that just seems easier at the time.

Knowing who we are at the core is a project of awareness, courageous introspection and thoughtful reflection. The inquiry we must embrace is: *What informs and creates our capacity to lead with real influence?* Surveys tell us we are informed by our own personal reflection — and it takes real courage to own the unvarnished truth about our lives and our past. We are also informed, in a profound way, by understanding how others perceive our leadership behavior. This requires a tolerance for unfiltered feedback that few leaders have. ●

Being Trustworthy: The Consistency of Integrity

There is absolutely nothing more important than a leader's trustworthiness. As anachronistic as it may sound in the 21st century, men and women whose word is their honor, and who can be absolutely trusted to be fair, honest and forthright, are more likely to command the respect of others than any other type of person.

Safely Successful

Trust is arguably the most important element of organizational effectiveness. To attempt to achieve the goals most organizations strive for without a culture of trust is not impossible, but it is immeasurably more difficult and it only adds to the formidable challenges inherent in the market. Leaders must initiate the trust-building process with their own commitment to trustworthy behavior. The two main points of this topic are: What is the fundamental purpose of trust and how do leaders build trust in organizations?

What is the essence of trust? Trust is about safety. The presence of trust, in organizations, creates the feeling of confidence — a secure knowledge that our behavior, our work and our performance will be evaluated in an objective, rational and consistent way. It means we need not fear a subjective, arbitrary or personal attack that would threaten our reputation or stability within the organization — or worse, our self-esteem. We can then manage ourselves accordingly. It is the comfort of knowing we'll be treated fairly if we simply do the right thing. What solidifies this feeling of safety is experiencing it consistently, to the point where it is *predictable*. We can count on it. Then, and only then, are we freed up and fired up to do our best work.

There is a primal, biological need in all of us to feel safe — physically, emotionally and professionally. When we don't feel safe, our natural response is to focus energy toward a showdown with the perceived threat — and our attention on whatever scares us will increase until we either fight or run in the other direction, or the threat diminishes on its own. It will certainly distract us from what we cared about before we got scared.

How do we build a trustful place for our followers? Most important, as Barry Posner writes in *Leadership Challenge*, as a leader, when it comes to building trust you must "go first" — you must *model the way*. Being trustworthy creates trust. Don't wait for others to demonstrate their trustworthiness for you to trust them. That is a silly game of cat-and-mouse that can go on indefinitely with both parties waiting for the other to earn their trust. It is

the leader's job to step up and start the process by granting trust up front and allowing others to earn that trust later through their behavior. Leaders take the risk. That is why they are leaders. ●

Being Compelling: The Commitment to Winning

Authenticity and trustworthiness create the basis for productive and committed relationships. These first two virtues are necessary but insufficient to create committed followership. Above all else, the thing that defines leaders is that they have not just friends or admirers — they have followers.

To be willing to act of our own free will and choose to follow someone, we must experience something distinctly different, something more than the feeling of being "inspired" or "safe." We must feel *compelled*. Almost any version of success requires committed *action* toward goals. And action requires teams of people assembled around leaders aligned with a shared, bold vision. Compelling leaders create a following that is different from one of "believers" (those are for gospel preachers and spiritual teachers); leaders find and inspire followers who commit not just with their mind or hearts, but also with their time and energy.

We followers are compelled by a cause. This starts with a vision that expresses a substantial commitment in tangible ways. Leaders must paint a picture for those they wish to enroll — a vision of what winners will look like and how participants can contribute their talents in the pursuit of that vision and share in the ultimate success. From the perspective of those who follow, the message is "This vision has a place for you and I want you involved in this project."

If you ever doubt the power of a cause — consider Lance Armstrong's massive success with Livestrong. There are dozens of worthy and compelling campaigns and programs to raise money for cancer research — great organizations like the Susan G. Komen Race for the Cure, the V Foundation and others. But there is nothing to equal Livestrong for bringing ordinary people together around the *cause* with the *yellow rubber bracelet*. To wear one says to everyone that you have joined the club, for $2 or $2 million, or for nothing except your emotional and public commitment to the vision Armstrong has communicated for ending cancer, having gone through the experience of having cancer himself. The brilliance in the symbolism of the wristbands is well known and has been copied by hundreds of other causes as a surefire way to publicly show who has signed up for each campaign — and these bracelets, of all colors and styles now, serve as great conversation starters. They allow people to feel the pride of having signed on to a team that others respect.

We are compelled by leaders. By the same token, no one will sacrifice for a project, no matter how exciting, if the leader hasn't made a full and clear — and public — commitment. That commitment must inspire others to make their own choice to join and dedicate themselves to the mission at hand. ●

Great Leaders Hire People Who Are Smarter Than They Are

Great leaders earn that title by having the self-assurance to *always* do their very best to hire people who are smarter than they are — for real. They are secure in their role and their leadership equity, and are genuinely not threatened by talent. On the contrary, they crave having world-class people, knowing that the bar goes up each time a super-talented person joins the team.

PART TWO — COMPETENCE: LEADING ON THE FIELD WITH SKILL

Every business is a "people" business, because every business — indeed, every meaningful endeavor — is composed of human beings taking action in an organized manner to accomplish the mission in front of them. *There is no substitute for talent.* To be even more accurate — there is no substitute for the best talent you can find and hire. It may seem obvious, but let's review this idea. Why do we want the best talent?

For starters, we know that most organizations are limited by — or propelled to success primarily by — the quality of the people on the team. From an NFL football franchise to a business of any size, shape or flavor to a nonprofit or community organization, the best teams separate themselves from the pack primarily by having more capable, talented and committed people.

Seating Chart

Nothing changes the results in a functional role faster or more dramatically than getting the right person doing the work. A job turns from a liability to an asset as soon as the right person takes over. As the great business writer Jim Collins reminds us in *Good to Great*, we have to "get the right people in the right seats on the bus."

What distinguishes the kind of talent that can move the needle in a different way than most other people can? Talent follows the normal Pareto 80/20 principle

— 20 percent of your team produces 80 percent of the organization's value and ability to execute competitively. The shorthand for this group of people is "value creators" or the "best and brightest." Don't wait for an opening to bring this kind of talent on board. Find the people and make a spot for them. You'll never regret hiring the best people you can find.

The Leader's Agenda Regarding People

What is the rest of the leader's agenda regarding people?

- Hire the best.
- Focus on "fit."
- Make a team.
- Lead that team to victory.

Unusually excellent leaders take hiring seriously and personally. They are involved in the *design* of the hiring process, including the interviewing process (which most people have never been trained to do properly), and they pride themselves on personally meeting every candidate headed for an offer, if it is humanly possible to do so. They are on the hunt, constantly and relentlessly, for talented people — using every resource available to (1) identify the people they should know and (2) get to know them. They are always networking and always selling their company — meeting people who could lead them to the superstars, whether they are active in the market or not. ●

Leading Strategy: Ideas to Plans

In the real world, under the pressure of command, leaders regularly confuse or collapse the distinctions among leading people, strategy and execution. They sometimes assume that because they have the right people and a distinct goal that they can simply "flood the zone" and find success. Or they believe that a single-minded focus on day-to-day tactics, yet another "two yards and a cloud of dust," will eventually deliver them to their destination.

But *strategy* is one essential leg of the three-legged stool that is *competence*, and it is equally as important as the other two disciplines. A successful performance is not just the musicians, nor the playing of the music; it is also the sheet music on the stand — the *plan* for the notes and chords that allows talented people to make it sound so good.

Process to Plans

Unusually excellent leaders appreciate the power of a plan. They realize that even the best athletes need a playbook, a game plan or a pre-shot routine to ensure that their talent shows up on the field. Surgeons, pilots, lawyers and practitioners of any profession where the work is complex always have a plan — even if the task is something they've done hundreds of times before. They also know that great plans are created from accurate and complete data gathering, a rigorous analytical process and the collaborative efforts of experienced and wise people. And the most important thing they know is that although the *content* of brilliant plans is the domain of sophisticated data and creative thinking, *the art of leading strategy* is a *process competency* — a skill that great leaders continuously sharpen. They realize that great plans develop from vigorous conversations, among the best people they can gather, and are then endorsed and driven from the top. They know that a good plan must capture the best ideas of the organization in innovative and bold ways, mostly from the bottom up. Most of all, they understand that without a plan to win, they are left with only a plan to lose.

That said, a plan — no matter how brilliant — is not a strategy. A strategy is bigger than a plan. A plan is an intellectual construction that combines the best information that can be gathered about what is so now, thoughtful predictions about what will happen in the future and a model for how to succeed in light of those conditions. A strategy includes this plan but also accounts for *how* we do things, not just *what* we'll do — and it accounts for what happens when that plan collides with reality. ●

Leading Execution: Action to Results

Execution is about results. At the end of the day, leaders are held accountable; they get paid to produce the agreed-upon results.

Execution is where the rubber meets the road, the snap is taken, the play is run and the shot is hit. There is no score until the game starts. At that moment, preparation yields to the event itself, and winners and losers are determined. There is no place to hide.

That isn't to say that execution stands entirely alone (this fact is forgotten by many leaders). In most organizations, every day is a game day; in fact, most days are — from the staging of the next action to the ongoing recruiting of the right talent to the hurried training that takes place on the sidelines based on new moves by the competition that have just been spotted.

Most of all, the strategy process is still active long after execution has been initiated — in fact, it can't even

truly begin until that moment, when the *plan* is at last tested by the reality of the field of play.

Measurement and Feedback

The first two factors that make execution distinct from the domains of people and strategy are *measurement* and *feedback*. Planning is the province of statistics and probabilities: What is our market size? How well does this player hit against lefties? What are the chances that this plan will work? In contrast, as we put the game into play, we start to get feedback from the actions we take and we begin to get some measurement of progress. Execution, however, lives on the actual performance data coming in: What's the score? How are we doing in the Japanese market? How do bookings compare to billings?

The other significant feature that distinguishes execution from the other steps is the presence of time — the game *clock*. There are the performance and production time frames built into the calendar — the week, the month, the quarter and the fiscal year. Other leadership processes have their own internal clocks, but none are so driven by external deadlines as execution.

Planning, of course, has its own deadlines, but they are rarely precise and the consequences are usually not fatal. By comparison, miss a product introduction date — as Microsoft did (by nearly two years!) with its Vista operating system — and the entire enterprise (or in the case of Vista, the personal computer industry) can be nearly wrecked. ●

PART THREE — CONSEQUENCE: CREATING A CULTURE, LEAVING A LEGACY OF VALUES

The ability of leaders to communicate effectively is perhaps the highest leverage activity in their set of responsibilities. When they do it well, things work smoothly and effectively. When it is done poorly, countless problems come out of the woodwork, all in response to the lack of good information available. Leaders must embrace this work and commit themselves to a high level of proficiency over the length of their careers as professionals. Communication is *essential* to leadership effectiveness.

Talking Trust

Leaders always struggle in large group settings to get really difficult issues out on the table and to establish an environment of truly open and honest communications. And we've all seen what usually happens: the leader asks, "Are there any questions?" and is met by dead silence. This is exactly the opposite of what most leaders want.

One of the best solutions I've seen was devised by David Pottruck, former CEO of Charles Schwab. He appreciated that whenever there's power in the room there is also a great reluctance to ask questions. So, he decided, the only solution to get things flowing was to ask the tough questions himself.

And that's what he did. Standing in front of a large company meeting, he dramatically jumped off the stage and ran into the audience. There, he asked the empty stage the one question that they all wanted to ask but were afraid to: "Why aren't we getting bonuses this year?" Then he ran back up on stage and gave a thoughtful, honest, complete answer — proving that he was indeed willing to discuss the tough issues with everyone in the room — and, in fact, wanted to.

That broke the ice. Questions began to emerge — first the safe ones, and then some tougher ones as the team warmed up and realized this was a safe place. Then, when one audience member asked a truly brave question, another one that everyone else was reluctant to ask, Pottruck thanked the employee and then asked the audience to give the man a standing ovation — thus stripping away much of their fear of speaking up.

It is Pottruck's experience and belief that the content of what he says as a leader is rarely remembered; what is remembered is how his words made listeners *feel*. In other words, although leaders usually focus on the information content of their communications, often what matters much more is the emotional content of that message and the connection — the leader's empathy with the audience. ●

A Leader's Decision Making: Values-Based Choices

The final judgment of our leadership expertise will depend, more than anything else, on the quality of the decisions we have made, in aggregate, over the course of our careers as leaders. Leading decision making is, in essence, leading the conversation that improves the quality of those decisions.

Your primary job as a leader is not to make most of the decisions that arise every day, but to lead in such a way that the people who *do* make them make better decisions than they would alone.

That much should be obvious to the reader. After all, if strategy is the adaptation of planning to the real

world of competition and conflict, then decision making is the real-time response of leadership to the twists and turns and unexpected challenges of execution. Sure, leaders also make decisions during the planning process, and sometimes those decisions can be decisive, but it is the series of decisions made under pressure, in the heat of battle, that makes careers and sets legacies.

When you look at the lives of great leaders you admire, aren't those game-time decisions the ones you most admire and remember — and isn't that the very definition of legacy?

If we examine decision making — both the art and the science — there is a structure to consider and a number of powerful and useful principles to keep in mind.

Decision Structure

The structure of leading decision making appears simple on the surface but, as with many things, the devil is in the details. The following are the categories and the *sequence* of thinking to consider as you approach this extremely important competency:

What? What exactly are we deciding?

When? When should, or must, this decision be made?

Who? Who decides?

How? How will the decision be made?

It is obvious that "what" is the starting point — we need to know what, precisely, we are deciding. However, you may wonder why I positioned "when" ahead of "who" or "how." Quite simply, the perceived urgency of a decision often determines both the choice of who makes it and, accordingly, how it is made. And we usually know the "when" as one of the first aspects of the decision at hand. If something is truly urgent, and there is someone nearby and available who is appropriately qualified to make the decision, it probably makes sense to let that person decide, even if he or she is not the absolute best person if the urgency was not high. If there were more time, it might be possible to route that decision to someone even more qualified to decide.

The urgency of a decision can certainly be dramatized or overblown, and there are certainly more false alarms than legitimate emergencies. Nonetheless, knowing the true time frame in which something should or must be decided will certainly shape the choice of who decides and how the decision gets made. ●

A Leader's Impact: The Transfer of Influence from Leader to Follower

Of all of the issues of leadership and legacy, none is more complex, elusive and unpredictable than your work with people — the relationships, transactions, conversations, interactions, conflicts, shared victories and all the rest. These are the memories that have the most juice for most leaders and most followers.

Even though you can't fully know the ultimate impact of your leadership, you can learn to imagine or even predict that your legacy will be based on how you are leading today.

Your influence as a leader is a function of leading authentically, present to the moment, doing your very best with the challenges in front of you and paying no particular attention to your imagined assessment of your behaviors at some point in the future.

Whisper Campaign

The two most obvious ways that leaders have an impact, and ultimately create a legacy, are through their *decisions* and *successes*.

The third, less obvious factor that will affect a legacy is *reputation*. This is what people think and will say about you — and there is almost nothing you can do about it. You may flatter, buy or intimidate people into a polite silence for a while — but eventually, especially after you are gone, nothing will constrain them from expressing their true feelings about you. And when that historian, doctoral candidate or biographer comes around, you will pay for every moment of cruelty, indifference or lack of empathy you had as a leader.

What to Do

So, what can you, as a leader, do *while* you are leading, real-time, to create the look-back talk that you'll be proud of?

1. **Live the Nine Essential Skills.** If you concentrate on those things, with one eye cocked toward the ongoing state of your reputation, you can be pretty sure that your legacy will be a good one — even if you ultimately fail to reach your goals.
2. **Pay Attention to Change.** Change requires, at a minimum, a little empathy and a lot of patience. Don't attempt to deny or resist change — just help people get through it better than they could if left to their own devices.
3. **Get More Curious, and Smarter, About Human Nature.** If you can keep in mind that most basic states of emotion are simply a function of one's relationship with "what you want," then

the first great question you need to ask your subordinates as a leader is: *What do you want?*

4. **Give Feedback.** It is the best tool you have to connect, add value and create relationships different from the usual arm's-length management relationship.
5. **Celebrate Success.** Take the time — officially endorsed and led by you — to celebrate your team's accomplishments and victories.
6. **Respect Life Outside of Work.** What is important for you to remember as a leader is that your people do have private lives outside of work, that those lives are important to them and that, as a matter of principle, you must respect those lives.

Afterward

Leadership is a *mentality*. To lead others with influence and impact, you must *think* through as many issues as you can, from this point of view: as a *leader of people*. There is always a business or strategic view of a situation, and that is a useful perspective. But most of what we decide or communicate as leaders has a specific leadership consequence somewhere, at some time. Holding the *mindset of leadership* as your perspective, when you are pressed into service as a strategist, battlefield commander, negotiator or any other role that demands your attention on a given day — will improve the quality of your choices as assessed by those you lead. Double check to make sure you've considered every situation from the context of leadership before you finalize any decision.

Leadership is a *practice of behaviors*. The crux of leading is doing the right things, doing them well and doing them consistently. Behavior is the basis for both culture and reputation, and is a direct reflection of our personal values, revealed over time in small acts. So, while you can learn all the complicated or esoteric theories or concepts of leadership, your impact ultimately rests on your willingness and ability to do what needs to be done, do it with skill and professionalism and, of primary importance, do those things consistently over time, in both easy and difficult circumstances, even when you don't feel like it. You will be judged, in the end, by your actions.

Leadership Is a Noble Profession

Leadership is a *noble profession*. It is a mission of service to others and of achieving, through people, those things that move the world forward. To the untrained eye, leading may appear tremendously egocentric, but it is really so much more about those who have trusted you to lead them. Leaders who realize this fact early on are set up to win in a very different way than leaders who live in the illusion that it is all about them. It is a journey of learning that begins with self-awareness and continues throughout a career of discovering what it is about you that others see as authentic, trustworthy and compelling.

Finally, leadership is a *passion*. It is not a "job" and it is not a career for everyone. There is no shame in declining to lead if it is not for you. Leadership is a choice. It is a deep, burning desire to engage with people and rally a community to achieve greatness. That passion is both an attribute and an asset of leaders, as it creates a virtuous cycle of hope and belief, and results that benefit everyone involved. Leadership can be difficult, thankless, frustrating, maddening work at times. It is only the passion of leading on the field — the thrill of looking other human beings in the eyes and seeing their energy, willingness, trust and commitment — that makes it all worthwhile, in a very quiet, private way.

Leadership Occurs in a Conversation

Much of what we experience as leadership actually occurs in a *conversation.* Conversations help ideas come to life and enable visions of the future to take shape and form. Conversations create meaning and context — they explain the things that confuse people. Perhaps most important, conversations make things happen — they help create direction and provide the inspiration for commitment and action. When something is not as you want it to be, chances are good that there is a conversation you need to have to fix it. The bottom line is that we expect and need our leaders to be superb communicators. This means we need them to craft the right messages, deliver them skillfully and effectively, and listen with engagement and empathy.

RECOMMENDED READING LIST

If you liked *Unusually Excellent*, you'll also like:

1. ***Clutch* by Paul Sullivan.** Do you choke under pressure, or are you "clutch"? Learn how to successfully perform under extraordinary pressure.
2. ***What's Holding You Back* by Robert J. Herbold.** Herbold explores exactly why managers often hesitate to confront difficult issues and reveals the 10 core principles of confident leadership.
3. ***The Truth About Leadership* by James Kouzes and Barry Posner.** The authors share 10 time-tested fundamental truths about leadership and becoming an effective leader.

· Book 371 of 388 ·

Vision to Results

Jim Fischetti

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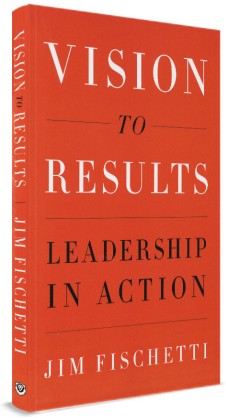
Vision to Results

Leadership in Action



by **Jim Fischetti**

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THE SUMMARY IN BRIEF

True leadership involves creating a vision, communicating it fervently, and holding people accountable. A compelling vision is the answer to the big question: what is this company about, and how are we going to achieve our goals? Being a visionary doesn't automatically make you a leader, but leadership without vision isn't leadership. A leader's vision must be communicated to their team or organization; otherwise, it's just words on a wall. And a leader must hold their people accountable to live the company's vision. This is hard sometimes, but accountability is an act of love.

Vision to Results: Leadership in Action is intended to offer a solution to the corporate world's crisis of leadership, which manifests in leaders too often valuing caution over everything and companies acting in ways designed to protect the status quo at all costs. Author Jim Fischetti, an ultra-successful leader, innovator, and consultant, has spent four decades refining his notions of what makes a great and transformative leader. He believes that the biggest vision in the room always wins.

IN THIS SUMMARY, YOU WILL LEARN:

- The importance of a compelling vision to any organization.
- How to keep your vision from being just words on a wall.
- How your vision and empowerment of your people are connected.
- Why you should think big when crafting your vision!

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The Crisis In Leadership

We live in a time of corrupted leadership. Not corrupt, necessarily, but corrupted. Leaders who aren't accountable. Systems designed to protect the status quo at all costs. These are symptoms of a larger disease, and they are existential threats to the success and longevity of any organization. The common thread running through this crisis is vision. Organizations need a leader with compelling vision who is dedicated to spending lots of time communicating that vision to their people.

One hallmark of the corrupted leader is that they avoid danger at all costs. Gridlock and stasis are the inevitable result. Perfection is an unattainable idea, and failure is underappreciated. It is in failure that growth occurs. Unfortunately, we idolize the image of the infallible leader, and fear of failure leads to paralysis. Leaders who worry about failing are leaders inclined to do nothing in the first place.

The need for instantaneous results has exacerbated the problem. With social media and wall-to-wall media coverage, there's no anonymity to act these days. Leaders have no room to figure things out, so deficiencies in vision inevitably lead to colossal public failures of the kind that don't easily lend themselves to correction. This isn't a call for less transparency. But there needs to be space to be wrong or adjust decisions that don't work out as planned. Without it, leaders take the most cautious route possible—and greatness rarely results from meekness.

There must be mechanisms for holding the leader and the led accountable for achieving the mission. The price for failure to hold people accountable to the vision can be steep. Accountability is a safeguard against failure and an act of supreme care. Too many leaders lack the intestinal fortitude to hold people accountable, and it shows in every public arena.

Real leadership requires a certain kind of strength—the strength to do the right thing, not the thing that necessarily feels the best. Leadership is not for the weak of mind or character. More of us should be more committed to removing bad performers, negative actors, and even mediocre people from our organization more quickly.

It All Begins With A Vision

The most common problems with establishing a vision often arise from within.

A vision that isn't communicated isn't a vision at all. Too often, leaders think there's got to be more to it—there has to be a grander scope to this earth-shattering activity of being the head honcho. They don't understand one key idea: success is simple; it's just not easy.

An insecure leader often needs reassurance that no one else could do the job but them. Complexity is a way of cementing the leader's importance to the organization—but there's a cost. This type of leader creates a role for themselves that's nearly impossible for anyone but them to perform. Others are both baffled by and excluded from the leader's vision.

What is a vision? A mental image of what the future will be or could be. It's rare for the person with nothing but financial motives to achieve massive success. Making money is great, but it's hardly the basis for a compelling vision on which to base the hopes of an entire organization. Compelling visions lead to compelling outcomes.

Great Visions, Communicated

Leaders have to achieve absolute clarity is delivering their vision. Muddled thinking at this stage of the process will lead to inevitable confusion among your people.

Conciseness is important, too. Being concise brings rewards beyond taking less time—a concise vision is clearer, and a clear vision may be the difference between people aligning with your mission and their discarding it as more white noise in the midst of a day overflowing with it. Being concise will push aside the unnecessary, so people won't get sidetracked with things that are outside the goal.

Be consistent in communicating your vision. Your message should never change, no matter the audience. And consistency is also about your actions being in alignment with your words. If your actions don't support the articulated vision and mission, then that vision is just a bunch of words on a wall. Communicating a vision is not a one-and-done thing. Be sure to communicate via multiple methods.

Connecting The Dots

An ever-present danger is that visions become misaligned. Priorities change and the focus gets blurry, and once the leaders and the led are no longer aligned, things can get tricky.

When everyone in an organization connects through a shared vision, one of the interesting results is that these connections tend to flatten hierarchies. The worth of each per-

son is directly related to the fact that each of them plays a necessary role in executing the vision. In a culture in which every member of an organization is equally important to achieving its mission, leaders can afford a vibrant sharing of ideas and healthy discussions.

The secret to ensuring that staff is connected to the vision is to create measurables that go beyond basic statistics. Get people to regularly tell stories showing how they're carrying out the vision.

Having fun is underrated in ensuring that staff is connecting to the vision. If you as the leader aren't the jovial type, designate a "fun captain" and charge them with making sure people are having fun. Offices in which people aren't having fun are also most likely offices that aren't hitting their goals. People who are willing to laugh and have fun are people who feel safe where they work and likely feel connected to their leaders through the shared vision for the company.

Fear is a sign of a dysfunctional organization. Workers who live in fear of disagreeing with the leadership will keep all their best ideas to themselves. Worse, they might decide against pushing back against the leader's mistakes. Disagreements mean employees feel safe.

Connecting with your people through the vision brings out their best work. If your vision includes space for your people to expand their skills, explore their interests, and bring their best ideas to the office, you will maximize the chances of success.

The Biggest Vision In The Room

Visions need to be big enough to move people to action and to encompass the individual visions of all the people in the organization.

One of the hallmarks of any big vision is that it is also a little outlandish. We have always loved visionaries who tilt at windmills. The vision should be so outlandish that it causes people to pause. Audacity is attractive. A big vision that's also a little bit crazy will be a siren song to the kinds of people who are looking to connect to something larger than themselves. The why of your vision is important. Ideally, your why needs to connect your vision to a larger goal in order to resonate with people.

A powerful and compelling vision, communicated often and connected to leaders and the led, is like rocket fuel for achieving massive results. One ingredient in formulating this propellant is emotion. Logic will get you only so far. Emotion is the thing that makes people act.

Highly successful people know when to say no so they can focus their energies on fewer things. This is counterintuitive because it may cause some people to not like you, but it's the essence of great leadership. Saying no protects your vision. It keeps you from getting sidetracked.

There is nothing as important in empowerment as how one finds, nurtures, and rewards the people you bring into an organization.

Empowerment

There is nothing as important in empowerment as how one finds, nurtures, and rewards the people you bring into an organization. These people bring the talent and drive to the task of making your vision a reality. In this context, empowerment is made up of five components: hiring, investing, releasing, rewarding the talent, and letting the talent reward you.

Hire talent that's going to get the results your company needs and invest in that talent to set your people up for success. Then, most importantly, release your talent into the world and allow them to own it. Reward talent. Financial opportunity is important, but there are other rewards too. Bringing additional resources to bear on the work at hand is one reward. If you can make the work component of your employees' job easier, more efficient, and more productive, that is reward in itself. Training opportunities are also a great reward. Finally, let the talent of your people reward you. The natural result of all the work and investment you put in should be getting results through your people.

Empowerment is a two-way street. When leadership empowers the led to accomplish their shared vision, there is an onus on the led to take that empowerment and run with it. To know if they've done so, inspect the work of the people you've entrusted to get it done. And act quickly when it

becomes clear that the vision is not being accomplished.

Empowering people can lead to detachment. The worst thing you can do is become a seagull leader—the type of leader who floats around up in the sky all day, swooping in at the last moment to defecate on people. The result is a lack of ongoing consistency. Even if the leader's actions are justified, people are going to stop listening after enough squawking and defecating. Course correction is best accomplished on an ongoing basis, not in intermittent bursts of displeasure and anger.

Accountability

When accountability is lacking, problems and issues arise constantly, forcing leaders to play Whack-a-Mole, smacking down problem after problem. This is inefficient.

Leaders need to remind themselves that accountability is not about simply tracking achievement and execution. Keeping an eye on your people is fundamentally an act of kindness toward them and a demonstration of your care and concern for them.

The leader fosters an atmosphere of accountability through four key attributes: culture, commitment, standards, and expectations.

Culture arises from the answers to these questions: What does your organization stand for? What is it like to work there? What types of people do you seek? It is imperative that every member feels committed to the organization, from the top to the bottom. Culture drives the standards to which you hold your people. The organization either has high standards or none at all. Pair the company's standards with clear expectations.

Holding people accountable leads to the occasional difficult discussion. Leaders must have the guts to confront a person in the company when their performance demands it if they care about that person. You don't have to relish the idea of holding your people accountable, but you need to do it. This builds your relationship with them.

Consistency is key to accountability, which is about offering weekly feedback. Monitoring your direct reports' performance and giving consistent feedback lets them know you're aware of their existence and that they're doing the job well.

The accountability process can be broken down into three categories: set expectations, track and monitor results, and give consistent feedback. The best team of any sort will always win over the team with the single best player. (Well, almost always. There's only one LeBron James.) A great leader knows that any results they generate come through the people on the team.

Your goal should be to set your team up for success in such a way that they can succeed without you. To do this, empower, equip, and encourage your people.

Conclusion

The biggest, most compelling, well-communicated, and successful vision is not a lottery ticket. Putting the principles to use takes lots of hard work and dedication. Any results you achieve as an organization will be through the work of your people. Your personal greatness is almost irrelevant.

The insight that vision and communication are the pillars on which everything else is built in your organization is key to your evolution as a leader. If the biggest vision in the room always wins, this insight is the biggest vision of them all.

Jim Fischetti is a leader, innovator, and consultant who's spent over 50,000 hours developing leaders throughout corporate America. He's spoken to more than 60,000 people and helped one organization increase sales from $4 billion to $13 billion in just three years. Jim has spent four decades refining his notions of what makes a transformative leader and is committed to helping others understand the importance of vision in their lives outside the corporate world.

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VisuaLeadership

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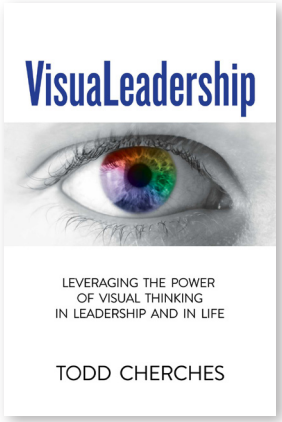
VisuaLeadership

Leveraging the Power of Visual Thinking in Leadership and in Life



by **Todd Cherches**

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THE SUMMARY IN BRIEF

Author Todd Cherches relies on a single phrase as the foundation to all of his thinking. Visual thinking and visual communication have the power "to communicate, to innovate, to manage, and to lead."

When we communicate in this way, we increase the attention, comprehension, and retention we get from others. As a leader, you can leverage this by inviting and inspiring those you lead to see your picture of the future and follow you confidently into it.

In ***VisuaLeadership***, Cherches teaches tools and techniques meant to "equip, enable, and empower" leaders to improve their efficiency and effectiveness, to maximize "performance, productivity, and potential," and to "open your eyes to a world of new possibilities and new approaches" in becoming the visionary leader you need and desire to be.

IN THIS SUMMARY, YOU WILL LEARN:

- Four ways to get people to see what you are saying as a leader.
- How models allow you to gain clarity, direction, and focus.
- How powerful the use of metaphors and stories are in leadership.
- Ten tough questions every self-aware leader needs to be able to answer.

Published by Soundview Executive Book Summaries® (ISSN 0747-2196), 225 Wilmington West Chester Pike, Suite 202, Chadds Ford, PA 19317 USA. • Copyright ©2022 by Soundview, Inc. All rights reserved. Reproduction in whole or in part is prohibited. • Subscriptions start at $99/year. To subscribe, visit summary.com. •Vol. 44 No.12 (3 parts). Part 2, May 2022 Order #44-12 Meghan P. Kozak, Editor-in-Chief • Kylie Waytuck, Graphic Designer

What is VisuaLeadership?

VisuaLeadership exists at the point at which visuals and leadership intersect. It is the art and science of applying visual thinking and visual communication tools, tips, and techniques to manage and lead yourself and others.

Here is a formula that sums this idea up:

VL = (VT + VC) x (M + L)

VisuaLeadership =

(**Visual Thinking + Visual Communication**)

x

(**Management + Leadership**)

There are four ways to get people to see what you are saying as a leader. Each of them are employed for the purpose of conceptualizing and/or communicating.

Visual Imagery relies on things like videos, pictures, doodling, emoticons, shapes, logos, body language and more.

Mental Models use frameworks like tables, graphs, charts, diagrams, and matrices.

Metaphors compare things that are unlike one another and can be drawn from an endless array of possibilities including sports, art, nature, animals, and business.

Finally, **Visual Storytelling** harnesses the age-old power of storytelling with anecdotes, cautionary tales, drama, and comedy.

To provide clarity and solidify understanding of these ideas, here are a few questions that illustrate the use of visuals in real life:

Can you think of ways that use visuals such as maps, drawings, or photos to gather or learn new information or use those same visual tools to communicate your ideas, plans, or emotions?

Do you apply mental models or frameworks, like pro and con lists or flowcharts to "help frame your reality, innovate, make decisions, and solve problems?"

Metaphors and analogies are used ubiquitously to communicate with one another for the purpose of understanding or explaining new things. Can you think of a few?

What are some of your personal "go-to stories, anecdotes, lessons, and examples" you pull out regularly to illustrate or make your point?

When you take the time to consider how frequently you already rely on visuals in daily life to understand and communicate, it is easy to see how they can be intentionally applied to enhance your effectiveness as a leader.

Visual thinking and communication enhance leadership effectiveness because we understand at a deeper level and recall what we have seen far more clearly when we have been presented with the information visually.

Leading with Visual Models

Visual models are frameworks that can be incorporated into your work as a leader, helping you make decisions, weigh factors, and gain consensus. Models help us take complex information and simplify it so that we can more easily understand it. They clean things up for us mentally, removing the messiness and complexity of a situation and place things within a framework. With a clearer understanding of the information being presented, we can make decisions that are informed and intelligent. Leaders can help others get their own minds around a new concept, plan, or challenge with the assistance of a visual model.

The different types of models a leader can use are limited only by the imagination. The following are just a few of the 18 models that can be used to be more effective as a manager or leader as well as to boost productivity.

ABC Decision-Making Tool

One of the preferred models is designed for decision making. There is no such thing as a perfect decision. Decisions cannot ever be absolutely right or wrong. Rather, we can take the information that we have available to us and make the best decision possible. But that is sometimes easier said than done.

When faced with a decision as a leader, the "ABC Decision-Making Tool" can help. This model breaks the decision-making process into clear, visually-displayed chunks, organized and considered in three parts.

Issue: The first part requires you to describe the problem or issue you are facing.

Options: The second part asks you to narrow your options down to just three viable solutions to the problem.

Decision: The decision is made in part three based on

CAP is about having the **c**onfidence, the **a**ssertiveness, and the **p**resence to speak up and to speak out.

your understanding of the situation and your interpretations of the factors involved.

Put Your CAP On

Another recommended model is all about assessing your confidence, assertiveness, and presence and is called, "Put Your CAP On."

The main difference between those who succeed and those who don't can be summed up in those three words: **confidence, assertiveness,** and **presence.** Confidence is the degree to which you believe in yourself, Assertiveness is your ability to express yourself, and Presence is how you are viewed in the eyes of others.

At the core, CAP is about having the confidence, the assertiveness, and the presence to speak up and to speak out. To try new things. To take chances and risks. To fall and to fail. To fail and to learn. To seize opportunities and to act before the window of opportunity slams shut on your fingers.

The Passion/Skill Matrix

If you love doing something, even if you're not very good at it, you're going to spend time doing it in the hope of getting better at it or because it is fun. Similarly, if you're good at something but don't love doing it, you don't really *mind* doing it. What about something you love doing *and* you're good at? Now you've hit the magic bullseye: your passions and your skills are in alignment.

In almost every job, there are going to be aspects of your role that you enjoy doing and those that you don't. There are things that you are good (or even great) at, and things that you are not. The key to success lies in finding a position that strikes the right balance.

That's where looking at yourself through the lens of the Passion/Skill Matrix models comes in handy. By breaking all of your job-related tasks into the categories of good at, not good at, like doing, or don't like doing, you can you identify your:

- Sweet Spot: things you like *and* are good at doing
- Growth Zone: things you like but aren't good at *yet*
- Default Zone: things you don't like but are good at
- Failure Zone: things you don't like *and* are not good at

If you sit down and reflect on your current role in this way, you can dramatically enhance your potential for success.

Power Dial

One of the reasons we hesitate, procrastinate, or fail to take action is because we feel as if we lack power. When out of work, stuck in a dead end job, or struggling with getting others to buy in to our ideas can make it seem like we have no leverage at all. But you have more power than you think!

Power can be described as the ability or potential to allocate resources, make and enforce decisions, and/or impact and influence others. You can turn up your potential power into performance to maximize your productivity and produce results.

Your power comes from three sources:

Personal: who you are, what you know, what you can do

Relational: who you know and who knows you, and

Positional: your role, status, or position.

Each of these sources can be leveraged, developed, and grown to boost your confidence and increase your influence.

Leading with Visual Metaphors

Whether you are conscious of it or not, you encounter countless uses of metaphor in your daily life each and every day. News programs, blog articles, books, social media posts, conversations, and more are peppered with them, and for very good reason.

What Are Metaphors?

Metaphors are simply figures of speech in which we use one thing that is usually completely unrelated to the topic at hand to explain something else. When we say something was "ice cold" or "on fire" we are using the words ice and fire to convey an idea that doesn't actually have anything

to do with ice or fire itself, but you immediately understand what the meaning the message is delivering. In this way, metaphors are an extremely effective and memorable way of communicating a central idea.

> The metaphors we encounter far and wide in real life show us what a powerful tool they can be in communication.

The Power of Metaphors Made Clear

This paragraph, for example, shows how prevalent and effective metaphors really are:

If I were to tell you that this book covering visual thinking and visual communication is *rooted* in the idea that thinking in pictures will help you to be a more effective leader, that I wanted to *plant this seed* in your mind by providing you with numerous examples as illustration, and that if you *branched out* into this area, I would be willing to *go out on a limb* and bet that if you start incorporating visual imagery, models, metaphors, and stories into your repertoire it will immediately *bear fruit*…I think the power of metaphor, in leadership and in life, even if you have never really thought about it before, will become immediately apparent.

The metaphors used in the previous statement, and those that we encounter far and wide in real life, show us what a powerful tool they can be in communication. Metaphors can:

- serve to make the unfamiliar familiar
- the intangible tangible
- the abstract concrete
- the complex simple
- the confusing clear
- and the invisible visible

You do have to be careful, however, that your use of metaphor doesn't cause confusion instead of clearing it up.

You shouldn't, for example, throw out the metaphor of sounding like a broken record to a group of college students who have likely never heard a vinyl record at all, and would, therefore, most likely not be able to relate to what a broken one might sound like. In that case, your message will get lost in translation, so to speak.

No matter what topic, anytime we are receiving new information we rely on our existing understanding of similar topics or our experiences to make sense of the new ideas. We line it up relative to what we already know and understand, as well as where and how this new information fits into our already-established mental map.

Metaphors can bridge the gap between present understanding and future work and challenges. Leaders who leverage the power of metaphor will find that those who they lead will be better equipped to rise to the challenges in your workplace now and well into the future.

Metaphor-Based Practices

Here are just a couple of the 14 metaphor-based practices that can help you lead more visually:

Elephant in the Room

One metaphor-based practice is related to confronting the "elephant in the room" anytime your team or a group you are leading is distracted or disengaged because of something unrelated to the topic at hand or that came on suddenly and carried a shock factor.

Take the example of a group that was hired to deliver a management training series. Shortly before the six-part series was set to begin, the managers who were going to attend learned that their company was being sold.

Obviously this weighed heavily on their minds. Many of them were unsure if they would even be employed by the company following the acquisition, which understandably distracted them from the training session in front of them. The acquisition was the "elephant in the room."

When you encounter a big elephant in the room, resist the temptation to ignore it as if it will go away on its own. Instead, put the spotlight right on it and work together to decide what should be done about it.

Making the Bed

People generally fall into one of two camps. There are

When we tell stories, we share a piece of who we are, what we think and feel, and what's important to us.

those that make the bed every single day without fail and those that don't see the point. After all, you're just going to crawl back into it and mess it up at night, right?

The problem with this daily struggle is that the dread, avoidance, and distraction of not making the bed takes up real space in your mind. It needlessly adds to the mental toll you are holding in your mind, negatively impacting your energy levels, enthusiasm, and focus.

The solution is clear. Just get up and make the bed. And no, we are not just talking about actual sheets and blankets. Whatever metaphorical beds you are leaving unmade, take care of them and make space for more important activities and pursuits.

Black Sock Decision Making

Instead of spending valuable time and energy every single day deciding what color or pattern socks to wear, wouldn't it be simpler to only have black socks in the drawer?

The more decisions in your life that can be standardized, systematized, automated, or eliminated, to the point that you don't even need to think about them anymore, the more free your time–and your mind–will be to focus on things at work, and in life, that truly matter.

Think about areas in your life where you can apply Black Sock Decision Making to achieve better results.

The Little Pink Spoon

A great pleasure in life is to walk into an ice cream store where they will allow you to taste a few flavors with a little pink spoon before ordering your cone. Why are they willing to give away their product for free? Because they hope that by giving us a free taste, we'll end up buying more in return. You can apply this to your life, too.

As you prepare for your next interview, client meeting, sales pitch, or presentation, think about how you might give people "a little pink spoon-sized taste" of who you are and what you have to offer. And, if all goes well, they'll want all of you...with a cherry on top.

Yellow Ball Leadership

When thrown three different colored balls, a dog always brought back the yellow ball…regardless of which color she was asked to fetch. Why? Simply because she wanted to! Similarly, people tend to gravitate towards the tasks that most interest and motivate them.

The first-ever management consultant Frederick W. Taylor wrote in 1911, "People do best what they like best to do." And, apparently, that applies to dogs as well. So, for leaders, finding out what motivates your people will help you to set them up for success. And whatever that "yellow ball" is for you...go out there and get it!

Your Leadership Weather Report

What's your leadership weather report today? When you walk into a room, are you a cloud of doom or a burst of sunshine? Are you threatening or encouraging?

Your mood, attitude, and energy are contagious. From a leadership perspective, it's important to be consciously aware of how your disposition can impact others in both positive and negative ways.

Leading with Visual Stories

All human beings respond naturally to storytelling. We are absolute naturals at telling stories, too. This is true even when we perceive ourselves as not being very good storytellers at all.

Everyone Can Tell a Good Story

Here is just one of the 19 powerful examples from a workshop on the use of storytelling in leadership. One of the participants told the group that he really hated storytelling because he was "a terrible storyteller." When prompted why he felt that way, he went on to tell this terrific story about why he thought he was so bad at it. Everyone can tell a good story...even when they think they are terrible at it.

When we tell stories, we share a piece of who we are, what we think and feel, and what's important to us. And through

the power of story, we can teach, we can change people's point of view, and we can even change the world.

From the perspective of your work as a leader, the key is to find ways to use stories purposefully and strategically. Your goal is to leverage storytelling to educate people, engage them so that they continue listening, and to excite them so they will be inspired to act. Visual storytelling is all about painting a picture with words during which you are taking someone on a journey and sharing an experience in such a way that they are able to see it in their mind's eye.

Stories can be classified into a number of categories, each with its own distinct purpose. The "Cautionary Tale" is meant to dissuade your team from letting something happen to them in the way it happened to you. Similarly, the "Personal Failure Story" is shared so that you as a leader can reveal a major mistake you made so that those you lead can avoid it for themselves. And, in so doing, your willingness to share your story and demonstrate your vulnerability will result in your being seen as a more human, empathetic, and relatable leader.

Stories are a pathway to share the wisdom of your experience with others. No matter what type of story you tell, when leaders are willing to share any kind of story openly, authentically, and with vulnerability, they are able to create a climate of psychological safety. This leads to a culture of openness, collaboration, and trust and that is advantageous for everyone you lead and the organization. The lessons learned from the openly-shared stories benefit all.

Leading with Visuals: What Now, What Next

The future is never completely known or certain but savvy leaders can better equip themselves for "The Road Ahead" with visual thinking and communication. This is especially important now, perhaps more so than ever. We are living in a world that is ultra-fast-paced, full of information overload and distraction, that leads to ever-shortening attention spans.

You can leverage the power of visuals to cut through the clutter so as to capture people's attention, enhance their comprehension, and increase retention. The competencies and abilities demanded upon today's workforce are ever evolving. VisuaLeadership can strengthen your capabilities and impact as a leader, better preparing yourself and those you lead for the future.

One way to assess your future readiness in this regard is to contemplate a series of questions. This set of questions is targeted at assessing, and if necessary, improving your self-awareness which is foundational to your success as a leader.

VisuaLeadership can strengthen your capabilities and impact as a leader. . .

Ten Tough Questions Every Self-Aware Leader Needs to be Able to Answer

Question 1: How do you personally define leadership?

Leadership is not a title. Rather, it is about stepping up to leadership when leadership is needed. It comes in many forms. What is yours?

Question 2: Who are some of the leaders that you admire, and why?

By looking at the qualities and characteristics of leaders that you hold in high regard, you can shape your own.

Question 3: Who have been some of the influential people in your own life from whom you have learned something valuable about leadership?

The answer will help you get specific about your own values, leadership style, and ethics.

Question 4: What have been some of the defining leadership moments in your life?

These are moments that you would consider game changers that moved or inspired you in a profound way. They have shaped the person and leader you have become and serve as a guidepost.

Question 5: What are you truly passionate about?

These are the things that excite you out of bed every morning or keep your mind contemplating at night. They energize

you and give you purpose. Figuring out what lights a fire inside you will help you do the same in those that you lead.

Question 6: Why should anyone be led by you?

This is a scary one and more than a little challenging to face. You can get to the heart of the answer by considering what would happen if you left your current position. Would people eagerly leave to follow you or would they be glad that you were going?

Question 7: What are some of the key leadership lessons you would want to pass along to others?

Part of your responsibility as a leader is to foster leadership skills and traits in others. Pondering what you want people to say about you at your retirement party will hone in on these lessons.

Question 8: Who are the people in your life right now who make you a better person and a better leader?

Think about the people in your life that you can count on to be open and honest and candid and truthful with you, with no other agenda other than wanting to help you be the best person and the best leader you can be. You will need to rely on them throughout your leadership journey.

Question 9: What are you reading, listening to, and watching?

The information you expose yourself to can have incredible impacts on how you lead yourself and others. Never stop seeking out new sources.

Question 10: Are you a good follower?

Effective leaders sometimes have to follow someone else's lead. Who do you follow and are you good at it?

Conclusion

No matter where you are on the journey of leadership, this collection of frameworks, metaphor practices, and storytelling is now a part of your VisuaLeadership tool kit. If you are intentional about implementing them and looking at your work as a leader through a visual lens, you will be better able to get your ideas out of your head and into the heads of others and change the world by turning your visions into realities.

Todd Cherches is the CEO and cofounder of BigBlueGumball LLC, an innovative New York City-based management and leadership consulting, training, and executive coaching firm. BigBlueGumball's patented VisuaLeadership® methodology leverages the power of visual thinking and visual communication to equip, enable, and empower business professionals of all levels to maximize their performance, their productivity, and their potential. A three-time award-winning Adjunct Professor of leadership at NYU and Lecturer on leadership at Columbia University, Todd is also a TEDx speaker, a member of Marshall Goldsmith's "MG 100 Coaches," and was one of eight global finalists for the Thinkers50 "Distinguished Achievement Award" in Leadership (2021).

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Vivid Vision

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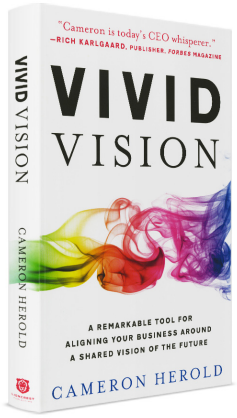
Vivid Vision

A Remarkable Tool for Aligning Your Business Around a Shared Vision of the Future



by **Cameron Herold**

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THE SUMMARY IN BRIEF

The way leaders currently develop their visions of the future is not working. The existing model-usually called a vision statement or mission statement-sets leaders up to fail right from the outset.

In ***Vivid Vision: A Remarkable Tool for Aligning Your Business Around a Shared Vision of the Future,*** author, business consultant, and motivational speaker Cameron Herold provides a step-by-step solution.

What you need for your company is a Vivid Vision. A Vivid Vision helps you steer your company in the right direction at exactly the right speed so you can grow and attain your goals.

IN THIS SUMMARY, YOU WILL LEARN:

- Why you need and how to write a Vivid Vision.
- How to internally and externally roll it out.
- How to make your Vivid Vision come true.
- What benefits you can expect from the process.

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> Outside, for a number of reasons, is an ideal place to allow yourself to dream, to hop into your time machine and lean out into the future.

Why You Need a Vivid Vision

Picture this: You're CEO of a company. Your product is a leader in a growing market. You've got a great team. Your customers love you. You are perfectly set up to explode, and you're ready to lead this growth.

There's just one problem: No one in your organization can read your mind. Just because you know what needs to happen doesn't mean that anyone else does. You can tell them, but how often do they really understand exactly what you're saying? They might understand the words, but do they really see your vision? And do they understand it well enough to execute it?

As the chief executive officer, no one else in your organization knows with any certainty what it is you want to build. At best, they guess. If you want your team to build what you see, you must provide them with the means of understanding it. Otherwise you will get different ideas of what to build.

The result? Confusion. Everyone will have a unique, subjective experience, drawing a picture that looks nothing like anyone else's. In other words, your workplace is without alignment.

The only way to have your team aligned - moving in the same direction at the same speed - is to develop a detailed vision of the future and share it with them.

The problem is that the way leaders currently develop their visions of the future isn't working. The existing model - usually called a vision statement or mission statement, sometimes a vision board - sets leaders up for failure, right from the outset.

When people show up for work, knowing - not guessing - what their chief executive envisions for the company three years out, down to the minor details, they are aligned. And aligned workers perform better than individuals merely operating in proximity toward a vague goal. When you know where you're going, you can make decisions and apply them.

The point of creating a Vivid Vision is to lean out into the future, to pretend you're traveling in a time machine to a moment three years ahead. It's dreaming where you want the company to be in every metric and working backwards from there.

There's a BHAG (pronounced bee-hag) quality to the Vivid Vision. BHAG is a term developed by Jim Collins in his landmark book, Good to Great. It means Big, Hairy, Audacious Goals.

These goals require you to stretch your imagination to such an extent that people outside of the company probably think you're crazy. But the people inside your company believe these goals are quite possible - if they share in your Vivid Vision.

How to Write It

To begin the process of creating your Vivid Vision, your first job is to free your mind from the day-to-day worries of running your business. That means leaving the office. Grab a notepad and pen and go somewhere inspiring.

Outside, for a number of reasons, is an ideal place to allow yourself to dream, to hop into your time machine and lean out into the future.

Outdoors, you can access a different mindset. The natural world completely expands your spectrum of thought. A vacation is a really great time to write a Vivid Vision, but even if you sit in your backyard enjoying the warmth of the sun, it's better than writing your Vivid Vision on a plane or from your office.

The Vivid Vision requires you to unlock the playful part of your mind and engage in some childlike dreaming.

One technique to use is the Mind Map. The idea is to start at the center and work out from there with little branches. As the leader, you are firmly planted in the center, and the various areas that contribute to the business branch out. Describe each of those branches in about three to four bullet points.

In other words, describe what your marketing, sales, and so on, looks like until you've captured every area. You want to consider every aspect of the organization including culture, codes of conduct, the fiscal environment, the scenery, the vibe. Deliberately leave out numbers and data and get a feel for the place.

When you step out of your time machine three years from now and walk around the office, what's happening?

The Mind Map is the initial foray into the Vivid Vision and will act as an outline for the rough draft that you the leader will then write. Type up the notes from your Mind Map sessions and organize all of your ideas into smaller categories that have bullet points.

For example, under customer service you may have three or four bullet points, while under public speaking you may have five or six. Then take all the bullet points and write a paragraph for each section. The resulting document is your rough draft.

Now that you have something to work with, it can be polished. Generally, it is best to hire a professional writer who can take your work and make it jump off the page. Once the writer has the document worded precisely to your satisfaction, spice it up with some stylish graphic design. Try to keep the finished product to four pages of content or less.

How to Roll It Out

You're going to roll this vision of yours out for the whole world to see, so be bold when you do. When others read your Vivid Vision, they need to experience a moment of awe. If their jaws don't drop a little bit, you need to think bigger. Small, safe, calculated plans don't inspire. And you really want others to share in your enthusiasm.

Internal Rollout: You'll begin with an internal rollout. This involves sharing your Vivid Vision with all of your employees, all of your board members, and anyone inside the walls of the company.

When you initiate an internal rollout, you want this done in person, alongside your team. Try to get everyone in the same room, though this will, of course, depend on the size of your organization.

Begin by handing everyone a hard copy of the Vivid Vision. The entire group is going to read it aloud, taking turns to read a couple of sentences each until the document is finished.

While the reading is being done, the CEO's job is to look around the room and gauge reactions. Notice which people appear the most engaged, excited, and invested. Also, who isn't. You may have to get them out of the organization at some point. It only takes one bad apple to ruin the bunch.

After the reading, have employees circle any of the sentences or phrases that most excite and inspire them and have them share their thoughts with the group.

This activity exists for employees to simply understand where the CEO wants to lead the organization. The focus for now is not how each statement will be accomplished. It just needs to sink in and provide a source of contemplation and inspiration.

Bear in mind that your journey is three years long. Each quarter, break out the Vivid Vision again and reread it. Open it as a Word document and highlight in green any of the sentences that have come true since last quarter. Then, highlight in yellow any of the sentences you're currently working on. Now, everyone will begin to see the future take shape!

External Rollout: Now that everyone within the organization fully understands and is rallying behind the Vivid Vision, it's time to share it with the rest of the world. The external rollout helps everyone understand the organization's direction. It is recommended that the external rollout happen one quarter after the internal rollout.

Just as with the internal rollout, it's critical to make everyone understand that this is a vision of the company three years from now, not today. That will ease the minds of those that may think the ideas sound crazy.

Introduce it to them by saying, "This is what our company is going to look like in the near future. We all recognize it doesn't look like this today, but this is us leaning out three years ahead, describing what it looks, acts, and feels like."

You'll want the external rollout to happen simultaneously with customers, potential employees, suppliers, potential suppliers, bankers, lawyers, and, of course, the media.

This is done with email blasts, a post on the company website, newsletters, press conferences, journalist pitches, flyers, and more. Err on the side of too much information, rather than not enough.

The key is to continually send it to people so that everybody can see what you're building, where you're going, and what it looks like. What ends up happening is these outside parties play a role in your vision, as they contribute and conspire to make it true.

How to Make It Come True

See your grand ambition not so much as a single entity, but as dozens of smaller entities linked together. Realize that every sentence in your Vivid Vision is a goal in and of itself. And to bring about each sentence, a certain number of projects will need to be performed in a certain order.

By breaking down your goals into bite-sized pieces, you will be able to overcome each obstacle as it arises and finalize each necessary project along the journey.

The key to crossing the chasm between today and three years from now is by starting three years from now and working backward through time. This is reverse engineering.

For your BHAG, for example, consider all the different products that you're going to need, and then think about when the different components of it need to be put together and in what order that must happen.

Once you have the plan laid out, you just execute it going forward. Two to three months before the three years has expired is the time to start working on the next Vivid Vision.

Benefits: Big and Small

You will reap many benefits from your Vivid Vision when you share it with people both inside and outside of your company.

Stability: It's important that customers feel good about your company and where it's going. You will find that customers make buying decisions based on what the company is going to look like in the future. It's your job to share that information with them.

The "WOW" Factor: There is a synergy that happens when people outside of the company start getting excited about you. The outside excitement inspires everyone inside.

When people are talking about your company, the engagement within the company rises. It makes your company more attractive to potential new employees as well. The "WOW" factor is priceless for a brand.

Validation: You need the media to buy in to the Vivid Vision. As a species, we have a fascination with novelty. We want to see new things that inspire and excite us. Journalists, knowing this, are eager to share stories about the "next big thing."

Once the media has disseminated your vision, your marketing department can leverage the print, digital, or broadcast media in the ever-expanding realm of social media.

By using the Vivid Vision, you're going to have better success. It's a lot easier to get the result you want when you know what the result is. And it's easier to get where you want to go if you know what the destination is.

At the end of the day, you are the master of your brand, and if you want others to see you as the $10 million company you will be in three years, the power is literally in the palm of your hands.

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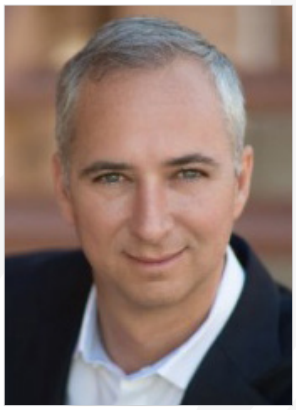

Cameron Herold is the mastermind behind hundreds of companies' exponential growth. Cameron's built a dynamic consultancy- his clients have included a 'Big 4' wireless carrier and a monarchy. What do his clients say they like most about him? He isn't a theory guy- they like that Cameron speaks only from experience. He earned his reputation as the business growth guru by guiding his clients to double their profit and double their revenue in just three years or less.

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Wait

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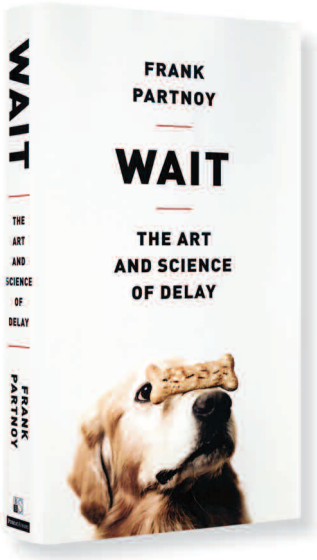
Wait

The Art and Science of Delay



by Frank Partnoy

THE SUMMARY IN BRIEF

What do these scenarios have in common: a professional tennis player returning a serve, a woman evaluating a first date across the table, a naval officer assessing a threat to his ship and a comedian about to reveal a punch line?

In *Wait: The Art and Science of Delay*, author Frank Partnoy weaves together findings from hundreds of scientific studies and interviews with wide-ranging experts to craft a picture of effective decision-making that runs counter to our brutally fast-paced world. Even as technology exerts new pressures to speed up our lives, it turns out that the choices we make — unconsciously and consciously, in time frames varying from milliseconds to years — benefit profoundly from delay. As this winning and provocative book reveals, taking control of time and slowing down our responses yields better results in almost every arena of life … even when time seems to be of the essence.

The procrastinator in all of us will delight in Partnoy's accounts of the power of delay on sports, investing, business and innovation. His insights underscore the myriad ways in which delaying our reactions to everyday choices — large and small — can improve the quality of our lives.

IN THIS SUMMARY, YOU WILL LEARN:

- Why experts take the necessary time to pause even during superfast reactions.
- The roles of the psychological system 1 (automatic and involuntary) and system 2 (effortful and deliberate) in the mind and how they work in decision-making.
- Why "thin slicing" sometimes needs to be measured in minutes rather than seconds.
- The way in which panic can warp our perception of time.
- Why "clock time" isn't the only way to organize your behavior.

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THE COMPLETE SUMMARY: **WAIT**

by Frank Partnoy

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Introduction

In recent years, scientists have made great progress in comprehending how we make decisions. Psychologists have suggested we have two systems of thinking, one intuitive and one analytical, both of which can lead us to make serious cognitive mistakes. Behavioral economists have said our responses to incentives are often irrational and skewed, sometimes predictably so. Neuroscientists have taken pictures of our brains to show which parts react to different stimuli.

Yet we still don't understand the role time and delay play in our decisions and why we continue to make all kinds of timing errors, reacting too fast or too slow. Delay alone can turn a good decision into a bad one, or vice versa. Much recent research about decisions helps us understand what we should do or how we should do it, but it says little about when. Sometimes we should trust our gut and respond instantly. But other times we should postpone our actions and decisions. Sometimes we should rely on our quick intuition. But other times we should plan and analyze.

Although time and delay have not occupied a prominent spot in decision-making research, these concepts lurk behind the scenes, especially in discussions about human nature. Many scientists say the key skill that distinguishes human beings from animals is our superior ability to think about the future. However, thinking about the future is different from predicting it.

The essence of my case is this: given the fast pace of modern life, most of us tend to react too quickly. We don't, or can't, take enough time to think about the increasingly complex timing challenges we face. Technology surrounds us, speeding us up. We feel its crush every day, both at work and at home. Yet the best time managers are comfortable pausing for as long as necessary before they act, even in the face of the most pressing decisions. Some seem to slow down time. For good decision-makers, time is more flexible than a metronome or atomic clock.

During superfast reactions, the best-performing experts instinctively know when to pause, if only for a split second. The same is true over longer periods: some of us are better at understanding when to take a few extra seconds to deliver the punch line of a joke or when we should wait a full hour before making a judgment about another person. Part of this skill is gut instinct and part of it is analytical. We get some of it from trial and error or by watching experts, but we also can learn from observing toddlers and even animals. There is both an art and a science to managing delay. ●

Hearts and Minds

Stephen Porges, a psychiatry professor and neuroscientist at the University of Illinois at Chicago, believes the key to our psychological development as human beings lies not solely in our brains but below them, along the nerve that serves as the two-lane racetrack for the signals that zip back and forth between our brains and the rest of our bodies. He focuses on the tenth cranial nerve, known as the vagal nerve, a strip of fibers that originates in a part of the brain stem and winds around the most important parts of our bodies, from the head and throat to the lungs, heart and digestive system.

In a 1994 speech, Porges said the vagal nerve that runs from our brain stem throughout our bodies is really two tracks of fibers wound together: one crude strand we inherited from our common ancestry with reptiles and one sophisticated strand we developed more recently as

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mammals. Both operate at high speed, within milliseconds, but they do very different things. The crude reptilian part controls our digestive and reproductive systems, while the more modern mammalian part controls the muscles of our head and face, along with our cardiovascular system. But, Porges carefully noted, both systems are connected to the heart.

According to Porges, when we confront a stimulating event — something exciting or scary — both strands of the nerve affect the heart, but in opposite ways. The tortoise part instantly sends signals to withdraw and shut down, like the emergency brake of a car. Many scientists refer to a fight-or-flight response, but Porges thinks of it as "fight, flight or freeze."

In contrast, the mammal part of the vagal nerve reacts to stimulation more flexibly, revving up and slowing down the body, as appropriate. It also can let up on the reptilian brake, which otherwise might shut everything down.

Time is a slippery concept, and we are often wrong about it. If we focus on how our brains react over the course of seconds and minutes, we will not see quicker reactions. This is a general problem we have with thinking about decision-making, for both children and adults. All too often, we find ourselves looking in the right places at the wrong time.

Research on the vagal nerve has revealed a high-speed world inside our bodies, one so fast that we cannot consciously access it. Yet when we are asked to make a decision, it is these rapid-fire responses that help determine what kind of a decision we will make. A speedy response in our hearts can help us delay a speedy response in our brains and bodies. It is a strange idea, but being fast at first really can help us go slow later on. ●

Superfast Sports

A tennis court, baseline to baseline, is 78 feet long. First serves are launched, by men and women alike, at more than 100 miles per hour. A player returning serve has just 400 to 500 milliseconds from when the ball leaves the server's racquet until it hits his or her own. Just half a second.

To understand why some tennis professionals are so good at returning serve, I made an appointment to see Angel Lopez. Lopez has coached numerous professionals and is a contemporary of Jimmy Connors.

Lopez explained how Connors revolutionized the return with his speed and focus. Lopez's mantra is "ball identification" — the preparation phase that precedes the decision about exactly how to hit the ball back. He told me to watch Connors' eyes as they darted around and then froze.

"The theory of returns used to be that you should hit the ball as early as possible. But as players got faster and equipment improved, they learned to hang back and hit harder returns. They spend more time on ball identification, getting a chance to read the ball and then really punish it."

Connors and Chris Evert didn't have substantially faster visual reaction times; no one does. But they were much faster at reacting physically. Their physical speed freed up time for them to prepare during the phase Lopez calls ball identification. This was when they absorbed the crush of data generated after the ball left the server's racquet. They split up the time available during a service return; because they were so fast, they had extra time to gather and process information. Finally, at the last possible instant, they committed to their choice of return and swung. They sandwiched a lot of preparing between seeing and hitting.

Connors and Evert were able to stretch time and gain an advantage from their ability to delay. They got fast first in order to go slow later. ●

High-Frequency Trading, Fast and Slow

In the middle of 2006, the stock trading firm UNX, Inc., found itself in trouble. The company was seven years old. Its technology was dated. Its computer platforms were falling behind, and its clients, including sophisticated hedge funds and Wall Street banks, were shifting to competitors. To survive, UNX needed to build a more efficient trading platform that could compete with other superfast trading firms.

Andre Perold, then the chair of UNX's board, understood the problem and knew just who to call. Scott Harrison, the man Perold called, said, "Our goal was to become faster and cheaper than anyone."

Harrison and UNX quickly raised money and built a cutting-edge computer trading system. Both the hardware and software were designed to be faster and therefore more efficient. Harrison set up the new machines in a second-floor office in Burbank, Calif., 3,000 miles from Wall Street. Then he flipped the switch.

When UNX switched on its new computers, its trading costs immediately plummeted. The new platform supercharged UNX's business. Suddenly, the firm could

buy and sell shares at a lower cost than just about anyone else. Clients rushed to do business with them.

Although UNX's new trading platform was a huge success, he thought they could do even better by moving their computers 3,000 miles — from Burbank to New York. Harrison understood that geography was causing delay: even at the speed of light, it was taking UNX's orders a relatively long time to move across the country.

He studied UNX's transaction speeds and noticed that it took about 65 milliseconds from when trades entered UNX's computers until they were completed in New York. About half of that time was coast-to-coast travel.

This is where the story gets, as Harrison put it, weird. "We saved 35 milliseconds by moving everything east. All of that went exactly as we planned," Harrison said. "But all of a sudden, our trading costs were higher. We were paying more to buy shares and we were receiving less when we sold. The trading speeds were faster but the execution was inferior.

"Finally, we gave up and decided to slow down our computers a little bit, just to see what would happen. And when we went back up to 65 milliseconds of trade time, we went back to the top of the charts. It was really bizarre. In a world that values speed so much, you could be slower, yet still be better."

Like professional athletes, Harrison, Perold and UNX learned there is an art to delay, even for preconscious reactions that take only milliseconds and even if those reactions are implemented by a computer, not a human being. By delaying its trades slightly, UNX avoided the extra costs that arose from the rush of instantaneous trading. It got better results by waiting a few dozen milliseconds — by procrastinating at the speed of light. ●

Bad Call

Psychologists often say there are two systems of the mind: system 1, which is automatic and involuntary, and system 2, which is effortful and deliberative.

So far, we have been looking at what a psychologist would refer to as system 1. As we have seen, timing and delay play an important role even for the kinds of superfast preconscious reactions that psychologists would label as automatic. Even during just a split second, there is a lot of variability in heart rates, athletic responses and subliminal reactions.

Once we have at least half a second, we can engage in effortful, conscious thought, either to reinforce the automatic reactions of system 1 or to try to slow down or change them. When both systems are involved, we often get caught in an internal battle: intuition versus analysis, or instinctive emotion versus logical deliberation. With just a few seconds, we are capable of thinking through some judgments and choices, but probably not all of them. Both systems are prone to error, particularly under time pressure. System 2 has the capacity to correct system 1, but it also can magnify a mistaken snap reaction.

Bob Gibson and the New York Giants

It is Sunday, November 19, 1978, another dark fall afternoon for Bob Gibson, the offensive coordinator of the New York Giants football team. With a record of 5-6, the team desperately needs a win at home against the Philadelphia Eagles, who lead by one game in their division. Late in the fourth quarter, the Eagles trail by just five points and the crowd at Giants Stadium is on edge.

Odis McKinney, a rookie defensive back for the Giants, intercepts what might have been a touchdown pass from Eagles quarterback Ron Jaworski. All Coach Gibson needs to do is call three quick plays and the Giants will win.

The game has ended for just about everyone. Except Coach Gibson, who still has to make his final, crucial decision. Both of Gibson's decision systems are firing: his system 1 is automatically reacting to the threat to an important member of his team and his system 2 is consciously considering his choices. Should he tell Giants quarterback Joe Pisarcik to fall on the ball and risk exposing him to an onslaught? Or should he call a play designed to keep his quarterback safe? He has just a few seconds to make the call.

A football coach's predicament is like that of an emergency room nurse or a firefighter or a military first responder. Life moves fast for these people, and a large part of their decision-making is unconscious. However, with a few seconds, they also have a little bit of time to think. The trick in this slower time frame is to tap into cognition when it helps and to shut it off when it doesn't.

A few seconds isn't long enough for system 2 to map out every possibility, but it is long enough for a coach's biological systems to kick in and interfere with his ability to deliberate. The noise from these physical reactions can lead to mistakes from both systems 1 and 2.

System Overload

Coach Gibson's body is bursting with biological responses as he decides which play to call during the Eagles' final time-out. The primary actor is his adrenal

medulla, located on the top section of the kidneys — right smack in the middle of what we think of as the gut. As Gibson perceives danger, neurons fire in the basal ganglia region of his brain, telling his adrenal medulla to pump fight-or-flight hormones, particularly adrenaline, throughout his body. The adrenaline rush causes his blood pressure to rise. Physically, he is a mess.

Mentally, he is a mess too. Much of the executive function of his brain, in the cerebral and prefrontal cortices, shuts down and is overruled by the amygdalae. As his conscious system 2 breaks down — not immediately, but over the course of a few seconds — he defaults to his unconscious system 1.

When our brains are loaded with stimuli, it is more difficult for our conscious processes to work. As the load on our brains increases, we rely more on our unconscious processes. That is what is happening to Coach Gibson. As the seconds tick, he is moving away from control toward automaticity. His brain is full.

When Gibson calls the final play — a handoff to running back Larry Csonka — the Giants players are stunned. In the huddle, Csonka tells Pisarcik, "Don't give me the ball." The players are disorganized as they line up. One says, "Joe, just fall on the damn ball."

Then, Pisarcik loses control of the snap. He tries to tighten his grip, but now Csonka is too far away and he shoves the ball into Csonka's hip instead of his hands. The ball falls to the ground. It is picked up by the Eagles player Herman Edwards, who runs the ball into the end zone. With that touchdown, the Eagles won the game, 19-17. The play became legend, known as the "Miracle at the Meadowlands."

Gibson was fired the next morning and never worked in football again. Unfortunately for scientists who study decision-making, he has never said whether he called the play more as an automatic response or whether his decision was based on some quick deliberation. To this day, he refuses to talk about the fumble or its consequences. ●

A Slice Too Thin

The expression "thin slicing" was coined in a 1992 article published by Nalini Ambady and Robert Rosenthal in the *Psychological Bulletin*. They used the term to describe people's ability to detect patterns in an event even if they experience only a narrow portion of that event. In particular, they focused on what people can glean from brief, silent video clips. And their answer was: a lot.

Their best-known finding, from a 1993 follow-up study, was that people who watched a series of brief, silent videos of a teacher reached similar judgments about the teacher as did students and supervisors who sat through the teacher's class for months. The study has been widely cited as an example of the power of our unconscious system. Its subtitle says it all: "Predicting Teacher Evaluations from Thin Slices of Nonverbal Behavior and Physical Attractiveness."

In 2005, Malcolm Gladwell published *Blink*, a book that introduced thin slicing research by Ambady, Rosenthal and others to a broad audience. Gladwell begins with an example of thin slicing extraordinaire, a story about whether a marble statue purchased by the J. Paul Getty Museum in California was a fake. He describes four experts who saw the statue and were instantly repulsed. He then introduces the book as follows: "In the first two seconds of looking — in a single glance — they were able to understand more about the essence of that statue than the team at the Getty was able to understand after 14 months."

The two-second time interval became a popular mantra for thin slicing. Suddenly, everyone was talking about two seconds. Gladwell reinforced the importance of the two-second interval in talks, on his website and within *Blink*, which he summed up as "a book about those first two seconds."

Stop for a moment now and think about the idea of thin slicing. When we thin slice we detect patterns in an event even if we see only a narrow portion of that event. The key to the concept is that we reach a conclusion even though we don't have the full picture. Thin slicing is driven by the unconscious system because it takes the lead over the conscious system in decision-making during such a short period.

But thin slicing is almost never about just two seconds. In fact, not even the titles of the leading articles on thin slicing are about two seconds. The revolutionary paper by Ambady and Rosenthal is entitled "Half a Minute." John Gottman's coauthored study of videotapes of couples is called "Predicting Divorce Among Newlyweds from the First Three Minutes of a Marital Conflict Discussion." Minutes, not seconds.

Neither of those studies found that anything close to two seconds was the optimal thin slice. To the contrary, Ambady and Rosenthal found that although students who watched three two-second videos (six seconds total) of a teacher did pretty well in matching the evaluations of people who sat through the entire semester, students who watched 10-second videos did better.

More recently, Ambady and other coauthors defined a thin slice as "any excerpt of dynamic information less than five minutes long."

So how thin should a thin slice be? The answer is rarely two seconds. If we are judging whether someone is dangerous, our brains and bodies are wired to react very quickly, within milliseconds.

But for other questions, two seconds isn't nearly long enough. If we are asked to tell whether someone is friendly or dangerous, we do better with more time. To accurately assess whether someone is sociable, we need at least a minute, preferably five.

The research on thin slicing demonstrates that we can be fast, but it also shows that even a little bit of extra time can often help us make better decisions. One slice does not fit all, and there is nothing magical about two seconds. Instead, how long we should thin slice depends on what we are slicing. ●

Don't Panic

The writer Douglas Adams used the phrase "Don't panic" prominently and often. Arthur C. Clarke said Adams' phrase was the best advice ever given to humanity.

One of the main reasons why "Don't panic" is such valuable guidance is that the sudden onslaught of fear we label panic can seriously interfere with our ability to decide on the best course of action. Panic makes it difficult for us to use logic or reason. Panic shuts down our conscious system 2 and leads us to rely on our primal automatic system 1. Relying on system 1 is not necessarily a bad thing, especially if we are experts.

One problem with panic has to do with our perception of time. How we experience time varies depending on our environment, even when we aren't stressed or afraid. If you live in a city with a population of more than 1 million, a pause will seem twice as long as it does to someone who lives on a farm or in a small town. Try pausing for a full minute during a conversation or a speech. You probably won't make it. Instead, after 10 or 20 seconds you will break down and speak.

When we are panicking, this time warping gets much worse. People who have panic attacks often experience time dramatically slowing down or speeding up. If you have been in a car accident or a high-speed chase, you probably felt time expand.

What is happening? Our brains are making time elastic. Time itself isn't stretched, but our perception of it is. Under extreme stress we are hyper-attuned to the moment. Surges of adrenaline warp how we experience time under pressure, fooling our judgment. After the fact, the culprit is the intensity of our memories. Because memories are carved more deeply into our brains during high stimulation, the event seems to have taken longer in retrospect.

Because of how panic influences our perception of time, it magnifies the difference between experts and novices. Experts understand the downside of panicking, but they also use time warping to their advantage by stretching every second to maximum effect. Novices are more vulnerable. Their world speeds up and slows down whether they want it to or not. ●

At Last, Procrastination

Our society is obsessed with productivity, and we despise procrastination. And then, beginning in the 1970s, the do-it-now anti-procrastination industry burst onto the scene. Over time we began to feel terribly guilty about procrastinating, yet we did it even more. The percentage of people who say they procrastinate "often" has increased sixfold since 1978. According to some studies, nearly one in five adults is a "chronic" procrastinator. Our focus on procrastination is relentless.

But it wasn't always so. In ancient Egypt and Rome, procrastination was thought to be useful and wise. Studies find that although procrastination is problematic for some people, others can procrastinate but still get plenty done without stress, coping problems or low self-esteem.

Academics who study procrastination fall into many camps. Many psychologists follow a definition from Piers Steel, a leading researcher, that procrastination is "irrational" delay.

Another group of psychologists gives procrastination a more positive spin, depending in large part on the amount of energy the procrastinator expends. So-called active procrastination is smart: it simply means managing delay, putting off projects that don't need to be done right away. In contrast, passive procrastination is dumb, equivalent to laziness. This group says procrastination might be good or bad, depending on how much effort we put into it.

On one thing nearly everyone agrees: virtually all of us, at least some of the time, feel the urge to procrastinate. And there is wisdom in each camp.

In 2005, Paul Graham, a computer programmer, investor, writer and painter, wrote an essay called "Good and Bad Procrastination." He opened by saying, "The

most impressive people I know are all terrible procrastinators. So could it be that procrastination isn't always bad? Most people who write about procrastination write about how to cure it. But this is, strictly speaking, impossible."

Graham notes that when we procrastinate we don't work on something. However, he says, we are *always* not working on *something*. In fact, whatever we are doing, we are by definition not working on everything else. For Graham, the issue is not how to stop procrastinating, since we will always be not working on something and, thus, procrastinating. Instead, our real challenge is to figure out how to procrastinate well — how to work on something that is more important than the something we are not working on. In thinking about procrastination, Graham says what matters most is comparing what we are working on with what we aren't.

For Graham, procrastination is all about trade-offs. We are constantly trading off what we are doing now against what we might do in the future. As long as we are doing that in a reasonable way, it doesn't matter that we are putting some things off. ●

Master Class

The challenge of procrastination is figuring how to weigh immediate versus distant consequences. That same kind of now-versus-later evaluation is also at the core of professional expertise and judgment. We typically define professionals — lawyers, accountants, doctors, journalists and financial advisers — as people who do high-quality work, have specialized knowledge and follow high ethical standards. But professionals have another quality we might not notice as often: the ability to manage time.

The best lawyers and accountants are masters of delay. Litigators understand precisely how to allocate their time writing a brief or preparing for an argument or trial. Business lawyers develop an exact sense of timing of deals and when negotiations should move forward or end. Experienced auditors can plan backward from a filing deadline to map out when work should be completed, hour by hour.

True professionals are able to act quickly, but are willing to go slow. They are comfortable using both intuition (from the automatic system 1) and analysis (from the deliberative system 2). They resist the fast-running herd and wait for the ideal time to make their move. That doesn't mean their decisions are slow; they can be faster than just about anyone when it matters. The best professionals understand how long they have available to make a decision and then, given that time frame, they wait as long as they possibly can.

In Atul Gawande's provocative and insightful book *The Checklist Manifesto*, he shows how doctors can use checklists to save lives by reducing mistakes in medical decision-making, particularly during hospital surgery. He also advocates checklists for other nonmedical professionals, including airline pilots and financial professionals.

Checklists serve as a reminder when our memory fails and as a guard against cognitive mistakes. They provide a framework to make sure we pay attention to each step of a task. But there is an art to checklists. If they are too complex and cumbersome, they can be counterproductive. If a checklist includes too many steps or is inflexible, it will be inefficient or ignored. Good checklists streamline straightforward jobs. The ideal checklist is one page long, with not too many words on it.

Gawande's surgery checklist includes three "pause points": before anesthesia, before incision and before leaving the operating room. Each pause is designed to last no more than a minute — just long enough for members of the team to make basic checks. It might not seem like something as simple as making sure everyone on the surgery team introduces themselves by name and role would matter. But the results are striking: even taking just a few seconds before the incision helps to slow down the tempo of the surgical procedure, and that slower tempo leads to better outcomes. ●

Get Off the Clock

Much human behavior is based on "clock time" which divides our day into quantifiable units. Some clock time is based on nature, but much of it is fabricated. A day is a natural length of time, determined by the rotation of the Earth, but the hour is an entirely arbitrary unit of time.

Clock time isn't the only way to organize behavior. A second approach is "event time," where we continue doing something until we finish or some event occurs. For example, you might start work, not at 9 a.m. (clock time), but after you finish breakfast (event time). To illustrate the differences between clock and event time, imagine that you have five tasks to perform today. How would you organize them?

In general, you should use a calendar when your primary concern is efficiency and you should use a to-do list when your primary concern is effectiveness. Efficiency means going fast; effectiveness means being complete, even if it takes longer. If you have a brief that must be filed by Friday, you care more about efficiency and should put the filing date on a calendar and plan

your work accordingly based on clock time. But when you go to the grocery store, you should use event time to make sure you don't leave the store until you have every ingredient necessary to make dinner.

Perception of Time

If you are like most people, you feel there aren't enough hours in the day. You perceive you are working longer and harder than in the past. But this perception is wrong. It is well documented that people feel more time pressure today. Yet the fact the median number of hours that people actually work has remained relatively constant during the previous five decades and has declined in recent years.

Time pressure gets worse as we make more money. Studies show that higher income generates more time stress, even when the number of hours worked is held constant. In an experiment by Sanford DeVoe, people performed a task and were told to keep track of their time in six-minute increments. Half of them believed their work was being billed at $90 per hour, the other half believed their rate was $9 per hour. After finishing their work, those billing at a higher rate said they felt significantly more time pressure, even though everyone did exactly the same work under the same conditions for the same amount of time.

Pay inequalities have grown in part because of the massive shift in compensation policies from long-term event time to short-term clock time. Whereas pay used to be split more evenly among managers and employees, now a much larger share goes to the most senior executives. As shorter-term clock time comes to dominate our work and the pay gap widens, there are two potentially serious consequences.

First, for many people, work becomes less satisfying overall. If we are motivated to accomplish something important in our work, we will be willing to wait decades and understand that jobs we start might not be finished until after we are gone. Hourly pay eats away at this philosophy and ultimately makes work less fulfilling.

The second risk is that the accelerating pace of technology and ticking of the clock will make companies less profitable over the long term. Quick responses are important and useful, but so is strategic perspective. Workers who are accustomed to instant gratification expect major advances to come quickly. ●

A Lifetime of Innovation

The most important innovations of modern times — the automobile, camera, computer, cotton gin, light bulb, penicillin, sewing machine, steam engine, telephone, television — were not overnight epiphanies. They took decades or longer to invent and develop. And although the cycles are getting faster, the most dramatic innovations of the modern era — Apple, Google, Facebook — have taken years.

Einstellung Effect

The word "Einstellung" means "attitude" in German. The Einstellung effect refers to our tendency to become stuck in our ways, to act or think in the same manner we've always acted or thought, even when we are presented with alternatives that are obviously better. The best innovators are skilled at overcoming the Einstellung effect.

Somewhere out there is a kid thinking about an idea that might ultimately lead to a discovery as important as gravity or oxygen, or something as routine as a Post-it. Right now, that idea is an unformed, dim thought. If the discovery comes, it will not be a light bulb suddenly going on. It will be the culmination of a decades-long process. ●

Go Long

Most of life's big questions need to be answered over the long term, but understanding shorter-term decision-making can help us handle the epic questions more completely and thoughtfully. An appreciation of the minuscule gives us a better chance at tackling the massive.

Our ability to think about delay is a central part of the human condition. It is a gift, a tool we can use to examine our lives. If there is just one word of wisdom about decision-making for children born a hundred years from now, people who will have all of our advantages and limitations as human beings but will need to navigate an unimaginably faster-paced world than the one we confront now, there is no doubt what that word should be.

Wait. ●

RECOMMENDED READING LIST

If you liked *Wait*, you'll also like:

1. ***The Pause Principle* by Kevin Cashman.** Cashman describes the need to pause to grow personal leadership, develop others, and foster a culture of innovation. By following the pause practices Cashman describes, executives will learn how to step back to lead forward.
2. ***The Accidental Creative* by Todd Henry.** This summary offers a method to help readers generate brilliant ideas on demand.
3. ***Extreme Productivity* by Robert C. Pozen.** Pozen explains how to determine your highest priorities and match them with how you actually spend your time.

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Wake Up and Smell the Coffee

Dr. Simon Mac Rory

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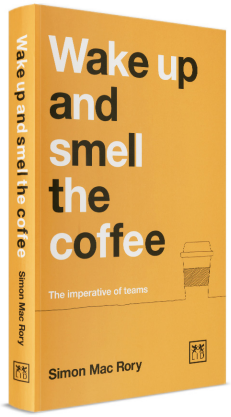
Wake Up and Smell the Coffee

The Imperative of Teams



by **Dr. Simon Mac Rory**

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THE SUMMARY IN BRIEF

Around 90 percent of what organizations do is accomplished through collaborative effort. Indeed, teamwork is a quintessential and critical element of organizational life. However, some organizations do not seem to grasp that concept. They pay close attention to other organizational functions—for example, technology and human resources—but fail to develop a comprehensive strategy for effective teamwork. About 40 percent of teams are dysfunctional.

Wake Up and Smell the Coffee: The Imperative of Teams describes an approach to teamwork that, if implemented across the organization, can deliver up to a 20 percent improvement in effectiveness.

Simon Mac Rory, a specialist in team development who for more than twenty years has worked with senior staff leaders to help them discover how to have a truly high-performing team, wrote this book for team members, team leaders, and organizations. It puts the imperative of teams in context; discusses the characteristics, strengths, and challenges of the basic team types; and teaches leaders and team members alike how to have effective teams.

IN THIS SUMMARY, YOU WILL LEARN:

- What teams are and why they are crucial to business success.
- Why "giggers" and Gen Y make teams even more important.
- The four basic team types and their strengths and weaknesses.
- The twelve criteria for team effectiveness.

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Sarah T. Dayton, Editor-in-Chief • Meghan Kozak, Director of Content • Kylie O'Connor, Graphic Designer

The Imperative of Teams

A team is "a group of people, normally fewer than ten, that needs to work together to achieve a common goal, normally with a single leader and where there is a high degree of interdependence between the team members to achieve the goal or goals."

Organizations seem to think that teamwork happens by magic, to judge by their actions. If they didn't, they would have a corporate team strategy; a requirement that all teams reflect on ***how*** they do things, not just on ***what*** they do; and minimum standards for all teams.

Ninety percent of organizational output is achieved through teams. Thus, an organization with a defined strategy for teams and the commitment to see it through can drive a 10%–20% improvement in their effectiveness, productivity, and bottom line.

There are many benefits to taking teamwork more seriously and focusing on it:

- Efficiency
- Innovation and creativity
- Enhanced working environment
- Minimized risk
- Learning and talent

These benefits don't happen by putting a group of talented people together, calling them a team, and standing back. It takes hard work, strategy, an organization that enables teamwork, and a culture that recognizes the importance of teamwork.

Two recent workplace developments only make teams more important. The first of these is the gig economy. Though "giggers" are independent contractors, they matter as much for an employer brand as full-time employees do. They can seriously damage an employer brand by giving negative feedback to the company publicly. The most effective way to integrate giggers is through a culture of teaming and teamwork.

The other recent development enhancing the imperative of teams is the presence of Millennials (Generation Y), those born between 1981 and 2000 who now make up about 40 percent of the workforce. By 2025, that share will be 75 percent. Organizations must have a teaming culture to ensure that they fully connect and engage with this generation, which is demanding a changed workplace.

Organizations must commit resources and budget to design that promotes agile decision-making and teamwork. What is needed is a corporate team strategy (CTS). A CTS is about understanding what, why, and how teams are deployed into the organization and how they are supported.

Many organizations and their leaders seem to believe many things about teams that are, in fact, myths:

Team development and teamwork are fun. No—they are hard work that require consistent effort and continuous attention. Work teams are nothing like sorts teams.

Team building at offsite events takes time away from real work. This does not need to occur. Outdoor events don't help create an effective team because their structure is not like workplace norms. Team development occurs in normal work hours and is about giving time to reflection on how the team does things, rather than on what it does.

Team development is only for problem teams. In reality, every team, even the CEO and their team, can do better. Team development is for all teams, all the time.

Teams are there to support their leader. The converse is the reality: leaders are there to support their teams. Leaders can only be successful through the success of their team.

Harmony is essential and conflict is anathema. The truth is that conflict is essential and the source of innovation—it is how it is managed that can cause problems. Properly managing conflict requires rules of engagement, planning, and evaluation.

Organizations and senior leaders are champions of teamwork. Many of them pay lip service to teams but fail to have a genuine team strategy.

There are six hot topics, discussed below, that need to be considered, understood, and incorporated into any team strategy.

Team size. Size matters because it affects team effectiveness. The accepted range is three to twelve, and three to ten is preferable.

Psychological safety. It is critical that team members experience no negative consequences for speaking up, expressing new ideas, and openly seeking new ways to improve the team or the company.

Reflexivity. Teams need to take time as part of day-to-day work to engage in an intentional and structured process to think about and discuss how they do things. Reflexive teams are more innovative and more effective.

Team-based assessment. Performance appraisals once a year is rapidly being abandoned. Real-time feedback, little and often, is what is now required. Team assessment, integrated with individual assessment, is imperative.

Diversity and inclusion. Companies with effective diversity and inclusion strategies will outperform their competitors.

Morale and motivation in teams. Morale is the state of mind of a person or group with regard to the function or tasks at hand: esprit de corps. Motivation is more complex. Leaders should address the issues of morale and then create the conditions where motivation has a good chance to be exercised by team members.

The author and his colleagues at The ODD Company developed an effectiveness model, assessment tool, and methodology for teams to drive performance: the Team Diagnostic Profiler (TDP) model. Team members answer questions related to goals, leadership, relationships, process, climate, and structure on a seven-point scale and then—the most important part—discuss the outcomes. The TDP model can be directly linked to morale and motivation.

Four Types of Teams

The Traditional Team

About 60 percent of teams are traditional teams. These are teams that are functionally oriented and stable over time in which specialists work together and share a common operational language. The leadership is predetermined by the hierarchical structure of the organization and is often led by the most senior person on the team. The members work in close proximity to each other and develop a group memory and rapport that improves effectiveness and efficiency. Challenges can include that the most appropriate team leader is not in place and members who are promoted may be technically competent but not have people management skills. Such teams in different parts of the organization see problems and solutions through different time lenses because of the nature of their work; this must be understood and well managed. Team members may not understand the organization's big picture, which can lead to misunderstandings of priorities. The purpose of such teams within the larger organization and how they do things should be reviewed regularly. The traditional team has a tendency to be complacent and that must be monitored.

The Project Team

The project team, formed to accomplish—of course—a particular project, is problem-solving, innovative, change-oriented, short-term, and often cross-functional. Its strengths include that they have a clear focus, deadlines, and milestones. Goals are well-defined. Challenges include the need for the team to clearly understand why its mission is important to the larger organization. Teams formed quickly and made up of people who don't know each other can cause confusion and inhibit progress. However, project teams are the norm for more and more employees. Like all teams, they need to take time out to reflect on how they are doing what they are doing.

The Virtual Team

Virtual team members are geographically dispersed and rely on communication technology in order to collaborate. Their strengths include access to more talent at the most competitive cost, less disruption to work time since travel is eliminated or minimized, reduced bureaucracy that creates greater productivity, and greater diversity, which fosters innovation. The challenges faced by these teams include unmanaged or unappreciated cultural diversity issues. Because of distance, trust between team members is more difficult to establish and maintain. A group memory doesn't develop naturally.

The Teaming Work Group

The teaming work group (TWG) is based around shifts, so it never comprises the same people two shifts running. It is a variant of the traditional team and has many of its strengths. But these teams present more challenges than any other team type. Maintaining standards of performance is more difficult. Leadership is difficult because team leaders never work with the same individuals. Error rates and mistakes are higher because TWGs don't have the same opportunity as other teams to learn from mistakes. It is very difficult to bring all members of the team together to discuss challenges and maintain team spirit because of the large size of the pool drawn from.

Six Factors of the TDP Model

Goal and Role Clarity

A team's goals must be clear to, and understood by, each team member. A process to track progress against goals must be put in place and followed.

Team members must know what is expected of them, how their work contributes to team goals, and how their performance will be evaluated. Role clarity is the team leader's responsibility and requires one-on-one and team discussions so that everyone understands others' roles.

Leadership Behavior and Participation

Team leaders should understand that leadership needs to be flexible and evolve with time. Team leaders must engage individually and in team meetings with the team. The leader's job is to get everything that impacts or inhibits the team's performance out of the way. The team leader should embrace this inverted hierarchy—the leader at the bottom, supporting the team.

All team members must participate—be engaged and expressive—for the team to succeed. Psychological safety is crucial to participation. The leader should create the conditions for it, be sure every team member gets equal air time, and, if someone is not participating, understand why.

Commitment and Communication

Team members' commitment to the team and each other can be evidenced by the degree to which they feel they can depend on each other. Achieving a level of trust and a sense of reliability within a team takes time and requires lots of consistent good practices.

Honest communication occurs when team members feel free to say what they think, believe they are being listened to and heeded, are not punished for reporting bad news, and have regular forums for open information exchange. Good communication drives enthusiasm and thus morale.

Planning and Evaluation

Teams can be addicted to action to move toward the goal, which can undermine the need to plan. Over-planning can also occur. Inappropriate planning causes unnecessary frustration, inferior work, re-working, confusion, unseen risks, customer dissatisfaction, and damaged team or team leader reputation.

Evaluation requires the team to evaluate what is being done, why it is being done, and how it is being done. Leaders should not call out poor performers in front of their peers; doing so creates an unhealthy environment and discourages team members from participating in the evaluation process.

Recognition and Conflict

Recognition of the positive contributions of team members should be publicly recognized. But bad and average performance also need to be recognized and dealt with. Better performers are often overloaded and poorer performers underutilized. This has negative consequences if it is ongoing. It is unfair to poor performers to not be supported to improve and they may not understand they need to improve or what they need to improve.

Whether conflict is harmful or beneficial is due to how it is dealt with. When managed poorly, it can lead to discord, strife, stress, anxiety, and reduced productivity. When managed well, it can have positive outcomes that lead to increased productivity, more efficient processes, or product and service innovation.

Composition and Organization

Having a well-balanced team requires knowing the strengths of each member and plugging the gaps. In teams, as in architecture, form follows function. Function refers to the goals or purpose of the team; form, to the number of members and their skills and abilities.

There is no one-size-fits-all way for teams to be organized. The team should discuss the most appropriate management practices for their situation, their goals and tasks, and their interdependencies.

Dr. Simon Mac Rory is a team development specialist. He works with senior leaders to help them discover that edge to become truly high performing. He founded the ODD Company in 2011 to deliver TDP (a cloud-based team development tool and methodology) to the international markets. He received his doctoral degree from Nottingham Trent University for his work on the application of generic frameworks in organization development and is a visiting research fellow at NBS.

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Waking Up a Leader

Daphne Scott

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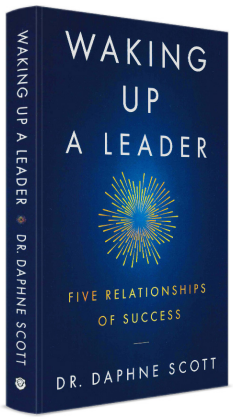
Waking Up a Leader

Five Relationships of Success



by **Daphne Scott**

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THE SUMMARY IN BRIEF

Are you working too many hours, neglecting friends, and sacrificing your health in the name of professional success? Daphne Scott, a medical professional, found herself coaching people for professional success. Her fear, however, held her back from seeking her own success. Dr. Scott finally stepped into her change and shares what she learned along the way.

Waking Up a Leader walks you through five key relationships needed to thrive. Managing these relationships—time, money, the self, friendships, and the unknown—will decrease your stress, improve your well-being, and enable you to make the best decisions for yourself and your team.

Most leadership books focus solely on the transactional skills involved in managing: planning projects, organizing schedules, forecasting budgets, and so on. Some focus on transformational skills to help leaders renew their vision and better themselves. Few leadership books cover both planes: transforming the way leaders see the world, their businesses, and themselves, while simultaneously helping them transact skillfully in the workplace.

IN THIS SUMMARY, YOU WILL LEARN:

- How we relate to more than just the people around us.
- Which transactional skills can be practices for effectiveness.
- The transformational skills that give understanding for meaning.
- How transformational leaders cultivate environments for growth.

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Sarah T. Dayton, Editor-in-Chief • Meghan Kozak, Director of Content • Kylie Waytuck, Graphic Designer

What Do You Need To Succeed?

Transactional skills give leaders the ability to deal with the external who, what, when, and how. Transformational capabilities enable leaders to understand their inner why—the ultimate meaning, purpose, and vision behind their transacting—and cultivate environments in which people can do their best work and flourish. In today's workplace, leaders need both skillsets.

Relationships

We tend to think that objects, people, and events outside ourselves cause us to feel a certain way. This simply isn't true. Our internal reaction determines our initial experience, whether positive or negative, and we can learn to respond versus simply react. We can choose how we relate to our world. Learning this transformational skill will enable you to transact with others more skillfully. It will also change your life in whimsical and magical ways. In essence, a relationship is made up of an action that occurs between us and something in our world. When we become aware of our naturally occurring reactivity, we can choose to respond differently.

Attention

Scott tells the story of a team's reaction to the negative comments written on Glassdoor by a disgruntled employee. The team had burned at least twelve hours stuck in reactivity of thought, fearful of lawsuits, and poor reaction from the public. As soon as they stopped ruminating about the future and focused on the facts in front of them, they came up with a multistep action plan. Once they came back to paying attention, they had a solution in minutes, and their stress disappeared. They saved time, money, and energy. They experienced improved well-being. A veritable bonanza of benefits and freedom. When whole teams learn to pay attention with mindfulness, they enjoy greater creativity, innovation, and problem-solving.

Your Thoughts and Emotions

After working on a big project for several months, Steve submitted a stack of paperwork, expecting feedback and a dash of praise for his hard work. The next day, his boss sent an email: "Looks great. Let's keep moving forward." Steve's immediate response to his boss's email was anger. He was afraid that the boss's short response signaled he would not receive a promotion.

Steve had certain thoughts, which generated certain emotions, which led him to view his boss in a certain way. He was responsible for any rude or inappropriate behavior that resulted from his subjective reality. Having a healthy relationship with our thoughts and emotions will enable us to maintain the best intentions and take the most skillful actions, as Steve was able to do once he became aware of what was happening for him. He took the courageous step of challenging his own story by talking to his boss directly.

A negativity bias lives within each of us. We have a way of seeing the world wherein we try to predict all the things that could go wrong to make sure our well-being stays unthreatened and permanent. Positive emotion is a powerful antidote to this naturally occurring negativity. If we consciously cultivate positive emotional states, we can increase our well-being by counteracting the hardwired negativity bias.

Time

We treat time as a finite thing, like books or coffee, that we can run out of or potentially have too much of. In reality, time and the clock are human-made constructs, and we have all the time we need to do the things we really want to do.

Relating to Time

We choose our relationship to time. When we relate from fear, it can feel like time is happening to us. In reality, time is only our experience of attempting to order our perception of a past, a future, and the present into some way that makes sense to us and allows us to feel sane. Our experience of an hour or span of minutes, however, depends on our internal frame of mind. Let's say two people arrive at the airport gate ten minutes before boarding. One person might be thinking, "Oh my gosh! I wish I could just get on the plane," while the other person might be thinking, "Man, this is great! I have ten minutes to sit still." Same ten minutes, very different experience.

Transacting from Fear

When leaders transact from fear, they don't take time to create a system or follow an accurate list. They try to multitask, and as we will soon see, they ignore their relationships and the needs of others. As long as we operate from a fear of not having enough time (or having too much time), we won't effectively manage time on the transactional plane, and our teams and leadership interactions will suffer as a result.

Transacting from Trust

Leaders must take responsibility for their relationship with

time. Moment by moment, you need to pay attention to how you're relating to time. In your daily interactions with your team, as you look at your schedule for the week, as you consider the due dates for upcoming projects—in all these situations and many more, pay attention to your thoughts and emotions around time. Our energy levels affect our transactions. We can manage our energy with regular practices of rest and renewal and building reserves so we can keep the tank full and ready to go. This type of energy management makes our experience of time change in dramatic ways. And that energy affects those around us.

Money

Research shows that if we want to increase our capacity for joy, calm, and less stress, we need to start using money as a means to experience our time in the way we would like. We also need to value our time more than our money.

Time-Money Connection

The way we are spending our money, or earning it, is also how we are spending our time, or using it. Our relationship with money is never actually about the money. We can use money as an excuse for many things, but honestly, it's never really about that. It's about how we see ourselves in the world.

A Transformational Look at Money

When we prioritize and focus on money, our behavior changes. We become less helpful, a bit stingier, and less interested in the welfare of our fellow man. Money motivates us to work more hours, but it decreases our motivation to help others.

Gratefulness is one of the keys to unhooking yourself from a fear-based relationship to money. Be grateful for the resources you have right now because right now is all there is. Focus on what you have available in the present, not what you're missing or what you think you won't have in the future.

A Transactional Look at Money

Fear causes us to make decisions that do not support our well-being or the well-being of those around us. If a company loses a lot of money on one deal, management might decide to "save" money by cutting the entire marketing budget. However, this might be the time when marketing is most needed to increase sales. As with time, fear can produce narrowed vision. Decisions made in this scarcity mindset are usually short-sighted and fail to take in the whole organizational picture.

The Self

Meet Betty, CEO of a healthcare company she started when she was nearly forty. Ten years later, the company was thriving. Betty, however, was sleep deprived and anxiety ridden. She was also using alcohol to relax and subsequently developed a drinking problem. She was up at 5:00 a.m. every day, drinking coffee by 5:05, and checking email by 5:15. She worked until eight or nine at night and then had a nightly bedside beer.

Betty slowly began waking up to what was happening. She started realizing that she was entirely too attached to who she believed she was in the world. She was the successful person who gets it all done. But when Betty hit bottom, she realized she needed to change her relationship with herself.

A Transformational Look at the Self

Betty's story has a happy ending. She let go of the idea that she needed to do everything herself. She started developing other members of her team and delegating many areas she was controlling. She stopped working eighty hours a week. Betty's change didn't happen all at once. She started by making small choices.

Little by little, Betty challenged the stories she had been telling herself. Slowly, she returned to well-being and peace. It's not that Betty stopped having goals or striving to succeed, but she related to her work and her identity in a completely different way. She moved from the fear of "Who will I be if I don't do X, Y, Z?" to trusting "I will still be, period, even if I don't do X, Y, Z."

You can learn the skill of letting go of the self bit by bit. As mentioned, it's not some mystical practice for the chosen few sitting on a mountaintop. Everyone can learn to pay attention, separate facts from story, and consciously bring the focus back to transformational truths.

A Transactional Look at the Self

When we operate from fear, many patterns show up through our actions in relation to how we see ourselves. Part of the reason we get upset with ourselves is we think we should be the self who _____ (fill the in the blank: never gets angry, never says the wrong thing, always acts selflessly, always turns projects in on time). We create this fixed identity of ourselves as the one who does this and the one who doesn't say that. When we don't do this or we do say that, we judge ourselves harshly. When we grasp the truth that we are not the fixed identity we create in our

minds, we more readily realize that we often say and do many different things. We may need to become more skillful in some areas, and that's okay.

Friendships

We require connection with other human beings—that's why we seek friendship. Even after we become adults, we still require connection with others. Considering how much energy we put into our work and the fact that relationships occur there, too, it is worth creating thriving friendships in our work lives as well as out.

A Transformational Look at Friendship

Contrary to the way we sometimes act, our colleagues are not simply a means to an end. Connections at work improve the well-being and vitality of all concerned. We need to learn to take a genuine interest in people because they're people, not because we're trying to get something from them. When we've built the transformational connections, we can more skillfully manage the ups and downs of transacting with one another.

A Transactional Look at Friendship

One way to create a connection with people at work is to help people when they need it. Someone might need the information to finish a report or assistance in using a new computer program. Simply offering our assistance when we can is all it takes. Even handing someone a stapler when they don't have one nearby begins the process of supporting others to get their work done. To this end, an excellent question for leaders to ask themselves is, "What is the one thing my team needs me to do for them today?"

Developing Others

Leaders have an incalculable influence on the current and future path of an organization; it's worth our time to develop others. Leaders are not born with the transformational and transactional skills to lead; they need to be developed in the relationships we've been discussing. When we develop leaders, we take the first step toward improving the broader culture everyone participates in.

No matter where you are on the leadership spectrum, you can wake up to a new way of leading. Mindfulness is not reserved for the chosen few. It's a skill you can learn and practice daily. Doing so will transform the way you relate to your thoughts, emotions, coworkers, and the vicissitudes of life.

Dr. Daphne Scott is the founder of DS Leadership Life and the chief culture officer for Confluent Health. She is an expert at waking up leaders to a mindful way of leading, and given her improv comedy training, she brings a unique sense of humor to her work helping merged companies integrate cultures. Daphne holds a Master's of Applied Positive Psychology and is also a certified mindfulness meditation teacher.

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What Happens Now

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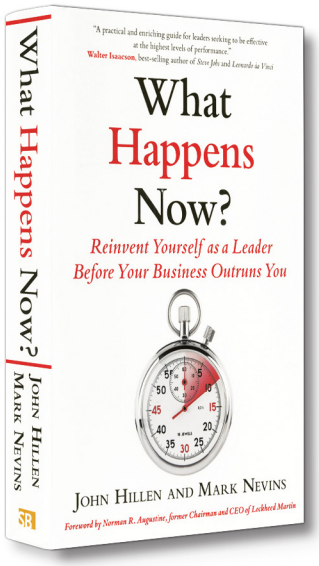
Leadership

What Happens Now?

Reinvent Yourself as a Leader Before Your Business Outruns You



by John Hillen and Mark Nevins

THE SUMMARY IN BRIEF

Again and again the growth of organizations outruns their leaders' skills. If you're one of those leaders, you know the result: As the job grows bigger than you are, you get disoriented by a world of unfamiliar challenges. You then hit a wall of ineffectiveness, a stall point. Your stall then escalates into a crisis.

What Happens Now? helps you to embrace this reality, by showing how sophistication requires you to do things you've never done before — inspire people, nurture relationships, energize teams, groom successors, influence stakeholders. As troubleshooters for leaders of all kinds, authors John Hillen and Mark Nevins focus on the most menacing issue they see in organizations every day: leaders who try to solve challenges solely by engineering solutions to more complexity — process mapping, data analytics, information systems, instant reports. The result? Organizational wreckage.

Instead, you can turn game-stopping stalls into personal growth and organizational success and launch the next phase of your lifelong leadership journey. In this compelling guide, Hillen and Nevins show you how.

IN THIS SUMMARY, YOU WILL LEARN:

- The key differences between sophistication and complexity.
- Why stalls are often a consequence of success.
- To identify and overcome the most common career stalls, including finding purpose, building teams, managing new stakeholders and more.
- Why building your team's leadership is key to your organization's success.

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THE COMPLETE SUMMARY: **WHAT HAPPENS NOW?**

by John Hillen and Mark Nevins

The authors: John F. Hillen, DPhil, is a leadership and strategy professor in the School of Business at George Mason University, a consultant and a director for many companies. A *Washington Technology* columnist, he writes regularly on leadership and strategy. Mark D. Nevins, PhD, is a consultant and advisor to top executives, teams and organizations. He has coached and advised a broad range of executives, from the C-suite to high-potential corporate vice presidents.

What Happens Now? Reinvent Yourself as a Leader Before Your Business Outruns You. By John Hillen and Mark Nevins. Summarized by permission of the publisher, SelectBooks, Inc. Copyright © 2018 by John F. Hillen III and Mark Nevins. $24.95, 336 pages, ISBN 978-1-5907-9453-1.

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Why Leaders Stall

Confusing Challenges of Complexity with Those of Sophistication

Over a career, everyone is almost sure to hit at least a few stalls. Stalls come about when your organization hits one of those inflection points — usually as it grows and changes, or the industry or world changes around it — where you need to deploy entirely different skills and behaviors as a leader.

Stalls are often a consequence of your success, making them hard to fathom. They are the points when you're challenged to build on your acclaimed record to deliver bigger or different results, often depending on skills you undervalue or didn't think you needed.

While leadership involves many kinds of challenges, the ones that usually stymie you at inflection points are those that require increased *sophistication*. Facing challenges of fresh sophistication requires not just that you change your team or organization but that you change yourself and others. This means not just changing structure and systems. It means changing thinking and behaviors.

Matters of leadership sophistication don't get the same attention as the challenges of *complexity*: the responsibilities for managing the systems and processes in your organization. If you're like most leaders, you find it easier to embrace complex challenges: You can document them, measure them, and subject them to analysis and data crunching.

But you may find it more difficult to discover solutions for problems not easily measured or explained by the "hard" data. Leaders become baffled as to why they can't drive higher performance, and the reason is that they are caught up in using tools for solving complexity issues when they need to develop the capabilities to lead in a more sophisticated way.

Imagine you're a technology leader, highly regarded for your aptitude in overseeing product development. You have long kept the organization clicking as it expanded to multiple regions.

All of a sudden, your boss asks you to ramp up innovation by partnering with other organizations via joint ventures. Your mastery and mindset for overseeing the team underneath you do not translate to managing people in enterprises who do not report to you. If you're like many leaders, you'll fear that you've been thrust into a dynamic of new relationship-building challenges you don't know how to navigate, and will probably stall.

Becoming Sophisticated

As you take up the task of developing yourself as a more sophisticated leader, you have to take stock of your own capabilities: Are you aware of the shrinking efficacy of your technical skills?

What *are* the new capabilities on which your leadership success will depend? A less obvious question is, which skills that you value today should you deemphasize — or resist exercising at all?

As you rise as a leader, you'll be obliged to master relationship management, raising outside funding, grooming new leaders, redefining purpose in times of wrenching change, handling reputational risk or ethical challenges, and much more.

As with a front-line leader, so with leaders at all levels: Your first task is to discover the pieces of yourself that you must reinvent to master sophisticated challenges.

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Leader Without a Story

Stalling When You've Failed to Provide Purpose

In times of growth, or during rapid market change, you can hit a showstopping juncture — when different people in the organization see different realities. They see different visions, different missions, different strategies. People across the organization "own" different stories. And hitched to conflicting storylines, they pull the organization in different directions, with different motives and rationales.

Leaders facing this stall do not have just a newly complex communications problem. The real problem, subtler and less visible, is failing to define and articulate purpose in a way that unifies direction, values and strategy.

This is different from having to explain more things to more people because the organization has grown or changed. That is a challenge of complexity, which you can tackle with more communications tools, people and strategies. Having to articulate purpose in creative, compelling, meaningful and powerfully simple ways to multiple constituents is a challenge of sophistication.

Even experienced leaders unintentionally set the stage for this stall. Gary White was tapped to lead children's clothing store Gymboree after a career at Dayton-Hudson, now Target. At Dayton-Hudson, the story of retail operations was clear: Run clean stores, stock plenty of product, keep salespeople smiling and provide solid customer service.

At Gymboree, a specialty store with 1,900 square feet, he moved right from the start to take that same approach. What happened? "Sales dropped 20 percent!" he says. White was the boss, and yet he realized he had gotten the fundamental narrative wrong.

As it turned out, his stall was not merely about a misfire in how to conduct operations. It was about failing to tap into purpose — the focal point of his narrative painting was washed out, and he had to put new brush strokes on his canvas quickly.

White's head of store operations was diplomatic: "At Gymboree," she said, "moms come in with newborns and toddlers. They expect us to do things like blow up balloons and entertain kids in the stores so they can shop." The company's purpose was not rooted in operational efficiency as it is at big retailers. Rather, it was rooted in being close to customers and providing them with a distinctive experience.

"That was the first big learning for me," White says. "Park the ego, take the tie off and get in the role . . . I listened. I learned. And then I took what I thought was the best of all I heard to meet our mission to grow and be bigger."

And with a fresh and purpose-driven story, he turned the organization's results right away. He could then get in the role and become, as chief storyteller, a reflection of what the company stood for.

How can you better assess whether you've hit a stall in failing to establish purpose? Start by honestly answering the question, "Have I crafted a strong, explicit narrative that is memorable and repeatable? Does it engage people? Or does the story fail to seize and energize people to the point that they can shout it out to their own people? Is the response to my story, 'Okay— so what?'"

Recover: Get Your Story Mojo Back

Creating story and purpose is a task you cannot delegate, even though you should enlist others as co-authors. You are the chief of the tribe, a torchbearer for the organization. How can you make the themes of your narrative burn hot with purpose, and in turn, fire the passions of your people?

Ask rising stars from all over the organization to contribute. Everyone brings new insight to six story elements:

Vision: Depict the future state you're striving for and what the world you touch will look like if you are successful.

Mission: Explain why you exist and what you hope to achieve.

Purpose: Clarify why those accomplishments will fulfill the vision and make a difference.

Strategy: Map the path to accomplish your mission, goals and "how we will get there."

Values: Cite the norms of motives and behavior you'll hold everyone accountable to.

Capabilities and culture: Describe what you need to do and how you'll work together — detailing "the way we do things around here."

Leader of Team Zero

Stalling When You Let Your Team Splinter

Often a leader's team members work at odds, clashing over goals or style, putting their own priorities over the common goals of the enterprise.

Some leaders essentially throw up their hands and adopt a laissez-faire philosophy about their teams. They say, "What am I supposed to do about their lack of collaboration? I'm not a marriage counselor."

Experience shows that if you think you can let nature take its course with a team, you will lose control of it. And the more accomplished and prestigious your team members, the harder you'll have to work to bring them back into cooperation. You will stall.

What are the hints and cues that you're in a stall? The first hint is simply that the people on your team, not having a strong collective view of priorities, clash. They feud during conversations, avoid productive conflict, or shut down and resist passively.

A second hint that you may be headed for a teamwork stall is when your team is populated with managers whose egos balloon out of proportion to their roles.

A third hint that you're in a teamwork stall is when you fear relinquishing work, responsibilities and decision-making authority to others. If you're a leader with a talented team but you think nobody can do the job as well as you can do it, you are certainly due for a stall.

If you sense something is wrong with your team, it's time to make sure you're gaining the right situational awareness to know where and how you need to change. Every team at any level in any organization must be able to answer three simple but critical questions:

- **Where are we?** (What's the current state of our business?)
- **Where are we going?** (What's our three-year vision? What are the most important near-term and longer-term strategic milestones to achieve it?)
- **How will we get there together?** (What do we need to do as a team and as individuals to achieve our short- and long-term goals?)

On the bumpy road of organizational growth, if you're going to avoid stalling, you must work on team dynamics all the time. You'll get top grades for team leadership only when you endow the team with clarity of objectives, authenticity and trust, honest communication, a voice for everyone, results orientation and accountability, and continuous learning and feedback. Your prime task, from the start of your reinvention and ongoing, is to create alignment.

Craft Your Rules

A tool for recovering from the teamwork stall is asking your team to devise explicit "rules of engagement" or "rules of the road." What are the ground rules for how your team meets and works together? Teams that assume these rules are a given or tacit will run into trouble, especially when the pressure is on.

Drafting rules of engagement can sound like an exercise in etiquette, not leadership. But when you turn the exercise into a deliberate and conscious group task, it forces people to think in a more sophisticated way about their minute-to-minute behaviors and their accountability to each other for acting in line with them.

The rules themselves are not always novel, but if the team members create them together in their own language, it's much more likely people will take ownership of them and adapt their behaviors accordingly.

Hervé Sedky, president of the Americas unit of Reed Exhibitions, the global event-management company, asked his team to develop rules of engagement that in the end included the following:

- Respectful honesty and candor (Don't express opinions as facts; be comfortable challenging).
- Step outside your role (Don't be defensive; be open; think team/enterprise).
- This is a safe zone (Trust; celebrate).
- Assume positive intent.
- Encourage participation by all.
- Once we agree, execute.
- Be fully present and listen.

Asleep at the Stakeholder Wheel

Stalling When You Neglect Your Stakeholders

Leaders spend much of their careers communicating and interacting over two managerial channels. The first one is telling people who work for them what to do. The second is telling people who don't work for them what they want to hear. In other words, in the first mode they give direction and orders to employees or vendors, and in the second they act attentive and responsive to customers, prospects or bosses.

But what happens when the relationship challenges get more sophisticated? As your organization and responsibilities as a leader grow, two broadcast/receive channels will no longer suffice or get you the results you need.

As you rise, you gain a host of new stakeholders: regulators, investors, boards, the public, the media, political figures and even rivals in your organization. And these new stakeholders simply don't interact with you through either of those two communication channels.

You will stall if you don't see that your stakeholders will change — and probably quickly — as your job changes. You will need to understand each of these new people and invest in meaningful dialogue with them. And you will

need to deepen relationships and exert influence not via conventional management communications channels but rather with the sophisticated capabilities of a leader adept at stakeholder management.

How do you discover for yourself if you have stalled in exercising influence through your stakeholders? You do so by exploring whether you understand the people with whom, and through whom, you'll accomplish your most important objectives. The best way to start this exploration is by creating a stakeholder map.

On a blank sheet of paper, list all your stakeholders, an inventory of all the players and how they relate to you and your objectives. Then configure the names into a graphic you devise on an 11- by 17-inch sheet of paper, depicting the network of stakeholders in whatever way makes sense to you.

There are only two rules for drawing your map. First, don't draw a standard organization chart. Org charts lie. They may capture the structure of a hierarchy, but they don't capture the sophistication of relationships or patterns of collaboration. Those relationships differ markedly from an org chart's boxes and lines.

Second, put specific people on your map, not just categories of players or groups. When you form relationships, they are with people — not institutions. Which individuals can help you win? What is each individual's agenda and objectives? Who may oppose you? Who do you need something from? Who needs something from you? Who is affected by your team's work? Who can, and will, influence outcomes? Or stand in the way?

Recover: Getting Your Stakeholder Bearing

Using your stakeholder map as a guide, schedule regular conversations and work sessions to build and deepen relationships. Use your plan to establish a habit of figuring out people's positions, perceptions and expectations — deepening trust, collaborating better and influencing outcomes. As you go about reaching out, determine the questions you must ask to foster better dialogue and gain collaboration and support:

- What do these stakeholders most want or need from me? What are they afraid of or worried about?
- What interest — political, emotional, financial — do they have in what I'm trying to do? Are they supporters or detractors or competitors?
- How can I best engage these stakeholders? In what ways/styles do they want me to engage?
- Do they understand what I'm trying to accomplish? Can my efforts help them achieve their objectives?
- Do they have a strong relationship with anyone I need to get closer to — and can they introduce me or advocate for me?
- If these stakeholders are resisting what I'm trying to do, how can I turn them around?

'Nobody Gets It!'

Stalling When You're Failing to Lead Change

When your organization grows and changes, it's easy to take one thing for granted: that you can communicate easily, just the way you always have, and that people will "get it" and change. Email, company newsletters, town halls — that's all you need, right? If you think that way when you need to lead change, the sophistication of your growing organization may have outrun your ability to spark people's engagement and catalyze action.

Especially during wrenching or dynamic change, you can't get by with just a sound story straightforwardly broadcast. You must also cultivate one of the hallmarks of the sophisticated leader — the ability to hear and speak to your people on *their* terms, not yours, in a way that motivates them to execute.

These capabilities come from learning to understand the different ways your followers think and feel, and then speaking to their heads and appealing to their hearts in ways they appreciate, resonate with and feel energized by.

How do you know if you've developed the capability, approach, mentality and behaviors to communicate change in a way that truly engages people and moves them?

The ultimate measure of whether you're communicating the message of change effectively is whether you're spurring ongoing conversations. Do you trigger a give-and-take that guides people in fitting the organization's story into theirs, giving them enough time to reflect on it and to embrace it as their own? Do people "get" the story clearly enough to be able to reframe it in their own terms, summarize it and tell it back to you?

Recover: The Elements of Change

To become an effective chief explaining officer of a changing organization, you need to adopt an approach and mindset committed to engaging and connecting with others constantly. You will probably have to practice new kinds of communication more than you think.

One way to start is to create a communications plan to genuinely drive change. This is not a plan you would produce for product marketing or publicity, where your focus is on

message transmission. It is one that aims to create connection, influence and feedback — essentially a "dialogue plan."

Become a chief explaining officer with a four-part plan:

1. **To stimulate conversation**
2. **To focus on your listener**
3. **To choose your communication channel**
4. **To choose your medium.**

In the first part, you describe how you plan to have a conversation both to advocate and inquire. On the one hand, you want to inform, sell and champion. On the other, you want to ask good questions, have people ask questions, verify what your people understand and have them inquire as to what you mean.

The second part is understanding your listeners' styles and needs. This means understanding the different "currencies" of communication. People respond to different subjects of interest. Do you talk about the challenge of the job, the meaning of the mission, the brilliance of the strategy, the prestige of their position, their relationships with people or the value of their being needed? Which currency do they most value in receiving your message?

The third part is learning to transmit on three different channels. One is facts: the logical, objective realities of the situation and the roadmap for the way forward. A second is emotions, which you can broadcast with humor, encouragement, empathy, honesty and courage. The third and perhaps the most powerful is symbols: metaphors and images that make a story memorable.

The fourth part is choosing your medium, or rather, many of them. Communications experts talk about a spectrum running from "lean" to "rich" communication. Each type requires a different investment and delivers different results. On the "lean" side are email, mass mailings and posters — cheap but not that effective. Slightly less lean are podcasts or group emails.

On the "rich" side are small-group meetings and one-on-one conversations. If you want rounded, relaxed, earnest dialogue, then interactive team meetings or individual visits are the way to go. You can and should sit with your most important stakeholders.

Master of the Old Universe

Stalling When You Lose Your Authority

Chris Howard, the president of Robert Morris University in Pittsburgh, was his high school student body president, Honor Society inductee, talented band member and star athlete. During his senior year in Plano, Texas, as captain of the football team, he helped lead the team to 12 straight wins and a state championship with a 12–2 record after a 0–2 start.

But Howard also had to experience the ugly side of humanity. An African-American who moved to Collin County, Texas, with his family in 1979, there were instances "when people used the N-word like they used the word 'jerk'," he says. "There were even some situations where acquaintances would tell me, 'We don't like black people, but we like you and your brother.'"

He learned as a young man that his innate strengths and capabilities would not necessarily endow him with the authority he needed to get others to follow him. He had to build himself up in additional ways — and especially so in a community burdened by so much prejudice.

Howard did what all leaders must do to avoid a stall: He created a personal syllabus for ongoing growth as a leader.

You could assume that as a leader celebrated for delivering results and taking the organization to new levels, you automatically establish your authority. But individual performance doesn't translate into leadership authority. To retain authority as you step up a level, you need to upgrade yourself to project what followers require in order to have confidence in you, feel inspired by you and spring into action.

If you suspect you're stalled because of your shortage of authority, ask yourself a simple question: What is my source of authority? Why would anyone want to follow me? Or for that matter, respect me; invest themselves in my vision, decisions, values or mentorship; or trust my enthusiasm or judgment for getting great things done? Why should I expect people to call me a "leader"— just because of my title or position?

Recover: Back On Your Horse Again

If you were to ask Bob Zoellick, former head of the World Bank, for examples of his leadership that stand out, you would partly hear about loans and grants to developing countries. Or about helping countries grow, build institutions and expand opportunities for men and women. Those are the important functions of the bank.

But you'd also hear about the time Zoellick had to resist South African politicians who wanted him to jettison his corruption-fighting chief because that chief had challenged powerful interests when leading a special-investigations unit in his home country.

Or about how he had to insist the bank find a way to aid the emigration of a Ukrainian corruption informant whose

life was at risk in his home country. As for the Ukrainian, says Zoellick, "We had, in effect, to create a witness protection program. Some World Bank people said, 'Well, he ran the risk so he's on his own.' And I said, 'You can't do that with people! What message are you sending? And what is your moral standard here?' So we had to help him get out, and take care of him and his family.'"

To be sure, performance at the bank would be measured by his work to overcome poverty and spur sustainable growth globally. But his authority also depended on asking more pressing, controversial and difficult questions, in particular, "What's the right thing to do?"

Leaders can enhance their sources of authority by delving into the staples of leadership theory, but they also have to create their own defining moments, as Zoellick did. These are moments when you leverage your authority to do the right thing, to be the person other people will want to follow.

It's not enough to be just the one with the answers, the intellect or the expertise.

Hamster on a Wheel

Stalling When You Focus Your Time and Energy in the Wrong Places

Many leaders find that as they try to stay on top of bigger and more sophisticated organizations during dramatic change, the impulse to get inappropriately into the details trips them up again and again. It just takes different forms as they ascend to each new organizational role.

In these situations, whether a leader on the front lines or a new C-suite executive, you may begin to feel drained and overwhelmed, with diminishing returns to show for your efforts. You continue to dedicate the same hours and effort to your organization, but you think, "I'm working like a maniac but not getting anywhere!"

Is it possible you're still trimming weeds? Maybe you should instead be addressing the tall trees the organization really needs you focused on.

Time and energy are finite resources, no matter how vigorous your passion for work. Giving an hour of focused attention to X means you're not giving that time and energy to Y. As a leader, you can't afford to burn energy on tasks that don't truly demand your perspective and wisdom as the boss.

If you perceive warning signs that you're stalling, probe further to determine how your habits, schedule and mindset may be indicators of a coming stall. Examine how you divide your time between acting as a doer, a manager and a leader.

Draw three columns on a tablet of paper, one each for "Do," "Manage" and "Lead." List all your activities and actions for this quarter, allocating each, in specific and measurable terms, to one of the columns. Estimate your time devoted to each, and calculate each column's relative percentage. Then ask yourself, "Given my role and what I want to accomplish, am I investing my time and energy commensurate with the best returns?"

Prescribe 'Do, Manage, Lead'

Now that you've identified where you've been spending your time and energy, how should you re-focus tomorrow? What work should benefit from your periods of peak energy? If you're spending too much time *doing*, how will you shift your mindset to more *managing* and *leading*? You may want to make changes to systems or structure, and yes, maybe you should hire a chief of staff. But more often you'll want to target more sophisticated behaviors.

A general rule is to delegate everything someone else can do. First, as a leader, you must delegate all the activities that someone else can do because that frees you up for work only you can do.

Second, only by delegating do you create opportunities to develop the leaders below you: Give them a chance to step up, learn new skills, and get the experience and visibility to turbocharge their careers. Delegation motivated by this logic is a hallmark of the sophisticated leader.

That said, as a leader you should never delegate three responsibilities. The first is being the face of the organization — especially in bad times when everyone is watching.

The second is acting as "Chief Strategy Officer." You should always be looking out from the bridge of the ship, even if you have strategy experts working for you.

The third is taking charge of developing your leaders. Neglecting this last responsibility will hurt the organization most of all.

Coach of the B Team

Stalling When You Can't Keep Your Leaders From Failing

When Hector Batista accepted the job as CEO of Big Brothers Big Sisters of New York City (BBBS) in 2010, he found himself confronting a team of struggling leaders who tested him like never before.

Just three months after Batista started, he became aware of a significant BBBS program that he had not heard of

previously — and he became aware of it in an embarrassing way. When he met with a major foundation to provide an update, the funders asked him about this program. He was nonplussed: "What program?" he asked. Only later did he learn that a longtime staff leader had stepped away, and only a single board member had any visibility into the program. The abdication of leadership by his staff stunned Batista.

In another instance, he noted that a wealthy entrepreneur had been donating $2,500 to BBBS every year. Batista called him to thank him for his gift. The entrepreneur expressed surprise, because he had never gotten a call before. Batista, just as surprised, promptly made a personal visit, and the man upped his gift to $50,000 a year along with a $50,000 gift for a new "Going the Extra Mile" initiative. And then he put BBBS in his will for $1 million. Batista still marvels: "There was no cultivation of donors going on."

Faced with these realities, Batista realized he had to remake his senior team to start, replacing some leaders and promoting "diamonds in the rough." He also had to align the team around a strategy and reverse behaviors in which leaders at the top formerly did little to help the leaders below them grow and thrive.

Batista's story helps us raise a question we should ask of any leader: Are you going to leave a legacy of leadership behind? If you're not building a bench of capable leaders, you're lapsing into one of the most tragic stalls of all: putting at risk your organization's near-term performance and longer-term success.

One way to assess your involvement in a stall in developing leaders is to examine how decisions are made about leadership. How many of the decisions related to developing people do you make, and how many do you hand over to a consultant or your HR head?

Another way to assess your stall is to look carefully at your own 360-degree feedback. Do your leaders feel they are growing and advancing in their careers under your guidance?

Recover: Getting Personal With Leaders

The essential factor in recovering from a stall in leadership development is to commit to getting personally involved. Spread your philosophy and influence across all formal and informal efforts and programs to develop your people.

These three elements matter most in developing leaders: helping leaders clarify and prioritize goals, deepening their understanding of the others whom they must engage and influence to achieve results, and developing a keener knowledge and awareness of themselves. When you are working to develop other leaders, help them keep their focus on all three: goals, others and self. This model is called the Leadership Triangle.

The most pragmatic way to begin your change in mindset and behavior is to spearhead the creation of a structured program for leadership development at any level in the organization. Although you may work with your HR team or talent department to develop the strategy and approach, position yourself as the champion of the effort rather than a passive sponsor.

Integrate the company's strategic and business challenges, what you believe the organization needs from its leaders to excel, how each individual can get better and how people will be held accountable for changing. Whatever your level or role as a leader, get involved in helping to create the best possible formal programs to develop other leaders, and let the Leadership Triangle be your guide.

You can't avoid stalls entirely. But if you make the commitment, you will learn to sense impending stalls. And you will continue to grow without undue slowdowns. That's when you will become your own version of your "best leader ever." You will create a lasting legacy for yourself, for others, for your organization and for the world around you.

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What They Didn't Tell Me

Jawad Ahsan

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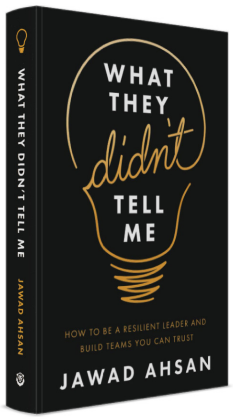
What They Didn't Tell Me

How to Be a Resilient Leader and Build Teams You Can Trust

by **Jawad Ahsan**



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THE SUMMARY IN BRIEF

In ***What They Didn't Tell Me*** the author's goal is to help you become a resilient leader and surround yourself with teams you can trust to weather storms and achieve great things together. Author Jawad Ahsan is a CFO of a publicly traded company and admits that his path there was anything but typical. He didn't enter as a CPA or via a job on Wall Street. He instead achieved his financial and leadership training from General Electric. Throughout his story, you can feel his successes and failures, the steep learning curve he had to overcome, and the flexibility and perseverance he overcame to adapt and overcome challenges along the way.

Just as importantly, the author emphasizes the challenges he had to overcome as a Pakistani American, the son of two immigrants, and a practicing Muslim. His background had an impact and provided a unique perspective to team building, leadership, and cultural development. This book is his story, which, while unique to the author, provides universal lessons so you can become a resilient leader and build teams you can trust.

IN THIS SUMMARY, YOU WILL LEARN:

- How to hire people you can trust.
- How to avoid people with the four uncoachable traits.
- How to lead teams in the most effective ways.
- How to lead your team with vision rather than react to short-term circumstances.

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Meghan P. Kozak, Editor-in-Chief • Kylie Waytuck, Graphic Designer

Introduction

A common thread I see in new leaders today is that they tend to focus only on what needs to be accomplished. They feel their role as a leader is to simply find direct reports who can fill a role and perform the duties of that job. What they don't do is focus on the person themselves and why they're a good fit.

Chapter 1

The truth is that there are some things you can coach and other things you can't. In my experience, there are four uncoachable traits:

- Unyielding integrity: Always doing what's right and holding others to the same standard.
- Accountability: Fostering trust, executing with a sense of urgency, and taking pride in the quality of your work.
- Collaboration: Being a team player and always prioritizing the well-being of the team above any individual achievement.
- Positivity: Being a positive thinker, breaking through barriers to present solutions, and not engaging in any gossip or negative talk; assuming positive intent and getting any issues or concerns out in the open.

Chapter 2

There's a huge difference between having to listen to someone and wanting to listen to someone. Having a title doesn't automatically make that happen. In fact, I'd argue that leading with the mentality that people have to listen to you will make them want to do the opposite.

If you want to build a team that is resilient and has a strong desire to follow you into the breach, you have to change your mindset about your position. A title is what you get when you earn your way into a job. You have to choose what kind of leader you're going to be once you've assumed that position. How will you inspire people? How will you motivate them? These things must be a conscious choice.

Chapter 3

When you identify someone on your team who has a lack of integrity, you fire them on the spot. You don't say to yourself that you know someday it could be a problem. It's a problem today, and this is only the stuff you're aware of. Who knows what else might already be happening that you don't know about? I have seen time and time again when parting ways with someone who demonstrated a lack of integrity that what I saw on the surface was only a fraction of the poor and toxic behavior that individual would engage in.

Chapter 4

Integrity, accountability, collaboration, and positivity are crucial elements for a team. I found that if someone didn't have them, they could not be coached to develop them. While firing is never an enjoyable task, it was absolutely critical to the team and the company to remove those who were uncoachable. Knowing and embracing that has served me incredibly well in my leadership journey.

Filter versus Funnel

Developing a filter for feedback is crucial if you want to be an effective, confident leader. Feedback is useful in terms of fine-tuning your trajectory—it should be utilized to make course corrections. You shouldn't simply go left or go right based on where people are telling you to go.

Before I sit someone down to discuss my observations of their work and behavior, the first question I ask myself is: Will this be something that is actionable for this person? If it's not, I keep my mouth shut. When you give feedback, not only should it be actionable, but it should include some form of recommendation for how they can improve.

Remember that even when you're giving positive and actionable feedback, you have to consider the person as a whole. Not all feedback can be delivered in the same way and be effective for everyone. You cannot give someone effective feedback unless you understand, to some extent, their view of themselves.

Chapter 5

I tell my direct reports when they're managing their own teams that it's vitally important for them to consider and understand how people view them.

As you move into bigger and bigger roles, the perception your team and other people have of you is not just based on what you do at your desk from day to day. It also comes from the success you're having.

The question for me then becomes: What can I do to give

this employee a better experience? It might not always be compensation. Sometimes it can be giving them time off. Recognition in front of their peers. Opportunities to have their opinions heard in front of leadership. There is a litany of things that you can do to make that person feel as though they are in the boat with you, helping to steer, instead of just having orders barked at them by the captain.

Chapter 6

People, for the most part, want to be led. It's human nature. This is not to say that they want to be told what to do, but they do want to be given direction. When you give that direction and you're confident in it—when you can articulate the reason why—people will follow. If you can make them feel as though they are a part of whatever decision you're asking them to follow, then they'll be even more willing to do so.

Driving behaviors and outcomes is an extension of the choice you make to become a leader. As a leader, it is important for you to serve those who manage your teams in this way as well. You must support their decision such that they feel empowered, but you must also let them know that they can't act as weather reporters. They can't just come and tell you what's going on. You need them to drive change, behaviors, and outcomes as well. There are always going to be people who push back against their initiatives, but it is their job to make sure that everyone stays on track.

Chapter 7

Be very clear about what you want, and don't compromise on that. It's easy to get distracted. Being location agnostic has been incredibly helpful to the growth of my career. I've moved several times. In the thirteen years I was with GE, I moved twelve times.

Chase experiences. It can be challenging because it might mean moving away from friends and relationships, but if you're going after what you want, sacrifices will have to be made. The experiences and opportunities I've had have come from those kinds of sacrifices. There is no other way I can say this: if you want to make it, you've got to go where the job takes you.

As you hire, do so in such a way that you have more talent than you need. Yes, you will likely have people who are going to leave because they are ready for the next step but face a lot of competition to get that promotion, but that's a good problem to have.

Chapter 8

You have a responsibility as a leader to shape not only your direct team, but your leadership peers. You cannot be complicit. It was the reason I led the call for a new head of that division. I viewed it as my responsibility not only to the organization but to create an imprint on the company as a whole. I saw firsthand the people suffering and struggling due to the toxicity of our culture, and to stand by and do nothing about it meant I was effectively endorsing it.

Chapter 9

Employees that are mediocre don't often have the self-awareness to know that they are, and they will rarely remove themselves from their situation or look to improve. The other employees on the team who are carrying their weight will absolutely notice, and it's demotivating to see a substandard team member continue to stick around.

It sounds harsh, but as a leader, if your team is going to trust and follow you, you have to make better decisions than leaving warm bodies in the chair. Their low performance will only cause the team to suffer. Suffer the short-term pain for the long-term success of the team.

Chapter 10

Right or wrong, people will always find things to criticize. It is important to project confidence, without a doubt—to be optimistic and upbeat for our employees, our investors, or whoever your audience might be. Do so, however, without draping yourself in roses. Temper your exuberance a bit. You can remain confident, upbeat, and positive, but you must be mindful of how you come across. You must be self-critical. You can't be so optimistic that you leave yourself open to further criticism.

Chapter 11

It feels good to be wanted. To be wined and dined. Everyone should get to experience that. If you're going to go over the top to get them here, you better make damn sure you continue to make them feel appreciated when they're doing the excellent work you hired them to do. To be clear, it's not just about material rewards. I spend roughly two-thirds of my time on people—listening to their challenges, coaching them, giving them career advice, or talking to my direct reports at length about their own teams.

You can't feel threatened by the idea that your team might outshine you. If you do, you can't be an effective leader, and you can't build an ironclad team. Let go of your ego. When your team shines, it reflects on your abilities as a leader to bring talented people together. It also creates an environment where your people feel safe. It's a lot harder to leave a space where you're comfortable and secure.

Conclusion

If the early part of my career was defined by how I reacted and responded to what happened to me, the later part was defined by whom I surrounded myself with. The people I worked for, worked with, and hired on my teams have been the single most important factors by far in terms of my career turning out the way it has.

A mentor told me once, when I was transitioning from an individual contributor to a manager, that there was a limit to how much I can get done with just my laptop and myself, and that I would need to learn how to build great teams if I wanted to continue to find success. It was advice that seemed obvious at the time but is something I've thought back to often the more I've learned it to be true. However good you are at any given task, however skilled you are, or however smart you are is irrelevant in the grand scheme if you are unable to build and maintain high-performing teams.

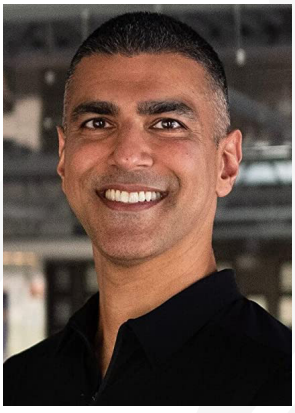
An effective team that is not resilient will only carry you so far. When faced with adversity, they won't be there for you in the way you need them when you need them the most.

The four uncoachable traits that I've referred to in this book—integrity, accountability, collaboration, and positivity—are individually important factors for building resilient teams. Collectively, however, they serve as a heuristic for something that is probably the most important factor in building resilient teams and is itself an uncoachable trait: trust.

If you want to build an effective team, hire for skills. If you want to build a resilient team, hire people you can trust. If you want to leave a mark on this world, hire for both.

Believe in Yourself, or No One Else Will

If I could go back and tell the version of myself at the beginning of all of this—the one who heard he didn't belong in this company or that position—I'd tell him to just believe in himself. And that's what I want to tell you. You can do it. Yes, the path is paved for some. It's an unfortunate reality, but it's true. However, there is nothing to say that you can't create your own path.



At age 29, Jawad Ahsan defined his North Star: he wanted to move up to the C-suite. A year later, he became a divisional CFO at GE Healthcare, and was soon promoted to be a GE executive. By age 34, he was the CFO of a private-equity backed SaaS company, and by age 37, became the CFO of a publicly traded company, Axon. As CFO, Jawad is responsible for leading the company's global finance, corporate strategy, legal and IT organizations, as well as Axon's consumer-facing business. During his tenure, Axon's market cap has increased from $1 billion to over $6 billion.

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When Goliaths Clash

Howard M. Guttman

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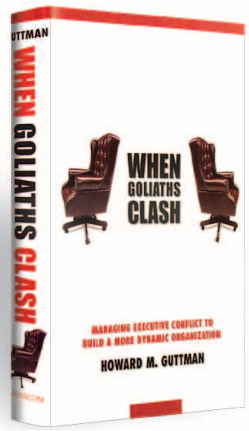

By Howard M. Guttman

Managing Executive Conflict To Build a More Dynamic Organization

WHEN GOLIATHS CLASH

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THE SUMMARY IN BRIEF

Working in fast-paced, stressful conditions with different types of people, all with their own beliefs, values, cultures and work ethics, can cause conflict in even the most basic business relationships. Unresolved conflict in organizations, especially at the highest level, can have dire consequences, such as low productivity, employees' anger and hostility, increased costs, and increased absenteeism and turnover. It's important to realize that conflict handled properly can actually be a great asset to a company. When conflict is managed well, it can lead to new ideas, improved teamwork and commitment, and a better understanding of the people who work alongside you day in and day out. When managers, especially at the highest levels, understand the root causes of conflict, they can be effective in using the conflict as a springboard to greater production and higher achievement.

What You'll Learn In This Summary

✓ **The causes of conflict.** Knowing the telltale signs of conflict can help managers analyze what's causing it and deal with it effectively.

✓ **How to align your group to work together.** Forming a group that agrees on strategic and operational goals makes it easier for group members to agree on ground rules and their roles for the project.

✓ **How to prevent conflicts from occurring.** Avoiding personal attacks, respecting the opinions of others and resolving conflict as quickly as possible are a few of the techniques described.

✓ **Changing the "me" to "we."** Take the steps necessary to emulate high-performance work teams who focus on the team's goals and not individual goals.

✓ **Effective leadership manages conflict.** The management style and interpersonal skills of an organization's senior management dictates how conflict affects the company.

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WHEN GOLIATHS CLASH

by Howard M. Guttman

— THE *COMPLETE* SUMMARY

Anatomy of Conflict

Many companies become paralyzed by unresolved conflict. For these organizations, it is important to understand that putting an end to conflict is not a desirable goal. Conflict should be managed, not eliminated.

Conflict is destructive when it:

- Leads to a win-lose game in which one side wins at the other's expense.
- Diverts energy from important activities or issues.
- Destroys people's morale.
- Polarizes groups and destroys cooperation.
- Produces irresponsible or regrettable behavior (e.g., personal attacks).
- Leads to stalemates rather than decisions.

Observing and accepting differences is helpful and necessary. Discussing employees' disagreements can improve problem-solving and be an asset for decision making. Airing opposing viewpoints can bring about new ideas and strategies.

Though most people are not aware of it, conflict keeps a company alive and flourishing when it:

- Stimulates healthy interaction among employees collaborating on a task.
- Opens up discussion about important issues.
- Strengthens team spirit and commitment to group goals.
- Results in better solutions to a problem.
- Improves the quality of a group's work.

Whether conflict works for or against an organization depends on one vital thing: how it is managed.

Through words and actions, effective managers send the message that conflicting opinions must not be swept under the rug. Those opinions can encourage workers to have open, productive dialogue that can benefit the entire organization.

The Roots of Conflict

Conflict occurs when the needs and desires of two or more parties are incompatible. When those parties strive for the same thing — whether it is money, materials, space, time or any other resource — they are in conflict. The word conflict comes from the Latin *fligere* ("to strike") and *com* ("together"), so it is not surprising that common terms used to describe conflict are "clashing" or "butting heads."

When people who have individual needs work together, there is always the potential for disagreement. At some point in all personal relationships, conflict is inevitable, and the same is true of business relationships. In what situation other than business are people with different cultural backgrounds, values, beliefs, and

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Test Your Conflict-Management IQ

How effectively does your organization manage conflict? The more questions below to which you answer "yes," the greater your company's need to examine its conflict-management procedures:

- ✓ Is your business strategy fuzzy or unclear? Does your senior management team often debate its meaning?
- ✓ Do people in your company arrive late for meetings or not at all?
- ✓ Do meetings often deteriorate into chaos?
- ✓ Do you need to have more meetings than you should because closure is never reached?
- ✓ Does the atmosphere become tense when a certain executive enters the room or a particular issue is raised?
- ✓ Are priorities constantly changing? Are people unclear about who owns issues?
- ✓ Are discussion and debate discouraged? Is silent agreement the norm?

The author: Howard M. Guttman is the principal of Guttman Development Strategies Inc., a management consulting firm that works with clients internationally to build high-performance teams, align strategy and operations, and manage conflict.

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Anatomy of Conflict

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psychological and emotional needs forced to work together for eight or more hours a day, year after year, trying to achieve a set of common goals?

Business conflict is not only found among the Goliaths at the top. It permeates organizations regardless of function or level on the corporate hierarchy.

More than ever, senior executives must be adept at managing conflict throughout their organizations. To do this, they must understand more about the roots of conflict, the reasons why conflict is essential to the human condition.

What Causes Conflict?

There are two main sources of conflict among people in both personal and business relationships: *individual differences* and *stylistic clashes.*

Individual Differences. No two human beings — not even identical twins — are alike in all aspects. Because we are all unique, we all have differences with one another. We all bring to relationships different:

- **Wants and needs**
- **Values and beliefs**
- **Assumptions and interpretations**
- **Degrees of knowledge and information**
- **Expectations**
- **Cultures**

When we interact with people whose wants, needs, values, beliefs, assumptions and interpretations differ from our own, we might find ourselves in conflict with them. But that does not mean we have to butt heads with them. People can have different opinions without taking those differences personally. One of the keys to successfully managing conflict is learning to depersonalize it, or simply view it as a business situation to be handled.

Stylistic Clashes. In a business context, style means the ways each individual approaches interpersonal communication. Some people are comfortable revealing their innermost thoughts and feelings, while others find it extremely awkward and embarrassing to open up, especially in front of a group.

Effective communication is critical for resolving differences, and we all must be aware of how we communicate. What is our primary style? Do we use it some, all or most of the time? Do we vary our style depending on the situation? Do we vary it depending on the person with whom we are communicating or the issue that is confronting us?

Although human behavior cannot be separated into neat categories, it is helpful to think about communication methods in three broad styles: *nonassertive, assertive* and *aggressive*. It is very difficult to accurately identify your own personal style.

Options for Coping With Conflict

There are four ways in which people in a conflict-laden situation can deal with it:

1. Play the victim. Say nothing, act powerless and complain.

2. Leave. Physically move away from involvement.

3. Change yourself. Move from your original position, change your view of the other parties, or just "let the situation go."

4. Confront. Address the issue openly, candidly and objectively by communicating with the other party.

Confronting conflict head-on is one of the hardest things for an organization to do. To accomplish this, executives must start by debunking the many myths about conflict.

Most people believe that conflict is caused by difficult, quarrelsome people who simply can't or won't change; that successful teamwork requires a conflict-free environment; that people can't separate disagreements over business issues from personal attacks; and that confronting another person or group always leaves bad feelings. But not one of these myths addresses a fundamental truth about conflict: It is and always will be. ■

Why Goliaths Clash

Senior executive teams have a strong, steady effect on the psyche of an organization. They are highly visible role models who deliver a powerful, implied message to others: My behavior shows how a senior executive operates — do likewise.

Strategic conflict — disagreement at the top over the future direction of the organization — is conflict at its deadliest and is the hardest type of conflict to resolve.

Resolving Strategic Conflict

Guaranteeing the success of a company's business strategy should be the top priority of every senior management team. Strategy is the way an organization defines its future. Disagreements among senior executives about future products, key capabilities, financial targets and growth expectations create friction among the group that can weaken the foundation of a company. How can a senior team resolve conflict that prevents it from delivering the results its board members and stockholders expect?

Effective conflict management begins with alignment. To operate at peak performance, a senior team must be aligned and reach agreement in four distinct areas:

- Strategic and operational goals must be clear, spe-

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Why Goliaths Clash

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cific and agreed-upon.

- Team members' roles must be carefully defined so each member knows exactly what he or she is responsible for and what he or she is authorized to do.
- Ground rules must be established to guide group behavior.
- The broad range of personal styles that team members use when interacting with one another must be understood and managed.

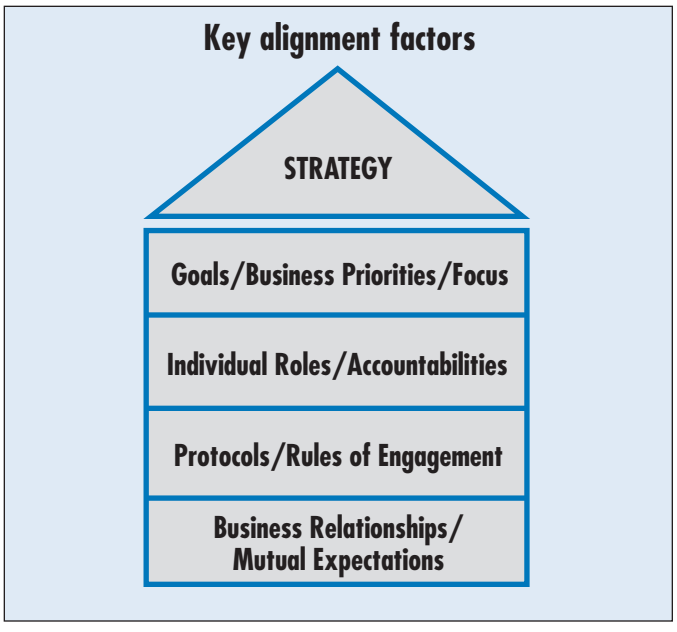
Individual Roles and Accountability

One approach to dealing with lack of alignment is to hold a formal session on the subject with the senior team. Before beginning the alignment session, it is useful to ask participants the following two questions: "How clear are you about your role and accountability on the team?" and "How clear are you about your role and accountability in the organization?"

Many CEOs are surprised to learn that many people on their staff cannot answer these questions well. What these leaders don't realize is that none of their workers operates in a vacuum — workers are constantly interacting with one another. Chances are they have not discussed what their roles are and what they expect from one another.

Rules of Engagement

Having goals and rules clearly set out will get you only so far. Procedures for resolving conflicts — think of them as ground rules for behavior both within the team and outside of it — are key elements in the conflict-management process:



Alignment at Johnson & Johnson

How can a huge, multinational company made up of many subsidiaries keep everyone in all those business units on the same page?

Johnson & Johnson (J&J) knows how. Health care giant J&J is a "portfolio organization" that consists of 195 subsidiary companies. The companies are organized into 20 "franchise groups" that make products for many different uses: skin and feminine health care, wound management and closure, analgesics, anti-infectives and painkillers to name only a few.

Because each franchise must have the same business focus as the parent company, each year J&J's senior team asks franchise leaders to develop their own strategic plans and submit them to the team for review and approval. Once a plan is approved, it's up to each franchise to translate its strategy into operational goals and action plans at every level.

According to Michael Carey, corporate vice president for human resources for J&J, the franchise strategies are tied together by the parent company's clear, common goals and values that reduce the possibility of misunderstandings.

These goals are clearly stated in two ways. The first is J&J's Statement of Strategic Direction, which explains that it will capitalize on its decentralized form of management and manage for the long term. The second is a list of four company-wide goals identified by the executive committee: innovation, process excellence, e-business and flawless execution.

- **Don't "triangulate."** Triangulation is bringing an issue to a third-party mediator for resolution. Triangulation is an attempt to avoid responsibility by using the third party to handle an issue that should be resolved head-on between two people.
- **Don't recruit supporters to your point of view.** We all know people whose main mission in life is advancing their own cause. They are always looking for opportunities to win people over to their side, and they make private disagreements public by bad-mouthing anyone who dares to contradict them. This form of third-party recruiting doesn't bring about positive changes in behavior; it tears apart, rather than unites, the team.
- **Resolve it or let it go.** The longer conflict remains unresolved, the greater the chance that it will grow, spreading negative feelings throughout the team. To cut off conflict before it spreads, some teams establish a deadline (e.g., the conflict must be resolved in 24 or 48 hours). When two members of a team have a conflict,

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Why Goliaths Clash

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the team leader gives them a deadline to resolve it. If they cannot resolve the issue by the deadline, they must drop the issue and move on.

- **Don't accuse in absentia.** At a team meeting, if someone brings up an issue that involves another team member who is not at the meeting, the discussion should stop immediately. The team owes it to the missing team member to postpone further debate until he or she can be present.
- **Don't personalize issues.** John Stuart Mill once observed that the key to progress is letting all ideas start off even in the race, and eventually the truth will prevail. In business, differences of opinion can stimulate new ideas and lead to a favorable outcome for all parties. ■

High-Performance Teams and Conflict Management

The one competitive advantage that cannot be bought, copied or made obsolete is excellent management of people and processes, including the management of conflict. The best way for an organization to achieve this advantage is by creating and nurturing high-performance teams from the top down.

High-performance teams are powerful because they bring together diverse viewpoints, experiences, judgments and capabilities. Diversity can often create damaging conflict, but not in high-performance teams, where open and direct conflict is actually valued.

High-performance teams do not follow the traditional corporate hierarchy. Employees are asked, often for the first time, to assume individual and collective responsibility for business results. These teams focus on the customer instead of their bosses, and they view their work efforts as benefiting the group, not just their own departments.

The High-Performance Team

B.W. Tuckman, a pioneer of group-development theory, summarized the results of more than 50 studies conducted on team development into a four-stage model: forming, storming, norming and performing. An expanded version of the Tuckman model makes it more relevant to the new performance environment of the horizontal organization.

Looking closely at the behaviors that characterize teams at each stage of the model can help a team understand the obstacles it must overcome to reach stage four.

Stage one of the expanded model is "testing." In stage one, many teams are made up of individuals working together for the first time. Their initial behaviors include testing and assessing each other to determine the level of candor that will be accepted by the team and the team leader. Tensions run high. Conflict is often suppressed rather than addressed, and there is a fear of confronting issues and individuals.

Stage two is "infighting." Stage two often begins after teams have been working together for a while and have fallen into a set behavioral routine. It is where viewpoints are aggressively advanced. It is filled with accusations, finger-pointing and backbiting. Executives feel vulnerable and on the line. It is also where many breakthroughs in conflict resolution take place.

Getting Organized

Stage three is "getting organized." Stage-three teams have realized that to become high performers, they cannot continue to bury conflict or allow it to run rampant. They must transform conflict into dynamic energy that produces results. Teams in stage three are in a learning mode. They are in the process of clarifying roles and goals while they develop skills and establish procedures. At this point they are confronting issues, not people, and giving feedback.

Stage four is "the high-performance team." In stage four, the team translates into action the lessons it has learned during its evolution through the previous three stages. Stage-four teams share eight key attributes that separate high-performance teams from their less-effective counterparts:

1. The mission, goals and business priorities of the team are clear to all team members. For a team to operate at peak performance, these standards must be clear to all members.

2. The team is comprised of the "right" players. As individuals further down in the organization begin to serve on teams, it becomes essential that all employees have three competencies. They must be technically proficient in their particular function; they must have the communication skills to build support for their project across functions; and they must be able to understand their organization's strategy and how it affects their day-to-day actions.

Waiting Compounds Conflict

3. The roles and responsibilities of each player are clear to that person and to all team members. The team leader should step in as soon as it becomes apparent that there is confusion in this area. Waiting only compounds the conflict.

4. Team members are committed to the team "winning" — achieving business goals — over their own self-interest. When teams focus on common goals and become comfortable sharing their opinions, individual

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High-Performance Teams and Conflict Management

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members begin seeing themselves as serving two roles in the organization. They are no longer only conduits between their departments and the team; they are also active members of a team committed to helping the group achieve its goals.

5. The decision-making process that the team employs is understood and accepted by all team members. When a team meets, there are three ways it can make decisions: unilaterally, consultatively or by consensus. It is often best to use different decision-making processes to handle different issues.

6. Every team member feels a sense of ownership or accountability for the business results that the team must achieve. The notion of shared accountability is an important and unique aspect of high-performance teams.

Comfortable With Conflict

7. All team members are comfortable dealing with team conflict. Candor and depersonalization become second nature. When team members realize that they will be applauded rather than punished for expressing opinions honestly and constructively, they no longer hold back.

8. The team periodically evaluates its progress, focusing on how it functions as a cohesive group. To ensure that a high-performance team keeps its edge, it must be in a continuous learning mode, acquiring and honing the skills it needs to do a project well. ■

For Additional Information on how an intimidating leader "toned down", go to: http://my.summary.com

The Road to High Performance

Teams that have been working together in a state of dysfunction for a long time carry a lot of interpersonal conflict. When team members comment on the way they work together, they usually feel a great deal of discomfort. It takes tremendous courage to stand up in front of your business associates and admit that you are making mistakes now and then. During discussions aimed at diffusing conflicts, it is important to talk about issues openly without making personal attacks.

Some typical behaviors that can damage the team effort are:

- Not sharing information.
- Being aloof from the rest of the group.
- Going "underground" with complaints.
- Listening to and commiserating with co-workers' complaints instead of encouraging them to resolve them.
- Triangulating by trying to get support for their own interests from their superiors and others.

Becoming a High-Performance Organization

Alignment does not stop with the Goliaths of senior management. They exert tremendous influence over the organization, but the Davids in every function must also play their part.

To become a high-performance team, most organizations must pass through five major steps, or phases:

Phase One: Defining the Business Need

An organization's journey to high performance begins with a business need — specifically, the need to take performance to a new level. The move from Stage One to Stage Five requires an intense desire to win in the marketplace.

Phase Two: Structuring the Teams

At this point, most senior teams must answer some basic questions about the business teams that are going to be formed:

- How many members will be on each of the teams?
- Which individuals will be on the teams?
- Who will be the team leader of each team?
- What will the teams be accountable for?
- How will each team's success be measured?
- How will team members be rewarded for success?

In a company where new teams are being set up, getting answers to these questions usually requires a long period of discussion before agreement is reached.

Phase Three: Aligning the Teams

At this point, the focus shifts to the senior team to ensure that its goals, roles, processes and business relationships are consistent with high-performance requirements.

Every individual on a team plays a dual role: gatekeeper to his or her function and team member. The leader of the team has even trickier tasks to perform:

- Confronting the team with candid observations of group and individual behavior and the potential consequences to the team's performance.
- Soliciting team members' comments to clarify their goals and intentions.
- Guiding the team as it begins to collaborate.
- Negotiating and recording contracts that define agreements about how the team will work together.
- Displaying two behaviors that are important to effective teamwork: *candid disclosure* and *openness to feedback.*

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The Road to High Performance

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Phase Four: Moving the Message

As with any major organizational change, successfully creating high-performance teams requires effective communication and the buy-in of all employees involved.

High performance is not just talking. It involves explaining the transformation of the team, testing the understanding of group members, relating back to everyone's job, and then answering the question everyone wants to ask: What's in it for me?

To give everyone a satisfactory answer, team discussions must center around the amount of decision-making authority the team has, how often senior management will meet with the team to review results, and how conflicts within the team will be resolved.

Phase Five: Maintaining the Momentum

Moving to the "performing" part of the process, a team must put into practice the things it discussed during alignment sessions. Promises must be kept to change destructive behaviors such as letting go of damaging or mean-spirited criticisms, being candid and encouraging candor in others, refusing to triangulate, and putting loyalty to the team above self-interest. The written and verbal contracts made among team members about business relationships and responsibilities must become working documents. ■

E-Mail Etiquette

According to Disney's Michael Eisner, "E-mail's very virtues also make it dangerous — it is instant, global, quick and easy. It becomes easy to be rude, easy to use language incorrectly, easy to make stupid mistakes, easy to do irreparable harm."

Here are some tips on how to avoid conflicts from misuse of e-mail:

- **Use the right medium for the message.** E-mail is an effective tool for one-way communication, but it doesn't lend itself to situations that require interactive communication.
- **Deliver your messages clearly.** When you send an e-mail message, identify the goal of your message and get right to the point.
- **Practice the "Golden Rule."** Put yourself in the recipient's shoes and ask yourself how you'd feel if you received the message you're about to send.
- **Respect confidentiality.** You'll lose the trust of others if you pass confidential e-mails along to people not authorized to read them.
- **When in doubt, DON'T.** If you are angry or upset, don't send your message. Save it and read it again after you have calmed down to make sure it is appropriate for the situation.

Conflict Management As Art and Skill

In the "old" organization with many levels of authority, power ruled. Teams were a collection of individuals, usually from the same function, who were led by the person occupying the "power position" in the chain of command. Although subordinates on the team were allowed to express themselves, they usually functioned as information sources who served the leader or decision maker.

Later, the "horizontal" organization swept away much of the old-order remnants of power. In the new paradigm, the one who wins is not the person with the most clout, but the one who has the right combination of strategic instinct, technical capability, people skills and the ability to persuade.

Assessing Where You Stand

The second basic capability a leader must have is an understanding of how he or she deals with conflict. This involves being crystal clear on where you stand in terms of the two personality dimensions — *assertiveness* and *cooperativeness*.

Assertiveness is the extent to which a person attempts to satisfy his or her own needs. Cooperativeness is the extent to which an individual attempts to satisfy another person's needs. Examining these two basic dimensions of behavior in one's own personality makes it possible to assess the balance that exists between the concern for oneself and a concern for others.

It also becomes possible to identify five distinct methods that people employ when dealing with conflict. The Thomas-Kilmann Conflict Mode Instrument in the figure on the next page is a graphic representation of these five methods.

Thomas and Kilmann define each method as follows:

- **Competing implies being assertive and uncooperative.** A person who chooses this method is more interested in pursuing his or her own interests at the expense of others, and using whatever power is necessary to win.
- **Accommodating means being unassertive and cooperative.** This method, which is the opposite of competing, implies self-sacrifice. The accommodating person chooses to neglect his or her own concerns to satisfy the concerns of others. This method requires giving in to another's point of view when you prefer not to.
- **Avoiding is being unassertive and uncooperative.** A person using this method chooses not to take action at

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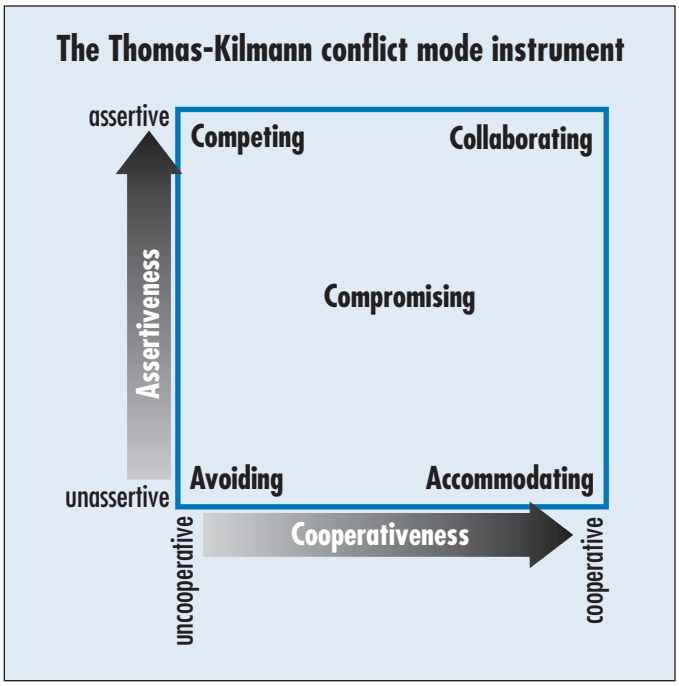

Conflict Managements as Art and Skill

(continued from page 7)

this time, either for himself or herself or for others. As a result, the conflict is not addressed. The avoidance behavior may involve sidestepping discussion of a past issue, postponing it, or withdrawing from what the person feels is a threatening situation.

- **Compromising involves being square in the middle in terms of both assertiveness and cooperativeness.** This method is often efficient. Both parties try to quickly arrive at a middle ground by "splitting the difference." The end result might be a solution that is mutually acceptable yet only partially satisfying to each side.
- **Collaborating means both assertive and cooperative**. Collaborating requires that both sides work together to find a solution that fully satisfies the concerns of each side. It involves listening, empathizing and exploring each other's strategic goals and concerns.

Using Assertion Skills

When your needs are pressing, assertion skills are the solution. The trick here is maintaining the delicate balance between standing up for what you need while respecting the needs of others.

The nonassertive individual, in effect, says, "I've got needs and so do you, but I'm not telling you what mine are. And if you don't guess them, I'm going to hold it against you." The nonassertive individual is a volcano waiting to erupt. At the other extreme, the aggressive person proceeds on the basis that "I've got needs and so do you, but mine count more." The aggressive person is the schoolyard bully in business attire.

People who are nonassertive must learn how to protect their boundaries — whether physical or psychological — and express their agenda without crossing the line to aggression. The aggressive individual, in contrast, must learn not to violate the boundaries of other people.

Each type of behavior has payoffs, and each exacts a price. For the nonassertive executive, the payoff is avoiding arguments and coming across as a team player, but the price is steep in terms of unmet needs and reduced effectiveness. Aggressive executives tend to get their way and benefit from their bullying behavior. They pay the price, however, by alienating other people, stifling input and feedback, and failing to gain commitment, especially in the new knowledge-based organization. ■

For Additional Information on active listening, go to: http://my.summary.com

Leadership in Conflict Management

A leader's style is very important to successful conflict management. The continuum along which behavior ranges goes from nonassertive to assertive to aggressive. When the behavior of the most senior executive falls into one of the two extremes on the continuum, there is certain to be fallout.

The nice-guy model of leadership doesn't work because such a leader will try to avoid confrontation, when in many instances, constructive confrontation is exactly what is needed. Neither does the aggressive approach. The tough-guy leader typically carries baggage that is unsuited for building a high-performance team, such as being controlling, unreceptive to feedback, and intimidating.

Methods of Improvement

The following guidelines will help any manager improve his or her conflict-management skills:

- **Be candid.** When issues surface, bring them out in the open for discussion.
- **Be receptive.** Discuss all competing points of view. Let everyone on your team know that it is not only safe to disagree, it is expected.
- **Depersonalize.** Look at each issue that surfaces as a business case, rather than as a personal indictment.
- **Be clear about the decision-making rules of the game.** Will the issue under discussion be decided unilaterally, consultatively or by consensus?
- **Learn to listen.** A key skill here is decoding and feeding back the messages you think you are hearing.
- **Recognize and reward successful conflict management when you see it.** ■

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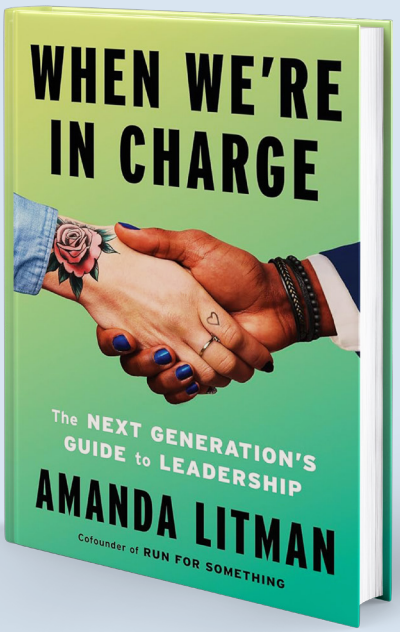
When We're in Charge

Amanda Litman

Book Snaps™
In-depth reviews of best-selling business books.



When We're in Charge

The Next Generation's Guide to Leadership

By Amanda Litman

Amanda Litman is the cofounder and president of Run for Something, which recruits and supports young, diverse leaders running for local office—since 2017, they've launched the careers of thousands of millennials and Gen Z candidates and in the process, changed what leadership looks like in America. She's also the author of *Run for Something: A Real-Talk Guide to Fixing the System Yourself* (Atria), a how-to manual for people running for office.

A Book Review by Soundview

Navigating the Changing Demands of those in Power

How does one learn to lead and lead well? It can be exhausting, exhilarating, and a whole other host of emotions that can be difficult to express or handle. Thankfully, there are thousands of books that share wisdom, tips, and tricks on what makes a good leader and how to lead a team effectively. These books also provide guidance on keeping team members on track, maintaining a clear vision, and knowing how to respond when challenges arise.

What about leading when the roadmap to leading well hasn't been written yet? When, while standing at the front of the room, the realization that everyone is waiting for words to flow, decisions to be made, and the occasional witty remark to come. This may come naturally to some, but for an entire generation, they are writing and rewriting the leadership playbook as they go, because they have seen how previous generations have done it and know that it won't and doesn't work for them.

In ***When We're in Charge: The Next Generation's Guide to Leadership***, Amanda Litman shares the wisdom that she has gained over the years about how to lead. When she started as the co-founder of Run For Something, she was operating without a how-to manual because no one else had successfully built an organization doing what they were doing. She noticed a significant change in 2022 when she found herself surrounded by executives who were the same age or younger, wrestling with the same challenges that they had worked through in years past.

What was the difference? The Gen-Z and Millennials lead differently from those who came before, and as far as Litman could tell, no one had taken the time to write about or discuss why. She realized that part of why it had been so difficult to start and lead a company was that she couldn't find an example that quite fit her where she was in the moment, and that is why she decided to write *When We're in Charge.*

She breaks it down into three parts that are easy to digest. In Part One, she speaks directly to readers, sharing with them how to lead with authenticity, develop a leadership persona that feels genuine, and navigate the complexities of "professional-

ism" and its sometimes problematic definitions. Part Two dives into teams, the policies, and the culture that is created. Not only thinking about what work is for and how next-gen leaders grapple with that, but also the ever-changing expectations, how to create an inclusive workspace, and what transparency is and is not. Finally, Part Three returns to the reader, teaching them how to thrive, not just survive, in the workplace, and encourages them to consider what they truly want out of life.

Litman clearly states that this book is not a description of the current state of the workplace, but rather an aspirational look at what it could be. She hopes the reader uses When We're in Charge as a framework to lead with compassion, firm, maintainable boundaries, and imagination and curiosity. Each part of the book begins with questions and answers to be reflected on as each chapter is read. Throughout the book, Litman uses language that some may consider coarse, but it is used purposefully to emphasize her points and illustrate to next-gen leaders that it is acceptable in certain contexts.

Part One

Stepping into leadership roles can be difficult for next-gen leaders because they are stepping into roles that were not made for them. The leaders who came before them may have wrestled with questions of how to handle themselves and how to lead well, but Gen Zers and Millennials have a unique set of questions to answer that have never been asked before. They want to know how to be themselves while navigating the ever-shifting definition of professionalism and how to utilize social media, knowing that their colleagues and teams will see almost everything they post. It is a lot to wrestle with, but they can do this by being strategic about their communication method and being responsibly authentic as they purpose to lead their teams.

The Modern Life's Buzzword

For this new generation of leaders, people who have been told their whole lives to celebrate their authenticity and to be themselves, it can be a harsh reality when they step into their new leadership roles and find that being themselves is almost impossible. They must present themselves a certain way because, whether they realize it or not, they set the tone and norms of the workplace. They must quickly realize that their role in the organization is not to be their true self. Instead, their role is to be their best selves at work, serving the stated mission and those around them. Why? Because being their authentic, unfiltered selves can be potentially dangerous, they need to be themselves in a strategic way.

Authenticity is a quality that is highly sought after in leadership positions, and even leaders claim to want to embody it. They need to realize that authenticity doesn't mean saying what they think, however, and wherever they want to say it; nor does it allow for unprofessional behavior. It ultimately doesn't serve the larger goals they wish to accomplish, but it can also be used and interpreted as an excuse for hurting the people they come in contact with.

To understand themselves and begin their journey of authenticity, they need to have a sound knowledge of not only who they are, but also which persona they are presenting: their home self or their work self, and do they know how to do that? Their goal shouldn't be to be themselves all the time, but rather to be their leader-self when it is required of them, in a way that preserves their mental health and core values. While the cover may change, the story remains the same, and it is essential to remember that so being responsibly authentic can happen. They can do this by following three steps) find out who they are, 2) be precise about what they hope to accomplish, and finally, 3) define the overlap between the two. Once they do this, they will have what they need to be intentional with how they choose to show up and how much of themselves they allow their teams to see.

A New Definition

Professionalism has been redefined time and again, and now, next-gen leaders are wrestling with what that means for how they lead. Some things haven't changed, such as general etiquette and respecting others' time, among others. Things such as bare shoulders, tattoos, and certain piercings have become increasingly more acceptable as younger generations have stepped into leadership roles, as they have the opportunity to redefine what is considered professional in their space. Because they are among the first to make these changes, it is common to feel a little lost as they try to bridge the gap between their personal and professional selves. They now have the opportunity to convey their professionalism through their appearance and how they communicate.

Leaders set the tone for their work culture. They demonstrate how much of themselves team members can bring to the workplace and how they present themselves to others. This isn't just restricted to a dress code; how they communicate with the people around them tells team members what is acceptable to say and how to say it. Feeling lost while navigating these waters is fairly normal because they are figuring out what this looks like in real time, and there is no guidebook to help them. While it won't always be easy, and clothes need to not distract or take away from their message, Litman encourages leaders to find clothes that make them feel their best and most confident.

Leaders also have to grapple with communication in a unique way because certain platforms didn't exist before. There is no specific, correct way to do this, but it is essential to be mindful of how one communicates so it doesn't detract from the ultimate message or goal. There are a few key considerations regarding internal communications that can also be applied externally, such as carefully selecting visuals, understanding which spaces feel comfortable for them to show up in, and knowing which old-school rules are appropriate to break.

The Dangers of the Internet

Next-gen leaders have grown up with the internet in a way that is unique to their generation and is an integral part of their leader persona. As such, it is essential to recognize that their executive persona extends beyond their speech and attire to how they present themselves online. They need to quickly realize

> *Purposing to protect one's peace is vital because, Litman asserts, no leadership goal is worth sacrificing one's mental health for.*

that their success is tied to how their online presence and how the people around them, particularly their team, perceive what they share. It would be impossible to meet the expectations of all. Still, when social media is carefully cultivated and utilized, it can be a powerful tool for advancing a goal or idea.

However, clear boundaries need to be set because people viewing will feel as though they know everything about them based on what has been posted. Purposing to protect one's peace is vital because, Litman asserts, no leadership goal is worth sacrificing one's mental health for. Whether they choose to be a leader who is a regular poster on social media or one who prefers a minimal or non-existent social media presence, they need to be intentional and remember that it is a tool to be used effectively.

Part Two

Now that leaders have a good sense of who they are as a leader and how to present themselves well, they must look to their organization and ask themselves how they can create a workplace where their team can be themselves, how they they can lead well in a remote workspace and how to handle the ever-shifting demands for transparency. Litman states that this can be achieved by carefully defining the type of organization they are, as well as the behavior that is encouraged and modeled by the leaders, because leadership is about the team and what they can accomplish when they have been set up for success.

Real, not Full

It has become fashionable to encourage employees to be vulnerable and bring more humanity to the workplace, but this can be challenging, especially in the current era of partial or full work-from-home arrangements. Just as a leader must set boundaries and communicate them, they also need to do the same for their organization. When asking team members to be vulnerable, leaders need to be mindful of this request and create a workspace where people can be their real selves. This means the workplace needs to be a place of emotional and psychological safety, where people are treated with dignity and respect.

Be clear about expectations, as otherwise, everyone is set up for failure. Establish processes for communicating feedback so that team members feel free to speak up about and against inequity. Leaders need to have firm foundations and be explicit about what they expect so that everyone understands how the organization's culture functions, has a clear escalation path for when something is out of line with the code of conduct, and, finally, models the expected good behavior themselves.

For teams that work remotely, it is essential to meet in person as often as possible. However, even virtual meetings should be viewed as an opportunity to reinforce the goals and expectations that have been established. Be purposeful about the time available, ensuring that each gathering has a clear goal that everyone is aware of and understands. Utilizing icebreakers and planned time for spontaneity can help teams feel more connected and get to know each other.

Resting Better

In the past, it was unfortunately common to hear complaints about junior employees living their lives outside of work. Next-gen leaders are proposing to break that cycle and need to actively think about and create guidelines so their teams can integrate rest and unplugging into their work lives. They need to not only encourage their teams to utilize their vacation and sabbatical days, but also take them themselves, so employees know it's okay to step away and build their systems in ways that can handle absences, because suffering and burning out doesn't serve anyone.

Litman also endorses the Four-Day Work Week (4DWW) as a way to make work more sustainable for their teams. The transition must be carefully planned and thought out; however, by adjusting scheduling and the pace of work, among other factors, it can have a positive impact on employees' attitudes and their ability to be present for their loved ones outside of work. A good leader knows their job is to create a work space for their team to accomplish their goals and not feel like they are an overworked cog in an un-oiled machine. They need to establish the necessary boundaries and policies that will protect the people around them and break the unhealthy cycles that have preceded them.

Let's Be (Carefully) Honest

Communication must be carefully thought out, and the expectations for it must be laid out, as transparency is expected in the workplace; however, putting it into practice can be challenging. Transparency may be defined differently, but the root of trust and a common understanding remain the same. It can be challenging, but communicating well will allow expectations to be explicit and clear, thereby avoiding frustrations, disappointments, and complicated dynamics. Challenges may come with being transparent with team members. Some may feel that their knowledge gives them a sense of influence. Others may not be able to handle all the information they are being given.

It can be difficult, and the results might be scary, but this new generation of leaders knows a change must be made. Transparency is valuable both personally and professionally and is a means to accomplishing the goals at hand.

Part Three

Leadership can feel exceptionally lonely. It can be challenging to find a community when friendships with employees aren't possible, a mentor can't be found, self-care sounds like a laughable buzzword, and the pressure is constantly mounting. The solutions are unique for everyone, but by creating and maintaining firm boundaries, knowing one's identity outside of work will help next-gen leaders stay resilient in the face of mounting pressures.

Finding Joy and Community

Next-generation leaders are facing a multitude of challenges, including the evolving definitions of professionalism, navigating their presence, and constantly creating and revising policies, among others. It can be, and is often, lonely work. Relationships evolve, and team dynamics shift, bringing both challenges and benefits as one assumes a leadership role. There isn't a prize to be won for going alone, but Litman encourages wisdom as the reader navigates relationships with employees.

Finding community must also be thought about differently. A community can be found online, through a group chat with friends or fellow leaders. It can also be as simple as proposing to remember simple details to connect with the people that they cross paths with, or joining a board to help serve the community better. Next-gen leaders know that while they aren't the first person like them to walk into the room, they are determined that they won't be the last and recognize that their loneliness will serve no one.

Working Well

Now that the day-to-day aspects have been examined, it is time to look to the future and what comes next. It can be complicated to think about ambitions, because it isn't that this next generation of leaders wants to have it all; they know the world isn't set up that way. Instead, they know they want enough of the things that matter to them and are willing to negotiate and juggle their professional lives so they can be present. They are reshaping their career paths and running their companies differently from those who came before them.

The ambitions they are working to achieve are a good thing, unless they have become all-consuming. For a generation of people who were told they would never really work a day in their lives if they loved their job, it is time to redefine what a good life looks like. They understand that they still have to work in order to have the lives they want, so even though they are the generation most likely to change jobs rapidly, it is because many of them agree that a nonlinear career path keeps them creative and innovative.

This new generation of leaders, the GenZers and Millennials, has one overarching rule that can be summed up by simply stating that the way things were done yesterday is not the way they have to be done tomorrow. They won't always succeed and will face difficult decisions. Still, they also know that anything is possible because they are changing the game, redefining leadership, and reshaping their world in their sphere of influence.

When We're in Charge: The Next Generation's Guide to Leadership by Amanda Litman is an enjoyable read that explores the challenges that next-gen leaders will face. She proposes that GenZers and Millennials have unique strengths that will help them as they navigate leadership roles that people like them have never or rarely filled. Because a mentor is hard to find and playbooks are still being written, they are forging ahead to create paths and models to guide those who follow and look up to them. She uses profanity throughout the book, but does so only when it serves her purpose and enhances her message. She is encouraging, stating that while next-gen leadership can be complicated, this group of individuals can still achieve its goals and change the world.

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Who's in the Room?

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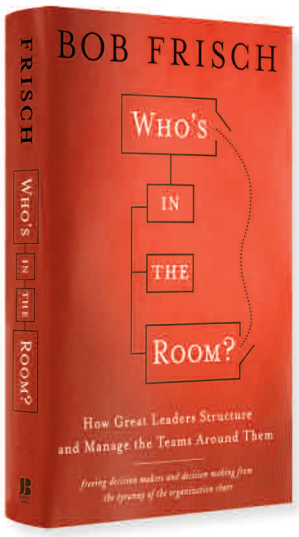
Who's in the Room?

How Great Leaders Structure and Manage the Teams Around Them



by Bob Frisch

THE SUMMARY IN BRIEF

At the top of every organization chart lies a myth — that the boss and senior management team make all the critical decisions together. In reality, most decisions are actually made by the boss and an inner circle of confidants — a "team with no name" that exists outside formal processes.

This gap between the myth and reality of decision-making causes significant problems. Executives wonder why they weren't consulted earlier. Bosses wonder why team members have trouble grasping the big picture. There's a tension in the executive suite, and repeated attempts at team building don't seem to resolve it.

In *Who's in the Room?* Bob Frisch provides a unique perspective on this widely misunderstood issue. Flying in the face of decades of organizational psychology, he argues that the solution lies not in addressing behaviors, but in unseating the senior management team as the epicenter of decision-making. Using a broad portfolio of teams — large and small, permanent and temporary, formal and informal — great leaders match each decision to the appropriate team in a fluid, flexible approach that you won't find described in management textbooks.

The result: The right teams addressing the right issues at the right time, a renewed sense of collective purpose for the organization's most senior and valued leaders and, most importantly, bosses seeing an end to people asking, "Why wasn't I in the room?"

IN THIS SUMMARY, YOU WILL LEARN:

- How great leaders can unleash the full power of their senior management teams against a specific set of critical tasks for which they are uniquely suited.
- How to understand and embrace the way decision-making actually happens in your organization.
- How to use "teams with no names" to best advantage.
- How to engage your management team in critical tasks.

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THE COMPLETE SUMMARY: **WHO'S IN THE ROOM?**

by Bob Frisch

The author: Bob Frisch, managing partner of The Strategic Offsites Group, has worked with organizations ranging from Fortune 500 companies to German *mittelstand* family businesses to the U.S. Department of State. His work has been featured in the *Harvard Business Review*, the *Wall Street Journal*, *Bloomberg Businessweek* and *Fortune*.

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Introduction: Who's in the Room?

Most of the world's best executives make decisions in ways that don't show up on an organization chart or a process flow diagram. When it comes to critical decisions, they implicitly understand the inherent limitations of the formal executive team. They tacitly acknowledge that it's desirable for the boss to have the ability to vary who is in the room when major decisions are being made. And they instinctively know exactly whom they want with them in the room for each specific decision.

Having a small cadre of trusted advisers in the room when each big decision is made is the way most leaders run their organizations, and when the real nature of the executive team is fully understood it will also be clear that this approach is the *best* way.

Strengths and Limitations of Senior Teams

Senior Management Teams (SMTs) have undeniable strengths, and they are in a unique position to do things that no other group in the organization can do as well. Making big decisions isn't one of them. Unless the senior team's limitations are understood and its genuine strengths put to work, the blame and frustration on all sides will continue. The organization will have the approach half right: ad hoc decision making by the few. But it will also have the approach half wrong because it will fail to fully leverage the real power and competencies of the many.

By understanding the nature of executive decision-making, executives and the members of their senior teams can stop beating themselves up and each other. They can start improving the ad hoc decision-making process that probably already lies near at hand, and they can focus the executive team on what it does best. This outcome doesn't require organizational overhauls or irrelevant team-building exercises. It requires only an acceptance of reality and a willingness to refine that reality with a few simple steps that can be taken tomorrow.

It's time to send the psychologists packing. Time to stop hamstringing yourself and selling the members of your executive team short. And time to free decision-making and decision makers throughout your organization from the tyranny of the organization chart.

The organization will get faster, better decisions and a higher level of organizational alignment in executing against those decisions. Team members, and the people who work under them, will achieve new levels of effectiveness — and even fulfillment — in being unleashed to do what they do best. And you and other leaders in the organization will see a dramatic drop-off in people coming into your offices and asking, "Why wasn't I in the room?" ●

PART ONE: FROM PROBLEM TO PORTFOLIO

Most Companies Are Run by Teams with No Names

Whether used wisely or poorly, kitchen cabinets are an ineradicable fact of organizational life. The term *kitchen cabinet* has its origins in U.S. history. It began as a term of abuse used by the political opponents of President Andrew Jackson to describe the loose collection of advisers he used, in parallel with the official cabinet (the *parlor cabinet*), to make important decisions. In 19th century American dwellings the kitchen was literally a smoke-filled room that was kept hidden from guests,

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Chris Lauer**, Contributing Editor; **Amanda Langen**, Graphic Designer

whereas the parlor represented the publicly acceptable face of the home. Today, of course, *kitchen cabinet* is applied to any leader's unofficial group of top advisers, and despite the almost universal use of these groups, the term's contentious beginnings are worth keeping in mind. Their use is almost universal.

Virtually every CEO depends on a small group of trusted advisers that he or she consults about most major decisions. As the executive ultimately accountable to the board, the CEO has every right to consult anyone he or she pleases in making a major decision.

Advantages of a Kitchen Cabinet

The fact is that a kitchen cabinet offers advantages that almost no leader is willing to give up:

- It enables the CEO to consult with precisely the right mix of advisers for a particular decision.
- Because it is a small, highly selective group, it preempts the problems of endless discussion, uneven qualifications and competition over turf that plague larger, more representative teams.
- It frees the CEO from the organization chart, which describes reporting relationships, not decision processes or decision rights. Involving all of the CEO's direct reports in every decision is inefficient.
- It provides the CEO with the candor and the confidentiality that only a small, highly trusted group can provide and that is critical in making major decisions with far-reaching implications for the company internally and externally.

These unofficial, ad hoc groups are a powerful asset, and so leaders have employed them since the dawn of recorded history. Leaders are not only unlikely to give up kitchen cabinets, they *shouldn't* give them up. Ultimately, the issue is not whether the kitchen cabinet has supplanted the Senior Management Team (SMT) or usurped its role, but how best to use *each* team.

Team Building Won't Solve the Problem

Fred Adair and Richard Rosen conducted a study for the global executive search firm Heidrick & Struggles on top-management team performance. They surveyed 124 CEOs worldwide and 579 of those CEOs' reports. Despite the fact that CEOs didn't indicate on the survey that their Senior Management Teams (SMTs) are broken, there is a constant pressure to somehow fix the current situation. The status quo seems unacceptable. It's a rare strategy offsite or management retreat that doesn't include at least one agenda item facilitated by a coach, trainer, psychologist or organizational consultant. At the time this chapter was being written, a Google search for the phrase *leadership team development* returned 9,430,000 hits. An entire industry exists with the sole purpose of improving team effectiveness.

CEOs may show confidence in their teams when they fill out consultants' surveys, but actions speak louder than words. The corporate emphasis on team-building activities implies that the problem lies with the team itself — somehow the SMT isn't working to its potential — and that the root cause is psychological.

Let me be clear. An executive coach can perform a valuable service. At one time or another, almost everyone has had the experience of working with someone who is difficult. Such people may be arrogant, abrasive or overbearing. They may be devious. They may pursue their self-interest at all costs, fail to deliver on promises or shirk their responsibilities. Their bad behavior irks colleagues and can be highly disruptive on any team.

Confronted with such a character, a perceptive boss may call in a coach who can help to change deeply ingrained habits, smooth the rough edges and generally reform the offender. In less dire cases, where some kinks in the individual's working style are getting in the way of results or an aspect of an executive's capability needs improvement, a good coach can help that executive achieve better performance in the job.

But when the focus is team building with the SMT, it's another story. Team members may feel better after one of these sessions and like or understand each other more. But from a decision-making perspective, or in terms of the SMT becoming more effective in its role of leading the organization, these exercises are largely ineffective and beside the point. Further, the philosophical and empirical foundations of team building are shaky. Its stated goal of *team effectiveness* is so general and unmeasurable as to be almost meaningless. Most important, the problem that team building is typically being applied against isn't psychological or behavioral at all.

Don't Blame the Boss

The failure of the behaviorists to fix the issue of top-team performance implies that the underlying problem with decision-making may not be psychological or behavioral at all. But if it isn't a question of the behavior of the team or the behavior of the leader, what is it? Breaking sharply with the behaviorists, a significant number of experts would say that what you need to fix is not the team or the leader but the *process*. The

Heidrick & Struggles study notes that "team processes — how a team works together, including its decision-making patterns, modes of conflict management, responsiveness to changes in customer or other environmental changes and the management of its meetings — are viewed as *the* most important contributors to Top Management Team effectiveness."

The authors of the Heidrick & Struggles study agree that different decisions require different methods of attack, but instead of addressing decisions from the point of view of the leader's repertoire of behaviors, they argue that it is more effective to establish a set of clear processes starting with decision-making. Clarify who gets involved, when, and what their decision rights are at any given point in the formulation of the decision. Then chart that involvement for each kind of decision. Once the process is made clear, the team's ability to function effectively within that process will presumably be enhanced.

Decision Rights

Decision rights emerged from the responsibility charting frequently used as a tool in project management. For example, one of the most commonly used such tools, RACI charting, identifies the team **R**esponsible for doing a particular piece of work, the individual **A**ccountable for seeing that the work is done, the individuals or groups who should be **C**onsulted for their opinions about the work and the individuals or groups who should be **I**nformed as the work takes place.

Similar frameworks, appropriately adapted for the particular requirements of decision-making, may be used to chart decision rights. Unquestionably, making decision rights clear and putting those rights where they belong can improve performance. I use it often with my clients in order to clarify the roles both of individuals and of groups in key processes.

So, even though formal decision authority is seen to rest with one person, the implication of all these models is that teams should make decisions, with the leader stepping in "for better or worse" to "resolve any impasse." But the nature of the SMT makes this assumption untenable at the top of organizations. SMTs are, in fact, not well suited for making most major decisions. ●

Four Fundamental Conflicts at the Heart of Senior Management Teams

By their nature, SMTs entail four fundamental conflicts — not one of which is psychological — that make the team's status as a decision-making body highly problematical:

- **Mission Control versus Knights of the Round Table.** In team discussions, members are torn between the functional expertise that brought them to their place at the table and the leader's desire that they take an organization-wide, holistic perspective. This is a conflict between what the leader expects of them and what they know.
- **The team versus the legislature.** It's called a *team*, but it more closely resembles a *legislature*. Each team member represents a significant constituency — all the people in the member's function or business area — constituents who aren't present at SMT meetings. Meanwhile the CEO expects team members to act in the best interests of the overall enterprise. This is a conflict of accountability.
- **The House versus the Senate.** The kind of legislature the team resembles is undefined, resulting in deliberations clouded with ambiguity. Is it a group like the U.S. Senate, where every state has equal weight, or is it more like the U.S. House of Representatives, in which the most populous states have the most clout? This is a conflict about where the balance of power is within the team.
- **The majority versus the majority.** The *voting paradox*, first demonstrated by a French mathematician and social theorist, the Marquis de Condorcet, in the 18th century, shows that no matter what choice a group makes, other alternatives can simultaneously command a majority of the group's preferences. This is a conflict about consensus.

None of the first three of these conflicts is easily resolved — and the voting paradox cannot be resolved at all. But all of them can be easily understood. That understanding can help both leaders and team members let go of unrealistic expectations about the executive team's role. The leader can better manage the tensions to which these inevitable conflicts give rise. The team can focus not on smooth functioning — that's the true realm of team building — but on finding the things it can do best.

It's time to stop blaming the SMT or the leader for the failure of the team to effectively raise and resolve critical issues.

Why not instead accept the reality that the use of kitchen cabinets points toward: CEOs need different configurations of people — different people in the room — for different types of decisions and different tasks.

Instead of assuming that a single management team of direct reports can best handle most issues, great leaders surround themselves with a portfolio of teams — permanent and ad hoc — to draw upon. Rather than see-

ing themselves as the organization chart depicts them — leading from the top of a pyramid, with the SMT directly below — they view themselves as being at the center of a series of concentric circles, with the organization radiating outward. For them, the solution to the perpetual problem of the SMT doesn't lie in psychology; it lies in the adroit use of a custom-tailored portfolio of related teams. It is found not in a monolith but in a multiplicity.

Case Study: How One CEO Transformed His Top Team

One leader who has looked past the SMT monolith is Thomas J. Wilson, chairman, president and CEO of The Allstate Corp., who has reshaped the senior management structure of this $31 billion, 35,000-employee company.

Finding the combination of teams that works best for you requires not only acknowledging reality but delving into some history. In many organizations, team structures and processes have simply been handed on from one leader to another with little reflection by successors about whether that legacy really suits them.

The SMT structure Wilson inherited when he became CEO had been created in 1995 by then CEO Jerry Choate. Although Choate was chairman and CEO, he wanted to maintain day-to-day oversight of the dominant Property and Casualty (P&C) side of Allstate's business, so he created a multilevel structure — an SMT that consisted of his direct reports plus a few key executives two levels down in the organization chart.

Wilson's immediate predecessor, Edward "Ed" Liddy, maintained Choate's structure during his tenure as CEO. But Liddy's style was to adopt more of a corporate approach, and he left most operational decisions to the presidents of the divisions. Liddy was also more of a kitchen cabinet CEO, whose style favored frequent one-on-one discussions with his subordinates and close advisers.

Like many CEOs, Liddy tempered his natural instincts by deliberately introducing into his decision process trusted perspectives that differed from his own. But he didn't do this by bringing in the entire SMT and putting key strategic decisions on the table in front of the group as a whole.

From a Single Top Team to Multiple Teams

When Wilson became CEO, he already believed that the SMT structure he inherited wasn't going to provide the kind of support he needed to get Allstate where he knew it had to go. The kitchen cabinet approach was not his style either. "In general, I prefer a broader group of people in the conversation," Wilson says. "Not so broad that it's unwieldy, but broader because I like to see the interplay between them. That's my personality, and I wanted an organization around me that supported that."

Wilson puts great value on group decision-making, despite its inherent difficulty. "Forcing the organization to decide builds sustainability," he says. "I didn't want to lead being only CEO-centric."

Shortly after his appointment as CEO was announced in October 2006, Wilson told the SMT that the company needed to become more consumer-centric, requiring the organization to become faster and more flexible.

Operating the company, overseeing the strategy and ensuring the development of talent — all functions formerly carried out by a single SMT — are now allocated to three single purpose permanent committees.

Best Practices: Design an Organization That Delivers the Outcomes You Need

Leaders can increase the likelihood that they will get the outcomes they are seeking by thoughtfully flexing teams along five critical dimensions: number, size, composition, issue ownership and timing. Here are some best practices for each of these dimensions:

- **The number of teams should be no more than absolutely necessary to achieve desired outcomes.** Most organizations have far too many standing committees, with far too many regularly scheduled meetings. It's not surprising that many executives spend almost half of their working lives in meetings.

- **Size should be determined by the desired outcome at each stage of a conversation.** As we've seen with the three naturally occurring teams — the kitchen cabinet, the SMT and the all-officers group — the size of a group makes it better at some things than others. The same principle should be applied to all teams.

- **Composition should be determined by the nature of the issue at each stage of the conversation.** Just as teams can be flexed in size depending on the desired outcome at any given point, they can be flexed in composition, understood as the kinds of expertise different individuals bring to the conversation.

- **Issue ownership should be determined by the requirements of the conversation, not by a charter.** There is no iron rule that says a particular team has

to handle an issue from beginning to end. Different points in the conversation may require the participation of different teams.

• **The timing of the parts of a task should accelerate the tempo of the business.** Timing is tied to outcome and objectives, so the team is faced with not just a question of what but also of by when. The task is to orchestrate all of the time frames so that they are in harmony and — most important — to accelerate their work so that the entire business is faster, more nimble, responsive and proactive.

PART TWO: THE SENIOR MANAGEMENT TEAM UNBOUND

Engage the Senior Management Team in Three Critical Conversations No Other Team Can Have

No other team in an organization combines the seniority, representativeness, collective wisdom, experience and competence of the SMT. But those extraordinary characteristics rest on a very ordinary foundation — team members' status as staff to the boss.

As one executive put it, "I changed their name from the Executive Committee to the President's Staff because I wanted people to stop treating them like gods." Once the SMT has been demythologized, then its members' seniority, their fully representative nature, their collective abilities and the fact that they are also staff to the accountable executive can be used to best advantage.

Liberating the SMT from the illusion of being a decision-making body opens up the potential for the team to take on a more important role than ever. There is a whole spectrum of activities at which senior management teams excel — activities through which they can make a far bigger contribution to the success of the organization than by nominally approving business cases or dealing with myriad minor issues that have no other home.

As the most senior team, with all the key components of the organization simultaneously represented around the table, the SMT of course has an ongoing role to play in the day-to-day coordination of the business. As with any staff, providing ongoing, cross-functional oversight arises as a natural purpose of such a group. In fact, at many companies, operational coordination is the primary role of the leader's staff. But beyond this familiar operational role, the SMT has the potential to shine at several extremely important strategic tasks, the outcomes of which can profoundly affect the performance of the entire organization. These critical tasks are:

- Developing a shared view of where the organization needs to go and why.
- Managing a prioritized set of strategic initiatives designed to get there.
- Managing dependencies within and among initiatives to ensure their success.

In other words, these tasks concern vision, allocation of resources and execution — three of the most critical responsibilities of top leadership.

Align the Senior Management Team Around a Common View of the World

A good starting point for making conversations about vision meaningful and relevant to a group like a SMT is to pursue a deliberately pedestrian definition of vision by asking these questions: What is the next set of opportunities this company is going to pursue, and what are the capabilities that will lead us to realize those opportunities successfully? Arriving at the answers that will form the vision involves:

- Developing a common view of changes in the external world.
- Understanding the organization's existing capabilities for pursuing the opportunities that those changes will create and determining what new capabilities and assets will be needed in the future.
- Defining the boundaries of the current business that will need to be modified or removed in order to pursue these specific opportunities.

Once the vision has been established, the tools to operationalize it — initiatives, priorities, metrics — can be put into place. But the key is to first make sure that the SMT understands where the company is headed, why that direction makes sense and what it will need to get there. Many failures of vision can be traced back to a failure to define and communicate one or more of those key understandings. Expressing the vision in deliberately pedestrian terms — opportunities, capabilities and boundaries — makes the process highly accessible to the entire team, even if its members don't see themselves as particularly visionary.

Your executive team members can reach a mutual understanding about the world they are operating in and

the opportunities, capabilities and assets they have — or will need — to succeed in it. Developing a vision is no more, and no less, than the SMT building and articulating a common view of the future.

Prioritize and Integrate Initiatives to Hit the Strategic Bull's-Eye

The company's current situation determines how the SMT combines or sequences three questions about an initiative: (1) Does this team own it? (2) How important is it relative to the others? (3) How urgent is it relative to the others?

The company may already have prioritized by importance but now needs to decide on timing. Or, facing a crippling proliferation of initiatives, it may need to tame issues of both timing and importance right away. Regardless of how it proceeds, the important thing is to harness the underlying principles and significant advantages this approach offers for successfully completing what can otherwise be a very difficult job:

- **Clustering in relative categories is much easier and ultimately more productive than rank ordering.** Absolutely and precisely rank ordering initiatives is virtually impossible.
- **The secret lies in fuzzy logic.** The reasoning behind bucketing initiatives this way is roughly analogous to applying *fuzzy logic* — an idea that first appeared in mathematics for situations in which the reasoning is approximate. Rather than an attempt at false precision, the fuzzy logic of the initiatives prioritization conversation is a series of pairwise comparisons. For example, consider that *warm* doesn't typically have to be a precisely defined term but a condition somewhere between *hot* and *cold*. Similarly, it's easy for the SMT to get a sense of whether a given initiative is more or less critical than another if it's a question of clustering it in group A or group B. The grouping of initiatives proceeds on the basis of approximations, with neither absolute values for inclusion in a particular group nor absolute ranks for the initiatives within a group.
- **It's not rocket science — and doesn't need to be.** False precision is doomed to failure, and the simple expedient of bucketing initiatives can break the team free of the rigid logic of rank ordering or metrics-based approaches. Placement of options into broad categories, like must do/should do/nice to do or now/soon/later, is much easier and just as effective as spending hours negotiating precise outcomes.
- **The left hand learns what the right hand is doing.** Through the prereading and subsequent discussions, the members of the SMT gain a detailed understanding of what's going on throughout the organization. These conversations provide them with a common perspective on what the company is doing to drive the achievement of its objectives. In both cases, the result is greater alignment, including a common framework for the hundreds of decisions they make in the course of doing their jobs.

Move from 'Should We Do This?' to 'How Do We Do This?'

Positioning the SMT as the decision-making authority at the pinnacle of the business case process is a sham at most companies. The reality is that decisions have essentially been made by the time they get to the senior team, having been all but decided by the accountable executive, with critical sign-offs acquired along the way. Yet the near-universal use of the SMT for final review and some form of sign-off on business cases goes unchallenged and unchanged.

Making the process useful begins with a frank recognition of several major shortcomings of the business case process, all of which are contributing to the failure to address dependencies:

- **Business cases are inherently one-sided selling documents.** Whether business cases are being presented to the senior team or to a single executive, they have a glaring weakness: They are written and put forward by people who want the answer to be yes.
- **The business case process is dominated by the finance perspective.** It makes no sense to frame a business case in terms of one function, yet in most companies the process remains primarily in the realm of financial data on spreadsheets rather than in a real discussion of doability.
- **Individual business cases are typically considered serially.** As a result, the finite functional resources not already absorbed by business as usual may already have been allocated to other initiatives. The proposals that get the lion's share of funding are not necessarily optimized around the best cases but rather those that come at fortunate times in the approval cycle.

By making a few simple but critical changes in the way that business cases are prepared and discussed, lead-

ership teams can make the final consideration of a proposal into a powerful tool for resource allocations and cross-organizational alignment:

- Set the strategic dimension of the business case in the context of the team members' conversations about their common view of the world and the company, and their prioritization of initiatives.
- Set the business case in the context of the cases that have been previously approved and those that are likely to arise in the future.
- Create templates that require answers to the fundamental questions of doability, including critical resource dependencies as well as risk assumptions.
- Use the final SMT review meeting to probe those dependencies and assumptions — with each member representing his or her function rather than the team acting as a single executive entity.
- Gain commitments from each team member to deliver the critical resources identified, with the team understanding the trade-offs involved and potential downstream implications.
- Recast ownership of initiatives arising from strategically important business cases to the SMT as a whole, with both individual and collective responsibilities and consequences, instead of viewing the sponsoring function as the sole owner of the initiative going forward.

At some point the SMT as a whole will appear to be dysfunctional. Until your team is having the right conversations — about members' common view of the world, the prioritization and integration of initiatives, and the management of dependencies — you are missing out on the best way to build an effective team: allow it to succeed at the things that it is best suited to do and that also confer the most advantage on the business. ●

Tailor Your Portfolio of Teams for Top Performance Now

If I've done my job right, your thinking about the teams around you has come a long way. Along the way, four fundamental principles have emerged:

1. **Teams don't decide — executives do.** Teams can provide valuable input, insights and ideas — they are a critical element of management. Their discussions can surface solutions and provide persuasive points of view. But it's rare that a major decision is actually put in the hands of a team. True group decision-making is a rare event in practice because groups don't have accountability. Individuals do.
2. **The SMT shouldn't be considered an all-powerful group at the focal point of all key decisions and processes.** Dispelling the myth of the SMT members as the gods on Olympus and recasting them as a unique instance of an ordinary organizational construct — an executive's staff — can be a more powerful transformative tool than years of organizational coaching and team building.
3. **Kitchen cabinets are an inevitable and desirable part of a leader's support system.** When critical decisions must be made, leaders want and need the counsel of trusted advisers. They may form a small core group that gets together regularly, occasionally joined by one or two others, or a leader may choose to get opinions from others one by one. But it's rarely, if ever, the Senior Management Team's meeting as a full group that fulfills this crucial sounding-board function for a CEO.
4. **A renewed emphasis on the SMT's alignment functions will give its members more real influence than ever over the course of the business and will re-energize them.** Given their experience and representativeness, the executives on the SMT are ideally suited to address three of the most important responsibilities of senior leadership: helping to set direction, allocating resources and ensuring effective execution. Through a series of structured conversations, they fulfill each of those responsibilities by, respectively, developing a common view of the world and the company, prioritizing and integrating initiatives, and managing dependencies within and among initiatives to ensure their doability. By focusing their time and energy on the tasks they are best suited for, they will gain clarity about how they can add value *as a team*. ●

RECOMMENDED READING LIST

If you liked *Who's in the Room?*, you'll also like:

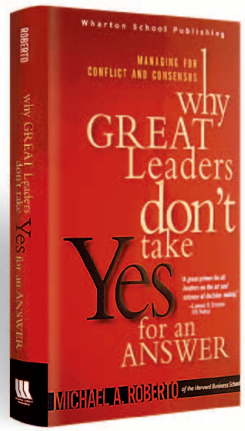
1. ***Beyond Performance* by Colin Price and Scott Keller.** Keller and Price put hard science behind their big idea: that the health of an organization is equally as important as its performance.
2. ***Full Engagement!* by Brian Tracy.** Business success expert Brian Tracy shows managers how they can supercharge their employees' efforts.
3. ***Divide or Conquer* by Diana McLain Smith.** The author distills almost 30 years of experience studying and advising leaders to offer a new way to think about teams — not as a bunch of individuals, but as the sum of their relationships.

· Book 382 of 388 ·

Why Great Leaders Don't Take Yes For an Answer

Michael A. Roberto

SOUNDVIEW Executive Book Summaries®



By Michael A. Roberto

Managing for Conflict and Consensus

WHY GREAT LEADERS DON'T TAKE YES FOR AN ANSWER

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THE SUMMARY IN BRIEF

Leaders hear "yes" far too often. They don't hear bad news until it's too late. They get groupthink, not reality. They think they've achieved consensus, then find their decisions undermined by colleagues who never really bought in. It's an enormous problem: for leaders, teams and organizations. But is it inevitable? No.

In this summary, Harvard Business School's Michael Roberto shows readers how to stimulate honest, constructive dissent; use it to improve decisions; then align their entire organization behind those decisions. Drawing on extensive research, this summary shows how to promote candor, leverage an organization's wisdom, and build consensus that leads to effective action. It also presents examples from history while exploring how real organizations make real decisions, as well as how the decision process unfolds throughout the organization — not just in the executive suite. Along the way, the five myths of executive decision making are explored to help readers understand why these myths are so dangerous and how they can be overcome.

In addition, this summary describes:

- ***✓ How to encourage open debate that promotes better decisions and more successful implementation.***
- ***✓ How to reflect an organization's wisdom and expertise in all its leaders' strategic decisions.***
- ***✓ Ways to ensure constructive conflict while preventing dysfunctional conflict.***
- ***✓ How to recognize when a leader is being told "yes" by people who really mean "no."***
- ***✓ Ways to keep decisions from being undermined after they are made.***

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WHY GREAT LEADERS DON'T TAKE YES FOR AN ANSWER

by Michael A. Roberto

— THE *COMPLETE* SUMMARY

The Leadership Challenge

In February 2003, the Columbia space shuttle disintegrated while returning to Earth. In 1996, two of the world's most accomplished mountaineers and three of their clients died on Mount Everest's slopes during the deadliest day in the mountain's history. In 1961, Cuban exiles invaded the Bay of Pigs with U.S. support, and Castro's military captured or killed nearly all of them.

Catastrophic failure always brings forth troubling questions. Why didn't NASA managers act when they discovered a potentially serious danger? Why did the mountaineers ignore their own safety rules? Why did JFK support a rebel invasion despite clear evidence it would fail?

We want to learn from others' mistakes. But our misconceptions about decision making make it difficult to learn the right lessons. We envision a leader or team members sitting in a room making a fateful decision. We rush to fault their analysis, question their acumen, and doubt their motives. Yet, when it comes to strategic decision making, these differences seldom distinguish success from failure.

Strategic decision making is a dynamic process that unfolds over time, in fits and starts, and flows across multiple levels of an organization. Social, political and emotional forces play an enormous role. While cognitive decision-making tasks may prove challenging for many leaders, the socio-emotional component is often their Achilles heel.

Decision Quality and Implementation Effectiveness

Leaders must select the right action and mobilize the organization to implement it effectively. Thus, success is a function of both *decision quality* and *implementation effectiveness.* ***A leader's ability to navigate through the personality clashes, politics and social pressures of the decision process often determines both of these.***

Few managers have mastered these dynamics. Consider the dialogue within many organizations: Candor, conflict and debate are often conspicuously absent during decision making. Managers feel uncomfortable dissenting. Groups converge quickly on one solution. Critical assumptions remain untested. Creative alternatives never surface. Leaders hear "yes" too often, or hear *nothing* when people mean "no." Their organizations don't just make *poor* choices: They may leave unethical choices unchallenged.

Of course, conflict alone isn't enough: Leaders must also build consensus. Consensus doesn't mean unanimity on all facets of a decision. Nor does it mean surrendering leadership. It *does* mean people will cooperate in implementation, even if they're not fully satisfied with the decision.

Consensus requires strong commitment to the chosen action, *and* strong, shared understanding of its rationale. Commitment helps prevent opponents from derailing implementation. It promotes perseverance in the face of obstacles. Common understanding of the decision rationale helps individuals coordinate and act in the "spirit" of the decision. Conversely, commitment without deep understanding can amount to "blind devotion." Individuals may dedicate themselves to implementation, but work at cross-purposes because they understand the decision differently.

Unfortunately, if executives engage in vigorous debate during the decision process, people may walk away dissatisfied with the outcome, disgruntled with colleagues, and less dedicated to implementation. How do you foster conflict to enhance decision quality while *simultaneously* building the consensus needed for effective implementation?

Decision-Making Myths

To manage strategic decision making well, first understand how decisions actually unfold. Let's start with five myths about decision making, *and the realities:*

(continued on page 3)

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Myth	Reality
The chief executive decides.	Strategic decision making involves simultaneous activity at multiple levels of the organization.
Decisions are made in the room.	Much "real" work occurs offline, in one-on-one conversations or small subgroups.
Decisions are largely intellectual exercises.	Strategic decisions are complex social, emotional and political processes.
Managers analyze systematically and then decide.	Strategic decisions unfold in a nonlinear fashion; solutions often arise before managers define problems or analyze alternatives.
Managers decide and then act.	Strategic decisions often evolve over time through iterative choices and actions.

The Leadership Challenge

(continued from page 2)

Have you ever censored your views during meetings, nodding approval while privately harboring serious doubts? If so, you're not alone. Managers often feel uncomfortable dissenting in the presence of a powerful executive. They defer to technical experts or industry veterans. Entire industries blindly accept obsolete assumptions about customers, markets and competitors. Pressures for conformity arise in homogenous groups. Finally, some people simply aren't comfortable with confrontation.

Whatever the reasons, the absence of healthy debate frequently leads to faulty decisions. That's what happened on Everest. Leaders ignored their own critical-decision rule designed to protect against the dangers of an extremely perilous nighttime descent after indoctrinating "subordinates" not to question their judgment. Lower-status guides didn't feel comfortable raising concerns. Five people died.

The Perils of Conflict

Individuals may engage in *cognitive, task-oriented conflict:* substantive debate over issues and ideas. This exposes each proposal's risks and weaknesses, challenges key assumptions, and encourages people to define problems or opportunities in new ways. It *enhances* solutions.

But people may become wedded to their ideas, reacting defensively to criticism. Deliberations become heated; disagreements get personal. This *affective conflict* can lead to costly delays, bad decisions, and poor implementation.

To manage conflict and build consensus, you must overcome several sources of difficulty. These include:

- **Leadership Style.** Some executives are uncomfortable with *any* confrontation. Others are introverted: Employees can't discern their intentions and rationales. Others manage by intimidation, leaving employees unenthusiastic about actions they couldn't help formulate.
- **Cognitive Biases.** Most people downplay data contradicting their beliefs, and over-rely on data supporting them. People can overestimate their own capabilities, not recognizing when they need help.
- **Threat Rigidity.** Often, strategic decision making occurs in the context of serious business threats. Threat-related stress may induce rigid responses that draw on ingrained practices that worked before, but don't anymore.
- **In-Groups Vs. Out-Groups.** Participants may categorize others into "in-groups" and "out-groups," and view in-group members more positively. This diminishes social interaction, impedes information flows, and fosters tension.
- **Organizational Defensive Routines.** Organizations develop defense mechanisms to minimize embarrassments, preserve morale, or make "bad news" palatable. These behaviors become habitual, discouraging candor and placing crucial issues "off limits."

The most fundamental obstacle to successful strategic decision making occurs when leaders fixate on the question, "What decision should I make?" rather than asking, "How should I decide?" Answer the "how" question correctly, and you can profoundly improve both your decisions *and* your execution. ■

Deciding *How* to Decide

In 1961, President John F. Kennedy authorized U.S. support for the Bay of Pigs invasion, an attempt by 1,400 Cuban exiles to overthrow Fidel Castro. It proved catastrophic. Kennedy asked his advisers: "How could I have been so stupid?"

The president's team didn't lack intelligence. But its decision-making process was deeply flawed. Veteran CIA officials advocated forcefully for the invasion. They filtered the information and analysis Kennedy saw, excluding officials who might have exposed the plan's weaknesses. The president and cabinet often deferred to the CIA "experts," downplaying their own reservations.

Afterward, Kennedy completely overhauled his foreign policy decision-making process. He directed his advisers to abandon protocol and deference during meetings. He urged advisers not to participate as department representatives, but as "skeptical generalists." He invited lower-level officials and outside experts to participate. He split advisers into subgroups to assess alternatives. He assigned close confidants as "devil's advocates." He chose not to attend preliminary meetings to encourage free discussion. When the Cuban missile crisis arose in 1962, these changes helped ensure a far more successful outcome.

In defining your decision-making process, you have

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Deciding *How* to Decide

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four levers of power. They are:

1. Composition. Who participates? Columbia may have been doomed because NASA relied too much on titles and protocol rules to dictate participation in safety discussions. Ask: *Can an individual provide data, information or a fresh point of view others don't possess? Will he or she play a critical role in implementation? Have you included trusted confidants as sounding boards?*

Finally, have you handled demographic diversity appropriately? If your decision requires creative thinking, and your usual advisers are susceptible to groupthink, seek more diversity. But if implementation will necessitate intense coordination, and your advisers have trouble reconciling contrasting worldviews, lean toward homogeneity.

2. Context. What norms and ground rules will control the deliberations? *Structural context* includes reporting relationships, control mechanisms, and reward/punishment systems. *Psychological context* (behavioral norms and situational pressures) can be more fluid. Work to create a climate of psychological safety, in which people will take personal risks, share information, admit mistakes, request help, surface "taboo" topics, and express dissent. Lead by example. Acknowledge your own fallibility.

3. Communication. How will participants exchange information, generate alternatives, and evaluate them? A *structured* approach dictates detailed procedures for offering viewpoints, comparing alternatives, and reaching conclusions. With an unstructured approach, managers discuss ideas freely. This fosters strong commitment. Add structure to foster more divergent thinking and productive debate.

4. Control. How and when will you introduce your own views? Some crisis situations may require early intervention. Should you play a special role during the decision process? Will you be the "steadying force" who tempers overconfidence, or the "devil's advocate"? Research suggests it's useful to cultivate a "symphony of distinct roles." Encourage subordinates to play some of them.

President Kennedy demonstrated that leaders have many ways to affect the quality of a high-stakes decision-making process, and can improve by learning from failures. When failures occur, many executives seek to identify their flawed judgments and assumptions (*content-centric learning*). But some fail to investigate *why* they erred (*process-centric learning*). Kennedy thought carefully about *why* his decision making went astray, and sought ways to employ better processes. ■

An Absence of Candor

When Jack Welch became GE's CEO, everyone spoke politely, avoiding controversy. Welch called it "superficial congeniality ... pleasant on the surface, with distrust and savagery roiling beneath." Are people engaging in "superficial congeniality" during *your* meetings? Check these warning signs:

- Do subordinates await your cues before commenting on controversial issues?
- Are meetings full of hefty binders and fancy presentations, not lively dialogue?
- Do the same people tend to dominate management team meetings?
- Do you rarely hear concerns or feedback directly from those several levels below you?
- Do senior management meetings simply ratify decisions already made elsewhere?

Changing players rarely improves candor: The problem typically has deep structural and cultural roots. Organizational obstacles to candor can be "hard" or "soft":

Dealing with hard barriers. Simplify structures to improve information flow and coordination. Clarify roles and responsibilities: With today's ad hoc teams, it's sometimes unclear who's in charge. Note, too, that COO/"Chief of Staff" structures can discourage subordinates from trying to raise concerns with you. You need multiple sources of information, even if they occasionally make you less efficient.

Dealing with soft barriers. Barrier #1: *status.* Studies of cardiac surgery teams find that status differences prevent nurses from voicing concerns or offering valuable suggestions. *The most effective teams include surgeons who downplay status and welcome input.* Barrier #2: *language* — especially your organization's ways of characterizing problems. Deliberate language shifts have made hospital staff far more willing to discuss dangerous medical errors, and *prevent* them. Barrier #3: *unstated assumptions* about "how we work around here." At one firm, senior managers assumed contentious debates should be resolved offline; new members felt this deprived them of opportunities to rebut flawed proposals.

Yes, structural and cultural factors inhibit candor. But passive leadership is also a barrier. Don't wait for dissent to find you: *Seek it out*. If you personally invite others' views, they'll become more willing to speak freely. ■

Hard and Soft Barriers

Hard Barriers	Soft Barriers
Structural complexity	Status differences
Ambiguous job/role definitions	Language system
Information filtering mechanisms	Issue framing
Decision-making group composition	Taken-for-granted assumptions

Stimulating the Clash of Ideas

Four tool sets can help you encourage divergent thinking and productive conflict. These tool sets are:

- **Role-play methods.** Role-play your competitors, alliance partners and customers, and even your successors.
- **Mental simulation techniques.** Have participants consider how events may unfold over time. Use *scenario planning*, a structured method for predicting changes in industry conditions, and assessing how diverse strategies might play out under those conditions. Or try "pre-mortems": Envision complete failure, imagine the paths that may lead there, and consider the probability of each failure scenario. List the biggest risks. Determine if they're avoidable. If not, choose another course.
- **Conceptual models and frameworks.** Designate individuals to launch their inquiries from different vantage points. They'll often arrive at quite different conclusions.
- **Point-counterpoint dynamics.** Polycom CEO Robert Hagerty employs "red" and "blue" teams to scrutinize potential acquisitions. Red teams come up with reasons *not* to do the deal; blue teams present arguments *for* it.

'Watch Out' Situations

As you promote vigorous debate, here are common pitfalls and *solutions*:

Intention	Inadvertent Result	Solution
Employ devil's advocates.	Token, ritualized use of devil's advocates; self-congratulatory attitude.	Consider "rotating" the role of devil's advocate, or taking it yourself.
Facilitate the dialogue.	Creating leader-member exchanges rather than open dialogue and wide-ranging discussion.	Encourage advisers to interact repeatedly with each other, not route all arguments through you.
Maximize time efficiency.	Packing the agenda; moving quickly between topics without providing time for dissent to emerge.	Balance efficiency against the objectives of making a high-quality decision and building commitment.
Provide time for dialectical inquiry.	Letting people become entrenched in subgroups so they can't debate with an open mind.	Bring subgroups back together sooner, before they become too invested in the option they're examining.
Make data-driven decisions.	Focusing too heavily on the minutiae of the quantitative analysis.	Refocus on the assumptions and logic behind your analysis.

When it comes to encouraging vigorous debate, practice *does* make perfect. At GE, everyone quickly learned how to engage in heated, productive debates with Jack Welch, who declared "constructive conflict" a core value. Chuck Knight, Emerson Electric's longtime CEO, designed confrontation into his company's strategic planning process. Managers gradually became more comfortable with it, learning how to prepare, respond, handle contention, and use it to make better decisions. ■

Keeping Conflict Constructive

In the 1950s, comedian Sid Caesar starred in the top TV series *Your Show of Shows*. Its success may be credited to its remarkable team of comedy writers, including future legends such as Mel Brooks, Larry Gelbart, Neil Simon, Woody Allen and Carl Reiner. They spent day and night together in the "Writers' Room," where ideas flowed freely, people competed fiercely, and genius emerged from mighty struggles. Wrote Caesar, "Chunks of plaster were knocked out of walls; the draperies were ripped to shreds; Mel Brooks frequently was hanged in effigy by the others." But the writers produced legendary skits week after week, and remained friends and collaborators for decades.

Caesar had created an atmosphere in which the writers could argue passionately, yet achieve breakthrough creativity. Emulating his antics might not be advisable, but leaders should develop principles for ensuring that vigorous conflict remains productive, wherever it takes place.

Diagnosing the Debate

Conflict is *constructive* as long as individuals keep raising interesting questions that provoke new lines of discovery, keep trying to understand others' positions, and remain open to new ideas. It's *dysfunctional* when they repeat worn-out arguments, opposing camps dig in their heels, and loud voices dominate. Unfortunately, debates sometimes become dysfunctional before the leader recognizes the warning signs. Have people stopped asking questions intended to gain a better understanding of others' views? Have they stopped searching for new information, or revising their proposals based on others' critiques? Have they stopped asking for help interpreting ambiguous data or admitting concerns about their own proposals? Have they begun to repeat arguments more stridently? Are less outspoken individuals withdrawing?

The most glaring warning sign is the emergence of affective (interpersonal) conflict. Have people crossed the line from issue evaluation to personal criticism? To find out, there are specific questions participants can be asked about a recent decision process.

To find out more about a cognitive conflict, ask:

1. How many disagreements were there over different ideas?

2. How many differences about this decision's content did the group have to work through?

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Keeping Conflict Constructive

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To find out more about an affective conflict, ask:

1. How much anger was there among the group members over this decision?

2. How much personal friction was there during the process? ■

For additional information on how to manage affective conflict better, go to: http://my.summary.com

The Inability to Decide

In 1996, two top Boston hospitals merged, bringing together 1,000 highly accomplished physicians in the Beth Israel Deaconess Medical Center (BIDMC). The early years went badly: Losses soared to more than $50 million per year. Paul Levy took over as CEO in 2002. He found extensive work had been done to identify solutions, yet substantive changes had never materialized. The organization simply couldn't decide or execute.

Many organizations are plagued by similar inabilities. Managers debate, but can't reach consensus. Leaders can't make decisions and move forward. There's "analysis paralysis." Or people don't surface objections during the process, then work behind the scenes to sabotage implementation.

The problem is rarely one executive: It's a "culture of indecision." Indecisive cultures come in three forms, but all lead to the same outcome: a chronic inability to achieve consensus, and act.

Cultures of 'No'

When Louis Gerstner became IBM's CEO in 1993, its culture had become insular and rigid. A cross-functional group could spend months solving a problem, but if a manager objected, he or she could halt implementation. One executive even asked each business unit to appoint a "nonconcur coordinator" responsible for blocking proposals.

Such organizations don't use dissenters to encourage constructive divergent thinking, but to stifle dialogue and inquiry. Powerful dissenters needn't defend their views with data or logic: They simply impose their will.

A "culture of no" needn't be formal: It can permeate an organization's informal incentives and communication patterns. For instance, there's the "smart-talk trap." Some companies reward people for delivering negative "gotchas" that *sound* intelligent, but are indifferent to actual performance.

Cultures of 'Yes'

At BIDMC, Paul Levy's people would sit quietly during meetings, conveying an implicit "yes." He'd only discover their objections later, as they undermined his decisions. Many firms face this predicament. Executive adviser Ram Charan argues that an overemphasis on hierarchy, excessive process formality, and insufficient trust contribute to the problem. But some leaders foster it through the design of their decision processes.

One company with a large executive team routinely asked small subgroups to take contentious issues "offline" for analysis. The subgroup worked closely with the CEO to examine alternatives and present tentative recommendations. After review, the CEO and subgroup would jointly make recommendations to the full team. The leader expected the team to raise issues, but they rarely surfaced: People felt the recommendations were a *fait accompli*. Conflict only emerged later, as managers sought to undermine decisions they disliked.

Cultures of 'Maybe'

In highly analytical organizations, managers gather huge amounts of objective data before acting. This approach has strengths, especially in stable environments. But, in dynamic markets, it can become a perilous handicap.

Some leaders hate turbulence: They constantly strive for certainty in an inherently uncertain world, endlessly pursuing every unresolved question. It's crucial to recognize when the marginal value of additional information has begun to decline, or even plummet.

As executives become frustrated with inaction, they attempt to accelerate decision making. Some conclude that complexity and ambiguity are the problems. Often, they oversimplify decisions, drawing the wrong conclusions. Worse, their shortcuts don't tackle the cultural problems that lead to inaction.

You begin transforming culture by modeling desired behaviors as you lead decision-making processes. But *which* behaviors increase the likelihood of achieving timely closure and true consensus? ■

Fair and Legitimate Processes

First, you need to manage an open, transparent process in which people with diverse perspectives, interests and expertise can influence decisions. People don't care only about outcomes: They care about process, too. If they perceive a process as unfair and illegitimate, they're far less likely to commit to your plan, even if they agree with much of it.

Fair processes provide a "cushion of support" for authorities when they make an adverse ruling. When procedures are viewed as fair, people receiving an unfavorable verdict express nearly the same satisfaction as those who won. Businesspeople tend to perceive decision processes as fair if they:

- **Have ample opportunity to express their views and present disagreements.**
- **Feel the process was relatively free of secretive**

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Fair and Legitimate Processes

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maneuvering.

- **Believe the leader has listened carefully, and thoughtfully considered their views.**
- **Perceive they had a genuine opportunity to influence the final decision.**
- **Clearly understand the rationale for final decisions.**

Here are six ways to enhance perceived fairness:

1. Start by providing a road map outlining how the process will unfold.

2. Reinforce your open mind-set: Counter the impression that the decision has already been made.

3. Listen actively: Ask questions for clarification, test for understanding, and avoid interrupting people.

4. Explain the decision rationale — how you evaluated alternatives and made your choice.

5. Explain how input has been used, and how individuals contributed to the outcome, even if their opinions didn't prevail.

6. Express heartfelt appreciation for all contributions.

Procedural Legitimacy

Procedural legitimacy — the perception that organizational processes and techniques are desirable, proper and appropriate — is crucial.

Procedural legitimacy helps explain why organizations systematically gather more information than they use. This symbolizes that managers are engaged in a thorough, *rational* decision-making process. Likewise, generating multiple alternatives, using formal analysis, or hiring external consultants are ways of signifying thoroughness, rationality and, hence, legitimacy.

Unfortunately, efforts to enhance process legitimacy can backfire if constituents see them as manipulative. Evaluate how your own actions affect perceptions of legitimacy — and *others'* actions, too.

Are a proposal's advocates providing every participant with *all* available information before deliberations? Or are they "pre-selling" a few key executives with more information? Doing so demonstrably harms legitimacy. Others feel disadvantaged if they're examining data for the first time, while "favored" individuals have seen it earlier.

Leaders can't entirely eliminate symbolic behavior; at times, it has great value. But they *can* keep it from becoming a problem. Here's how:

1. Create a level playing field. As much as possible, ensure equal access to information.
2. Identify token alternatives, and either take them off the table or force serious consideration of them.
3. Separate advocacy from evaluation. Consider asking unbiased third parties to independently evaluate proposals.

The Misalignment Problem

You may think you've managed a decision process fairly, but find that others disagree, and you haven't achieved real buy-in. To make sure your team's perceptions match yours, do the following:

1. Conduct ongoing "process checks," auditing your ability to generate dissent, manage conflict constructively, and maintain legitimacy.
2. Hold private one-on-one meetings to test alignment. Some individuals are more comfortable expressing process concerns privately.
3. Ask members to discuss the team's approach to decision making among themselves, with you absent.
4. Pay close attention to nonverbal cues during interactions with advisers and subordinates. ■

For additional information on how manipulation shaped perceptions at Daimler Benz, go to: http://my.summary.com

Reaching Closure

During World War II, Gen. Dwight Eisenhower commanded history's most powerful military force. Under his leadership, the Allied Forces liberated Europe. But even as supreme commander, Eisenhower couldn't simply issue dictums from on high. He needed to hold a complicated alliance together, balancing the competing demands of strong-willed individuals such as Churchill, Roosevelt, Montgomery and Patton.

Eisenhower defined the D-Day invasion strategy amid much contentious debate by leading a fair decision process, then making the final decision himself. But he did more than that. He reached closure by breaking the complex issue down into manageable parts.

Over five months, the group gradually arrived at decisions regarding landing dates, bombing strategy, the use of airborne troops, and other crucial details. Eisenhower navigated contention by searching for agreement on key facts, assumptions, and decision criteria. He brought the group along gradually, building on areas of common ground. And when he declared a matter closed, it *stayed* closed.

Divergence and Convergence

Eisenhower's brilliant leadership challenges the conventional wisdom about strategic decision making.

Some teams converge too quickly on one solution, without sufficient critical evaluation and debate. Others generate many alternatives, but can't achieve closure. To avoid these problems, scholars and consultants often recommend encouraging divergent thinking early on, and then shifting to convergent thinking to finalize a choice.

But effective leaders direct an *iterative* process of diver-

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Reaching Closure

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gence and convergence, much like Eisenhower's. They seek common ground *repeatedly* during the process. They can't completely defer judgment on all issues while engaging in brainstorming and debate. They must reach intermediate agreements on elements of the decision, lest they find themselves trying to bridge huge chasms late in the process. They strive for a series of "small wins."

Psychology of 'Small Wins'

Small wins bring new allies together, lead opponents to recognize common interests, consolidate progress, and build momentum. People discover they can work constructively together, despite differences. Small agreements catalyze further agreements.

Complex problems can overwhelm groups due to the cognitive limitations of the decision makers. Humans simply can't process reams of information effectively. The cognitive challenge is to make decisions more manageable. *Small wins do this.*

People become tense when they perceive a problem as too difficult to solve. This type of emotion makes it even harder to succeed. A small-wins approach keeps everyone engaged and committed. Writes psychologist Karl Weick, "A small win reduces importance ('this is no big deal'), reduces demands ('that's all that needs to be done') and raises perceived skill levels ('I can do at least that')."

Search for two types of small wins. *Process-oriented* small wins don't constitute solutions to the problem, but they lay the groundwork for finding solutions. Examples include goals and objectives, assumptions, and decision criteria. *Outcome-oriented* small wins consist of partial solutions that could be executed in conjunction with other proposals yet to be agreed upon. Examples of outcome-oriented small wins include taking alternatives off the table, option-oriented agreements, and contingency plans.

Shifting Into Decision Mode

Even with a small-wins approach, leaders may find it difficult to close down debate. Three steps can smooth the transition from deliberation to decision. These are:

1. Set clear expectations for how the final decision will be made.

2. Clearly communicate how your role will change at a critical juncture in order to achieve timely closure.

3. Build a relationship with a confidant who'll bolster your confidence when it's time to act. ■

Leading With Restraint

The business press adores charismatic, forceful leaders. Many executives agree. They believe firms can't make critical decisions by committee: The chief executive must "take charge." To them, fostering dissent, striving for fair process, and building buy-in are signs of weakness. This is not true. ***Executives can be bold and decisive, while harnessing the collective intelligence of their organization and gaining real buy-in.***

Effective leaders take charge when confronted with difficult choices. There are *two* ways to take charge: Dive right into finding the best solution, or first address *process*.

In the Bay of Pigs case, Kennedy became deeply involved in the details of the invasion. But he'd already lost control of the go/no-go decision by allowing the CIA to shape the process. During the Cuban missile crisis, he was much more directive about the process, making careful choices about composition, context, communication and control. Of course, he retained the final call, but he resisted the temptation to micromanage. No one perceived him as weak because he let others state their case before he acted.

By first deciding how to decide, you can capitalize on more of your organization's expertise. You're more likely to make a sound decision — *one you can actually implement effectively*.

Exercising Restraint

When faced with a complex problem, many CEOs have a strong intuition about what to do. It may often prove correct. *But not always.* To make the most of their team's expertise, they must refrain from pronouncing their solution upfront. They must recognize the truth: They do not have all the answers. They must understand that the best decisions are useless if the organization won't execute on them.

Great leaders start planning the decision-making process early. They ask: *How will I lead this discussion? What are likely to be the key points of conflict? What mechanisms will spark new thinking? What will be my role?* They know they don't have all the answers. But with their guidance and firm leadership, their teams can uncover the best answers to the toughest problems. ■

SOUNDVIEW RECOMMENDED READING LIST

If you liked *Why Great Leaders Don't Take Yes for an Answer*, you'll also like:

1. ***Crucial Confrontations*** **by Kerry Patterson, Joseph Grenny, Ron McMillan, and Al Switzler.** The authors help readers develop the skills it takes to resolve the most pressing personal and organizational problems.
2. ***Capitalizing on Conflict*** **by Kirk Blackard and James W. Gibson.** The authors, two attorneys and conflict resolution specialists, write that only by bringing conflict to the surface and resolving it can managers unleash the full power of an organization.
3. ***Listening to Conflict*** **by Erik J. Van Slyke.** Van Slyke prepares readers to resolve disruptive disputes in their company by listening and hearing what people don't say as well as what they say.
4. ***7 Survival Skills for a Reengineered World*** **by William N. Yeomans.** Yeomans shows readers how to survive and thrive in an era of job uncertainty by showing them how to become better followers and team players.
5. ***Getting to Resolution*** **by Stewart Levine.** Levine's advice for handling communication breakdowns is varied for the occasion and tested in the heat of battle.

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Why Leaders Can't Lead

Warren Bennis

SOUNDVIEW Executive Book Summaries®

Just Managing Isn't Enough

WHY LEADERS CAN'T LEAD

By Warren Bennis

THE SUMMARY IN BRIEF

Executives must resolve to lead, not merely to manage. There's a major difference. Many organizations are well managed and poorly led because executives address routine problems while ignoring or slighting important matters. They allow themselves to become buried with details that should be delegated to assistants.

True leaders are able to draw others to them through focused commitment, make dreams come alive and unite people behind those dreams, communicate through vivid models and examples, and know the extent of their skills and apply them effectively.

Successful leaders inspire employees by making them feel significant. Learning and competence are highly valued, and workers feel they're part of a genuine team or family. The most influential leaders motivate their people through joint identification with collective goals rather than through rewards and punishments.

If you hope to lead your organization to prominence you must encourage dissent, disagreement, and truth from associates and search for the truth yourself by spending time in the field, analyzing your own operations, and talking with employees and customers.

You must also balance your career and personal roles, using ambition, talent, and learning ability to serve rather than enslave you.

As constant as change has been in this century, and as vital as it is today, it is still difficult to bring about.

People in leadership positions must be agents of adjustment who face things as they are and prepare for things as they will be.

If competence and conscience are to be restored to government, business, and society alike, that restoration must start with those who propose to lead our organizations. It must begin with you.

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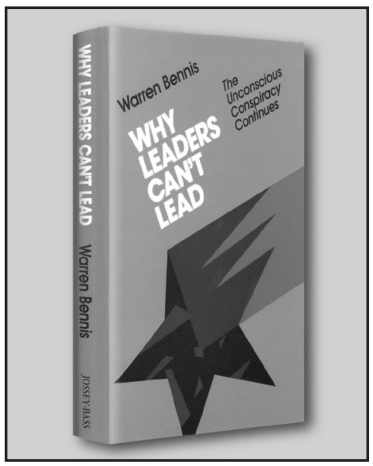

SELECTED BY SOUNDVIEW AS AN OUTSTANDING BOOK FOR BUSINESS PEOPLE

The author: Warren Bennis is distinguished professor of business at the University of Southern California.

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THE SUMMARY

Social, business, and governmental organizations face a leadership vacuum so intense that an implosion is imminent. We ascribe leadership qualities to those in leadership positions, and learn, often too late, that we have credited the incumbents with greater ability and courage than they possess.

How do we get leaders to care about the organization's welfare and identify with its destiny? Both institutions and individual employees depend on these leaders for support. Such care calls for development of a corporate climate of understanding.

Without such caring, the institution becomes a place that none of us would like to be responsible for or preside over.

Basic Truisms of Leadership

Many people in leadership positions feel enveloped in an amorphous, unconscious conspiracy to prevent them from doing anything whatsoever to change their organization's status quo.

Routine work drives out the nonroutine and stifles creative planning and fundamental change. Minutiae becomes the order of the day while the long-term needs of the organization, its people, and those whom it serves go unfulfilled.

Managers must resolve to lead, not merely to manage. There's a big difference. Many organizations are well managed and poorly led because managers prefer to act on routine problems first. After all, those are the easiest to deal with. In doing so, however, executives become unwitting co-conspirators who worship the routine and ignore or slight the unique.

If you believe you're in this position, create an "executive constellation" of subordinates and assistants who know more than you about everything within their areas of competency. Then demand that these underlings deal with routine issues instead of kicking them upstairs onto your desk.

And what should you do? Become a conceptualist — a leader with entrepreneurial vision and the jealously guarded time to spend thinking about the forces that will affect your organization's destiny.

This fine distinction between leadership and management protects you from getting entangled in your organization's routine machinery.

To be a genuine leader you must create clear-cut, measurable goals for your organization, goals that are forged with advice from all elements of the groups that it serves. Next, you must advance toward these goals without being overburdened with bureaucratic baggage that will sap your strength, energy, and initiative. Your job's charter must allow you to take risks, make mistakes, use your creativity to the hilt, and encourage those who work with you to do the same.

THE TRAITS OF A LEADER

Perhaps the most important distinction between leaders and managers is this: Leaders do the right thing; managers do things right. Both roles are critical, but they differ profoundly.

There are lots of examples of people at high levels who do the wrong things well and the right things not at all.

American organizations tend to be underled and overmanaged. Their preoccupation with doing things right causes less attention to be devoted to doing the right thing. Management schools typically focus on producing good technicians and staff people, but they don't stress developing and remaining loyal to the four competencies that characterize true leadership. They are:

- Managing attention
- Managing meaning

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TEN KEYS TO AVOIDING DISASTER DURING CHANGE

As constant as change has been in this century, and as vital as it is today, it is still difficult to bring about. Institutions are fundamentally opposed to change. Here, then, are ten ways to avoid disaster during periods of change — which means, of course, any time and all the time.

1. Recruit honestly. Refuse to paint the visible and real drawbacks of your organization as exhilarating challenges. If a recruit's expectations are too high, and your promises are too grand, disillusionment is inevitable. The disparity between vision and reality becomes intolerable.

2. Guard against the crazies. Innovation attracts interesting people. Unfortunately, it also attracts people who will distort your ideas into something monstrous. You'll then be identified with this monster and forced to spend precious energy combating it. Be sure the people you recruit are innovators, not crazies. You want change agents instead of agitators or neurotics.

3. Build support among like-minded people. There are no clean slates in established organizations. There can be no change without history and continuity, so resolve to build support among like-minded people, whether or not you recruited them.

4. Plan your changes from a solid conceptual base. Have a clear understanding of how to change as well as what to change. Any reorganization must have coherence, forcefulness, and a set of functional mechanisms to convert your ideas into reality gradually and incrementally.

5. Don't try to mandate change. Organizations have both a paper structure and an intramural or informal one. As a good administrator, you must understand the relationship between the two and create a good fit between them and any planned alterations.

6. Don't allow those who oppose change to appropriate basic issues. Successful change agents make sure that members of the old guard aren't frightened at the prospect of change. If they are, they'll start to fight dirty, and they've got tradition and history on their side.

7. Know the territory. You must learn everything there is to know about your organization, which often means mastering the politics of local chauvinism, along with an intelligent public relations program.

In Southern California, for example, big developers are constantly being blindsided by neighborhood groups because they haven't bothered to acquaint the groups with themselves and their plans. Such groups know their rights and they know the law, and the developers haven't made an effort to know them.

8. Appreciate environmental factors. A change that increases organizational discomfort is probably doomed. For example, a new computer system may be a good thing, but people may see it as bad if it results in overcrowded offices. Plan ahead to accommodate the satellite effects of such changes before you proceed.

9. Avoid future shock. Executives who become too involved in planning for the future may forget the past and neglect the present. As a result, employees may already be opposed to a plan before it goes into effect. If your eye is always on tomorrow, you may not give your people the attention and support they need.

10. Involve employees in planning changes. This platitude of planning theory is as true is it is trite. Nothing makes people resist new ideas more adamantly than their belief that change is being imposed on them.

- Managing trust
- Managing oneself

Managing Attention

Leaders who manage attention can draw others to them because they communicate an extraordinary focus of commitment. Theirs is a compelling vision that brings others to a place they have not been before. If you hope to do this, you must know what you want and communicate your vision, not in a mystical sense but in the context of outcomes, goals, or directions that others can see clearly, relate to, and galvanize their efforts behind.

Managing Meaning

Leaders who manage meaning make their dreams apparent to others and unite people behind those dreams. Ronald Reagan wasn't called "the Great Communicator" for nothing. One speech writer said that Reagan could read the phone book and make it interesting because he had a gift for metaphors that people could identify with.

In his first budget message, for example, Reagan described a trillion dollars by comparing it to piling up dollar bills beside the Empire State Building. He had the ability to breathe tangible, vivid life into ideas. People relate to and respond to mental images or models more than words. As an effective leader, then, you must train yourself to communicate through the use of meaningful models and examples. This is a time-honored way to make one's vision clear to others.

Managing Trust

The main determinant of trust is constancy — people want to know where their leaders stand and what they stand for. In fact, a recent study showed that people

would much rather follow individuals they can count on, even when they disagree with their viewpoint, than people they agree with but who waffle on the issues.

"My boss may be an SOB," the vice president of a major manufacturing company once said, "but at least he's a consistent one."

Managing Oneself

The fourth leadership competency is managing yourself-knowing the extent of your skills and applying them effectively. This quality is critical, because leaders without self-knowledge can do more harm than good. Inept executives, like incompetent doctors, can make life worse and people sicker and less vital.

"He doesn't have ulcers," goes the comment about the dictatorial manager, "but he's a carrier." The world could afford fewer executives of that stripe. May their numbers diminish.

FOUR THEMES OF LEADERSHIP

Leadership provides the basic rhythm of an organization. It gives pace and energy to the work and empowers the work force. This empowerment, the collective effect of leadership, is most evident in four themes:

1. People feel significant. They believe that they make a difference in the organization's success. That difference may be small, such as stocking an empty snack food rack in a supermarket or inserting a diode in a printed circuit board, but the people who do so believe their presence and labor have meaning and importance.

2. Learning and competence matter. Leaders value learning and competence, and so do their subordinates. Leaders make it clear that there is no failure, only experiences that give us feedback and guidance about what to do next.

3. People are part of a community effort. Effective leaders unite people and give them a collective identity as part of a team or family. This is true even when coworkers don't especially like each other. Some top managers try to create a false sense of unity by calling their work force a "family" or "team," but mere words cannot make it true. A sense of genuine community effort develops and flourishes only under the steady hand of effective leadership. You cannot conjure up a sense of community using smoke and mirrors.

4. Work is exciting. Tasks become stimulating, challenging, fascinating, and fun in well-led organizations. Leaders who make this happen adopt a "pulling" rather than a "pushing" style, motivating employees through identification with collective goals rather than with rewards and punishments. Leaders articulate and embody the ideals toward which the organization strives.

CHANGE — OUR METAPHYSICS

Everything is in motion today. America has transformed from a wilderness to an industrial behemoth to a postindustrial morass, and from an upstart revolutionary to a world power to, in the words of Richard Nixon, "a pitiful giant." Big business has moved to the suburbs, making cities more and more the province of the very rich and very poor abiding uneasily together.

Government has metamorphosed from small and informal to big and effective to big and dumb, firmly bound in its own red tape and functioning much less for us than for itself.

Although capable of destroying the world, we cannot deal with tiny bands of terrorists. The stock market has never been more of a crap shoot. The national debt is mind-boggling. Cigarette consumption is down, but marijuana and cocaine consumption is up. Typewriters have yielded to word processors, yet we seem to have little worthwhile to say, and what we do, we tend to say badly despite all the improved technology.

What's Going on Here?

What's going on is that the people in charge, particularly in business and government, impose rather than inspire change.

We've had far more bosses than leaders, so everyone has decided to become their own bosses. Imposing rather than inspiring change has given us the primitive, litigious, adversary society that we inhabit today. "We have met the enemy," said Pogo Possum, "and he is us."

Managers can effect change through trust and truth or through dissent and conflict. We've tried dissent and conflict, and have not changed but have merely become combative. It's time, then, to try the path of trust and truth.

Only people with virtue and vision can lead us out of this bog and back to the high ground, however.

People of virtue and vision who would spearhead change today must first earn our trust. Next, they must communicate their vision clearly so that we both understand and embrace it. Finally, they must persuade us to involve ourselves. Such actions are simple enough to propose but profoundly difficult to convert to reality, given today's rancorous society.

If you would become a true leader today, you must be both innovative and courageous, someone who is capable of seeing things differently and thinking in fresh and original ways.

Furthermore, you must seek out and use other innovators in your organization. Create a climate that questions and challenges conventional wisdom and tolerates the mistakes that are inevitable whenever people of vision and courage pursue high-risk goals.

Bucking the System

Change is difficult to engineer because organizations are social systems, and social systems have generally accepted ideas of what is right and wrong and how things should be done. People who occupy seats of power, therefore, are usually those who have best conformed to and reflected the organization's ideals. To endorse dissent and innovation typically means to place yourself at odds with the prevailing corporate culture and thumb your nose at "the way we do things around here." These are risks that only the most courageous managers are willing to take, and you do so at your peril.

Still, we have to try. Too many of our organizations and most of our citizens are locked into roles and practices that simply do not work. A recent Harris poll showed that more than 90 percent of the people questioned would change their lives dramatically if they could. They don't like the way they live now, but they don't know how to change. This survey is additional evidence of our leadership drought. It should serve as impetus and inspiration to potential leaders and innovators.

If such people have the determination to achieve their potential, and the rest of us have the courage to follow them, we might finally find our way out of this bog we're in.

THE LONG SLIDE FROM LEADERSHIP

Eighteenth-century America was noted for its geniuses, nineteenth-century America for its swashbuckling adventurers and entrepreneurs, and early twentieth-century America for its scientists and inventors. Today we celebrate the age of bureaucrats and managers.

Unlike either our nation's founders or the industrial titans, those who manage today's gargantuan corporations and the elected and appointed bureaucrats have no gut stake in their enterprises and no vision beyond the bottom line. More often than not, they're just hired guns who follow the money and their own self-interest.

The national rebellion of the 1960s, the "Me Decade" that followed, and today's success-obsessed Yuppies are the blighted fruit of the mistakes and crudities of sterile, detached organization men who had no talent for advancing anything except their own careers. For all their brass and affectations, today's business kingpins are not leaders, merely bosses. Like dinosaurs, they may tower over their surroundings, but they aren't necessarily equipped for survival. These bosses confuse quantity with quality and substitute ambition for imagination.

Much like Washington's tin soldiers and sunshine patriots, they do not understand the world as it is, much less attempt to provide the genuine leadership it needs.

Like them or not, FDR, Truman, Ike, and JFK were all true leaders, the last that this country has known.

True leaders are made, not born, and they are not made as much by others as by themselves. America's founding fathers, adventurers, and inventors were dreamers on a grand scale. Today our dreams have given way to fantasies about such things as money. As a dreamless sleep is death, a dreamless society is meaningless. We desperately need uncommon men and women who, having invented themselves, can reinvent America and restore the collective dream by expressing for and to us that irreverent, insouciant, peculiarly American spirit.

A Withdrawal into Ourselves

People have come to retreat into their electronic castles, working at home and communicating with the world via computers; screening their calls on answering machines; ordering in movies for their VCRs, food for their microwave ovens, and trainers for their bodies; and keeping the world at bay with advanced security systems. Trend spotters call this phenomenon "cocooning," but it might more accurately be described as terminal egocentricity.

Such activity is not all that difficult to understand, given the national siege mentality and disaffected attitudes toward organizations and society in general. Every day we face the possibility of being randomly assassinated by a sniper on the freeway, victimized by backstabbing office politics at work, discovering that a loved one has become hooked on drugs, and hearing that a Congressional investigation has just dragged a rotting corpse out of some high-level government official's ethical closet.

A nation cannot survive without virtue, and it cannot progress without a common vision and high expectations. Just as individuals must continually challenge society to live up to its promises, society must continually encourage individuals to live up to their promises. At the moment, neither the individual nor society seems interested in doing better — except on the most primitive level. It abuses us; we abuse it: We coexist in a atmosphere of mutual contempt.

BACK TO THE FUTURE

In his roles as a college professor, management consultant, and university president, Bennis has been required to believe that people can and will improve — with a little encouragement. In the last two decades, however, he has seen that people either can't be improved or don't want to improve. Our ambitions have killed off our conscience and made competence irrelevant. If competence counted for anything today, would Prince be king, and would Sly Stallone (alias Rambo) be paid $12 million per extended grunt?

What values do we reward today, anyhow?

Alfred North Whitehead wrote, "In this modern world, the celibacy of the medieval learned class has been replaced by a celibacy of the intellect which is divorced from the concrete contemplation of the complete facts." And he didn't even know about Ivan Boesky, Ollie North, or Gary Hart. They, along with their less infamous counterparts all over America, were so egocentric, so absorbed in their own adventures, that they saw the rest of the world as an annoying encum-

The Challenge Is Yours

People in positions of authority are at best agents of adjustments, striving to face things as they are and prepare for things as they will be. Thus, if you believe that competence and conscience must be restored, you must demonstrate both. These are hard times, but true leaders are not deterred by hard times.

That is perhaps what makes them leaders. As Abigail Adams wrote long ago to Thomas Jefferson, "Great necessities call forth great leaders."

brance. To know everything about one thing is to understand nothing about anything.

The social world that we have wrought is vastly inelegant, unpredictable, and unfixed. Made of ambiguity and ambivalence, contradiction and conflict, it is a clown in the temple, a chameleon that changes before our very eyes. Such a world requires alertness, curiosity, impatience, courage, and skepticism — qualities that are in very short supply in everyone over twenty-one, but proliferating in the very young.

Our Cynical Children

Our children know more than we do now, and what they know has made them premature cynics. They may be woefully ignorant of history, philosophy, and literature, since public education in this country has deteriorated into a nationwide system of holding pens, but they are street smart — alert, curious, impatient, brave, and exceedingly skeptical. They are also sad and mad.

We have taught them so badly that they cannot express rage coherently and so must demonstrate it. They are far more comfortable with images than with words, given, like their principal heroes, to "acting out." They say to each other and to us, "get real," but, having created our own reality, which is anything but real, we don't know where to begin.

WHERE HAVE ALL THE LEADERS GONE?

In the last several decades there has been an appalling mortality — both occupational and actuarial — among leaders. We've lost Roosevelt, Churchill, Schweitzer, Einstein, Gandhi, Meir, Sadat, Jack and Bobby Kennedy, and Martin Luther King, Jr. In business, the landscape is equally flat. Ford, Edison, Sloan, Kettering ... all are long gone.

Today's corporate heads are either organization men who have risen to their level of incompetence (such as GM's Roger Smith) or followed the star of celebrity (Lee Iacocca) or become megalomaniacal one-man bands, such as Donald Trump. It's not an accident that the most celebrated captains of industry today are those who spend their time demolishing rather than creating companies. The problem isn't just a domestic one, however. It's global.

Do It Ourselves

Bereft of leaders, finding no one to replace them, we decided to do it ourselves. We questioned everyone in authority and every institution. We formed blocs of like-minded people to agitate for what we wanted and opposed what we didn't want. We went into the streets and onto the barricades. In this light, Lee Harvey Oswald, James Earl Ray, and Sirhan Sirhan could be called the principal architects of America.

As individual autonomy waxed, institutional autonomy waned. External forces impinged and imposed more and more on the perimeter of our institutions. For decades the government had assumed more and more power over corporations and institutions.

Now the people were challenging not only the government but the corporations and institutions, too.

A new form of politics was invented, the politics of multiple advocacy. Its proponents made the law the court of first resort. Our new reliance on the courts has not only diminished the autonomy of institutions, it has threatened the autonomy of the individual. Surgeons, for example, are more likely to do today what they consider legally safe than medically right. The law has been transformed into a weapon, not a tool, and its confusion, ambiguity, and complexity — augmented by conflicting judicial interpretations — tend toward paralysis.

The sense of individual responsibility that animated the Constitution has vanished as both chiefs and Indians now trumpet the new credos: It's not my job and/or it's not my fault. The psychology of entitlement prevails. If some injury befalls you, even through your own negligence, stupidity, or unlawful act, someone else ought to pay. A product's manufacturer, perhaps. Or the victims who defended themselves against your assault.

Where have all the leaders gone? They're out there pleading, trotting, temporizing, putting out fires, trying to avoid too much heat. They're peering at a landscape of bottom lines. They're money changers lost in a narrow orbit. They resign, burn out, or decide not to run or serve in the first place. They motivate through fear, by following trends, or by posing as advocates of "reality," which they cynically fabricate as they go along. They are leading characters in the dreamless society, given now almost exclusively to solo performances.

Thus, precisely at the time when the trust and credibility of our alleged leaders are at an all-time low, and when potential leaders feel most inhibited in exercising their gifts, America most needs leaders — because, of course, as the quality of leadership declines, the quantity of problems escalates.

As a person cannot function without a brain, a society cannot function without leaders. And so the decline goes on.

Bosses as Celebrities

Today we acknowledge executive superstars. Their names, pronouncements, conspicuous consumption, and corporate derring-do in quest of profits are dutifully reported by an eager press.

Armed with briefcases, fax machines, and cellular telephones, this new generation of heroes commutes to its paper war daily in stretch limos or private helicopters.

Why does such a large segment of the population view these people as heroes? One reason might be that CEOs tend to be more important to companies in these troubled times. Another might be that this is the most exhilarating climate for businesses that we've seen in decades. A third, more discouraging reason could be that selfishness is suddenly respectable, and in a status conscious society there's no greater status symbol than occupying the top rung on the ladder in a corporation whose annual sales may rival the GNP of many third-world countries.

There's another explanation: American cultural traditions define personality, achievement, and the purpose of life in ways that shower individuals with glory. In recent generations, however, this tendency has run

amok, eclipsing individualism's opposite — a sense of community, collective aspirations, and public service. No matter how wise, shrewd, or visionary its leader might be, a corporation is a collective endeavor. It needs the aggregate wisdom and vision of all employees to function at the optimum level. CEOs who run companies as extensions of their own personalities and egos take an unconscionable power trip at the expense of employees, stockholders, and the public at large.

Too Many Chiefs

The higher people rise in the corporate hierarchy, the more exposed their weaknesses are. This is particularly true of the relationship between the CEO and the COO.

On paper, the differences between these jobs are clear. The CEO is the leader, the COO the manager. The CEO is supposed to take the long view, concentrate on the what and why, and do the right thing; the COO is supposed to take the short view, focus on how, and do things right. The former is supposed to have vision; the latter, hands-on control.

Trouble develops when one person starts envying the other. The CEO, for example, may wish for the COO's hands-on control. The COO may long for the opportunity to think ahead, dream, and innovate.

When this condition exceeds the boundaries of wishful thinking and border skirmishes erupt between the two executives, their conflict is bound to send shock waves throughout the company.

Simple Solution

The solution to the CEO-COO dilemma is as simple as the structure is complex. The key responsibilities of both jobs should be combined and assigned to a CEO in chief who would reside at the center of the "executive constellation" mentioned earlier. This person would be expected to do the right thing, enabling the managers to do things right, and would also be responsible for blending both long- and short-term views so that today's actions are compatible with tomorrow's goals. He or she would define the whats and whys and assign the hows to associates, would have both vision and hands-on control to ensure that the vision was always realistic, and would think in terms of innovation, development, and the future, while associates took care of administration, maintenance, and the present.

With less structure and more leadership, American business might begin to recover its energy, spice, and fire. But, for the moment anyway, there's little demand for such qualities in the nation's executive suites. Instead, there's an unnatural and unhealthy reverence for the status quo.

THE PERILS OF ACCORD

Corporations in this volatile era tend to create an impression of false accord. Managers usually avoid encouraging what Johnson & Johnson's Jim Burke and Intel's Andrew Grove call "creative confrontation" with associates. These two executives demand dissent in the executive suite and surround themselves with subordinates smart enough to know the truth and independent enough to speak it — especially when it may be at odds with their own perceptions.

If you hope to lead your organization to prominence in the real world, you cannot afford to surround yourself with clones.

Expect dissent, disagreement, and truth from associates and go in search of the truth yourself by spending time in the field, analyzing your own operations and talking with employees and customers.

Effective executives remain inquisitive about everything. They read, look, explore, wonder, and perpetually remind themselves that any product can be improved and any procedure upgraded. In a dynamic world, organizations must, themselves, remain dynamic, and their managers must accept change as a way of life.

When Winning Is Losing

Sometimes it seems that every activity is expressed in terms of competition. At home, at work, and in social situations we talk of winning and losing, scoring, carrying the ball, close calls, and going down to the wire. Preachers and politicians, among others, see this national obsession as good, clean fun. Perhaps, however, it's time to find a new model. Life isn't a baseball game. It's never called on account of darkness or canceled because of bad weather. Business is not, and never was, a sport; thinking of it in those terms was always simplistic. Now it's downright dangerous.

No business can or should be designed purely to win. It should be designed to grow both quantitatively and qualitatively and to vie at least as much with itself as it does with its competition. This is not to say that there aren't winners and losers in the battle for advertising accounts or market share. But aspiring leaders must acknowledge that winning is just one of the many things that a business must accomplish.

Athletes perform in a static environment — the size of the field, the length of the contest, the presence of referees. The universe of business, on the other hand, is volatile. It changes from moment to moment and hardly ever repeats. Companies must constantly cope with the effects of new legislation, changes in competitors strategy, consumer attitudes, domestic and global economic conditions, and waxing or waning social trends.

Clearly, then, there are far more differences than similarities between sports and business. It is a business's ability to adapt to an ever-changing world that forms the basis for both its success and its progress.

The truth is that there is no appropriate model for business except business itself. Business is not a diversion. It reflects the character of life itself; complex, difficult, susceptible to success and failure, sometimes unruly, always challenging, and often joyful.

LEADING TO MAKE A DIFFERENCE

How can we simultaneously exercise our ambition, talent, and capacity for learning and contribute to society and its organizations? Our parents, schools, and organizations all, however inadvertently, conspire against us when they focus on career development and relegate the rest of life to unanticipated consequences.

Several actions characterize genuine leaders. If you aspire to a higher plane of success, embrace these actions and make them your own:

First, resolve to lead an integrated life, one that balances your career and personal roles harmoniously. Professional and private activities complement and enhance each other.

Second, use your ambition, talent, and capacity to learn to serve rather than enslave you.

Third, use those qualities to fulfill your own visions of excellence through the application of passion, energy, and focus.

Fourth, use your qualities to help your own employees fulfill their own visions.

This fourth action is perhaps the most challenging of all, because it isn't always easy to set free the visions of your people. In many cases they have placed artificial limits on themselves or have difficulty seeing themselves in roles different from the one they have filled for several years. The idea of moving into unknown territory may frighten some subordinates, so they may resist your efforts to get them to explore new territory.

Real leaders persist in such cases, however, because they're unwilling to settle for anything less than the best in themselves, their organizations, or their people. In this way, leaders' passion, energy, and focus are contagious; they cause subordinates to conceive and display passion, energy, and focus of their own. In the best-led organizations people are not dutiful. They're inspired.

A Bright Future for Complexity

H.L. Mencken once said, "For every complex problem, there's a simple answer, and it's wrong." But with the complexity of the problems facing us today, the tendency to grasp for simple answers — answers that are easy to understand and accept, even though they turn out to be wrong — is very great.

If you would be a genuine leader in today's crazy-quilt environment, you must challenge yourself to think about things in new or different ways. There are many resemblances between poets, children, and leaders. All are simple but never simplistic; all are full of questions and wary of easy answers; all trust their instincts; all are capable of simultaneous truth and originality. If you aspire to leadership, mold yourself into a practical dreamer who digs deep to view the complex roots of our various predicaments, identifies the real questions, and thereby produces some workable answers.

THE VIRTUES OF A LEADER

Few of us in these fast, mean times seem willing to use our best qualities even 50 percent of the time. Those qualities are, however, the basic ingredients of leadership. Our unwillingness to tap them consistently in ourselves explains, to a large extent, why leaders have become a vanishing breed. If you find these qualities within yourself and display them in both your personal and corporate roles, you can distinguish yourself from the crowd that populates today's business scene.

Integrity

Integrity simply means moral and intellectual honesty. Without it, we betray ourselves and others and cheapen every endeavor. Integrity is the single quality whose absence we feel most sharply on every level of our national life, but the nation's integrity will not be restored until each of us asserts our own integrity. The slogan for these seedy times is, "Everybody does it."

Dedication

Dedicated leaders believe in something passionately. This intense and enduring commitment makes marriages, corporations, and governments work. It's the basis for great works of every kind. If you would be dedicated, give yourself wholly and fully to something beyond yourself.

Openness

Openness means you're willing to try new things, listen to new ideas, and tolerate ambiguity and change. This stance will not make you uncritical. Rather, it will inspire you to be both adventurous and creative.

Creativity

Every child under ten is not only creative but original. Most adults are not only uncreative but also copies of other adults.

Despite the fact that they make a lot of money and have a lot of responsibility, executives often lack either the creativity or even the courage to choose suits that are different. Unfortunately, their minds are generally as conventional as their garb.

To restore your sense of creativity, restore your sense of wonder. Break through preconceptions; force yourself to see things as new and fresh as you did when you were a child. This means making the familiar strange and the strange familiar.

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Why Motivating People Doesn't Work... and What Does

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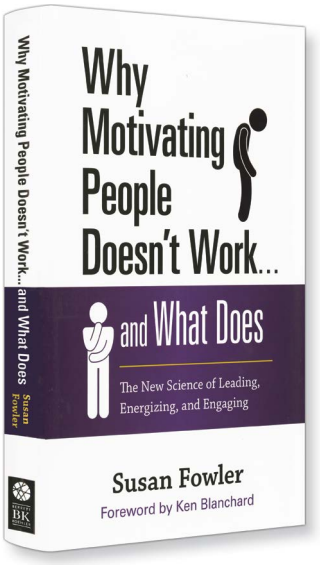

by Susan Fowler

THE SUMMARY IN BRIEF

Top trainer Susan Fowler tells leaders to stop trying to motivate employees. It's frustrating for everyone involved, and it just doesn't work. Leaders can't motivate employees — not if they want a genuine commitment to excellence.

Fowler lays out a tested process for helping employees motivate *themselves* in ways that not only increase productivity and engagement but also give them a profound sense of purpose and fulfillment.

The old carrot and stick techniques may result in some temporary gains, Fowler explains, but once the bribe or the threat is gone, the employee's commitment flags. Her Optimal Motivation process shows leaders how to move people away from dependence on external rewards and help them discover how their jobs can meet the deeper psychological needs — for autonomy, connection and competence — that science tells us result in true, long-lasting motivation.

IN THIS SUMMARY, YOU WILL LEARN:

- The power of the need for autonomy, relatedness and competence.
- How five workplace beliefs undermine optimal motivation.
- The MVPs of self-regulation.
- Instances when you should conduct an Outlook Conversation.

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THE COMPLETE SUMMARY:
WHY MOTIVATING PEOPLE DOESN'T WORK ... AND WHAT DOES

The author: Susan Fowler is a senior consulting partner for the Ken Blanchard Companies, a leadership consultant and coach, and a professor in the Master of Science in Executive Leadership program at the University of San Diego. She is the coauthor with Ken Blanchard of *Self Leadership and the One Minute Manager*, *Leading at a Higher Level* and *Empowerment*.

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Introduction: Stop Beating Your People with Carrots

An important truth emerges when we explore the nature of motivation. *People are always motivated*. The question is not *if* but *why* they are motivated.

The motivation — or energy and impetus — a person brings to any action can be *qualitatively* different. Some reasons people are motivated tend to promote well-being for themselves and others — and unfortunately, some reasons don't.

- Motivation that comes from *choosing* to do something is different from motivation that comes from *having* to do it.
- Motivation generated from values, purpose, love, joy or compassion is different from motivation generated from ego, power, status or a desire for external rewards.
- Motivation to compete because of a desire to excel (where the score serves as feedback on how successfully you are growing, learning and executing) is different from competing for the sake of besting someone else, to impress or to gain favors.

One of the primary reasons motivating people doesn't work is our naive assumption that motivation is something a person has or doesn't have. Traditional motivation prompts the questions: Is this person motivated? How much motivation does this person have? These questions reduce your answers to simplistic black-and-white, yes-or-no responses that fail to provide much-needed insight into the nature of motivation. But asking *why* a person is motivated leads to a spectrum of motivational possibilities. Appreciating these possibilities and the implications behind each of them enables you to take advantage of the new science of motivation and guide your people to a more optimal and higher-quality motivational experience.

The Motivation Dilemma

The motivation dilemma is that leaders are being held accountable to do something they cannot do — motivate others. Understanding what works when it comes to motivation begins with a phenomenon every employee (and leader) experiences — the appraisal process.

To experience the appraisal process, think about a recent meeting you attended. Reflect on your different thoughts and emotions as you noticed the meeting on your calendar, jumped off a call and rushed to make the meeting on time. Whether mindful of it or not, you had thoughts and feelings about attending the meeting — you had both cognitive and emotional responses to the meeting.

Is the meeting a safe or threatening event? Am I feeling supported or threatened? Is it a good use of or a waste of my time? Am I excited or fearful? Am I attending because I want to or because I feel I have to?

Ultimately, how you *feel* about the meeting has the greatest influence on whether your sense of well-being is negative or positive. Your well-being determines your intentions, which ultimately lead to your behavior.

Every day, your employees' appraisal of their workplace leaves them with or without a positive sense of well-being. Their well-being determines their intentions, and intentions are the greatest predictors of behavior. A positive appraisal that results in a positive sense of well-being leads to positive intentions and behaviors that generate employee engagement.

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Ashleigh Imus**, Senior Editor; **Amanda Langen**, Graphic Designer; **S. Dayton**, Contributing Editor

Motivating people may not work, but you can help facilitate people's appraisal process so they are more likely to experience day-to-day optimal motivation.

Optimal motivation means having the positive energy, vitality and sense of well-being required to sustain the pursuit and achievement of meaningful goals while thriving and flourishing. Motivation is a skill. People can learn to choose and create optimal motivational experiences anytime and anywhere.

A Spectrum of Motivation

Asking if you or your staff were motivated to attend a meeting is the wrong question. Asking *why* people were motivated to attend the meeting leads to a spectrum of motivation possibilities represented as six motivational outlooks in the Spectrum of Motivation model.

Suboptimal

- **Disinterested motivation outlook:** You simply could not find any value in the meeting; it felt like a waste of time.
- **External motivational outlook:** The meeting provided an opportunity for you to exert your position or power; it enabled you to take advantage of a promise for more money or an enhanced status or image in the eyes of others.
- **Imposed motivational outlook:** You felt pressured because everyone else was attending and expected the same from you; you were avoiding feelings of guilt, shame or fear from not participating.

Optimal

- **Aligned motivational outlook:** You were able to link the meeting to a significant value, such as learning — what you might learn or what others might learn from you.
- **Integrated motivational outlook:** You were able to link the meeting to a life or work purpose, such as giving voice to an important issue in the meeting.
- **Inherent motivational outlook:** You simply enjoy meetings and thought it would be fun.

The suboptimal outlooks are considered motivational junk food, reflecting low-quality motivation. The optimal outlooks are considered motivational health food, reflecting high-quality motivation.

What Motivates People: The Real Story

Our desire to thrive may be innate, but thriving doesn't happen automatically — especially at work. Human thriving in the workplace is a dynamic potential that requires nurturing. The workplace either facilitates, fosters and enables our flourishing, or it disrupts, thwarts and impedes it. In fact, conventional motivational practices have undermined more often than they've encouraged our human potential.

The essence of motivating people lies at the heart of the science of motivation and the revelation of three psychological needs — autonomy, relatedness and competence. Regardless of gender, race, culture or generation, the real story behind our motivation is as simple and as complex as whether or not our psychological needs are satisfied. I use the terms autonomy, relatedness and competence when exploring the individual attributes of these needs and ARC when pointing out their collective power — which is substantial.

The First Psychological Need: Autonomy

Autonomy is our human need to perceive we have choices. It is our need to feel that what we are doing is of our own volition. It is our perception that we are the source of our actions.

The Second Psychological Need: Relatedness

Relatedness is our need to care about and be cared about by others. It is our need to feel connected to others without concerns about ulterior motives. It is our need to feel that we are contributing to something greater than ourselves.

The Third Psychological Need: Competence

Competence is our need to feel effective at meeting everyday challenges and opportunities. It is demonstrating skill over time. It is feeling a sense of growth and flourishing.

When a person experiences high-quality psychological needs, she will have an optimal motivational outlook. In other words, if her needs for autonomy, relatedness and competence are satisfied, the result is an aligned, integrated or inherent motivational outlook.

When a person experiences low-quality psychological needs, he will have a suboptimal motivational outlook. In other words, if his autonomy, relatedness and competence are not satisfied, the result is a disinterested, external or imposed motivational outlook.

The ARC Domino Effect

Imagine you have a manager with control needs. She micromanages people and projects — whether they need it or not. Her micromanagement is undermining your sense of autonomy — she is controlling your work and not allowing you to think for yourself. You are afraid to

go over her head to complain because you've seen what happens to complainers.

This is how the ARC Domino Effect begins. Your lack of autonomy raises questions in your mind about your competence. Your inability to manage your manager's over-involvement or the organizational politics involved further erodes your competence. Your manager's ineffective leadership, lack of sensitivity to your needs and apparent self-interest prevent any sense of relatedness. Intangible external forces (her micromanaging style and your fear) dictate your internal sense of well-being.

People revel in the positive energy, vitality and sense of well-being that occur when all three psychological needs are satisfied. But — and this is a big but — one depends on the other. The ARC Domino Effect is in full force when even one psychological need is missing. If A or R or C falls, the others are diminished as well.

The real story of motivation is that people have psychological needs for autonomy, relatedness and competence. It is a mistake to think that people are not motivated. They are simply longing for needs they cannot name.

People are learners who long to grow, enjoy their work, be productive, make positive contributions and build lasting relationships. This is not because of motivational forces outside themselves but because it is their human nature.

The Danger of Drive

One of the most popular motivational theories of the past 100 years is called Drive Theory. It made sense based on the idea that we are motivated to get what we don't have. The pervasive use of Drive Theory paved the way to an acceptance of driving for results, driving for success and driving performance. Now we are beginning to grasp the real costs of driving.

Your psychological needs are not drives. In fact, they are just the opposite. Drives dissipate when they are satiated (such as thirst as we drink water or hunger as we eat food). However, when psychological needs are satisfied, you experience such positive energy, vitality and a sense of well-being that you want more! You have probably experienced this with your own positive addictions, such as running, meditating, volunteering, playing with children or being in the flow during an activity. People who experience ARC are thriving. They do not need something or someone else doing the driving.

Dysfunction exists because our psychological needs for ARC are not being satisfied. Armed with understanding, we can do something about it.

The MVPs of Self-Regulation

Self-regulation is mindfully managing feelings, thoughts, values and purpose for immediate and sustained positive effort. You must understand the role self-regulation plays in helping you satisfy your own psychological needs. You must also appreciate your role in creating a workplace that fosters the high-quality self-regulation needed for your people to satisfy *their* psychological needs.

Self-regulation is the mechanism for countering the emotional triggers and distractions that tend to undermine our psychological needs. People need high-quality self-regulation to help manage their workplace experiences if they ever hope to have an optimal motivational outlook. Three potent techniques promote high-quality self-regulation — mindfulness, values and purpose. These are the MVPs of self-regulation.

Mindfulness: The first MVP. Mindfulness is noticing — being aware and attuned to what is happening in the present moment without judgment or an automatic reaction. It is a state of being but is also a skill that requires development through practice and patience.

When we are not mindful, we tend to react with typical behavior patterns — many of which we are born with or have acquired unconsciously through life experience — or uncontrolled emotions when we feel

- We are pressured or lack control over a person or situation (an absence of autonomy);
- A person or organization has disappointed us or let us down (an absence of relatedness);
- We don't have the ability to cope effectively with the person or situation (an absence of competence).

Mindfulness, however, provides a view of reality without the filters, self-centered thoughts and historical conditioning that tint your outlook.

A space exists between what is happening to you and the way you react to it. Mindfulness is that space. This is where you can choose how to respond.

Values: The second MVP. Values are premeditated, cognitive standards of what a person considers good or bad, worse, better or best. Values are enduring beliefs a person has chosen to accept as guidelines for how he works — and lives his life.

Values are at the heart of high-quality self-regulation. Individuals need to identify, develop, clarify, declare and operationalize their own work-related values and purpose — and then determine how they align with the organization's values.

An intriguing aspect of values is that developing them tends to be a mindful process that reflects not only what we

need to flourish but what others need as well. Acting upon developed values helps us satisfy our psychological needs.

To guide your people's shift to an optimal motivational outlook, help them self-regulate by linking assigned tasks, goals or projects to their developed values. For you to do that, your people need to have developed values — and to have you as a good role model.

Purpose: The third MVP. Purpose is a deep and meaningful reason for doing something. Purpose is acting with noble intention — when your actions are infused with social significance.

People are more likely to meet or exceed expectations when they pursue goals within a context of a meaningful purpose. Most organizations have a vision, mission or purpose statement, but few employees have one for their work-related role.

Collaborate with your employees to find alignment between their perception of the role-related values and purpose and your perception. Come to conclusions together that meet both their needs and those of the organization. Acting with a noble purpose reflects the highest-quality self-regulation.

People can counteract everyday drives that undermine their psychological needs for ARC by using high-quality self-regulation through the MVPs.

Motivation Is a Skill

Teaching leaders about motivation is difficult because they believe their job is to motivate others — not themselves.

The three skills for activating optimal motivation are

1. Identify your current motivational outlook;
2. Shift to (or maintain) an optimal motivational outlook;
3. Reflect.

Leader, Heal Thyself

Elaine Brink is a senior vice president of zone sales for Express Employment Professionals. When she attended the Optimal Motivation training, her intention was to learn how to motivate her staff and franchise owners.

"We were asked to learn how to activate optimal motivation for ourselves before applying it with others," explained Elaine. "At first, it was difficult for me because I thought, 'I don't need this; I'm good.'"

As part of the training, Elaine decided to work on an assignment planning and producing an important event outside the United States.

Skill 1: Identify your current motivational outlook. As she worked through the first skill, Elaine realized her sense of well-being was undermined just thinking about the event. She described herself as a no-nonsense, high-energy, get-it-done type of person: "I was getting the job done and gritting my teeth through the entire experience."

It became obvious to Elaine that she was working from an imposed motivational outlook — resentful that she was stuck with a highly unreasonable timeline with no input on the dates. That's when a flood of emotion hit her. She suddenly got in touch with how her negative attitude was infecting her entire team — not only the people she needed to do the job well but also the people she cared about. "Everything I touched was tainted by my suboptimal motivational outlook."

Skill 2: Shift to (or maintain) an optimal motivational outlook. When Elaine got to skill 2 she was able to shift from an imposed to an aligned motivational outlook by aligning her goal to her developed values. "I had not taken the time to consider how important the event was to our business, how appreciative I was to be trusted enough to be put in charge, or how grateful I was to have the skills and experience to pull it off. For the first time, I saw this as an opportunity to develop members of my staff. I was in a position to help them gain skills and experience that would serve them and the organization moving forward. It also dawned on me that I was the one who accepted the offer to take on the event — I could have said no, but I didn't."

Skill 3: Reflect. Elaine said, "I felt an immediate shift in my energy level. I knew I could sustain this positive sense of well-being, even during challenging times, because of the depth of my emotional connection to my values."

Elaine has continued to reflect on her shifting experience: "I now have a template for understanding my well-being, intentions and leadership behaviors — and either shifting to or maintaining an optimal motivational outlook. I have also become much more consciously aware that I might be imposing goals and deadlines on other people. I wondered why leaders do this. My great "aha" is that sometimes as leaders we delegate goals and deadlines to others based on our own enthusiasm, values and purpose without taking the time to understand how what we are delegating lands for the people who must carry our ideas through to completion."

People who work with an optimal motivational outlook generate significant business outcomes when compared to employees working with suboptimal motivational outlooks. They do the following:

- Deliver higher productivity.
- Demonstrate higher creativity.
- Generate increased sales.
- Are more engaged and satisfied by their jobs.
- Are more likely to be considered for or receive a promotion.

Making Shift Happen

A motivational outlook conversation is an informal or formal opportunity to facilitate a person's shift to an optimal motivational outlook. For brevity's sake, I'll refer to these as "outlook conversations."

When to Conduct an Outlook Conversation

Ultimately, a shift depends on how an individual internalizes the situation and the options. Motivating people doesn't work because you cannot control someone else's internalization process. If you try, the likely result is an imposed motivational outlook. Outlook conversations don't guarantee a shift to an optimal motivational outlook, but at the very least, they provide an opportunity for growth and understanding.

An outlook conversation may be appropriate when a situation is negatively affecting the individual — or the person's outlook is negatively affecting the team or the organization. For example, outlook conversations are probably worth the effort when a person

- Misses deadlines, resulting in negative consequences for others;
- Is performing below standard expectations on important goals or projects;
- Doesn't take initiative in circumstances where it is needed;
- Displays emotion that is out of character or seems disproportionate to the situation.

You may need to have an outlook conversation with an individual for your own reasons. For example, an outlook conversation may be appropriate when you

- Think an individual needs help or you want to offer your support;
- See untapped potential and want to promote the individual's growth;
- Are frustrated because nothing you say or do to make the situation better seems to matter;
- Experience an energy drain just thinking about it.

To conduct a satisfying outlook conversation — for both you and, most importantly, the beneficiary of the conversation — avoid the three common mistakes:

- Do *not* problem solve.
- Do *not* impose your values.
- Do *not* expect a shift.

Outlook Conversations — What *Does* Work

You are less likely to jump into problem solving, impose your values or lead with expectations when you do three things:

Prepare. Before entering any outlook conversation, check your own motivational outlook. You need to be conscious and conscientious about the values you demonstrate as a leader. Research shows that the commitment people have to their leader and the organization is profoundly shaped by their perceptions of what the leader values.

To prepare, examine your own sense of well-being regarding the upcoming conversation. Identify your current motivational outlook, and choose a more appropriate or desired motivational outlook if necessary. Then shift your motivational outlook by linking your developed values to the upcoming outlook conversation — or consider how you will sustain the optimal outlook you have. Your shift to an optimal motivational outlook in preparation for conducting an outlook conversation enables you to give those you lead a generous gift — your mindful, non-judgmental attention.

Trust the Process. Follow the three skills for activating optimal motivation as guidelines.

Facilitate Skill 1: Identify the person's current motivational outlook. Get permission to explore the individual's feelings regarding her task, goal or situation.

Does she have a negative or positive sense of well-being? Listen to clues in her language; watch her non-verbal body language. (Does she use phrases such as "I have to" or "I get to"? Does she appear defeated, defiant and defensive or inspired and joyful?)

Is the individual experiencing a low or high quality of psychological needs? (Does this person feel in control and recognize she has choices, feel supported and have a sense of purpose regarding the situation, and feel she has the ability to navigate the challenges posed by the situation?)

Is the individual demonstrating low- or high-quality self-regulation? (Is this person practicing mindfulness, making a values-based decision, or connecting the situation to a higher purpose?)

Is the individual's motivational outlook suboptimal (disinterested, external or imposed) or optimal (aligned, integrated or inherent)?

Facilitate Skill 2: Shift to (or maintain) an optimal motivational outlook. Help the individual understand the implications and opportunities for each of the six motivational outlooks. Ask for examples of the upsides and downsides for continuing in his current motivational outlook. Ask him to identify potential upsides and downsides for shifting to a more optimal motivational outlook.

That shift is most likely to happen through high-quality self-regulation. As a leader, you can facilitate this process through the MVPs:

- Promote the individual's practice of mindfulness.
- Help the individual align the situation with his workplace values.
- Help the individual connect the situation to a noble purpose.

Facilitate Skill 3: Reflect. Guide the individual through a reflection on the outlook conversation experience. What was helpful, awkward, challenging and enlightening? If the individual experienced a shift to an optimal motivational outlook, inquire how she feels. What is different and why? If no shift occurred and the individual remains in a suboptimal motivation outlook, inquire how she feels. Listen without judgment. Practice mindfulness.

Reflect and Close. When do you close an outlook conversation? If you are practicing mindfulness, you will notice when the individual is running low on the emotional energy required to continue examining, exploring or shifting. When you are not attached to your outcomes or expectations, you will be more aware of what the individual is experiencing in the moment. When you close, seek commitment from the individual to maintain his chosen motivational outlook or continue his examination, identification and choice of a motivational outlook. Discuss how the individual might practice high-quality self-regulation and satisfy his psychological needs. Schedule maintenance conversations.

Recognize that when the individual chooses to engage in future outlook conversations with you, he experiences autonomy; your demonstration of support elevates his experience of relatedness; and using the three skills to facilitate an outlook conversation builds the individual's own skill for shifting his motivational outlook any time he chooses, building his sense of competence.

When you help people *identify* their current motivational outlook, help them *shift* to an optimal motivational outlook, and ask open-ended questions to help them *reflect*, you are practicing sophisticated leadership that makes a meaningful difference.

Rethinking Five Beliefs That Erode Workplace Motivation

Too many leaders do not understand how their underlying motivational beliefs shape the problems they face. Unexplored beliefs become the foundation for programmed values. Then these programmed values become the basis for rules, processes, procedures, actions and your leadership behaviors. Your mission, should you choose to accept it, is to explore these workplace beliefs and examine how they tend to undermine your people's optimal motivation and then consider alternative beliefs and best practices.

Rethink the First Eroding Belief: It's Not Personal; It's Just Business

Whatever your beliefs, one thing is true: what you say and do *feels* personal to the people you lead! Therein lies the issue: *feelings*. Do you believe that expressing feeling does not belong in the workplace? If so, challenge yourself by asking, "How did this belief become so commonly held?"

Consider changing the belief that *it's not personal, it's just business* to a belief more likely to activate optimal motivation and others: *If it is business, it is personal.*

Try embracing the idea that all emotions are acceptable, but not all behavior is acceptable. Notice, acknowledge and deal with a person's emotions. Practice self-regulation by listening to your heart and acknowledging the crucial role that feelings play in your work and life.

Rethink the Second Eroding Belief: The Purpose of Business Is to Make Money

Definitive evidence shows that organizational vitality measured by return on investment, earnings by share, access to venture capital, stock price, debt load and other financial indicators is dependent on two factors: employee work passion and customer devotion. It does not work the other way around — organizational vitality is *not* what determines customer devotion or employee work passion.

When you focus on satisfying your employees' psychological needs so they can serve customers' needs, your organization prospers. An old sports analogy works equally well in business: focusing on profit is like playing the game with your eye on the scoreboard instead of the ball.

Challenge the belief that *the purpose of business is to make money,* and consider an optimal motivation belief: *The purpose of business is to serve — both your people and your customers. Profit is a by-product of doing both of these well.*

Rethink the Third Eroding Belief: Leaders Are in a Position of Power

A leader's power affects people's motivational outlooks. Even when you don't have intentions to use your power, just having it creates a dynamic that requires your awareness and sensitivity.

Here are some commonly used types of power:

Reward power is your power to promise monetary or non-monetary compensation.

Coercive power is your power to use threats and punishment if people fail to conform to desired outcomes.

Referent power is based on how your employees identify with you.

Legitimate power is bestowed through a position or title that gives a leader the justifiable right to request compliance from another individual.

Expert power is power that comes through your depth and breadth of knowledge.

The bottom line is that power undermines people's psychological needs. It's not just your use of the power; it's people's perception that you have it and could use it. Your power demands that people need to exert more energy self-regulating to internalize a workplace where they experience autonomy, relatedness and competence.

You can use all your power attempting to motivate people, but it won't work if you want them to experience an optimal motivational outlook. Shifting to an optimal motivational outlook is something people can do only for themselves. But the workplace you create has an enormous influence on how likely — or challenging — it is for people to self-regulate, satisfy their psychological needs for ARC and experience optimal motivation.

We need to change the belief that *leaders are in a position of power*. Consider the difference with this optimal motivation belief: *Leaders are in a position of creating a workplace where people are more likely to satisfy their psychological needs for ARC.*

Rethink the Fourth Eroding Belief: The Only Thing That Really Matters Is Results

A focus on results may yield short-term gains. However, those gains are at risk and compromised when people feel pressure instead of autonomy, disconnection instead of relatedness, and a sense of being used without a sense of the competence they have gained.

The evidence is clear: people can achieve the results you want, even if their psychological needs are thwarted in the process. But their negative energy and lack of well-being make it rare for them to sustain or repeat those results — let alone exceed them.

Reframe the belief that *the only thing that matters is results*. Consider this optimal motivation belief instead: *In the end, what really matters is not just the results people achieve but why and how people achieve them.*

Rethink the Fifth Eroding Belief: If You Cannot Measure It, It Doesn't Matter

Setting measurable goals and outcomes is important. Having a defined finish line in front of you can be positively compelling. However we need to move beyond goal setting and embrace aspects of work that are not easily measured. As in life, the most rewarding aspects of work are those most difficult to measure.

Reframe the belief that *if you cannot measure it, it is not important*. Put this optimal motivation belief into practice instead: *If you cannot measure it, it is probably really, really important.*

The Promise of Optimal Motivation

A great irony of leadership is that motivating your people doesn't work because people are already motivated. People are always motivated. What does work is helping people understand *why* they are motivated. Your opportunity lies in facilitating people's shift to an optimal motivational outlook so they flourish as they succeed. When you activate optimal motivation for yourself, you provide more than a role model — you create a ripple effect that encourages your people's optimal motivation.

Imagine people choosing to come to work because they experience a sense of positive well-being, the feeling that they are contributing to something greater than themselves, and the thrill of continued growth and learning.

People can flourish as they succeed. This is the promise of optimal motivation.

RECOMMENDED READING LIST

If you liked *Why Motivating People Doesn't Work ... and What Does*, you'll also like:

1. ***Full Engagement!* by Brian Tracy.** Business success expert Brian Tracy shows managers how they can supercharge their employees' efforts.

2. ***The 7 Hidden Reasons Employees Leave* by Leigh Branham.** Branham discusses employee disengagement and what organizations need to recognize and actively pursue in order to retain their best and brightest.

3. ***Coaching for Breakthrough Success* by Jack Canfield, Peter Chee.** The authors offer a practical guide of 30 principles that every coach needs to succeed.

· Book 385 of 388 ·

Winners Never Cheat

Jon M. Huntsman

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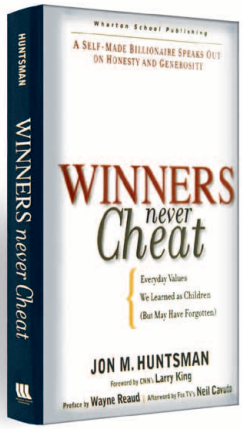

By Jon M. Huntsman

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A Self-Made Billionaire Speaks Out On Honesty and Generosity

WINNERS NEVER CHEAT

THE SUMMARY IN BRIEF

Jon M. Huntsman started with practically nothing, and built a world-class business that carried him to Forbes' list of America's wealthiest people. In this summary, Huntsman, chairman and founder of Huntsman Corp., the world's largest privately held chemical company, presents the principled lessons he has learned and followed throughout his lifetime. He also explains how business can return to the days when your word was your bond, a handshake was sacred, and swarms of lawyers weren't needed to back it up.

Huntsman built his career and fortune on ethical principles — from his refusal of the Nixon administration's corrupt demands, to his lifelong commitment to charity, to the way he approaches his biggest deals. In this summary, Huntsman describes how readers can learn to listen to their moral compass, build teams with the highest values, share success, take responsibility and earn the rewards that only come with giving back.

This summary also explains that you don't live these principles just to "succeed": You live them because they're right. In an age of many business scandals, Huntsman's life proves honesty is more than right: It's your biggest competitive differentiator.

What You'll Learn In This Summary

✓ How to win the right way, and win for life.

✓ How to compete fiercely and fairly, and win without cheating.

✓ How you can lead using risk, responsibility and reliability.

✓ How to put the lawyers in their place: Your word and your handshake are more powerful than any contract.

✓ How graciousness is next to godliness, and how to respect customers, partners, employees and even competitors.

✓ How to treat the workplace as an extension of the family.

✓ How to give back, return favors and share your good fortune.

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Lessons From the Sandbox

Young children growing up, whether rich or poor, are taught to play by the rules. Be tough, be competitive, give the game all you have — but do it fairly: These are simple values that form the basis for how families, neighborhoods and communities behave. It is a value system that is learned in homes, sandboxes, playgrounds, classrooms, Sunday schools and athletic fields.

Those lessons do not lose their value simply because we're involved in the business world, yet they are missing in segments of today's marketplace. Many CEOs enjoy princely lifestyles even as stakeholders lose their jobs, pensions, benefits, investments and trust in the American way.

Dishonesty in Business

Cooked ledgers, look-the-other-way auditors, kickbacks and flimflams of every sort have burrowed their way into today's corporate climate. Many outside corporate directors bask in perks and fees, concerned only with keeping Wall Street happy and their fees intact. In the past 20 years, investor greed has become obsessive and a force with which CEOs must deal.

In the 2004 U.S. presidential election, morality issues influenced more votes than any other factor, but a Zogby International poll revealed that the single biggest moral issue in voters' minds was not abortion or same-sex marriage. Greed/materialism far and away was cited as the most urgent moral problem facing America today. (A close second was poverty/economic justice.) The question is, why have lying, cheating, misrepresentation and weaseling on deals ingrained themselves so deeply in society? What's needed is a booster shot of commonly held moral principles from our childhood.

Although these childhood prescriptions may appear to have been forgotten in the fog of competition, it is more a matter of values being expediently ignored. Whatever the case, it is time to get into ethical shape with a full-scale behavioral workout. Financial ends never justify unethical means. Success comes to those who possess skill, courage, integrity, decency and generosity. Men and women who maintain their universally shared values tend to achieve their goals, know happiness in home and work, and find greater purpose in their lives than simply accumulating wealth. Nice guys really can and do finish first in life.

Commonly Held Principles From The Playgrounds of Our Youth

- ✓ Be fair.
- ✓ Don't cheat.
- ✓ Play nicely.
- ✓ Share and share alike.
- ✓ Tell the truth.

Deceivers Seem to Win in Life

Michael Josephson, who heads the Josephson Institute of Ethics in Marina del Rey, Calif., says one only has to view popular shows such as *The Apprentice* and *Survivor* to get the notion that life's winners are those who deceive others without getting caught. Yet we all know that when we bend or break the rules, what we are doing is not right. Traditional behavioral values will lead us not into temptation but to long-term success. Forget about who finishes first and who finishes last. Decent, honorable people finish races — and their lives — in grand style and with respect.

The principles we learned as children were simple and fair. They remain simple and fair. With moral compasses programmed in the sandboxes of long ago, we can navigate career courses with values that guarantee successful lives, a path that is good for one's mental and moral well-being, not to mention long-term material success. ■

For additional information on looking at life as a game to be played fairly and with honor, go to: http://my.summary.com

The author: Jon M. Huntsman is chairman and founder of Huntsman Corp., the world's largest privately held chemical company. He is a graduate of the Wharton School at the University of Pennsylvania, and founder of the Huntsman Cancer Institute.

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Check Your Moral Compass

No one is raised in a moral vacuum. Every mentally balanced human being basically recognizes right from wrong. Whether a person is brought up a Christian, Jew, Buddhist, Muslim, Hindu, Unitarian, New Age, a free thinker or an atheist, he or she is taught from toddler on that he or she shouldn't lie, and there are consequences for doing so. There is no such thing as a moral agnostic. An ***amoral person*** is a moral person who temporarily and creatively disconnects his or her actions from his or her values. Each of us possesses a compass or conscience, programmed by parents, teachers, coaches, clergy, grandparents, uncles, aunts, scoutmasters, friends and peers.

Some people point out that today's society tolerates too much questionable activity, making it difficult for young people to get a consistent fix on right and wrong. While society is more permissive today, does anyone today truly condone stealing? Does any student not consider cheating intrinsically wrong, no matter how many of his or her friends do it? Does society accept cooking corporate books, embezzlement, fraud or outlandish perks for corporate executives? The answers, of course, are no. Basic misbehavior is considered as wrong today as it was 100 years ago.

Ethics Versus Laws

We are not always required by law to do what is right and proper. Decency and generosity, for instance, carry no legal mandate. Pure ethics are optional. Laws define courses to which we *must* legally adhere or avoid. Ethics are standards of conduct that we *ought* to follow.

The ingredients for long-term success — courage, vision, follow-through, risk, opportunity, sweat, sacrifice, skill, discipline, honesty — never vary. In the winner-take-all atmosphere of today's marketplace, shortcuts to success are alluring, and lying can often be lucrative. But scammers and cheaters have never lasted for long, and their fall is fast, painful and lasting. ■

The Great, Great Guys Club

A group of young children formed a special club called The Great, Great Guys Club. Members have to be at least 6 years old to attend meetings. It's not permissible to fall asleep, wet your pants or crawl under the table, among other prohibitions. Here are a few standards that the kids established by themselves:

- ✓ Do what you're supposed to when you are told to do it.
- ✓ Kindness and honesty determine heart and character.
- ✓ Never tell lies.
- ✓ Cover your mouth when you cough and sneeze.

Kids know what proper behavior is even if they don't always show it. Their moral compasses, although still developing, are in working order. Ever notice how little guile youngsters exhibit? How honest they are with observations? How well they play with others? How smoothly they compete when adults aren't present? Sure, there are still squabbles, but kids work them out without a 300-page rule book or a court of law.

Play by the Rules

Which rules we honor and which ones we ignore determine personal character, and it is character that determines how closely we will allow our value system to affect our lives. Character is most determined by integrity and courage. *Your reputation is how others perceive you. Character is how you act when no one is watching.* These traits, or lack thereof, are the foundation of life's moral decisions. Once dishonesty is introduced, distrust becomes the hallmark of future dealings or associations. The 18th century Scottish philosopher Francis Hutcheson had this in mind when he wrote, "Without staunch adherence to truth-telling, all confidence in communication would be lost."

Bribes and Payoffs

Bribes have a huge cost. Bribes and scams may produce temporary advantages, but they carry an enormous price tag. They cheapen the way business is done, enrich only a few corrupt individuals, and make a mockery of the rules of play.

In 1980, Huntsman Chemical opened a plant in Thailand. Mitsubishi was a partner in this joint venture, called HMT. With about $30 million invested, HMT announced the construction of a second site. One day, Huntsman received a call from a Mitsubishi executive in Tokyo responsible for Thailand operations. He stated that HMT had to pay various government officials kickbacks annually to do business, and that Huntsman Chemical's share was $250,000 for that year. Huntsman said it had no intention of paying even five cents toward what was nothing more than extortion.

The next day, Huntsman informed Mitsubishi it was selling its interest. After failing to talk Huntsman out of it, Mitsubishi paid the chemical company a discounted price for its interest in HMT. Huntsman Chemical lost about $3 million in the short term, but it was a blessing in disguise. When the Asian economic crisis came several years later, the entire industry went down the drain.

Once a company compromises its values by agreeing to bribes or payoffs, it is difficult to re-establish its reputation or credibility. Carefully choose your partners.

Competition is good. Competition is an integral part of the entrepreneurial spirit and the free market. Cheating and lying are not. If the immoral nature of cheating and lying doesn't particularly bother you, think

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Play by the Rules

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about this: They eventually lead to failure. Moral shortcuts always have a way of catching up with you.

Make it a point to never misrepresent or to take unfair advantage of someone. That way, you can count on second and third deals with companies after successfully completing the first one. Have as a goal both sides feeling they achieved their respective objectives.

Standards are important. Every family, home and school classroom has its standards. Children observe their elders so they know how to act. Employees watch supervisors. Citizens eye civic and political leaders. If these leaders and role models set bad examples, those following frequently follow suit. It's that simple. There are no moral shortcuts in the game of business — or life.

There are three kinds of people in business and life: the unsuccessful, the temporarily unsuccessful, and those who become and remain successful. The difference is character. ■

Setting the Example

"Whatsoever a man soweth, that shall he also reap." That describes leadership responsibility clearly and concisely, the precise spot where the buck stops. The lesson is clear: Careful cultivation pays off. Parents and employers who nurture, praise, and when necessary, discipline fairly, experience happier and more successful lives for themselves and those in their charge.

Nothing new, you say? We need reminders of this point to help overcome unforeseen or uncontrollable obstacles that cloud end results. What's important is that the person in charge takes responsibility for the outcome, be it good, bad or ugly. Surround yourself with the best people available and then accept responsibility. Anything that happens is your responsibility, even if you don't catch mistakes.

Characteristics of Good Leadership

Leadership is found in all walks of society: business, political, parental, athletic, military, religious, media, intellectual, entertainment, academic and so forth. In every instance, leadership cannot exist in a vacuum. Effective, respected leadership is maintained through mutual agreement. Leadership is not meant to be dominion over others. Rather, it is a composite of characteristics that earns respect, results and a continued following.

Leadership demands decisiveness. That is why it is absolutely critical that leaders know the facts. To ensure that, leaders must surround themselves with capable, strong, competent advisers — and then listen. Unfortunately, many companies and organizations are led by executives who fear bold, candid and talented subordinates. Leaders must show affection and concern for those under their responsibility. Those who would render loyalty to a leader want to know that they are appreciated. Whether or not they realize it, executives in leadership roles solely for the four Ps — pay, perks, power and prestige — are on their way out.

The Core Elements of Leadership

- ✓ Integrity
- ✓ Vision
- ✓ Empathy
- ✓ Confidence
- ✓ Energy
- ✓ Courage
- ✓ Commitment
- ✓ Humility
- ✓ Genuineness
- ✓ Engagement

Leadership is also about taking risks. If your life is free of failure, you're not much of a leader. Take no risks, and you risk more than ever. A 2004 survey found that three in five senior executives at Fortune 1000 companies have no desire to become a CEO. That's twice the number compared to the first survey conducted in 2001. Why? The risks. The chances of making mistakes increase dramatically with leadership, no matter its nature or level, but never having failed is never having led.

Turn Failure Into Opportunity

To succeed, we must attempt new things. Mistakes are not the problem. How one identifies and corrects errors — how one turns failure into a new opportunity — determines the quality and durability of leadership. Those who prefer jeering and ridiculing on the sidelines when the players err or stumble just don't get it. Mistakes and miscues are often transformed into meaningful, successful experiences.

President Teddy Roosevelt had this observation in which he places the participant and the belittler in perspective:

> *It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, and comes short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows the great enthusiasms, the great devotions; who spends himself in a worthy cause, who at best knows in the end the triumph of high achievement, and who at worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who know neither victory nor defeat.*

The greater these attributes, the stronger the leader-

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Setting the Example

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ship. True leaders ought not worry greatly about occasional mistakes, but they must vigilantly guard against those things that will make them feel ashamed.

Leadership calls for a high degree of confidence, a requirement that keeps many people from wanting to be in charge of problematic situations. There is a great "can do" spirit in each of us, ready to be set free. Leaders are selected to take the extra steps, to display moral courage, to reach above and make it to the end zone.

Humility

In today's what's-in-it-for-me environment, humility is vital for good leadership. Jeroen van der Veer, chief executive of Royal Dutch/Shell Group, says, "The one common value that most leaders lack today, whether in business, politics or religion, is humility."

Leaders need to be candid with those they purport to lead. Sharing good news is easy. When it comes to the more troublesome negative news, be candid and take responsibility. Don't withhold unpleasant possibilities and don't pass off bad news to subordinates to deliver. Level with employees about problems in a timely fashion.

Leadership is a privilege. Those who receive the mantle must also know that they can expect an accounting of their stewardships.

Most people want to be in sync with a leader who they can both admire and respect, and will often parallel their own lives after that person. A good example of this is Mitt Romney, governor of Massachusetts, who returned integrity to the scandal-ridden 2002 Winter Olympics. That classic show of leadership was infectious all the way through the Olympic organization to the thousands of volunteers. As a result, those Games came off the most successful and problem-free in recent Olympics history.

Courage

Courage may be the single most important factor in identifying leadership. Leaders — whether inside families, corporations, groups or politics — must be prepared to stand against the crowd when their moral values are challenged. They must ignore criticism and taunts if pursuing a right and just route. Leadership is supposed to be daunting. Courage is an absolute requisite. Without it, noted Winston Churchill, other virtues lose their meaning.

Following one's moral compass is not for the faint of heart or cold of feet. Leaders worthy of the name understand and accept that they are chosen every bit as much for their values and courage as for their administrative skills, marketing savvy or visionary outlook. ■

Keep Your Word

Shakespeare didn't literally mean it when he said that the first thing we must do is kill all the lawyers, but you can forgive folks for smiling at the thought, given that the legal profession, collectively and with our complicity, is stripping America of personal accountability and trust. Under the guise of legal protection, many corporate lawyers have made it impossible to seal business deals with just a handshake. One's word being one's bond has been replaced with one's word being subject to legal review.

This is a great weakness in our system because most lawyers have little in the way of business experience. They tend to focus on why something should not or cannot be done. As Jeffery Sonnenfeld, associate dean of executive programs at Yale School of Management, put it in a *BusinessWeek* article, corporate attorneys are considered "the vice presidents of No."

Problems nearly always arise when clients allow lawyers to make business decisions they are not qualified to make. In a recent *Inc.* magazine article, author Norm Brodsky says that smart lawyers understand the boundaries of their expertise and limit themselves to providing legal advice. "Not-so-smart lawyers," he says, "charge ahead and screw things up."

Integrity

There are larger issues of personal integrity, ethics and human decency that, on occasion, ought to override the traditional standards of professional practices. Integrity is central to all else virtuous. We can avoid many unpleasantries, legal and social, by offering trust, accepting responsibility and standing by our word, even though it causes some discomfort.

Abraham Lincoln, himself a lawyer, was on target: "Discourage litigation. Persuade your neighbor to compromise whenever you can. As a peacemaker, the lawyer has the superior opportunity of being a good man. There will still be business enough."

Don't misunderstand. It is important that we listen to lawyers, but only for a second opinion. Your opinion ought to be the first — and the last. The CEO is the one who takes the risk, and who must determine the personally decent, ethical route.

Great Resolve

Keeping one's word often requires great resolve. In 1986, after lengthy negotiations with Emerson Kampen, chairman and CEO of Great Lakes Chemical Co., there was an agreement to buy 40 percent of a division of Huntsman Chemical for $54 million. A handshake sealed the deal. After four months, Great Lakes lawyers called to say they would like to draft some documents. That took three months. In the interim, the price of raw materials had decreased substan-

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Keep Your Word

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tially. Kampen called back, saying the price of Huntsman Chemical had increased greatly during that time, and that he would pay half the increase in value. Huntsman's answer was no. Kampen said it wasn't fair to the Huntsman Co., but Huntsman stuck to its handshake agreement. Kampen never forgot this lesson in fairness.

We need to understand how important it is to keep our word. Trust more in each other and in ourselves. As captains of our own character, it is essential we understand the great legacy of trust and integrity. We will be remembered for truthful disclosures and promises kept. ■

Pick Advisers Wisely

Look for ethical, loyal, talented associates. There are no one-person teams — either by definition or natural law. Success is a cooperative effort; it depends on those who stand beside you.

The first and most important decision in your success is carefully choosing the people who will surround you. Make sure they share your values. Make certain their character defaults to high moral ground in times of stress, ensure they are bright and comprehend results, and be confident of their loyalty.

Although we regularly treat the terms as if they were equals, there is a difference between *popularity* (or admiration) and *respect.* The former has to do with positive, outward attributes; the latter is a positive recognition of one's inner strength and character. If you must choose one, go for respect every time.

Stand for what is right, not what is popular. Ethicist Michael Josephson says ethics is all about how we meet the challenge of doing the right thing when that act will cost more than we want to pay. That takes courage. Courage comes from deep within one's own being. Courage is not the understanding of what is right or wrong. Rather, it is the strength to choose the right course.

When you hire managers, don't ask to see their GPAs or ask about their class standings. Instead of being greatly concerned about their academic majors, search for signs of integrity, commitment and courage. Applicants should get points for holding full- or part-time jobs in high school and college, or underwriting part or all of their educational costs in achieving a degree. ■

The Rules of Teams

If you don't have knowledge of something, find people who do. You need wonderful men and women of talent, skill, energy and promise. They should know that team membership requires the following:

- ✓ Adherence to proper values.
- ✓ Loyalty to the company.
- ✓ Loyalty to the CEO.
- ✓ Competence.

Get Mad, Not Even

In the years following the 2000 presidential election, Al Gore always looked mad and upset. He continued to smart over the fact that he received more popular votes than rival George Bush, but the Electoral College vote went to Bush after the Supreme Court ruled Bush had won Florida.

Many of us have been injured emotionally at one time or another by family, friends, business colleagues or news media, and the urge to strike back becomes our first reaction. We want to do what Ensign Pulver did in the movie *Mister Roberts*. He tossed a large, homemade firecracker into the ship's laundry room as payback for the ship's captain making Lt. Roberts' life miserable.

Put Things Behind You

There's a better way. **Put things behind you and move on.** Accept what has transpired and move ahead in a positive and dignified way.

Don't hold back emotions. Let your feelings come out. Getting mad for a brief time is far better than a long and costly plan to get even. Make your reaction fast, furious and finite. Then say to yourself: "There, I feel better. It's over."

Revenge is counterproductive. If a business competitor has caused you emotional injury, channel your energies into earning a bigger market share and making your company more profitable. Doing better is the healthful response to most anything. In any walk of life, a positive, upbeat outlook trumps any adversarial act. It pays to be positive and upbeat around your opposition. Those who plant mean, vengeful and unjust seeds will reap what they sow. We tend to become what we degrade.

We assume that successful or revered people do not carry around demons like the rest of us. They do. When it comes to grudges, we all have held onto some too long. What separates winners from losers is how fast we banish those demons. Pay attention to that voice inside you saying: "Life is short. Move on." ■

Graciousness Is Next to Godliness

Few human traits are as critical to one's relationship with others as graciousness. It embodies love, kindness, sensitivity and charity — the qualities of people who have great inner faith. One's capacity to be kind, decent and thoughtful is the manifestation of godliness, a demeanor that has earned respect for men and women

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Graciousness Is Next to Godliness

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of all faiths and backgrounds.

We are taught in our youth to be kind to others as a matter of habit. The lesson doesn't always stick around in adulthood. Decency is lacking in today's highly competitive business world, political arenas and sporting events. All truly successful people demonstrate a sense of decency. There are those who appear successful on the surface, but who really are selfish, unhappy individuals lacking the motivation and capacity to love.

Many would say there is no place for graciousness and the Golden Rule in business, politics, athletics or other highly competitive settings, and that only results count. Hogwash! How you treat others will be your epitaph. Think about what might be said at your eulogy. Businesses, too, have reputations. Many companies are known for their values, customer and employee relations, innovative spirit and philanthropic endeavors. The recent downfalls of Enron, Tyco, WorldCom and others remind us that deception, greed and indecencies are also present in the misty corporate world.

True Fulfillment

The Dalai Lama once observed: "Accumulation of wealth for the sake of wealth alone is self-defeating. Only in seeing one's work as a calling, a means to serve a higher purpose, can we find true fulfillment."

On another occasion, he said, "Relate to others with warmth, human affection, honesty and compassion."

Most companies and individuals seek success and respect. To reach these goals requires a sense of compassion for others and a desire to make others happy. Happiness often comes to us when we try to make others happy. Graciousness is catching.

No one lives or dies unto him- or herself. In his day, Andrew Carnegie made 38 other men millionaires. Each of us has a stake in the accomplishments and failures of those around us; each of us holds an interest in the deeds of others. When one person beautifies the neighborhood, the entire community is enhanced. When a CEO trips, stakeholders stumble. Like the tide that raises all ships, no one can lift others without first being made better him- or herself.

Research suggests a link between the lack of civility and violence. Leaders must instill in others a sense of entitlement, appreciation and loyalty. Watching dreams unfold is one of the great joys of leadership. ■

Your Name Is on the Door

Business is much the same as families. The wise CEO of a publicly traded company will operate as if his or her last name is on the company marquee.

The Profitable Golden Rule

In his book, *There Is No Such Thing as Business Ethics*, John Maxwell maintains that in today's marketplace, 70 percent of the people who leave their jobs do so because they do not feel valued. That's an indictment of how shabbily many executives and directors treat employees. Everyone wants to be valued, to know that he or she counts. People need to be appreciated, trusted and respected in every segment of their lives. There is a practical side to decent behavior, too. Customers, employers and suppliers are people who understand and appreciate kindness and decency. They normally react in kind, and that can be good for profits. Bottom lines would be better served if we put this philosophy into practice. How would I like to be treated in this situation? That's all you need to ask yourself in most instances.

Where appropriate, the workplace should be an extension of the family, a place where appreciation for decency, respect and basic values are encouraged and examples of proper moral behavior are the rule.

Jay Kenfield Morley's description of life sums up how critical it is for the workplace to be an extension of the home: "The recipe for happiness is to have just enough money to pay the monthly bills you acquire, a little surplus to give you confidence, a little too much work each day, enthusiasm for your work, a substantial share of good health, a couple of real friends, and a wife and children to share life's beauty with you."

Emphasize in employee meetings that families come first. Insist that your workplace attempts to be an extension of a supportive home. Everyone wants to feel noticed, respected and valued. Unfortunately, large corporations tend to be run by the book. They frequently are perceived by employees to be sterile and uncaring. Running a business as if you own it prompts a more personal touch. Employees want to be assured the owner or CEO truly cares about them.

Family Businesses

Effective communications are essential. If you run a family business, assure your children, even after most of them are working in the business, that you are a parent first, and chairman of the board second. Employees must be treated as equals. When a company is financially successful, it ought to share its bounty with employees, the community and customers the same as it does with owners or stockholders. Whether one runs a family business or is CEO of a public company, ways must be identified to recognize and give credit to others — at all levels of the organization. The surest path to success is one where others walk with you. Plants and equipment

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Your Name Is on the Door

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can be replaced easily; hardworking, loyal employees are as valuable as precious gems.

If top executives fail to follow their moral compasses, how can one expect those they lead to adhere to moral values? And if employees in the workplace do not care about ethics or morality, how can they expect their children to be any different? Everyone loses. That's why it is especially critical that employees understand the company's values, and follow them.

All companies — public or private — must create a culture in which employees come first and are treated royally. They always return the favor. ■

For additional information on rules to follow when discussing the "family business," go to: http://my.summary.com

The Obligation to Give Back

Philanthropy ought to be the pre-eminent ingredient in everyone's recipe for material gain. No matter what the field, no star of any success story is a totally self-made man or woman. Along the way, all of us received help from others; most of us were also the beneficiaries of lucky breaks. We owe a portion of our success to others, and the only way to repay that assistance is by sharing good fortune.

All religions of the world reserve a high place on their must-do lists for giving to the less fortunate. The more one gives, the better one feels; and the better one feels about it, the easier it becomes to give. It is a wonderfully, warm, slippery slope. If you require a less altruistic reason to give, try this: ***Philanthropy is plain good business.*** It energizes a company. And publicly owned companies are not exempted from the requisite of returning a portion of their profits to worthwhile causes.

Most People Want to Help Others

In almost every human being, there is an inner desire to help others. Unfortunately, some of us never quite find the time or the reason. But there is no more important human quality than sharing with others. There is no source of true happiness more complete than an act of charity. It is what life is all about.

It is of little consequence where or how or to whom we give. What really matters is our attitude. Donations don't always have to be money. In many ways, time is more precious than dollars. Giving of one's time, lending one's stature, and providing one's expertise can be as meaningful as money. Leaders ought to set aside time for volunteer or public service work.

Giving back applies to everyone, but it surely is not optional, at least for the rich or for corporations. It is the moral obligation of any person of wealth or any business worthy of its name to return to the community some of what it has been given. No less a committed capitalist than Andrew Carnegie lectured the well-heeled in his 1889 work *The Gospel of Wealth* to return their "surplus wealth to the mass of their fellows in the form best calculated to do them lasting good."

Giving is a spiritual obligation. Christianity, Judaism and Islam all make the same point. Yet it is often the wealthiest citizens who find it the most difficult to share, whereas those with little seem to be first in line to give what they have — and usually in greater proportion to their net worth than the rich.

Sharing wealth and kindness, embracing those in need and creating opportunities for others are a societal duty. All that is required to be a philanthropist is a passion for making a difference. Giving enriches one's heart and soul — and it's contagious. ■

The Bottom Line

Society is forever remembering the past as the "good old days." The elders of any society frequently view the young as possessing fewer values than they have, but the fact is we all start out the same. Each generation has unique challenges; no generation has a monopoly on values.

There is, today, a need to reaffirm values that help us determine what is right and what is wrong. This process was passed along and infused into our very beings by the previous generation. We had unwritten rules for the playgrounds, sandboxes, homes and schools of our youth. They spoke to basic fairness, decency and integrity. These principles have not changed simply because we migrated from boxes full of sand to buildings full of desks. ***Acceptable moral values are child's play, not rocket science.***

There's a memorable quote by John Andrew Holmes, a physician who wrote *Wisdom in Small Doses*. It became the entire text of a university commencement address delivered in 2000: the shortest address in modern history. It said: ***"No exercise is better for the human heart than reaching down and lifting another up."*** ■

SOUNDVIEW RECOMMENDED READING LIST

If you liked *Winners Never Cheat,* you'll also like:

1. ***Decent People, Decent Company*** **by Robert L. Turknett and Carolyn N. Turknett.** The Turknetts explain that the best leaders have confidence in themselves and respect for others, and have a sense of ownership of and responsibility for their entire organization.
2. ***Leading Quietly*** **by Joseph L. Badaracco Jr.** Badaracco celebrates the "quiet leaders" whose modesty, restraint and patience are in large part responsible for their impressive achievements.
3. ***Trust in the Balance*** **by Robert Bruce Shaw.** To build trust in your organization, Shaw writes, you must deliver results, act with integrity and demonstrate concern.
4. ***Value Shift*** **by Lynn Sharp Paine.** Paine describes an emerging new standard of corporate performance that encompasses both moral and financial dimensions.
5. ***The 8th Habit*** **by Stephen R. Covey.** Covey helps readers move from effectiveness to greatness by showing them how to find their voice and inspire others to find theirs.

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Winning With Transglobal Leadership

November 2012

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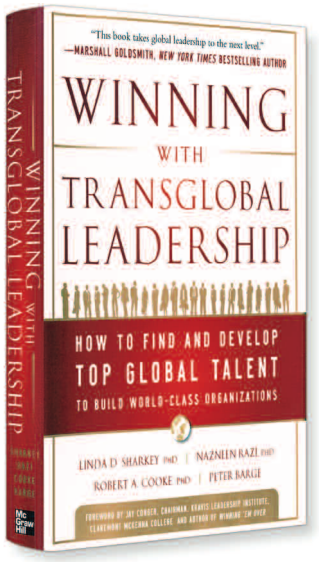
Leadership

Winning with Transglobal Leadership

How to Find and Develop Top Global Talent to Build World-Class Organizations



by Linda D. Sharkey, Ph.D., Nazneen Razi, Ph.D., Robert A. Cooke, Ph.D. and Peter Barge

THE SUMMARY IN BRIEF

Operating and expanding business units offshore, selling in foreign markets, and managing global supply chains are just three of the many challenges that emphasize the importance of leaders that can transcend borders. *Winning with Transglobal Leadership* will help prepare your organization to meet this need head-on with a framework for developing and training leaders that best fit your global growth strategies.

Winning with Transglobal Leadership combines insights from a global team of author-experts. Together, they draw on an impressive range of resources — extensive original research, interviews with world-class high-performing executives, and decades of combined experience as senior executives, researchers, and consultants — to deliver an easily implemented process for accessing your organization's global capability and developing the leaders who will drive success.

For leaders and managers, HR and training specialists, or anybody doing business today, *Winning with Transglobal Leadership* is the definitive handbook on satisfying the demand for specialized leadership skills — now and in the years to come.

IN THIS SUMMARY, YOU WILL LEARN:

- Guidance on measuring and evaluating your organization's capacity to compete globally.
- Five behavioral dimensions that global leaders need to develop.
- Keys to assessing leadership candidates early in their careers.
- The "Transglobal Leadership Matrix," a tool for taking stock of your own skills and behaviors.

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THE COMPLETE SUMMARY: **WINNING WITH TRANSGLOBAL LEADERSHIP**

by Linda D. Sharkey, Ph.D., Nazneen Razi, Ph.D., Robert A. Cooke, Ph.D., and Peter Barge

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PART I: THE CURRENT STATE OF GLOBAL LEADERSHIP TALENT

Survival in a New Global World: Are You Ready?

Corporations are constantly scouting for successful leaders, especially those who can integrate effectively across countries, cultures and geographies, and there is fierce competition for this global leader talent pool.

It takes a special kind of leader to deal with the complex legal, cultural, political and social environments that globalization presents.

We have seen four classic syndromes where ill-prepared leaders have created problems and gotten themselves derailed:

- **The Egocentric Syndrome.** "Things can be done only the way the home country does them."
- **The Language Syndrome.** "The best leaders speak my language. If I can understand them, they must be good."
- **The Western Syndrome.** "We're from the West, and we have been building and developing businesses longer than you, so we are smarter at it."
- **The Cultural Assumption Syndrome.** "We assume we know the other party's culture and that what is relevant in our culture is relevant elsewhere."

This quote from Richard Solomons, CEO of IHG, sums things up well: "Wherever you are assigned or whatever new role or environment you find yourself in, your first priority is to be inquisitive to succeed. It is simply no good going into a new role thinking you know how the world works and you don't."

Interconnectivity in the New Business World

The economic meltdown that started in the United States in 2008 has impacted just about every part of the global economy. The euro zone economic crisis had the world jittery, and the 2011 tsunami in Japan severely impacted the ability of global companies to secure parts and deliver equipment needed for the assembly of products in other parts of the world.

We cannot escape how we are now entwined, and, according to predictions, the interdependencies will increase at an even faster pace. Couple this interconnectedness with the speed of technology, and the impact on businesses and leaders is dizzying.

The plain fact is that you can have all the technology in the world, great cash reserves and good business fundamentals, but in the global arena the real key to success is the people. ●

Why Global Talent Is So Important, Yet in Short Supply

As a result of the speed of business, globalization, erosion of trust, war for talent, and the complexities of everyday life, the traits that successful leaders need to have, particularly successful global leaders, are continually evolving in tandem with their environment.

The world is more demanding and less forgiving of a leader's mistakes today than ever before. As a result of

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Rebecca S. Clement, Publisher; **Sarah T. Dayton**, Editor in Chief; **Andrew Clancy**, Senior Editor; **Amanda Langen**, Graphic Designer; **Corbin Collins**, Contributing Editor

the growing array of diverse cultures combined with the complexities of global business, ill-equipped and ill-prepared leaders find a minefield awaiting them when they are posted offshore.

Ranjay Gulati puts it this way: "A lot of ex-pats implode from day one, particularly the confident and successful ones in their home market. They cannot see their own implosions and they are often difficult to coach because in their mind it is rarely their fault, and they start to blame everything and everyone else."

According to Clayton Daley, retired vice chairman and CFO of Procter & Gamble, the "skill set of the people and leaders you send in to integrate a global acquisition is critical. It's the know-it-alls, who tell everyone what to do and are not flexible and collaborative, that bring you down."

Why Are These Leaders in Short Supply?

The simple reason is that there are too many leadership competency models that are not well adapted to the global leadership arena. What we need is a simple construct that makes sense for what is important for global leadership. Companies should plan for the inevitability that they will need talent that can function anywhere in the world. We have seen the following:

- Companies have not focused on developing global leaders.
- Even if they've recognized the need to do so, many companies haven't known how to develop global leaders.
- By the time leaders get to the global assignment or have to lead a global team, many leaders see the world from where they hail.
- The types of intelligence needed for global success are neither well articulated nor adequately understood.
- There is a real lack of understanding of what the behavioral requirements are for truly global leaders.

Setting the Stage for the Transglobal Leader

In the global context, intelligence takes on new meanings. It is not enough for leaders to have a high cognitive intelligence, commonly referred to as IQ. They must have other types of intelligence, which can be even more significant. These include:

- **Moral Intelligence:** Having a clear ethical compass and understanding how it plays out in different parts of the world.
- **Emotional Intelligence:** Empathizing and connecting with others on the social and emotional level.
- **Cultural Intelligence:** Knowing the critical cultural norms and mores of the countries and areas in which one is assigned as a leader.
- **Business Intelligence:** Understanding the components of any successful business.
- **Global Intelligence:** Understanding the legal, economic, governmental, and procedural environment in which you will be functioning as a leader.

The Foundation of the Transglobal Leader: The Six Facets of Intelligence

There are various forms of intelligence that, in and of themselves, could predict strong leadership performance but, when synthesized with the other forms of intelligence, can heighten the strength and success of the leaders assigned to manage across multiple geographies.

Cognitive Intelligence (IQ)

Most authorities consider "superior" intelligence to be about an IQ of 130. We see very few companies assess for IQs or ask people for their IQ or SAT scores (which are roughly correlated with IQs) when they are hiring and promoting talent.

Malcolm Gladwell, author of *Outliers*, says that cognitive intelligence is only one factor in one's success. It is the circumstance and the experience that one has that make the critical difference.

GE is not only known for developing top-flight leaders but has also served as a source of CEOs for companies in a wide variety of industries. GE looks for both the intelligence factor and for what Jack Welch calls "the ability to look around corners and see what is coming and anticipate what to do."

Emotional Intelligence (EI)

Mayer and Salovey define emotional intelligence as "the ability to perceive emotion, integrate emotion to facilitate thought, understand emotions, and regulate emotions to promote personal growth."

Daniel Goleman outlined four main constructs relevant to leaders' emotional intelligence:

- **Self-Awareness:** The ability to recognize and understand one's emotions and their impact on decision-making.
- **Self-Management:** The ability to control personal emotions and impulses, and adapt to a different or changing environment.
- **Social Awareness:** The ability to recognize and understand others' emotions.

• **Relationship Management:** The ability to inspire, influence, and develop others while managing one's own emotions.

Business Intelligence (BI)

Drawing on the literature, we have identified five key components of, and questions to ask in assessing, business intelligence:

• **Business Strategy:** Do the leaders have the ability to develop and communicate a well-reasoned strategy for the business that everyone can understand?

• **Customer Focus:** Are current and future customer requirements understood and factored into business decision-making?

• **Process Management:** Are processes aligned and integrated to deliver the expected results seamlessly and flawlessly in response to customer demands?

• **Data and Information:** Are sufficient and timely data and information used by leaders to evaluate the performance of the business?

• **Human Resources:** Are leaders and their people knowledgeable and skilled enough to deliver on the strategy today and in the future?

If these levers are aligned, the results should be forthcoming in the areas of financial performance, customer loyalty and satisfaction, employee retention and engagement, and quality of suppliers.

Cultural Intelligence (CI)

Cultural intelligence is not just about being able to identify or spot the subtle differences between cultures, but rather, it entails interpretation in making an appropriate response. Without cultural intelligence, leaders are walking through minefields never knowing when a bomb is about to explode or even if a bomb is there to begin with.

A culture is made up of shared attributes and rules that have been taught and passed down to members since childhood and continue to be transmitted throughout life by peers, the media, and colleagues. Many of these are unstated practices that are expected by the group, and often they can be picked up only by observation and personal immersion. Culture is not in our DNA.

Global Intelligence (GI)

Sure, leaders need to be able to run and build teams, but transglobal leaders need to run diverse teams. Sure, all leaders need to be able to handle ambiguity, but transglobal leaders frequently need to operate and make decisions in the context of uncertainty.

The challenge transglobal leaders face is in developing strategy, structure, and operating mechanisms while maintaining a working balance between global standardization and local flexibility so as to generate an optimal result.

According to Dalton, Ernst, Deal and Leslie, leaders who possess global intelligence will act in the following ways:

- Create an innovative corporate culture to leverage unique, culture-based knowledge.
- Conduct cross-cultural negotiations effectively.
- Discern and manage cultural influences on marketing and business practices.
- Understand how culture influences the way people express disagreement.
- Use cultural differences as a source of strength for the organization.

Moral Intelligence (MI)

To successfully establish and maintain trust, transglobal leaders need a high level of moral intelligence. In their book *Moral Intelligence*, Doug Lennick and Fred Kiel define it as "the mental capacity to determine how universal human principles should be applied to our values, goals, and actions … In the simplest terms, moral intelligence is the ability to differentiate right from wrong as defined by Universal Principles. Universal Principles are those beliefs about human conduct that are common to all cultures around the world."

Lennick and Kiel believe integrity, responsibility, compassion and forgiveness are critical principles of morally intelligent people.

The more robust their moral compass and the more developed their moral intelligence, the more alignment leaders will display when it comes to their values, their beliefs, and their on-the-ground behavior. ●

What We Did, Why We Did It, and What We Learned

Research activities were implemented based on both qualitative and quantitative approaches, beginning with observations and interviews, moving on to surveys, and then returning to another round of interviews.

The leaders in our sample were identified by asking informed people to name leaders who were successful in global assignments and who seemed to have what it took to work with people with diverse backgrounds.

The final sample of 154 leaders represents more than a dozen nationalities. The leaders ranged in age from 33 to 67, 34 percent were women and 66 percent were men, and all of them had held many and varied positions across more than 20 industries.

• **The self-report survey:** We worked diligently on developing our Quantum Survey (now called the Transglobal Leadership Survey) by writing a series of statements that we believed would capture the behaviors associated with effective transglobal leadership.

• **The descriptions-by-others survey:** We asked the leaders, upon their completion of the survey, to nominate associates to complete a similar survey. Quite a few took the extra step to provide us with the name and email address of a person who could describe them. Of the 154 transglobal leaders who completed the self-description form of the survey, more than half of them (79) were subsequently described by another person.

What We Learned

We learned that five new major dimensions cut through and, in a sense, defined the various behaviors we were measuring:

- Uncertainty resilience
- Team conductivity
- Pragmatic flexibility
- Perceptive responsiveness
- Talent orientation

The second major thing we learned is that these five sets of behaviors are somewhat independent of one another and are not necessarily all displayed together or to the same degree by leaders in global positions. This finding suggests that in today's world people who actively practice all five sets of behaviors are somewhat of a rare breed.

The third and final learning revolves around the role of culture in translating the behaviors of transglobal leaders into effectiveness. Transglobal leaders become successful, at least in part, by creating and reinforcing a constructive culture within their organizations. These leaders accentuate and create a setting that is oriented toward achievement, self-actualizing, humanistic-encouraging, and affiliates of behaviors.

This part goes into detail about the new realm of diversity in which all of us will be immersed as globalization becomes more and more prevalent.

PART II: THE NUTS AND BOLTS OF TRANSGLOBAL LEADERS

The Behavioral Dimensions of Transglobal Leaders: What Sets Them Apart?

When we analyzed our leaders' survey results, we saw that there were real differences between the best transglobal leaders and those who function better in more local settings. We also saw numerous commonalities between the great leaders across our data sets. Both sets of great leaders have a constructive impact on the culture of their organizations.

Transglobal vs. Local Leaders

Great leaders in our sample (both local and global) all possess, at least to some degree, the following traits: strategic orientation, vision, client focus, good people leadership skills, results orientation, team focus, strong moral compass and high integrity, and adaptability.

The differences, however, are quite telling. Transglobal leaders don't have to work hard at inclusion and diversity, for they are unconsciously competent in this area. They don't have to be convinced to try new things; they do it naturally. They have developed themselves to become natural innovators. Local leaders, in contrast, can often be more conforming.

We do not want to imply that transglobal leaders are "good" and local leaders are "bad"; organizations need both depending on where their focus lies in what their strategy is. But one thing is certain: you will not be successful at driving strong results and growing the business if you are a global company with a substantial number of leaders with a local versus global mindset.

We are reminded of the widely publicized experience of Facebook as it tried to do business in China with a local mindset. While it may be true that the Chinese citizenry might have wanted great open space communication, the government clearly did not, and Facebook was resoundingly resisted in that market by the Chinese government. A different approach based on a greater understanding of the political and societal differences might have allowed Facebook to ultimately pursue its open communication value for the longer haul. But now the Chinese government will be suspicious of any efforts Facebook takes to enter the Chinese market.

The Five Behavioral Dimensions of Transglobal Leaders

As we completed our research, we cut through the noise about global leadership and got the essential elements down to five critical behavioral dimensions:

• **Uncertainty Resilience:** Building on differences and complexity. Able to function in ambiguous and vague violence.

• **Team Conductivity:** Working across boundaries and borders. Able to integrate and connect activities and ideas from wherever they are conceived.

• **Pragmatic Flexibility:** Adapting to other cultures both from the organization and the country culture perspectives. Able to flex their value sets to adjust to other mores and norms.

• **Perceptive Responsiveness:** Operating with a high degree of sensitivity to others' needs. Able to function through intuition as well as facts.

• **Talent Orientation:** Focusing on the development of people as a key lever for success. Able and willing to personally take responsibility for talent development.

Traditional Diversity Versus Transglobal Diversity: The New Order and Debate

The most experienced transglobal leaders have moved from a conscious state of seeking diverse talent to a more natural or subconscious state of competence, and building and working with heterogeneous teams.

• Transglobal leaders recognize the significance of diversity and inclusion in a corporate ecosystem and their relevance in today's global markets.

• Transglobal leaders can deal with differences on multiple fronts, including diverse customers, employees, suppliers, and other stakeholders.

• Results for men and women are similar on most of the surveys items with few differences, which implies that women are as suited as men for transglobal leadership roles.

The New Order of Global Diversity

The new global debate related to diversity extends beyond gender, race, age and other demographics. Most importantly, it extends beyond the diversity of customers, suppliers, and employees. Successful transglobal leaders embrace differences in every aspect of the business, and every aspect of human values and principles.

It is experience in a global setting that has shaped the thinking of the transglobal leaders. Their beliefs and behaviors are defined and refined as they recognize the power and synergies created through experience and immersion in different societies, cultures, and geographies.

The terms diversity and inclusion are often bandied about as synonyms. Andrés Tapia, an expert in this area, has stated that while they relate to the same ultimate goal, they are in no way synonymous. "Diversity is the mix. Inclusion is making the mix work."

The Role and Significance of Diversity in the Transglobal Leadership Model

We found that the characteristics of transglobal leaders and their deeply held convictions set them apart from others in driving the diversity agenda almost effortlessly through their organizations. All five dimensions of transglobal leadership serve to enhance the elements of inclusion, selflessness and conductivity, and they bring inclusive diversity into sharper focus. The three that are most distinct are:

• **Perceptive Responsiveness:** Transglobal leaders are skilled at reading people; they have good antennae and are sensitive to individuals' cultural and social norms, behaviors, and biases. They will not condone or promote individuals who are narrow-minded or those who view diversity as an agenda rather than a value.

• **Uncertainty Resilience:** Cultural, racial, gender, generational, religious, social, familial, and other differences can generate behaviors that are not necessarily well understood by most leaders. Transglobal leaders thrive on the differences and welcome the fresh angles that diverse perspectives can offer.

• **Talent Orientation:** Transglobal leaders are personally involved in the development and growth of talent. The leaders we interviewed cited several examples of their personal involvement in discovering and nurturing diverse talent and fostering a culture of inclusive diversity.

PART III: ASSESSING AND DEVELOPING YOUR TRANSGLOBAL LEADERSHIP

This part will help you look at the makeup of your company and assess where the weak points may be and what to do about them. Once you know where you stand, you can then take concrete action to move the needle on the global front.

Where Are You on the Map of Global Capability?

Do you have an organization structure that enables you to tap the globally diverse talent you have at all levels, or do you have a structure that inhibits global talent from getting ahead into roles of increasing influence in decision-making? If your leadership levels and organization structures do not promote mobility and global careers, you will lose talent, and you will most certainly lose the creativity this global talent can bring.

Assessing Your Current Organization

The first step in understanding your ability to compete in the global arena is to understand your current organization and what it looks like from a leadership perspective on three levels: the enterprise level, the business unit and functional team level, and the individual talent level.

At the enterprise level, you should be asking the following questions:

- What is the national makeup of your senior-most leaders?
- Where are decisions made in the organization?
- Where does the power reside?
- Who holds the expatriate positions?
- Is there a pipeline of global talent?

Senior leadership shapes the culture and norms of the company. If you want norms that promote and reinforce a global mindset, you must have leaders who value a global mindset.

Assessing talent in the business units in the functional areas can reveal a lot about the global mindset of the company and its leaders. The same questions asked above can also be asked about the respective business units. You may be a highly global company, but you may have pockets or business units that fall into the local-perspective trap, and don't embrace global thinking and the people they hire, promote and move into expatriate roles.

At the individual talent level:

- Is there a pipeline of top talent in the major countries in which you do business?
- Is there a development plan for the talent that stretches their global acumen?
- What is the ratio of global to local top talent in the talent pool?
- What is the attrition rate of global talent, and where in the organization is it occurring? For example, a country, level, function or region?
- How well is global talent accepted into the organization if they are hired from the outside?

Building an Action Plan for Change

Here are some actions that your organization can take to increase its global acumen and transglobal leadership:

- Actively recruit board and executive committee members with global backgrounds.
- Ensure that you have vetted board and executive committee members for the essential characteristics of transglobal leaders. Do the same for the leadership team that reports to you.
- Build global talent discussions into your overall talent strategy for the company.
- Develop a cadre of top talent who can go anywhere in the world to build the business — make them the exemplars of the leadership model for senior roles.
- Start building functional global pipelines now, before you actually need to expand in a market and find you don't have the talent to do so.
- Make sure you have a pool of functional and line executives who possess a good level of the five global dimensions we have highlighted. ●

Developing Global Capability

We heard time and time again from many of our successful transglobal leaders that they had early experiences that shaped and cultivated their transglobal skills. Some had opportunities very early in life, even before they reached the age of 20, to live in a multicultural environment and to learn from people of various ethnic and cultural backgrounds.

We also found transglobal leaders who did not have these early experiences to shape their leadership style but nevertheless were highly successful in the global setting. We found that these individuals, in their early years, tended to explore new and varied things. They introduced multicultural experiences into their day-to-day activities by reading diverse literature, enjoying music of various genres, attempting to learn different languages, or seeking a deeper learning of history, arts and sciences.

- **Assessing and selecting global talent:** To unlock the secrets of individuals' potential and better gauge their aptitude, we have to probe in the areas of the five behavioral dimensions and ask them to reflect on their formative years, describing the early activities, experiences, and environment. We have found that the mere assessment of cognitive abilities using standard interview protocols is not adequate to draw out the cultural, emotional, and moral nuances and propensities in an individual.

• **Developing the potential of future transglobal leaders:** Companies that benefit the most in building their global talent line are those that offer international assignments and cross-cultural exchange opportunities to their high-potential employees. The earlier these experiences are allowed to take hold in one's career, the longer lasting and more accelerated the development. To build a global talent pool, companies must provide short- and long-term expatriate assignments, job swaps, and long-duration travel assignments that allow executives to spend time in unfamiliar countries and cultures.

• **Accelerating current transglobal leadership growth and capabilities:** The third approach to developing global capability is to accelerate the current leadership growth and ensure that appropriate strategies and interventions are employed for transglobal leadership development. The high-order development takes traditional interventions up a notch: deliberately changing the nature of their assignments to ensure they are globally complex; providing cross-border assignments that present multicultural and diverse team challenges; assisting others to uncover their values; fostering experiential events that shape and cultivate cultural sensitivity; and taking personal ownership of talent development rather than relying on HR.

• **Creating a nurturing and sustaining multicultural global environment:** Regardless of their career stage — entry-level manager trainee to senior C-level executive taking on a new role — they will benefit from and be able to address risks through support and networking on the ground. Assignments that generally turn out positive are those for which the company provides support in making adjustments, either through assigned mentors, networking, or on-the-ground leadership connections. ●

Are You a Transglobal Leader?

One of the first things you should do is to address the question as to whether you currently think and behave like a transglobal leader. If you conclude that some self-development work is appropriate, you should begin identifying and practicing the relevant behaviors.

Steps for Achieving Transglobal Leadership Capability: The Recipe for Success

You must establish your baseline to define your strategy, and to be able to effectively and consistently measure tangible improvement over time. The assessment would require the following analyses and data:

- Critically reviewing the appropriateness of your organization's structure for global talent.
- Understanding the behaviors and skills of your current talent.
- Assessing the success rates of your current transglobal leaders.
- Determining the behavior and skills for the potential successors to the current expatriates.
- Determining what your global talent pipeline looks like.
- Tracking progress, milestones, and improvements at the organization, team and individual levels relative to global talent. ●

Best Practices to Close the Gaps

From our observations of and readings on many companies and interviews with their leaders, we offer and summarize some compelling best practices:

• **On the development front:** Ensure that your organization has a cadre of senior leaders that can move and work anywhere in the world. Expect and reward this cadre to identify and mentor the next crop of leaders. Deploy emerging talent and transglobal leaders to disaster area projects and to support local initiatives. Create development experiences that take people out of their comfort zones. Have leaders teach in local universities and live with a local family during part of their stay.

• **At the organization level:** maintain a consistent focus on the issue of global talent, develop and communicate regularly on the progress and quality of talent, and make global assignments something that talented people aspire to. Ensure that global assignments are seen as career enhancers rather than as career minefields or graveyards. Create overarching frameworks in a constructive organizational culture that guide rather than control the actions of talented and motivated people. Measure and celebrate success through customer and employee case studies and stories.

The most important strategy is to get personally involved in making your team and yourself true transglobal leaders! ●

RECOMMENDED READING LIST

If you liked *Winning with Transglobal Leadership*, you'll also like:

1. ***The Leadership Challenge*** **by Barry Z. Posner and James Kouzes.** This 4th edition of the classic is grounded in research and presents extensive interviews with a diverse group of leaders at all levels around the world.
2. ***The Next Global Stage*** **by Kenichi Ohmae.** Business strategist Kenichi Ohmae synthesizes emerging trends into a coherent view of tomorrow's global economy, and its implications for business and personal success.
3. ***Deciding Who Leads*** **by Joseph Daniel McCool.** Noted as a "recruiting expert" by Fast Company, McCool takes us inside the world of the influential and elite group of executive recruiters.

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You Win in the Locker Room FIrst

Jon Gordon and Mike Smith

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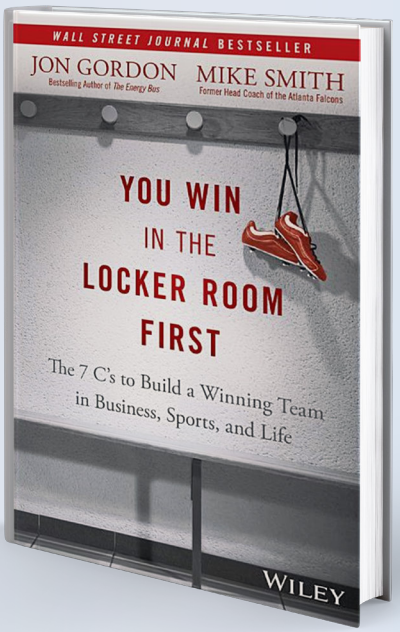

You Win in the Locker Room First

By Jon Gordon and Mike Smith

Jon Gordon's best-selling books and talks have inspired readers and audiences around the world. His principles have been put to the test by numerous Fortune 500 companies, professional and college sports teams, school districts, hospitals, and non-profits.

NFL head coach Mike Smith lead one of the most remarkable turnarounds in NFL history. Under Smith's leadership, the Falcons earned an 11–5 record in his first season and would go on to become perennial playoff and Super Bowl contenders earning Smith AP Coach of year in 2008 and voted Coach of Year by his peers in 2008, 2010 and 2012.

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The 7 C's to Build a Winning Team

Looking to transform your organization? Why not study the work of two men who have done exactly that, everywhere from the locker rooms of NFL success stories to the boardrooms of major Fortune 500 companies worldwide? That's what you get with ***You Win in the Locker Room First: The 7 C's to Build a Winning Team in Business, Sports, and Life.***

Mike Smith is a former NFL head coach responsible for one of the most remarkable and historic team turnarounds in the history of the league. Before he joined the Atlanta Falcons as head coach in 2008, the team had gone 4-12 for the previous season— continuing a losing tradition that had never seen them string together two consecutive seasons of better than 50% win records. Under Smith's transformative locker room leadership, the team immediately earned an 11-5 record, became constant playoff contenders, and made Mike Smith an AP Coach of the Year and peer-voted Coach of the Year three times— in 2008, 2010, and 2012.

Partnering with Smith is Jon Gordon, a best-selling author and speaker on the subject of leadership, personal transformation, and success. His message and principles have made their way into Fortune 500 boardrooms, professional sports teams, non-profit organizations, and more. He's authored 17 best-selling books and been featured on CNN, The Today Show, CNBC, and more.

But despite all of the accolades brought to the table by these two authors, all that really matters is whether this book has 'the goods.' Does it deliver on its promise to help readers build a winning team in business, sports, and life? In most respects, it does so with aplomb. *You Win in the Locker Room First* is a book packed with inspiration, motivation, and guidance for leaders from all backgrounds and in all industries or positions to help transform their organizations from the inside out.

In a compelling and easy-to-follow step by step format, the authors lay out a foundation for building a stable and successful organization, then build on each level with a practical framework that helps leaders succeed. Don't let the simplistic "7 C's" format fool you— Smith and Gordon have dug deep into both

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their own experiences and research on leadership to deliver a truly actionable and in-depth guide to leading.

Culture

After an inspiring introductory section that will excite all but the most stony and skeptical readers, Smith and Gordon dive into their self-developed "7 C's" of building a winning organization. First up? Culture, the much-discussed but often-understood foundation to all great and lasting organizations.

You Win in the Locker Room First approaches culture, as it approaches much of organizational theory, with an emphasis on starting from within. They advocate for engaging and encouraging everyone to be involved, from the boardroom to the locker room, and ensuring that everyone around you knows your vision, your purpose, your beliefs, and what you stand for. They make a compelling case that once you know what you stand for, and you and your team know what your team stands for, decisions are much easier to make and require less in-the-moment debate or back-and-forth.

Finally, they emphasize that building a great culture isn't a one-and-done task. You have to live it, value it, reinforce it, and fight for it every day and in every decision you make. That's a lesson many startups in particular could stand to remember.

Contagious

The next C? 'Contagious.' This might not be the most positive buzzword in the world of the pandemic, but Smith and Gordon aren't talking about a virus— they're talking about ideas and attitudes, which spread just as rapidly and can have just as big of an impact. It's up to leaders to decide whether the contagions they spread are positive or negative.

The way they put it? "Decide to be a dose of Vitamin C, instead of a germ."

This memorable message is expanded to speak to the importance of sharing your vision, mission, purpose, and your enthusiasm with your team. When possible, they go further to recommend developing that vision, mission, and purpose as a unit, creating even more buy-in and making the optimism and enthusiasm even more contagious.

In this section, Smith and Gordon memorably describe leadership as 'the transfer of belief and attitude,' a succinct way of communicating what makes leadership so important, and so powerful. As for negative attitudes? "Weed negativity from your team," they write. "Confront, transform, and remove the energy vampires and implement a No Complaining policy."

Consistent

The next C stands for consistency, and this is perhaps one of the strongest sections of the book. The concept of consistency isn't discussed much in books and talks on leadership, which is a mistake. In the world of corporate leadership, particularly in start-ups but even in established enterprises, employees are constantly dealing with changes in management, leadership, executives, and team organization, not to mention re-brands, new products, new directions, and other transformations.

In order to help guide teams through these constant changes and permutations, a leader needs to demonstrate consistency— through the wins, through the losses, and through the unexpected storms that every company must weather.

"Address the disease of complacency," the authors write. "Let go of the past [and] create a fresh start each year. Don't allow your team to rest on their past success. Focus on continuous and consistent improvement. Stay humble and hungry."

As in all things, leaders set the tone for all of these goals. Smith and Gordon advise that you 'be the same leader whether you are winning or losing. Stick to your principles and philosophy through adversity and challenges."

This is a powerful message, one that's woefully underserved in the existing market of leadership texts. By including it in You Win in the Locker Room First, Smith and Gordon have instantly set apart their book from many others in the same genre and with the same end goal.

Communicate

If consistency is a topic rarely covered in leadership books, communication is perhaps over-discussed. Still, You Win in the Locker Room First manages to mine fresh perspectives on communication as it pertains to effective leadership.

For example, Smith and Gordon touch on a vital insight that, when ignored, can absolutely derail an organization: "Where there is a void in communication, negativity will fill it."

This is all too true in organizations both small and large, brand-new and well-established. When teams don't get clear communication from the higher levels of management, they're left to make assumptions— and those assumptions will rarely be positive. 'Management doesn't care, management has no direction, management doesn't respect us enough to keep us in the loop.'

This book also reminds leaders that communication must go both ways— as important as it is to communicate with your team collectively and individually, your team must also feel comfortable communicating with you, their leader. The best way to do this is to reward their communication by genuinely listening, asking questions, and seeking to learn from them at every interaction.

Connect

This section could be considered an extension of the previous one, but it involves going deeper than just surface-level communication to develop true connections with teams.

"Understand that creating a connected team is one of the most important things you can do," the authors write. "Team beats talent when talent isn't a team."

> You can't just be committed—you have to consciously seek out and find ways to show that commitment on a regular basis. "

And while Smith and Gordon don't advocate for doing away with technology-based communication methods, they stress that they cannot entirely replace face-to-face communication, in-person team building, and non-work events outside of the workspace when and where possible.

They also insightfully remind leaders not to assume relationships are strong. Leaders must always continue to foster, feed, and help grow connections with fellow leaders and teams. Otherwise, those relationships are likely to wither and fade away— even without your knowledge.

Commit

The penultimate item in the list of the "7 C's" proves to be one of the most compelling, even as it's the most simple. Commit to your people. Commit to your mission. Commit to your organization. Most of all, commit to the principles outlined in the rest of the book. That's the overarching message of this section, that as a leader your commitment must be greater than anyone else's in your organization. More than that, it must be felt in everything you do. You can't just be committed— you have to consciously seek out and find ways to show that commitment on a regular basis. Demonstrate feelings through actions. Look for opportunities to serve your team and put them first. After all, "You don't have to be great to serve, but you have to serve to be great." The authors end this section with a stark reminder for all leaders: Lose your ego and take ownership, instead of blaming others.

Care

Finally, Smith and Gordon remind leaders to care. Create a culture of caring. They stress that when you truly care about your team members, they will perform at a much higher level— it's been proven in study after study.

"Value each team member as a person, not a number," they write. "Be a transformational leader instead of a transactional leader." This does not, the authors remind us, mean that you can't be tough. In the world of business, the most important kind of love is tough love. When you build a foundation of caring, those 'tough love' moments will never force a rift in your team, because everyone will know that it's coming from a genuine place and a desire to make the team better.

The Big C: Coaching

Gordon and Smith separate one additional C from the others, and for good reason. Coaching, which they call 'the big C,' brings the others together and transforms the principles and ideas listed before into action and leads to a team that wins.

According to the authors, coaching creates culture. They stress the importance of coaching with optimism and positivity, a message that's long overdue in today's climate of negativity, pessimism, and global challenges. When you consistently coach and mentor with trust, you strengthen your employees' trust not only in you but in themselves. By helping them grow through the adversity your organization will inevitably face, you show that you can be committed to their growth and progress. In essence, the message here is that by caring, truly caring, about your employees and people, you empower them to become everything they're capable of becoming.

This section of serves to effectively tie together much of what came before it, and the result is that the reader is left with an inspired sense of purpose as a leader— not only to help their company grow, but to help the people within it grow personally and professionally.

Conclusion

Gordon and Smith have created an action plan for leaders, honed in the high-stakes world of the NFL as well as the boardroom, that will help them create a powerful culture, be positively contagious in their mission, be consistent in their leadership, communicate more effectively, connect with the people that surround them, commit to those people and their mission, and show real care for them as individuals while fostering that care among everyone at the organization.

Overall, this book will help leaders of any organization— big or small— realize they can never truly build a winning team without character at its core, supported by talent and continually nurtured by coaching and mentorship. If you're seeking guidance on how to be the leader you've always aspired to be, *You Win in the Locker Room First* is an incredibly effective guide for helping you— and your people— get there.

· Book 388 of 388 ·

Zero Latency Leadership

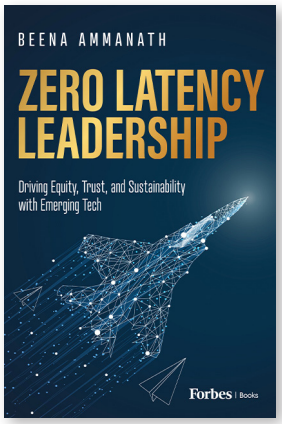
Beena Ammanath

soundview
Executive Book Summaries®

Zero Latency Leadership

Driving Equity, Trust, and Sustainability with Emerging Tech

by **Beena Ammanath**



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THE SUMMARY IN BRIEF

We live in a time when every decision we make as leaders is simultaneously under a microscope, on a virtual billboard, and recorded for posterity in a matter of seconds for all the world to see. Yet, we must make decisions faster than ever because the technology and circumstances of business demand it.

The book ***Zero Latency Leadership: Driving Equity, Trust, and Sustainability with Emerging Tech*** helps leaders align tech resources with trust, equity, and sustainability to shape reliable competitive advantages for their businesses.

By laying out the opportunities and challenges of technology in business, author Beena Ammanath helps readers build a personal leadership framework for making complex decisions at great speed and with purpose.

IN THIS SUMMARY, YOU WILL LEARN:

- How to position noteworthy leadership within technology.
- How to build technical literacy.
- The risks and rewards of embracing technology.
- The characteristics of a Zero Latency Leader.

Introduction

Zero Latency Leadership is about aligning technology with trust, equity, and sustainability to set your business up for success regardless of the competition that surrounds it.

Part 1 of the book establishes a context – both historical and contemporary – for the tools, lessons, and resources available to position trustworthy leadership within technology.

In Part 2 each chapter lays out the opportunities and challenges of embracing that technology, ending with some thought-provoking questions about how that technology may fit into your business model and your professional success.

Part 3 introduces more technologies to consider for the future state to round out a primer for technical literacy. In the final pages, the book journeys through the characteristics of a Zero Latency Leader and the next steps on your leadership journey.

Part 1

Chapter 1: History of Change

For thousands of years, human beings could only imagine the technologies we use daily in the 2020s. Yet we got to where we are from the skills that were commonplace throughout human history: the use of fire and basic tools, the power of observation, and verbal communication. On the way to the present day, our ancestors developed the written language, the printing press, mass production, the steam engine, the combustion engine, airplanes, submarines, space travel, DNA analysis, organ transplant, life support, and the internet.

We can look at the historical adoption of technologies to better understand how new technologies will affect the population. From the innovators who will grasp the newest technologies, hack them, exploit them, and discover new ways to use them to the laggards who will wait it out until they have no choice but to join the club, every wave of technology will wash over us at some point. But technology does not exist for technology's sake. It exists for humans to use and we must learn to use it wisely.

Chapter 2: The Impact of Modern Technologies

Our modern technology has made human reunions and scientific breakthroughs possible. At the same time, it has enabled crimes and attacks against individuals, including children, businesses, charities, entire nations, and nature itself. All our contemporary shortcomings beg the question: As a society, are we socially ready for the next wave of technology? Probably not. But the next wave is coming whether we are ready or not. When it comes, we will benefit as much as we will struggle. However, we will sell ourselves short if we ignore the lessons of our past as we face the future. So let's prepare ourselves.

Part 2

Chapter 3: Quantum Computing

Computing uses qubits instead of the traditional bits that our classical computing systems currently use. Bits are binary; they can be 0, or they can be 1, but they cannot be both. This allows quantum computing to solve problems that are too complex for other computers.

Quantum computing has potential applications in material sciences, medicine, drugs, genetics, military intelligence and warfare, artificial intelligence, communication, economics, transportation, and any discipline that impacts humanity. This technology, however, will come with its own set of risks and implications. Quantum computing will rely on algorithms that will evolve without human interaction, meaning we cannot see or validate the work they would create. This can cause concerns about cybersecurity and exploitation, and more.

The use of quantum computing will advance technology in ways previously thought unknown. However, we will in turn need to ask how it will remain ethical and consider what actions will need to be taken to accomplish that.

Chapter 4: Blockchains, NFTS, and Cryptocurrencies

Blockchains are infrastructures or networks of nodes that support both cryptocurrencies and NFTs, neither of which can exist without blockchain.

An NFT (nonfungible token) is a unique cryptocurrency token that can take the form of anything digital—a drawing, music, a video, or a meme. So NFTs allow you to buy and sell ownership of unique digital items and keep track of who owns them using blockchains.

Fungible means "interchangeable." For instance, any two US pennies in common circulation have the same value. These pennies are fungible items within a system of currency. The same is true with cryptocurrency tokens; any one unit is interchangeable with another.

Blockchains, cryptocurrencies, and NFTs are all innovations with great promise and equally great risks. Blockchains may serve the purpose of democratizing value through a peer-to-peer marketplace of cryptocurrencies and NFTs and create a free market where intermediaries no longer profit from or gatekeeper transactions.

But money itself is a social construct. The new concerns relate to the ease of transactions for criminals and the risk to victims. Leaders must ask themselves, "How do blockchains exacerbate these problems?" and find a way to curtail them.

Chapter 5: Augmented Reality and Virtual Reality

A virtual reality (VR) experience is entirely immersive in a simulated environment. Think of a solo trip to the Holodeck on Star Trek. Augmented reality (AR), on the other hand, allows users to interact with each other through a digitized intermediary. Think of backgrounds in a Zoom meeting that make you look like you're in the same place as your colleagues.

VR interaction may resolve concerns about screen time and sedentary game use among children. It provides extraordinary possibilities for learning. AR unlocks a host of possibilities for fitness and physical activities. On the flip side, VR and AR can take humans away from social interactions that shape their neurological development and social skills and the critical human construct of empathy. Aside from physical dangers, there are many financial and emotional risks associated with AR and VR.

Chapter 6: The Metaverse

There is no "one" metaverse. Rather, there are metaverses—plural. Eventually, meta-verses may converge, but presently they are best known in the realm of gaming. As metaverses were only imagined within the last thirty years and initially actualized in the last twelve, a clear-cut definition is elusive.

A metaverse is the perfect place to simulate comprehensive learning. Imagine visiting the South Pole, the bottom of the ocean, the surface of the moon, or the deepest recesses of the living human brain. The metaverse offers unfettered access to the real and the imagined. It could very well lead to fully digital offices, greatly enhance and realize virtual tourism, and make social media more immersive than ever.

Because the concept of a metaverse is still so new and nebulous, we must assume that the challenges we face with it will be the same as any other emerging technology. We will have those who exploit it, those who are exploited by it, and the rest of us following along until it's no longer new.

Chapter 7: Genetic Engineering

At its most essential, genetic engineering is the manipulation of a segment of DNA to influence the way in which the source cell reproduces, and the traits carried forth in new cells derived from the modified genes in the new cell's DNA.

The manipulation could be limited to copying or cloning an existing cell with no additional modification. However, even a clone cell can be influenced by unintended consequences, which is what makes genetic engineering so mysterious—and potentially so dangerous.

While the ethics of cloning are hotly debated, the first-ever sheep (named Dolly) was cloned in 1996 by scientists. In 2020, scientists cloned the endangered black-footed ferret. Could human cloning be the future of genetic engineering? Could the procedure cause harm to individuals? What are the long-term effects of cloning?

Chapter 8: Robotics

Robots are machines that can be programmed to operate manual tasks without direct assistance from human beings. Robotics as a field emerged from interdisciplinary efforts in manufacturing, engineering, and computer science and has come to embrace medicine, aeronautics, and a variety of environmental applications. Robots in the operating room allow surgeons to accomplish procedures with their minds and mechanical controls that their hands simply could not manage within the same time and space.

But this technology can disproportionately harm the lower-skilled and midlevel workers in geographies where robotics is adopted. Robotics are expensive investments for manufacturers. This gives larger global businesses distinct advantages over smaller businesses without the capital to reap the cost benefits of robotics.

Chapter 9: Edge Computing and 5G

Edge computing is a distributed computing paradigm that brings computation and data storage closer to the sources of data. This method reduces bandwidth to improve response times. Edge computing relies on faster networking to process data closer to where it's being generated, enabling processing at greater speeds and volumes. Faster communication between devices delivers action-led results in real-time.

Cities can become "smart" by using 5G technology to connect many devices and sensors, and when managed well, the city's infrastructure can see improved transparency and efficiency. This technology can also provide more options regarding security and control, making it more cus- itemizable for every business. But edge computing and 5G come with countless privacy and security concerns. When everything is on the same global network, anyone can hack into any device holding private or sensitive information.

Chapter 10: 3-D Printing

"3-D printing," enables us to build a three-dimensional object that was printed from a computer design. The additive process of 3-D printing creates less waste and makes a large investment in materials cost-prohibitive. Unique items are also perfect candidates for additive manufacturing.

Medical devices and dental implants are extremely specific to the person who needs them, and 3-D printing allows for faster delivery of highly specific items at lower costs than those required by traditional manufacturing processes. We are at the point in time when, if you can imagine it, you can make it with a 3-D printer.

Presently, the materials most common in 3-D printing are not as durable as those used in traditional manufacturing. The advancement of 3-D printing is also at odds with other efforts to reduce plastic consumption for the health of our oceans, earth, and atmosphere. Some important questions to ask around this topic include "Who is responsible for weapons or dangerous materials created with 3-D printers?" "What effects will additive manufacturing and 3-D printing have on IP?" "Will traditional IP laws limit the adoption of 3-D printing or additive manufacturing technology by end consumers?" "How would copyright and patent infringements be monitored and addressed?"

Chapter 11: Artificial Intelligence

It is evident that artificial intelligence (AI) is the most transformative technology of the twenty-first century. It already permeates nearly every industry and business function, and its capabilities are only expanding.

This ground truth of AI applies to the many kinds of AI in use today including computer vision, natural language processing, speech recognition, planning and predicting, and recommended systems. The capacity to use AI to create good for all organizations and people is enormous, but for it to reach that full potential, we must contend with some complex challenges along the way.

AI can be considered trustworthy if it hinges on a combination of the following dimensions:

- Fair and impartial
- Robust and reliable
- Respectful of privacy
- Safe and secure
- Responsible and accountable
- Transparent and explainable

Part 3

Chapter 12: The Next Evolution of Humans with Emerging Technology

Part two of this book explained some of the most pressing and prescient technologies to build your technical literacy. This chapter introduces you to additional emerging technologies that may be relevant to your business to expand your awareness of the technology landscape

Biofuel generates electricity from bacteria using microbial fuel cells and is being used in pilot landfills across the globe. Hydrogen fuel-cell energy, which produces zero carbon emissions, is also on the horizon. The detection of BRCA1 and BRCA2 gene mutations is likely to save millions of lives through predictive early monitoring for a variety of reproductive cancers over the twenty-first century. Hyper-personalized technology will eventually include everything from your cell phone to an eye implant.

As we all consider our impacts on the planet, these innovations should remain front of mind for all Zero Latency Leaders. Planning for potential technologies within your organization is crucial to taking proactive action.

Chapter 13: Leadership in the Era of Rapidly Emerging Tech

Leaders should focus on becoming more tech literate to be able to pursue their specific business strategy, aligned with their specific business values. Strong leaders shape an environment where technology is part of the business process and act accordingly. Zero Latency Leaders must use their skill set to navigate (not manage) and thrive in the onslaught of technical opportunities. Some steps you can take toward embracing this change include:

- Become tech fluent
- Collaborate with your competition
- Build diverse teams
- Cultivate an ecosystem
- Focus on Humans with technology
- Learn to fail
- Use technology in your personal life
- Continuously upskill your team
- Upgrade your soft skills
- Be a responsible citizen

Conclusion

Leaders have an intrinsic bias toward action. Sure, leafing about emerging technologies and leadership skills is critical. But putting these learnings into practice is equally important.

Ensure that equity, sustainability, and trust are all cornerstones of your company's mission. Do not fear the future, plan for it instead. To enhance your technical aptitude, don't hesitate to subscribe to a technology newsletter. Constantly assess how ready your company and staff are to meet innovation and bring it into your company in a sustainable, equitable, and trust-driven fashion.

Finally, remember that as a Zero Latency Leader, you're not here to merely make quick decisions for the best business gains. You're here to make a difference in the trajectory and impact of how technology is used in business and beyond. Everything is a choice. Let ours be choices that make meaningful and lasting differences.

Beena Ammanath has been at the forefront of emerging technologies for some of the largest and most prestigious enterprises around the world. A computer scientist by education, she is an award-winning senior business executive with a career that has spanned leadership roles in finance, marketing, e-commerce, telecom, retail, software products, service, and industrial manufacturing domains with companies such as Deloitte, GE, HPE, BT, Bank of America, and numerous start-ups. She is also the founder of Humans for AI, a nonprofit focused on increasing diversity and inclusion.

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